



COMMISSION OF THE EUROPEAN COMMUNITIES

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**REPORT FROM THE COMMISSION TO THE COUNCIL**

**on the quota system for the production of potato starch**

Proposal for a

**COUNCIL REGULATION**

**amending Regulation (EC) No 1868/94 establishing a quota system  
in relation to the production of potato starch**

(presented by the Commission)

# REPORT FROM THE COMMISSION TO THE COUNCIL

## on the quota system for the production of potato starch

### 1. INTRODUCTION

Potato starch is a direct competitor of cereal starch, which is produced mostly from maize and wheat.

The introduction of set-aside in the cereals sector, together with an increase in the production of potato starch in the early 1990s, led the Council to introduce a quota system, which limited the production of potato starch from the 1995/96 marketing year onwards (Regulation (EC) No 1868/94 of 27 July 1994<sup>1</sup>).

The current quotas were fixed by Regulation (EC) No 941/2005 until the end of the 2006/07 marketing year (30 June 2007).

Under Article 3(1) of Council Regulation (EC) No 1868/94, on or before 30 September 2006 the Commission must present to the Council a report on the allocation of quota within the Community, accompanied by appropriate proposals.

This report must take account of possible changes in the payments to potato producers and of developments on the potato starch and cereal starch markets.

Under Article 3(2) of Regulation (EC) No 1868/94, on or before 31 December 2006 the Council, acting on the basis of Article 37 of the Treaty, shall allocate the quota between Member States on the basis of the report referred to in Article 3(1) of Regulation (EC) No 1868/94 for use in the following three marketing years.

### 2. THE QUOTA SYSTEM

The quota system has the following main features:

- quantities are fixed per Member State and then allocated by the Member States to potato starch manufacturers, in the form of sub-quota. As described in Section 4, potato producers receive a payment per tonne of starch in the potatoes delivered to the starch manufacturers, within the limit of the sub-quotas;
- potato starch manufacturers receive a premium based on their sub-quota to offset certain structural disadvantages compared with cereal starch producers (fewer by-products to sell, shorter manufacturing period, high anti-pollution costs, etc.). Payment of the premium is subject to the condition that manufacturers pay the minimum price to producers of potatoes intended for potato starch manufacture. Potato producers and potato starch manufacturers must conclude cultivation contracts each year to prevent any overrun of the sub-quota. These contracts state in particular the projected quantity of starch to be delivered and the minimum price to be paid by the manufacturer. A starch manufacturer may not take delivery of potatoes that are not covered by a cultivation contract;

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<sup>1</sup> OJ L 197, 30.7.1994, p. 4. Regulation as last amended by Regulation (EC) No 941/2005 (OJ L 159, 22.6.2005, p. 1).

- in order to take into account variations in yield caused by weather conditions, in a single marketing year each starch manufacturer may use up to 5% of his allocated quota, in addition to his quota for the marketing year concerned. The quota for the following year is then reduced accordingly;
- apart from this 5% flexibility clause, any potato starch produced in excess of the sub-quota must be exported from the Community, in its unaltered state and without a refund, before 1 January following the end of the marketing year in question. The minimum price must have been paid for this quantity, but no premium for it is paid to the starch manufacturer and no payment of aid is made to the potato producers for the excess amount.

Detailed implementing rules for the quota system are laid down in Commission Regulations (EC) No 2235/2003<sup>2</sup> and (EC) No 2236/2003<sup>3</sup> which clarify issues such as the introduction of cultivation contracts, the minimum starch content of potatoes, the determination of the weight and starch content of potatoes on delivery to potato starch manufacturers, rules on exports without a refund, inspection arrangements and penalties, rules applicable to mergers, changes of ownership and the commencement or termination of commercial activities by potato starch manufacturers.

