

COMMISSION OF THE EUROPEAN COMMUNITIES

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Brussels, 10 October 1974

Proposal for a

REGULATION (EEC) OF THE COUNCIL

on special measures for soya beans for the
1974/75 marketing year

(submitted to the Council by the Commission)

EXPLANATORY MEMORANDUM

Council Regulation (EEC) No 1900/74 of 15 July 1974 laying down special measures for soya beans makes provision for the Council to adopt criteria for determining the average world market price of soya beans, as well as general rules for granting the subsidy and for checking eligibility for the subsidy.

This draft Regulation lays down provisions concerning such criteria and general rules. In view of the approaching start of the 1974/75 marketing year and of the lack of experience gained, it is proposed that provisions be laid down for the 1974/75 marketing year only.

The draft regulation also provides that Member States are to abolish by 31 October 1975 at the latest the national subsidies which, in 1973 before the introduction of the Community system, they had undertaken, to grant in certain circumstances to soya bean producers during the 1974/75 marketing year. There is a possibility, given the special situation on the world soya bean market, that the Community subsidy for 1974/75 will be lower than national subsidies. In these circumstances, the abolition of national subsidies would definitely be prejudicial to producers of this new crop.

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THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community;

Having regard to Council Regulation No 136/66/EEC¹ of 22 September 1966 on the establishment of a common organization of the market in oils and fats, as last amended by Regulation (EEC) No 1701/73², and in particular Article 36 thereof;

Having regard to Council Regulation (EEC) No 1900/74³ of 15 July 1974 laying down special measures for soya beans, and in particular Article 2(3) thereof;

Having regard to the proposal from the Commission;

Whereas pursuant to Article 2 of Regulation (EEC) No 1900/74, criteria for determining the average world market price of soya, together with general rules for granting the subsidy and for the control of beans harvested within the Community;

Whereas the said average world market price must be determined on the basis of the most favourable purchasing terms available on that market;

Whereas, the figures to be taken for this purpose should be those recorded over the marketing period for Community beans in respect of offers on the world market and prices quoted on the major international exchanges which are important; whereas, however, offers not considered representative of the true trend of the market should be ignored;

Whereas under Article 2(1) of Regulation (EEC) No 1900/74 the average price must be recorded for a Community frontier crossing point; whereas in fixing this point account should be taken of the extent to which it is representative for imports of soya beans; whereas the point selected should accordingly be the port of Rotterdam; whereas offers and quotations must be adjusted if they relate to a different frontier crossing point;

(1) OJ No 172, 30.9.1966, p. 3025/66

(2) OJ No L 175, 29.6.1973, p.5

(3) OJ No L 201, 23.7.1974, p.5

Whereas provision should also be made for such adjustment in the event of any variation from the presentation and quality specified for the purpose of fixing the guide price;

Whereas the Member States should be required to set up the control arrangements necessary to ensure the proper functioning of the subsidy system;

Whereas under Article 2(2) of the aforementioned Regulation the subsidy is to be granted in respect of output determined by applying a target yield to the areas sown and harvested; whereas, in order to ensure the proper application of the subsidy system, the target yield should be determined by reference to yields recorded in the principal production areas;

Whereas the period of validity of the foregoing rules should be limited to that necessary to enable their effectiveness to be assessed;

Whereas last year certain Member States decided, while awaiting Community rules on the subject, to grant subsidies to promote the production of soya beans; whereas if the Community subsidy were to be fixed at a level lower than that for national subsidies the abolition of these subsidies would be prejudicial to producers who had embarked upon cultivation of this crop; whereas, in order to avoid this, Member States should be authorized, subject to certain conditions, to maintain their national subsidies for the 1974/75 marketing year;

HAS ADOPTED THIS REGULATION :

Article 1

1. The average world market price for soya beans as referred to in Article 2 of Regulation (EEC) No 1900/74 shall be determined on or before 15 January 1975.
2. For the purpose of determining such average world market price, account shall be taken of the figures recorded over a period most representative of the trade in beans originating in the Community in respect of offers on the world market and of prices quoted on the major international exchanges.
3. The average world market price shall be determined on the basis of the average of the most favourable offers and quotations recorded during the period referred to above, but excluding offers and quotations which cannot be regarded as representative of the true trend of the market.

Article 2

The average world market price shall be determined for loose beans of a standard quality delivered at Rotterdam.

The necessary adjustments shall be made where offers and quotations do not satisfy these requirements.

Article 3

Member States shall set up a control system whereby, in the case of each soya bean grower to whom aid is granted under Article 2(1) of Regulation (EEC) No 1900/74, it may be verified that the crop area in respect of which a subsidy has been applied for corresponds to the area on which soya has actually been sown and harvested.

Article 4

1. There shall be determined on or before 15 January 1975 a standard Community target yield for soya beans.
 2. The target yield shall be determined for soya beans of a standard quality.
 3. The target yield shall be determined by reference primarily to the yields per hectare ascertained by random sampling in the main production areas of the Community.
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Article 5

1. Until 31 October 1975 and in respect of soya beans harvested before 1 January 1975, Member States may continue to apply their respective national production subsidy arrangements.
2. The amount of the subsidy under such arrangements may not, however, exceed the difference between the amount thereof applicable on 1 November 1974 and the amount of the subsidy under Article 2 of Regulation (EEC) No 1900/74.

Article 6

This Regulation shall enter into force on 1 November 1974.

It shall apply until 31 October 1975.

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

Done at Brussels,

For the Council,
The President