COUNCIL REGULATION (EC) No 1469/97

of 22 July 1997

derogating from certain provisions in Regulation (EEC) No 1765/92 establishing a support system for producers of certain arable crops

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),

Whereas the support system for producers of certain arable crops established by Regulation (EEC) No 1765/92 (2) provides that, in order to qualify for compensatory payments under the general scheme, producers must set aside a predetermined percentage of their arable land; whereas this percentage is to be reviewed to take account of production and market developments;

Whereas, since the introduction of this system, the cereals market has achieved a better balance as a result of an increase in Community consumption; whereas this situation, together with the very low level of stocks and firm prices on the markets has also resulted in a significant reduction in public stocks and firm prices for cereals on the Community market;

Whereas, in the light of the present market situation for cereals and to avoid jeopardizing the Community's presence on the world market, the rate for set-aside beginning not later than 15 January 1998 should therefore be set for the 1998/1999 marketing year at the same level as for the 1997/1998 marketing year and the application of special set-aside should be suspended where the base area under the 1997/1998 marketing year is exceeded; whereas, as a corollary to this provision, the level of the penalty for exceeding an 'irrigated' ceiling should be made less severe;

Whereas in the event of a transfer of the set-aside requirement, the basic 17,5 % set-aside rate is increased by 3 %; whereas this increase should be adjusted in order to maintain a similar ratio between the basic rate and the percentage increase due on transfer, following the drop in the basic rate; whereas, in the event of a transfer of the set-aside requirement to areas which are sensitive from an environmental point of view, it is appropriate not to apply the abovementioned increase,

HAS ADOPTED THIS REGULATION:

Article 1

For the 1998/1999 marketing year, notwithstanding Article 7 of Regulation (EEC) No 1765/92:

— the set-aside requirement referred to in paragraph 1 of that Article shall be set at 5 %;

— the increase referred to in the second indent of paragraph 7 of that Article shall be set at 1 percentage point. However, no increase shall apply to transfers executed to a particular area where environmental objectives are achieved.

Article 2

Should the base area under the 1997/1998 marketing year be exceeded, the special set-aside referred to in the second indet of Article 2 (6) of Regulation (EEC) No 1765/92 shall not apply.

Article 3

For the 1997/1998 marketing year, notwithstanding the sixth subparagraph of Article 3 (1) of Regulation (EEC) No 1765/92, where an 'irrigated' ceiling is exceeded, the compensatory payment for the 'irrigated' rate shall in all cases be reduced proportionally to the rate of the overshoot recorded.

Article 4

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

(1) Opinion delivered on 18 July 1997 (not yet published in the Official Journal).

(2) OJ No L 181, 1. 7. 1992, p. 12. Regulation as last amended by Regulation (EC) No 922/97 (OJ No L 133, 24. 5. 1997, p. 1).

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

Done at Brussels, 22 July 1997.

For the Council

The President

F. BODEN