### **3. ENLARGEMENT**

Since the 2004/05 marketing year six new Member States have been involved in the quota system for potato starch. They share a total quota of 186 613 tonnes, of which 78% goes to Poland, 18% to the Czech Republic, and 4% is divided between Estonia, Latvia, Lithuania and Slovakia.

With the same method that was used to establish the quotas for the existing Member States, the allocation of potato starch quota was based on traditional potato starch production, taking an average of the three reference years (1999–2001 except for Lithuania, where the years 1998–2000 were used). As irreversible investments made before 1 February, 2002 were also taken into account the Czech Republic was allocated a quota of 140% of its average historic production, Estonia 243%, Latvia 106%, Lithuania 112% and Poland 135%.

As a result, the EU quota has increased by 11%, from 1.762 million tonnes (EU-15) to 1.949 million tonnes (EU-25).

### **4. DIRECT PAYMENTS UNDER THE 2003 CAP REFORM**

Starch potato farmers are eligible for direct payments. These are granted only for the quantity of potatoes covered by a cultivation contract between the starch potato producer and starch manufacturer, within the limit of the quotas allocated to potato starch manufacturers, in accordance with Regulation (EC) No 1868/94.

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<sup>2</sup> Commission Regulation (EC) No 2235/2003 of 23 December 2003 laying down common rules for the application of Council Regulations (EC) No 1782/2003 and (EC) No 1868/94 as regards potato starch (OJ L 339, 24.12.2003, p. 36).

<sup>3</sup> Commission Regulation (EC) No 2236/2003 of 23 December 2003 laying down detailed rules for the application of Council Regulation (EC) No 1868/94 establishing a quota system in relation to the production of potato starch (OJ L 339, 24.12.2003, p. 45).

In order to maintain starch potato production in traditional areas of production and to recognise the role of potato production in the rotation of crops, partial decoupling has been adopted in this sector. 60% of the aid<sup>4</sup> has been retained as aid for farmers producing potatoes intended for the manufacture of potato starch, as defined in Articles 93 and 94 of Council Regulation (EC) No 1782/2003<sup>5</sup> and 40% has been decoupled and included in the single farm payment scheme, based on deliveries over a historical period to potato starch manufacturers.

For the 2004/2005 marketing year, the aid was EUR 110.54 per tonne of starch. For the 2005/06 marketing year, the amount of coupled aid depends on each Member State's decision concerning the introduction of decoupling.

Austria, Denmark, Germany and Sweden decided to introduce the Single Payment Scheme and decoupling already from 2005. In these countries the coupled part of the aid for potato starch was therefore reduced to EUR 66.32/t as from 2005. The other EU-15 Member States producing potato starch – Finland, France, the Netherlands and Spain – decided to introduce the Single Payment Scheme in 2006. Therefore, in 2005, the "old" level of support (EUR 110.54/t) was paid as coupled aid.

From the 2006/2007 marketing year, all potato starch producing countries in the EU-15 will have implemented the Single Payment Scheme, with a coupled potato starch aid of EUR 66.32/t.

All six new Member States that were allocated potato starch quota during the accession negotiations are currently applying the Single Area Payment Scheme (SAPS).

In addition, the six new Member States have the possibility, subject to authorisation by the Commission, of granting Complementary National Direct Payments (CNDPs) from their national budget (with a possibility of co-financing from EU rural development money).

In 2004, 2005 and 2006 only the Czech Republic, Latvia and Poland requested authorisation of such complementary national payments specifically for potato starch. Lithuania decided that the complementary national payment for starch potatoes should be at the same level as for other arable crops and therefore no specific envelope for potato starch was set up.

## 5. ECONOMIC CONDITIONS ON THE STARCH MARKET

Tables A and B annexed to this report show the development of the production of potato starch within the context of the quota arrangements, and the different quotas fixed by Member State.

Since the introduction of the production quotas by Member State in 1995 and the incorporation the following year of the German reserve (reunification), EU production of potato starch has been stable, with variations due to weather conditions, which have a strong influence on potato yield and starch content.

