European Communities

EUROPEAN PARLIAMENT

Working Documents

1974-1975

24 May 1974

DOCUMENT 92/74

Report

drawn up on behalf of the Committee on Agriculture

on amendments to the proposals from the Commission of the European Communities to the Council (Doc. 59/74) for

- I. Regulations concerning the level of the maximum quota applicable to sugar during the 1974/1975 marketing year
- II. A regulation supplementing Regulation No 1009/67/EEC on the common organization of the market in sugar

Rapporteur: Mr Lucien MARTENS

By letter of 24 April 1974 the President of the Council of the European Communities requested the European Parliament, pursuant to Article 43(2) of the EEC Treaty, to deliver an opinion on the amendments to the proposals from the Commission of the European Communities to the Council for a regulation concerning the level of the maximum quota applicable to sugar during the 1974/1975 marketing year and a regulation supplementing Regulation No. 1009/67/EEC on the common organization of the market in sugar.

On 24 April 1974 the President of the European Parliament referred these proposals to the Committee on Agriculture as the Committee responsible and to the Committee on External Economic Relations and the Committee on Development and Cooperation as the committees asked for their opinions.

The Committee on Agriculture appointed Mr Martens rapporteur on 2 May 1974.

It considered these proposals at its meeting of 8 May 1974.

At the same meeting the Committee adopted the motion for a resolution together with the explanatory statement by nine votes in favour, with four abstentions.

The following were present: Mr Houdet, Chairman of the Committee; Mr Laban, Vice-Chairman of the Committee; Mr Martens, rapporteur; Mr Brugger, Mr Cifarelli, Mr Frehsee, Mr Früh, Mr Héger, Mr John Hill, Mr de Koning, Mr J. Brøndlund Nielsen, Mrs Orth and Mr Radoux.

The opinions of the Committee on Development and Cooperation and the Committee on External Economic Relations are attached to this report.

CONTENTS

		Page
Α.	MOTION FOR A RESOLUTION	5
В.	EXPLANATORY STATEMENT	7
	ANNEX I	15
	ANNEX II	16
	ANNEX III	17
	OPINION OF THE COMMITTEE ON DEVELOPMENT AND COOPERATION	19
	OPINION OF THE COMMITTEE ON EXTERNAL ECONOMIC RELATIONS	21

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 amendments to the proposals from the Commission of the European Communities to the Council for a regulation concerning the level of the maximum quota applicable to sugar during the 1974/1975 marketing year and a regulation supplementing Regulation No. 1009/67/EEC on the common organization of the market in sugar.

The European Parliament,

- having regard to the proposals of the Commission to the Council (COM(74) 382 final and COM(74) 481 final);
- having been consulted by the Council pursuant to Article 43 (2) of the EEC Treaty (Doc. 59/74);
- having regard to the report of the Committee on Agriculture and the opinions of the Committee on External Economic Relations and the Committee on Development and Cooperation (Doc. 92/74);
- believing that the proposals here put forward represent in fact a declaration by the Commission of a state of scarcity in the sugar market.
- considering that the sugar supplies of the Community must be assured and that to this end sugar produced in excess of the maximum quota must be placed when needed on the Community market.
- Notes with satisfaction that the Commission has taken this sugar scarcity into account;
- 2. But believes that the proposals of the Commission to safeguard the security of future sugar supplies of the Community may result in a reduction in the incomes of Community sugar producers, given the very high level of sugar prices on the world market;
- 3. Believes that it is desirable, in order to stabilize existing incomes of sugar producers, to increase the maximum quota to a level sufficient to ensure adequate sugar supplies for the Community, without however producing a surplus, and with the abolition of the production levy;
- 4. Approves the measures authorizing Italy to increase the supplementary payment to beet growers;
- 5. 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

The Purpose of these Proposed Amendments

- 1. The present situation on the world sugar market is characterised by a persistent shortage, by prices double those of the Community and by an uncertainty created by the inability of the international community to reach agreement on a world sugar agreement. One effect of world high prices has been to encourage exports of Community sugar. The Commission of the European Communities wishes to be able both to ensure sufficient supplies from Community production and the possibility of controlling exports of Community sugar.
- 2. The common market organization in the sugar sector was established by Regulation No. $1009/67/\text{EEC}^{-1}$. This regulation established three regimes for sugar production:
 - (i) the basic quota 'sugar A' with a guaranteed minimum price.

