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*(Acts whose publication is obligatory)*

# COUNCIL REGULATION (EC) No 1101/95

## of 24 April 1995

## amending Regulation (EEC) No 1785/81 on the common organization of the market in the sugar sector and Regulation (EEC) No 1010/86 laying down general rules for the production refund on certain sugar products used in the chemical industry

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Articles 42 and 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 Article 23 (5) of Regulation (EEC) No 1785/81 (3) states that the Council is to adopt, in accordance with the procedure laid down in Article 43 (2) of the Treaty, the arrangements to apply from 1 July 1995 to the production of sugar, isoglucose and inulin syrup;

Whereas the agreements resulting from the Uruguay Round multilateral trade negotiations were approved by Decision 94/800/EC (4); whereas the agreement on agriculture (hereinafter referred to as 'the Agreement') provides, in particular, for the gradual reduction of the level of the Community's export support for agricultural products and in particular for sugar under guarantee of production quotas; whereas the Agreement provides for the reduction of export support, in terms of both quantities and appropriations, over a transitional period;

Whereas it should be recalled that, since the 1986/87 marketing year, the common organization of the sugar sector markets has been based, first, on the principle of full financial responsibility on the part of producers for the losses incurred in each marketing year due to the disposal of that part of Community production under quota which is surplus to the Community's internal consumption and, secondly, on a differentiation of the price and disposal guarantees in line with the production quota allocated to each undertaking; whereas, since commitments to reduce export support are to be implemented over a transitional period, the present basic sugar and isoglucose quantities and inulin syrup quotas should be maintained unchanged but with provision made for the guarantees pertaining thereto to be adjusted as appropriate to permit compliance with the commitments made under the Agreement, while taking into account the fundamental factors affecting the situation of this sector in the Community; whereas it is accordingly desirable to maintain the sector's self-financing arrangements and production quotas for a period corresponding to the abovementioned transitional period, namely six marketing years;

Whereas the production quotas allocated to each sugar sector undertaking may, in any marketing year, give rise, as a result of the relevant consumption, production, importation, stock and carryover levels, and the average loss likely to be borne under the self-financing scheme, to an export volume exceeding that set in the Agreement; whereas provision should therefore be made for adjustments over one or more marketing years in the guarantees linked to quotas so that the Community's commitments can be met;

Whereas, as the first step in implementing adjustments to the guarantees, the difference recorded for a given marketing year between the Community's exportable volume and the amount set in the Agreement should be apportioned between sugar, isoglucose and inulin syrup accor-

(1) Opinion delivered on 6 April 1995 (not yet published in the Official Journal).
(2) OJ No C 110, 2. 5. 1995.
(3) OJ No L 177, 1. 7. 1981, p. 4. Regulation as last amended by the Act of Accession of Austria, Finland and Sweden.
(4) OJ No L 336, 23. 12. 1994, p. 1.

ding to the percentages which the quotas of each represent in the total of the quotas set for these products and for the Community;

Whereas this initial breakdown by product should then be followed by a breakdown between the Member States which adjusts the guarantees linked to the quotas assigned to producing undertakings located in each Member State in a way that does not affect the existing balance of quotas and burden-sharing; whereas, to this end, a reduction coefficient should be determined for each Member State in respect of the A and B guarantees which is in line with the maximum contributions pertaining to these guarantees; whereas it should then be up to each Member State concerned to make an allocation among undertakings which takes account of the guarantees arising for each undertaking from its own quotas;

Whereas the common organization of the market in sugar established a compensation system for storage costs; whereas it is appropriate to make it clear that sugar which formed the subject of the reduction of guarantees under obligations arising from undertakings given in the context of the Agreement may continue to be eligible for reimbursement of storage costs under the said system;

