

**ARCHIVES HISTORIQUES
DE LA COMMISSION**

**COLLECTION RELIEE DES
DOCUMENTS "COM"**

COM (81)383

Vol. 1981/0118

Historical Archives of the European Commission

Disclaimer

Conformément au règlement (CEE, Euratom) n° 354/83 du Conseil du 1er février 1983 concernant l'ouverture au public des archives historiques de la Communauté économique européenne et de la Communauté européenne de l'énergie atomique (JO L 43 du 15.2.1983, p. 1), tel que modifié par le règlement (CE, Euratom) n° 1700/2003 du 22 septembre 2003 (JO L 243 du 27.9.2003, p. 1), ce dossier est ouvert au public. Le cas échéant, les documents classifiés présents dans ce dossier ont été déclassifiés conformément à l'article 5 dudit règlement.

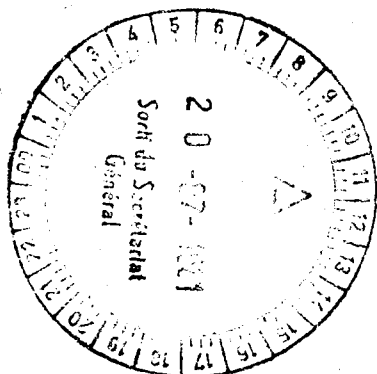
In accordance with Council Regulation (EEC, Euratom) No 354/83 of 1 February 1983 concerning the opening to the public of the historical archives of the European Economic Community and the European Atomic Energy Community (OJ L 43, 15.2.1983, p. 1), as amended by Regulation (EC, Euratom) No 1700/2003 of 22 September 2003 (OJ L 243, 27.9.2003, p. 1), this file is open to the public. Where necessary, classified documents in this file have been declassified in conformity with Article 5 of the aforementioned regulation.

In Übereinstimmung mit der Verordnung (EWG, Euratom) Nr. 354/83 des Rates vom 1. Februar 1983 über die Freigabe der historischen Archive der Europäischen Wirtschaftsgemeinschaft und der Europäischen Atomgemeinschaft (ABl. L 43 vom 15.2.1983, S. 1), geändert durch die Verordnung (EG, Euratom) Nr. 1700/2003 vom 22. September 2003 (ABl. L 243 vom 27.9.2003, S. 1), ist diese Datei der Öffentlichkeit zugänglich. Soweit erforderlich, wurden die Verschlussachen in dieser Datei in Übereinstimmung mit Artikel 5 der genannten Verordnung freigegeben.

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(81) 383 final

Brussels, 9 July 1981



Proposal for a
COUNCIL REGULATION (EEC)
laying down the general rules for the system of production aid for
dried figs and dried grapes

(submitted to the Council by the Commission)

COM(81) 383 final

Com 325

EXPLANATORY MEMORANDUM

The Act of Accession of Greece to the Community provides for the inclusion of dried figs and dried grapes (i.e. raisins) among the products covered by the common organization of the market in products processed from fruit and vegetables (Regulation EEC No 516/77).

It also provides that dried figs and dried grapes may qualify for a production aid system which may be identical to or different from the system currently applied to certain products processed from fruit and vegetables.

In the Regulation set out below, the Commission proposes the general rules for the aid system to be applied to dried figs and dried grapes.

The proposed system is similar to that which exists for certain other products in this sector but it has been modified to take account of the arrangements existing in Greece for the past 50 years and the particular characteristics of the two products in question.

Greece, which is the only producer Member State, produces about 130.000 T of raisins per year, of which 70.000 T are sultanas and about 60.000 T currants. Of these quantities Greece exports 125.000 T, of which 70.000 T (almost 60%) to the other Member States.

Greece produces 18.000 T of dried figs, of which about 10.000 T are exported, 3.500 T to the other Member States of the Community. Dried figs are not produced anywhere else in the Community except in small quantities in Italy where there is no system of market organization.

The national arrangements for these products in Greece guaranteed growers' incomes by the payment of a minimum price (supplemented by direct aid for figs) coupled with guaranteed sales through cooperatives which were eligible for State aid for their storage costs and any loss of income incurred on resale of the product.

Against this background it is proposed that growers' incomes should be guaranteed in future by ensuring that the price paid by purchasers of the unprocessed fruit is not less than the minimum price and that, provided those purchasers have paid the price in question, they will be eligible for aid.

