



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 19.11.1997
COM(97) 606 final

97/0328 (CNS)

Proposal for a

COUNCIL REGULATION (EC)

amending Regulation (EEC) No 3950/92 establishing an additional levy in the milk and
milk products sector

(presented by the Commission)

EXPLANATORY MEMORANDUM

Article 4(4) of Regulation (EEC) No 3950/92 provides for the provisional allocation of reference quantities, subject to certain conditions, to holdings located in the territory of the former German Democratic Republic. In 1994, the application of Article 4(4) was extended until 31 March 1998, the stated objective being to carry through the restructuring of the holdings.

During discussions of the 1997/98 prices review, Germany requested an extension of the derogation for two years. Although the derogation was in fact extended until the end of 1997/98, according to the German authorities the problems arising from the restructuring of agricultural holdings in the new *Länder* have not yet been overcome.

According to the prices review and related measures stemming from the agreement reached at the Council meeting (agriculture) of 23-25 June 1997, should the normal rules not bring about a complete solution to the problems arising from the application of milk quotas in the new *Länder*, the Commission would be requested to propose a two-year extension of the special arrangements applicable to the new *Länder* in Regulation (EEC) No 3950/92, provided this does not result in an increase in milk deliveries not subject to the additional levy.

This proposal comes in response to such a request, the normal rules not affording the same latitude as the derogation.

The Commission proposal

With a view to definitively resolving the difficulties stemming from the restructuring of holdings in the new *Länder*, the Commission proposes a final extension of the derogation for two twelve-month periods until 31 March 2000.

This proposal will not result in an increase in milk deliveries exempt from the additional levy because the overall reference quantities for the new German *Länder* fixed in the footnote to Article 3(2) of Regulation (EEC) No 3950/92 remain unaltered. The proposal therefore has no impact on the Community budget.

Proposal for
COUNCIL REGULATION (EC) *

amending Regulation (EEC) No 3950/92 establishing an additional levy in the milk and
milk products sector

THE COUNCIL OF THE EUROPEAN UNION,

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

Having regard to the proposal from the Commission¹,

Having regard to the opinion of the European Parliament²,

Whereas, when originally adopted, Council Regulation (EEC) No 3950/92 of 28 December 1992 establishing an additional levy in the milk and milk products sector³, as last amended by Commission Regulation (EC) No 614/97⁴, made provision, subject to certain special conditions, for the reference quantity to be allocated provisionally for a twelve-month period in the case of agricultural holdings situated in the territory of the former German Democratic Republic; whereas, with a view to the completion of restructuring of such holdings, those provisions were renewed until the end of 1997/98⁵; whereas difficulties connected in particular with milk production on leased land cannot be resolved before 31 March 1998; whereas, to overcome the difficulties stemming from the restructuring of such holdings, a final extension of the derogating measures should accordingly be allowed, by way of an exception, for two twelve-month periods,

HAS ADOPTED THIS REGULATION:

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3 OJ No L 405, 31.12.1992, p. 1.

4 OJ No L 94, 9.4.1997, p. 4.

5 Council Regulation (EC) No 1883/94 of 27 July 1994, OJ No L 197, 30.7.1994, p. 25.

Article 1

The following subparagraph is added to Article 4(4) of Regulation (EEC) No 3950/92:

‘With a view to the definitive solution of the difficulties stemming from restructuring as referred to above, the application of the first subparagraph shall be extended for two twelve-month periods from the expiry of the period referred to in the second subparagraph.’

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 ,

For the Council

The President

FINANCIAL STATEMENT					
		DATE: 17 October 1997			
1.	BUDGET HEADING: Chapter B1-20	APPROPRIATIONS: ECU 3 632 million			
2.	TITLE: Proposal for a Council Regulation amending Regulation (EEC) No 3950/92 establishing an additional levy in the milk and milk products sector				
3.	LEGAL BASIS: Article 43 of the Treaty				
4.	AIMS OF PROJECT: To extend the derogating measures by two twelve-month periods in order to overcome the difficulties arising in the restructuring of agricultural holdings in the territory of the former German Democratic Republic				
5.	FINANCIAL IMPLICATIONS	PERIOD OF 12 MONTHS ECU million	CURRENT FINANCIAL YEAR (97) ECU million	FOLLOWING FINANCIAL YEAR (98) ECU million	
5.0.	EXPENDITURE - CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTION) - NATIONAL ADMINISTRATION - OTHER		-	-	
5.1.	REVENUE - OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES) - NATIONAL	-	-	-	
		1999 ECU million	2000 ECU million	2001 ECU million	2002 ECU million
5.0.1.	ESTIMATED EXPENDITURE	-	-	-	-
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?				
6.2.	IS A SUPPLEMENTARY BUDGET NECESSARY?				NO
6.3.	WILL FUTURE BUDGET APPROPRIATIONS BE NECESSARY?				NO
OBSERVATIONS:	Since the aim of the measure is to make it easier to determine and definitively allocate the reference quantities (without increasing the overall level of the quota), it has no impact on the budget.				

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