



**NOTA DE INFORMACION • INFORMATION • INFORMATORISCHE AUFZEICHNUNG  
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**IMPLEMENTATION OF MEMORANDUM OF UNDERSTANDING ON OILSEEDS**

The Council gave its formal approval to the Memorandum of Understanding on oilseeds on 8 June 1993, which was negotiated by the Commission on behalf of the Community with the USA in response to the finding of a GATT panel on the Community's oilseeds regime.

The Commission today adopted a proposal which involves the necessary minor modifications of existing legislation to implement the Memorandum of Understanding on oilseeds.

In 1992, the Commission estimated that in the medium term sowings would be no more than those approved in the Memorandum of Understanding. The general tenor of these forecasts has been confirmed by the current estimates of planting for harvest in 1993.

However, these same estimates show disparate developments in the Member States. Therefore, to subdivide the Community's Maximum Guaranteed Area by Member State (or region) would not only go beyond that which is required by the Memorandum of Understanding, but would also be unnecessarily restrictive.

On the other hand the flexibility accorded to Member States when establishing their regionalization plans (e.g. choice of cereals or oilseeds yields to calculate the compensatory payments) could result in an unexpected increase in the sowing of oilseeds eligible for crop specific subsidies. If such an increase was to be of such a scale that the attainment of the objectives of the reform in other Member States and in the Community were called into question, it would be appropriate that adjustments in aid levels should focus on those Member States whose regionalization plans were at the root of the problem.

However, since greater uncertainty exists for 1995 the Commission proposes that if it should be necessary to adjust the oilseeds aids for 1995, due to the application of the Memorandum of Understanding, if the excess is not greater than 5% the application should be Community wide. For an excess of greater than this percentage, the application should focus on those Member States where an unexpected increase occurs. After completing a transitional period, this mechanism may no longer be needed. This mechanism would also apply in the unlikely event that it were necessary in respect of 1994.

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It is proposed therefore to establish Maximum Guaranteed Areas (MGA) for crop specific oilseed payments which will be equal to the areas set out in Table 1 (Annex 1) reduced to take account of the set aside requirement.

If these MGA's are exceeded the Commission shall reduce the final regional reference amount for that year by 1% for each percentage point by which the MGA is exceeded.

The reduction of the final regional reference amounts shall be uniform in all Member States up to a threshold (5%).

Beyond this threshold appropriate additional reductions shall apply in those Member States who have exceeded the average of their sowings in 1989, 1990 and 1991, reduced by the rotational set-aside requirement. The size and distribution of these additional reductions shall be such as to ensure that the weighted average reduction for the Community as a whole is equal to the percentage by which the MGA has been exceeded.

The Commission should present a report to Council on the threshold percentage by 31 December 1996, accompanied if appropriate by a proposal to maintain this mechanism for a further period.

Finally it is also proposed to exclude confectionery sunflower seed from the benefits of the oilseed regime with effect from sowings for harvest in 1994.

#### ANNEX 1

Table 1

#### Maximum Guaranteed Areas for Oilseeds

Member State/Oilseed Area in ha.	1994/1995	1995/96 and subsequent years
Spain, sunflower	1,411,000	-
Portugal, sunflower	122,000	-
EC 12 Other	3,966,000	-
Total	-	5,128,000