



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 25.10.1995  
COM(95)497 final

95/0265 (CNS)

Proposal for a

COUNCIL REGULATION (EC)

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

(presented by the Commission)



## Explanatory Memorandum

1. Point 7 of Council Decision 93/355/EEC<sup>1</sup>, concerning the conclusion of a Memorandum of understanding on certain oil seeds between the European Economic Community and the United States of America within the framework of the GATT, provides that *'should the by-products made available as a result of the cultivation of oil seeds on land set aside for the manufacture within the Community of products not primarily intended for human or animal consumption exceed one million tonnes annually expressed in soya bean meal equivalents, the Community shall take appropriate corrective action within the framework of the CAP reform'*.
2. Article 5(5) of Council Regulation (EEC) No 1765/92<sup>2</sup> requires the Commission to publish a report concerning developments with regard to the by-products of oilseeds cultivated on set-aside land, which should be accompanied, if necessary by an appropriate proposal.

This report was published on 3 March 1995<sup>3</sup>, in advance of the required deadline of 31 December 1996, because of the significant and unforeseen increase in oil seed cultivation on set-aside land.

The report envisaged the introduction of a monitoring system to assess the quantity of by-products used for human or animal consumption, in terms of soya bean meal equivalents, produced from rapeseeds, colza seeds, sunflower seeds and soya beans (being the accepted raw materials covered by point 7 of the Memorandum of understanding). The system would be based on contracts signed before the sowing of the raw material concerned and concluded between the farmer and the user. Commission Regulation (EEC) No 334/93<sup>4</sup> (implementing rules for the 'non-food' set-aside scheme) was recently amended to incorporate such a monitoring system.

3. The attached amendment to Council Regulation (EEC) No 1765/92 aims to specify the corrective action to be taken in the event that it is observed from the monitoring system described in point 2, above, that the one million tonne by-product constraint imposed by the Memorandum of understanding would be exceeded.

It is proposed that any overshoot of the constraint should be avoided, and therefore a reduction coefficient should apply to by-products indicated in the contracts as being destined for the feed/food market to actually go to that market if the one million tonnes soya bean meal equivalents constraint would otherwise be exceeded. This could be achieved by amending Commission Regulation (EEC) No 334/93.

4. The Council is invited to approve the attached proposal.

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<sup>1</sup>OJ No L 147, 18.6.1993, p. 25

<sup>2</sup>OJ No L181, 1.7.1992, p.12

<sup>3</sup>COM(95) 56 final

<sup>4</sup>OJ No L 38, 16.2.1993, p.12

Proposal for a

COUNCIL REGULATION (EC)

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

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

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<sup>1</sup>,

Having regard to the opinion of the European Parliament<sup>2</sup>,

Having regard to the opinion of the Economic and Social Committee<sup>3</sup>,

Whereas Article 7 (4) of Council Regulation (EEC) No 1765/92<sup>4</sup> provides that the land set aside may be used for the provision of materials for the manufacture within the Community of products not primarily intended for human or animal consumption, provided that effective control systems are applied;

Whereas in order to ensure compliance with point 7 of the Memorandum of Understanding on certain oilseeds between the European Economic Community and the United States of America within the framework of the GATT<sup>5</sup> it is necessary to provide for the possibility of reducing the amount of by-products which may be produced and put to a feed or food use, if the total quantity of such by-products would otherwise exceed 1 million metric tonnes annually expressed in soya meal equivalents;

Whereas it is therefore necessary to amend Regulation (EEC) No 1765/92,

HAS ADOPTED THIS REGULATION:

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<sup>1</sup>OJ No C , 1995, p

<sup>2</sup>OJ No C 1995, p

<sup>3</sup>OJ No C , 1995, p

<sup>4</sup>OJ No L 181, 1.7.1992, p. 12

<sup>5</sup>OJ No L 147, 18.6.1993, p. 25

### *Article 1*

The following subparagraph is added to Article 7 (4) of Council Regulation (EEC) No 1765/92:

'If the quantity of by-products for feed or food uses likely to be made available as a result of the cultivation of oilseeds on land set aside under the first sub-paragraph will, on the basis of the forecast quantities covered by contracts made with producers, exceed 1 million metric tonnes annually expressed in soya bean meal equivalents, in order to limit such quantity to 1 million metric tonnes, the amount of the forecast quantity which may be produced under each contract and used for feed or food uses shall be reduced.'

### *Article 2*

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

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

Done at Brussels, 1995

# FINANCIAL STATEMENT

Date: 11 September 1995

1. BUDGET HEADING: 1060  
(Preliminary draft supplementary and amending budget 1995)

APPROPRIATIONS:  
ECU 2 081.0 million

2. TITLE:  
Proposal for an amendment of Regulation (EEC) No 1765/92

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

4. AIMS:  
To adapt Regulation (EEC) No 1765/92 to take account of the limit imposed by the "Blair House" agreement for the by-products of set-aside cultivation for non-food production

5. FINANCIAL IMPLICATIONS:	PERIOD OF 12 MONTHS (ECU million)	CURRENT FINANCIAL YEAR (95) (ECU million)	FOLLOWING FINANCIAL YEAR (96) (ECU million)	
5.0. EXPENDITURE - CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTION) - NATIONAL AUTHORITIES - OTHER	0	0	0	
5.1. REVENUE - OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES) - NATIONAL				
	1997	1998	1999	2000
5.0.1. ESTIMATED EXPENDITURE	0	0	0	0
5.1.1. ESTIMATED REVENUE				

5.2. METHOD OF CALCULATION:

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? YES

6.2. WILL A SUPPLEMENTARY BUDGET BE NECESSARY? NO

6.3. WILL FUTURE BUDGET APPROPRIATIONS BE NECESSARY? NO

OBSERVATIONS



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# DOCUMENTS

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