



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 20.04.1998
COM(1998) 235 final

Proposal for a

COUNCIL REGULATION (EC)

introducing special temporary measures for hops

(presented by the Commission)

EXPLANATORY MEMORANDUM

The Council is asked to adopt the attached proposal for a Regulation introducing special temporary measures for hops.

The market in hops is at present oversupplied for both short-term and structural reasons. It is desirable that production be reduced by lowering the areas planted in the European Union.

The measures proposed - lasting five years - are temporary resting and grubbing-up.

To achieve the aims in question the scope for flexibility accorded producer groups will be widened. The present budgetary appropriation will not need to be increased.

Both measures will be entirely optional, whether at Member State, producer group or individual producer level.

The actual provisions are:

- inclusion of "temporary resting" and "grubbing-up" in the list of special measures that may be taken at producer group level for the purposes of joint adjustment of production to market requirements;

payment by producer groups of a financial contribution, to be taken out of the maximum 20% deduction from the producer aid; this will partly offset the actual cost of applying the measures and the loss of income;
- continued payment of the aid - ECU 480/ha - for a maximum period of 5 years for areas rested or grubbed up, subject to observance of certain requirements.

Proposal for
COUNCIL REGULATION (EC) No
of
introducing special temporary measures for hops

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EEC) No 1696/71 of 26 July 1971 on the common organisation of the market in hops¹, and in particular Article 16a thereof,

Having regard to the proposal from the Commission,

Whereas Article 16a of Regulation (EEC) No 1696/71 provides that if surpluses arise the Council, acting by a qualified majority on a proposal from the Commission, may take appropriate action on production potential; whereas the market in hops is at present in surplus, for both short-term and structural reasons;

Whereas one of the purposes of producer groups is to adjust production to market requirements; whereas they may use up to 20% of the aid on appropriate measures to that end; whereas their scope for action in this area should be extended by allowing them to have recourse to temporary resting and permanent grubbing-up of areas under hops; whereas these measures will be additional to the special measures listed in Article 7(1)(b) of the abovementioned Regulation;

Whereas temporary resting and permanent grubbing-up can be permitted only if certain requirements are met, in particular non-cumulation of aid for areas temporarily rested and an obligation to reduce areas by 2002; whereas this will entail costs; whereas these, and loss of income, should be met in part by payment of an amount equal to the aid per hectare for a limited period; whereas temporary granting of this amount on such

¹ OJ L 175, 4.8.1971, p. 1. Regulation last amended by Regulation (EC) No 1554/97 (OJ L 208, 2.8.1997, p. 1).

unharvested areas should therefore be permitted; whereas for effectiveness of supervision the minimum size of these areas should be specified;

Whereas for the sake of proper application of these measures the responsibilities of producer groups and of the Member States' competent authorities should be defined,

HAS ADOPTED THIS REGULATION:

Article 1

In addition to the functions described in Article 7(1)(b) of Regulation (EEC) No 1696/71 producer groups may also have recourse to temporary resting and permanent grubbing-up as means of jointly adjusting their production to market requirements and improving product quality.

Article 2

1. Producers with areas put into temporary rest or permanently grubbed up may, as regards the 1998 to 2002 harvests, receive an amount equal to the aid on the area had it been cropped, provided that they undertake not to extend hop cultivation to other areas of their holding.

They may not receive any other Community aid on areas temporarily rested.

The hop area cultivated for the 2003 harvest by a producer group applying temporary resting or permanent grubbing-up must be less than that cultivated for the 1997 harvest.

2. Producer groups shall determine the minimum plot size for which an application may be lodged. This may not be less than 0.3 hectares.

3. Producer groups may lay down other specific requirements to be met by their members in cases of temporary resting and grubbing-up.

4. Areas put into temporary rest or grubbed up must be notified to the competent authorities by 31 May of the year of harvest. These shall check that the following requirements have been met:

- for temporary resting, maintenance of the hop poles
- for permanent grubbing-up, removal of the hop poles
- permanent grassing over in order to improve soil fertility.

Article 3

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

It shall apply from the 1998 to the 2003 harvests.

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

Done at Brussels ,

For the Council

FINANCIAL STATEMENT

1. BUDGET HEADING: 181	APPROPRIATIONS: ECU 13 million			
2. TITLE: Proposal for a Council Regulation introducing special temporary measures for hops				
3. LEGAL BASIS: Regulation (EEC) No 1696/71, as last amended by Regulation (EC) No 1554/97				
4. AIMS: To introduce special temporary measures involving the voluntary reduction of hops production thanks to aid granted (limited to five years) for set-aside or grubbing-up of areas under hops.				
5. FINANCIAL IMPLICATIONS	PERIOD OF 12 MONTHS (ECU million)	CURRENT FINANCIAL YEAR (1998) (ECU million)	FOLLOWING FINANCIAL YEAR (1999) (ECU million)	
5.0 EXPENDITURE - CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTION) - NATIONAL AUTHORITIES - OTHER	-	-	-	
5.1. REVENUE - OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES) - NATIONAL				
	2000 (ECU million)	2001 (ECU million)	2002 (ECU million)	2003 (ECU million)
5.0.1 ESTIMATED EXPENDITURE				
5.1.1 ESTIMATED REVENUE				
5.2 METHOD OF CALCULATION: The measure entails no additional expenditure as compared with the present situation, the aid per hectare for areas grubbed up or set aside remaining unaltered.				
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	WILL A SUPPLEMENTARY BUDGET BE NECESSARY?			YES/NO
6.3	WILL FUTURE BUDGET APPROPRIATIONS BE NECESSARY?			YES/NO

OBSERVATIONS:

The measure is scheduled to last for five years.

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DOCUMENTS

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