



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 25.09.2003
COM(2003)563 final

Proposal for a

COUNCIL REGULATION

**amending Regulation (EC) No 1098/98
introducing special temporary measures for hops**

(presented by the Commission)

EXPLANATORY MEMORANDUM

The present proposal concerns a modification of Council Regulation (EC) No 1098/98 aiming to extend the application of provisions relating to the application of the special temporary measures (temporary resting and grubbing-up) in the hops sector for the harvest year 2004.

Indeed, the Commission has to submit an evaluation report to the Council by 31 December 2003, relating to all the provisions of the common market organisation. This report will consist of reform proposals which should not enter into force until 2005. Therefore, in a transition context, it is indispensable to provide for an extension of the special temporary measures of one year.

Proposal for a

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THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EEC) No 1696/71 of 26 July 1971 on the common organisation of the market in hops¹, and in particular Article 16a thereof,

Having regard to the proposal from the Commission²,

Whereas:

- (1) The first subparagraph of Article 2(1) of Council Regulation (EC) No 1098/98³ fixes the amount of compensation for the temporary resting or definitive grubbing up of hops in the Community for a period of six years, from the 1998 to the 2003 harvests.
- (2) Application of the special resting and grubbing up measures in this period has resulted in a 19% reduction in the area under hops compared to 1997, the reference year.
- (3) The assessment report that the Commission must present to the Council by 31 December 2003 under the second paragraph of Article 18 of Regulation (EEC) No 1696/71, will cover all provisions relating to the common organisation of the market, special measures in particular. The assessment can be accompanied by proposals. It is advisable in this context to provide for a detailed debate of the entire sector. In order to ensure that this debate takes place and noting the fact that market equilibrium in hops is still being sought, the period for which the amount of compensation has been fixed should be extended by one year.
- (4) Regulation (EC) No 1098/98 should be amended as a result,

¹ OJ L 175, 4.8.1971, p. 1. Regulation as last amended by Regulation (EC) No 1514/2001 (OJ L 201, 26.7.2001, p. 8).

² OJ C [...], [...], p. [...].

³ OJ L 157, 30.5.1998, p. 7. Regulation as amended by Regulation (EC) No 2151/2002 (OJ L 327, 4.12.2002, p. 1).

HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EC) No 1098/98 is hereby amended as follows:

- 1) Article 2(1) is amended as follows:
 - (a) in the first subparagraph, "2003 harvest" is replaced by "2004 harvest";
 - (b) in the second subparagraph, "2004 harvest" is replaced by "2005 harvest".
- 2) In the second subparagraph of Article 4, "2004 harvest" is replaced by "2005 harvest".

Article 2

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

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

Done at Brussels,

*For the Council
The President*

FINANCIAL STATEMENT				
1. BUDGET HEADING: B1-181			APPROPRIATIONS: EUR 13 million	
2. TITLE: Council Regulation amending Regulation (EC) No 1098/98 introducing special temporary measures for hops				
3. LEGAL BASIS: Article 16a of Council Regulation (EEC) No 1696/71				
4. AIMS: To extend for one year the application of special temporary measures.				
5. FINANCIAL IMPLICATIONS	12 MONTH PERIOD (EUR million)	CURRENT FINANCIAL YEAR 2003 (EUR million)	FOLLOWING FINANCIAL YEAR 2004 (EUR million)	
5.0 EXPENDITURE - CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTIONS) - NATIONAL AUTHORITIES - OTHER	-	-	-	
5.1 REVENUE - OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES) - NATIONAL	-	-	-	
	2005	2006	2007	2008
5.0.1 ESTIMATED EXPENDITURE	-	-	-	-
5.1.1 ESTIMATED REVENUE	-	-	-	-
5.2 METHOD OF CALCULATION:				
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:				