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COMMISSION OF THE EUROPEAN COMMUNITIES

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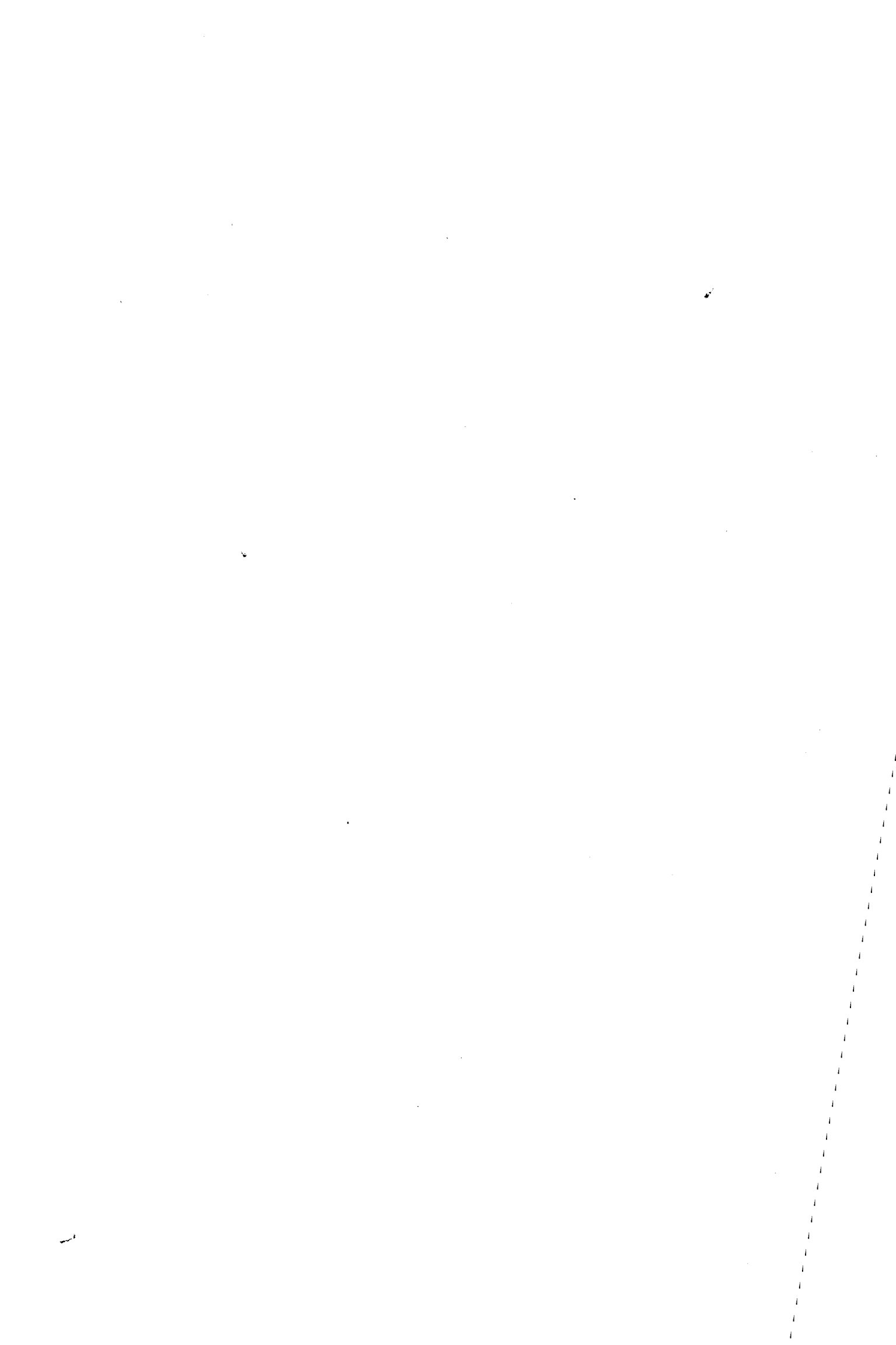
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COMMUNICATION FROM THE COMMISSION TO THE COUNCIL

Difficulties connected with the collection of the co-responsibility  
levy in Italy

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COMMUNICATION FROM THE COMMISSION TO THE COUNCIL

Subject : Difficulties connected with the collection of the co-responsibility levy in Italy

1. In adopting the Commission's proposals on prices and related measures at its meeting on 25 and 26 April 1977 the Council approved provisions for the collection, as from 16 September 1977, of the co-responsibility levy in the milk products sector. The Council also agreed that the Commission should examine the administrative difficulties involved in collecting the co-responsibility levy in Italy and report on them to the Council.

