

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(82) 240 final

Brussels, 5 May 1982

Proposal for
COUNCIL REGULATION (EEC)

laying down general rules for the granting of a
special carry-over premium for Mediterranean
sardines and anchovies

(submitted to the Council by the Commission)

COM(82) 240 final

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EXPLANATORY MEMORANDUM

I. The special carry-over premium for Mediterranean sardines and anchovies

The sardine and anchovy sector in the Mediterranean areas of the Community is facing particular difficulties, including competition from certain non-member countries. The development of producers' organizations in these areas could also be improved. For these reasons, Article 14(3) of Council Regulation (EEC) No 3796/81 of 29 December 1981 on the common organization of the market in fishery products¹ provides for the introduction, for a period of four years, of a special carry-over premium for sardines and anchovies caught in Mediterranean areas.

In this context, the Commission proposes the introduction of arrangements based on contracts linking producers' organizations and processors in the Community, with a view of promoting the marketing of products processed in accordance with Article 14(5) of the basic Regulation. To encourage producers' organizations to make use of this measure, the Commission proposes that processors should pay the producers' organizations an adequate minimum price for deliveries under these contracts. The minimum price must be not less than Community withdrawal price plus a sum to be determined in accordance with the procedure of the Management Committee for Fisheries Products in the light of the trend on the market for the products in question.

To support the activities of producers' organizations, provision has been made so that the special carry-over premium may also be paid to producers' organizations which themselves submit the products in question to one or more of the specified forms of processing or which hand the products over to manufacturers for this purpose.

In Greece there are not yet any producers' organizations. The Commission proposes therefore that, for a transitional period of two years, contracts may be concluded between processors, on the one hand, and producers established in Greece who are not members of a producers' organization, on the other.

¹ OJ No L 379, 31.12.1981, p.1.

It is proposed that only the top qualities and the sizes suitable for the specified forms of processing should qualify for the special carry-over premium.

The Commission proposes that the Council should, in the first instance, fix the amount of the special carry-over premium by reference to processing costs and the need to ensure that the premiums constitute sufficient incentive for the processing of the products in question. The Commission has included a provision, however, whereby the amount may be reviewed in accordance with the Management Committee procedure in the light of the trend in the difference between the supply costs of the industry in the Community and in the main non-member countries supplying the Community, the trend in processing costs in the Community and the budgetary aspects of the measure.

Given the various types of processing for these products, the Commission proposes that the special premium should be set at two distinct levels.

II. Budgetary aspects

The budgetary aspects of the special carry-over premium were already taken into account in the context of the basic Regulation. The Council and the Commission declared that the cost of the premium system should not exceed 2 million ECU per year. The Commission considers that the system will cost more than would intervention on the market for fishery products if no such system were introduced; in other words, there will be net expenditure, even taking account of the probable reduction in withdrawals from the market. Such is the context for the levels at which the Commission proposes to set the premium.

proposal for

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THE COUNCIL OF THE EUROPEAN COMMUNITIES

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 3796/81 of 29 December 1981 on the common organization of the market in fishery products¹, and in particular Article 14(6) thereof,

Having regard to the proposal from the Commission,

Whereas the Mediterranean sardine and anchovy sector is facing particular difficulties on the internal market and severe competition from certain non-member countries; whereas, in these circumstances, Article 14 of Regulation (EEC) No 3796/81 provides for the granting of a special carry-over premium for the processing of sardines and anchovies caught in Mediterranean areas, with a view to promoting the marketing of these products and thus helping to reduce withdrawals from the market by producers' organizations;

Whereas these arrangements should apply to those categories of the products in question which are most likely to be marketed without difficulty once they have been processed;

Whereas provision should be made for a system of contracts between the producers' organizations and processors in the Community, to ensure that the processing industry receives regular supplies and that the producers' organizations receive an adequate minimum price;

¹ OJ No L 379, 31.12.1981, p.1.

Whereas, to support the activities of the producers' organizations, provision should also be made for the granting of a special carry-over premium to the organizations concerned in respect of the quantities processed either directly by these organizations or on their responsibility;

Whereas, since no producers' organizations yet exist in Greece, provision should be made for the granting, over a two-year period, of a special premium to processors who conclude contracts with individual producers established in Greece but not belonging to a producers' organization who have undertaken the activities described in Article 3;

Whereas, to ensure the proper operation of the premium system, the Member States should introduce arrangements for its supervision; whereas, for the purposes of such supervision, the parties concerned should keep stock accounts;

Whereas the amount of the special premium should be fixed at a level which represents sufficient incentive for the processing of the products in question; whereas, however, provision should be made so that this amount may be reviewed under a simplified procedure;

Whereas the special carry-over premium cannot be paid until the Member States have established that all the relevant conditions have been fulfilled; whereas, however, to facilitate the implementation of the system, provision should be made so that advances may be granted in exchange for the lodging of a security,

HAS ADOPTED THIS REGULATION :

Article 1

This Regulation lays down the general rules for the granting of the special carry-over premium for sardines and anchovies caught in Mediterranean areas, as referred to in Article 14(3) of Regulation (EEC) No 3796/81, hereinafter referred to as the basic Regulation.

Article 2

The special carry-over premium shall be granted only in respect of those products :
- which, save as otherwise provided in Article 3(2), have been caught by a member
of a producers' organization;

- which satisfy the requirements as to freshness, size and presentation laid down in the Annex. However, these requirements may be reviewed to take account of trends in the production and marketing of the products in question, in accordance with the procedure laid down in Article 33 of the basic Regulation;
- which are subjected, ^{a continuous and} in irreversible manner, to one or more of the forms of processing listed in Article 14(5) of the basic Regulation.

