

# COMMISSION OF THE EUROPEAN COMMUNITIES

COM(93) 169 final

Brussels, 21 April 1993

SUPPLEMENTARY REPORT TO THE  
REPORT COM(93)109 FINAL FROM THE COMMISSION TO THE  
COUNCIL ON THE PROGRESS MADE BY  
SPAIN, GREECE AND ITALY  
IN THE EFFECTIVE APPLICATION OF THE  
MILK QUOTA SCHEME  
(at 16 April 1993)

(presented by the Commission)

## INTRODUCTION

In document COM (93) 109 (final), dated 9 March 1993, the Commission presented its report on the progress made by Greece, Spain and Italy in the application of the milk quota scheme at 5 March 1993, in which it concluded that, whereas Spain had made all the progress which could reasonably be expected towards fulfilling the conditions of the Council's agreement of 21 May 1992 concerning an increase in the guaranteed total quantities, further progress was required of Greece and Italy, particularly in view of the short time which had been available to the latter since the Council's agreement in its respect on 16 December 1992.

During its meeting of 17 March 1993, the Council adopted the statement attached in annex 1.

This document presents a report on the progress made by Greece and Italy at 16 April 1993 towards fulfilling the remaining conditions set out in the conclusions to document COM (93) 109 final. This report is based on the documents communicated by the two Member States and on the visits made to their central and regional authorities by Commission departments between 30 March and 16 April 1993 (annex 2).

## GREECE

The progress made by Greece since 5 March 1993 regarding each condition is the following :

- a) individual reference quantities have to be calculated on the basis of deliveries to purchasers in 1991/92, and individual fat reference quantities established.

Following the Commission's remarks, the Greek authorities have modified their procedure for establishing the individual reference quantities and fat contents, which are now based on the dairies' records of the actual deliveries and their fat content for the 1991/92 year. The 120 dairies concerned sent this information to the Regional Agricultural Directorates by 10 April 1993, and at the same time informed each producer.

- b) individual reference quantities have to be notified to each producer, and communicated to the purchasers.

By 10 April 1993, each of the 30,000 producers was notified of his individual reference quantity and fat content by the purchasers valid for the 1992/93 year. The Milk Board referred to in the following paragraph will notify increased quantities for the 1993/94 year once the increase in quota is granted by the Council. Notification concerns only deliveries to the milk industry, and not sales direct to consumers, which are officially discouraged.

- c) a central agency must be established and equipped to verify the production records and the collection of levies due.

The law establishing the Milk Board (ELOG) was adopted by Parliament on 17 March 1993. Its composition includes representatives of the Agricultural and Finance Ministries, as required by the Council's conditions, and it has amongst its competences the management of the quota system. Its starting capital of 55 mio DRA is granted by the Ministry of Agriculture. Its chairman has been appointed, and a staff complement of 14 authorised. The Board commenced operations on 1 April 1993 in Thessaloniki.

- d) an adequate record of production must be established both locally and centrally.

The constitution of a central record is the responsibility of the newly created Milk Board, which receives copies of the declarations of deliveries from the milk industry, and a contract has been signed with an external body for the development of a computerised monitoring system. The Regional Directorates continue their role of supervision and control.

#### ITALY

The progress made by Italy since 5 March 1993 regarding each condition is the following :

- a) adoption of the implementing regulations.

The Minister of Agriculture published in the Italian Official Journal on 29 March 1993 instructions which contain the essential implementing measures required for the milk quota scheme to be applied from 1 April 1993, in particular concerning the fat content, the accounting requirements in respect of purchasers and producers, and the procedures regarding producers who sell to more than one purchaser, or who pass on their title to the quota, the recognition of purchasers and the control over the transport of milk. The implementing regulation will replace these instructions once they are adopted by the Council of State.

- b) notification to each producer of the individual reference quantities and communication of these to the purchasers.

The definitive individual reference quantities were fixed by AIMA on 31 March 1993 and communicated to the Regional authorities who publish them in regional "bollettini". Each of the 170,000 producers is being informed of his quotas, for both deliveries and direct sales, by registered letter. The posting of these communications was completed on 16 April 1993.

