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REPORT OF THE COMMISSION TO THE COUNCIL

ON THE PRODUCTION AND MARKETING OF HOPS

(1992 harvest)

Proposal for a

COUNCIL REGULATION (EEC)

laying down, in respect of hops, the amount of aid to producers

for the 1992 harvest

(presented by the Commission)

[redacted]

REPORT OF THE COMMISSION TO THE COUNCIL

on the production and marketing of hops

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[redacted]

SUMMARY

Titles

1. INTRODUCTION

Article 11 of Regulation (EEC) No 1696/71 requires the Commission to present to the Council an annual report on the production and marketing of hops. The purpose of this report is to provide information on trends in production, prices and demand.

This report, the 22nd report presented by the Commission, outlines the main events in the 1992 harvest year. It is shorter than previous reports so that the time limit for transmission to the Council can be respected and accordingly concentrates on the salient factors determining the amount of aid to producers for the 1992 harvest.

The Commission proposes that hop producers should again be granted aid to supplement their incomes.

2. 1992 HARVEST

2.1. World situation

2.1.1. Production

At a total of 92 354 ha worldwide the area under hops was 0.99% lower than for 1991 (see Annex, Table 1). In practice it is impossible to determine the exact size of the area, since estimates alone are available for many producing countries, such as the CIS, China and Romania. These countries do not notify a reliable figure or have none owing to lack of national statistics.

Areas under hops increased slightly or remained stable in all countries except New Zealand, France and the United States, where there were increases of 20.37%, 8.61% and 6.86% respectively, and in Hungary and Spain, where falls of 15.1% and 14.77% respectively were recorded. The figures for Portugal in Table 1 are very low since almost all of the area is at present covered by a varietal conversion plan.

At around 2 399 324 ztr the 1992 harvest was 4.80% (121 033 ztr) lower than in 1991. Quality was also poor with an alpha acid content of 6.5% and alpha acid production of 7 843 tonnes. This is the first time that such poor world harvests have occurred within two years (1990 and 1992). The United States' production of aromatic varieties was disappointing but yields for irrigated super alpha varieties approached the average.

Beer production in 1993 is estimated at 1 180 million hectolitres, a volume normally requiring 7 900 tonnes of alpha acid for hopping of 6.7 g/alpha/hl. This gives a small shortfall of 60 tonnes of alpha but brewery stocks appear still to be largely sufficient to cover requirements.

2.1.2. Market trend

Despite all expectations the 1992/93 marketing year has been very quiet with probably around 250 000 ztr of hops still unsold on the world market. Calculation based on 1993 area forecasts and pre-contracts indicates an even less favourable situation in 1994 with 545 000 ztr unsold. Contract and spot prices on the German market were particularly low and on the American the average price was $1.74 per US pound, though this is still considerably higher than the average of $1.39 over the last 20 years.

2.2. Community

2.2.1. Production structure

As in agriculture as a whole structural change in hop-growing has continued. There are now 5 836 farms growing hops in the Community (see Annex, Table A), a 6.62% fall from 1991. Average hop area fell from 5.27 ha to 4.89 ha per farm.

2.2.2. Production

The area under hops in the Community was 28 554 ha in 1992, i.e. 6 ha (0.02%) less than in 1991 (see Annex, Table 1). Areas rose in Germany (1.64%), France (8.61%) and Belgium (1.54%) but fell in the United Kingdom (4.42%), Spain (14.77%) and in Portugal owing, as mentioned above, to conversion of almost all the country's hop areas.

Aromatic varieties accounted for 55.05% of the area, the most popular remaining Hersbrucker (44.91% of the aromatic area). Bitter varieties accounted for 44.22% and others for 0.73%.

The shares of bitter and of other varieties were both slightly down in 1992 to the benefit of aromatic varieties. Of the bitter varieties Northern Brewer remained far and away the most popular (6 481.12 ha) followed by Target (1 863.72 ha) and Brewer's Gold (1 694.18 ha). For the bitter varieties the general trend is increased production of the super alpha varieties, more in demand on the markets, such as Hallertauer Magnum, Target and Nugget.

Quantitatively the 1992 harvest was not nearly as good as that of 1991. At 727 333 ztr average yield was 25.47 ztr per hectare, very close to the 1990 figure, considered very poor. Quality was mediocre and alpha acid content low, around 5.3% on average for the whole Community for the three variety categories, giving 1 920 000 kg of acid - 67.2 kg per hectare - for beer production in 1993.

