

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(74) 1844 final

Brussels, 11 November 1974

PROPOSAL FOR A REGULATION (EEC) OF THE COUNCIL

fixing for the 1975 fishing year the guide prices for the
fishery products listed in Annex 1 (A) and (C) to
Regulation (EEC) No 2142/70

(submitted to the Council by the Commission)

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EXPLANATORY MEMORANDUM

Under Regulation (EEC) No. 2142/70 on the common organisation of the market in fishery products, a guide price is to be fixed for each of the products listed in Annex I A and C of the Regulation. This price is fixed for each fishing season on the basis of the average prices on the wholesale markets, or representative ports, during the three fishing years preceding the fixing of the price for a significant proportion of the Community output, for a product of defined market characteristics.

The starting point in the price fixing procedure has been the comparison of the mean of the prices set out below established during the period 1972/74 (1974 : six months) and that of the period 1971/1973, the latter having been the base for the fixing of the guide price for 1974. It follows from this comparison that there are price increases which, for most species qualified as being high or very high. This proposition is equally true even if - as has been done - the linear increase (5 %) on the level of prices in the fisheries sector from 7 October 1974 is taken into consideration.

The mathematical method is not the only starting base. The results of this calculation have been further modified, taking into account the following points:

- the nature of the fish type : is it intended for the processing industry, or for direct human consumption ?
- the general development of costs (in a "hunting" situation, such as that practised by the fisheries sector, it is not possible to evaluate point by point the exact increase in costs)
- the effect of the guide price on the level of the price of withdrawal and the relationship desired between these two prices in relation to the lowest market prices.

A synthesis between these last two effects has been sought after and this has resulted in proposals for price increases according to species of 5 - 10 - 15 - 20 and 25 %.

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For two products - herring and mackerel - in which the type is determined above all on the basis of the first point cited (necessary for the processing industry) and it is proposed to pursue a prudent policy in order to be able maintain a measure of concurrence with the industries of the third countries and in consequence to keep the prices applicable from the 7th October 1974. These price proposals at the same time serve equally well the fishermen, the consumers and the tax payers.

For the fishermen the withdrawal price - derived from the guide price - will have, during a specific temporary situation, a real and not only a theoretical significance.

For the consumers, it is important to emphasise that the price increases do not have an inflationary effect, since market prices are in general higher than the withdrawal price (for the greater part of the products, from 20 to 25 %) and are expected to remain so.

For the EAGGF, expenses will in the main be below those for previous years.

The present regulation is intended to fix the guide price for the products of Annex I A and C of Regulation (EEC) No 2142/70 for 1975.

Financial effects

1. Financially the effects of fixing guide prices are felt primarily when products are withdrawn from the market thus giving entitlement to financial compensation.

In present circumstances it can be expected that the quantities withdrawn from the market in the Community as originally constituted will change little and will certainly not increase. Consequently any change in expenditure will generally result only from the change in the price for each product. From figures at present available expenditure for 1974 is estimated at some 600 000 u.a. For the 1975 fishing year it is estimated that the new withdrawal prices, derived from the guide prices, will involve expenditure, in the form of financial compensation as provided for in Article 10 of Regulation (EEC) No 2142/70, of some 750 000 u.a., although the quasi-mathematical mode of calculating financial compensations means that they will vary in the same way as the guide prices.

In addition to the increase of 150 000 u.a. over the 1974 figure, amounts will have to be paid to the new Member States. In these States, where there are three recognized producers' associations at the moment, it can be expected that others will be set up in 1975, which also, when the Community withdrawal price system is applied, will qualify for financial compensation. The additional amount payable to such associations to stabilize their markets is estimated at approximately 350 000 u.a.

2. As regards implementation from the financial point of view, it should be remembered that until November 1974 expenditure, both actual and forecast, comes to approx. 30% of available funds for interventions. The relatively low percentages for intervention are largely the result of the fact that market prices are still high.

