COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 12.04.1999
COM(1999)173 final

99/0088 (CNS)

Proposal for a

COUNCIL REGULATION

**amending Regulation (EC) No 1868/94 establishing
a quota system for the production of potato starch**

(presented by the Commission)

EXPLANATORY MEMORANDUM

The Agricultural Council compromise on Agenda 2000 provides for an increase in the potato starch compensatory payment in return for a fixed quota reduction. For this purpose, the Council invited the Commission to make a proposal to reduce the potato starch quotas. The present proposal must be adopted simultaneously with the amendments to Regulation (EC) No 1766/92 which fixes the level of compensatory payments mentioned above.

Proposal for a

COUNCIL REGULATION

amending Regulation (EC) No 1868/94 establishing
a quota system for the production of potato starch

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[1],

Having regard to the opinion of the European Parliament[2],

Having regard to the opinion of the Economic and Social Committee[3],

(1)   Whereas Article 2 of Council Regulation (EC) No 1868/94[4] of 27 July 1994, as last amended by Regulation (EC) No 1284/98[5], fixes the potato starch quotas for producer Member States for the 1998/1999, 1999/2000 and 2000/2001 marketing years;

(2)   Whereas Article 8(2) of Council Regulation (EEC) No 1766/92[6], as last amended by Regulation (EC) No .../1999[7], fixes the amount of the compensatory payment for producers of potatoes intended for the manufacture of potato starch; whereas this amount is increased by the Council for the 2000/2001 marketing year as well as the following marketing years on condition that the quotas fixed by Regulation (EC) No 1868/94 are decreased for the Member States having a quota greater than 100 000 tonnes by 2.81% in 2000/2001 and by 5.74% in 2001/2002, and the current quota for the Member States having a quota lower than 100 000 tonnes must be reduced by 1.41% in 2000/2001 and by 2.87% in 2001/2002;

(3)   Whereas the quotas established for the 2000/2001 marketing year have been amended and the quotas for the 2001/2002 marketing year have to be fixed; whereas the producer Member States should allocate their quotas for the period 2000/2001 and 2001/2002 between all the undertakings producing potato starch on the basis of the existing quotas for the marketing year 1999/2000; whereas it must be made clear that quantities used in excess of sub-quotas during the

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[1]   OJ C … , … 1999, p.
[2]   OJ C … , … 1999, p.
[3]   OJ C … , … 1999, p.
[4]   OJ L 197, 30.7.1994, p. 4.
[5]   OJ L 178, 23.6.1998, p. 3.
[6]   OJ L 181, 1.7.1992, p. 21.
[7]   OJ L … , … 1999, p.

marketing year 1999/2000 shall be deducted in the 2000/2001 marketing year in accordance with Article 6(2);

(4) Whereas the Commission shall at the end of the period make a report to the Council on quota allocations accompanied, if necessary, by appropriate proposals; whereas these proposals will take account of possible changes in the compensatory payment,

HAS ADOPTED THIS REGULATION:

Article 1

Article 2 of Regulation (EC) No 1868/94 is amended as follows :

1. In paragraphs 1 and 2, references to the 2000/2001 marketing year are deleted.

2. The following paragraphs are added :

"3. The following producer Member States are hereby allocated quotas for the production of potato starch within the following limits for the 2000/2001 and 2001/2002 marketing years :

	2000/2001	2001/2002
Denmark	173 439 tonnes	168 215 tonnes
Germany	676 680 tonnes	656 298 tonnes
Spain	1 972 tonnes	1 943 tonnes
France	273 595 tonnes	265 354 tonnes
The Netherlands	523 161 tonnes	507 403 tonnes
Austria	48 409 tonnes	47 691 tonnes
Finland	53 980 tonnes	53 178 tonnes
Sweden	63 001 tonnes	62 066 tonnes
TOTAL	1 814 237 tonnes	1 762 148 tonnes

4. Each producer Member State shall allocate the quota referred to in paragraph 3 between undertakings producing potato starch for use in the 2000/2001 and 2001/2002 marketing years in proportion to the sub-quotas available to each undertaking for the 1999/2000 marketing year before a possible correction under Article 6(2) was applied.