 Each undertaking has a basic quota allocated and laid down in the regulation (calculated on the basis of average production 1961/62 to 1965/66) 2;
 - (ii) a maximum quota 'sugar B' fixed at 135% of the basic quota ³ and for which the price received by producers is lower than that of 'sugar A' to the extent of a production levy;
- (iii) farmers are free to produce sugar beyond these established quotas. This 'sugar C' cannot be placed on the Community market (except in times of scarcity), receives no export restitutions and is entirely at the producer's risk.
- 3. The Commission has sought and is seeking to ensure adequate Community supplies of sugar 4 by means of two measures:

 $^{^{\}perp}$ OJ No. 308, 18.12.1967, p.1.

Articles 23 and 24 of Regulation No. 1009/67/EEC, OJ No. 308, 18.12.1967, p. 9-10.

³ COM(74) 30 final, part VII, pp. 2 and 3; final recital and Article 4.

The Commission (in its proposals for the prices for certain agricultural products and measures specified in the memorandum on the improvement of the Common Agricultural Policy, COM(74) 30 final, part X, p.2) has already put forward a stocking policy for this end, each sugar manufacturer being requested to hold 10% of his basic quota in stock.

- (a) the first (given in document COM(74) 427 final ¹, in the form of an amendment to Article 25 (1) of Regulation No. 1009/67/EEC) laid down the principle of the application of the export levy equal to the difference between the c.i.f. price and the threshold price on 'sugar C' produced in excess of the maximum quota (under the present regulation export levies apply only to 'sugar A' and 'sugar B'); but with the possibility of not applying this levy if the market situation should render it unnecessary; ²
- (b) the second (document COM(74) 382 final) is to raise the level of the maximum quota applicable to sugar during the 1974/75 marketing year from 135% to 145%, from 100% to 110% in the special case of the United Kingdom, and from 235% for the compound price system for the two sugar marketing years 1973/74 and 1974/75 (Netherlands and Belgium) by amending two proposals for regulations of the Council³ amending Regulation No. 1009/67/EEC.
- 4. The Commission is also proposing a further regulation to authorize Italy to increase supplementary payments to beet growers.

The basic regulation establishing the common organization of the market in sugar recognised that beet production in Italy is rendered difficult by climatic conditions and by problems in applying modern production methods. Therefore Italy was authorized to grant temporary aid. This aid took two forms:

- (a) subsidies to beet growers which are not to exceed 1.80 u.a. per tonne and may only be granted for the quantity of beet used to produce white sugar within the basic quota (Article 34 (2) of Regulation No. 1009/67) 5;
- (b) a subsidy to the beet processing industry which may not exceed 1.46 u.a. per 100 Kg of white sugar and may only be granted for production within the basic quota (Article 34 (3) of Regulation No. 1009/67) ⁶.

The purpose of the second proposal (COM(74) 481 final) is to amend a proposed Council Regulation of completing Article 34 (2) of Regulation No. 1009/67 so as to authorize the maximum amount of aid granted to beet growers to be increased from 1.80 to 4.00 u.a. for the 1974/1975 marketing year.

¹ Doc. 30/74

See the opinion of the European Parliament, Doc. 55/74, report drawn up by Mr MARTENS.

 $^{^{3}}$ Doc. COM(74) 30 final, part VII and part VIII.

The figure '1.80' was substituted for '1.10' u.a. by Article 2 of Regulation No. 1060/71, OJ No. L 115/71, p. 16

^o OJ No. L 308/67, p. 10

⁶ Ibid, p. 11

Doc. COM(74) 30 final, part X. - 8 -

The Impact of Developments in the International Market on the Community Producer

- 5. The present common organization for sugar, as laid down in Regulation No. 1009/67/EEC, was drawn up in a period of world-wide sugar surpluses and low world prices. Its principal aims were as follows:
 - limitation of marketing costs;
 - the maintenance of a fixed and limited production;
 - expansion of production in those regions most suited to this crop.
- 6. However, between 1970 and 1973 world production was lower than consumption, with the result that carryforward stocks were rapidly marketed. By September 1973 stocks were at the absolute minimum required to ensure supplies for the beginning of the new season.
- 7. The result has been that world sugar prices have practically trebled between 1968 and 1973, resulting in a dramatic reversal in the relationship between the Community and the world price levels. In 1968 when the present organization was set up, the price of sugar on the international market was 5 u.a. per 100 kg. as compared to a minimum price for sugar of 22 u.a. in the Community. In 1974, however, the situation has been completely reversed: sugar on the international market is 37 u.a. per 100 kg. on the international market and 25 u.a. in the Community.