Whereas Article 303 of the Act of Accession of Spain and Portugal provided for preferential arrangements, applying for seven years following accession, to ensure adequate supply of Portuguese refineries with raw sugar; whereas the preferential arrangement consisted of a reduced import levy on sugar imported to this end from certain ACP and other third countries, the use of available raw sugar from cane and beet harvested in the Community covered by the arrangements provided for by Council Regulation (EEC) No 2225/86 of 15 July 1986 laying down measures for the marketing of sugar produced in the French overseas departments and for equalization of the price conditions with preferential raw sugar [1], and the use of available preferential raw sugar as defined in Article 33 of Regulation (EEC) No 1785/81; whereas these supply arrangements for Portuguese refineries have been continued and incorporated in Regulation (EEC) No 1785/81 as Article 16a, which also applies to Finland;

Whereas, moreover, in the Declaration by the European Economic Community on supplies to the sugar refining industry in Portugal annexed to the Final Act of the Treaty of Accession of Spain and Portugal, the Community stated that it was prepared to make an overall examination of the refining industry in the Community and in Portugal in particular; whereas, under the terms of paragraph 2a of Article 16a of Regulation (EEC) No 1785/81 such an examination is also to apply to Finland;

Whereas this examination has shown the need, in particular with the aim of achieving a steadier and more even flow of supplies to refineries throughout the Community, to estimate clearly the expected maximum traditional requirement of raw sugar for refining into white sugar in each of the Member States concerned, namely Finland, France, Portugal and the United Kingdom, using objective reference data and taking into account the quantities of sugar going for direct consumption recorded for the 1994/95 marketing year; whereas, to achieve this aim, the possibility should be opened to the refining industry, within the limit of its anticipated needs, of gaining access on certain terms to all raw sugar originating in the Community, the ACP States and/or in certain other traditional suppliers to be specified, on the basis of a forward balance and in a particular order of priority, namely Community sugar, preferential sugar covered by Protocol No 8 annexed to the fourth ACP-EEC Lomé Convention [2], and sugar imported from ACP States and/or other traditional suppliers; whereas, for raw sugar imported from the ACP States listed in Protocol No 8 and from India other than preferential sugar in the strict sense, a special preferential arrangement for access to the Community refining market should be introduced;

Whereas refining is an important activity both in the sugar sector in general and in the Community, and in particular in refineries for conversion of raw sugar into white sugar; whereas, from a technical point of view, refining produces high-quality products from sugar cane that can meet market requirements; whereas, moreover, these refineries are located in areas of high consumption; whereas the port-related refining industry is accordingly, for the Community, a valuable complement to the beet processing industry, in particular in Finland, mainland Portugal, the United Kingdom and southern and western France;

Whereas, in a joint declaration on the Portuguese sugar market annexed to the Final Act of the Fourth ACP-EEC Lomé Convention, the ACP States and the Community agreed to continue, under the relevant provisions of the Convention and in particular Article 168 (2) thereof, the examination of requests from the ACP States for increased preferential access to the Portuguese market for ACP sugar; whereas examination of these requests, which concern supplies to port refineries in the Community as a whole, leads to the conclusion that special priority access should be given to raw cane sugar originating in the ACP States party to Protocol No 8 and in India, under special agreements negotiated between the Community and the countries referred to in Protocol No 8 and/or other countries and on the basis of a Community estimate of requirements after utilization for refining of all available raw cane and beet sugar in the Community and preferential sugar as defined in Article 33 of Regulation (EEC) No 1785/81;

Whereas, up to the 1994/95 marketing year, Community adjustment aid has been granted for refining of preferential raw cane sugar and of raw sugar from cane and beet harvested in the Community; whereas hitherto it has been possible to adjust this aid for any given marketing year in line with the storage levy set for that year and/or any change in the refining margin resulting from the prices set for the marketing year in question; whereas, in the light of experience, this aid should continue; whereas,

[1] OJ No L 194, 17. 7. 1986, p. 7.

