

COMMISSION OF THE EUROPEAN COMMUNITIES

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COM(81) 798 final

Brussels, 15 December 1981

Proposal for a
COUNCIL REGULATION (EEC)
amending Regulation (EEC) No 1785/81 on the common organization of the
markets in the sugar sector

(submitted to the Council by the Commission)



1. Article 27 of the basic sugar regulation allows sugar producers to carry forward the whole or part of their production outside their A quotas to the next marketing year to be treated as part of that year's production. Any sugar carried forward must be stored for 12 consecutive months beginning on 1 February of the marketing year in which it was produced, and it benefits from the reimbursement of storage costs during that period under the system provided for in Article 8 of the same regulation.

It should be recalled that carry-forward arrangements were in operation before 1 July 1981, when the current basic regulation entered into force, but with the difference that the maximum quantity that could previously be carried forward was limited to 10% of the A quota, and the reimbursement of storage costs during the 12-month period was specifically excluded (1).

Article 27 of the current regulation discontinues that quantitative limitation but it provides for storage reimbursement. These changes were proposed by the Commission in order to strengthen the means available to the Community of achieving a measure of compensation between good crops and poor ones.

The present proposal does not involve any change of principle. It simply aims to provide all sugar producers with the possibility of using the carry forward provisions under the same conditions, irrespective of the time at which they begin to produce sugar in excess of their A quotas.

But the present text of Article 27 does not allow the carry forward system to be adapted according to the way in which sugar production has evolved in the various regions of the Community. For example, some regions produce sugar above the A quota in December or in January, other produce the major part of such sugar in October. Now Article 27 stipulated that any decision to carry forward must be taken before 1 February following production; that the obligatory storage period must begin on that date and end on the following 31 January; and that storage costs shall be reimbursed during that period. The overall effect is:

- an inequality of treatment as between Community sugar producers;
- a lack of incentive for some producers to use the carry forward facility which, in turn, hinders the achievement of the objective referred to above.

(1) Article 31 of Regulation (EEC) No 3330/74, OJ No L 359, 31.12.1974, p.1 - now repealed

V The Commission is therefore proposing purely technical changes to Article 27: suppression of the fixed dates of the start and end of the storage, period leaving the requirement of a 12-month storage period but with the relevant dates to be determined in the detailed rules of application.

In order that these changes can be effectively applied to the 1981/82 marketing year it is proposed that every decision to carry sugar forward to the 1982/82 marketing year which is taken before 1 February 1982 may be regarded as retroactive to the date on which the sugar concerned was declared to have been produced. This means that the 12-month storage period and the storage reimbursements can both be deemed to have begun on that date. Accordingly, the Commission suggests that these proposals can be enacted before 1 February 1982, the Council should request consultation with Parliament under the urgent procedure.

Financial implications

2. Given that these proposals involve only technical modifications to the carry forward system (Article 27 of Regulation (EEC) No 1785/81) and do not change either the principles of the system or the obligatory storage period, they do not affect the costs (storage reimbursements) or the receipts (storage levies) arising from this system.

COUNCIL REGULATION (EEC)

amending Regulation (EEC) No 1785/81 on the common organization
of the markets in the sugar sector

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 Article 27 of Council Regulation (EEC) No 1785/81⁽¹⁾ gives sugar-Producing undertakings the possibility to carry forward sugar produced in a given marketing year to be treated as part of the following year's production; whereas that Article lays down for the sugar carried forward an obligatory storage period of 12 months beginning on 1 February of the marketing year in which the sugar was produced with, as a counterpart, the reimbursement of storage costs during that period; whereas only the French departments of Guadeloupe and Martinique have a specific storage period corresponding to their sugar production period;

Whereas these mandatory dates fixed for the start of the storage period no longer correspond to the requirements of sugar production as it has evolved in the various regions of the Community; whereas in order to avoid inequalities of treatment between producers in these regions according to whether they begin their production earlier or later, and thus to allow the earlier producers to make use of the aforesaid possibility from the moment when their production exceeds their A quotas, the dates on which the obligatory storage period starts should henceforth be laid down not in the said Article 27 but, without affecting the principles involved, in the relevant detailed rules of application;

Whereas, having regard to production in the 1981/82 marketing year and to the need felt by undertakings to carry sugar forward, it is now appropriate for the carry-forward to the 1982/1983 marketing year to provide measures which will retroactively allow all Community sugar-producing undertakings to make arrangements in this respect,

HAS ADOPTED THIS REGULATION:

(1) OJ no L 177, 1.7.1981, p.4

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Article 1

Article 27 of Regulation (EEC) No 1785/81 is hereby amended as follows:

1. The first and second subparagraphs of paragraph 2 shall be replaced by the following:

Undertakings which take the decision referred to in paragraph 1 shall:

- inform the Member State concerned, before 1 February, of the quantity or quantities of sugar being carried forward,

and

- undertake to store such quantity or quantities for a period of 12 consecutive months from a date to be determined. For this period storage costs, including those of any C sugar carried forward shall be reimbursed under the provisions of Article 8.

For undertakings situated in the French departments of Guadeloupe and Martinique the date referred to in the first indent of the first subparagraph shall be 1 May."

2. The following new paragraph 4 shall be added:

" 4. In respect of sugar carried forward from the 1981/82 marketing year to the 1982/83 marketing year decisions by undertakings referred to in paragraph 1 shall, at the request of the undertakings concerned, be regarded as retroactive to the date, on which the Member State concerned determined that the sugar covered by those decisions was produced.

In such cases the storage period referred to in the second indent of the first subparagraph of paragraph 2 shall begin on the date referred to in the preceding subparagraph."

Article 2

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

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

Done at Brussels,

For the Council