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(Acts whose publication is obligatory)

COUNCIL REGULATION (EEC) No 1778/80

of 30 June 1980

amending 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 6 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 Regulation (EEC) No 1579/79 (4), provides that derived intervention prices may be fixed for baled tobacco obtained from Community-grown leaf tobacco ;

Whereas for each harvest such prices were fixed for those varieties of tobacco which, under the national market organizations which existed prior to the common organization, enjoyed certain advantages with regard to marketing or benefited from a price and sales guarantee when baled ; whereas the quantities eligible for this guarantee were in practice limited in consequence of the strict limitation on the areas under tobacco ;

Whereas since the establishment of the common organization of the market and the lifting of limitations on tobacco cultivation, it appears that some undertakings engaged in the first processing and market preparation of tobacco have been regularly disposing of most of their production into intervention, thereby causing large stocks to be built up and considerable expenditure to be incurred by the EAGGF ;

Whereas it is necessary to discourage this kind of systematic recourse to intervention and to prevent factors of imbalance from developing which would necessitate the imposition on all undertakings of the measures provided for in Article 13 of Regulation (EEC) No 727/70 ;

Whereas experience has shown that, even in a difficult market situation, a well-managed undertaking does not usually offer for intervention more than a quarter of its total production ;

Whereas, to remedy the situation, it appears appropriate to reduce the derived intervention price paid to an undertaking for quantities of baled tobacco of a given variety from a given harvest offered for intervention in excess of a certain percentage of the undertaking's production ; whereas it seems appropriate to fix this threshold at the highest recorded level for well-managed undertakings as referred to above ;

Whereas for certain varieties and certain harvests, the marketing of tobacco might be seriously affected by exceptional circumstances, such as an especially high yield due to abnormal climatic conditions or a drop in world market prices ; whereas there should be provision in such cases for modifying the threshold beyond which quantities of baled tobacco sold into intervention are taken over at a reduced derived intervention price,

HAS ADOPTED THIS REGULATION :

Article 1

1. Article 6 (6) of Regulation (EEC) No 727/70 is hereby amended as follows :

'6. Under conditions to be laid down in pursuance of paragraphs 8 and 9, and subject to the provisions of Article 12a, intervention agencies shall buy in tobacco of the reference quality at the

(1) OJ No C 97, 21. 4. 1980, p. 33.
(2) Opinion delivered on 26 March 1980 (not yet published in the Official Journal).
(3) OJ No L 94, 28. 4. 1970, p. 1.
(4) OJ No L 189, 27. 7. 1979, p. 1.

derived intervention price, adjusted, where appropriate, by the scale of price increases and reductions provided for in paragraph 7.'

2. The following Article shall be added to Regulation (EEC) No 727/70 :

'Article 12a

1. Where, for a variety and a harvest for which a derived intervention price has been fixed the quantities of baled tobacco sold into intervention by an undertaking engaged in the first processing and market preparation of tobacco exceed 25 % of the equivalent of the quantities of Community-grown leaf tobacco treated by that undertaking, the surplus quantities shall be bought in by the intervention agency at a derived intervention price diminished by 10 %, adjusted, where appropriate, by the scale of price increases and reductions provided for in Article 6 (7).

2. However, the Council acting by a qualified majority on a proposal from the Commission in good time and at the latest by 31 December of the calendar year following that of the harvest, may modify in respect of one or more varieties from a given harvest, the percentage of the quantities of tobacco laid down in paragraph 1 when exceptional circumstances, in particular the weather or price fluctuations on the world market, affect normal sales conditions for baled tobacco.

3. Detailed rules for the application of this Article, in particular the definition of the undertakings referred to in paragraph 1 and of their production, and the method of payment of the derived intervention price, shall be adopted in accordance with the procedure laid down in Article 17.'

Article 2

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

It shall apply for the first time to baled tobacco derived from leaf tobacco of the 1980 harvest, except for the Perustitza and Erzegovina varieties, for which it shall apply for the first time to baled tobacco derived from leaf tobacco of the 1981 harvest.

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

Done at Luxembourg, 30 June 1980.

For the Council

The President

V. BALZAMO