

COMMISSION OF THE EUROPEAN COMMUNITIES

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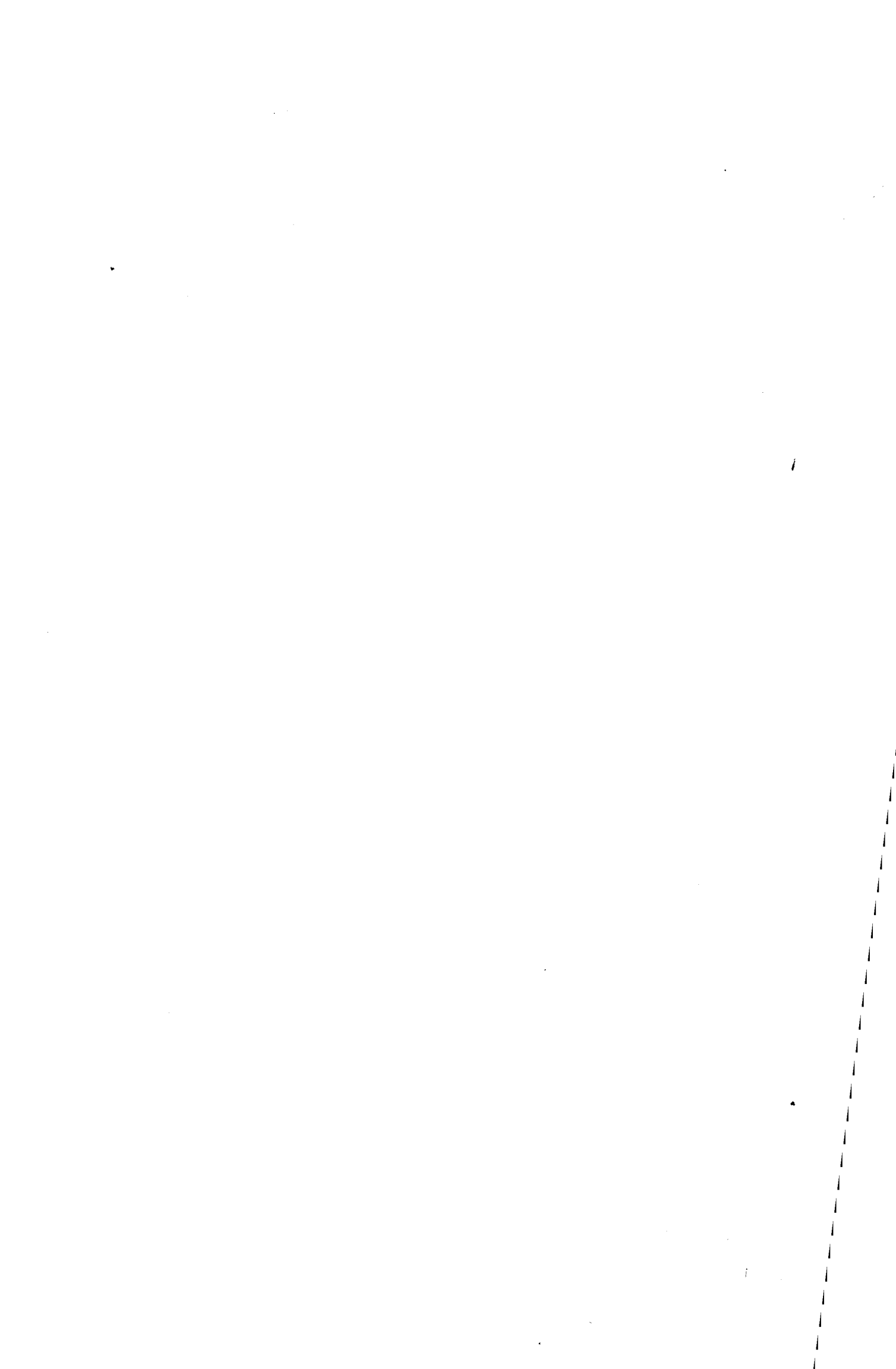
Amendments to a proposal for a  
COUNCIL REGULATION (EEC)

amending Regulation (EEC) No 1696/71 on the common  
organization of the market in hops

