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COMMISSION OF THE EUROPEAN COMMUNITIES

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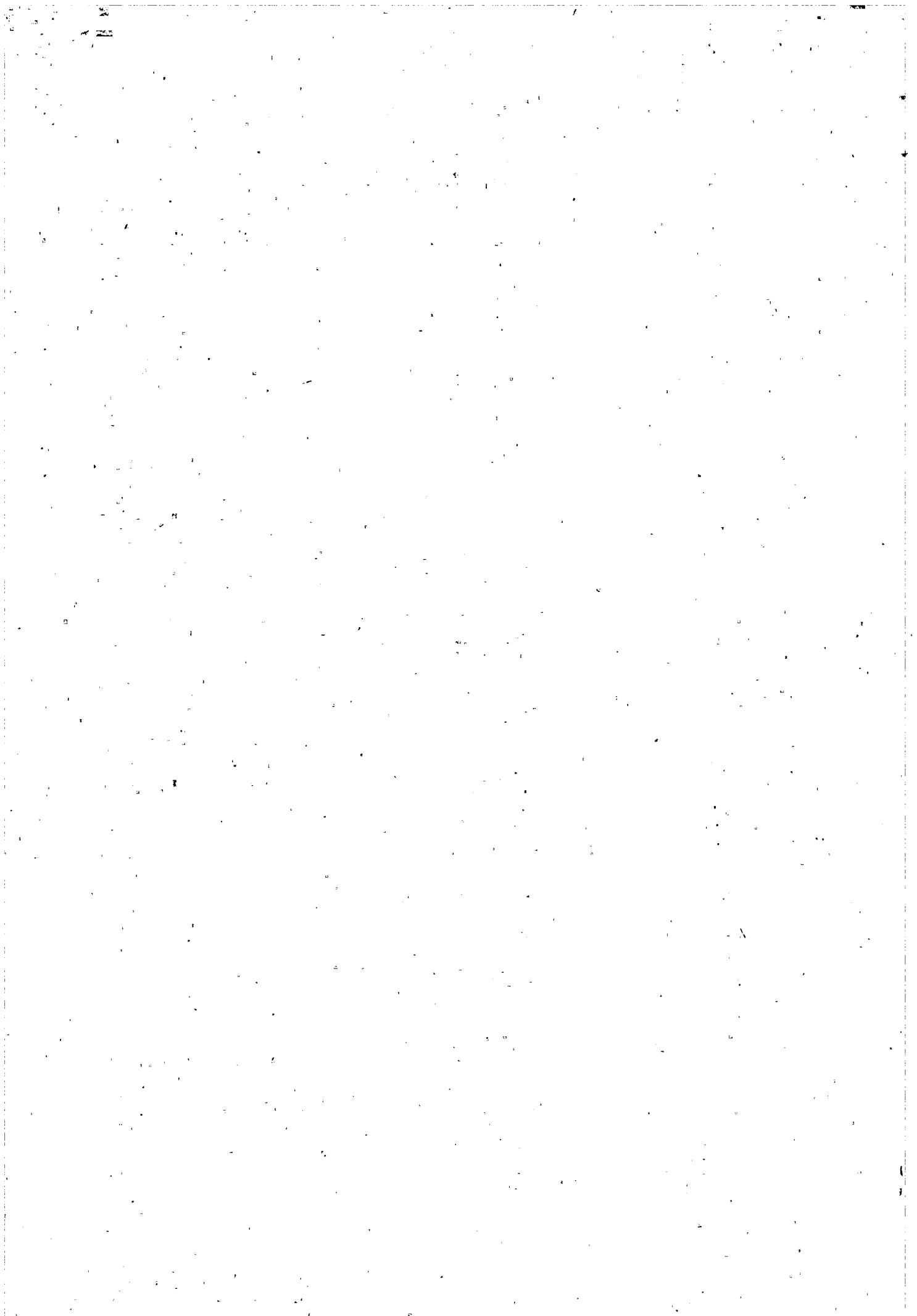
SERIALS UNIT

Proposal for a
COUNCIL REGULATION (EEC)

adopting general rules in connection with special
measures for castor seeds

(submitted to the Council by the Commission)

COM(78) 295 final.



