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COUNCIL REGULATION (EEC) No 2075/92
of 30 June 1992
on the common organization of the market in raw tobacco

(OJ L 215, 30.7.1992, p. 70)

Amended by:

		Official Journal		
		No	page	date
►**M1**	Council Regulation (EC) No 711/95 of 27 March 1995	L 73	13	1.4.1995
►**M2**	Council Regulation (EC) No 3290/94 of 22 December 1994	L 349	105	31.12.1994
►**M3**	Council Regulation (EC) No 415/96 of 4 March 1996	L 59	3	8.3.1996
►**M4**	Council Regulation (EC) No 2444/96 of 17 December 1996	L 333	4	21.12.1996
►**M5**	Council Regulation (EC) No 2595/97 of 18 December 1997	L 351	11	23.12.1997
►**M6**	Council Regulation (EC) No 1636/98 of 20 July 1998	L 210	23	28.7.1998
►**M7**	Council Regulation (EC) No 1336/2000 of 19 June 2000	L 154	2	27.6.2000
►**M8**	Council Regulation (EC) No 660/1999 of 22 March 1999	L 83	10	27.3.1999

Amended by:

►**A1**	Act of Accession of Austria, Sweden and Finland	C 241	21	29.8.1994
	(adapted by Council Decision 95/1/EC, Euratom, ECSC)	L 1	1	1.1.1995

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COUNCIL REGULATION (EEC) No 2075/92

of 30 June 1992

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 Articles 42 and 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 the operation and development of the common market for agricultural products must be accompanied by the establishment of a common agricultural policy to include in particular a common organization of markets which may take various forms depending on the product;

Whereas it is the purpose of the common agricultural policy to achieve the objectives of Article 39 of the Treaty, and, in particular in the raw tobacco sector, the stabilization of markets and a fair standard of living for the agricultural population concerned; whereas these objectives may be achieved by adapting resources to requirements, in particular by means of a quality policy;

Whereas the present situation on the tobacco market, on which supply does not correspond to demand, calls for a substantial overhaul of the Community arrangements which have governed the market hitherto, while ensuring the continuation of tobacco growing by the traditional producers; whereas such an overhaul requires simplification of the market management mechanisms, limitation of production in line with the requirements of the market and the demands of the budget, and stronger means of control to ensure that the management mechanisms fully achieve the objectives of the common market organization;

Whereas tobacco varieties can be classified in groups according to cultivation technique and production costs, taking account of the descriptions used in international trade;

Whereas competition on the tobacco market calls for some support of traditional tobacco producers; whereas such support should be based on a premium system allowing the disposal of tobacco in the Community;

Whereas the premium system can be managed efficiently by means of cultivation contracts between growers and first processors which guarantee stable outlets to the growers and regular supplies to the processor; whereas payment of a sum equivalent to the premium by the processor to the producer at the time of delivery of the tobacco covered by the contract, subject to compliance with the quality requirements, provides support for the growers while facilitating management of the premium system;

Whereas, in order to limit Community tobacco production and to discourage the production of varieties which are not readily disposed of, a maximum global guarantee threshold should be laid down for the Community and divided annually into specific guarantee thresholds for the respective groups of varieties;

Whereas, to ensure that the guarantee thresholds are observed, a processing quota system must be instituted for a limited period; whereas for a transitional period the Member States must allocate, within the guarantee thresholds, processing quotas to the firms concerned, the Community rules laid down for the purpose being applied to ensure fair allocation on the basis of quantities processed in the past, but

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[1] OJ No C 295, 14. 11. 1991, p. 10.
[2] OJ No C 94, 13. 4. 1992.
[3] OJ No C 98, 21. 4. 1992, p. 18.

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disregarding any abnormal production levels; whereas the necessary measures will be taken to permit the quotas to be allocated to the producers subsequently, under satisfactory conditions; whereas Member States possessing the necessary data to allocate quotas to producers on the basis of past performance, should be authorized to do so;

Whereas first processors must not conclude cultivation contracts for quantities exceeding the quotas allocated; whereas reimbursement of the premium must be limited to an amount corresponding to the quota;

Whereas provision should be made initially for the premium and production limitation systems to run until 1997 so that they can be reviewed in the light of experience and possibly adapted for the subsequent period;

Whereas measures to orientate production can help to stabilize the tobacco market and improve the quality of production; whereas specific aid will enable producer groups to contribute towards the improvement of the organization and orientation of production; whereas a research programe financed with the proceeds of a deduction from the premium will enable tobacco growing to be brought more closely into line with Community requirements as regards public health; whereas, lastly, a conversion programme for growers of Mavra, Tsebelia, Forchheimer Havanna IIc and hybrids of Geudertheimer tobacco is necessary because of the importance of these varieties for the economy of certain Community regions;

