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REPORT FROM THE COMMISSION TO THE COUNCIL ON THE PERCENTAGE  
OF COMMUNITY TOBACCO PRODUCTION ABOVE WHICH THE PROCEDURES  
LAID DOWN IN ARTICLE 13 (6) OF REGULATION 727/70 APPLY

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In Article 13 (6) of Council Regulation (EEC) No 727/70 of 21 April 1970 on the common organization of the market in raw tobacco (1), it is laid down that:

"If Community production of all the varieties of tobacco for which it has been decided to grant a premium exceeds a stated percentage (2) of the average production of those same varieties during the three previous crop years, the Commission shall submit to the Council a report analysing the ascertained causes and the foreseeable consequences of this development."

The percentage in question was fixed at 20 % by the Council; Council Regulation (EEC) No 1469/70 of 20 July 1970 (3).

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The Commission has just become aware that in 1973 EEC production amounted to 156 786 m.t. against an average production of 130 302 m.t. for the 1970/72 period: this is an increase of 20.3 %, which exceeds the percentage laid down (4).

It was not possible to establish these facts regarding the 1973 crop earlier because the final results of the 1973 crop reached the Commission only at the beginning of 1976, the checking of the weight being carried out after the baled tobacco leaves the premises where it was under supervision.

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Analysis of this development discloses that the increase in production is due partly to technical progress and to improved means of production, in particular for the high yield varieties (21.1 q/ha in 1973, 19.2 q/ha in 1970-1972), but it is also apparent from the annexed table that there was in fact an increase (about 10 %) in areas planted in 1973 compared with the average of the three preceding years. The latter average is characterised, moreover, by an appreciable reduction in areas planted and in production compared with the 1967 - 1969 period preceding the entry into force of the basic Regulation. Additionally, it should be mentioned that the area planted in 1973 is still slightly less than during the latter period (1967 - 1969).

(1) OJ No L 94 of 28.4.1970

(2) this percentage was fixed at 20 %

(3) OJ No L 164 of 27.7.1970

(4) The final data for Italy (on the basis of the premium certificates) received on 28 April 1976 amended the provisional data on which document VI/892/76, discussed in the Management Committee for Tobacco on 26.4.1976, was based.

In this respect it should be emphasized that the common rules were all based on data relating to 1967 - 1969 and that consequently that period cannot be ignored in the assessment and the strict application of a provision of the rules.

In this analysis, two other factors may be mentioned, i.e.:

- compared with 1973, there was in 1974 a reduction both in areas planted and in production;
- the marketing of the 1973 harvest was very satisfactory (intervention was applied to only around 2 % of total production, i.e. much less than for the preceding harvests).

Lastly, the statement entered in the Council minutes concerning Article 13 (6) of Regulation (EEC) No 727/70 should be mentioned:

"The Council understands this paragraph to mean that where it is noted that the increase in production is caused mainly by an increase in the area planted, the corrective measures referred to in this paragraph should in all cases be taken".

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Analysis of the situation of the tobacco market in 1973 leads, therefore, to the conclusion that the increase in production is not due mainly to the increase in the area planted, that the situation recovered in 1974 and that, in fact, the excess over the 20 % threshold was only very slight (.3 %). That being so, the Commission does not consider that it should propose to the Council special measures for applying Article 13 (6) of Regulation (EEC) No 727/70.

However, the Commission once again (1) draws the attention of the Council to the necessity, given the trend of production and consumption of raw tobacco both at Community and world level, to follow a cautious price policy in this sector and to improve its differentiation of support between the different varieties in order to steer production increasingly towards varieties in greatest demand.

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(1) see proposal "1976 Prices"

Annexe I

	<u>Superficie (ha)</u>	<u>Rendement (100 kg/ha)</u>	<u>Production (t)</u>
∅ 1967-69	74,826	18,3	136,959
∅ 1970-72	67,609	19,2	129,814
1973	74,314	21,4	159,049
1974	73,477	21,3	156,342