The purchasers receive copies of the "bollettini" containing the quota information.

- c) establishment of a central agency for the effective verification of the quantities declared and of the quantities on which levies are charged.

On 16 April 1993, the existing central paying agency, AIMA, was given by the Minister of Agriculture the responsibility and authority for monitoring the production and delivery of milk, for ensuring the coordination of the controls delegated to the regional authorities, and for verifying that these controls are properly executed. The terms of this decision are those proposed by the Commission departments.

AIMA has instructed a computer consultant to develop a control system for recording and cross-checking the information on production and deliveries, to be accessible both centrally and by the regional authorities.

AIMA has also instructed an external agency, that responsible for the verification of the Integrated Control System, to assist it in its task of monitoring the implementation of the quota scheme. Recourse by AIMA to such external agencies has in recent years successfully reinforced controls over EAGGF subsidy claims in the sectors of arable crops and tobacco.

#### CONCLUSIONS AND PROPOSAL

Greece and Italy have, like Spain, now adopted the measures necessary for the milk quota scheme to be applied, having fully collaborated in meeting the Commission's requirements.

The Commission considers that it has now sufficient evidence that the conditions laid down in the Council's agreements of 21 May and 16 December 1992 for a proper application of the scheme in the 1993/94 marketing year by all three of these Member States are satisfied,

It is however important that the measures are applied in practice. The Commission will closely monitor the implementation during the 1993/94 marketing year of the measures adopted in order to verify that they operate as intended, that all the detailed undertakings mentioned in the earlier report are completed, and in particular that all levies due are indeed collected. It will submit, as proposed, a further report to the Council in March 1994.

Consequently, the Commission concludes that the envisaged increases in guaranteed quantities concerning milk deliveries should be provisionally granted to each of the three Member States concerned for the 1993/94 marketing year, and will propose in March 1994 whether the increased quotas should be continued in 1994/95 and subsequent years.

In light of the above conclusions, the second paragraph of article 3 in the amended proposal for a Council Regulation establishing an additional levy in the milk products sector (Doc. COM (93) 109 Final p.16), should be replaced by the following :

- "2. The guaranteed total quantities shall be as set out below, without prejudice to any revision in the light of the overall market situation and the particular situation in certain Member States :

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Member States	Deliveries (tonnes)	Direct Sales (t)
Belgium	2 919 720	373 193
Denmark	4 427 830	951
Germany (1)	27 549 481	150 038
Greece	625 985	4 528
Spain	5 200 000	366 950
France	23 362 797	732 824
Ireland	5 199 358	15 210
Italy	9 212 190	717 870
Luxembourg	266 499	951
Netherlands	10 906 664	102 307
Portugal	1 743 420	118 580
United Kingdom	14 112 504	392 868

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- (1) of which 6 157 620 tonnes covers deliveries to purchasers established in the territory of the new Länder and 58 801 tonnes covers direct sales in the new Länder.

The increases in the total quantities granted for Greece, Spain and Italy are hereby fixed for the 1993/94 period. "

## COUNCIL STATEMENT

The Council declares, that when taking a final decision on the quotas for 1993/1994, a decision, respecting the conclusion of the Council of 21 May 1992, will also be taken on the Commission proposal on the additional quota for Spain (doc. COM(93) 109 final).

The Council will, whilst respecting the Council conclusion of 21 May 1992 and 17 December 1992, also take a decision on an additional quota for Italy and Greece, based on a report and proposals from the Commission, as well as on other questions already raised by delegations..

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**MISSIONS CONDUCTED IN GREECE AND ITALY  
SINCE 5 MARCH 1993**

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**GREECE :**

1 and 2 April 1993 : Athens : Ministry of Agriculture and  
DIDAGEP

14 to 16 April 1993 : Athens : Ministry of Agriculture

Thessaloniki : Regional Directorate, ELOG,  
dairy

**ITALY**

30-31 March 1993 : Rome : Ministry of Agriculture, AIMA

13-16 April 1993 : Milano and Bergamo : Regional and provincial  
authorities, 2 dairies

Rome : Ministry of Agriculture, AIMA,  
producers

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# DOCUMENTS

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