Whereas the establishment of a single market requires a single system of trade at the external frontiers;

Whereas quantitative restrictions at the Community's external frontiers can be dispensed with; whereas, however, should exceptional circumstances arise, in order not to leave the Community market without protection against any disturbance, the Community should be able to take all the necessary measures without delay;

Whereas unforeseen market circumstances may necessitate the adoption by the Commission of exceptional market support measures;

Whereas the achievement of a single market would be jeopardized by the grant of certain aids; whereas the Treaty provisions governing the appraisal of aids granted by Member States and the prohibition of aids incompatible with the common market should be applied to the tobacco sector;

Whereas, in accordance with Council Regulation (EEC) No 729/70 of 21 April 1970 on the financing of the common agricultural policy [1], the Community should bear financial responsibility for expenditure incurred by Member States pursuant to this Regulation;

Whereas experience shows that more stringent controls in the tobacco sector are essential, whereas in appropriate cases certain powers of control could be assigned to an independent supervisory agency to deal with the specific requirements of the tobacco market;

Whereas the common organization of the tobacco market must take account, simultaneously and appropriately, of the objectives laid down in Article 39 and 110 of the Treaty;

Whereas the transition from the arrangements instituted by Council Regulation (EEC) No 727/70 of 21 April 1970 on the common organization of the market in raw tobacco [2], to the arrangements provided for herein must take place in the best possible conditions; whereas transitional measures may prove necessary to ensure this; whereas the new arrangements should not become fully applicable until the 1993 harvest,

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[1] OJ No L 94, 28. 4. 1970, p. 13. Regulation as last amended by Regulation (EEC) No 2048/88 (OJ No L 185, 15. 7. 1988, p. 1).

[2] OJ No L 94, 28. 4. 1970, p. 1. Regulation as last amended by Regulation (EEC) No 860/92 (OJ No L 91, 7. 4. 1992, p. 1).

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HAS ADOPTED THIS REGULATION:

Article 1

The common organization of the market in raw tobacco shall comprise rules on:

— a premium system,
— measures to orientate and limit production,
— arrangements for trade with third countries.

The common organization shall cover raw or unmanufactured tobacco and tobacco refuse falling within CN heading 2401.

Article 2

Raw tobacco varieties shall be classified in the following groups:

(a) flue-cured:

tobacco dried in ovens with controlled air circulation, temperature and humidity;

(b) light air-cured:

tobacco dried in the air under cover, not left to ferment;

(c) dark air-cured:

tobacco dried in the air under cover, left to ferment naturally before being marketed;

(d) sun-cured:

tobacco dried in the sun;

(e) fire-cured:

tobacco dried by fire;

(f) Basma (sun-cured);

(g) Katerini (sun-cured);

(h) Kaba-Koulak (classic) and similar (sun-cured).

The varieties in each group are listed in the Annex.

TITLE I

Premium system

Article 3

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1. From the 1999 harvest onwards, a premium scheme shall apply to tobacco, its amount being set for all the tobacco varieties shown in each of the different groups.

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2. A supplementary amount shall, however, be granted on flue-cured, light air-cured and dark air-cured tobaccos grown in Austria, Belgium, France and Germany. That amount shall be equal to 65 % of the difference between the premium applicable to the 1998 harvest and the premium applicable to the 1992 harvest for those tobaccos.

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3. The purpose of the premium shall be to supplement the incomes of producers whose products correspond to market requirements and to facilitate the disposal of tobacco produced in the Community.

Article 4

1. In accordance with the procedure laid down in Article 43 (2) of the Treaty, the Council shall fix the amount of the premium and the supplementary amounts for each tobacco harvest, taking particular account of past and foreseeable possibilities for the disposal of the various types of tobacco, under normal conditions of competition, on the Community and world markets.

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2. The amount of the premium shall be fixed:

(a) per kilogram of leaf tobacco not having undergone first processing and market preparation;

(b) for each group of raw tobacco.

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Article 4a

1. The premium shall comprise a fixed part, a variable part and a specific aid.

2. The variable part of the premium shall account for 30 % to 45 % of the total premium. It shall be introduced in stages up to the 2001 harvest. It may be adjusted within that specified range, according to variety group and Member State.

3. The fixed part of the premium shall be paid either to producer groups for distribution to the members of the group or to individual producers who are not members of a group.