This aid will take the form either of production aid for processors or of storage aid for approved cooperatives which buy the fruit without processing it.

Such cooperative must sell the unprocessed fruit to processors at a price at least equal to the purchase price.

However, if the market situation so requires, they could be authorized to sell the fruit by a tendering procedure subject to certain conditions, in which case any financial losses would be borne by the Community.

./.

To maintain product quality on the market, which was already defined and controlled under the national arrangements in Greece, the system of production and storage aid will apply only to unprocessed and processed fruit which complies with quality standards to be laid down at a later date.

It should be stressed, finally, that the provisions of the Regulation as regards calculation of the aid conform to the Council's decision calling for economies to be effected in the sector concerned, and providing in particular that the processing costs to be used for establishing the community cost price shall be those of the most competitive undertaking.

PROPOSAL FOR A COUNCIL REGULATION

laying down the general rules for the system of production aid for dried figs and dried grapes.

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 516/77 of 14 March 1977 on the common organization of the market in products processed from fruit and vegetables¹, as last amended by Regulation (EEC) No 1118/81², and in particular the second paragraph of Article 3d,

Having regard to the proposal from the Commission,

Whereas, following the accession of Greece to the Community, Article 3a (1) of Regulation (EEC) No 516/77 introduced a system of production aid for dried figs and dried grapes;

Whereas Article 3d of Regulation (EEC) No 516/77 provides that the detailed rules for the production aid arrangements may be identical to or different from those of the system of aid applicable to other processed products;

./.

¹ OJ L 73, 21.3.1977, p. 1

² OJ L 118, 30.4.1981, p. 10

Whereas a system of aid similar to that provided for other products should be adopted for the two products in question; whereas, however, certain detailed rules specific to these two products should be laid down in order to take account of their particular market situation and of arrangements existing beforehand in the producer Member States, in particular the system of State-financed storage which ensured growers guaranteed sales for their produce;

Whereas, in addition to aid for the grower, provision should be made for storage aid to be granted to approved agencies and compensation for any losses incurred by such agencies when selling products from storage to processors;

Whereas provision should be made for Member States to fix selling prices in order to ensure that sales by the approved agencies proceed without disturbing the market;

Whereas, in respect of currants, account should be taken of the fact that, in accordance with usual commercial practice, some of the product must be discarded at the processing stage in order to ensure that the finished product, having regard to its specific characteristics, is of satisfactory quality;

HAS ADOPTED THIS REGULATION :

Article 1

1. The system of production aid for dried figs and dried grapes shall apply from the beginning of the 1981/82 marketing year.
2. The marketing year shall run for dried figs from 15 August to 14 August and for dried grapes (currants and sultanas) from 1 September to 31 August.

Article 2

For direct sales from the grower to the processor, the system of production aid referred to in Article 1 shall be based on contracts binding, within the Community, growers or recognized groups or associations thereof and processors or legally constituted groups or associations thereof. These contracts, concluded for a minimum period to be determined, must specify the quantities of fruit to which they relate, the schedule for deliveries to processors and the price to be paid to growers according to the quality of the fruit to be delivered. For currants, the contract shall be valid only if it is accompanied by a statement by the grower or the recognized group or association to the effect that he or it undertakes not to deliver a quantity equal to or exceeding 5% of the quantities entered in the contract to any processor or to any agency referred to in Article 3.

Article 3

1. The quantities not covered by the contracts provided for in Article 2 may be sold by growers to agencies or legal or natural persons approved by the Member States concerned, hereinafter referred to as storage agencies.
2. Contracts concluded with storage agencies must specify the quantities and qualities of fruit which they cover and the price to be paid to growers according to the quality of the fruit delivered. For currants, the contract shall be valid only if it is accompanied by a statement by the grower or the recognized group or association to the effect that he or it undertakes not to deliver a quantity equal to or exceeding 5% of the quantities entered in the contract to any processor or agency.

Article 4

1. The contracts referred to in Articles 2 and 3 may relate only to fruit which complies with the quality standards and is intended for consumption.

2. For fruit delivered under such contracts :

- the processors shall pay to the growers a price not less than the minimum price;
- the purchasing agencies shall pay to the growers a price equal to the minimum price.

The minimum price shall be fixed for the pilot qualities determined respectively for dried grapes of the sultana variety and dried figs. The minimum price applicable to the other qualities, including currants, shall be derived from the minimum price for the pilot quality by the application of coefficients.