N°	Variété	SUPERFICIES (ha)					RENDEMENTS - 100 Kg/ha					PRODUCTION (T)				
		1973 (1)	Ø 67/69 (2)	Ø 70/72 (3)	1/2 (4)	1/3 (5)	1973 (6)	Ø 67/69 (7)	Ø 70/72 (8)	6/7 (9)	6/8 (10)	1973 (11)	Ø 67/69 (12)	Ø 70/72 (13)	11/12 (14)	11/13 (15)
1.	Badischer D J	1.945 341)	1.522	1.771 81)	• 9,8 50,2	• 32,10	34,9 18,5	25,8	28,2 18,8	• 23,8 25,6	• 1,6	6.768 631)	3.933	4.990 152)	• 88,6	• 36,0 315,1
2.	Badts. Burley	1.667	1.372	1.529	• 21,5	• 9,0	27,5	23,6	24,5	• 16,5	• 12,2	4.588	3.233	3.751	• 41,9	• 22,3
3.	Virgin	324	506	419	- 36,0	- 22,7	16,7	13,8	14,9	• 21,0	• 12,1	542	700	624	- 22,6	- 13,1
4.	Paraguay	19.833	19.250	18.962	• 3,0	• 4,6	25,2	24,1	23,5	• 4,6	• 7,2	49.959	46.388	44.544	• 7,7	• 12,2
5.	Nijkerk	299	363	319	- 17,6	- 6,3	6,2	10,9	9,7	- 43,0	- 36,1	184	396	309	- 53,5	- 40,4
6.	Burley B & B	470	271	510	• 73,4	- 7,8	18,4	17,1	17,4	• 7,6	• 5,7	863	463	885	• 86,4	- 2,5
7.	Misionero	80	-	-	-	-	20,3	-	-	-	-	210	23	95	- 813,0	• 121,1
8.	Philippin	471	454	556	• 3,7	- 15,3	41,1	31,6	35,0	• 30,1	• 14,2	1.937	1.435	2.000	• 35,0	- 3,2
9.	Senois	78	103	86	- 24,3	- 9,3	25,6	22,4	20,6	• 14,3	• 24,3	200	231	177	- 13,4	• 13,0
10.	Bright	4.830	5.902	4.088	- 18,2	• 18,2	19,4	17,0	17,7	• 14,1	• 9,6	9.388	10.053	7.249	- 6,6	• 29,5
11 a)	Burley I	12.483	7.818	10.425	• 59,7	• 19,7	32,6	32,4	31,6	• 0,6	• 3,2	40.639	25.296	32.968	• 60,7	- 23,3
11 b)	Maryland	366	193	91	• 89,6	• 302,2	23,0	29,1	27,4	- 21,0	- 16,1	840	562	249	• 49,5	• 137,3
12.	Kentucky	5.810	4.698	4.989	• 23,7	• 16,5	21,3	16,3	14,6	• 30,7	• 45,9	12.382	7.668	7.285	• 61,5	• 70,0
13.	Nostrano	1.140	4.128	1.872	- 72,4	- 39,1	16,3	16,1	18,1	• 1,2	- 9,9	1.854	6.638	3.381	- 72,1	- 45,2
14.	Beneventano	2.802	5.630	3.279	- 50,2	- 14,5	17,7	12,4	13,1	• 42,7	• 35,1	4.966	7.005	4.290	- 29,1	• 15,8
15.	Xanti-Yakà	5.045	11.931	6.981	- 57,7	- 27,7	10,8	9,1	7,9	• 18,7	• 36,7	5.448	10.871	5.497	- 49,9	- 0,9
16.	Perustitza	4.730	4.363	3.820	• 8,4	• 23,8	10,4	11,2	10,4	- 7,1	• 0	4.899	4.902	3.987	- 0,1	• 22,9
17.	Erzegovina	11.218	6.063	7.618	• 85,0	• 47,3	10,7	11,2	9,3	- 4,5	• 15,1	11.995	6.777	7.072	• 77,0	• 69,6
18.	Round Tip	358	245	174	• 46,0	• 105,7	19,6	14,5	17,0	• 35,2	• 15,3	701	355	295	• 97,5	• 137,6
19.	Brasil	5	17	9	- 70,6	• 44,4	14,0	16,5	15,6	- 15,2	- 10,3	7	28	14	- 75,0	- 50,0
	CEE TOTAL	74.314	74.826	67.580	- 0,7	• 10,0	21,4	18,3	19,2	• 16,9	• 11,5	159.049	136.959	129.814	• 16,1	• 22,5

## ANNEXE III

	PRODUÇ tonnes 1973 (1)	PRODUÇ tonnes Ø 70/72 (2)	120 % ± Ø Prod 70/72 (3)	Différence (1 - 3)	
				Tonnes (4)	% (1/2) (5)
1 Badischer	7.419	5.142	6.170	+ 1.249	+ 20,2
2 Badischer Burley	4.588	3.751	4.501	+ 87	+ 1,9
3 Virgin	542	624	749	- 207	- 27,6
4/5 Paraguay/Nijkerk	50.143	44.853	53.824	- 3.681	- 6,8
6 Burley B & B	863	885	1.062	- 199	- 18,7
7 Misionero	210	95	114	+ 96	+ 84,2
8 Philippin	1.937	2.000	2.400	- 463	- 19,3
9 Semois	200	177	212	- 12	- 5,7
10 Bright	9.388	7.249	8.699	+ 689	+ 7,9
11 Burley I/Maryland	41.479	33.217	39.860	+ 1.619	+ 4,1
12 Kentucky	12.382	7.285	8.742	+ 3.640	+ 41,6
13 Nostrano	1.854	3.381	4.057	- 2.203	- 54,3
14 Beneventano	4.966	4.290	5.148	- 182	- 3,5
15 Xanti-Yakà	5.448	5.497	6.596	- 1.148	- 17,4
16 Perustitza	4.899	3.987	4.724	+ 175	+ 2,4
17 Erzegovina	11.995	7.072	8.486	+ 3.509	+ 41,4
18 Round Tip	701	295	354	+ 347	+ 98,0
19 Brésil	7	14	17	- 10	- 58,8
<b>TOTAL CEE</b>	<b>159.049</b>	<b>129.814</b>	<b>155.778</b>	<b>+ 3.271</b>	<b>+ 2,1</b>

± Pourcentage visé à l'article I3 du règlement (CEE) n° 727/70 et fixé à l'article 2 du règlement (CEE) n° 1469/70 du Conseil.

Source : Communication du E.7

