COUNCIL REGULATION (EEC) No 1329/90

of 14 May 1990

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 (1),

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

Having regard to the opinion of the Economic and Social Committee (3),

Whereas Article 3 of Regulation (EEC) No 727/70 (4), as last amended by Regulation (EEC) No 1251/89 (5), provides for the granting of a premium to purchasers of leaf tobacco harvested in the Community, while Articles 5 and 6 of that Regulation provide for intervention arrangements for Community tobacco; whereas at present premiums and intervention may be applied for without any specification regarding time limits;

Whereas, with a view to improving controls in the tobacco sector and the operation of the system of maximum guaranteed quantities introduced by Regulation (EEC) No 1114/88 (6), amending Regulation (EEC) No 727/70, and for the sake of sound management, the period during which the premium may be granted and the period during which deliveries may be made to intervention should be limited, on the one hand, taking account of the cultivation and marketing methods in the tobacco sector, and a time limit slightly after the harvest should be laid down, on the other hand, for the placing under supervision of all tobacco qualifying for the premium or intervention;

Whereas, following on the limitation of the period during which the premium may be granted, with a view to legal clarity and uniform application in all the Member States, the conditions under which the premium is granted should be specified; whereas it should in particular be clearly stated that, in accordance with practices existing in several Member States, the premium may only be granted if proof is provided that the tobacco has been sold for incorporation into manufactured products or products exported to third countries;

Whereas Article 3 of Regulation (EEC) No 727/70 provides, as mentioned above, for the granting of a premium under certain conditions to purchasers of leaf tobacco of Community origin; whereas one of the conditions is the existence of a contract between the grower and the purchaser; whereas, with a view to improving the quality of Community tobacco, balancing supply and demand in the sector and supporting programmes for conversion to varieties sought after on the market, the existence of a European cultivation contract concluded between the purchaser and the seller of leaf tobacco of Community origin is the most suitable means of achieving the abovementioned aims; whereas the existence of the said cultivation contract should accordingly be laid down as one of the conditions for the granting of the premium;

Whereas Article 4 (5) of Regulation (EEC) No 727/70 provides for a system of maximum guaranteed quantities (MGQ); whereas that system entails in particular the fixing, within overall production of 385 000 tonnes of leaf tobacco for the Community, of a MGQ for a variety or group of varieties in Community production, any overrun of which results in a proportional reduction in the prices and premiums; whereas MGQs by variety or group of varieties are fixed for the harvest of the following year; whereas the overall MGQ and the maximum reductions where the MGQ by variety or group of varieties is exceeded were fixed for the 1988, 1989 and 1990 harvests; whereas the said overall MGQ and the said maximum reductions should accordingly be fixed for the three forthcoming harvests;

Whereas Article 7a of Regulation (EEC) No 727/70 seeks to curb any extension of tobacco growing outside the areas where it is a traditional crop, by means of limiting the application of prices and premiums to the tobacco varieties grown in the traditional communes of production; whereas practice has shown that in France, in view of the relatively small area of the communes, the application of Article 7a slows down the conversion of varieties in that Member State; whereas in order for these programmes to function well, the grant of the prices and premiums should be restricted in France to the varieties coming from the traditional cantons of productions and not to the traditional communes,

HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EEC) No 727/70 is hereby amended as follows:

1. Article 3 (1) and (2) shall be replaced by the following:

'1. A premium shall be granted to natural or legal persons who purchase leaf tobacco direct from Community producers.

(1) OJ No C 49, 28. 2. 1990, p. 100.
(2) OJ No C 96, 17. 4. 1990.
(3) OJ No C 112, 7. 5. 1990, p. 34.
(4) OJ No L 94, 28. 4. 1970, p. 1.
(5) OJ No L 129, 11. 5. 1989, p. 16.
(6) OJ No L 110, 29. 4. 1988, p. 33.

The premium shall be granted only to purchasers:

(i) who have concluded European cultivation contracts with producers before the date to be determined in accordance with paragraph 3;

(ii) who subject the product thus purchased to first processing and market preparation;

(iii) who place the tobacco under supervision before 15 May following the year of harvest;

(iv) — who provide proof before the expiry of a period of four years following the year of harvest that the tobacco has been sold for incorporation into manufactured products or exported to third countries,

— who undertake, after having subjected the tobacco to first-stage processing and packaging, themselves to incorporate before the expiry of four years from the harvest concerned the tobacco in the manufactured products or to export it to third countries.

2. By way of derogation from points (i) and (ii) of paragraph 1 and subject to presentation of cultivation declarations before the date to be determined in accordance with paragraph 3, premiums shall be granted to individual producers or producers who are members of an association who subject their own leaf tobacco to first processing and market preparation.'

2. Article 4 (5) is hereby amended as follows:

(a) The last sentence of the first subparagraph shall be replaced by:

'The overall maximum guaranteed quantity for the Community is hereby set at 385 000 tonnes of leaf tobacco for each of the 1988 to 1993 harvests.'

(b) The fourth subparagraph shall be replaced by the following:

'The reductions referred to in the third subparagraph shall not exceed 5 % for the 1988 harvest and 15 % for the 1989 to 1993 harvests.'

3. Article 5 (1) shall be replaced by the following:

'1. Subject to Article 6a, the intervention agencies designated by the Member States shall be obliged, in accordance with the conditions specified in this Article, to buy in leaf tobacco harvested in the Community and offered to them, provided that it is not purchased under the provisions of Article 3.

1a. Leaf tobacco may only be bought in if it has been placed under supervision before 15 May following the year of harvest.'

4. Article 6 (5) shall be replaced by the following:

'5. Subject to paragraph 4 and Article 6a, the intervention agencies designated by the Member States shall be obliged to buy in baled tobacco offered to them of the varieties for which a derived intervention price is fixed.'

5. The following Article shall be inserted:

'Article 6a

Leaf tobacco and baled tobacco may only be bought in if the tobacco is offered for intervention within two years of the year of harvest of the tobacco concerned.'

6. In Article 7a, the following paragraph shall be inserted:

'1a. For the application of paragraph 1 on French territory, the term "commune" shall be replaced by "canton".'

Article 2

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

Article 1 (6) shall apply from the 1989 harvest.

Article 1 (1), (3), (4) and (5) shall apply from the 1991 harvest.

However, Member States may apply the rule contained in Article 3 (1) (i) of Regulation (EEC) No 727/70, as amended by this Regulation, as from the 1990 harvest.

If a Member State avails itself of this possibility, it shall ensure that adequate information is given to the operators concerned.

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

Done at Brussels, 14 May 1990.

For the Council

The President

D. J. O'MALLEY