3. The minimum price shall be calculated for the first time on the basis of :

- a) - for dried grapes of the sultana variety the average of the prices paid by processors to growers during the preceding three marketing years under the national rules for the quality corresponding to that of the pilot product;
- for dried figs, the average of the prices paid by processors to growers for fruit of a quality corresponding to that of the pilot product during the preceding three marketing years, increased by the average of the aid provided for by the national rules during those same three marketing years.

b) the trend in production costs in the fruit and vegetable sector in 1980.

However, the above minimum price may not be lower than the prices paid to growers during the 1980/81 marketing year.

It shall be calculated on subsequent occasions having regard to :

- a) the minimum price in force during the preceding marketing year
- b) the trend in production costs in the fruit and vegetable sector.

Article 5

Where the Community production potential for a product referred to in Article 1 is likely to cause a major imbalance between the quantities produced and the quantities that can be sold, the Council, acting by a qualified majority, on a proposal from the Commission, may decide to limit the granting of the production aid to a specific quantity. This quantity shall be fixed in the light of average Community production in the most recent marketing years for which reliable data are available. The quantity may be adjusted for any changes in the quantities of the product that can be sold.

Article 6

1. The storage agencies shall sell to processors, at a price which does not disturb the market and which is not less than the minimum price, the quantities purchased pursuant to Article 3. In this connection, the Member States may fix the selling prices to be applied by the storage agencies. They shall notify the Commission as soon as they are fixed.

2. Should the market situation so require, it shall be decided in accordance with the procedure provided for in Article 20 of Regulation (EEC) No 516/77 that the storage agencies may sell products by tender, or at prices fixed in advance taking account of the state of the market.

3. Sales contracts as referred to in this Article shall stipulate the quantities which they cover, the timetable for deliveries and the price quality of the products.

4. Disposal of products purchased by the storage agencies shall take place under such conditions as will ensure equality of access to the goods and equality of treatment for purchasers.

Article 7

As soon as they are concluded, the contracts referred to in Articles 2, 3 and 6 shall be forwarded to those authorities of the Member State concerned which are responsible for supervising the performance of the said contracts.

Article 8

1. The amount of production aids shall be fixed at a level enabling Community products to be sold on the Community market and the export market, having regard to the price of Community products and the price of the products of non-member countries.

2. The price of Community products shall be established having regard to :
 - a) the minimum price referred to in Article 3;
 - b) the processing costs of the most efficient undertaking, exclusive of storage costs.
3. The prices of products from non-member countries shall be determined having regard to :
 - a) the free-at-frontier prices of imports into the Community, adjusted where appropriate on the basis of the price at which the Greek product was normally sold on the import markets of Community countries before Greece acceded to the Community.
 - b) the prices obtaining in international trade.

Article 9

1. Production aid shall be granted to processors who have concluded contracts in accordance with Articles 2 and 6 and who have not processed grapes into currants for the market in a quantity corresponding to at least 15% of the quantities covered by the contract.
2. Aid shall be paid, on application, to the interested parties as soon as the body designated by the Member State in which the processing is carried out has established that :
 - the processor has paid the grower or the storage agency a price not less than the minimum price for the quantities entered in the contract, and in accordance with the qualities effectively delivered, or has paid the storage agency the price entered in the contract following a sale by tender;
 - the fruit under contract has been processed or, in the case of currants, sold for other purposes in accordance with paragraph 1;
 - the products after processing comply with the quality standards in force.
3. For currants, the aid shall be paid only in respect of the quantities of fruit under contract which have been effectively processed into currants for the market.

Article 10

1. Storage aid shall be granted to storage agencies in respect of the quantities of fruit of Community origin ~~under the contracts referred to in Article 3~~ which they have purchased and the effective duration of storage of such fruit, which shall not extend beyond the end of the marketing year in which such quantities were purchased. However, where the market situation so requires, the prolongation of the storage of certain quantities into the following marketing year may be authorized in accordance with the procedure provided for in Article 20 of Regulation (EEC) No 516/77.
2. The amount of aid may cover only the technical storage costs and interest costs determined at a standard rate.
3. Where, pursuant to Article 6(2), the storage agency sells fruit to the processor at a price lower than the minimum price, adjusted for pilot quality, financial compensation shall be granted to the said agency. Compensation shall amount to the difference between the purchase and sale prices for the quantities in question. No account shall be taken of any price reduction resulting from deterioration in quality occurring during storage. Compensation shall further be reduced by any profit resulting from the difference between the purchase and sale prices for quantities sold pursuant to Article 6(1).