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<sup>4</sup> See Article 43 of and Annex VII to Regulation (EC) No 1782/2003.

<sup>5</sup> Council Regulation (EC) No 1782/2003 of 29 September 2003 establishing common rules for direct support schemes under the common agricultural policy and establishing support schemes for farmers (OJ L 270, 21.10.2003, p. 1).

Three reports<sup>6</sup> have been submitted to the Council and to the Parliament, accompanied by a proposal to extend the quotas. As part of the Agenda 2000 reform package, the Council decided to reduce the quotas in 2000/01 and 2001/02 in return for a higher level of compensation for starch potatoes than for cereals (75% of the cut in prices against 48.4% for cereals) while ensuring budget neutrality. Table 1 shows the development of potato starch production for EU-15 as a whole, compared with the quota. Except for 1998/99 and 2003/04 (unfavourable weather conditions) EU production remained close to the quota fixed.

**Table 1 – Development of potato starch production and EU basic quota**

*'000 tonnes*

	1998/99	1999/2000	2000/01	2001/02	2002/03	2003/04	2004/05*	2005/06*
PRODUCTION	1 660.5	1 804.8	1 849.7	1 601.1	1 684.8	1 461.9	1 998.3	1 899.4
QUOTA	1 864.3	1 864.3	1 814.2	1 762.1	1 762.1	1 762.1	1 948.8	1 948.8
Ratio production/quota	89%	97%	102%	91%	96%	83%	103%	97%

\* EU-25

While potato starch production has been stable due to the quota limitation, total starch production in the Community (from wheat, maize and potatoes) has increased by approximately 4% per year on average since 1995/96. This growth is mainly due to increases in wheat starch, while the share of potato starch in the total starch market has steadily decreased and now represents 20 % of the total starch production.

The structure of the industry differs between the Member States. Production is very concentrated in most of the old Member States (around 17 manufacturers share 1.8 million tonnes of quota) while in the new Member States manufacturers tend to be smaller (around 16 share 0.2 million tonnes of quota). Some of the starch producing undertakings are fully or partially owned by farmers.

## **6. DEVELOPMENT OF THE CEREAL AND POTATO STARCH SECTOR**

### **6.1. Trade flows of cereal starch and potato starch**

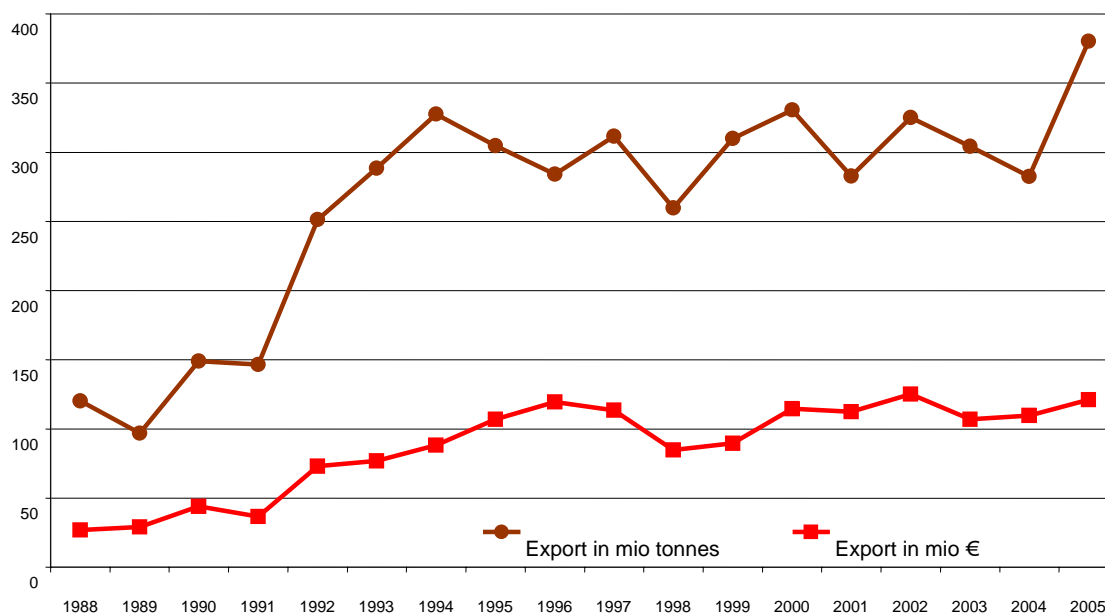
Before the last enlargement, there were some imports of potato starch from the PECO's; since 2005, the imported quantities are negligible.

