

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(74) 530 Final

Brussels, 23 April 1974

PROPOSAL FOR A
REGULATION (EEC) OF THE COUNCIL

altering the intervals at which the standard values are fixed
to be used in calculating financial compensation in
respect of fishery products

(submitted to the Council by the Commission)

EXPLANATORY MEMORANDUM

Proposal for a Council Regulation (EEC) adjusting the intervals at which the standard values used in calculating the financial compensation for fishery products are to be fixed.

The second subparagraph of Article 10 (3) of Council Regulation (EEC) n° 2142/74 of 20 October 1970 on the common organisation of the market in fishery products provides that the financial compensation granted to producers' organisations must be reduced by the standard values fixed at the beginning of the fishing year, for products for purposes other than human consumption, or by net receipts from sales of products for human consumption effected in accordance with the provisions of Articles 10 (2) of that Regulation.

Since the introduction of the organisation of the market in fishery products on 1 February 1971 Commission departments have been aware of slight variations in the prices obtained for products intended for purposes other than consumption during the period when standard values are being fixed. During this period, however, there has been a substantial increase in the price of proteins, one of the most important of which is fish meal. Given that it is unknown whether the situation as regards the present shortage of proteins will change in the near futures and that for this reason a tendency towards higher prices for products withdrawn from the market and intended for purposes other than consumption it to be expected, a single fixing of standard values at the beginning of the fishing year is no longer consistent with the actual market situation. On that account it is proposed that the second subparagraph of Article 10 (3) should be amended in such a way as to retain the prior standard fixing of the amount used in calculating the financial compensation but to allow for the adjustment of that amount in cases where there have been substantial price variations during the fishing year.

Financial effects

It should be noted that it is difficult to assess the financial effects. The standard value is a factor used in calculating the financial compensation granted to producers' organizations for products withdrawn from the market in cases where the Community withdrawal price was not reached. Furthermore, the extent of the financial effect depends mainly on the quantities withdrawn.

This proposal provides that the standard value which until has been fixed annually for the entire fishing year from 1 January to 31 December may, if necessary, be adjusted during the course of the year.

Such an amendment would result in a reduction in EAGGF expenditure in cases where there has been an adjustment of prices obtained for products withdrawn and intended for purposes other than human consumption or would result in an increase in the reverse case. It must however be stated that the present shortage of proteins, of which meal is an important variety, is unlikely to improve in the near future. The adjustment of the standard value will therefore help to reduce EAGGF expenditure. Taking into consideration the Community supply situation as regards fresh fish the reduction in EAGGF expenditure will be even greater.

However, for the current year and future years the financial effects, although difficult to forecast, will be limited and will not require changes to be made to annual reserves.

Budget of the European Communities Art. 711 Heading N° 7110

1973 Credit 1 379 000 u.a. Credit expenditure 614 61 880 u.a.

1974 Credit 2 000 000 u.a.

Pluri-annual prevision 2 000 000 u.a.

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THE COUNCIL OF THE EUROPEAN COMMUNITIES,

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

Having regard to the proposal from the Commission;

Having regard to the Opinion of the European Parliament;

Whereas, under the second sub-paragraph of Article 10(3) of Council Regulation (EEC) No 2142/70¹ of 20 October 1970 on the common organization of the market in fishery products, as last amended by Regulation (EEC) No 3159/73², the financial compensation granted to producers' organizations is to be reduced by the standard values, fixed at the beginning of the fishing year, for products for purposes other than human consumption, or by net receipts from sales of products for human consumption effected in accordance with the provisions of Article 10(2) of that Regulation;

Whereas the fishing year covers the whole calendar year;

Whereas a sharp increase has been recorded on Community markets in the prices paid for products for purposes other than human consumption during the last period for which a standard value was fixed; whereas this trend can be expected to continue;

Whereas it is unlikely that the Community shortage of high-protein products, amongst which fish meal is an important product, will change in the near future;

¹OJ No L 236, 27 October 1970, p. 5.

²OJ No L 322, 23 November 1973, p. 4.

Whereas the prices of products withdrawn from the market and intended for purposes other than human consumption can therefore be expected to rise; whereas the standard value fixed once at the beginning of the fishing year is thus no longer adequate to take account of the actual market situation; whereas provisions should therefore be made for altering the standard value the fishing year in the light of the market situation;

HAS ADOPTED THIS REGULATION:

Article 1

The second sub-paragraph of Article 10(3) of Regulation (EEC) No 2142/70 is amended to read as follows:

"This amount shall be reduced by the standard values for products for purposes other than human consumption, such values to be fixed at the beginning of the fishing year and subsequently whenever major variations are recorded in the prices on Community markets, or by the net receipts from sales of products for human consumption effected in accordance with the provisions of paragraph 2."

Article 2

This Regulation shall enter into force on 1 January 1975.

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

Done at Brussels,

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For the Council

The President

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