2.2.3. <u>Sales and prices</u>

The average price for hops sold under contract was ECU 159.71/ztr ranging from ECU 116.16/ztr in Spain to ECU 239.25/ztr in Ireland. Both these countries sold their entire production under contract (see Annex, Table 6). This average was slightly lower than the 1991 average of ECU 166.85/ztr but the average price for spot sales was a little higher than for 1991 (ECU 168.13/ztr against ECU 165.08/ztr also with marked differences between Member States, the range being from ECU 162.39/ztr in Germany to ECU 232.90/ztr in Belgium.

Of the 1992 crop 86% was sold under contract (see Annex, Table 5). Belgium was far below this average at 51%.

Highest average prices, both under contract and for spot sales, were made by the aromatic varieties (ECU 171.32/ztr and ECU 172.34/ztr respectively). As in 1991 the varieties fetching the highest prices were Saaz, Spalt and Tettnanger. Some varieties grown in the United Kingdom, viz Fuggles and Goldings, also made prices distinctly higher than the average for the group.

For bitter varieties the average price for sales under contract was ECU 145.85/ztr and for spot sales ECU 161.70/ztr, the varieties that on the whole fetched the highest prices being Magnum and Northdown.

Spot prices of ECU 252.51/ztr, ECU 255.68/ztr and ECU 294.30/ztr were recorded in Belgium for the varieties Brewer's Gold, Target and Yeoman respectively. A price of ECU 216.23/ztr was obtained in the United Kingdom for Northern Brewer.

The Community average contract price for other varieties was close to the contract price for the bitter variety group but spot prices were higher at ECU 191.81/ztr.

Of the 727 332 ztr produced in the Community in 1992, according to the official figures only 2 703 ztr remain unsold (0.37%) but the IHGC reports 10 000 to 15 000 ztr unsold in Germany (1.37% to 2.06%). Spain and Ireland sold their entire production under contracts for average prices of ECU 116.16/ztr and ECU 239.25/ztr respectively.

The market has been very quiet in the course of 1992/93. Prices have remained very low despite expectations of higher demand than production since, according to the statistics, there is a shortage of hops for beer production. Prices should accordingly have risen but this has not happened, for two reasons. Breweries have come increasingly flexible as regards variety selection and origin, with their experts able to modify hopping rate (quantities of hops needed) and cooking processes as needed. Secondly, instead of paying the high prices growers expected to receive - particularly in Germany - breweries bought at low prices (DM 200 to DM 250/ztr) some 30 000 to 40 000 ztr on the Romanian and Ukrainian markets, which have traditionally delivered to the ex-USSR. It appears too that China, although increasingly needing its own crop for growing domestic beer production - delivered some 9 000 ztr at prices defying all competition, i.e. DM 122/ztr.

Brewers are no longer interested in building up big stocks, since they know that they can always find hops in the market. It would appear then that the market is over-supplied. It is difficult, however, to work out how much alpha acid the breweries need, since they continue to be reticent in this regard.

2.2.4. <u>Returns</u>

These were lower than in 1991. The average return per hectare in full production fell 13.53% from ECU 5 618 to ECU 4 858.

The reason was a poor harvest in both quantity and quality following unfavourable weather in winter and spring 1992, i.e. abnormally high temperatures for the season followed by dry periods. This meant irregular plant growth and different maturing periods for the same variety in the same field, making it difficult to decide the best period for harvesting.

At Community level returns were highest for the aromatic variety group (ECU 5 339 per ha in full production, 8.80% lower than 1991). France, Belgium and Spain posted big increases for these varieties of 19.41%, 40.52% and 25.60% respectively. The most profitable aromatic varieties were, for France, Strisselspalt (return of ECU 6 750/ha in full production), for Belgium Challenger, Hallertauer, Saaz, Spalt and Star (full production returns of ECU 6 271/ha, ECU 7 646/ha, ECU 7 506/ha, ECU 7 043/ha and ECU 5 869/ha respectively) and for Spain Fino Alsacio, grown on only 1 ha and on which the return is substantially lower than the Community average for aromatic varieties.