The world market constitutes an important outlet for the EU cereal starch and potato starch sector, including starch-derived products. About 40% of the potato starch produced is exported to countries outside the EU.

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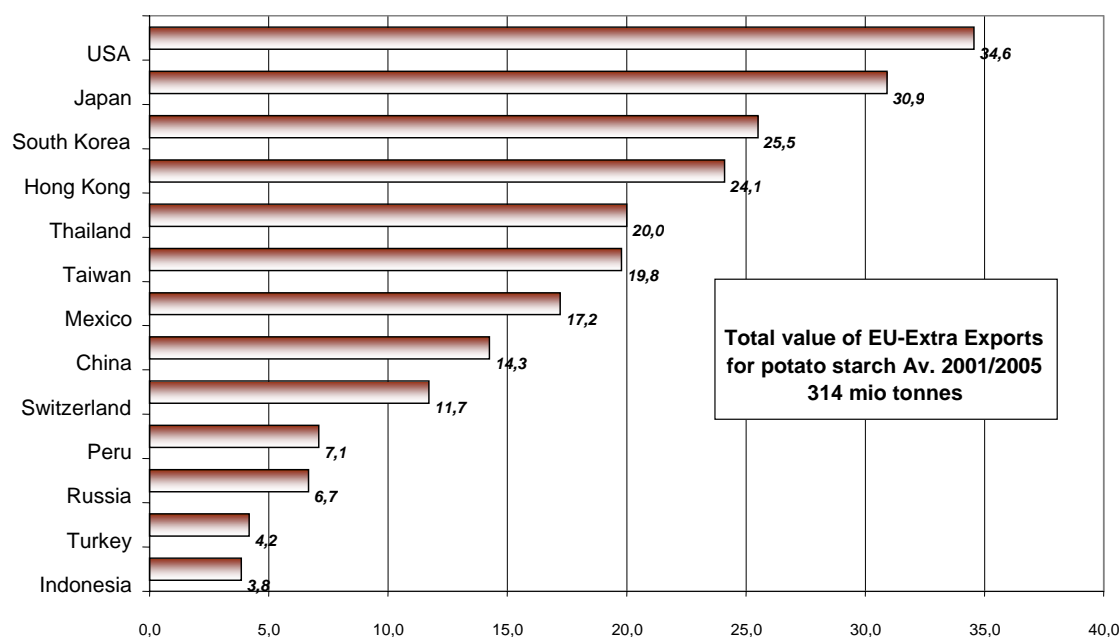
<sup>6</sup> COM(1997) 576 final of 11.11.1997: 1998/99, 1999/2000 and 2000/01 quotas.; COM(2001) 677 final of 16.11.2001: 2002/03, 2003/04 and 2004/05 quotas. COM(2004) 772 final of 6.12.2004: 2005/06 and 2006/07 quotas.

**Table 2 – EU external exports of potato starch**



While the quantity exported increased by 35% between 2004 and 2005, the export value increased by only 11%. This confirms the information given by industry sources, which claim that there is currently only a small premium on the market for potato starch, despite the fact that potato starch is purer and of a higher quality than cereal starches, because it has the lowest fat and protein content and is without colour, taste or smell.

