

European Communities

EUROPEAN PARLIAMENT

Working Documents

1974-1975

23 September 1974

DOCUMENT 261/74

Report

drawn up on behalf of the Committee on Agriculture

on the proposal from the Commission of the European Communities to the Council (Doc. 233/74) for a regulation amending Regulation No 1009/67/EEC on the common organization of the market in sugar

Rapporteur : Mr Lucien MARTENS

PE 38.006/fin.

1.2.1



By letter of 2 September 1974 the President of the Council of the European Communities requested the European Parliament, pursuant to Article 43 of the EEC Treaty, to deliver an opinion on the proposal from the Commission of the European Communities to the Council for a regulation amending Regulation No. 1009/67/EEC on the common organization of the market in sugar (Doc. 233/74).

On 16 July 1974, in plenary sitting, the President of the European Parliament referred this proposal to the Committee on Agriculture as the committee responsible.

The Committee on Agriculture appointed Mr Ligios rapporteur at its meeting of 5/6 September 1974.

Mr Martens was appointed to replace Mr Ligios on 17 September 1974.

It considered this proposal at its meeting of 17 September 1974 and adopted the motion for a resolution and the explanatory statement unanimously with one abstention.

The following were present: Mr Laban, Vice-Chairman and acting Chairman, Mr Martens, rapporteur; Mr Bourdellès, Mr Brégégère (deputizing for Mr Dalsager), Mr Cifarelli, Mr Frehsee, Mr Fröh, Mr Hansen, Mr Kavanagh, Mr Brøndlund Nielsen, Mrs Orth, Lord St. Oswald.

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A

The Committee on Agriculture hereby submits to the European Parliament the following motion for a resolution together with explanatory statement :

