

COUNCIL REGULATION (EEC) No 856/84

of 31 March 1984

amending Regulation (EEC) No 804/68 on the common organization of the market in milk and milk products

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 43 thereof,

Having regard to the proposal from the Commission ⁽¹⁾,

Having regard to the opinion of the European Parliament ⁽²⁾,

Having regard to the opinion of the Economic and Social Committee ⁽³⁾,

Whereas the market in milk products in the Community is suffering from structural surpluses as a result of an imbalance between supply and demand for the products covered by Regulation (EEC) No 804/68 ⁽⁴⁾, as last amended by Regulation (EEC) No 1600/83 ⁽⁵⁾;

Whereas, to correct this imbalance, Regulation (EEC) No 1079/77 ⁽⁶⁾, as last amended by Regulation (EEC) No 861/84 ⁽⁷⁾, introduced a uniform co-responsibility levy on all milk delivered to dairies and on certain dairy products sold direct from the farm;

Whereas, despite application of this co-responsibility levy, quantities of milk delivered are increasing at a rate such that disposal of surpluses is imposing financial burdens and market difficulties which are jeopardizing the very future of the common agricultural policy;

Whereas a careful examination of the different possible ways of re-establishing balance in the milk sector shows that, despite the administrative difficulties which its implementation may involve, the most effective method, and the one having the least

drastic effect on the incomes of producers, is the introduction for an initial period of five years of an additional levy on quantities of milk delivered beyond a guarantee threshold;

Whereas the sum of the reference quantities must not exceed a guaranteed total quantity laid down for the Community as a whole; whereas, in the light of the level of internal consumption and current export possibilities, this guaranteed total quantity should be fixed at 97,2 million tonnes of milk or milk equivalent, corresponding to the guarantee threshold laid down by the Council in 1983; whereas this quantity should be distributed among the Member States on the basis of deliveries on their territory during the 1981 calendar year, in order to ensure proper management and control of the system;

Whereas, in order to allow for transition to the new system, the guaranteed total quantity should be increased to 98,2 million tonnes for the first year of application of the additional levy;

Whereas, when that guaranteed total quantity is incorporated, account must also be taken of the structural characteristics of certain States;

Whereas in Ireland the dairy industry contributes directly or indirectly to about 9% of the gross national product, a proportion materially higher than the Community average; whereas the development of alternative agricultural production in place of dairy production would in Ireland encounter obstacles which would be difficult to overcome; whereas in these circumstances the guaranteed quantity for Ireland should be fixed by reference to 1983 deliveries;

Whereas in Italy in 1981 the collection of milk production was the lowest of the last ten years; whereas the average yield per cow in Italy is lower than the Community average; whereas the apparent increase in deliveries between 1981 and 1983 corresponds in large part to a structural change consisting of a reduction in direct deliveries offset by an increase in deliveries to dairies; whereas, accordingly, reference should be made to the quantity delivered in 1983 for Italy as well;

Whereas moreover, in order to allow for the special situation of Member States in which the

⁽¹⁾ OJ No C 314, 19. 11. 1983, p. 5.

⁽²⁾ Opinion delivered on 15 March 1984 (not yet published in the Official Journal).

⁽³⁾ Opinion delivered on 29 February 1984 (not yet published in the Official Journal).

⁽⁴⁾ OJ No L 148, 28. 6. 1968, p. 13.

⁽⁵⁾ OJ No L 163, 22. 6. 1983, p. 56.

⁽⁶⁾ OJ No L 131, 26. 5. 1977, p. 6.

