

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(94) 404 final
Brussels, 03.10.1994

94/0217 (CNS)

Proposal for a

COUNCIL REGULATION (EC)

amending Regulation (EEC) No 1765/92 establishing a support system
for producers of certain arable crops

(presented by the Commission)

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EXPLANATORY MEMORANDUM

1. Some durum-wheat production outside the traditional production regions, should be maintained by granting a specific aid set at ECU 115/ha.

The measures must be taken at Community level, since this is an area in which only the Community has power to act.

The aid reflects the loss of income to durum wheat producers in those areas as a result of the alignment of the price for durum wheat on that for other cereals as part of the reform arrangements.

In order to prevent an increase in durum-wheat production in France, it is proposed that the specific aid be limited to 50 000 ha, to be allocated among the regions concerned.

In Spain and Portugal the production quota for durum wheat set initially at 550 000 ha and 30 000 ha is being increased by 20 000 ha and 5 000 ha respectively to reflect better within the national quota the true situation of the producers concerned during the reference period.

Up to now Umbria, a land-locked area in central Italy and a traditional production zone, has not been eligible for the supplement to the compensatory payment for durum wheat. It seemed fair to regard Umbria as a traditional production zone in the same way as adjoining areas. Since this region did not qualify for production aid for durum wheat before the reform, the only production data available are statistics. It is planned on that basis to grant Umbria a maximum production quota of 5 000 ha for allocation among the producers.

2. In December 1993 the Council adopted rules to implement the Memorandum of Understanding on oilseeds, agreed between the EU and the US. These rules included a system of sanctions to apply in case of a breach of the Union's oilseed maximum guaranteed area (MGA). These sanctions would be targeted at Member States which exceeded their national reference area (NRA) and would apply uniformly throughout the territory of each Member State.

Since unification, the development of oilseed cultivation in Germany has been disparate, with little change in the area cultivated in the eleven old Länder but a rapid expansion of the area cultivated in the five new Länder. Given such divergent development, the application of a uniform sanction throughout Germany could result in the disproportionate penalization of some producers.

The Commission proposes to modify the sanction system to permit the partial or complete apportionment of any national penalty imposed on Germany according to the regional base area (the Länder). This apportionment would be made on the basis of objective criteria to be determined by Germany and notified, in advance, to the Commission.

In order to prevent this option having detrimental effects on producers in other parts of the Union and to improve the management of the NRA system, it is necessary to amend the rules governing the fixing of the level of the advance payment to be made to producers. It is proposed that the Commission be empowered to apply different levels of advance payments for different regional base areas.

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Proposal for a
COUNCIL REGULATION (EC) No/..
of

amending Regulation (EEC) No 1765/92 establishing a support system
for producers of certain arable crops

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Articles 42 and 43 thereof,

Having regard to the proposal from the Commission⁽¹⁾,

Having regard to the opinion of the European Parliament⁽²⁾,

Having regard to the opinion of the Economic and Social Committee⁽³⁾,

Whereas Council Regulation (EEC) No 1765/92 of 30 June 1992 establishing a support system for producers of certain arable crops⁽⁴⁾, as last amended by Regulation (EC) No 232/94⁽⁵⁾, provides for the payment to producers of durum wheat in traditional production zones of a supplement to the compensatory payment provided for in Title I of that Regulation in order to offset the additional loss of income to the producers in question as compared with producers of other cereals as a result of the setting of a single price for all cereals; whereas payment of the supplement is made only for areas sown to durum wheat in the traditional production zones;

Whereas, as a result of the alignment of the price for durum wheat on that for other cereals and the restriction of the supplement to the compensatory payment for areas sown to durum wheat to the zones listed in Annexes II and III to Regulation (EEC) No 1765/92 only, cultivation of this cereal outside those zones, especially in France, shows a disproportionate fall having regard to the objectives sought;

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- (1) OJ No C , . 199 , p. .
(2) OJ No C , . 199 , p. .
(3)
(4) OJ No L 181, 1. 7.1992, p. 12.
(5) OJ No L 30, 3. 2.1994, p. 7.