While the market situation has eased slightly in the last few months, no immediate lessening of the sugar scarcity on the international market can be foreseen. Prices on the international sugar market have followed the general slowing-down of international commodity prices, and at the end of March 1974 were 19 cents per lb. at New York as against 24.50 cents at the end of February. In London, after reaching a record level of £250 sterling per ton on 21 February, the sugar price gradually fell to reach £202 on 29 March.

At the moment the market situation is stable, being characterised by a strong demand and weak supply. Short-term fluctuations, therefore, can be explained by technical movements which follow the changing priorities of those operating the market. An end to the difficult situation in petrol supply could result in certain of those operating in the commodity market leaving sugar in which they had sought to defend themselves against monetary devaluations.

- 8. The attractions of the present international sugar market for Community producers has had two important side-effects:
- (a) since 1971 all expenditure on the utilization of surpluses has been practically covered by receipts from the production levy;
- (b) there has been a steady increase in the area devoted to sugar beet; in the past year this area increased by 5% in France, by 3.4% in Germany, and to a much more limited extent in Belgium and the Netherlands; only in Italy has there been a decline, one of 10%.
- (c) High world prices have encouraged exports of sugar from the Community to accelerate. These exports stood at 0.6 million tonnes in 1968/69 and 1.2 million tonnes in 1973/74.

Observations on the proposed increases in the maximum quota

- 9. The present organization was established in a period of surplus in the sugar market. Its dispositions do not entirely meet the needs of a period of scarcity and high world prices. The Community producer has expanded his production as a response to the international market, together with exports which, in the large, have not benefitted from Community aids (since these exports now consist to a large part of 'C sugar'). The Commission, in this period of uncertainty created by existing market factors and the inability of the international society to reach a new world sugar agreement, is seeking to safeguard the security of future supplies.
- 10. The Commission seeks to achieve this goal by bringing sugar produced in excess of the maximum quota ('C' sugar) on to the Community market. It has already proposed an export levy on exports of 'C' sugar ¹, and now proposes to extend the maximum quota from 135% of the basic quota to 145%. Its intention is to secure greater security of future Community sugar supplies by preventing beet production from being contracted for export long before it is produced.

See the opinion of the European Parliament given in the Report drawn up by Mr MARTENS (Doc. 55/74)

11. The Commission argues that if the maximum quota were to be fixed at 135%, then to secure its sugar supplies in the case of a normal harvest the Community would require total imports of 1.28 million metric tons and in the case of a low harvest, total imports of 1.54 million metric tons.

At present imports are expected to reach 1,400,000 tonnes (instead of the previously anticipated 1,760,000 tonnes). In paying regard to these exceptional circumstances, the Commission considers it must adapt its initial proposal by increasing the level of the maximum quota from 135% to 145%.

12. The price to be given for 'C' sugar directed on to the Community market by the export levy will be that given for 'A' sugar.

The price to be given for sugar included within the extended maximum quota will be that for 'B' sugar (the 'A' price minus a production levy).

13. The overall result of these proposed regulations will be that some part of present Community sugar production at present benefiting from very high world prices will be put on the Community market at much lower prices (and in the case of the sugar coming under the extended maximum quota the production levy will be imposed). This can only result in a decrease in the revenues of sugar beet producers. At present producers of 'C' sugar enjoy high world prices, but do not benefit from any guarantee. This proposal, while offeringlower prices, in no way offers increased security in return, since this increase in the maximum quota is only applicable for the 1974/75 marketing year.

Given present production costs and the high sugar prices on the world market, there is no logical reason for 'B' sugar to suffer from a lower price than that offered to 'A' sugar and 'C' sugar diverted on to the Community market. The present Commission proposal is nothing less than a declaration that the Community is facing a period of shortage in the sugar sector. While satisfaction may be derived from the fact that the Commission is taking this situation into account, it is illogical to penalise producers by production levies at a time when it is desirable to stimulate sugar production. This Commission proposal also casts doubt on the continuing relevance of the Commission memorandum of 12 July 1973 (COM(73) 1177).

While it is of course desirable that security of Community supplies should be ensured, it is equally necessary that the farmer who is to provide this sugar should either be ensured an increased guaranteed market or should be offered some additional financial reward (to ensure a remuneration at least equal to the price of 'A' sugar and reflecting to some degree income that would have been enjoyed if the sugar had been disposed of on the international market).