4. The variable part shall be paid to producer groups for distribution to each member in proportion to the purchase price paid by the first processor for his crop.

5. Specific aid, not exceeding 2 % of the total premium, shall be paid to producer groups.

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Article 5

Granting of the premium shall be subject in particular to the following conditions:

(a) the tobacco must come from a production area specified for the variety concerned;

(b) quality requirements must be fulfilled;

(c) the leaf tobacco must be delivered by the producer to the premises of the first processor under a cultivation contract.

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Article 6

1. Cultivation contracts shall be concluded between first processors of tobacco and producer groups or individual producers who are not members of a group.

2. For the purposes of this Regulation:

— the term ‘producer’ shall mean individual producers who are not members of a group, individual producers who are members of a group, or producer groups, all of whom deliver their crop of raw tobacco to a first processor under a cultivation contract,

— a ‘first processor’ shall mean any approved natural or legal person who carries out first processing of raw tobacco by operation, in his own name and on his own account, of one or more first tobacco-processing establishments suitably equipped for that purpose,

— ‘first processing’ shall mean the processing of raw tobacco delivered by a producer into a stable, storable product put up in uniform bales of a quality meeting final user (manufacturer) requirements.

3. The cultivation contract shall include:

— a commitment by the first processor to pay the producer the purchase price according to quality grade,

— a commitment by the producer to deliver to the first processor the raw tobacco meeting the quality requirements specified in the contract.

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4. The Member State's competent body shall, on submission of proof of delivery of the tobacco and of payment of the price as referred to in the first indent of paragraph 3, pay:

— the fixed part of the premium to the producer group or to the individual producer not a member of a group,

— the variable part of the premium and the specific aid to the producer group.

However, on a transitional basis and for a period not exceeding two harvests, the premium may be paid through the intermediary of the first processor.

5. The Member State may, if its structures make it appropriate, apply a cultivation contract auction scheme covering all contracts referred to in paragraph 1 that were concluded before the date on which delivery of the tobacco commences.

Article 7

Rules for the application of this Title shall be adopted in accordance with the procedure laid down in Article 23.

Their scope shall include:

— delimitation of production zones for each variety,

— quality requirements for tobacco delivered,

— other details of the cultivation contract and the closing date for its conclusion,

— any requirement of a security to be lodged by producers applying for an advance, and the terms of its provision and release,

— determination of the variable part of the premium,

— specific premium terms for cultivation contracts concluded with producer groups,

— action to be taken if the producer or first processor fails to meet his obligations,

— the cultivation-contract auction scheme, including the option for the first purchaser to match any offers.

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TITLE II

System of production limitation

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Article 8

A maximum overall guarantee threshold of 350 600 tonnes of raw leaf tobacco per harvest shall be set for the Community.

Within that quantity the Council shall set individual guarantee thresholds for each variety group for three consecutive harvests, in accordance with the procedure laid down in Article 43(2) of the Treaty.

Article 9

1. To ensure observance of the guarantee thresholds, production quotas shall be imposed.

2. The Council, acting in accordance with the procedure laid down in Article 43(2) of the Treaty, shall allocate the quantity available for each variety group between producer Member States for three consecutive harvests.

3. On the basis of the quantities set pursuant to paragraph 2 and without prejudice to paragraphs 4 and 5, Member States shall assign production quotas to individual producers who are not members of a producer group and to producer groups, in proportion to the average quantity of tobacco of the particular variety group delivered for processing by each individual producer over the three years preceding that of the most recent harvest.

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4. ►M7 Before the final date for the conclusion of cultivation contracts, Member States may be authorised to transfer parts of their guarantee threshold allocations to other variety groups. ◄

Subject to the third subparagraph, a one-tonne reduction in the allocation for one variety group shall give rise to an increase of at most one tonne in the allocation for the other variety group.

No transfer of parts of guarantee threshold allocations from one variety group to another may give rise to additional costs to the EAGGF.

The quantities authorised for transfer shall be determined in accordance with the procedure laid down in Article 23.

5. National quota reserves shall be set up, the rules of operation of which shall be adopted in accordance with the procedure laid down in Article 23.

Article 10

1. No premium may be granted on any quantity in excess of a producer's quota.

2. Notwithstanding paragraph 1, a producer may deliver excess production of up to 10 % of his quota for each variety group, this surplus being eligible for the premium granted on the following harvest, provided that he reduces his production for that harvest accordingly so that the combined quota for the two harvests is observed.

