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*(Acts whose publication is obligatory)*

# COUNCIL REGULATION (EEC) No 2194/81

## of 27 July 1981

## laying down the general rules for the system of production aid for dried figs and dried grapes

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 92 (3) (d),

Having regard to Council Regulation (EEC) No 516/77 of 14 March 1977 on the common organization of the market in products processed from fruit and vegetables [1], as last amended by Regulation (EEC) No 1118/81 [2], and in particular the second paragraph of Article 3d,

Having regard to the proposal from the Commission,

Whereas, following the accession of Greece, Article 3a (1) of Regulation (EEC) No 516/77 introduced a system of production aid for dried figs and dried grapes ;

Whereas Article 3d of Regulation (EEC) No 516/77 provides that the detailed rules for the production aid arrangements may be identical to or different from those of the system of aid applicable to other processed products ;

Whereas a system of aid similar to that provided for other products should be adopted for the two products in question ; whereas, however, certain detailed rules specific to these two products should be laid down in order to take account of their particular market situation and of earlier arrangements in the producer Member States, in particular the system of State-financed storage which ensured growers guaranteed sales for their produce ;

Whereas, in addition to aid for the grower, provision should be made for storage aid to approved agencies and for compensation for any losses incurred by such agencies when selling products from storage to processors ;

Whereas provision should be made for Member States to fix selling prices in order to ensure that sales by the approved agencies proceed without disturbing the market ;

Whereas, in respect of currants, account should be taken of the fact that, in accordance with usual commercial practice, some of the product must be discarded at the processing stage in order to ensure that the finished product, having regard to its specific characteristics is of satisfactory quality ;

Whereas, to permit smooth adaptation to the Community system, it would seem desirable to authorize the Greek Republic to pay producers of dried grapes additional income in the form of a national subsidy for one marketing year,

HAS ADOPTED THIS REGULATION :

*Article 1*

1. The system of production aid for dried figs and dried grapes shall apply from the beginning of the 1981/82 marketing year.

2. For dried figs the marketing year shall run from 15 August to 14 August and for dried grapes (currants and sultanas) from 1 September to 31 August.

*Article 2*

For direct sales from the grower to the processor, the system of production aid referred to in Article 1 shall be based on contracts binding, within the Community, growers or recognized groups or associations thereof, and processors or legally constituted groups or associations thereof. These contracts, concluded for a minimum period to be determined, must specify the quantities of raw material to which they relate, the schedule for deliveries to processors and the price to be paid to growers according to the quality of the products to be delivered. For currants, the contract

[1] OJ No L 73, 21. 3. 1977, p. 1.
[2] OJ No L 118, 30. 4. 1981, p. 10.

shall be valid only if it is accompanied by a statement by the grower or the recognized group or association to the effect that he or it undertakes not to deliver a quantity, which must be no less than 5 % of the quantities entered in the contract, to any processor or agency referred to in Article 3.

*Article 3*

1. The quantities not covered by the contracts provided for in Article 2 may be sold by growers to agencies or legal or natural persons approved by the Member States concerned, hereinafter called 'storage agencies'.

2. Contracts concluded with storage agencies must specify the quantities and qualities of raw material which they cover and the price to be paid to growers according to the quality of the fruit delivered. For currants, the contract shall be valid only if it is accompanied by a statement by the grower or the recognized group or association to the effect that he or it undertakes not to deliver a quantity, which must be no less than 5 % of the quantities entered in the contract, to any processor or agency.

*Article 4*

1. The contracts referred to in Articles 2 and 3 may relate only to fruit which complies with quality standards to be determined.

2. For fruit delivered under such contracts :

— the processors shall pay to the growers a price not less than the minimum price,

— the purchasing agencies shall pay to the growers a price equal to the minimum price.

The minimum price shall be fixed for the pilot qualities determined for dried grapes of the sultana variety and dried figs respectively. The minimum price applicable to the other qualities, including currants, shall be derived from the minimum price for the pilot quality by the application of coefficients.

3. The minimum price shall be calculated for the first time on the basis of :

(a) — in the case of dried grapes of the sultana variety, the minimum price fixed, for the 1980/81 marketing year, under earlier national rules for the quality corresponding to that of the pilot product,

— in the case of dried figs, the minimum price fixed, for the 1980/81 marketing year, under earlier national rules for raw material of a quality corresponding to that of the pilot product, plus the aid provided under national rules for that marketing year ;

(b) 6 % to allow for production cost trends in the fruit and vegetables sector in 1980.

It shall be calculated on subsequent occasions having regard to :

(a) the minimum price in force during the preceding marketing year ;

(b) the trend in production costs in the fruit and vegetable sector.