**Table 3: Potato starch – Main EU export partners in Mio tonnes – average 2001/2005**



## 6.2. Production of cereal starch and potato starch

The production of cereal and potato starch in the Community has grown by around 2% a year on average since 1998/99, largely to the benefit of wheat starch. Since production of potato starch has been limited by the quota system, the share of potato starch in starch production as a whole is declining, and is currently around 20%.

**Table 4 – Development of potato starch and cereal starch production in the EU**

*million tonnes*

Production of cereal and potato starch		1998/1999	1999/2000	2000/2001	2001/2002	2002/2003	2003/2004	2004/2005**
Type of starch	Maize	3.7	3.7	3.9	4.0	4.0	4.0	4.0
	%	48%	46%	45%	46%	45%	46%	43%
	Wheat	2.2	2.4	2.8	3.0	3.0	3.1	3.3
	%	29%	30%	32%	34%	34%	36%	35%
	Potato	1.8	1.9	2.0	1.8	1.9	1.6	2.0
	%	23%	24%	23%	20%	21%	18%	21%
	TOTAL	7.7	8.0	8.7	8.8	8.9	8.7	9.4
	%	100%	100%	100%	100%	100%	100%	100%
Annual rate of change		1.3%	3.9%	8.7%	0.6%	1.1%	-1.7%	9.3%

\*\* EU-25

estimates for cereal starch based on data supplied by AAC (Association of the Cereal Starch Industries of the EU),

estimates for potato starch: notifications from the Member States under Article 20 of Regulation (EC) No 97/95, including production outside the quotas

## 7. CONCLUDING REMARKS

In the Council meeting on 30 May 2005 when the roll-over of the existing quotas for two years was decided, the Commission made the following declaration:

The Commission is prepared to look into the requests of Poland and Lithuania to revise their potato starch quotas, in the context of future arrangements after the two year extension of the present quotas.

Some key events have taken place since the last report, in particular:

- the incorporation of starch potatoes into the Single Farm Payment has modified the economic incentive for starch potato producers, whose income is now less dependant on this crop;
- WTO negotiations are likely to lead to a reduction in export refunds and a decrease in the import duties for tapioca-starch, so increasing the availability of starch on the EU market;
- the reform of the sugar sector, where prices will be substantially reduced during a transitional period and also competition will intensify between sweeteners based on cereal starch and out-of-quota sugar to supply the chemical and fermentation industry. This could have a cascading effect on the starch market, leading to additional pressure also on the potato starch market.

The impact of these events will need to be assessed.

Development in the export market also point to an over-supply of the European potato starch market. Therefore, all measures that might increase production in the EU should currently be avoided.

Given the increase of competitive pressure on the starch market and the decoupling of payments to starch potato producers, it is questionable whether the static quota system, with minimum prices, can guarantee the sector's long-term survival.

However, because the possible effects will only be felt in the next few years, it is not advisable to change the potato starch quota system now, but to include it in the review of the Single Payment Scheme, planned for 2008.

Pending this review, and in the light of this report, in particular as regards the market balance between potato starch and cereal starch and the situation on the export market, the Commission proposes a rollover of the quotas currently fixed for 2006/07 for a further two years (2007/08 and 2008/09 marketing years).

## **LEGAL REFERENCES**

### **Direct payments and decoupling**

Council Regulation (EC) No 1782/2003 (OJ L 270, 21.10.2003, p. 1)

Commission Regulation (EC) No 2237/2003 (OJ L 339, 24.12.2003, p. 52);

### **Potato starch**

Council Regulation (EEC) No 1868/94 (OJ L 197, 30.7.1994, p. 4)

Commission Regulation (EC) No 2235/2003 (OJ L 339, 24.12.2003, p. 36)

Commission Regulation (EC) No 2236/2003 (OJ L 339, 24.12.2003, p. 45);

until 30 June 2007:

Commission Regulation (EC) No 941/2005 (OJ L 159, 22.6.2005, p. 1).



