

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(80) 328 final

Brussels, 11th June 1980

PROPOSAL FOR A COUNCIL REGULATION (EEC)
ON A COMMON MEASURE TO IMPROVE THE CONDITIONS UNDER
WHICH AGRICULTURAL PRODUCTS IN THE EGGS, POULTRYMEAT,
CEREALS AND CATTLEFEED SECTORS IN NORTHERN IRELAND
ARE PROCESSED AND MARKETED

(presented by the Commission to the Council)

COM(80) 328 final

• EXPLANATORY MEMORANDUM

The conditions prevailing at the moment in Northern Ireland are not favourable to major crop products. Given the structural constraints, a number of holdings have concentrated on forms of intensive breeding such as pigmeat production and eggs and poultry. However, this type of operation and, especially, the production of eggs and poultry is facing particularly serious problems on account of the fact that 85% of its supplies of feedingstuffs for poultry come from outside and about two-thirds of its outlets are situated overseas. Profit margins are therefore very tight especially at the marketing and processing level where investment is, however, vital not only to improve its competitive position but also so as to be better able to meet the needs of producers.

This rationalization and modernization effort therefore necessitates substantial aid, in view of the low self-financing capacity which it is possible to require in the current economic situation in Northern Ireland.

**Proposal for a
COUNCIL REGULATION (EEC)**

on a common measure to improve the conditions under which agricultural products in the eggs, poultrymeat, cereals and cattlefeed sectors in Northern Ireland are processed and marketed

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Articles 42 and 43 thereof,

Having regard to the proposal from the Commission,

Having regard to the Opinion of the European Parliament,

Having regard to the Opinion of the Economic and Social Committee,

Whereas improving the processing and marketing of agricultural products, in particular by improving their quality and presentation, makes it possible to find wider markets, to improve the return on the products and thereby to contribute towards increasing agricultural productivity;

Whereas the measures envisaged in this field are of a Community nature and are intended to achieve the objectives set out in Article 39(1)(a) of the Treaty; whereas they therefore constitute a common measure within the meaning of Article 6 of Council Regulation (EEC) No 729/70 of 21 April 1970;

Whereas the production of eggs and poultry is of vital interest for the agricultural economy of Northern Ireland;

Whereas the situation of this production sector is currently, however, experiencing very serious problems on account of its dependence on external supply sources in cattlefeed and, also, outlets situated overseas; whereas a lasting solution can be found to these problems only by improving the marketing and processing conditions both of eggs and poultrymeat and of the raw materials necessary for their production;

Whereas, also, in order to be eligible for Community financing, projects must permit the achievement of improvement and rationalization of processing and marketing structures in respect of the products in the sectors mentioned and of a lasting positive effect on the agricultural sector;

Whereas, in order to ensure consistency between the measures taken by the Community and those taken by the Member State concerned, it appears necessary that the Member State approve projects to be financed by the Fund and also contribute towards their financing;

Whereas, in order to ensure that beneficiaries comply with the conditions imposed at the time aid from the Fund is granted, a procedure should be laid down for an effective check and for the possibility of suspending, reducing or discontinuing aid from the Fund;

Whereas aid from the Fund in the form of a capital grant of not more than 50% of the amount of the investment constitutes an appropriate contribution to the implementation thereof;

Whereas aid from the Fund must not affect or be of such a kind as to affect conditions of competition in a manner incompatible with the principles of the Treaty; whereas, for this purpose in particular, it must neither reinforce nor create a dominant position in the common market or in a substantial part thereof, save where this proves necessary for attaining the aims of this Regulation;

Whereas aid from the Fund over a period of four years amounting to an estimated 24 million European units of account may contribute towards improving the conditions under which products in the eggs, poultrymeat, cereals and cattlefeed sectors are processed and marketed;

Whereas, for the approval of projects, a procedure should be laid down ensuring close cooperation between Member States and the Commission within the Standing Committee on Agricultural Structures, set up by Article 1 of the

Council Decision of 4 December 1962 on the coordination of agricultural structural policies; whereas provision should also be made for the Fund Committee referred to in Article 11 of Regulation (EEC) No 729/70 to be consulted,

HAS ADOPTED THIS REGULATION :

COUNCIL REGULATION

on a common measure to improve processing and marketing conditions
in the eggs, poultrymeat, cereals and cattlefeed sectors
in Northern Ireland

Article 1

1. In order to improve the structure of markets in the eggs and poultry, cereals and cattlefeed sectors in Northern Ireland, a common measure shall be introduced to permit the development or rationalization of undertakings engaged in the treatment, processing or marketing of products in those sectors.
2. All the measures provided for in this Regulation shall constitute a common measure within the meaning of Article 6(1) of Regulation (EEC) No 729/70.
3. The Commission may grant, in accordance with the provisions of Titles II and III, aid for the common measure by financing, through the Guidance Section of the European Agricultural Guidance and Guarantee Fund, hereinafter referred to as the "Fund", projects which satisfy the conditions of Title I.