14. Therefore the Committee on Agriculture in its report on the Commission's proposal for an export levy on 'C' sugar, while approving the principle of an extension of the maximum quota, asked that the production levy be abolished.

Observations on the proposed increase in supplementary aid to Italian beet producers

- 15. The Committee on Agriculture can also approve, in principle, the increase in the level of the supplementary aids to be granted to Italian beet producers. However, in its explanatory statement attached to the proposal the Commission provides no information as to why such a considerable increase in aid is required from 1.80 u.a. per tonne to 4.00 u.a. beyond indicating that without such an increase Italian beet production would no longer be competitive with that of maize. This absence of information to explain the need for such increases in aid is important if one bears in mind that the original aid of 1.8% represented a 10% increase in minimum price 'A'; the 4% here proposed therefore represents more than a 20% increase.
- 16. The representatives of the Commission, however, in the meeting of the Committee on Agriculture, have provided the following additional information to make clear the need for this measure. The reasons relate above all: to a reduction of the beet area in Italy; the low yields of Italian beet producers; the structure of Italian beet production; and increasing Italian demand for sugar.
- 17. In 1967/68, before the setting up of the common organization of the market in sugar, the beet area in Italy was approximately 275,000 hectares. It is now 216,000 hectares, which represents a decrease of 20%, or a reduction of 3 to 4 per cent per annum. The figure for 1974/75 is 191,000 hectares, or a further decrease of 12%. This represents an overall reduction of 30% in the beet area since the establishment of the common organization.
- 18. Beet yields in Italy differ significantly from those of the northern regions. In Germany, Belgium, the Netherlands, and France, the yield is approximately 7 tonnes per hectare, while in Italy it is approximately 4.2 tonnes per hectare, or 40% below the Community average.
- 19. The problems faced by Italy in the sugar sector are made evident if one considers the structure of production. The average Community unit is 3 hectares, and in certain countries, such as the United Kingdom and France, the average size is more than 8 hectares. In Italy on the other hand the average is 1.5 hectares.
- 20. It follows, therefore, that there is a clear dichotomy in trends of production and costs between Italy and the other members of the Community. For example, while there has been a considerable increase in production

See the opinion of the European Parliament given in the Report drawn up by Mr MARTENS (Doc. 55/74)

- 12 - PE 36.913/fin.

beyond the maximum quota in most of the Community, Italy does not even fulfil its basic quota. Furthermore, the increase in consumption in Italy is one of the most marked in the Community. In 1967/68, Italian consumption was covered by production within the country. At the moment, only 50% of Italian demand can be supplied from within Italy. Italy is therefore approaching the same delicate economic and political problems in the sugar sector as it already faces in the bovine meat sector.

21. Given increasing demand and falling production in Italy, together with the problems of the structures of production, it is evident that Italian producers face a deterioration in their competitive position vis-a-vis other Community producers.

Moreover, the prices of beet sugar in Italy have always been higher than those of northern regions of the Community, due to the fact that Italy has always been an area faced by scarcity of sugar. This is the reason for the regionalization of prices: a derived price for Italy has been fixed on the basis of higher Italian production prices together with transport costs from the north of the Community to the south. Therefore without any support measures on the part of the Italian Government, the Italian farmer already has prices 15% higher than those of his colleagues in the north. This was shown to be insufficient during the 1968/69 discussion on prices, and for this reason a special aid of 1.8 u.a. was provided when the common organization was established, thus giving Italian producers prices 20% higher. The increase in the supplementary aid from 1.8 to 4 u.a. means that Italian prices are 35 to 40% higher than in other regions of the Community. If one considers that Italian yields are 40% below those of other regions, this price difference is in relation to the higher costs of production of the Italian producer.

The Commission, in drawing up its proposals, has been faced by a situation where the production of beet sugar in a number of regions in Italy has been replaced by that of maize.

While it is true that the philosophy behind the common agricultural policy is to seek a certain specialization of production as between regions in the Community, it is also true that in the sugar sector a system of quotas has been established to maintain a pre-determined level of production in certain less favoured regions. It should not be forgotten that beet production is not directly comparable in its economic, social and political consequences with other crops such as cereals. There is a whole complex of sugar industries based on beet production, upon which depend important capital investments and employment in regions with considerable social problems. If beet production in Italy were allowed to decrease, these industries, producing a wide range of foods and confectionery, would suffer considerable increase in their costs and a reduction in their

competitive position. For these reasons, the Council has decided that the system of quotas must be given additional support by an increase in supplementary aids to beet producers.