The sub-quotas of each undertaking for the 2000/2001 marketing year shall be adjusted to take account of any amount used in excess of quota during the 1999/2000 marketing year in accordance with Article 6(2)."

Article 2

Article 3 of Regulation (EC) No 1868/94 is replaced by the following text:

"Article 3

1. On or before 31 October 2001 and thereafter at three-yearly intervals, the Commission shall present to the Council a report on the allocation of quota within the Community, accompanied if necessary by appropriate proposals. This report will take account of possible changes in the compensatory payment as well as of the development of the potato and cereal-starch market.

2. On or before 31 December 2001 and thereafter at three-yearly intervals, the Council, acting on the basis of Article 43 of the Treaty, shall allocate the quota between Member States on the basis of the report referred to in paragraph 1, for use in the following three marketing years.

3. On or before 31 January 2002 and thereafter at three-yearly intervals, Member States shall notify those concerned of the details of quota allocations for the following three marketing years."

Article 3

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

It shall apply from 1 July 2000.

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

Done at Brussels,

> *For the Council*
> *The President*

FINANCIAL STATEMENT

1. BUDGET HEADING: B1-1021	APPROPRIATIONS: EUR 205 million

2. TITLE:

Proposal for a Council Regulation amending Regulation (EC) No 1868/94 establishing a quota system for the production of potato starch.

3. LEGAL BASIS: Articles 42 and 43 of the Treaty

4. AIMS OF MEASURE:

To reduce the potato starch quotas for the 2000/2001 and 2001/2002 marketing years to take account of the increase in the producer premium for the 2000/2001 and following marketing years resulting from the Council agreement of March 1999.

5. FINANCIAL IMPLICATIONS	PERIOD OF 12 MONTHS (EUR million)	CURRENT FINANCIAL YEAR (1999) (EUR million)	FOLLOWING FINANCIAL YEAR (2000) (EUR million)
5.0 EXPENDITURE - CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTIONS) - NATIONAL ADMINISTRATION - OTHER		-	-
5.1 REVENUE - OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES) - NATIONAL		-	-

	2001	2002	2003	2004
5.0.1 ESTIMATED EXPENDITURE	- 7.8	- 15.6	-	-
5.1.1 ESTIMATED REVENUE	-	-	-	-

5.2 METHOD OF CALCULATION:

SEE ANNEX

6.0 CAN THE PROJECT BE FINANCED FROM APPROPRIATIONS ENTERED IN THE RELEVANT CHAPTER OF THE CURRENT BUDGET?	YES / ~~NO~~
6.1 CAN THE PROJECT BE FINANCED BY TRANSFER BETWEEN CHAPTERS OF THE CURRENT BUDGET?	YES / ~~NO~~
6.2 IS A SUPPLEMENTARY BUDGET NECESSARY?	~~YES~~ / NO
6.3 WILL FUTURE BUDGET APPROPRIATIONS BE NECESSARY?	YES / ~~NO~~

OBSERVATIONS:

ANNEX

The financial impact of the proposal has been calculated in relation to the present quotas, taking account of the premium amounts laid down for the 2000/2001 and following marketing years, in accordance with the Council compromise of 11 March 1999 and the conclusions of the European Council of 24 and 25 March 1999.

Budget year				2001	2002
Present quotas	tonnes	A		1 864 304	1 864 304
Amount of producer aid	EUR/t	B		98.74	110.54
Amount of industry premium	EUR/t	C		22.25	22.25
Total amount of aid	EUR/t	D = B + C		120.99	132.79
Expenditure	EUR million	E = A x D		226	248
New quotas	tonnes	F		1 814 237	1 762 148
Amount of producer aid	EUR/t	G		98.74	110.54
Amount of industry premium	EUR/t	H		22.25	22.25
Total amount of aid	EUR/t	I = G + H		120.99	132.79
Expenditure	EUR million	J = F x I		220	234
Difference	EUR million	K = J - E		- 6.1	- 13.6
Saving on production refunds					
Reduction in quota	tonnes	L = F - A		- 50 067	- 102 156
Estimated refund	EUR/t	M		34.66	19.78
Total	EUR million	N = L x M		- 1.74	- 2.02
Total impact of measure	EUR million	O = K + N		- 7.8	- 15.6