Title I

Projects

Article 2

1. Within the meaning of this Regulation, "project" means any project involving public, semi-public or private material investment relating wholly or in part to buildings and/or equipment intended in particular for:
 - a) rationalizing or developing storage, market preparation, preservation, treatment or processing of the products of the sectors mentioned in Article 1(1);

- b) improving marketing channels;
- c) better knowledge of the facts relating to prices and to their formation on the markets for products of the sectors mentioned in Article 1(1).

2. This Regulation shall not apply to investment at the retail level.

Article 3

1. Projects shall relate to the marketing of the products set out in Annex II to the Treaty or to the production of the processed products set out in that Annex. They must contribute to a permanent improvement of the situation of the sectors referred to in Article 1(1).
2. Aid from the Fund may be granted only if the beneficiary provides sufficient evidence that the conditions specified in paragraph 1 of this Article are fulfilled. Account may be taken, inter alia, of long-term supply contracts concluded with the producers of the basic agricultural product, on reasonable terms for such producers.

Article 4

Projects must:

- a) offer adequate guarantees as to their profitability;
- b) contribute to the lasting economic effect of the structural improvement of the sectors referred to in Article 1(1).

Title II

Procedure for examining projects

Article 5

1. Applications for aid from the Fund must be submitted through the Member State concerned prior to 1 May.

2. The Commission shall decide twice yearly on applications for aid submitted. Its decisions shall be taken not later than 30 June and 31 December.

Decisions which are taken during the first six months of a year shall be limited to applications for aid submitted not later than 31 December of the preceding year. Applications for aid submitted between 1 January and 30 April cannot be considered until the second half of the same year.

3. In order to be eligible for aid from the Fund, projects must have been approved by the Member State on whose territory they are to be carried out.
4. Applications for aid must be accompanied by information making it possible to establish that the project satisfies the requirements laid down in Title I.
5. The particulars which must be given in the applications and the form in which they must be presented shall be those laid down by Regulation (EEC) No 219/78.

Article 6

1. The Commission shall decide on the granting of aid from the Fund in accordance with the procedure laid down in Article 14, after consulting the Fund Committee on the financial aspects.
2. The Member State concerned and the beneficiary shall be notified of the Commission's decision.

Article 7

1. In taking its decision the Commission shall take account in particular of the allocation to the project concerned of any direct or indirect investment aid other than that provided for in this Regulation. To that end, the Member State concerned shall inform the Commission of any such aid.

2. Projects which are eligible for aid under Regulation (EEC) No 355/77 or which may be eligible for Community aid under other common measures within the meaning of Article 6(1) of Regulation (EEC) No 729/70 shall not fall within the scope of this Regulation.

Title III

Financial and general provisions

Article 8

1. The estimated time required for carrying out the common measure is / 4 / years as from / 1 January 1981 /.
2. The estimated cost of the common measure financed by the Fund for the period 1 January 1981 to 31 December 1984 shall be 12 million EUA.
3. Article 6(5) of Regulation (EEC) No 729/70 shall apply to this Regulation.

Article 9

1. Aid from the Fund shall consist of capital grants made in the form of one or more payments.
2. For each project, in relation to the investment made:
 - a) the financial contribution of the beneficiary must be not less than / 25% /;
 - b) the financial contribution of the Member State on whose territory the project is to be carried out must be not less than 10%;
 - c) the aid granted by the Fund shall be not more than 50%.

Article 10

The granting of aid from the Fund must not affect the conditions of competition in a manner incompatible with the principles contained in the Treaty.

Article 11

1. Aid from the Fund shall be granted to natural or legal persons, or groups thereof, who shall be ultimately responsible for the cost of carrying out the project.

Aid from the Fund shall be paid through agencies appointed for that purpose by the Member State concerned.

2. Throughout the period during which aid is granted from the Fund, the authority or agency appointed for that purpose by the Member State concerned shall, at the request of the Commission, forward to it all supporting documents and all documents of such a kind as to establish that the financial or other conditions laid down in respect of each project have been fulfilled. The Commission may, if necessary, carry out an on-the-spot check.

After it has consulted the Fund Committee on the financial aspects, the Commission may decide to suspend, reduce or discontinue aid from the Fund in accordance with the procedure laid down in Article 14:

- if the project has not been carried out as planned or
- if some of the conditions laid down have not been fulfilled or
- if the beneficiary, contrary to the details contained in his application and set out in the decision to grant aid has neither begun the work within two years of the date of notification of that decision nor furnished adequate assurances, before the end of the said period, that the project will be carried out.