[2] OJ No L 229, 17. 8. 1991, p. 1.

given the direct impact on the refining margin of changes in the storage levy, it should henceforth be made compulsory for the adjustment aid to be altered in line with that levy in the case of refining of raw sugar covered by Community price guarantees or imported from the ACP States as preferential sugar covered by Article 33 of Regulation (EEC) No 1785/81 ;

Whereas, for reasons already indicated in the past, beet production in Italy, in view of its particular characteristics and the dimensions of holdings, is facing, in the northern region, although less and less so, and in the central region, difficulties in particular concerning the application of modern production methods ; whereas, for structural reasons, these difficulties persist in the southern region, which is, moreover, recognized as lagging behind in development and structural adjustment ; whereas beet growing there is indispensable in order to regenerate soils with a particularly high level of clay and thus to avoid a return to monoculture ; whereas Italy should therefore be authorized to grant, on the one hand, in its northern and central regions national aid the downward sliding scale of which shall be extended over five marketing years, and to grant, on the other hand, in its southern region such aid progressively reduced over six marketing years from the level granted for the 1994/95 marketing year ;

Whereas it has proved impossible to implement the structural adjustments of the Spanish sugar industry provided for by Regulation (EEC) No 3814/92 (1), which amended Regulation (EEC) No 1785/81, in accordance with the timetable anticipated ; whereas it is therefore appropriate to prolong, by one marketing year, the possibility for granting this aid to the undertakings concerned ;

Whereas, by virtue of Article 110 of the 1985 Act of Accession, the Kingdom of Spain is authorized to grant national adjustment aid to producers of A and B beet until 31 December 1995 ; whereas, in order to take account of certain difficulties which still exist, it is appropriate to maintain the authorization for national aid beyond 31 December 1995 for a limited period and on a downward sliding basis ;

Whereas the cane sugar production process in Spain is faced with specific difficulties in its effort to maintain itself as compared with that of other crops ; whereas, in order to enable this limited production to be maintained, a national aid of ECU 6 should be authorized per 100 kilograms of white sugar obtained from cane sugar ;

Whereas this Regulation should be applied under the best possible conditions ; whereas, to this end, certain transitional measures may prove necessary ; whereas the procedure laid down in Article 41 of Regulation (EEC) No 1785/81 should apply to adoption of such transitional measures,

HAS ADOPTED THIS REGULATION :

*Article 1*

Regulation (EEC) No 1785/81 is amended as follows :

1. Article 23 (1) is replaced by the following :

   '1. Articles 24 to 32 shall apply in respect of the marketing years 1995/96 to 2000/01.' ;

2. Article 23 (2) is replaced by the following :

   '2. For the period referred to in paragraph 1 and without prejudice to paragraph 4a, Article 24 (2), Article 25 and, as appropriate, Article 24a (5), the A and B quotas of undertakings producing sugar or isoglucose shall be those assigned by the Member States for the 1994/95 marketing year.' ;

3. Article 23 (4) is replaced by the following :

   '4. For the period referred to in paragraph 1 and without prejudice to paragraph 4a, the A and B quotas of undertakings producing inulin syrup shall be those definitively assigned by the Member States pursuant to Article 24b for the 1994/95 marketing year. Articles 24 and 25 shall not apply to such undertakings.' ;

4. the following paragraph shall be inserted in Article 23 :

   '4a. In order to comply with the commitments entered into by the Community under the agricultural agreement concluded pursuant to Article 228 (2) of the Treaty, the guarantees for the disposal of sugar, isoglucose and inulin syrup produced under quota may be reduced for one or more designated marketing years.

   For the purposes of applying the first subparagraph, for each marketing year the guaranteed quantity under quotas shall be laid down before 1 October on the basis of forecasts of production, imports, consumption, storage, carryover, exportable balance and average loss likely to be borne under the self-financing scheme within the meaning of point (d) of Article 28 (1). If these forecasts show an exportable balance for the marketing year in question greater than the maximum laid down by the Agreement, the guaranteed quantity shall be reduced by the difference in accordance with the procedure laid down in Article 41. This difference shall be divided up between sugar, isoglucose and inulin syrup in accordance with the percentage representing the total of the A and B quotas of each product in the Community. It shall then be broken down by Member State and by product by applying the corresponding coefficient set out in the table below :

(1) OJ No L 387, 31. 12. 1992, p. 7.