## ANNEX

**Table A – Development of the production of potato starch  
within the context of the quota arrangements**

*'000 tonnes*

PRODUCTION	2000/2001	2001/2002	2002/2003	2003/2004	2004/2005	2005/2006
Denmark	180.2	168.8	166.8	161.4	175.2	168.0
Germany	698.2	619.9	630.2	515.6	682.3	650.0
Spain	–	–	–	–	0.1	0
France	274.2	217.4	271.6	253.8	268.8	259.2
Netherlands	528.4	443.7	458.6	401.3	524.3	499.4
Austria	48.1	43.6	40.1	31.9	46.4	50.1
Finland	54.5	51.9	55.8	39.0	45.2	51.3
Sweden	66.1	55.7	61.5	58.9	65.1	62.0
<b>TOTAL EU-15</b>	<b>1 849.7</b>	<b>1 601.1</b>	<b>1 684.8</b>	<b>1 461.9</b>	<b>1 817.5</b>	<b>1 739.9</b>
Czech Republic					33.5	34.3
Estonia					0.3	0.3
Latvia					5.8	4.7
Lithuania					0.8	–
Poland					150.4	120.2
Slovakia					–	–
<b>TOTAL EU-10</b>					<b>190.7</b>	<b>159.5</b>
<b>TOTAL EU-25</b>					<b>1 998.3</b>	<b>1 899.4</b>

(1) as laid down in Regulations (EC) No 1868/94 and (EC) No 97/95, including the maximum 5% flexibility, not including quantities exported without a refund.

Source: Member State notifications under Article 20 of Regulation (EC) No 97/95.

**Table B – Development of quotas fixed for the production of potato starch***'000 tonnes*

PRODUCTION	2000/2001	2001/2002 until 2003/2004	2004/2005 until 2006/2007
Denmark	173.4	168.2	168.2
Germany	676.7	656.3	656.3
Spain	2.0	1.9	1.9
France	273.6	265.4	265.4
Netherlands	523.2	507.4	507.4
Austria	48.4	47.7	47.7
Finland	54.0	53.2	53.2
Sweden	63.0	62.1	62.1
<b>TOTAL EU-15</b>	<b>1 814.237</b>	<b>1 762.148</b>	<b>1 762.148</b>
Czech Republic			33.7
Estonia			0.3
Latvia			5.8
Lithuania			1.2
Poland			145.0
Slovakia			0.7
<b>TOTAL EU-10</b>			<b>186.613</b>
<b>TOTAL EU-25</b>			<b>1 948.761</b>

Reference: Council Regulation (EC) No 1868/94.

## EXPLANATORY MEMORANDUM

### **1. CONTEXT OF THE PROPOSAL**

#### **1.1. General context**

Council Regulation (EC) No 1868/94 establishes a quota system for the production of potato starch and foresees a periodic report on the functioning of the system, accompanied by a legislative proposal.

#### **1.2. Grounds for the proposal**

Regulation (EC) No 941/2005 amends Regulation (EC) No 1868/94 with the purpose of fixing the quota for the 2005/2006 and 2006/2007 marketing years and foresees that the Commission shall present another report on the allocation of quota within the Community, accompanied by appropriate proposals.

#### **1.3. Objectives and main content of the proposal**

On the basis of the report from the Commission to the Council, the proposal concerns a roll-over of the current quotas for 2007/2008 and 2008/2009, in order to analyse the repercussions of the reform of the sugar sector on the starch market.

### **2. CONSULTATION OF INTERESTED PARTIES AND IMPACT ASSESSMENT**

#### **2.1. Consultation of interested parties**

The Commission has carried an extensive consultation of the starch industry (producers as well as the growers) via the Association des Amidonniers et Féculiers (AAF) – European Starch Association a.i.s.b.l.

In addition, a Consultative Committee on starch, which is held at least once per year, last took place on October 20, 2006.

