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PRESS RELEASE

Proposed new system for sweet oranges.

The Commission adopted on December 21st a draft proposal to the Council of Ministers for changes in the basic fruit and vegetables regulation (no. 23) and also a draft resolution on the financing of subsidies to orange growers. Before the Council takes a decision on the two proposals the European Parliament will be consulted.

The two new measures, which would apply only to sweet oranges, would have the following effects :

- for importing countries of the Community and for exporters in member countries : the effective level of protection for the preferred varieties (group II, Navels, etc.) would be reduced from 15,5 to 13,1 $ per 100 kg. This is about the same level as applied last season.
- the Italian orange growers would receive direct subsidies to compensate them for any loss of revenue resulting from the application of a lower reference price for establishing the compensatory duty on imports from outside the Community. This subsidy would be granted when the price fell below 15,5 $ per 100 kg, but could not exceed the difference between 13,1 and 15,5 $ since, when the price fell below 13,1, the compensatory duties would also come into effect. Thus the level of protection for Community producers would be in effect the same as at present.

The lowering of the reference price would affect the whole Community and it is therefore justifiable for the whole cost of the subsidies to be borne on the Agricultural Fund. In fact, the total cost of operation would be only some 30 % of the cost which would otherwise be borne by Community contributions. Only 30 % of Community orange consumption is met by Italian producers.

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