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(Acts whose publication is obligatory)

COUNCIL REGULATION (EEC) No 1579/79

of 24 July 1979

amending, as regards the mechanism of market management, Regulation (EEC) No 727/70 on the common organization of the market in raw 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 the proposal from the Commission,

Having regard to the opinion of the European Parliament (1),

Having regard to the opinion of the Economic and Social Committee (2),

Whereas Article 13 of Council Regulation (EEC) No 727/70 of 21 April 1970 on the common organization of the market in raw tobacco (3), as last amended by the Act of Accession, provides for arrangements intended to ensure a balanced development of production in accordance with Community requirements;

Whereas experience gained since the implementation of the market organization has shown on several occasions that these arrangements were inappropriate for a market where sales to intervention have taken place solely in the form of baled tobacco and did not allow sufficient time for effective measures to be adopted;

Whereas the dates and time limits laid down do not take sufficient account of the characteristics of the product, which necessitate a long period between the harvesting of the leaf tobacco and the marketing of the baled tobacco or its taking over by the intervention agencies; whereas these dates and time limits should therefore be altered;

Whereas, in order to be significant, the figures recording a situation of imbalance on the market should relate to more than one crop; whereas, however, for effective market management, appropriate measures should be triggered off not only as soon as such a situation has been established but also as soon as the likelihood of such a situation arising has been established, and particularly where it is apparent, as from the first harvest, that an extension of cultivated areas is the cause of surplus quantities being taken over by the intervention agencies;

Whereas the measures initially provided for, namely use of the price and premium arrangements, are normal market management measures implemented each year for production guidance; whereas they are not appropriate to cope with an exceptional situation; whereas specific measures should accordingly be provided for at the outset in order to deal with a situation which is exceptional or is likely to become so and these measures should be better defined;

Whereas the procedures provided for at present are not sufficiently detailed and should be expanded,

HAS ADOPTED THIS REGULATION:

Article 1

Article 13 of Regulation (EEC) No 727/70 is replaced by the following:

'*Article 13*

1. Where, for a variety or a group of varieties, the quantities taken over by the intervention agencies exceed, or seem likely to exceed, a stated percentage of the production for two successive crops, and in any case a stated quantity, the Commission shall submit to the Council:

(1) OJ No C 93, 9. 4. 1979, p. 49.
(2) Opinion delivered on 4 and 5 April 1979 (not yet published in the Official Journal).
(3) OJ No L 94, 28. 4. 1970, p. 1.

— a report on the situation with special reference to trends in area and in marketing and to stock levels,

— a proposal for measures to bring about a better balance between production and demand and to reduce stocks and, if necessary, for measures to enable a reasonable standard of living to be maintained for producers.

2. The measures provided for in paragraph 1 shall also be implemented when it is apparent that for a given single crop the extension of cultivated areas is the main cause of the percentages and quantities referred to in paragraph 1 being exceeded.

3. The Council, acting by a qualified majority on a proposal from the Commission, shall fix the quantities and percentages referred to in paragraph 1.

4. The measures referred to in paragraph 1 may include, for one or more crops :

— the lowering of the intervention price level for varieties in respect of which the difficulty of disposal is the basic cause of the situation referred to in paragraph 1 ;

— limitation of the quantities taken into intervention, by means of :

(a) the exclusion of a percentage to be determined of all qualities of the variety or varieties in question from intervention buying, or

(b) the limitation of intervention buying, per producer or undertaking, to a percentage to be determined of the production of the variety or varieties in question.

5. If Community production of all the varieties of tobacco for which it has been decided to grant a premium exceeds, for a given crop, a stated percentage of the average production of the same varieties during three previous crop years, the Commission shall submit to the Council a report analyzing the ascertained causes and the foreseeable consequences of this development. It shall propose to the Council suitable measures which may include a reduction of the norm prices involving a reduction in the amount of the corresponding premium for the varieties which are most heavily supported and the volume of whose production has increased most, in particular in conjunction with an increase in the area cultivated.

6. The Council, acting by a qualified majority on a proposal from the Commission, shall fix the percentages referred to in paragraph 5.

7. In connection with the reports specified in paragraphs 1 and 5, the Commission shall submit to the Council an assessment of the foreseeable consequences on employment and the standard of living of the producers concerned of each of the measures which it proposes to take. In view of the special nature of the problems which may arise in the tobacco sector, the Commission shall propose to the Council, where circumstances so require, a programme of aid to producers which may in particular include measures to encourage varietal conversion or conversion to other crops and compensation for loss of revenue during the conversion period.

8. The Commission shall place the reports and proposals provided for in paragraphs 1 and 7 before the Council not later than 31 December of the calendar year following that of the last reference crop referred to in paragraph 1.

The Council, acting by a qualified majority on a proposal from the Commission, shall adopt the appropriate measures not later than 60 days after the Commission has put forward proposals.

9. The Commission shall place the reports and proposals provided for in paragraphs 5 and 7 before the Council not later than 31 December of the calendar year following that of the reference crop referred to in paragraph 5.

The Council, under the procedure laid down in Article 2 for fixing the prices valid for the crop of the calendar year following the submission of proposals by the Commission, shall act on these proposals in accordance with the procedure laid down in Article 43 (2) of the Treaty.'

Article 2

This Regulation shall enter into force on the third day following its publication in the *Official Journal of the European Communities.*

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

Done at Brussels, 24 July 1979.

For the Council

The President

J. GIBBONS