COUNCIL REGULATION (EEC) No 339/77

of 14 February 1977

laying down special measures in the tobacco sector in respect of the Beneventano variety of tobacco

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 43 thereof,

Having regard to Council Regulation (EEC) No 727/70 of 21 April 1970 on the common organization of the market in raw tobacco (1), as last amended by the Act of Accession (2), and in particular Article 13 (3) and (8) thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament (3),

Having regard to the opinion of the Economic and Social Committee (4),

Whereas the Commission report provided for in Article 13 (1) of Regulation (EEC) No 727/70 shows that there has been a considerable increase in the quantities of the Beneventano variety taken over by the intervention agencies; whereas these quantities greatly exceed the quantities and the percentage of production fixed by Regulation (EEC) No 1469/70 (5) above which the procedure laid down in Article 13 of Regulation (EEC) No 727/70 applies;

Whereas, despite a very careful price policy whereby the norm price was frozen for three years and the premium considerably increased, the marketing situation has worsened; whereas the specific measures provided for should therefore be applied, that is, the intervention price level should be lowered and all quantities of this variety should be partially excluded from intervention buying; whereas, in order to restore a balance on the market, it is necessary to apply these measures to several successive harvests;

Whereas these measures will bring about a considerable reduction in tobacco grower's income and a drop in the level of employment; whereas these difficulties should be alleviated by the granting of aid;

Whereas, in order to ensure that the replanting of the areas concerned does not create marketing difficulties for the varieties of tobacco which are substituted, provision should be made for the possibility of suspending measures encouraging replanting when there is a clear danger of disturbing the balance of the market;

Whereas the aid should be fixed at a level which offsets the loss in income and helps maintain tobacco-processing activities by encouraging the growers to change to varieties more in demand on the market;

Whereas growers of this variety either belong to associations or cultivate tobacco under contract for processors; whereas the Member States should therefore be allowed to apply this Regulation directly to such associations and processors with a view to facilitating the changeover programme and administrative controls;

Whereas, since part of this aid is intended to offset the loss in income, the beneficiaries should be required to pay this part of the aid directly to the growers in proportion to the areas which they replant with other varieties,

HAS ADOPTED THIS REGULATION:

Article 1

A programme of measures applicable to the Beneventano variety of tobacco shall be adopted for the 1977, 1978 and 1979 harvests.

Article 2

The intervention price for the Beneventano variety of tobacco shall be reduced from 90 to 80 % of the corresponding norm price.

Article 3

The quantities of all qualities of tobacco of the Beneventano variety harvested in 1977, 1978 and 1979 which may be the subject of intervention buying shall be limited to 75, 60 and 35 % respectively of the corresponding quantities of the 1975 harvest taken over by the intervention agency.

Article 4

1. Special aid per hectare shall be granted at their request to growers or groups of growers who plant with other varieties all or part of the area which was under the Beneventano variety of tobacco for the pre-

(1) OJ No L 94, 28. 4. 1970, p. 1.
(2) OJ No L 73, 27. 3. 1972, p. 14.
(3) Opinion delivered on 11 February 1977 (not yet published in the Official Journal).
(4) Opinion delivered on 26 January 1977 (not yet published in the Official Journal).
(5) OJ No L 164, 27. 7. 1970, p. 35.

vious year's harvest and subject to supervision by the intervention agency and who undertake not to replant this variety for five years.

2. If the changeover to other varieties leads or threatens to lead to marketing difficulties for one or more of the substitute varieties, a decision may be taken, in accordance with the procedure laid down in Article 17 of Regulation (EEC) No 727/70, not to grant for the following harvest the aid referred to in paragraph 1 for areas converted from the Beneventano variety to the varieties in question.

Article 5

Member States may apply this Regulation directly both to organizations of growers functioning as producers and processors, and to processors who make contracts with growers for tobacco cultivation, on condition that the latter receive the benefits deriving from the plantation of other varieties.

Article 6

1. The level of the aid provided for in Article 4 is fixed from the 1977 harvest at 500 units of account per hectare planted with other varieties.

2. This aid is intended to offset the effects of the application of the measures laid down in Articles 2 and 3 on the standard of living of the planters concerned and to cover the initial expenditure entailed by the changeover.

3. Where the option provided for in Article 5 is exercised, the growers shall receive directly 65 % of the aid calculated in proportion to the areas which have been planted with other varieties, representing the compensation referred to in paragraph 2.

Article 7

The detailed rules for the application of this Regulation shall be adopted in accordance with the procedure laid down in Article 17 of Regulation (EEC) No 727/70.

Article 8

The special aid provided for in Article 4 shall be considered, for the purpose of the financing of the common agricultural policy, as an intervention measure intended to stabilize the agricultural market.

Article 9

The Council, acting by a qualified majority on a proposal from the Commission, shall if necessary adjust the amount of the aid for the 1978 and 1979 harvests.

Article 10

This Regulation shall enter into force on 1 March 1977.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 14 February 1977.

For the Council

The President

J. SILKIN