

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(74) 552 Final

Brussels, 18 April 1974

Proposed

REGULATION (EEC) OF THE COUNCIL

laying down special measures for soya beans

(submitted to the Council by the Commission)

EXPLANATORY MEMORANDUM

During its last meeting the Council decided to adopt a special system for encouraging the production of soya by giving support/corresponding to that set out in Commission proposal (Doc. COM (74) 30 final, proposal No. XIII amended by Doc. COM (74) 196 final). Taking into consideration the Council's decision, the Commission proposes a simplified system of support for the Community production of soyabeans within this draft regulation proposal. This proposal will replace the Commission proposal set out in the documents quoted above.

Financial Incidence

From the point of view of financial incidence, this proposal is analogous with the one set out in the proposal for agricultural prices. For this reason the proposal involves no additional financial incidence.

The possibility is to be considered, therefore, of granting a subsidy for soyabeans fixed at a similar level to that for rapeseed and sunflowerseed. On the basis of current prices the subsidy would be 0. But in the event of a fall in the world price the subsidy could be around 30 to 40 u.a. per ton. For the 1974/1975 marketing year this would result in an expenditure of between 240,000 u.a. and 320,000 u.a.

(4,000 hectares of 2 tonnes = 8,000 tonnes multiplied by 30 - 40 u.a.)

As the proposed regulation is to apply from 1 November 1974, it is to be expected that part of the expenditure will be financed during the 1975 financial year.

By 1978, the surface area is expected to have increased to 50,000 hectares. Expenditure may have increased to 3 - 4 million u.a.

The expenditure is considered as intervention. For its financing a Council regulation will be proposed in a few weeks amending the Annex to regulation 2824/72.

The expenditure is to be charged under Article 633 (oils and fats intervention) of the Budget of the European Communities.

| Article 633 : | Budget | Credits | Consumption |
|---------------|--------|------------------|-------------|
| | 1973 | 64,610.000 | 79,705.000 |
| | | + 15,103.000 | |
| | | Proposed payment | |
| | 1974 | 72,500.000 | |

Proposed
REGULATION (EEC) NO . . . /18 OF THE COUNCIL

laying down special measures for soya beans

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;

Whereas the production of soya beans is becoming increasingly interesting for the farmers of the Community; whereas, in order to promote the development of this production, which is subjected to direct competition from the same beans imported from third countries duty free, appropriate measures of support should be provided for;

Whereas to this end the marketing of Community crops must ensure producers a fair income, the level of which may be defined by a target price; whereas the difference between this price and the price ascertained for the beans on the world market represents the subsidy which should be granted in order to achieve the objective pursued;

Whereas expenditure incurred by Member States as a result of the obligations arising from the application of this Regulation should become a charge on the Community in accordance with the provisions on the financing of the common agricultural policy,

HAS ADOPTED THIS REGULATION :

Article 1

1. Each year before 1 August, a target price for soya beans listed under Common Customs Tariff heading 12.01 shall be fixed for the Community according to the procedure laid down in Article 43 (2) of the Treaty.
This price shall be fixed at a level which is fair to producers, account being taken of the supply requirements of the Community at a reasonable level.
2. The target price shall remain in force throughout the following marketing year; this shall last from 1 November to 31 October.
3. The target price shall relate to a standard quality. This quality shall be determined by the Council according to the procedure referred to in the first sub-paragraph.

Article 2

1. When the target price, calculated for a Community frontier crossing point and adjusted for transport costs, is higher than the world market price, a subsidy equal to the difference between these two prices shall be granted for soya beans harvested and processed within the Community.
2. The Council, acting by qualified majority on a proposal from the Commission, shall lay down :
 - a) the criteria for the determination of the world market price;
 - b) the general rules according to which the subsidy shall be granted, as well as those concerning the control of beans harvested within the Community with a view to establishing their eligibility for the subsidy;
 - c) the conditions under which advance fixing of the subsidy may be allowed.
3. The amount of the subsidy shall be fixed by the Commission.
4. Detailed rules for the application of this Article shall be adopted according to the procedure laid down in Article 38 of Regulation 136/66/EEC.

Article 3

3 Member States and the Commission shall communicate to each other the information necessary for the application of this Regulation. This information shall be decided upon in accordance with the procedure laid down in Article 38 of Regulation 136/66/EEC. Detailed rules concerning the communication and dissemination of this information shall be adopted in accordance with the same procedure.

Article 4

The provisions of the financing of the common agricultural policy shall apply to the subsidy system provided for in this Regulation from 1 November 1974.

Article 5

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

It shall be applicable from 1 November 1974.

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

Done at Brussels,

For the Council
The President

