



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 25.07.1997
COM(97) 407 final

97/0210 (CNS)

Proposal for a
COUNCIL REGULATION (EC)
**amending Regulation (EEC) N° 1323/90 instituting specific aid for sheep and goat farming
in certain less-favoured areas of the Community**

(presented by the Commission)

Explanatory memorandum

The Council of Ministers when it adopted the 1997/98 prices package (meeting of 23-25 June 1997) asked the Commission to present a proposal for an increase from 70% to 90% in the percentage paid in the case of dairy ewes and dairy she-goats of the specific aid for sheep and goat farming in certain less-favoured areas of the Community.

Producers in these areas are suffering a marked fall in income owing to difficulties in the market for the dairy products from these animals that they sell.

The attached proposal responds to the Council's wish. The Commission proposes that the increase come into effect from the 1998 marketing year.

Proposal for a

COUNCIL REGULATION (EC) N°.....

**amending Regulation (EEC) N° 1323/90 instituting specific aid for sheep and goat farming
in certain less-favoured areas of the Community**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 43 thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament¹,

Whereas prices are in serious decline on the Community market in sheep's and goat's milk products and the situation is unlikely to improve in the medium term;

Whereas the resulting impact on producers' incomes is likely to be extremely unfavourable in less-favoured areas listed under Council Regulation (EC) N° 950/97 of 20 May 1997 on improving the efficiency of agricultural structures², where there is little alternative to production using the existing sheep and goat dairy breeds; whereas these producers should be compensated by increasing from 70% to 90% the percentage granted them under Council Regulation (EEC) N° 1323/90 of 14 May 1990³, as last amended by Regulation (EC) N° 40/96⁴, of the specific aid for non-dairy ewes in certain less-favoured areas of the Community,

HAS ADOPTED THIS REGULATION:

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2 OJ N° L 142, 2.6.1997, p. 1

3 OJ N° L 132, 23.5.1990, p. 17

4 OJ N° L 10, 13.1.1996, p. 6

Article 1

Regulation (EEC) N° 1323/90 is hereby amended as follows:

- in the second indent of Article 1(1) " ECU 4.589" is replaced by "ECU 5.977",
- in the third indent of Article 1(1) "ECU 4.589" is replaced by "ECU 5.977".

Article 2

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

It shall apply from the beginning of the 1998 marketing year.

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

Done at

For the Council

FINANCIAL STATEMENT

1. BUDGET HEADING: 2230 APPROPRIATIONS: ECU 361.4m

2. TITLE:
Council Regulation amending Regulation (EEC) N° 1323/90 instituting specific aid for sheep and goat farming in certain less-favoured areas of the Community

3. LEGAL BASIS: Article 43 of Treaty

4. AIMS:
To increase from 70% to 90% the percentage granted for dairy ewes and dairy she-goats of the specific aid for certain less-favoured areas.

5. FINANCIAL IMPLICATIONS:	PERIOD OF 12 MONTHS ECU m	CURRENT FINANCIAL YEAR (97) ECU m	FOLLOWING FINANCIAL YEAR (98) ECU m	
5.0 EXPENDITURE - CHARGED TO THE EC BUDGET (INTERVENTIONS)	+ 30	-	+ 27	
5.1.				
	1999	2000	2001	2002
5.0.1 ESTIMATED EXPENDITURE	+ 30	+ 30	+ 30	+ 30
5.1.1				

5.2 METHOD OF CALCULATION:

1998 marketing year
 $20.6 \text{ m head} \times (5.977 - 4.589) \text{ ECU/head} \times 90\% \text{ (advance)} \times 1.059 = \text{ECU } 27 \text{ m}$

From 1999
 $20.6 \text{ m head} \times (5.977 - 4.589) \text{ ECU/head} \times 1.059 = \text{ECU } 30 \text{ m}$

6.0 CAN THE PROJECT BE FINANCED FROM APPROPRIATIONS ENTERED IN THE RELEVANT CHAPTER OF THE CURRENT BUDGET?

6.1 CAN THE PROJECT BE FINANCED BY TRANSFER BETWEEN CHAPTERS OF THE CURRENT BUDGET

6.2 WILL A SUPPLEMENTARY BUDGET BE NECESSARY?

6.3 WILL FUTURE BUDGET APPROPRIATIONS BE NECESSARY? YES

COMMENTS:
This proposal is a follow-up to the Council's 1997/98 price package agreement of 25.6.97. The Council undertook then to take all action needed to keep EAGGF Guarantee Section expenditure within the budget limits set for 1998.

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