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Whereas a certain level of production should thus be safeguarded in regions where production was well established outside the traditional production zones before the introduction of the reform;

Whereas aid should accordingly be introduced for areas sown to durum wheat outside the zones listed in Annexes II and III to Regulation (EEC) No 1765/92, the aid being limited to an amount reflecting the loss of income due to the alignment of the price for durum wheat on that for other cereals;

Whereas, however, in order to avoid a rise in the areas sown to durum wheat, the areas eligible for additional support as compared with other cereals should be limited;

Whereas, moreover, in Spain and Portugal, the national quota for the production of durum wheat should be adjusted in order to reflect better the true situation of producers during the reference period; whereas, for the sake of fairness, the Italian region of Umbria should also be regarded as a traditional durum-wheat production zone as regards a limited number of hectares which reflect the area traditionally sown to durum wheat;

Whereas, in view of the particular structural situation of the new German Länder, oilseed production in Germany is threatening to develop in different ways in the various Länder; whereas, for the sake of fairness, provision should be made in Germany for penalties to vary according to the Länder in the event of any simultaneous overrun in the maximum guaranteed area and the national reference area; whereas the necessary measures should also be taken to prevent the application of this scheme from affecting the amount or the date of payment of the advance payment on oilseeds in other parts of the Community,



HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EEC) No 1765/92 is hereby amended as follows:

1. In the second subparagraph of Article 4(3), "550 000 hectares" and "30 000 hectares" are replaced by "570 000 hectares" and "35 000 hectares" respectively.
2. In Article 4(4) the words "In France" and "departments" are replaced by "In France and Italy" and "departments and regions" respectively.
3. The following paragraph is added to Article 4:

"5. In France, in the departments where production of durum wheat is well established, other than those listed in Annexes II and III, aid of ECU 115/ha shall be paid in respect of not more than 50 000 ha."
4. In Article 5(1)(f), the following is inserted before the last sentence:

"However, in the case of Germany the appropriate additional reduction may be adjusted at its request, in whole or in part, according to the regional base area; where this option is exercised, Germany shall immediately send the Commission the data used to calculate the reductions to be applied."
5. In Article 11(2), the following is inserted after the first sentence:

"Where the provisions specifically applying to Germany laid down in the second-to-last sentence of Article 5(1)(f) are likely to affect the date of payment of the advance payment provided for in Article 11(2) or the amount thereof, a date for payment and/or advance payment specific to Germany may be fixed."

FINANCIAL STATEMENT

Date: _____

1. BUDGET HEADING: B1-1055 APPROPRIATIONS: ECU 1 079 million

2. TITLE: Proposal for a Council Regulation amending Regulation (EEC) No 1765/92 establishing a support system for producers of certain arable crops

3. LEGAL BASIS: Articles 42 and 43 of the Treaty

4. AIMS OF PROJECT:
From the 1995/96 marketing year:

- to provide for the grant of ECU 115/ha for an area of not more than 50 000 ha sown to durum wheat outside the traditional production zones in France and for an increase in the traditional durum wheat production zones in Spain (+ 20 000 ha), Portugal (+ 5 000 ha) and Italy (+ 5 000 ha);
- to provide in Germany for different penalties in the different Länder as a result of the simultaneous overrun of the maximum guaranteed areas for oilseeds and the national reference area.

5. FINANCIAL IMPLICATIONS	PERIOD OF 12 MONTHS (ECU million)	CURRENT FINANCIAL YEAR (94) (ECU million)	FOLLOWING FINANCIAL YEAR (95) (ECU million)	
5.0. EXPENDITURE				
- CHARGED TO THE EC BUDGET (REFUNDS)	+ 18	-		-
- NATIONAL ADMINISTRATION				
- OTHER				
5.1. REVENUE				
- OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES)	-	-		-
- NATIONAL				
	1996	1997	1998	1999
5.0.1. ESTIMATED EXPENDITURE	+ 18	+ 18	+ 18	+ 18
5.1.1. ESTIMATED REVENUE	-	-	-	-

5.2. METHOD OF CALCULATION:

	<u>ECU million (B)</u>
Non-traditional zones (F) : 50 000 ha x ECU 115/ha x 1,207 (DT) =	+ 6,9
Extension of traditional zones: 30 000 ha x ECU 297/ha x 1,207 (DT) =	+ 10,8
(Spain, Italy and Portugal)	-----
	+ 17,7

6.0. CAN THE PROJECT BE FINANCED FROM APPROPRIATIONS ENTERED IN THE RELEVANT CHAPTER OF THE CURRENT BUDGET? Yes

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

6.2. IS A SUPPLEMENTARY BUDGET NECESSARY?

6.3. WILL FUTURE BUDGET APPROPRIATIONS BE NECESSARY? Yes

COMMENTS:

The measure to be implemented is contained in the Council compromise of 19 July 1994 on the 1994/95 prices package.

The cost shown is the cost of the per hectare aid. Should new areas sown to durum wheat of 50 000 ha in non-traditional zones replace common wheat, resulting in additional exports of durum wheat but a drop in the common wheat exports, there could be a slight net saving on export refunds for cereals estimated at ECU 3 million for 1996.

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DOCUMENTS

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