#### **2.2. Collection and use of expertise**

Extensive use has been made of the Commission's internal analysis of production statistics and trade developments.

#### **2.3. Impact assessment**

Because of the expected repercussions of the sugar reform on the starch market, it was decided to opt for another roll-over of the current system and include the in-depth assessment of the sector in the framework of the Single Payment Scheme review, as requested by the Council in June 2003, which will take place in 2008.

### **3. LEGAL ELEMENTS OF THE PROPOSAL**

#### **3.1. Summary of the proposed action**

The proposal consists of a report and a proposal for a Regulation of the Council amending Regulation (EC) No 1868/94 establishing a quota system in relation to the production of potato starch.

#### **3.2. Legal basis**

Article 3 of Regulation (EC) No 1868/94 establishing a quota system in relation to the production of potato starch obliges the Commission to present a report on the allocation of the quota, accompanied by appropriate proposals, to the Council.

#### **3.3. Subsidiarity and proportionality principle**

In accordance with its legal basis, the proposal will address the challenges identified in a proportionate manner and in accordance with the subsidiarity principle.

#### **3.4. Choice of instruments**

The proposal should take the form of a regulation.

### **4. BUDGETARY IMPLICATIONS**

The quotas remain stable at 1 948 761 tonnes and the starch premium is set out at EUR 22,25 per tonne (Article 5 of Council Regulation No 1868/94). This leads to a total expenditure for each marketing year (2007/08 and 2008/09) of 1 948 761 tonnes multiplied with EUR 22,25 per tonne, resulting in EUR 43,4 million for each of the two marketing years concerned.

### **5. ADDITIONAL INFORMATION**

#### **5.1. Review clause**

The proposal includes a review clause under which the Commission will report on the implementation of the Regulation and make any appropriate proposal for its amendment before 1 January 2009.

Proposal for a

**COUNCIL REGULATION**

**amending Regulation (EC) No 1868/94 establishing a quota system  
in relation to the production of potato starch**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 37 thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament<sup>7</sup>,

Whereas:

- (1) The Annex to Council Regulation (EC) No 1868/94<sup>8</sup> fixes the potato starch quotas for producer Member States for the 2005/2006 and 2006/2007 marketing years.
- (2) In accordance with Article 3(2) of Regulation (EC) No 1868/94 the allocation of quota within the Community is based on a report from the Commission to the Council. According to the report presented to the Council the recent reform of the common market organisation in the sugar sector should be taken into account in the analysis of developments on the starch market. However the sugar reform would become fully applicable gradually over a transitional period therefore, pending indication of the initial effects of this reform on the sector of potato starch, the quotas for the 2006/2007 marketing year should be rolled over for two more years.
- (3) Producer Member States should allocate their quotas for a period of two years among all potato starch manufacturers on the basis of the quotas for the 2006/2007 marketing year.
- (4) Quantities used by potato starch manufacturers in excess of the sub-quotas available in the 2006/2007 marketing year should be deducted in the 2007/2008 marketing year in accordance with Article 6(2) of Regulation (EC) No 1868/94.
- (5) Regulation (EC) No 1868/94 should therefore be amended accordingly,

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<sup>7</sup> OJ C ..., ..., p. ....

<sup>8</sup> OJ L 197, 30.7.1994, p. 4. Regulation as last amended by Regulation (EC) No 941/2005 (OJ L 159, 22.6.2005, p. 1).

HAS ADOPTED THIS REGULATION:

*Article 1*

Regulation (EC) No 1868/94 is amended as follows:

(1) Articles 2 and 3 are replaced by the following:

*“Article 2*

1. The potato-starch producing Member States shall be allocated quotas for the 2007/2008 and 2008/2009 marketing years in accordance with the Annex.
2. Each producer Member State referred to in the Annex shall allocate its quota among potato-starch manufacturers for use in the 2007/2008 and 2008/2009 marketing years on the basis of the sub-quotas available to each manufacturer in 2006/2007, subject to application of the second subparagraph.