The proposed appropriations for 1975 amount to two million for all measures in this field. Bearing in mind that the amount of expenditure incurred in the new Member States in 1975 depends to a large extent on whether new producers' associations are set up and that it is difficult to forecast quantities in this sector, the abovementioned financial effects of the proposed regulation are not such as to necessitate changes in the 1975 budget nor in the figures in the multiannual forecasts.

	Budget	Expenses
1973	-	614.619 UA
1974	2.000.000	571.000 UA (Jan-Nov. 74)
1975	2.000.000	

It should be noted that the 1975 fishing year runs from 1 January to 31 December 1975. The financial effects of this proposal will therefore be felt entirely in the 1975 financial year (Budget of the European Communities, Chapter 71).

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the fishery products listed in Annex 1 (A) and (C) to
Regulation (EEC) No 2142/70.

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community ;
Having regard to Council Regulation (EEC) No 2142/70 (1) of 20 October 1970 on
the common organization of the market in fishery products, as last amended by
Regulation (EEC) No (2), and in particular Article 8 (4) thereof ;

Having regard to the proposal from the Commission ;

Whereas Article 8 (1) of Regulation (EEC) No 2142/70 provides that a guide price
shall be fixed each year for each of the products listed in Annex 1 (A) and (C)
to that Regulation at a level which will help to stabilize market prices without
leading to the formation of structural surpluses within the Community ;

Whereas guide prices for the fishery products listed in Annex 1 (A) and (C)
to Regulation (EEC) No 2142/70 were fixed by Regulation (EEC) No 3395/73 (3) for the 197
fishing year and varied by Commission Regulation (EEC) No 2518/74 (4) of 4 October 1974
on the measures to be taken following the all-round increase with effect from
7 October 1974 of agricultural prices;

(1) OJ No L 236, 27.10.1970 p.5

(2) OJ L

(3) OJ No L 349, 19.12.1973, p.1

(4) OJ No L 270, 5.12.1974, p.1

5

- 2 -

Whereas application of the criterion defined in Article 8 (1) of Regulation (EEC) No 2142/70 as aforesaid requires an increase in prices by comparison with those valid for the current fishing year; whereas in the absence of complete information concerning price trends for each fishery product with given commercial specifications account should be taken in the case of most products to the relationship between the average weighted market prices recorded when the guide prices for these products were last fixed and the average weighted market prices now current ;

HAS ADOPTED THIS REGULATION :

Article 1

The guide prices applicable until 31 December 1975 for the products listed in Annex 1 (A) and (C) to Regulation (EEC) No 2142/70 and the products to which they related shall be as shown in the Annex thereto.

Article 2

This Regulation shall enter into force on 1 January 1975.

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

Done at Brussels,

For the Council

The President

ANNEX

Species	Commercial specification (1)			Guide price (in u.a./t.)
	Freshness category	Size	Presentation	
1. Herrings	A	1	whole fish	205.80
2. Sardines (<i>Clupea pilchardus</i> Walbaum):				
(a) Atlantic	Extra	2	whole fish	439.90
(b) Mediterranean	Extra	2	whole fish	249.17
3. Redfish (<i>Sebastes marinus</i>)	A	2	whole fish	419.27
4. Cod	B or A	2 3	gutted fish with head gutted fish with head	464.89
5. Saithe	B or A	2 3	gutted fish with head gutted fish with head	
6. Haddock	A or A	2 3	whole fish gutted fish with head	346.50
7. Whiting	A	2	gutted fish with head	
8. Mackerel	Extra or A	2 2	whole fish whole fish in original boxes	210.00
9. Anchovies	Extra	2	whole fish	
10. Plaice	A	3	gutted fish with head	452.81
11. Shrimps of the genus <i>Crangon</i> sp.p.	A	1	simply boiled in water	897.44

(1) The freshness categories, sizes and presentation shall be as defined pursuant to Article 2 of Regulation (EEC) No 2142/70