22. The Committee on Agriculture therefore can approve the increase in the level of the supplementary aids to be granted to Italian beet producers, while at the same time requesting, however, that more extensive information to justify such measures be provided in the explanatory statement joined to future Commission proposals.

Production, Export and Consumption of Sugar in the Community							ANNEX I		
	EEC 6					EEC 9			
	1968/69	1969/70	1970/71	1971/72	1972/73	1973/74	1974/75	1973/74	1974/75
Area under sugar beet (1.000 ha)	1.156	1.151	1.148	1.150	1.202	1.291		1.577	1.591
Sugar yields (100 kg/ha)	54,6	60,2	57,5	67,1	59,9	60,4		60,7	
Total production (in '000 metric tons of white sugar)	6.823	7.435	7.051	8.071	7.639	8.274		10.037	
of which outside quotas for export (1)	34	79	122	620	215	660		980	
Exported in the pure state (2)	581	483	653	722	931	810		896	
Export of manufactured products (2)	122	165	156	173	153	160		210	
Human consumption	5.931	6.065	6.517	6.325	6.459	6.570		9.560	
Animal feed	352	307	190	25	35	25		25	
Industrial use	23	38	43	47	54	55		80	
Consumption, kg/per person	31,8	32,2	34,3	33,1	33,5	33,8		36,9	
Degree of self-sufficiency as % (3)	115,0	122,6	108,2	127,6	118,3	125,9		105,0	

(1) Exports not attracting Community restitutions.

(2) The figures for exports and imports refer only to trade with non-member countries with exception of processing traffic.
 (3) Ratio between total production and human consumption.

Source : COM (73) 1850 final, ANNEXES, pp. 76-83.

Community and World Prices for Sugar and Sugar Beet (in u.a.)

	1	1	1.000.400	1 2022 /20	1 /	T /	1 /
	1968/69	1969/70	1970/71	1971/72	1972/73	1973/74	1974/75
Minimum price for beet "A" (basic quota per metric ton):							(EEC-9)
EEC-6 (excluding Italy)	17,00	17,00	17,00	17,00	17,68	17,86	18.84
Minimum price for beet "B" (outside the basic quota) (100-135%, per metric ton):							
EEC-6 (excluding Italy)	10,00	10,00	10,00	10,00	10,40	10,50	11.08
Target price for white sugar (per 100 kg):	22,35	22,35	22,35	23,80	24,55	24,80	26.55
<pre>Intervention price for white sugar (per 100 kg):</pre>							
EEC-6 (excluding Italy and overseas departments)	21.23	21.23	21.23	22.61	23.34	23.57	28.22
<pre>Intervention price for raw sugar (per 100 kg):</pre>							
EEC-6 (excluding Italy and overseas departments)	18,50	18,50	18,50	19,22	19,85	20,05	(20.41)
Average world sugar prices					in ua	/100 kg	
White sugar: Paris	6,29 (July/June)	7,51	10,60	15,75	19,30	19,92 (Sept.)	50 (April 1974)
Raw sugar: London	6,78	8,22	10,99	13,99	17,53	17,35	45
	(July/June)	}	1			(Sept.)	(April 74)

ANNEX III

POSITION 1973/74

PRODUCTION EEC	9,500,000	tonnes
of which "C" sugar	0,650,000	tonnes
of which "A" + "B" sugar	8,850,000	tonnes
	7,550,555	
HUMAN CONSUMPTION	000	
estimated summer 1973 at	9,600,000	tonnes
It is now estimated at	10,000,000	tonnes
EXPORTS		
(sugar and transformed products		
without "C" sugar)	0,400,000	tonnes
CHEMICAL INDUSTRIES/DENATURISATION	0,050,000	tonnes
	0,000,111	
	1 4 000	
IMPORTS	1,400,000	tonnes
(instead of	£ 1,760,000	tonnes)
Production	8,850,000	tonnes 1
Imports	1,400,000	tonnes
	10,250,000	tonnes
		· · · · · · · · · · · · · · · · · · ·
Consumption	10,000,000	tonnes
Exports	400,000	tonnes
Chemical Industries/Denaturisation	50,000	tonnes
Chemical Industries/Denaturisation		· · · · · · · · · · · · · · · · · · ·
Chemical Industries/Denaturisation	50,000	tonnes
	10,450,000	tonnes
Chemical Industries/Denaturisation REDUCTION IN STOCKS		· · · · · · · · · · · · · · · · · · ·
REDUCTION IN STOCKS	10,450,000 - 0,200,000	tonnes
REDUCTION IN STOCKS (A minimum stock of 10% =	10,450,000 - 0,200,000 1,000,000	tonnes tonnes
REDUCTION IN STOCKS	10,450,000 - 0,200,000	tonnes

