COUNCIL REGULATION (EEC) No 2227/88

of 19 July 1988

laying down general rules for the special system applicable to small producers as part of co-responsibility arrangements in the cereals sector for the 1988/89 marketing year

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 2727/75 of 29 October 1975 on the common organization of the market in cereals (1), as last amended by Regulation (EEC) No 2221/88 (2), and in particular Articles 4 and 4b thereof,

Having regard to the proposal from the Commission,

Whereas Regulation (EEC) No 2727/75 provided for the establishment of a basic co-responsibility levy and an additional co-responsibility levy together with exemption from such levies for small producers on conditions to be determined; whereas, in view of the imminent start of the 1988/89 marketing year, it has not proved possible to draw up the conditions of the definitive system applicable to small producers; whereas a provisional system should therefore be adopted for the 1988/89 marketing year as the definitive system is to be adopted by the Council by 1 December 1988;

Whereas experience has shown that a system of direct aid for small producers of cereals may be considered an adequate means of offsetting the effect of such co-responsibility levies on their incomes; whereas, in order to keep the aid system within acceptable financial limits, provision should be made for it to apply within the framework of an overall amount established on the basis of the total sum of the co-responsibility levies borne by small producers marketing, at the most, 25 tonnes; whereas, for the same reason, a ceiling should be set for aid in respect of each producer;

Whereas, because of the large number of small producers in certain Member States, application of an aid system may raise special problems of an administrative or technical nature in these Member States for the 1988/89 marketing year; whereas the application of aid in the form of compensation for levies may thus constitute a more appropriate procedure under the system in question in the case of such Member States,

HAS ADOPTED THIS REGULATION:

Article 1

During the 1988/89 marketing year, the arrangements for exemption from the co-responsibility levy provided for in Articles 4 and 4b of Regulation (EEC) No 2727/75 for small producers shall be applied in accordance with this Regulation.

Article 2

1. The exemption arrangements referred to in Article 1 shall take the form of direct aid for small producers.

2. Member States shall define 'small producers' taking into account in particular the area under cereals and/or utilized agricultural area and/or the importance of cereals in the formation of the income of holdings.

3. The overall amount of aid for small producers referred to in paragraph 1 shall be 220 million ECU, broken down as follows:

— 110 million ECU to offset the co-responsibility levy provided for in Article 4 of Regulation (EEC) No 2727/75,

— 110 million ECU to offset the additional co-responsibility levy provided for in Article 4b of Regulation (EEC) No 2727/75. That amount shall, however, be reduced by the amount of the levy refunded in accordance with paragraph 2 of that Article.

4. Member States which experience special difficulties of an administrative or technical nature in applying the aid provided for in paragraph 1 may apply that aid in the form of compensation for levies payable by such small producers. Such compensation shall be limited, for each producer, to the first 25 tonnes of cereals marketed.

The overall amount of that compensation for the Member State in question may in no case exceed the amount which would have been paid to it had this paragraph not been applied.

5. Where paragraph 4 is applied, the overall amount referred to in paragraph 3 shall be reduced by the amount which would have been paid under the present aid scheme had paragraph 4 not been applied.

Article 3

The amount of the aid to be granted to small producers shall be established with reference to the co-responsibility levies borne by them.

(1) OJ No L 281, 1. 11. 1975, p. 1.
(2) See page 16 of this Official Journal.

This amount may be established on a flat-rate basis.

Member States may decide not to grant aid for amounts below a minimum which they shall determine.

In no case may the amount of aid exceed, for any one producer, the equivalent of the levies for 25 tonnes of cereals.

Article 4

The overall amount of aid referred to in Article 2 (3) shall be allocated amongst Member States taking into account in particular the importance of the cereals economy, the structure of production and sales made by producers in the various Member States.

Article 5

The following shall be adopted in accordance with the procedure laid down in Article 26 of Regulation (EEC) No 2727/75:

(a) the criteria for the allocation by Member States of the amount of aid amongst small cereals producers. On the basis of these criteria, each Member State shall allocate amongst small cereals producers the amount of aid apportioned to it.

Member States shall in good time notify the Commission of the measures which they envisage taking for the purpose of allocating the aid amongst small cereals producers;

(b) the allocation of the aid referred to in Article 4.

Article 6

For each Member State the amount of aid fixed pursuant to (b) of Article 5 shall be converted into national currencies at the agricultural conversion rate in force on the first day of that marketing year.

Article 7

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 Brussels, 19 July 1988.

For the Council

The President

Y. POTTAKIS