| Region | 1 | | 2 | | 3 | |
|---|---|---|---|---|---|---|
| | Coefficient applicable to sugar expressed as white sugar | | Coefficient applicable to isoglucose in dry matter | | Coefficient applicable to inulin syrup as sugar/isoglucose equivalent | |
| | A sugar | B sugar | A isoglucose | B isoglucose | A inulin syrup | B inulin syrup |
| BLEU (1) | 0,046201 | 0,009920 | 0,225547 | 0,062024 | 0,556265 | 0,130955 |
| Denmark | 0,027206 | 0,008015 | — | — | — | — |
| Germany (region Article 24) | 0,169608 | 0,052188 | 0,104246 | 0,024551 | — | — |
| Germany (region Article 24a) | 0,055204 | 0,016986 | — | — | — | — |
| Greece | 0,012352 | 0,001235 | 0,037978 | 0,008944 | — | — |
| Spain | 0,026459 | 0,001102 | 0,166138 | 0,017721 | — | — |
| France (metropolitan) (2) | 0,213231 | 0,063239 | 0,061081 | 0,015898 | 0,058922 | 0,013847 |
| France (ODs) (2) | 0,019298 | 0,002063 | — | — | — | — |
| Ireland | 0,007752 | 0,000775 | — | — | — | — |
| Italy | 0,082491 | 0,015514 | 0,059803 | 0,014083 | — | — |
| Netherlands | 0,053393 | 0,014083 | 0,026804 | 0,006313 | 0,194365 | 0,045646 |
| Portugal (mainland) | 0,002323 | 0,000232 | 0,029213 | 0,006880 | — | — |
| Portugal (autonomous region of the Azores) | 0,000387 | 0,000039 | — | — | — | — |
| United Kingdom | 0,044297 | 0,004430 | 0,084713 | 0,022596 | — | — |
| Austria | 0,022673 | 0,005292 | — | — | — | — |
| Sweden | 0,014327 | 0,001433 | — | — | — | — |
| Finland | 0,005683 | 0,000568 | 0,023151 | 0,002316 | — | — |

(1) Belgo-Luxembourg Economic Union.

(2) Pursuant to the second subparagraph of Article 25 (3).

The Member State shall then allocate the difference to which it is subject among the producer undertakings established on its territory on the basis of the existing ratio between their A quota and their B quota for the product in question and the basic quantity A and the basic quantity B for the Member State or, as appropriate, the sum of the A quotas and the sum of the B quotas for this product assigned to the producer undertakings.

Sugar, isoglucose and inulin syrup produced beyond the quantity guaranteed shall be considered as C sugar, C isoglucose and C inulin syrup within the meaning of either point (c) in the second subparagraph of Article 24 (1) or point (c) of Article 24b (5), as appropriate.

The arrangements for the application of the first subparagraph, the reduction in the guaranteed quantity and, where appropriate, any change in that quantity as regards the fixing of the guaranteed quantity for the following marketing year shall be adopted in accordance with the procedure laid down in Article 41.';

5. in Article 23 (5), the dates '1 January 1995' and '1 July 1995' shall be replaced by '1 January 2001' and '1 July 2001' respectively;

6. in the first indent of the first subparagraph of Article 24 (1), the date '1993/94' shall be replaced by '1994/95';

7. in Article 24 (3), the date '1993/94' shall be replaced by '1994/95';

8. the following shall be added to Article 27 (1):

'Each undertaking shall be free to decide to carry forward the whole or part of its production of A sugar and B sugar which has become production of C sugar after application of Article 23 (4a) to the next marketing year to be treated as part of that year's production. That decision shall also be irrevocable. Furthermore, it shall not be subject to any limit that may be laid down under paragraph 3.';

9. the second indent of Article 27 (2), shall be replaced by the following:

'— undertake to store such quantity or quantities for a period of 12 consecutive months from a date to be determined. For this period, storage costs for C sugar carried forward and for A sugar and B sugar which have become carried forward C sugar after application of Article 23 (4a) shall also be reimbursed under Article 8.'

