COUNCIL REGULATION (EEC) No 1108/88

of 25 April 1988

introducing a special elimination levy in the sugar sector for the 1987/88 marketing year

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 Council Regulation (EEC) No 1785/81 of 30 June 1981 on the common organization of the markets in the sugar sector (3), as last amended by Regulation (EEC) No 1107/88 (4), provides for the application of production quota arrangements for the 1986/87 to 1990/91 marketing years and fixes the basic quantities of A and B production for the 1986/87 and 1987/88 marketing years; whereas the basic quantities of A and B production and the charges to which producers will be liable under these arrangements for the 1988/89 to 1990/91 marketing years must be determined by 1 January 1988;

Whereas the aim of the production quota arrangements in the sugar sector is to convert production to the possibilities for disposal and ensure that all losses resulting from the Community's surplus production are covered by the producers' financial contributions; whereas these contributions are made by collecting a levy on basic production that applies to all production of A and B sugar but which may not exceed 2 % of the intervention price for white sugar and a B levy on production of B sugar which may not exceed 37,5 % of the intervention price; whereas manufacturers of isoglucose share in these contributions under certain conditions;

Whereas the estimates made pursuant to Article 28 (1) and (2) of Regulation (EEC) No 1785/81 as regards consumption, production, exportable surpluses and total losses for the 1987/88 marketing year suggest with virtual certainty that not only will overall losses not be covered as a result of the limits placed on such contributions, but that the scale of these losses is such as to call into question the implementation of the self-financing principle in this sector; whereas, moreover, because of the severe budgetary constraints on the Community, it is out of the question for the Community to stand in for the producers in question and assume responsibility, even on a temporary basis, for the abovementioned deficit;

Whereas it is desirable, until sufficient time has elapsed, not to call into question before the date laid down the production quota arrangements that must, in any case, apply to the 1986/87 and 1987/88 marketing years; whereas, however, owing to the likely scale of the loss not covered by the producers' contributions for the 1987/88 marketing year, this loss should be eliminated by making provision for the introduction of a special elimination levy for the 1987/88 marketing year; whereas, in such circumstances, this special elimination levy should be collected at the same time as the payment of the balance of the production levies for the 1987/88 marketing year, namely before 15 December 1988;

Whereas the special elimination levy should be drawn up for each undertaking on the basis of its share in the revenue derived from the production levies that it will have paid in respect of the 1987/88 marketing year; whereas, for this purpose, a coefficient valid for the Community as a whole and representing, for the 1987/88 marketing year, the ratio between, on the one hand, the total loss recorded pursuant to Article 28 (1) and (2) of Regulation (EEC) No 1785/81 and, on the other hand, all the revenue derived from the production levies in question should be determined; whereas provision should also be made for the sellers of beet and the sellers of cane to share in the elimination of the outstanding loss for the 1987/88 marketing year;

Whereas the participation of sugar beet sellers and sugar cane sellers in the elimination of the loss not covered by the 1987/88 marketing year may be hindered in particular when not only the sugar beet delivered during that year has been entirely paid for by the manufacturers but also the bulk of the sugar beet delivered during the 1988/89 year; whereas sugar beet growers or sugar cane growers should therefore be enabled to pay their part of the levy in respect of the sugar beet delivered during the 1987/88 or the 1988/89 marketing year; whereas irrespective of the marketing year adopted for such participation, the latter should not exceed that resulting from the 1987/88 marketing year,

HAS ADOPTED THIS REGULATION:

Article 1

Without prejudice to Title III and Title IIIa of Regulation (EEC) No 1785/81, a special elimination levy shall be charged to manufacturers of sugar and isoglucose if the total loss for the 1987/88 marketing year recorded pursuant to Article 28 (1) and (2) of the said Regulation is not entirely

(1) Opinion delivered om 14 April 1988 (not yet published in the Official Journal).
(2) OJ No C 356, 31. 12. 1987, p. 42.
(3) OJ No L 177, 1. 7. 1981, p. 4.
(4) See page 20 of this Official Journal.

covered by the revenue from the production levies owed by those manufacturers. This levy shall be collected in order to fully eliminate that part of the total loss in question that is not covered by the revenue from the production levies.

For the purpose of the calculation referred to in Article 28 (2) of Regulation (EEC) No 1785/81, account shall be taken of the revenue derived from the collection of the special levy within the meaning of the first subparagraph of this paragraph.

2. The special elimination levy shall be calculated for each sugar-producing undertaking and each isoglucose-producing undertaking by multiplying the amount owed by the undertaking as a production levy for the 1987/88 marketing year by a coefficient to be determined. This coefficient shall represent for the Community the ratio between the total loss recorded for the 1987/88 marketing year pursuant to Article 28 (1) and (2) of Regulation (EEC) No 1785/81 and the revenue from the production levies owed by the sugar and isoglucose manufacturers in respect of the 1987/88 marketing year, this ratio shall be reduced by a factor of 1.

The special elimination levy shall be paid before 15 December 1988.

3. Without prejudice to the second paragraph, sugar manufacturers may require, depending on the case, from sellers of beet or of cane grown in the Community, reimbursement up to 60 % of the special elimination levy in question. Reimbursement shall be made in respect of beet delivered during the 1987/88 or 1988/89 marketing years.

Irrespective of the abovementioned marketing year during which reimbursement as referred to in the first paragraph is made, it shall at most be equal to the amount of the beet or cane sellers' participation in the payment of the production levies provided for in Regulation (EEC) No 1785/81 for the 1987/88 marketing year multiplied by the coefficient referred to in paragraph 2.

4. Detailed rules for the application of this Article and of the coefficient referred to in paragraph 2 shall be adopted according to the procedure provided for in Article 41 of Regulation (EEC) No 1785/81.

Article 2

This Regulation shall enter into force on the day of 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 Luxembourg, 25 April 1988.

For the Council
The President
H.-D. GENSCHER