At its meeting on 19 July the Council heard an oral Commission statement on the problems and difficulties peculiar to Italy as set out in the memorandum forwarded to the Commission by the Italian authorities.

This Communication resumes the points already made in the oral statement and amplifies some of them in the light of additional information received from the Italian authorities and of the discussion in the Management Committee for Milk and Milk Products concerning Regulation (EEC) No 1822/77 laying down detailed rules for the collection of the co-responsibility levy introduced in respect of milk and milk products. The Communication concerns itself only with the administrative problems as desired by the Council.

2. The Memorandum from the Italian authorities drew attention to the following problems arising from the particular features of milk production in Italy and the structure of the milk industry in that country.
  - The great number of dairies, the small scale on which they operate and their lack of administrative staff make it very difficult to do the work involved in calculating and collecting the levy.

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- It is difficult to determine which milk producers are exempt from the levy (because located in upland regions) and which are subject to it, mainly due to the practice of transhumance, dairy herds being transferred from the plains to mountain pastures in the summer. (This applies mainly to sheep).
  - Some farmers who purchase milk from their neighbours and process it directly at the same time as milk from their own holding are subject to two different systems and must keep separate accounts to show the quantities which are subject to the levy.
  - Some Italian milk cooperatives do not pay their members for milk until eight or ten months after delivery. Application of the principle of monthly collection of the levy would involve producers in paying the levy on amounts which they have not yet received.
  - Additional difficulties could arise, in controlling collection of the levy, in respect of Italian imports of milk (1 000 000 t per year).
3. The Commission has sought to take account of the above-mentioned difficulties in drafting the regulation laying down detailed rules for collection of the levy.

To reduce the administrative work and take account of the situation of small enterprises, the levy could be collected every three months in the case of dairies that process an average of not more than 1 500 kg of milk per day.

This derogation would apply to a large number of dairies in Italy as over 70% of them collect less than 1 000 t of milk per year.

To ensure that producers are not required to pay the co-responsibility levy before having received payment for their milk, dairies producing cheese where the maturing time is at least six months and which prepare only a yearly account for payment of the producer would be required to make only an annual statement and only an annual payment of the co-responsibility levy.

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In practice this derogation would apply to all Italian cheese plants making Parmesan and Grana padano cheese.

The difficulties in Italy, Germany and France entailed in exempting producers in mountain regions from the levy and the problems created in certain regions by the transhumance of herds should not be underestimated. These problems have been thoroughly examined by the Management Committee and the way in which they can be resolved on the basis of the detailed rules adopted has been explained to delegations. It should be emphasized that restriction of the levy to producers of cows' milk automatically resolves the problems of the Italian producers of sheep's milk.

The administrative and control problems of enterprises using milk imported from other Member States are simplified by the fact that the levy has been applied by the enterprise which collected and processed the milk before its export to Italy. The distinction to be made in the accounts is not specific to imported milk but must also be made at national level, in the case of dairies which purchase milk from other dairies.

4. Regulation (EEC) No 1822/77 laying down detailed rules for the collection of the co-responsibility levy took account of the main administrative difficulties notified by the Italian authorities. The flexibility in the rules thus introduced should enable the co-responsibility levy to be collected from Italian dairies.

Further, Article 4 (4) of the Regulation provides that to take account of special administrative difficulties in Italy, other than those covered by the Regulation, additional rules of application may be adopted. But these provisions do not affect the participation of Italy in the co-responsibility levy, this obligation having been accepted by all Member States including Italy.