The Member State concerned and the beneficiary shall be notified of the decision.

The Commission shall recover any sums whose payment was not or is no longer justified.

3. The detailed rules for the application of this Article shall be those laid down in Regulation (EEC) No 1685/78.

Article 12

1. For each project which has received aid from the Fund, the beneficiary shall forward to the Commission, through the Member State, a report on the financial results of the project. This report shall be submitted within the period laid down by the Commission in its decision to grant aid.
2. If the beneficiary does not fulfil the obligation laid down in paragraph 1, the Commission, after giving the beneficiary due notice, may decide to reverse, in whole or in part, its decision to grant aid, acting in accordance with the procedure laid down in Article 14 and after consulting the Fund Committee on the financial aspects. The decision shall be communicated to the Member State concerned and to the beneficiary. The Commission shall recover, in whole or in part, the sums paid.
3. Detailed rules for the application of this Article, particularly as regards the contents which the report referred to in paragraph 1 must contain, shall be adopted in accordance with the procedure laid down in Article 14, after consultation of the Fund Committee on the financial aspects.

Article 13

Applications for aid from the Fund submitted to the Commission in respect of projects which were not eligible for aid owing to the insufficiency of available resources may, with the agreement of the applicants, be carried forward to the following financial year by the Member State concerned.

Requests that such applications be carried forward must be submitted to the Commission within a period of 30 days from the date on which the Member State receives notification of the outcome of the procedure laid down in Article 14. An application for aid may, however, be carried forward once only.

Article 14

1. Where the procedure laid down in this Article is to be followed, the matter shall be referred to the Standing Committee on Agricultural Structures on the Chairman either on his own initiative or at the request of the representative of a Member State.
2. The representative of the Commission shall submit a draft of the measures to be taken, The Standing Committee on Agricultural Structures shall deliver an Opinion on the measures by a majority of 41 votes, within a time limit set by the Chairman according to the urgency of the matters under consideration; the votes of the Member States shall be weighted as provided for in Article 148(2) of the Treaty. The Chairman shall not vote.
3. The Commission shall adopt the measures, which shall be immediately applicable. However, if such measures are not in accordance with the Opinion of the Standing Committee on Agricultural Structures, the Commission shall communicate them for think to the Council; in such a case the Commission may defer for not more than one month from the date of such communication, application of the measures which it has adopted.

The Council, acting by a qualified majority, may adopt a different decision within one month.

Article 15

Articles 92, 93 and 94 of the Treaty shall remain applicable in respect of matters covered by this Regulation.

Article 16

The first decisions to grant aid under this Regulation shall be taken under the 1981 financial year.

Article 17

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

Brussels,

For the Council

The President

FINANCIAL STATEMENT

Date : 2.6.1980

1. BUDGET HEADING : 8262 (to be created)

APPROBIATIONS : ==

2. TITLE : Proposal for a Council Regulation on a common measure to improve the conditions of processing and marketing in the eggs, poultrymeat, cereals and cattle feed sectors in Northern Ireland.

3. LEGAL BASIS : Article 6 of Reg. n° 729/70

4. AIMS OF PROJECT :
To improve the market structures and the processing and marketing structures in the eggs, poultrymeat, cereals and cattle feed sectors in Northern Ireland.

5. FINANCIAL IMPLICATIONS	PERIOD OF 12 MONTHS	CURRENT FINANCIAL YEAR (1980)	FOLLOWING FINANCIAL YEAR (1981)	
	5.0 EXPENDITURE			
- CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTIONS)		-	3 MEUA	
- NATIONAL ADMINISTRATION		-	0,6 à 1,5 MEUA	
- OTHER (beneficiaries)		-	1,5 à 2,4 MEUA	
5.1 RECEIPTS				
- OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES)		-	-	
- NATIONAL		-	-	

	1981	1982	1983	1984
5.0.1 ESTIMATED EXPENDITURE	3 MEUA	3 MEUA	3 MEUA	3 MEUA
5.1.1 ESTIMATED RECEIPTS	-	-	-	-

5.2 METHOD OF CALCULATION

It is estimated that the Community's yearly share in this measure will have to be 3 MEUA. This will mean a total cost of 12 MEUA for the duration of the regulation.