EXPLANATORY MEMORANDUM

The purpose of this draft proposal is to lay down, according to Article 2 (4) and 3 of Council Regulation (EEC) No 2874/77 :

- general rules for granting the aid,
- detailed rules for checking entitlement to the aid,
- conditions for the oil mills to meet for entitlement to the aid,
- criteria for determining the world market price.

The criteria for determining the world market price are based those already existing for other oilseeds.

As for granting the aid, the amount shall be that of the aid applicable the day of placing under control and the entitlement to aid is the moment of processing. The possibility of advance payment of the aid is provided for. In order to have the entitlement to aid the processing undertakings must lodge the standard contract with the producer and submit themselves to the controls for determining the quantities having entitlement to aid.

A control is provided for in both the agricultural and the seed-processing sectors.

Proposal for a
REGULATION (EEC)

adopting general rules in connection with special measures for castor seeds

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 2874/77 of 19 December 1977 laying down special measures in respect of castor seeds⁽¹⁾, and in particular Articles 2(4) and 3 thereof,

Having regard to the proposal from the Commission,

Whereas Article 2 (4) of Regulation (EEC) No 2874/77 requires the adoption of general rules for granting the aid, detailed rules for checking entitlement to the aid and the conditions laid down for entitlement to the aid to be met by the seed processing undertakings and whereas Article 3 thereof requires the criteria for determining the world market price to be laid down;

Whereas the world market price must be determined on the basis of the most favourable purchasing possibilities on that market;

Whereas relevant figures should be those recorded during the marketing period for Community seeds for offers on the world market^{and} prices quoted on the major international exchanges; whereas, however, those offers which cannot be considered representative on the true trend of the true trend of the market should be ignored;

Whereas, if there are no representative offers or quotations for castor seeds, the world market price for castor seeds should be determined on the value of the products resulting from the processing of this seed; whereas where the offers or quotations for castor seeds on the world market would prejudice the sale of the Community production of castor seeds the world market price should be determined on the value of the average quantities of oil and oil-cake derived from the processing of castor seeds less the processing costs;

Whereas, if there are no offers or quotations either for castor seeds, or for oil and oilcakes the world market price for castor seeds should be determined at the same level as the guide price;

(1) OJ No L 332, 24.12.1977, p. 1

Whereas, to ensure the smooth running of the subsidy system, the world market price must be recorded for a Community frontier crossing point; whereas in fixing this point account should be taken of the extent to which it is representative for imports of such seeds and therefore, the port of Rotterdam should be chosen; whereas offers and quotations will have to be adjusted if they relate to a different frontier crossing point;

Whereas such adjustments should also be made to the offers and quotations adopted in order to compensate for any variation from the presentation and quality used as criteria when fixing the guide price;

Whereas, in view of the smooth running of the subsidy system it should be specified that the aid should be granted for the exact quantity of castor seeds harvested and processed in the Community and to undertakings which have lodged the contract concluded with the producers and whose stock accounts allow the quantity of Community processed seed to be verified;

Whereas the right to aid is acquired when the seeds have been processed; whereas, however, it should be specified that the aid may be advanced to the interested parties before the products are processed; whereas, in order to prevent fraud it is necessary to specify that a guarantee must be given to ensure the processing of the products for which the aid is paid;

Whereas the producer Member States and the Member States in which the seeds will be processed should be required to set up the control arrangements necessary to ensure the smooth running of the subsidy system that the control arrangements should in particular allow to check the observance of the minimum price referred to in Article 2 (2) of Regulation (EEC) No 2874/77 and to avoid unjustified applications for aid; whereas for the purpose of the control Member States shall assist each other;

Whereas special provisions should be made to check seeds which are processed in a Member State other than that in which they are processed,

HAS ADOPTED THIS REGULATION :

I. WORLD PRICE

Article 1

1. The world market price for castor seeds shall be determined in accordance with the procedure laid down in Article 38 of Regulation No 136/66/EEC⁽¹⁾.
2. During the most representative period for the sale of seeds of Community origin this price shall be determined periodically.
The last price determined during the said period shall be used for fixing the subsidy to be applied for the remainder of the marketing year.
3. In determining the world market price account shall only be taken of the offers made on the world market for delivery during the period referred to in paragraph 2 and the prices quoted for delivery during the same period on the main international trade markets.
4. The world market price shall be determined on the basis of the actual most favourable purchasing possibilities disregarding offers and prices which cannot be considered as representative of the actual market trend.

