

COMMISSION OF THE EUROPEAN COMMUNITIES

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Brussels, 07.03.1995

95/0024(CNS)

Proposal for a

COUNCIL REGULATION (EC)

amending Council Regulation (EEC) No. 1766/92
on the common organization of the market in cereals and
Council Regulation (EC) No. 1868/94 establishing a quota
system in relation to the production of potato starch

(presented by the Commission)



EXPLANATORY MEMORANDUM

This Regulation extends the quota system for the production of potato starch to the new Member States.

The quotas are determined on the basis of actual starch production during 1993, being a representative year for such production.

At the same time, the present version of the Council Regulation is adapted in order to ensure that:

- the compensatory payment paid to farmers is limited to the quantity of potatoes corresponding to the sub-quota of the starch manufacturer
- to correct an error which could lead to false interpretations of the quantity that must be compulsorily exported without qualifying for a refund.

Proposal for a
COUNCIL REGULATION (EC) No.
of
**amending Council Regulation (EEC) No. 1766/92
on the common organization of the market in cereals and
Council Regulation (EC) No. 1868/94 establishing a quota
system in relation to 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⁾;

Whereas Article 8 of Council Regulation (EEC) No 1766/92 of 30 June 1992 on the common organization of the market in cereals⁽⁴⁾, as last amended by the Act of Accession of Austria, Finland and Sweden and by Regulation (EC) No 3290/94⁽⁵⁾, provides for a system of compensatory payments for producers of potatoes intended for the manufacture of potato starch; whereas in order to avoid excessive production of potato starch, such compensatory payments should be paid only in respect of the quantity of potatoes delivered by a potato producer to an undertaking producing potato starch which does not lead to that undertaking exceeding its quota limit;

(1)
(2)
(3)
(4) OJ No. L 181, 1. 7.1992, p. 21.
(5) OJ No L 349, 31.12.1994, p. 105

Whereas Council Regulation (EC) No. 1868/94 of 27 July 1994 establishing a quota system in relation to the production of potato starch⁽⁶⁾ set out in Article 2 the quotas for Member states for the production of potato starch for the marketing years 1995/96, 1996/97 and 1997/98; whereas the accession of Austria, Finland and Sweden makes it necessary that quotas be allocated for those Member States, whereas the basis for the allocation of quota used for other Member States is inappropriate in the case of Austria, Finland and Sweden, as the premium referred to in Article 1 of Council Regulation (EEC) No. 1543/93⁽⁷⁾ was not payable; whereas the quota should therefore be allocated on the basis of the amount of potato starch produced in each Member State in the calendar year 1993, for which national aid was received; whereas in the case of Finland, additional quota should be allocated to cover production which could not be realised in 1993 as a result of the imposition of an obligation to set aside land;

Whereas, as a result of an error, Article 6(1) and (2) of Regulation (EC) No. 1868/94 appear to be contradictory; whereas for the sake of clarity Article 6 should be amended,

Whereas the prices and amounts fixed in ecus by this Regulation are established in conformity with the agrimonetary arrangements valid from 1 February 1995 in accordance with Council Regulation (EEC) No 3813/92⁽⁸⁾, as last amended by Council Regulation (EC) No 150/95⁽⁹⁾ and in particular Article 13(2) thereof;

HAS ADOPTED THIS REGULATION:

Article 1

Article 8(2) of Regulation (EEC) No. 1766/92 shall be replaced by the following:

"2.(a) A system of compensatory payments is established for producers of potatoes intended for the manufacture of potato starch. The amount of the payment applies to the quantity of potatoes necessary to produce one tonne of starch. It shall be set at ECU 86,94 from the 1995/96 marketing year onwards.

(b) Without prejudice to the provisions of sub-paragraph (a), the compensatory payment shall be paid only in respect of the quantity of potatoes covered by a contract between the potato producer and the undertaking producing potato starch within the quota limit, referred to in Article 2(2) of Regulation (EC) No. 1868/94, of such undertaking."

(6) OJ No L 197, 30.07.1994, p. 4.

(7) OJ No L 154, 25.06.1993, p. 4.

(8) OJ No L 387, 31.12.1992, p. 1.

(9) OJ No L 22, 31.01.1995, p. 1.

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Article 2

Regulation (EC) No. 1868/94 shall be amended as follows:

1. In Article 2:

(a) the table in paragraph (1) shall be replaced by the following:

*Denmark	178 460 tonnes
Germany	591 717 tonnes
Spain	2 000 tonnes
France	281 516 tonnes
Netherlands	538 307 tonnes
Austria	46 100 tonnes
Finland	49 750 tonnes
Sweden	<u>60 900 tonnes</u>
	1 748 750 tonnes*;

and

(b) after the second indent in paragraph (2) there shall be inserted the following sub-paragraph:

"However, in the case of Austria, Finland and Sweden, the Member State shall allocate the quota referred to in paragraph 1 to undertakings producing potato starch, for use in the marketing years 1995/96, 1996/97 and 1997/98, on the basis of the amount of potato starch produced by them in the calendar year 1993 and for which they received national aid."

2. In Article 6:

(a) in paragraph (1), the words "Without prejudice to Article 5" shall be deleted; and

(b) in paragraph (2), the words "Without prejudice to" shall be replaced by the word "Notwithstanding".

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 1 July 1995.

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

Done at Brussels,

For the Council

FINANCIAL STATEMENT

[REDACTED] **7**

1. BUDGET HEADING: B1-1021 APPROPRIATIONS:
ECU 134 million

2. TITLE:
Proposal for a Council Regulation amending Regulation (EEC) No 1766/92 on the common organization of the market in cereals and amending Regulation (EEC) No 1868/94 establishing a quota system in relation to the production of potato starch

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

4. AIMS:
Adjustment of the potato starch quota as a result of the accession of Austria, Finland and Sweden

5. FINANCIAL IMPLICATIONS:	PERIOD OF 12 MONTHS (ECU million)	CURRENT FINANCIAL YEAR (95) (ECU million)	FOLLOWING FINANCIAL YEAR (96) (ECU million)
5.0. EXPENDITURE - CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTION) - NATIONAL AUTHORITIES - - OTHER -	ECU 17.1 million	ECU 2.1 million	ECU 17.1 million
5.1. REVENUE - OWN RESOURCES OF THE EC - (LEVIES/CUSTOMS DUTIES) - NATIONAL -			

	1997	1998	1999	2000
5.0.1. ESTIMATED EXPENDITURE	ECU 17.1 m	ECU 15.0 m	p.m.	-
5.1.1. ESTIMATED REVENUE				

5.2. METHOD OF CALCULATION: 22,25 86,94
 The measure consists of paying the starch premium of ECU \checkmark 22,25 /t and the producer compensation of ECU \checkmark 86,94 /t for the quantities allocated to the three new Member States.
 The additional cost per marketing year is:
 Starch premium 156.750 T x 22,25 ECU/T = ECU 3.5 million
 Compensatory payment 156.750 T x 86,94 ECU/T = ECU 13.6 million
ECU 17.1 million
 Payments will begin from the 1996 financial year with the exception of 12% of the compensatory payment which will be made from the 1995 financial year.

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

OBSERVATIONS The measure is limited to the 1995/96 to 1997/98 marketing years.

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