6.0 CAN THE PROJECT BE FINANCED FROM APPROBIATIONS ENTERED IN THE RELEVANT CHAPTER OF THE CURRENT BUDGET ?

Concerns the budget only as from 1981

~~YES~~ ~~NO~~

6.1 CAN THE PROJECT BE FINANCED BY TRANSFER BETWEEN CHAPTERS OF THE CURRENT BUDGET ?

Concerns the budget only as from 1981

~~YES~~ ~~NO~~

6.2 IS A SUPPLEMENTARY BUDGET BE NECESSARY ?

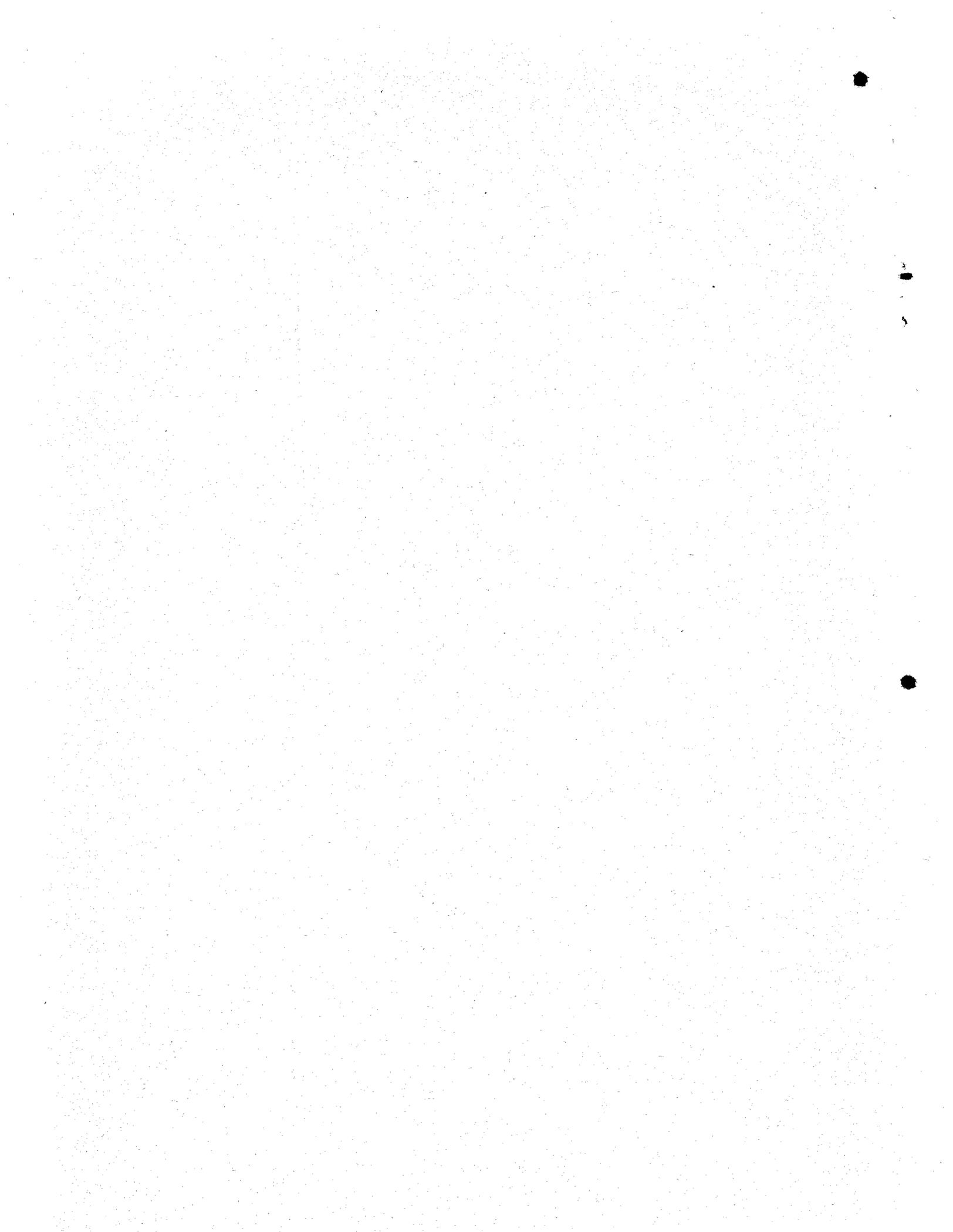
~~YES~~ ~~NO~~

6.3 WILL FUTURE BUDGET APPROBIATIONS BE NECESSARY ?

YES/NO

OBSERVATIONS : Timetable of payment :

Crédits d'engagement	Crédits de paiement					
	1981	1982	1983	1984	1985	1986
1981 : 3 MEUA	1	1	1			
1982 : 3 MEUA		1	1	1		
1983 : 3 MEUA			1	1	1	
1984 : 3 MEUA				1	1	1
Total : 12 MEUA	1	2	3	3	2	1



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PERIOD OF 12 MONTHS

CURRENT FINANCIAL YEAR
(1980)

FOLLOWING FINANCIAL YEAR
(1981)

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Concerns the budget only as from 1981

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