The sub-quotas available for each manufacturer for the 2007/2008 marketing year shall be adjusted to take account of any amount used in excess of quota during the 2006/2007 marketing year in accordance with Article 6(2).

*Article 3*

The Commission shall present the Council, before 1 January 2009, with a report on the functioning of the quota system within the Community, accompanied by appropriate proposals. This report shall take account of developments on the potato starch and cereal starch markets.”

(2) The Annex is replaced by the text in the Annex to this Regulation.

*Article 2*

This Regulation shall enter into force on the third day following that of its publication in the *Official Journal of the European Union*.

It shall apply from 1 July 2007.

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

Done at Brussels, ...

*For the Council  
The President*

**ANNEX**

**Potato starch quotas for the 2007/2008 and 2008/2009 marketing years**

*(tonnes)*

Czech Republic	33 660
Denmark	168 215
Germany	656 298
Estonia	250
Spain	1 943
France	265 354
Latvia	5 778
Lithuania	1 211
Netherlands	507 403
Austria	47 691
Poland	144 985
Slovakia	729
Finland	53 178
Sweden	62 066
<b>TOTAL</b>	<b>1 948 761</b>

# FINANCIAL STATEMENT

<b>FINANCIAL STATEMENT</b>				
1. BUDGET HEADING (nomenclature 2007):		APPROPRIATIONS PDB 2007:		
05 02 01 03		€7 million		
05 03 01 02		€2.111 million		
05 03 02 18		€12 million		
2. TITLE: Council Regulation amending Regulation (EC) No 1868/94 establishing a quota system in relation to the production of potato starch				
3. LEGAL BASIS: Article 37 of the Treaty				
4. AIMS: To make a roll-over of the current quota system for another two marketing years (2007/08 and 2008/09).				
5. FINANCIAL IMPLICATIONS	12 MONTH PERIOD (EUR million)	FINANCIAL YEAR 2007 (EUR million)	FINANCIAL YEAR 2008 (EUR million)	
5.0 EXPENDITURE		-	168,4	
- CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTIONS)				
- NATIONAL AUTHORITIES				
- OTHER				
5.1 REVENUE		-	-	
- OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES)				
- NATIONAL				
	2009	2010	2011	2012
5.0.1 ESTIMATED EXPENDITURE	170,4	-	-	-
5.1.1 ESTIMATED REVENUE				
5.2 METHOD OF CALCULATION: The quotas remain stable at 1 948 761 tons. - starch premium = €22,25 x 1 948 761 = €43,4 Mio in budget year 2008 and budget year 2009 - aid for starch potato (EU15) * = 1 762 148 x €66,32/t = €116,9 mio in budget years 2008 and 2009 - SAPS (EU-10) ** = 186.613 x €10,54/t x 40% = €7,3 mio in budget year 2008 186 613 x 110,54 x 50% = €10,3 mio in budget year 2009 Total budget year 2008: €168,4 mio Total budget year 2009: €170,4 mio.				
6.0	CAN THE PROJECT BE FINANCED FROM APPROPRIATIONS ENTERED IN THE RELEVANT CHAPTER OF THE CURRENT BUDGET?			YES NO
6.1	CAN THE PROJECT BE FINANCED BY TRANSFER BETWEEN CHAPTERS OF THE CURRENT BUDGET?			YES NO
6.2	WILL A SUPPLEMENTARY BUDGET BE NECESSARY?			YES NO
6.3	WILL APPROPRIATIONS NEED TO BE ENTERED IN FUTURE BUDGETS?			YES NO
OBSERVATIONS:				
* All potato starch producing countries in the EU 15 will implement the SPS during the marketing years 2007/08 and 2008/09, with a coupled potato starch aid of 66,32 €/t;				
** the assumption is that all six new member states that are allocated potato starch quota will go on applying the SAPS for the period concerned.				