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(submitted to the Council by the Commission pursuant  
to the second paragraph of Article 149 of the EEC Treaty)

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## EXPLANATORY MEMORANDUM

1. Following discussion in the Council, the European Parliament and the Economic and Social Committee during June - July 1976, the Commission is presenting a further amendment to its proposal for an Amendment to the Base Regulation (EEC) No 1696/71 on the Common Organisation of the Market in Hops.
2. The essential parts of this amendment concern :
  - the possibility of taking action in the market before the harvest in case of structural surplus,
  - the prohibition to extend areas for a period 2 two years;
  - an amendment to the conditions required for the recognition of community hops producer groups,
  - an amendment to the period for activities of varietal reconversion and restructuring of hop gardens as required by Article 9 of the original proposal for modification.
3. These amendments are designed to give the Community the juridical capacity to act directly on the market in case of structural surplus, to maintain the stability of community producer groups, and to allow an effective re-conversion and restructuring of Community hop gardens in line with market demand.



Amendments to a proposal for a Council Regulation (EEC)  
amending Regulation (EEC) No 1696/71 on the common  
organization of the market in hops (Doc. R/471/76 AGRI 126)

I. Amendments to the recitals

1. The 6th and 7th recitals are to be replaced by the following:  
Whereas the present state of the market in hops is characterized by a severe imbalance, and consequently any increase in the area under hops should be prohibited for a fixed period so as to prevent the creation of structural surpluses; whereas, moreover, the qualitative adjustment of Community production to market trends should be pursued by continuing, during the same period, the granting of aid to producer groups for conversion to other varieties and the reorganization of hop gardens; whereas, however, the granting of this aid should be subject to a substantial reduction in the area concerned;

Whereas the experience gained through the application of Regulation (EEC) No 1696/71 has shown the need for instruments other than adjustments to the amount of production aid, to enable preventive measures to be taken when there is a risk of structural surpluses or market disturbances.

2. In the 8th recital the date 1976 is to be replaced by that of 1977.

II. Amendments to the text:

1. Article 5:

In paragraph 3 (b) the following is to be added:

"However, such approval shall not be required during the transitional period provided for under Article 23."

In the fifth line of paragraph 3 (e) the words

"at least one year" should be replaced by the words "at least two years".

The wording of paragraph 3 (h) should be replaced by the following:

"(h) refrain from holding a dominating position in the Community".

2. Article 7 should be replaced by the following:

"Article 7

Article 9 of Regulation (EEC) No 1696/71 is hereby replaced by the following:

"Article 9

1. Any increase in the area under hops shall be prohibited from [ the date of entry into force of the amending Regulation ] until 31 December 1978.
  2. Member States shall take any measures required to verify the application of the prohibition referred to in paragraph 1.
  3. Member States shall grant to recognized producer groups aid not exceeding 1.800 u.a. per hectare for conversion to other varieties and the reorganization of hop gardens as referred to in Article 7 (1) (b), provided that such operations are carried out before [ 2 ] years after the date of entry into force of the amending Regulation [ ] and entail a reduction of at least 40% in the area concerned."
  4. The Council may, by qualified majority on a proposal from the Commission, extend the period of application of the measures referred to in this Article.
3. There should be inserted an Article 10a as follows:
- "Article 10a  
An Article 16a to read as follows is inserted in Regulation (EEC) No 1696/71:  
Article 16a  
In cases where there is a danger of creating surpluses or of a disturbance in the supply structure of the market, the Council may, by qualified majority on a proposal from the Commission, take any measure needed to prevent market imbalance."
4. Article 12: read: "... however, the 1976 harvest".