10. in Article 28 (2), the introductory phrase shall be replaced by the following:

'Before the end of the 2000/01 marketing year and without prejudice to Article 23 (4a), there shall be recorded cumulatively for the 1995/96 to 2000/01 marketing year:';

11. in Article 29 (1), the date '1990/91' shall be replaced by '1994/95';

12. Title IV is hereby replaced by the following:

'TITLE IV

**System of preferential imports**

*Article 33*

Articles 34, 35 and 36 shall apply to cane sugar, hereinafter referred to as "preferential sugar", falling within CN code 1701, which originates in the States listed in Annex II and which is imported into the Community under:

(a) Protocol No 8 on ACP sugar annexed to the Fourth ACP-EEC Convention of Lomé (1);

(b) the agreement between the European Economic Community and the Republic of India on cane sugar (2).

(1) OJ No L 229, 17. 8. 1991, p. 1.
(2) OJ No L 190, 22. 7. 1975, p. 35.

*Article 34*

Where the quality of preferential sugar imported pursuant to Article 33 and purchased by intervention agencies or by other agents appointed by the Community deviates from the standard quality, the guaranteed prices shall be adjusted by means of price increases and reductions.

*Article 35*

1. No import duty shall apply to imports of preferential sugar pursuant to Article 33.

2. Preferential sugar shall enjoy no derogations from the prohibitions referred to in Article 19 (2).

*Article 36*

1. For marketing years 1995/96 to 2000/01, adjustment aid shall, as an intervention measure, be granted to the industry engaged in refining preferential raw cane sugar imported for that purpose into the Community pursuant to Article 33.

2. The aid referred to in paragraph 1 may be granted only in respect of the quantities eligible under Article 33, which are refined into white sugar at the refineries referred to in Article 9 (4). The aid for the white sugar in question shall be ECU 0,10 per 100 kilograms, expressed in white sugar.

3. During the period specified in paragraph 1, additional basic aid of ECU 0,10 per 100 kilograms, expressed as white sugar, shall be granted for the refining, at the refineries referred to in Article 9 (4), of raw cane sugar produced in the French overseas departments, in order to restore the price balance between the sugar and preferential sugar.

4. For a particular marketing year, adjustment aid and additional aid shall be adjusted in the light of the storage levy fixed for that year and previous adjustments.

5. Pursuant to the second subparagraph of Article 9 (4), the aid arrangements provided for in paragraphs 1 to 4 may be extended under conditions to be determined, to raw sugar from beet harvested in the Community and refined in the refineries defined in Article 9.

6. Detailed rules for the application of this Article, and in particular concerning the adjustments, referred to in paragraph 4, shall be adopted in accordance with the procedure laid down in Article 41.

*Article 37*

1. During the period referred to in Article 36, in order to ensure adequate supplies to the Community refineries referred to in Article 9 (4), a reduced rate of duty, hereinafter referred to as "special duty", shall be levied on imports of raw cane sugar originating in the States referred to in Article 33 and other States pursuant to agreements with those States, hereinafter referred to as "special preferential sugar" and subject to the conditions laid down therein, and in particular the minimum purchasing price to be paid by refiners.

2. For the purposes of paragraph 1 and without prejudice to paragraph 5, the presumed maximum supply needs per marketing year, expressed in white sugar, of the refining industries in:

(a) Finland, amount to 60 000 tonnes,

(b) metropolitan France, amount to 297 000 tonnes,

(c) continental Portugal, amount to 292 000 tonnes,

(d) the United Kingdom, amount to 1 130 000 tonnes.

However, in the case of Finland, these needs amount :

— for the period from 1 July 1995 to 31 December 1995, to the balance of the quantities of raw sugar remaining to be refined subject to the limit laid down in Article 16a, as amended by the Act of Accession of Austria, Finland and Sweden ;

— for the period from 1 January 1996 to 30 June 1996, to 30 000 tonnes.

3. Without prejudice to paragraph 5, on the basis of a Community forecast suply balance for raw sugar for each marketing year or part of a marketing year, the quantities of raw cane sugar and raw beet sugar harvested in the Community with or without distinction of origin available to the refining industry shall be determined. This balance may be revised during the marketing year.