Article 2

Where no offer and no price can be used to determine the world market price of castor seeds, the price shall be determined on the basis of the offers and prices for the oil and oilcakes from castor beans on the world or Community markets. For that purpose account shall be taken of the value of the average quantities of oil and oilcake obtained in the Community through processing 100 kilograms of castor seeds less an amount representing the cost of processing the seed into oil and oilcake.

Article 3

Where no offer or price can be used to determine the world market price for castor seeds and further, where it is impossible to establish the value of the oilcake or oil processed from such seeds, the world market price shall be equal to the guide price for castor seeds.

Article 4

The world market price shall be determined for seeds in bulk delivered to Rotterdam of the standard quality in respect of which the guide price was fixed.
Where the offers and prices do not fulfil the conditions set out above the necessary adjustments shall be made.

II. AID

Article 5

The aid provided for in Article 2 of Regulation (EEC) No 2874/77 shall be granted under the conditions set out in that Article for castor seeds harvested and processed in the Community with a view to the production of oil.

(1) OJ No 172, 30.9.1966, p.3025/66

Article 6

1. Aid shall be granted only to undertakings processing castor seeds
 - (a) which, not later than a date to be fixed, have lodged a contract that satisfies the conditions referred to in Article 2 (2) of Regulation (EEC) No 2874/77 and those to be laid down in accordance with paragraph 5 of the same Article with the agency designated for that purpose by the Member State in which the seed will be processed;
 - (b) which have requested the competent authority to take the castor seeds under control at the oil mill;
 - (c) which, with a view to checking entitlement to the aid,
 - keep separate stock accounts for seed harvested within and outside the Community, which show, at least, the quantities and the quality of the castor seeds taken in by them, their date of entry and the quantity of oil produced and despatched;
 - furnish, where appropriate, any other supporting documents necessary to check entitlement to the aid.
2. Where the seed is produced in a Member State other than that in which it will be processed, aid shall be granted only to oilmills which have lodged, before a date to be fixed, a copy of the contract with the agency designated by the Member State in which the seed is produced, and also have submitted to the agency designated by the Member State in which the seed will be processed the certificate referred to in Article 10 (3).

Article 7

The amount of the aid shall be that valid on the day on which the interested party requests the Member State concerned to take the seeds under control at the oilmill where they are to be processed.

Article 8

Entitlement to the aid arises at the time of processing the seeds with a view to the production of oil. The aid may, however, be paid in advance when the product has been put under control at the oilmill, provided that a guarantee is lodged against their processing.

Article 9

1. The weight of the seeds referred to in Article 5 shall be determined and samples taken, on arrival at the oilmill where they are to be processed.

2. The amount of the aid shall be calculated on the basis of the weight, this being adjusted in accordance with such differences as may exist between the percentages of moisture and of impurities recorded and the percentages applying to the standard quality for which the guide price is fixed.

III. CONTROL

Article 10

1. The producer Member States shall check that the contract fulfils the conditions laid down.
2. The producer Member State shall make random on site checks to determine that the areas indicated in the contracts lodged are correct.
3. When applying the provisions of Article 6 (2), the producer Member State shall forward, not later than a date to be fixed to the party concerned, a certificate of conformity of the contract with the conditions laid down and also, where appropriate, of the accuracy of the information concerning the areas sown.
4. The Member State in which the seeds referred to in Article 1 are processed shall check the entry and processing of these seeds at the oilmill in order to ensure that the aid is granted only in respect of seeds qualifying for it.
5. Each Member State shall communicate to the Commission, before their entry into force, the provisions which it is adopting in order to ensure that the check provided for in paragraph (4) is made.

Article 11

Member States shall assist each other in applying this Regulation.

Article 12

This Regulation shall enter into force on the third day following 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 /.....

For the Council