COUNCIL REGULATION (EC) No 1635/98

of 20 July 1998

derogating from certain provisions of 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 a very low level of stocks and firm prices on the market has resulted in the rate of compulsory set-aside for the preceding marketing years being set at a level appreciably below that predetermined;

Whereas recent developments on the Community and world cereal markets has resulted in a reversal in the trend as regards the level of public stocks and prices on the world market in particular;

Whereas this situation must be taken into account when fixing the compulsory set-aside rate for the 1999/2000 marketing year; whereas this rate should be fixed at a level sufficient to prevent too high a build-up in public stocks immediately before the first marketing year in which Agenda 2000 applies;

Whereas suspension of the application of special set-aside should be continued; whereas consequently the level of sanction provided for when the ceiling for irrigated land is exceeded should be relaxed; whereas the increase laid down in the case of transfer of the set-aside obligation should be adapted and it should not be applied in the case of transfer to environmentally-sensitive areas,

HAS ADOPTED THIS REGULATION:

Article 1

For the 1999/2000 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 10 %,

— 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 1998/99 marketing year be exceeded, the special set-aside referred to in the second indent of Article 2(6) of Regulation (EEC) No 1765/92 shall not apply.

Article 3

For the 1998/99 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 day following its publication in the *Official Journal of the European Communities*.

[1] OJ C 210, 6. 7. 1998.
[2] OJ L 181, 1. 7. 1992, p. 12. Regulation as last amended by Regulation (EC) No 2309/97 (OJ L 321, 22. 11. 1997, p. 3).

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

Done at Brussels, 20 July 1998.

For the Council
The President
W. MOLTERER