Returns dropped sharply for the bitter variety group by 20.07% to ECU 4 328/ha for full production. All producer Member States were affected, some reductions being very large (- 41.37% for Spain), except Ireland, where returns rose by 14.61%, all Irish production (11.76 ha) being of the bitter variety Northdown. Both bitter varieties cultivated in Spain are hybrids, one of which has a very low yield (12.35 ztr/ha against a Community average for the group of 25.83 ztr/ha).

For other varieties, grown mainly in Germany (185 ha) and to a small extent in Belgium (10.48 ha) and the United Kingdom (12.40 ha), average income was 16.74% higher although in the United Kingdom there was a drop of nearly 70%. As only a small area is given over to these varieties their impact on the overall average return to growers is negligible.

2.2.5. <u>Production costs</u>

These fell by 1.45% on average from 1991 (see Annex, Table D) to ECU 7 696/ha. They are thus fairly close to those of the previous year. The United Kingdom continued to have the highest costs (ECU 9 472/ha) and Spain the lowest (ECU 4 647/ha). Fluctuations in individual Member States from 1991 did not, either upwards or downwards, exceed 2.51%.

3. <u>The common organization of the market in hops</u>

3.1 Community policy on the hop market

In 1971 a common organization of the market in hops was established by Regulation (EEC) No 1696/71. The aim was to improve product quality and safeguard the livelihood of hop growers. Since no special arrangements were made for external trade or intervention quite deliberately when the market organization was set up, the Community hop sector is highly exposed to competition on the world market.

The essential aspects of the basic Regulation, which were dealt with in greater detail by subsequent, more specific Council and Commission regulations, comprises rules for the marketing of hops via a certification procedure and a forward contract system, for the recognition and promotion of producer groups, and for trade with non-EEC countries. The Regulation also lays down aid arrangements for Community-grown hops.

The Community has two main financial responsibilities in this sector. Firstly, frequent use is made of the arrangements whereby aid per hectare is granted to producers with unsatisfactory returns. For the 1991 harvest year, aid per hectare was granted at a rate of ECU 340 for aromatic varieties, for bitter varieties and for other varieties. Secondly, special aid is granted under Regulation (EEC) No 2997/87 to encourage growers to convert to varieties more suited to market requirements (see also point 3.2).

In addition the Community makes a contribution towards the promotion of newly founded producer groups at the initial state provided national aid is also granted for this. However, this measure is now of little significance since - with the exception of the territory of the former GDR - almost all hop growers in the Community now belong to a recognized producer group. Of course this does not exclude the possibility of new groups being founded from time to time in the future as a result of restructuring and reorganization.

3.2 Aid for varietal conversion

The long-standing imbalance between supply and demand for most bitter varieties and the resultant problems for hop growers in certain areas of the Community led the Council to adopt special measures for the hop sector in 1987.

Regulation (EEC) No 2997/87 introduced special aid amounting to ECU 2 500/ha - subject to a maximum area of 1 000 ha per Member State - to be granted to recognized producer groups who undertake to implement a plan to convert areas under bitter varieties to aromatic or super-alpha varieties.

In June 1989 the Council adopted Regulation (EEC) No 1809/89 amending Regulation (EEC) No 2997/87 with a view to extending the number of growers qualifying for aid under the varietal conversion programme. The amended criteria now allow special aid to be granted throughout the Community and not just in certain areas, as was originally provided for. A further restriction laying down that producer groups could take part in the conversion programme only if their total area did not increase in the period 1986 to 1988 was also lifted. The extension of the duration of the programme from 31 December 1990 as originally provided for to the end of 1994 gives the producer groups more time to implement their conversion plans.

A further change was introduced by Regulation (EEC) No 3837/90, extending the time limit for implementation of the conversion programme in the case of Spain by a further two years, i.e. up to the end of 1994. This amendment became necessary when many hop growers, whose land at the time was involved in a reparcelling project, made it known that they were prepared to take part in the varietal conversion programme. However, both measures, i.e. reparcelling and subsequent varietal conversion, cannot be carried out in the time previously provided for.

The Community varietal conversion programme has been very well received by hop growers. All hop-growing Member States are taking advantage of it with the exception of Ireland. Some of the varietal conversion programmes submitted have been revised several times, above all to comply with requests for further areas to be included (see Table E of the Annex).

In the main, the programmes submitted by the individual Member States provide for the grubbing up of the traditional bitter varieties Brewer's Gold and Northern Brewer, which are finding it increasingly difficult to compete with the American super-alpha varieties on the world market.