Production excluding 'C' sugar

ANNEX III (continued)

ESTIMATED POSITION 1974/75

	10,800,000	tonnes
Consumption	10,100,000	tonnes
Chemical industries/denaturisation	100,000	tonnes
Exports of transformed products	300,000	tonnes
Reconstituting stocks	300,000	tonnes

BEET AREA 1,591,000 hectares

		11,000,000	tonnes
	(minimum	1,000,000	tonnes
IMPORTS	(maximum (1,400,000	tonnes
PRODUCTION WIT	H NORMAL YIELD	10,000,000	tonnes

MAXIMUM SURPLUS 0,200,000 tonnes

Opinion of the Committee on Development and Cooperation

Letter from Mr ACHENBACH, Chairman of the Committee to

Mr HOUDET

Luxembourg, 15 May 1974

Dear Mr Chairman,

The Committee on Development and Cooperation discussed on 9 May 1974 the amendments to the proposals submitted by the Commission to the Council for the regulation concerning the level of the maximum quota applicable to sugar during the 1974/75 marketing year, and for the regulation supplementing Regulation No. 1009/67/EEC on the current organization of the market in sugar.

The Committee took the view that these proposals do not conflict with the opinions expressed by Parliament in the resolution it adopted on the Community's future sugar policy on 5 April 1974, and that in view of the present scarcity on the Community's internal sugar market they are justified.

The following were present: Mr ACHENBACH, chairman, Mr DEWULF, vice-chairman and rapporteur, Mr BERSANI, Mr BROEKSZ, Mr FLÄMIG, Miss FLESCH, Mr HARZSCHEL, Mr MURSCH, Mr NOLAN, Lord REAY, Mr SEEFELD, Mr WOHLFART.

Yours sincerely,

Ernst ACHENBACH

Opinion of the Committee on External Economic Relations

Rapporteur: Mr BOANO

The Committee on external economic relations appointed Mr BOANO rapporteur for an opinion on 14 May 1974.

It considered the draft opinion at its meeting of 14 May 1974 and adopted it unanimously.

The following were present:

Mr Boano, rapporteur and acting chairman, Mr Thomsen, vice-chairman, Sir Tufton Beamish, Mr Dunne, Mr Laban, Lord Lothian, Lord St Oswald, Mr Patijn.

- 1. At the present time the common organization of the market in sugar in the European Community is governed by the provisions of Regulation No. 1009/67/EEC. This regulation was drawn up at a time when the situation on the world sugar market was such that world prices were lower than the price within the Community.
- 2. Between 1968 and 1973 prices on the world sugar market have practically trebled. This development has had the result of upsetting the balance between sugar prices within the Community and those on the world market.
- 3. As a consequence, the European Commission has sought to ensure adequate supplied of sugar for the Community by means of two measures:
- (a) the first (mentioned in Doc. COM(74) 382 final), which consists in increasing the maximum quota for sugar in the 1974/1975 marketing year from 135% to 145%, from 100% to 110% in the special case of the United Kingdom and from 230% to 235% for the countries applying the 'Compound price' system (the Netherlands and Belgium) for the two sugar marketing years 1973/1974 and 1974/1975;
- (b) the second (mentioned in Doc. COM(74) 427 final), which takes the form of an amendment to Article 25 of Regulation No. 1009/67/EEC and is intended to establish the principle of applying a levy to exports of 'C' sugar produced in excess of the maximum quota.
- 4. It will be recalled that at its meeting of 23 April 1974 in Strasbourg, our committee delivered a favourable opinion on the second of these measures.
- 5. The committee, having been asked to deliver an opinion on the proposal from the Commission to the Council on the level of the maximum quota applicable to sugar during the 1974/1975 marketing year, takes the view that, having regard to the price levels obtaining at the present time on the world sugar market and within the European Community, the proposals from the Commission to the Council must be supported, isasmuch as they are designed to ensure sugar supplies for the Community and take due account of the interests of consumers within the European Community.