*Article 5*

Where the Community production potential for a product referred to in Article 1 is likely to cause a major imbalance between the quantities produced and the quantities that can be sold, the Council, acting by a qualified majority on a proposal from the Commission, may decide to limit the granting of production aid to a specific quantity. This quantity shall be fixed in the light of average Community production in the most recent marketing years for which reliable data is available. The quantity may be adjusted for any changes in the quantities of the product that can be sold.

*Article 6*

1. The storage agencies shall sell to processors, at a price which does not disturb the market and which is not less than the minimum price, the quantities purchased pursuant to Article 3.

To this end, Member States may fix the selling prices to be applied by the storage agencies.

They shall notify these prices to the Commission as soon as they are fixed.

2. Should the market situation so require, it may be decided in accordance with the procedure provided for in Article 20 of Regulation (EEC) No 516/77 that the storage agencies may sell products by tender, or at prices fixed in advance, taking account of market developments.

3. Sales contracts as referred to in this Article shall stipulate the quantities which they cover, the schedule for deliveries and the price and quality of the products.

4. Disposal of products purchased by the storage agencies shall take place under such conditions as will ensure equality of access to the goods and equality of treatment for purchasers.

*Article 7*

As soon as they are concluded, the contracts referred to in Articles 2, 3 and 6 shall be forwarded to those authorities of the Member State concerned which are responsible for supervising the performance of the said contracts.

*Article 8*

1. The amount of production aid shall be fixed at a level enabling Community products to be sold on the Community market and the markets of third countries, having regard to the price of Community products and the price of products from third countries.

2. Prices of Community products shall be established having regard to :

(a) the minimum price referred to in Article 4 ;

(b) the processing costs of the most efficient undertaking, exclusive of storage costs.

3. Prices of products from third countries shall be determined having regard to :

(a) the free-at-frontier prices of imports into the Community adjusted where appropriate on the basis of the price at which the Greek product was normally sold on the import markets of Community countries before the accession of Greece ;

(b) the prices obtaining in international trade.

*Article 9*

1. Production aid shall be granted to processors who have concluded contracts in accordance with Articles 2 and 6 and who have not processed grapes into currants for the market in a quantity corresponding to at least 15 % of the quantities covered by the contract.

2. Aid shall be paid, on application, to the interested parties as soon as the body designated by the Member State in which the processing is carried out has established that :

— the processor has paid the grower or the storage agency a price not less than the minimum price for the quantities entered in the contract, and in accordance with the qualities effectively delivered, or has paid the storage agency the price entered in the contract following a sale by tender,

— the fruit under contract has been processed or, in the case of currants, sold for other purposes in accordance with paragraph 1,

— the products after processing comply with quality standards to be determined.

3. For currants, the aid shall be paid only in respect of the quantities of fruit under contract which have been processed into currants for the market.

*Article 10*

1. Storage aid shall be granted to storage agencies in respect of the quantities of fruit of Community origin which they have purchased under the contracts referred to in Article 3 and the effective duration of storage of such fruit, which shall not extend beyond the end of the marketing year in which such quantities were purchased. However, where the market situation so requires, extension of the storage of certain quantities into the following marketing year may be authorized in accordance with the procedure provided for in Article 20 of Regulation (EEC) No 516/77.

2. The amount of aid may cover only the technical storage costs and interest costs determined at a standard rate.

3. Where, pursuant to Article 6 (2), the storage agency sells fruit to the processor at a price lower than the minimum price, adjusted for pilot quality, financial compensation shall be granted to the said agency. Compensation shall amount to the difference between the selling and purchase prices for the quantities in question. No account shall be taken of any price reduction resulting from deterioration in quality during storage. Compensation shall further be reduced by any profit resulting from the difference between the selling and purchase prices for quantities sold pursuant to Article 6 (1).

*Article 11*

The minimum price and the amount of production aid for dried figs and dried grapes and the amount of storage aid shall be fixed before the beginning of each marketing year.

*Article 12*

Member States shall communicate to the Commission, not later than one month after their adoption, the laws, regulations and administrative provisions adopted in implementation of this Regulation.

*Article 13*

During the 1981/82 marketing year, the Greek Republic is authorized to accord an income subsidy to producers of dried grapes. The maximum amount of this subsidy may not exceed 8 % of the minimum price fixed under earlier national rules for the 1980/81 marketing year.

*Article 14*

Detailed rules for the application of this Regulation shall be adopted in accordance with the procedure laid down in Article 20 of Regulation (EEC) No 516/77.

The same procedure shall be followed for fixing, in respect of each of the products concerned :

— the minimum price and the amount of production aid,

— the storage aid,

— the criteria for tendering.

*Article 15*

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

It shall apply during the 1981/82 and 1982/83 marketing years.

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

Done at Brussels, 27 July 1981.

*For the Council*

*The President*

P. WALKER