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4. CONCLUSIONS

On the basis of the foregoing analysis the Commission proposes that income aid be granted to growers for the 1992 harvest.

For aromatic and bitter varieties the average level proposed is higher than for the 1991 harvest but for other varieties is lower.

Under Article 12a of Regulation (EEC) No 1696/71 the Commission proposes that the same rate of aid be granted on areas planted with experimental varieties as on 'other varieties'.

The possibility of granting aid for growing experimental varieties was introduced in 1990 when the Council adopted Regulation (EEC) No 2780/90. The purpose of the aid, which can be granted on land used by growers for the cultivation of experimental varieties in collaboration with a research institute, is to encourage the development of new varieties, which must be continued if hop growing in the Community is to remain competitive.

TABLE A

Number and size of hop-growing farms in the Community

	Number of farms	Total area under hops (ha)	Area under hops per farm (ha)
Germany	3 794	22 938	6,0
France	161	639	4,0
Belgium	105	394	3,8
United Kingdom	220	3 413	15,5
Ireland	2	12	6,0
Spain	1 549	1 148	0,7
Portugal	3	10	3,3
EEC	5 836	28 554	4,9

TABLE B

Average prices for selected hop varieties in Germany 1983-1995

	Haller-tauer	Tettnan-ger	Hers-brucker	Northern Brewer	Brewer's Gold
					Prices in ECU/Ztr
Spot market					
1983	125,27	198,84	67,61	104,19	69,20
1984	111,21	161,06	78,24	69,93	43,10
1985	194,96	207,53	126,20	102,72	45,70
1986	129,26	138,17	94,94	62,88	24,45
1987	220,35	228,09	209,15	76,55	54,50
1988	227,86	230,82	216,85	142,73	93,18
1989	218,54	231,25	173,65	127,48	88,09
1990	555,18	637,16	425,20	576,85	427,33
1991	209,41	223,86	146,55	173,31	126,58
1992	246,02	262,01	168,66	232,61	154,73
Contract market (1)					
1983	178,16	212,72	166,23	151,12	142,37
1984	181,88	218,52	164,87	154,13	144,78
1985	191,60	288,92	168,96	161,41	147,58
1986	196,39	226,33	170,17	171,77	144,62
1987	195,37	220,11	169,38	169,80	137,94
1988	200,33	223,20	170,68	168,54	126,64
1989	199,91	220,66	168,57	160,09	116,89
1990	205,59	221,31	167,36	161,42	116,81
1991	208,57	222,58	160,14	159,72	108,74
1992	258,92	269,75	187,74	184,65	134,62
Forward contracts					
1992	172,88	222,16	155,47	155,89	112,57
1993	174,58	222,58	153,34	152,92	116,81
1994	177,13	222,58	153,34	155,47	117,66
1995	172,88	222,58	153,77	156,32	120,21

(1) The prices shown are the average prices specified in contracts signed in previous years for the relevant harvest.

TABLE C.

Return on areas in full production, in ECU/ha(1)

BY VARIETY GROUP

	1987	1988	1989	1990	1991	1992	1992/91 (%)
Aromatic	5 428	5 586	5 562	5 663	5 854	5 339	- 8,80
Bitter	4 727	4 491	4 633	5 644	5 415	4 328	- 20,07
Others	4 439	4 196	4 093	5 365	3 382	3 948	16,74

BY COUNTRY

	1987	1988	1989	1990	1991	1992	1992/91 (%)
Germany	5 353	5 238	5 307	5 616	5 456	4 818	- 11,69
France	4 674	6 170	5 572	7 450	5 512	6 320	14,66
Belgium	4 199	4 368	3 995	11 158	5 931	6 602	11,31
United Kingdom	4 695	5 001	4 577	5 615	7 212	5 404	- 25,07
Ireland	4 918	5 943	5 283	10 817	7 901	9 055	14,61
Spain	3 122	3 173	4 473	4 456	4 441	2 605	- 41,34
Portugal	4 763	2 452	4 329	3 322	1 715	1 495	- 12,83

BY COUNTRY AND BY VARIETY GROUP 1992 (2)

	Aromatic		Bitter		Others	
Germany	5 181	(-9,44)	4 317	(-16,34)	3 878	(17,98)
France	6 731	(19,41)	3 526	(-25,41)	-	-
Belgium	7 095	(40,52)	6 363	(-1,50)	7 710	(77,98)
United Kingdom	6 083	(-17,29)	5 054	(-29,18)	1 701	(-69,47)
Ireland	-	-	9 055	(14,61)	-	-
Spain	2 448	(25,60)	2 606	(-41,37)	-	-
Portugal	-	-	1 495	(-12,83)	-	-

(1) Areas newly planted in 1992 and 1991, were assumed to give 40% and 65% respectively of the return from areas in full production.