For the purposes of determining these quantities, the quantities of sugar from the French overseas departments and of preferential sugar for direct consumption to be used in each balance shall be those determined for the 1994/95 marketing year less forecast local consumption in those departments during the marketing year in question. If the balance shows that the amounts available will be insufficient to meet the maximum needs laid down in paragraph 2, the necessary measures shall be laid down to enable the Member States concerned to import the shortfall as special preferential sugar under the arrangements for imports at a special rate of duty provided for in the agreements referred to in paragraph 1.

4. Except in the event of *force majeure,* where the maximum presumed needs for a Member State, as laid down in paragraph 2 or after revision within the meaning of paragraph 5, are exceeded, a quantity equivalent to the excess shall be subject to the payment of an amount corresponding to the full rate of duty in force for the marketing year in question, increased by the aid referred to in Article 36 and, where appropriate, by the highest additional rate of duty recorded during that marketing year.

However, as regards preferential raw sugar and in the event of revision within the meaning of paragraph 5, the quantities in excess of the revised maximum presumed needs, within the limit of the quantities laid down in paragraph 2, may be sold to intervention bodies on the terms stipulated in Article 34 if they cannot be marketed in the Community.

5. Where Article 23 (4a) applies, the sum of the preferential maximum needs referred to in paragraph 2 shall be reduced for the marketing year concerned by a quantity equal to the sum of the special preferential sugars needed to cover the presumed maximum needs determined under the conditions referred to in paragraph 3, and reduced by the same percentage reduction as was applied to the sum of the basic quantities A for Community sugar pursuant to the said paragraph 4a.

The reduction of the maximum needs shall be apportioned between the Member States concerned on the basis of the relationship existing between the quantity fixed for each one of them in paragraph 2 and the sum of the quantities fixed in that paragraph.

6. Detailed rules for the application of this Article, and in particular concerning the implementation and management of the agreements referred to in paragraph 1, shall be adopted in accordance with the procedure laid down in Article 41.' ;

13. Article 46, shall be replaced by the following :

*'Article 46*

1. Italy shall be authorized, under the conditions set out in paragraphs 2 and 3, to grant adjustment aid in the case referred to in paragraph 2 (a) and (b) to producers of sugar beet and in the case referred to in paragraph 2 (c) to producers of sugar beet as well as, where appropriate, to sugar producers in the region in question.

2. The aid referred to in paragraph 1 may be granted only in respect of the corresponding quantity of sugar produced within the limit of the A and B quotas of each sugar-producing undertaking.

(a) For the production referred to in the first subparagraph in northern Italy, the unit amount of aid may not exceed :

— in the 1995/96 marketing year : ECU 8,15 per 100 kilograms of white sugar,

— in the 1996/97 marketing year : ECU 5,43 per 100 kilograms of white sugar,

— in the 1997/98 marketing year : ECU 3,80 per 100 kilograms of white sugar,

— in the 1998/99 marketing year : ECU 2,17 per 100 kilograms of white sugar,

— in the 1999/2000 marketing year : ECU 1,09 per 100 kilograms of white sugar.

(b) For the production referred to in the first subparagraph in central Italy, the unit amount of aid may not exceed :

— in the 1995/96 marketing year : ECU 8,15 per 100 kilograms of white sugar,

— in the 1996/97 marketing year : ECU 5,43 per 100 kilograms of white sugar,

— in the 1997/98 marketing year : ECU 4,35 per 100 kilograms of white sugar,

— in the 1998/99 marketing year : ECU 3,26 per 100 kilograms of white sugar,

— in the 1999/2000 marketing year : ECU 2,17 per 100 kilograms of white sugar.

(c) For the production referred to in the first subparagraph in southern Italy, the unit of amount of aid may not exceed :

— in the 1995/96 marketing year : ECU 8,15 per 100 kilograms of white sugar,

— in the 1996/97 marketing year : ECU 7,61 per 100 kilograms of white sugar,

— in the 1997/98 marketing year : ECU 7,06 per 100 kilograms of white sugar,

— in the 1998/99 marketing year : ECU 6,52 per 100 kilograms of white sugar,

— in the 1999/2000 marketing year : ECU 5,98 per 100 kilograms of white sugar,

— in the 2000/01 marketing year : ECU 5,43 per 100 kilograms of white sugar.