⁽⁷⁾ See page 21 of this Official Journal.

implementation of the levy system raises difficulties which may affect their supply or production structures, a Community reserve should be set up in addition to the guaranteed quantities for those States;

Whereas the measures taken to cope with the increase in milk deliveries should not prevent the structural changes which are required;

Whereas, in view of the diversity of milk production structures in the different regions of the Community, the administrative problems arising and considerations of regional development policy, the possibility must be provided for of a choice between a formula of a reference quantity per producer and a reference quantity per purchaser;

Whereas, where the levy is to be paid by the purchaser, provision should be made for ensuring that the purchaser passes on the burden in the price paid to those producers who have increased their deliveries, in proportion to their contribution to the purchaser's reference quantity being exceeded;

Whereas the purpose of the levy provided for by this Regulation is to regulate and stabilize the market in milk and milk products; whereas revenue from the said levy should therefore be used to finance expenditure in the milk and milk products sector as a whole;

HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EEC) No 804/68 is hereby amended as follows:

1. The following Article 5c is inserted:

Article 5c

1. During five consecutive periods of 12 months beginning on 1 April 1984, an additional levy payable by producers or purchasers of cows' milk shall be introduced. The objective of the said levy shall be to curb the increase in milk production while at the same time permitting the structural developments and adjustments required, having regard to the diversity of the situations among individual Member States, regions and collection areas in the Community. However, the first period shall start on 2 April 1984.

The levy system shall be implemented in each region of the territory of the Member States in accordance with one of the following formulas:

Formula A

— A levy shall be payable by every milk producer on the quantities of milk and/or milk equivalent which he has delivered to a purchaser and which for the 12 months concerned exceed a reference quantity to be determined.

Formula B

— A levy shall be payable by every purchaser of milk or other milk products on the quantities of milk or milk equivalent which have been delivered to him by a producer and which, during the 12 months concerned, exceed a reference quantity to be determined.

— The purchaser liable to the levy shall pass on the burden in the price paid to those producers who have increased their deliveries, in proportion to their contribution to the purchaser's reference quantity being exceeded.

2. The levy shall also be payable by every milk producer on the quantities of milk and/or milk equivalent he has sold for direct consumption and which, during the 12 months concerned, exceed a reference quantity to be determined.

3. Subject to paragraph 4, the sum of the reference quantities referred to in paragraph 1 may not exceed a guaranteed total quantity equal to the sum of quantities of milk delivered to undertakings treating or processing milk or other milk products in each Member State during the 1981 calendar year, plus 1 %.

The guaranteed total quantity, in thousand tonnes, shall be as follows:

Belgium	3 106
Denmark	4 882
Germany	23 248
France	25 325
Greece	467
Ireland	5 280
Italy	8 323
Luxembourg	265
Netherlands	11 929
United Kingdom	15 538

However, for the period 2 April 1984 to 31 March 1985 the guaranteed total, in thousand tonnes, shall be as follows:

Belgium	3 138
Denmark	4 932
Germany	23 487
France	25 585
Greece	472
Ireland	5 280
Italy	8 323
Luxembourg	268
Netherlands	12 052
United Kingdom	15 698

4. A quantity called the "Community reserve" shall be constituted with a view to supplementing, at the beginning of each period of 12 months, the guaranteed quantities of the Member States in which implementation of the levy system raises

particular difficulties liable to affect their supply or production structures. The rules for the allocation of the reserve shall be laid down in accordance with the procedure referred to in paragraph 7.

For the period running from 2 April 1984 to 31 March 1985, the Community reserve shall be fixed at 335 000 tonnes. For the subsequent annual periods the volume of this reserve shall be reviewed to take account of the development of the market and of the quantities which will be available, according to the procedure provided for in paragraph 6.

5. The levies referred to in this Article shall be regarded as intervention measures designed to regulate agricultural markets and shall be allocated to the financing of expenditure in the milk and milk products sector.

6. The Council, acting on a proposal from the Commission in accordance with the voting

procedure laid down in Article 43 (2) of the Treaty, shall lay down the general rules for the application of this Article, and in particular those relating to the determination of the reference quantities and the amount of the levies referred to in paragraphs 1 and 2.

7. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 30.

8. At the end of the third period of application of 12 months, the Commission shall report to the Council on the operation of the levy system referred to in this Article.'

Article 2

This Regulation shall enter into force on the day of 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, 31 March 1984.

For the Council

The President

M. ROCARD