(2) The figures in brackets show the percentage change from 1991.

TABLE D

Production costs per hectare (in ecus)

	1991	1992	Change on 1991 (%)
Germany	7 722	7 585	- 1,78
France	6 597	6 597	- 0,0
Belgium	9 123	9 325	2,21
United Kingdom	9 716	9 472	- 2,51
Ireland	7 066	7 205	1,97
Spain	4 578	4 647	1,50
Portugal	4 696	-	-
EEC	7 809	7 696	- 1,63

TABLE E

Varietal conversion programmes submitted by the Member States under Regulation (EEC) No 2997/87 (*)

	Type of variety to which conversion is to be made		
	Aromatic	Super-alpha	Total
Germany	425	575	1 000
France	125	45	170
Belgium	44	245	289
United Kingdom	139	648	787
Spain	31	586	617
Portugal	-	166	166
EEC	764	2 264	3 029

(*) Situation at 3 March 1993 (Management Committee for Hops)

TABLE 1

Area under hops, production of hops and alpha acid by producer countries 1992

I Country	II Area ha 1992	IIa Area ha (+/-) 1992/91	III Product Ztr 1991	IV Yield t/ha	V Product Alpha t	VI Percent Alpha	VII Yield Alpha kg/ha	VIII Forecast Area ha 1993	IX Area Change ha 1992-91
Germany	22 938	371	574 500	1,25	1 364,33	4,8	59,5	23 014	76
France	639	55	18 286	1,43	20,73	2,3	32,4	680	41
Belgium	394	6	12 183	1,55	48.08	7,9	121,9	417	23
United Kingdom	3 413	- 158	96 359	1,41	378,36	7,9	110,9	3 400	- 13
Spain	1 148	- 199	25 548	1,11	2,11	10,2	179,3	1 148	0
Portugal	10	- 81	41	0,21	106,01	8,3	92,4	50	40
Ireland	12	1	416	1,73	0,21	10,0	20,7	11	- 1
EEC-12	28 554	- 6	727 333	1,27	1 919,82	5,3	67,2	28 720	166
U.S.A.	17 105	1 098	674 372	1,97	3 154,00	9,4	184,4	17 400	295
Australia	1 155	30	62 260	2,70	263,60	8,5	228,2	1 155	0
New Zealand	262	44	11 748	2,24	73,40	12,5	280,2	311	49
Yugoslavia (1)	560	- 61	11 400	1,02	28,80	5,1	51,4	560	0
CSFR	11 600	20	185 000	0,80	323,80	3,5	27,9	11 600	0
Ukraine	6 692	- 608	125 125	0,93	460,90	7,4	68,9	6 692	0
Poland	2 262	37	50 684	1,12	106,70	4,2	47,2	2 326	64
Hungary	315	- 56	6 819	1,08	22,30	6,5	70,8	275	- 40
Bulgaria	903	- 10	15 283	0,85	45,20	5,9	50,1	755	- 148
Slovenia	2 386	- 43	67 900	1,42	182,70	5,4	76,6	2 393	7
Total IHB (-EEC)	43 240	451	1 210 591	1,40	4 661,40	7,7	107,8	43 467	227
Total IHB (+EEC)	71 794	445	1 937 924	1,35	6 581,22	6,8	91,7	72 187	393
Japan	660	- 165	25 400	1,92	76,20	6,0	115,5		
ex-USSR (2)	5 000	-2 500	76 000	0,76	133,00	3,5	26,6		
Romania	2 400	200	36 000	0,75	81,00	4,5	33,8		
P.R. of China	8 000	500	240 000	1,50	720,00	6,0	90,0		
North Korea	2 000	0	24 000	0,60	72,00	6,0	36,0		
"Others"	2 500	600	60 000	1,20	180,00	6,0	72,0		
World total	92 354	- 920	2 399 324	1,30	7 843,42	6,54	84,93		

(1) Republics of former Yugoslavia with the exception of Slovenia.
(2) Republics of the former USSR with the exception of the Ukraine.