3. Member States shall keep accurate data on the production of all individual producers so that, where appropriate, production quotas can be assigned to them.

4. Production quotas may be transferred between individual producers in the same Member State.

Article 11

Rules for the application of this Title shall be adopted in accordance with the procedure laid down in Article 23.

TITLE III

Measures to convert production

Article 12

The specific aid referred to in Article 4a shall be paid to producer groups for the purposes of improving respect for the environment, boosting production quality, strengthening management and ensuring compliance with Community rules within the group.

Article 13

1. A Community Tobacco Fund financed by a deduction of 2 % of the premium shall be set up.

2. The Fund shall finance action in the following areas:

(a) combating tobacco-smoking, in particular informing the public of the dangers of tobacco consumption,

(b) — research to create or develop new varieties and cultivation methods that result in less harm to human health and are better geared to market conditions and more environment-friendly,

— the creation or development of alternative uses for raw tobacco,

(c) studies of the possibilities for producers of raw tobacco of switching to other crops or activities,

(d) the dissemination of the results obtained in the above areas to national authorities and to the sectors concerned.

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Article 14

1. In order to facilitate the voluntary departure from the sector by individual producers, a quota buy-back programme with corresponding reduction of the guarantee thresholds referred to in Article 8 shall be set up.

2. Rural development programmes for the conversion of tobacco-growing regions in difficulty to other activities may be implemented under Community structural policies.

Article 14a

Rules for the application of this Title shall be adopted in accordance with the procedure laid down in Article 23. Those rules shall cover:

— fixing of the specific aid amount,

— the definition of producer groups eligible for specific aid,

— terms for the recognition of groups,

— use of the specific aid, and in particular its allocation between the purposes specified in Article 12(1),

— setting the level of the quota buy-back price, which should not be such as to encourage any excessive exodus of producers from the sector,

— definition, on the basis of a proposal from the Member State, of sensitive production areas and/or groups of high-quality varieties to be exempted from the quota buy-back system, which may not affect more than 25 % of each Member State's guarantee threshold,

— definition of a period of not more than four months between the individual producer's intention to sell his quota and the actual buy-back; during that period the Member State shall make public the intention to sell so that other producers may buy the quota before it is actually bought back.

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TITLE IV

Trade with third countries

Article 15

Unless this Regulation provides otherwise, the rates of duty in the Common Customs Tariff shall apply to the products listed in Article 1.

Article 16

1. The general rules for the interpretation of the combined nomenclature and the special rules for its application shall apply to the classification of products covered by this Regulation.

2. Save as otherwise provided for in this Regulation or in provisions adopted pursuant thereto, the following shall be prohibited in trade with third countries:

(a) the levying of any charge having equivalent effect to a customs duty;

(b) the application of any quantitative restriction or measure having equivalent effect.

Article 16a

1. If, by reason of imports or exports, the Community market in one or more of the products listed in Article 1 is affected by, or is threatened with, serious disturbance likely to jeopardize the achievement of the objective set out in Article 39 of the Treaty, appropriate measures may be applied in trade with third countries until such disturbance of threat of disturbance has ceased.

The Council, acting on a proposal from the Commission in accordance with the voting procedure laid down in Article 43 (2) of the Treaty, shall adopt the general rules for the application of this paragraph and shall

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define in what cases and within what limits Member States may take protective measures.

2. If the situation referred to in paragraph 1 arises, the Commission shall, at the request of a Member State or on its own initiative, decide upon the necessary measures; the Member States shall be notified of such measures, which shall be immediately applicable. If the Commission receives a request from a Member State, it shall take a decision thereon within three working days following receipt of the request.

3. Measures decided upon by the Commission may be referred to the Council by any Member State within three working days of the day on which they were notified. The Council shall meet without delay. It may, acting by a qualified majority, amend or annul the measure in question.

4. This Article shall be applied having regard to the obligations arising from agreements concluded in accordance with Article 228 (2) of the Treaty.

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TITLE V

Control measures

Article 17

1. Member States shall take all necessary action to ensure and verify compliance with Community provisions concerning raw tobacco.

2. Member States shall make arrangements for granting entitlement to first processors to sign cultivation contracts.

3. Entitlement shall be withdrawn by the Member State if the processor deliberately or through serious negligence fails to comply with the Community provisions concerning raw tobacco.