3. However, as regards southern Italy only, Italy may, depending on the marketing year in question, adjust the aid referred to in point (c) of paragraph 2 where this is necessitated by exceptional requirements connected with restructuring the sugar sector in that part of Italy. Pursuant to Articles 92, 93 and 94 of the Treaty, the Commission shall assess in particular whether such aid is consistent with the restructuring plans.

4. For the purposes of paragraphs 1, 2 and 3 :

(a) northern Italy means Italy other than the production regions listed under (b) and (c) ;

(b) central Italy means Tuscany, Umbria, Latium and the Marches ;

(c) southern Italy means Abruzzi, Molise, Apulia, Sardinia, Campania, Basilicata, Calabria and Sicily.

5. Italy shall notify the Council, in respect of each marketing year, of the measures taken in application of paragraphs 1 to 3 and, in particular, of the distribution of the aid by region and between producers of sugar beet and producers of sugar in southern Italy.

6. Spain shall be authorized, under the conditions set out below, to grant adjustment aid to sugar-producing undertakings during the 1993/94 to 1996/97 marketing years.

The aid shall be granted only for A and B sugars as defined in Article 24 (1a), as part of restructuring plans aimed at rationalizing the Spanish sugar industry. These plans shall be forwarded to the Commission. The aid shall be limited to ECU 45,65 million for the period referred to in the first subparagraph.

As an intervention measure, 50 % of the aid granted per marketing year shall be paid by the Community.

7. Spain shall be authorized, under the conditions set out in paragraph 8, to grant adjustment aid in the case referred to in paragraph 8 (a) to producers of sugar beet and in the case referred to in paragraph 8 (b) to producers of sugar cane in its territory.

8. The aid referred to in paragraph 7 may be granted only in respect of the corresponding quantity of sugar produced within the limit of the A and B quotas of each sugar-producing undertaking.

(a) For the production referred to in the first paragraph from beet, the unit amount of aid may not exceed :

— in the 1995/96 marketing year : ECU 8,67 per 100 kilograms of white sugar,

— in the 1996/97 marketing year : ECU 5,43 per 100 kilograms of white sugar,

— in the 1997/98 marketing year: ECU 4,35 per 100 kilograms of white sugar,

— in the 1998/99 marketing year: ECU 3,26 per 100 kilograms of white sugar,

— in the 1999/2000 marketing year: ECU 2,17 per 100 kilograms of white sugar.

(b) For the production referred to in the first paragraph from cane, the unit amount of aid may not exceed ECU 7,25 per 100 kilograms of white sugar in the 1995/96 to 2000/01 marketing years.

9. Spain shall notify the Council, in respect of each marketing year, of the measures taken in application of paragraphs 7 and 8 and, in particular, of the distribution of the aid between producers of sugar beet and producers of sugar cane.

10. During the 1995/96 to 2000/01 marketing years, the United Kingdom shall be authorized to grant, to the extent that it deems necessary, adjustment aid for the refining of preferential unrefined cane sugar.

The granting of the aid referred to in the first subparagraph may take place only within the limit of the quantities agreed pursuant to the provisions referred to by Article 33, such quantities being refined into white sugar in the United Kingdom.

For this production of white sugar, the maximum amount of aid shall be set at ECU 0,54 per 100 kilograms of sugar expressed as white sugar.';

14. in Article 48, '30 June 1995', shall be replaced by '30 June 1996'.

*Article 2*

The following paragraph shall be inserted in Article 4a of Regulation (EEC) No 1010/86:

'1a. The standard amount of ECU 8,45 per 100 kilograms of white sugar referred to in paragraph 1 may be reduced to as low as ECU 2,42 per 100 kilograms in accordance with the procedure laid down in Article 41 of Regulation (EEC) No 1785/81.'

*Article 3*

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

It shall apply from 1 July 1995.

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

Done at Brussels, 24 April 1995.

*For the Council*

*The President*

J. PUECH