TABLE 2

Estimated forward sales 1993-1997

Country	Estimated forward sales 1993-1997				
	1993	1994	1995	1996	1997 & later
Germany	420 000	340 000	290 000	-(*)	-
France	18 796	20 223	20 367	16 750	12 996
Belgium	7 200	6 000	2 000	2 000	1 400
United Kingdom	85 000	67 000	49 000	10 000	-
Spain	-	-	-	-	-
EEC-12	530 996	433 223	361 367	28 750	14 396
New Zealand	12 000	11 500	11 800	10 300	-
United States	586 540	549 516	447 496	211 772	157 628
Australia	-	-	-	-	-
Yugoslavia (1)	-	-	-	-	-
CSFR	140 000	120 000	100 000	80 000	80 000
Ukraine	-	-	-	-	-
Poland	48 148	45 473	42 798	37 449	-
Hungary	-	-	-	-	-
Slovenia	40 200	34 000	30 000	25 000	10 000
Total IHGC [-EEC]	826 888	760 489	632 094	364 521	247 628
Total IHGC [+EEC]	1 357 884	1 193 712	993 461	393 271	262 024

Source : CICH March 1993.

(*) The "-" sign in the table signifies that the data do not exist or have not been provided by the producer countries.
(1) Republics of former Yugoslavia, with the exception of Slovenia.

TABLE 4a

EEC external trade in hops and hop products
September 1991 - August 1992

(x 1000 kg)	Cones 12 10 10		Powders 12 10 20		Extracts 13 02 13		Total equivalent(1) hop cones	
	Intra-EC	Third countries	Intra-EC	Third countries	Intra-EC	Third countries	Intra-EC	Third countries
GERMANY								
Import	10 983	12 019	1 085	1 458	322	640	13 306	15 859
Export	4 351	6 013	10 267	14 158	1 419	2 168	20 612	29 178
Net	6 633	-6 004	9 182	12 700	1 097	1 530	7 306	13 319
FRANCE								
Import	-	44	-	487	74	218	260	1 347
Export	327	442	111	67	5	5	467	534
Net	327	398	111	- 420	- 69	- 214	207	- 812
BELGIUM								
Import	828	1 542	1 086	2 139	120	192	2 441	4 566
Export	21	132	62	962	97	251	428	2 068
Net	- 807	-1 410	-1 024	- 1 177	- 22	59	- 2 014	- 2 498
UNITED KINGDOM								
Import	393	655	608	1 137	106	273	1 432	2 861
Export	300	1 227	207	604	65	146	755	2 401
Net	- 93	572	- 401	- 533	- 41	- 127	- 678	- 460
IRELAND								
Import	-	43	164	838	105	143	548	1 463
Export	-	1	2	20	23	27	81	117
Net	-	- 42	- 162	- 819	- 82	- 115	- 466	- 1 347
ITALY								
Import	30	57	219	1 467	-	127	270	2 114
Export	-	5	-	-	1	1	3	9
Net	- 30	- 52	-219	- 1 467	- 1	- 126	- 267	- 2 105
DENMARK								
Import	-	23	-	383	17	127	63	891
Export	-	-	-	-	-	-	-	-
Net	-	- 23	-	- 383	- 17	- 127	- 63	- 891

TABLE 4a (contd.)

(x 1000 kg)	Cones 12 10 10		Powders 12 10 20		Extracts 13 02 13		Total equivalent(1) hop cones	
	Intra-EC	Third countries	Intra-EC	Third countries	Intra-EC	Third countries	Intra-EC	Third countries
NETHERLANDS								
- Import	-	5	49	375	140	357	540	1 663
- Export	-	-	-	51	-	38	-	190
- Net	-	- 5	- 49	- 323	- 140	- 319	- 540	- 1 473
SPAIN								
- Import	-	290	64	284	18	84	134	898
- Export	-	25	40	42	-	-	44	69
- Net	-	- 265	- 24	- 244	- 18	- 84	- 90	- 829
PORTUGAL								
- Import	-	-	3	128	41	181	144	771
- Export	-	164	-	-	-	-	1	165
- Net	-	164	- 3	- 128	- 41	- 181	- 143	- 607
GREECE								
- Import	-	-	-	10	-	36	-	135
- Export	-	-	-	-	-	-	-	-
- Net	-	-	-	- 10	-	- 36	-	- 135
Total EEC								
- Import	12 235	14 681	3 275	8 705	894	2 375	18 969	32 571
- Export	5 000	8 010	10 632	15 902	1 609	2 637	22 331	34 732
- Net	- 7 235	- 6 671	7 356	7 197	715	262	3 362	2 161