4. Member States shall take the action necessary for their control bodies to be able to verify compliance with Community provisions, and in particular:

— to have access to production and processing facilities,

— to be able to acquaint themselves with first processors' accounting and stock records and with other relevant documents and take copies or extracts,

— to be able to obtain all relevant information, particularly in order to check that tobacco delivered has actually been processed,

— to obtain exact figures for the volume and purchase price of the production of all individual producers,

— to check the quality of the tobacco and payment by the processor of a purchase price to the individual producer,

— to check each year the areas planted by individual producers.

5. Rules for the application of this Title shall be adopted in accordance with the procedure laid down in Article 23.

TITLE VI

General and transitional provisions

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Article 18

Except where this Regulation provides otherwise, Articles 92, 93 and 94 of the Treaty shall apply to production of and trade in the products referred to in Article 1.

Article 19

Expenditure incurred pursuant to Title I and III shall be regarded as expenditure within the meaning of Article 1 (2) of Regulation (EEC) No 729/70.

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Article 20

To deal with unforeseen circumstances, exceptional market support measures may be taken in accordance with the procedure laid down in Article 23. Their scope and duration shall be strictly limited to what is necessary to support the market.

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Article 21

Member States and the Commission shall send each other any information necessary for the application of this Regulation. Detailed rules for the sending and dissemination of such information shall be adopted in accordance with the procedure laid down in Article 23.

Article 22

A Management Committee for Tobacco (hereinafter called 'the Committee') shall be established, consisting of representatives of Member States and presided over by a representative of the Commission.

Article 23

1. The representative of the Commission shall submit to the Committee a draft of the measures to be taken. The Committee shall deliver its opinion on the draft within a time limit which the chairman may lay down according to the urgency of the matter. The opinion shall be delivered by the majority laid down in Article 148 (2) of the Treaty in the case of decisions which the Council is required to adopt on a proposal from the Commission. The votes of the representatives of the Member States within the Committee shall be weighted in the manner set out in that Article. The chairman shall not vote.

2. The Commission shall adopt measures which shall apply immediately. However, if these measures are not in accordance with the opinion of the Committee, they shall be communicated by the Commission to the Council. In that event the Commission may defer application of the measures which it has decided for a period of not more than one month from the date of such communication.

3. The Council, acting by a qualified majority, may take a different decision within the time limit referred to in the previous paragraph.

Article 24

The Committee may consider any other matter raised by its chairman, either on his initiative or at the request of the representative of a Member State.

Article 25

This Regulation must be applied in such a way that account is taken, simultaneously and appropriately, of the objectives laid down in Articles 39 and 110 of the Treaty.

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Article 26

Before 1 April 2002, the Commission shall submit a report to the European Parliament and to the Council on the functioning of the common organisation of the market in raw tobacco.

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Article 27

Where transitional measures prove necessary to facilitate the transition from the arrangements set up by Regulation (EEC) No 727/70 to those laid down in this Regulation, such measures shall be adopted in accordance with the procedure laid down in Article 23.

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Where transitional measures prove necessary to facilitate the application of the amendments to this Regulation introduced by Regulation (EC) No 1636/98 ([1]), such measures shall be adopted in accordance with the procedure laid down in Article 23.

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Article 28

Regulation (EEC) No 727/70 is repealed with effect from the 1993 harvest.

Article 29

This Regulation shall apply from the 1993 harvest.

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

([1]) OJ L 210, 28.7.1998, p. 23.

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ANNEX

CLASSIFICATION OF TOBACCO VARIETIES

I. FLUE-CURED

Virginia

Virginia D and hybrids thereof

Bright

II. LIGHT AIR-CURED

Burley

Badischer Burley and hybrids thereof

Maryland

III. DARK AIR-CURED

Badischer Geudertheimer, Pereg, Korso

Paraguay and hybrids thereof

Dragon Vert and hybrids thereof

Philippin

Petit Grammont (Flobecq)

Semois

Appelterre

Nijkerk

Misionero and hybrids thereof

Rio Grande and hybrids thereof

Forchheimer Havanna IIc

Nostrano del Brenta

Resistente 142

Goyano

Hybrids of Geudertheimer

Beneventano

Brasile Selvaggio and similar varieties

Fermented Burley

Havanna

IV. FIRE-CURED

Kentucky and hybrids

Moro di Cori

Salento

V. SUN-CURED

Xanthi-Yaka

Perustitza

Samsun

Erzegovina and similar varieties

Myrodata Smyrnis, Trapezous and Phi I

Kaba Koulak (non-classic)

Tsebelia

Mavra

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VI. Basmas

VII. Katerini and similar varieties

VIII. Kaba Koulak (classic)

Elassona

Myrodata Agrinion

Zichnomyrodata