

## I

(Acts whose publication is obligatory)

COUNCIL REGULATION (EEC) No 1254/89

of 3 May 1989

fixing, for the 1989/90 marketing year, *inter alia*, certain sugar prices and the standard quality of beet

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Articles 42 and 43 thereof,

Having regard to Council Regulation (EEC) No 1785/81 of 30 June 1981 on the common organization of the market in the sugar sector<sup>(1)</sup>, as last amended by Regulation (EEC) No 1069/89<sup>(2)</sup>, and in particular Articles 2 (3), 3 (4) and 4 (3) thereof,

Having regard to the proposal from the Commission<sup>(3)</sup>,

Having regard to the opinion of the European Parliament<sup>(4)</sup>,

Having regard to the opinion of the Economic and Social Committee<sup>(5)</sup>,

Whereas, when sugar prices are fixed, account should be taken of the objectives of the common agricultural policy and of the contribution which the Community intends to make to the harmonious development of world trade; whereas the objectives of the common agricultural policy are in particular to ensure a fair standard of living for the agricultural community, to assure the availability of supplies and ensure that they reach consumers at reasonable prices;

Whereas, in order to attain these objectives, the target price for sugar must be fixed at a level which, taking into account in particular the resultant level of the intervention price, ensures a fair remuneration for beet and sugar-cane producers while at the same time respecting consumers' interests, and which is likely to maintain the balance between the prices of the principal agricultural products;

Whereas, as a result of the characteristics of the sugar market, the risks involved in this trade are relatively slight; whereas, consequently, when the intervention price for sugar is being fixed, the difference between the target price and the intervention price may be fixed at a relatively low level;

Whereas the intervention prices to be fixed for the 1989/90 marketing year will be lower than those for the 1988/89 marketing year; whereas, in order to avoid any depreciation in stock which remain free at the end of the latter year and which form part of the quotas of those eligible for reimbursement for storage costs for such stocks under Article 8 of Regulation (EEC) No 1785/81 it should be provided that if such stocks are disposed of between 1 July and 30 September 1989, they shall continue to benefit from the price for the 1988/89 marketing year;

Whereas the basic price for beet must take account of the intervention price and of the costs of processing and delivering the beet to factories and be based on an estimated Community yield of 130 kilograms of white sugar per tonne of beet at 16 % sugar content;

Whereas the production of sugar-cane and raw cane-sugar in the French overseas departments always encounters difficulties that are peculiar to the crop, environmental and operating conditions of this sector; whereas these crops represent an essential component of the economy of the French overseas departments; whereas, pursuant to Article 227 (2) of the Treaty, the Council is to take care, within the framework of the procedures provided for by the Treaty, that the economic and social development of the French overseas departments is made possible; whereas, moreover, Italy is carrying out a restructuring of the sugar-beet sector and sugar production by means of restructuring plans under Articles 92 to 94 of the Treaty; whereas, under these circumstances, Italy should be authorized to continue to grant, for the 1989/90 and 1990/91 marketing years, national aid on downward-sliding terms as compared with the overall financial commitment already authorized for aid for the 1988/89

<sup>(1)</sup> OJ No L 177, 1. 7. 1981, p. 4.

<sup>(2)</sup> OJ No L 114, 27. 4. 1989, p. 1.

<sup>(3)</sup> OJ No C 82, 3. 4. 1989, p. 12.

<sup>(4)</sup> Opinion delivered on 13 April 1989 (not yet published in the Official Journal).

<sup>(5)</sup> Opinion delivered on 31 March 1989 (not yet published in the Official Journal).

marketing year; whereas it is nevertheless desirable that, for the marketing years concerned and without prejudice to Articles 92 to 94 of the Treaty, the authorization to adjust this aid should be maintained when the aid is linked to restructuring plans; whereas, for the aforesaid reasons, provision should also be made for the extension, pending the decisions to be adopted for sugar under the programme of options specific to the remote and insular nature of the French overseas departments, 'Poseidom', of the system of national aid authorized by Article 46 of Regulation (EEC) No 1785/81 applicable to the cane and sugar produced in the French overseas departments,

HAS ADOPTED THIS REGULATION:

#### Article 1

1. The target price for white sugar shall be ECU 55,89 per 100 kilograms.
2. The intervention price for white sugar shall be ECU 53,10 per 100 kilograms for the non-deficit areas of the Community with the exception of Spain.

However, for white sugar forming part of quotas in stocks which are free at 24.00 on 30 June 1989 in the hands of those eligible for the reimbursement for storage costs for such stocks under Article 8 of Regulation (EEC) No 1785/81 and disposed of during the period 1 July to 30 September 1989, the intervention price shall be fixed at ECU 54,18 for the areas referred to in the first subparagraph.

#### Article 2

The basic price for beet, applicable in the Community with the exception of Spain and Portugal, shall be ECU 40,07 per tonne delivered at the collection centre.

#### Article 3

Standard quality beet shall:

- (a) be of sound, genuine and merchantable quality;
- (b) have a sugar content of 16 % at the reception point.

#### Article 4

1. The Italian Republic, during the 1989/90 and 1990/91 marketing years, and the French Republic shall be authorized to grant, under the terms of paragraphs 2 to 4, adjustment aid to sugar-beet, sugar-cane and, where such is the case, sugar producers.

2. In Italy, the aid referred to in paragraph 1 may be granted only in respect of the quantity of sugar produced within the limit of the A and B quotas of each sugar-producing undertaking.

For this production, the maximum amount of the aid may not:

- (a) per 100 kilograms of white sugar, exceed 23,64 % of the intervention price for white sugar fixed in accordance with Article 3 (1) (a) of Regulation (EEC) No 1785/81 for the marketing year in question and
- (b) for the 1989/90 and 1990/91 marketing years, exceed 90 and 80 % respectively of the overall financial commitment in ecus already authorized for the 1988/89 marketing year by Article 46 (1) and (2) of Regulation (EEC) NO 1785/81.

3. However, the Italian Republic may adjust the aid referred to in paragraph 2 where this is necessitated by exceptional requirements connected with current plans for restructuring the sugar sector in Italy. In applying Articles 92 to 94 of the Treaty, the Commission shall assess in particular whether such aid is consistent with the restructuring plans.

4. In France, the aid referred to in paragraph 1 may be granted only in respect of a quantity of white sugar produced in the overseas departments not exceeding the basic quantity allocated to those departments as reduced by the A quota transfer of 30 000 tonnes of white sugar made in 1981/82 pursuant to the second subparagraph of Article 25 (3) of Regulation (EEC) No 1785/81. Such aid may not exceed ECU 6,04 per 100 kilograms of sugar expressed as white sugar.

The arrangements applied by the French Republic will be re-examined in the context of the decision establishing a programme of options specific to the remote and insular nature of the French overseas departments, 'Poseidom'.

5. In addition, during the 1989/90 and 1990/91 marketing years, the Italian Republic shall be authorized, when the interest rate granted in July to the most solvent applicant is higher, by 3 % or more, than the interest rate used to calculate the reimbursement referred to in Article 8 of Regulation (EEC) No 1785/81, to cover the effect of this difference on the storage costs by a national aid.

#### Article 5

This Regulation shall enter into force on the day of its publication in the *Official Journal of the European Communities*.

Articles 1 to 3 shall be applicable for the 1989/90 marketing year.

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

Done at Brussels, 3 May 1989.

*For the Council*

*The President*

P. SOLBES

---