(1) 100 kg powder = 110 kg cones
100 kg extracts = 350 kg cones

Source : EEC NIMEXE

TABLE 4b

Community external trade in hops by selected partner countries
September 1991 - August 1992

(x 1000 kg)	Cones 12 10 10		Powders 12 10 20		Extracts 13 02 13		Total equivalent(1) hop cones	
	Intra-EC	Third countries	Intra-EC	Third countries	Intra-EC	Third countries	Intra-EC	Third countries
Total EEC								
- Import	12 235	14 681	3 275	8 705	894	2 375	18 969	32 571
- Export	5 000	8 010	10 632	15 902	1 609	2 637	22 331	34 732
- Net	- 7 235	- 6 671	7 356	7 197	715	262	3 362	2 161
of which :								
USA								
Import		722		1 943		825		5 747
Export		4 126		191		40		4 476
Net		3 404		1 752		- 758		1 271
CFSR								
Import		3 363		421		0		3 826
Export		70		11		7		107
Net		- 3 293		- 410		7		- 3 720
USSR								
Import		360		0		0		360
Export		1160		37		68		1 439
Net		800		37		68		1 079
YUGOSLAVIA								
Import		3 225		183		0		3 426
Export		56		202		58		481
Net		- 3 169		19		58		
CHINA								
Import		4 001		950		1		5 050
Export		0		0		0		0
Net		- 4 001		- 950		- 1		- 5 050
JAPAN								
Import		0		0		0		0
Export		23		2 484		61		2 969
Net		23		2 484		61		2 969

(1) 100 kg powder = 110 kg cones
100 kg extracts = 350 kg cones

Source: Eurostat COMEXT

TABLE 5

Hops sold without and under contract and average prices without contract and under contract 1980 - 1992

	Without contract (1) 50 kg	Under contract 50 kg	% under contract	Without contract ECU/50 kg		Under contract ECU/50 kg	
	1	2	3	4		5	
A. EEC 1980 - 1992							
1980	67 385	723 983	91	469,00		133,00	
1981	154 754	768 155	83	225,63		162,78	
1982	363 795	763 131	68	65,18		176,93	
1983	223 549	744 142	77	91,85		183,13	
1984	195 478	728 662	79	69,61		189,92	
1985	173 339	718 124	81	92,33		173,19	
1986	202 218	667 937	77	62,72		169,93	
1987	161 850	634 361	80	123,41		168,19	
1988	119 035	632 255	84	158,55		169,82	
1989	169 083	641 429	79	134,58		164,30	
1990	70 306	644 352	90	468,82		166,61	
1991	235 415	679 700	74	165,08		166,85	
1992	103 879	622 778	86	168,13		159,71	
B. EEC 1992				91	92	91	92
Germany	90 805	483 695	84	165,94	162,39	159,37	156,01
France	1 097	17 198	94	147,83	224,11	196,73	200,71
Belgium	5 903	6 230	51	146,79	232,90	174,11	168,57
United Kingdom	6 664	89 693	93	186,23	203,41	204,40	183,17
Ireland	-	416	100	-	-	252,89	239,25
Spain	-	25 548	100	-	-	155,73	116,16
Portugal	41	-	-	-	-	-	-

(1) Unsold quantities are not included.

EXPLANATORY MEMORANDUM

On the basis of the attached Commission report on production and marketing of hops of the 1992 harvest it is proposed that the Council adopt the attached proposal for a Regulation setting aid to hop growers for that harvest at the following levels:

- aromatic varieties	ECU 365/ha
- bitter varieties	ECU 400/ha
- other varieties	ECU 280/ha
- experimental varieties	ECU 280/ha.

The proposal takes account of changes in returns and production costs from the 1991 harvest for the several variety groups, with experimental varieties receiving the same aid as 'other varieties'.

While average production costs are more or less the same as for 1991 (ECU 7 696/ha, a 1.45% reduction) average returns per hectare altered considerably. For aromatic and bitter varieties they fell by 8.8% and 20.07% respectively to ECU 5 339/ha and ECU 4 328/ha while for 'other varieties' they rose by 16.74% to ECU 3 948/ha.