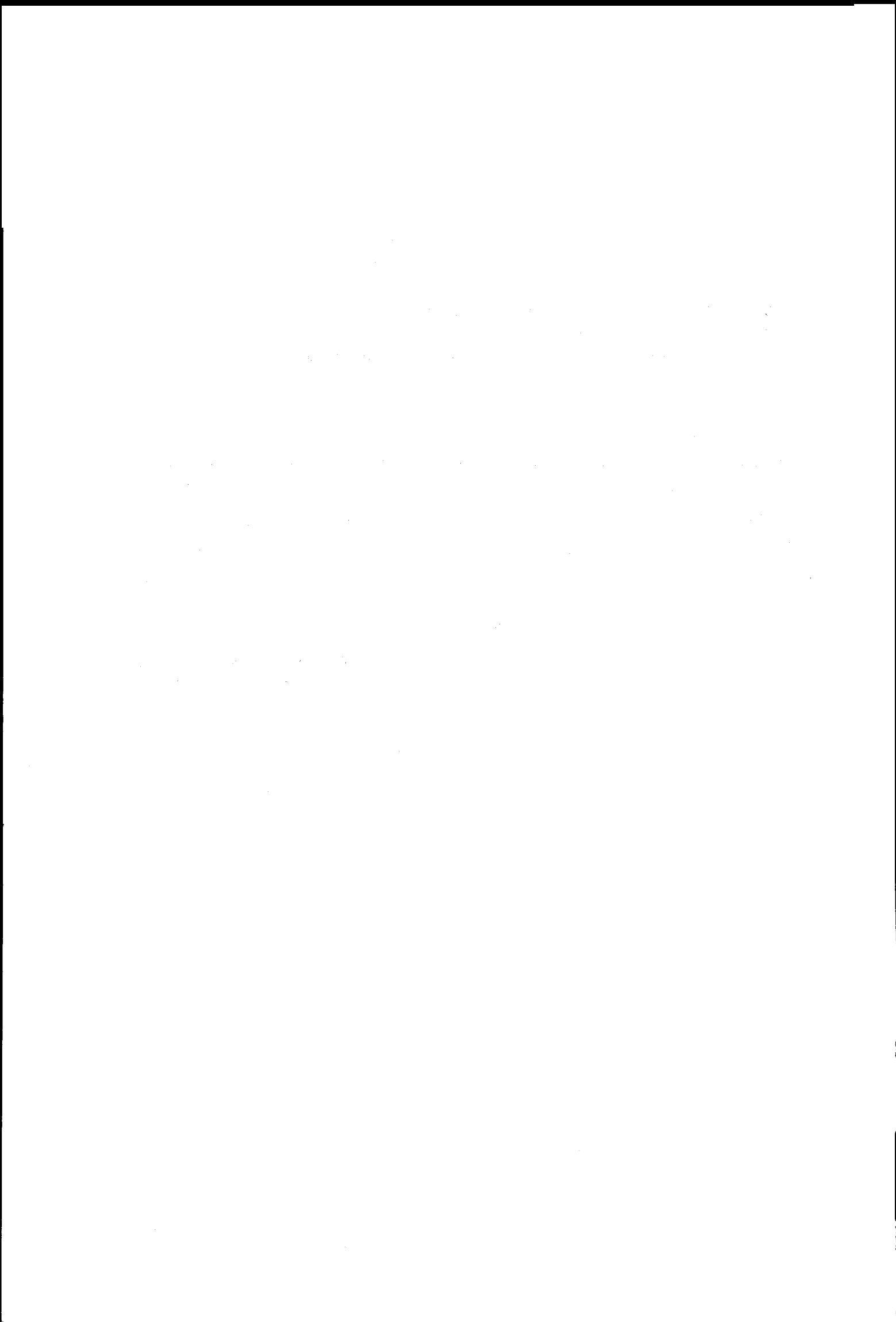
MOTION FOR A RESOLUTION

embodying the opinion of the European Parliament on the proposal from the Commission of the European Communities to the Council for a regulation amending Regulation No 1009/67/EEC on the common organisation of the market in sugar.

The European Parliament,

- having regard to the proposal of the Commission of the European Communities to the Council (COM (74) 1332-I),
- having been consulted by the Council pursuant to Article 43 of the EEC Treaty (Doc. 233/74),
- having regard to the report of the Committee on Agriculture (Doc. 261/74),

1. Approves the Commission's proposal;
2. Instructs its President to forward this resolution and the report of its committee to the Council and the Commission of the European Communities.



EXPLANATORY STATEMENT

1. The purpose of the Commission's proposal is to amend the basic regulations governing the sugar sector and laying down general rules for the production refund on sugar used in the chemical industry (Regulations No 1009/67/EEC¹ and No 765/68/EEC²). Article 9(6) of Regulation No 1009/67/EEC lays down that a production refund shall be granted on sugar and syrups containing sugar used in the manufacture of certain products of the chemical industry. The general rules for this production refund, together with the lists of products of the chemical industry, are given in Regulation No 765/68/EEC.

2. These production refunds, established in a period when Community sugar prices were substantially higher than those on the world market, were introduced to make it possible for the chemical industry to use sugar produced in the Community rather than sugar imported from Third countries.

These refunds were based on the difference between Community intervention prices and world market prices (less the protection margin) according to formulae reflecting the nature of the different products (given in the annexes to Regulation No 765/68/EEC). These refunds are fixed at three monthly intervals to reflect fluctuations in the world market.

3. The situation on both the Community and world sugar markets has changed significantly since these production refunds were introduced. World sugar prices are at the moment higher than Community sugar prices, reflecting the present shortage of sugar on the world sugar market and even regional supply difficulties in the Community.

4. Since the original reason for introducing these production refunds, i.e. the higher cost of Community produced sugar and significant surpluses of Community sugar, has now disappeared - and there are even shortages for the use of the consumer in certain Member States - the Commission now proposes that the production refund be made optional rather than mandatory as at present.

¹ O.J. No 308, 18.12.1967, p. 1.

² O.J. No L 143, 18.6.1968, p. 1.

5. A new text for Article 1 of Regulation (EEC) No 765/68 is proposed, whereby the production refund is to be fixed only when justified by the total quantity of surplus sugar available for the Community chemical industry and the economic aspects of the proposed fixing.

Observations

6. A decision not to grant production refunds on sugar and syrups used in the manufacture of certain chemical products should have no major impact on the sugar beet producers. The principal outcome will be for the chemical industry to begin paying the Community market price, reflected in an increase in its costs and prices.

For the sugar beet producer, little will change, since the prices he receives will continue to be determined by agreements negotiated between sugar beet producer associations and the sugar factories.

7. The sugar and syrups used by the chemical industry amount to 50,000 - 70,000 tonnes per annum, as compared to a total Community sugar production in 1973/74 of 9,500,000 tonnes.

8. For the sugar producing sector the main result will be a reduction in the production levy charged on 'B' sugar outside the basic quota, since the costs of the production refund are the responsibility of the sugar sector.

However, since 1971 all expenditure on the utilization of surpluses has been practically covered by receipts from the production levy, which, therefore, is minimal at the moment.

Conclusions

9. Given the present supply difficulties experienced in certain areas in the Community and the higher sugar prices on the world market, there would appear to be no objection to making the grant of the production refund to the chemical industry optional.