Article 3

1. The special carry-over premium shall be granted :

- (a) to Community processors who have concluded with a producers' organization a purchase contract whereby the price paid for the products referred to in the Annex is not less than the minimum price referred to below;
- (b) to producers' organizations which subject the products in question to one or more of the forms of processing listed in Article 14(5) of the basic Regulation or which hand the products in question over to a manufacturer in order that they may undergo one or more of the said forms of processing.

The minimum price referred to in (a) shall be equal to the Community withdrawal price plus an amount to be determined in accordance with the procedure laid down in Article 33 of the basic Regulation in the light of the foreseeable trend on the market for the products in question.

2. By way of derogation from paragraph 1(a) and for a period of two years following the date of entry into force of this Regulation, the premium shall also be granted to processors who conclude contracts of the kind specified in the said paragraph with producers established in Greece but not belonging to a producers' organization.

Article 4

- 1. The Member States concerned shall introduce a system of inspection to ensure that the products in respect of which application has been made for the premium do in fact qualify for the latter.
- 2. For inspection purposes, the recipients of the premium shall keep stock accounts.

Article 5

1. The contracts referred to in Article 3(1)(a) and (2) shall be concluded for a minimum period to be determined in accordance with the procedure laid down in Article 33 of the basic Regulation and shall specify the quantities broken down by category of products, the spread of deliveries and the purchase prices. Once concluded, the contracts shall be forwarded to the authority responsible for inspections.
2. In the cases referred to in Article 3(1)(b), the producers' organizations shall inform the authority responsible for inspections, at intervals to be determined in accordance with the procedure laid down in Article 33 of the basic Regulation, of the quantities of sardines and anchovies offered for sale and of the quantities processed by the organizations themselves or handed over to manufacturers for processing.

Article 6

The amounts of the special carry-over premium shall be as specified in the Annex.

These amounts may be reviewed in accordance with the procedure laid down in Article 33 of the basic Regulation, account being taken of :

- the trend in the difference between the supply costs of the industry in the Community and those of the main non-member countries supplying the Community;
- the trend in processing costs within the Community.

Article 7

In cases where a product undergoes two or more successive forms of processing, the premium shall be paid only once.

Article 8

1. The special carry-over premium shall be paid to the parties concerned on application once the inspection authorities in the Member State where processing takes place have established that :
 - (a) in the cases referred to in Article 3(1)(a) and (2), the processor has paid a price not less than the minimum price, or, in the cases referred to in Article 3(1)(b), the party concerned has complied with the obligation laid down in Article 5(2);

(b) the quantities in respect of which application has been made for the premium have been processed in accordance with the conditions laid down in this Regulation.

However, at intervals to be determined, advances shall be granted on application to the producers' organization or processor concerned, provided that they lodge a security equal to the sum advanced plus a percentage to be determined on the basis of the commercial interest rates applicable in the Community.

Article 9

This Regulation shall enter into force on

It shall apply for four years following the date of its entry into force.

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

Done at Brussels,

For the Council
The President

ANNEX

I. List of products

CCT heading no	Description of goods	Freshness (1)	Presenta- tion (1)	Size (1)
ex 03.01 B I (d)1	Mediterranean sardines (Sardina pilchardus)	E, A	whole	3
ex 03.01 B I (p)1	Mediterranean anchovies (Engraulis sp.p.)	E, A	whole	3, 4

II. Amounts of the special carry-over premium

Types of processing referred to in Article 14 of the basic Regulation	Amount for the products noted under point I.
Production of preserved goods falling within Common Customs Tariff heading no 16.04	80 ECU/tonne
Other types of processing	40 ECU/tonne

(1) The freshness, size and presentation categories are those defined pursuant to Article 2 of Regulation (EEC) No 3796/81.

FINANCIAL STATEMENT

DATE : 23.3.1982

1. BUDGET LINE CONCERNED, Art. 401 : Intervention for fishery products
 Appropriations for 1982 : 18.75 m ECU

2. ACTION : Draft Regulation implementing Reg. No 3796/81 on the common organization of the market in fishery products as regards the granting of a special carry-over premium for sardines and anchovies.

3. LEGAL BASIS : Regulation No 3796/81 on the common organization of the market in fishery products

4. OBJECTIVES : Implementation of new arrangements concerning special carry-over premiums for Mediterranean sardines and anchovies.

5. FINANCIAL CONSEQUENCE	FOR THE MARKETING YEAR	CURRENT FINANCIAL YEAR ()	FOLLOWING FINANCIAL YEAR ()
5.0 EXPENDITURE			
-CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTIONS)	+ 1 m ECU	+ 1 m ECU	+ 2 m ECU
-CHARGED TO NATIONAL ADMINISTR.			
-CHARGED TO OTHER NATIONAL GROUPS			
5.1 RECEIPTS			
-OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES)	token entry	token entry	token entry
-NATIONAL			

	YEAR1984.....	YEAR1985.....	YEAR1986.....
5.0.1 PLURIANNUAL PATTERN OF EXPENDITURE			
5.1.1 PLURIANNUAL PATTERN OF RECEIPTS	+ 2 m ECU	+ 2 m ECU	+ 2 m ECU

5.2 METHOD OF CALCULATION

The additional expenditure entailed by the special carry-over premium was already taken into account in the context of Reg. No 3796/81, the new basic Regulation.

6.0 FINANCING POSSIBLE WITH CREDITS INSCRIBED IN RELEVANT CHAPTER OF CURRENT BUDGET ? YES/NO

6.1 FINANCING POSSIBLE BY TRANSFER BETWEEN CHAPTERS OF CURRENT BUDGET ? YES/NO

6.2 NECESSITY FOR A SUPPLEMENTARY BUDGET ? YES/NO

6.3 CREDITS TO BE WRITTEN INTO FUTURE BUDGETS ? YES/NO

COMMENTS :

