COUNCIL REGULATION (EEC) No 1097/88

of 25 April 1988

amending Regulation (EEC) No 2727/75 on the common organization of the market in cereals

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 (1),

Having regard to the opinion of the European Parliament (2),

Whereas, in view of the growing imbalance in the Community between supply and demand in cereals, certain measures to restore sound conditions in the sector in question were introduced by Regulation (EEC) No 2727/75 (3), as last amended by Regulation (EEC) No 3989/87 (4); whereas those measures involve in particular the introduction of a co-responsibility levy determined on the basis of the various factors which will enable a definition to be given of that production which requires financial support in order to ensure its disposal and allow an assessment to be made of the resulting charges on the budget, furthermore bearing in mind imports of cereal substitute products on the Community market;

Whereas those measures are not however liable to be sufficient to control production, the increase of which may lead to an uncontrollable rise in expenditure; whereas better control of production could be achieved by fixing a maximum guaranteed quantity above which certain measures to stabilize the market in cereals and thereby to curb expenditure in the sector in question are taken; whereas, to that end, an additional co-responsibility levy should be introduced to be collected provisionally at the beginning of the marketing year and full or partial reimbursement of which will be decided as the case may be, after it is established that the maximum guaranteed quantity has not been exceeded or that the amount by which it has been exceeded is lower than a certain percentage; whereas, in order to simplify administration, provision should be made or the possibility of fixing a minimum amount below which reimbursement will not be made; whereas, moreover, where the maximum guaranted quantity is exceeded in a marketing year, account should be taken of this for the fixing of intervention prices for the following marketing year;

Whereas the maximum guaranteed quantity must be established so that it reflects the Community's total cereal requirements;

Whereas, in view of the difficulties arising in the application of the co-responsibility levy arrangements provided for in Article 4 of Regulation (EEC) No 2727/75, provision should be made for that levy and the additional levy to be collected throughout the Community at the time of placing on the market or of sale to intervention by producers;

Whereas there are grounds for laying down the principle of exempting small producers from the co-responsibility levy, and the additional co-responsibility levy, whereas it will be for the Council to adopt, before the beginning of the 1988/89 marketing year, the conditions for implementing such an exemption;

Whereas under the set-aside scheme for arable land introduced by Council Regulation (EEC) No 797/85 of 12 March 1985 on improving the efficiency of agricultural structures (5), as last amended by Regulation (EEC) No 1137/88 (6), there is provision for exemption from the co-responsibility levy for those producers undertaking to set aside at least 30 % of their arable land under that programme; whereas that exemption is limited to 20 tonnes of marketed cereals; whereas, on monitoring grounds, such exemption should be effected in the form of a reimbursement;

Whereas, in view of the particular nature of the cereal seed sector, it seems appropriate to exempt that sector from the co-responsibility levy in order to maintain production of certified seed at the present level; whereas, however, such exemption must be restricted to certified seed;

Whereas, moreover, in view of the early nature of harvests in the southern regions of the Community, difficulties may arise in the application of the measures contemplated; whereas that situation may be remedied by providing that the measures in question are to apply in those Member States during the period from 1 June to 31 May;

Whereas Article 8 of Regulation (EEC) No 2727/75 provides for the possibility of taking special intervention measures, the aim being to support the market in certain regions, should the situation so dictate; whereas the early nature of harvests may create conditions justifying the application of such measures;

Whereas the measures provided for in this Regulation shall apply to Portugal from the beginning of the second stage of the transitional period laid down in the Act of Accession to the European Communities,

(1) OJ No C 84, 31. 3. 1988, p. 27.
(2) Opinion delivered on 14 April 1988 (not yet published in the Official Journal).
(3) OJ No L 281, 1. 11. 1975, p. 1.
(4) OJ No L 377, 31. 12. 1987, p. 1.
(5) OJ No L 93, 30. 3. 1985, p. 1.
(6) OJ No L 108, 29. 4. 1988, p. 1.

HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EEC) No 2727/75 is amended as follows:

1. Article 4 is replaced by the following:

'*Article 4*

1. A co-responsibility levy shall be payable by producers in respect of the cereals referred to in Article 1 (a) and (b) which are produced in the Community and placed on the market or sold to an intervention agency pursuant to Articles 7 and 8. These arrangements shall apply for the 1988/89 to 1991/92 marketing years.

However, the following shall be exempted from the co-responsibility levy:

— small producers on conditions that the Council will adopt on a proposal from the Commission by a qualified majority before the beginning of the 1988/89 marketing year,

— producers who meet the conditions laid down in Article 1a (6) of Regulation (EEC) No 797/85 in the form of reimbursement,

— cereal seed, for quantities of seed certified within the meaning of Directive 66/402/EEC (*), under conditions to be adopted in accordance with the procedure laid down in paragraph 5 of this Article.

2. The amount, per unit, of the levy shall be fixed annually before the beginning of the marketing year, in accordance with the procedure laid down in Article 43 (2) of the Treaty.

3. When the amount of the co-responsibility levy is determined, account shall be taken of imports into the Community of the products listed in Annex D.

4. The levy provided for in this Article shall be regarded as forming part of the intervention measures designed to stabilize agricultural markets and shall be allocated to the financing of expenditure in the cereals sector.

5. Detailed rules for the application of this Article, and in particular the definition of placing on the market, and the necessary transitional measures shall be adopted in accordance with the procedure laid down in Article 26.

6. The Commission shall consult with trade interests on the use of the product of the levy.

7. For the purposes of applying this Article, for cereals other than maize and grain sorghum, produced in Italy, Greece, Spain and Portugal, 'marketing year' shall mean the period from 1 June to 31 May.

(*) OJ No 125, 11. 7. 1966, p. 2309/66.'

2. The following Article is inserted:

'*Article 4b*

1. When the prices provided for in Article 3 (1) are fixed, the Council shall fix, in accordance with the same procedure, for a period of three marketing years a maximum guaranteed quantity for all the cereals referred to in Article 1 (a) and (b). For the fixing of that quantity, account shall be taken of the overall consumption of cereals in the Community and of imports of the products listed in Annex D. However, for the 1988/89, 1989/90, 1990/91 and 1991/92 marketing years, the maximum guaranteed quantity shall be fixed at 160 million tonnes.

2. For each marketing year of the period referred to in Article 4 (1), an additional co-responsibility levy shall be payable by producers. That additional levy shall be equal to 3 % of the intervention price applicable to common wheat of breadmaking quality at the beginning of the marketing year in question. The provisions of Article 4 (1), (4), (6) and (7) shall apply to that additional levy. Where cereal production in a marketing year is equal to or less than the maximum guaranteed quantity fixed for that marketing year, the additional levy shall be reimbursed in full to producers. Where the amount by which the maximum guaranteed quantity exceeded is less than 3 %, the additional levy shall be reimbursed in part. That reimbursement shall correspond to the difference between the additional levy paid and that resulting from the recorded amount by which the maximum guaranteed quantity is exceeded.

However, in accordance with the procedure laid down in Article 26, a minimum amount may be set, below which no reimbursement is made.

3. If the cereal production in a marketing year exceeds the maximum guaranteed quantity fixed for that marketing year, the intervention prices for the following marketing year shall be reduced by 3 %. This reduction shall be made by the Commission each year before the marketing year begins.

In such cases, the Council, acting by a qualified majority on a proposal from the Commission, shall adjust the target prices in accordance with the rules on derivation laid down in Article 3 (4).

4. For the purposes of applying this Article, the Commission shall establish each year before 1 March whether or not the cereal production from the current marketing year has exceeded the maximum guaranteed quantity fixed for that marketing year.

5. Detailed rules for the application of this Article and in particular the amount of the additional levy shall be adopted in accordance with the procedure laid down in Article 26.'

3. Article 8 (1) is replaced by the following:

'1. Where the market situation in certain Community regions so dictates, taking into account, *inter alia*, the early nature of the harvest, special intervention measures may be decided on.'

Article 2

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

It shall apply with effect from the 1988/89 marketing year.

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

Done at Luxembourg, 25 April 1988.

For the Council

The President

H.-D. GENSCHER