Article 11

The minimum price and the amount of production aid for dried figs and dried grapes and the amount of storage aid shall be fixed before the beginning of each marketing year.

Article 12

Member States shall communicate to the Commission, not later than one month after their adoption, the laws, regulations and administrative provisions adopted in implementation of this Regulation.

Article 13

Detailed rules for the application of this Regulation shall be adopted in accordance with the procedure laid down in Article 20 of Regulation (EEC) No 516/77.

The same procedure shall be followed for fixing, in respect of each of the products concerned, the following :

- the minimum price and the amount of production aid
- the storage aid
- the criteria for tendering.

Article 14

This Regulation shall enter into force on

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

Done at Brussels,

For the Council,

FINANCIAL STATEMENT

Date : 19 June 1981

1. BUDGET HEADING : Item 6822 (fruit and vegetables: processing aids)

APPROBIATIONS : 1981:475.3mio ECU (1)

2. TITLE : Draft Council Regulation setting general rules on production aid for dried grapes and dried figs

3. LEGAL BASIS : Regulation 516/77, Article 3d

4. AIMS OF PROJECT :

To set general rules for the application of Reg. 516/77 to the aid for processing dried figs and grapes, in accordance with the Act of Accession of Greece.

5. FINANCIAL IMPLICATIONS

- 5.0 EXPENDITURE
- CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTIONS)
- NATIONAL ADMINISTRATION
- OTHER
- 5.1 RECEIPTS
- = OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES)
- NATIONAL

PERIOD OF 12 MONTHS	CURRENT FINANCIAL YEAR	FOLLOWING FINANCIAL YEAR
	10 mio ECU	21 mio ECU

	1983	1984	1985
5.0.1 ESTIMATED EXPENDITURE	21 mio ECU	21 mio ECU	21 mio ECU
5.1.1 ESTIMATED RECEIPTS			

5.2 METHOD OF CALCULATION

See Annex

6.0 CAN THE PROJECT BE FINANCED FROM APPROBIATIONS ENTERED IN THE RELEVANT CHAPTER OF THE CURRENT BUDGET ?

YES

~~OR CAN THE PROJECT BE FINANCED FROM APPROBIATIONS ENTERED IN THE RELEVANT CHAPTER OF THE CURRENT BUDGET ?~~

~~OR ARE SUPPLEMENTARY BUDGETS NECESSARY ?~~

6.3 WILL FUTURE BUDGET APPROBIATIONS BE NECESSARY ?

YES (2)

OBSERVATIONS : (1) including 10 mio ECU scheduled for the measure in question
 (2) 492 mio ECU has been scheduled for 1982 in Art. 151 of the 1982 preliminary draft Budget, including 10 mio ECU for this measure.

19 June 1981

ANNEX: Method of Calculation

1. Estimated processing aid (Art. 9)

- Sultanas: DR 1.26/kg x 70 000t = DR 88.2 mio
- Currants: 95% of above aid
- i.e.. DR 1.26/kg x 0.95 x 65 000 = DR 77.8 mio
- Figs: DR 6.05/kg x 12 000t = DR 72.6 mio

DR 238.6 mio

2. Storage aid (Art. 10(1) and (2))

Assumptions: 70% of production

Financial costs: 12% on raw materials

Duration: 6 months

Technical costs: DR 1.80/kg

- Sultanas: DR (1.80 + 4.15)/kg x 49 000t = DR 291.4 mio
- Currants: DR (1.80 + 3.94)/kg x 45 500t = DR 261.1 mio
- Figs: DR (1.80 + 2.63)/kg x 8 400t = DR 37.2 mio

DR 589.7 mio

3. Compensation for storage losses (Art. 10(3))

- Sultanas: 20 000t x DR10/kg = DR 200 mio
- Currants: 20 000t x DR10/kg = DR 200 mio
- Figs: 5 000t x DR10/kg = DR 50 mio

DR 450 mio

Total (1) + (2) + (3)

= DR 1 278.3 mio, i.e. 20.80 mio ECU
of which 10 mio ECU payable in 1981
and 10.8 mio ECU payable in 1982.