The proposal is therefore for proportionate rises in the aid for aromatic and bitter varieties and a proportionate reduction in that for other varieties (to which experimental varieties are linked).

By comparison with the 1991 harvest the average aid rate for all varieties together increases by 12.06% (from ECU 340/ha to ECU 381/ha).

The cost of the proposal to the EAGGF Guarantee Section is estimated at ECU 13.1 million.

Proposal for a
COUNCIL REGULATION (EEC) No ..../93
of

laying down, in respect of hops, the amount of aid
to producers for the 1992 harvest

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 1696/71 of 26 July 1971 on the common organization of the market in hops(1), as last amended by Regulation (EEC) No 3124/92(2), and in particular Article 12(7) thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament(3),

Whereas Article 12 of Regulation (EEC) No 1696/71 provides that aid may be granted to hop producers to enable them to achieve a fair income; whereas the amount of this aid is fixed per hectare and differs according to varieties, taking into account the average return on the areas in full production compared with the average returns for previous harvests, the current position of the market and trends in costs;

Whereas Article 12a of the same Regulation provides that aid to producers may also be granted for areas cultivated with experimental strains in order to facilitate the development of new varieties;

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(1) OJ No L 175, 04.08.1971, p. 1
(2) OJ No L 313, 26.10.1992, p. 1
(3) OJ No C

Whereas an examination of the results of the 1992 harvest shows the need to fix aid for groups of varieties of hops cultivated in the Community; whereas aid to producers shall also be granted for areas cultivated with experimental strains,

HAS ADOPTED THIS REGULATION :

Article 1

1. For the 1992 harvest, aid shall be granted to the producers of hops cultivated in the Community for the groups of varieties set out in the Annex as well as for experimental strains.

2. The amount of the aid shall be as set out in the Annex.

Article 2

This Regulation shall enter into force on the third 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,

For the Council,
The President

A N N E X

Aid to hop producers for the 1992 harvest

Group of varieties	Aid amount (ECU/ha)
Aromatic	365
Bitter	400
Other	280
Experimental strains	280

FINANCIAL STATEMENT

[redacted] [redacted]

DATE: [redacted]

1. BUDGET HEADING: 181 (Supplementary amending preliminary draft budget 93)

APPROPRIATIONS: ECU 14 million (B)

2. TITLE: Proposal for a Council Regulation laying down, in respect of hops, the amount of aid to producers for the 1992 harvest

3. LEGAL BASIS: Article 43 of the Treaty and Regulation (EEC) No 1696/71

4. AIMS OF PROJECT:
To guarantee a fair income for hops producers

5. FINANCIAL IMPLICATIONS	Period of 12 months (ECU million)	Current Financial Year 1993 (ECU million)	Following Financial Year 1994 (ECU million)
5.0 EXPENDITURE			
– CHARGED TO THE EC BUDGET			
– (REFUNDS/INTERVENTION)	13.1	13.1	
– NATIONAL ADMINISTRATION			
– OTHER			
5.1 REVENUE			
– OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES)			
– NATIONAL			

	1995	1996	1997	1998
5.0.1 ESTIMATED EXPENDITURE	–	–	–	–
5.1.1 ESTIMATED REVENUE	–	–	–	–

5.2 METHOD OF CALCULATION:

15 720 ha x ECU 365/ha = ECU 5.74 million (A) x 1.205 (DR) = ECU 6.9 million (B)
12 626 ha x ECU 400/ha = ECU 5.05 million (A) x 1.205 (DR) = ECU 6.1 million (B)
208 ha x ECU 280/ha = ECU 0.06 million (A) x 1.205 (DR) = ECU 0.1 million (B)
TOTAL = ECU 10.85 million (A) x1.205 (DR) = ECU 13.1 million (B)

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 IS A SUPPLEMENTARY BUDGET NECESSARY?
NO

6.3 WILL FUTURE BUDGET APPROPRIATIONS BE NECESSARY? YES

OBSERVATIONS:
Expenditure of ECU 11.9 million has already been incurred under the 1993 budget for aid with respect to the 1991 harvest. Since the appropriations for 1993 amount to ECU 14 million, if the measure is to be financed in 1993 additional appropriations will be needed.

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DOCUMENTS

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