

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(89) 448 final

Brussels, 9 October 1989

Proposal for a
COUNCIL REGULATION (EEC)
amending Regulation (EEC) No 986/68 laying down general rules for
granting aid for skimmed milk and skimmed-milk powder for
use as feed

(presented by the Commission)

Con 441f.

EXPLANATORY MEMORANDUM

The attached proposal for a regulation amends Regulation (EEC) No 986/68 laying down general rules for granting aid for skimmed milk and skimmed-milk powder for use as feed, the second subparagraph of Article 3(1) of which provides by way of derogation that Member States consigning skimmed-milk powder to another Member State may pay the aid instead of the Member State where the powder is denatured or incorporated in compound feed.

Since the provision was introduced in June 1976 the factors governing operation of the market organization have changed to such an extent that the grounds on which it was introduced no longer exist. This is particularly relevant as regards the effect of the provision in question on EAGGF expenditure.

Moreover since the control arrangements are necessarily more complicated the scope for fraud is greater, even more than in the case of the normal arrangements laid down by Commission Regulation (EEC) No 1725/79.

Until 1987 only Italy made use of this special arrangement but three other Member States have since then invoked their right to apply it. The risk of a worsening of the situation therefore leads the Commission to propose abolishing the provision (second subparagraph of Article 3(1) of Regulation (EEC) No 986/68).

Proposal for a
COUNCIL REGULATION (EEC)

amending Regulation (EEC) No 986/68 laying down general rules for granting aid for skimmed milk and skimmed-milk powder for use as feed

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 804/68 of 27 June 1968 on the common organization of the market in milk and milk products (1), as last amended by Regulation (EEC) No 763/89 (2), and in particular Article 10(2) thereof,

Having regard to the proposal from the Commission,

Whereas the second subparagraph of Article 3(1) of Council Regulation (EEC) No 986/68 (3), as last amended by Regulation (EEC) No 1115/89 (4), provides exceptionally that Member States consigning skimmed-milk powder to another Member State may pay the aid instead of the Member State in which the skimmed-milk powder is denatured or incorporated in compound feed; whereas following the development of the market situation this exception should no longer be maintained;

(1) OJ No L 148, 28.6.1968, p. 13.

(2) OJ No L 84, 29.3.1989, p. 1.

(3) OJ No L 169, 18.7.1968, p. 4.

(4) OJ No L 118, 29.4.1989, p. 7.

HAS ADOPTED THIS REGULATION:

Article 1

The second subparagraph of Article 3(1) of Regulation (EEC) No 986/68 is hereby deleted.

Article 2

This Regulation shall enter into force on the day of its publication in the Official Journal of the European Communities.
It shall apply to skimmed-milk powder consigned after 31 December 1989.
This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the Council

FINANCIAL STATEMENT

Date : 18.9.1989

1. BUDGET HEADING : 2020 APPROBIATIONS : ECU 589 million

2. TITLE : Proposal for a Council Regulation amending Regulation (EEC) N° 986/68 laying down general rules for granting aid for skimmed milk and skimmed milk powder for use as feed

3. LEGAL BASIS : Article 10 (2) of Regulation (EEC) N° 804/68

4. AIMS OF PROJECT : To suspend the provisions authorizing the Member States which consign skimmed milk powder to another Member State to pay the aid in place of the Member State where the skimmed milk powder is denatured or incorporated in compound feeding stuffs.

5. FINANCIAL IMPLICATIONS	PERIOD OF 12 MONTHS	CURRENT FINANCIAL YEAR (1989)	FOLLOWING FINANCIAL YEAR (1990)	
5.0 EXPENDITURE				
- CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTIONS)	- ECU 42,3 million (B)	-	- ECU 41,0million (B)	
- NATIONAL ADMINISTRATION				
- OTHER				
5.1 RECEIPTS				
- OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES)	-	-	-	
- NATIONAL				
	1991	1992	1993	1994
5.0.1 ESTIMATED EXPENDITURE	- ECU 3,3 million(B)	- ECU 3,3 million (B)	-	-
5.1.1 ESTIMATED RECEIPTS				

5.2 METHOD OF CALCULATION (1990)

ECU million (B)

Impact of change in double rate
 $240.000 \text{ t} \times \text{Ecu } 600/\text{t} \times (1,125 - 1,102) \times 4 \times 1/2 = - 1,2$

Impact of additional payment period
 $240.000 \text{ t} \times \text{Ecu } 600/\text{t} \times 1,102 \text{ (DR)} \times 3/12 = - 39,8$

6.0 CAN THE PROJECT BE FINANCED FROM APPROBIATIONS ENTERED IN THE RELEVANT CHAPTER OF THE CURRENT BUDGET ?

YES ~~NO~~

6.1 CAN THE PROJECT BE FINANCED BY TRANSFER BETWEEN CHAPTERS OF THE CURRENT BUDGET ?

~~YES~~ NO

6.2 IS A SUPPLEMENTARY BUDGET BE NECESSARY ?

~~YES~~ NO

6.3 WILL FUTURE BUDGET APPROBIATIONS BE NECESSARY ?

~~YES~~ NO

OBSERVATIONS :

It is assumed that the impact of the measure relates mainly to the 1990 financial year and will lead to savings following the change in the average double rate and, in respect only of the first 12 months of application, owing to an additional period before payment of the aid in the importing Member State, estimated at three months.

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