

REGULATION No 1009/67/EEC OF THE COUNCIL
of 18 December 1967
on the common organisation of the market in sugar

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Articles 42, 43 and 227 thereof;

Having regard to the proposal from the Commission;

Having regard to the Opinion of the European Parliament¹;

Whereas the operation and development of the common market in agricultural products must be accompanied by the establishment of a common agricultural policy to include in particular a common organisation of the agricultural markets, which may take various forms, depending on the product concerned;

Whereas, to ensure that the necessary guarantees in respect of employment and standards of living are maintained for Community growers of sugar beet and sugar cane, provision should be made for measures to stabilise the sugar market; whereas to this end a target price and an intervention price for white sugar should be fixed each year for the Community area having the largest surplus; whereas derived intervention prices should be fixed each year for other Community areas, account being taken of regional price variations arising under natural conditions of price formation on the market with a normal harvest and of the processing stage; whereas the objective referred to above could be attained by making provision for buying-in by intervention agencies at the intervention prices; whereas moreover denaturing premiums for sugar rendered unfit for human consumption combined with an equalisation system for storage costs for sugar produced from raw materials (including molasses) of Community origin could serve the same purpose;

Whereas it is necessary to ensure that the regulation of the sugar market influences sugar beet and sugar

cane production; whereas for this reason it is advisable to fix minimum prices which must be respected when sugar manufacturers buy beet, to lay down basic Community provisions governing contractual relationships between buyers and sellers of beet, and to adopt appropriate provisions to this end for sugar cane producers;

Whereas the creation of a single Community market for sugar involves, apart from a single price system, the introduction of a single trading system at the external frontiers of the Community; whereas a trading system including levies and export refunds, combined with intervention measures, also serves to stabilise the Community market, in particular by preventing price fluctuations on the world market from affecting prices ruling within the Community; whereas provision should therefore be made for the charging of a levy on imports from third countries and the payment of a refund on exports to those same countries which would, in either case, cover the difference between prices ruling inside and outside the Community if the world market price is lower than the Community price; whereas, where the reverse is true, provision should be made for the introduction of corresponding machinery;

Whereas, in addition to the system described above and to the extent necessary for its proper working, provision should be made for regulating or, when the situation on the market so requires, prohibiting the use of 'inward processing arrangements'; whereas it is also desirable that refunds should be so fixed that Community basic products used by the processing industry in the Community with a view to export are not placed at a disadvantage by inward processing arrangements which might induce that industry to give preference to basic products imported from third countries; whereas the introduction of the single market in sugar necessitates Community control of the inward processing trade;

Whereas it must be made possible for the competent authorities to keep a constant watch on trade movements to enable them to assess market trends and,

¹ OJ No 103, 2.6.1967, p. 2092/67.

where appropriate, to apply such provisions of this Regulation as prove necessary; whereas to this end provision should be made for the issue of import and export licences conditional on the lodging of a deposit guaranteeing that the transaction for which the licence has been requested will be effected;

Whereas the levy system makes it possible to dispense with all other protective measures at the external frontiers of the Community; whereas, however, the common price and levy machinery may, in exceptional circumstances, prove defective; whereas, in such cases, so as not to leave the Community market without defence against disturbances which may arise therefrom after the import barriers which existed previously have been removed, the Community should be enabled to take all necessary measures without delay;

Whereas the establishment of a single market in sugar involves the removal at the internal frontiers of the Community of all obstacles to the free movement of the goods in question;

Whereas Community sugar production has often exceeded consumption in recent years and whereas the world market situation is characterised by the existence of large surpluses; whereas it is therefore advisable, for a transitional period, to make provision for measures to limit production and promote regional specialisation;

Whereas this aim could be achieved by allocating to each factory or undertaking in the Community which processes beet or molasses into sugar a basic quota for which a price and sales guarantee would be given by the Community and by limiting or withdrawing this guarantee for quantities manufactured over and above the basic quota, depending on whether or not they exceed a certain ceiling;

Whereas, if it is to be successful, the limitation of sugar production must lead to a limitation of sugar beet and sugar cane production; whereas to this end special provisions on delivery contracts should be adopted, dealing in particular with the differentiation of beet prices; whereas, non-differentiation of these prices can only be acceptable where provision is made for a further limitation of the guarantee;

Whereas, in order to prevent sowing on too large a scale, it is advisable to allow for the possibility of carrying part of one marketing year's production forward to the following marketing year, to be treated as part of that year's production;

Whereas the establishment of a single market based on a common price system would be jeopardised by

the granting of certain aids; whereas, therefore, the provisions of the Treaty which allow the assessment of aids granted by Member States and the prohibition of those which are incompatible with the common market should be made to apply to sugar;

Whereas, however, beet and sugar production in Italy is rendered difficult by climatic conditions and, in the case of beet production, by the additional problems presented by the application of modern production methods; whereas provision should be made for granting temporary subsidies to both these activities;

Whereas Regulation No 44/67/EEC,¹ as amended by Regulation No 219/67/EEC,² introduced certain measures for a common organisation of the market in sugar for the 1967/68 marketing year; whereas the transition to the system established by this Regulation must be effected as smoothly as possible; whereas to this end certain transitional measures may prove necessary; whereas the same need may arise at each change-over from one marketing year to the next; whereas provision must therefore be made for the possibility of adopting appropriate measures;

Whereas intervention is essential if the sugar price is to be guaranteed; whereas, in view of the special importance of sugar production for the economy of the French overseas departments, provisions concerning the Guarantee Section of the European Agricultural Guidance and Guarantee Fund must be made to apply to these departments;

Whereas the common organisation of the market in sugar must take appropriate account, at the same time, of the objectives set out in Articles 39 and 110 of the Treaty;

Whereas, in order to facilitate implementation of the proposed measures, a procedure should be provided for establishing close co-operation between Member States and the Commission within a Management Committee;

HAS ADOPTED THIS REGULATION:

Article 1

1. The common organisation of the market in sugar shall comprise a price and trading system and cover the following products:

¹ OJ No 40, 3.3.1967, p. 597/67.

² OJ No 135, 30.6.1967, p. 2904/67.

CCT heading No	Description of goods
(a) 17.01	Beet sugar and cane sugar, solid
(b) 12.04	Sugar beet, whole or sliced, fresh, dried or powdered; sugar cane
(c) 17.03	Molasses, whether or not decolourised
(d) ex 17.02	Other sugars (but not including lactose and glucose); sugar syrups (but not including lactose syrup and glucose syrup); artificial honey (whether or not mixed with natural honey); caramel
ex 17.05	Flavoured or coloured sugars (but not including lactose and glucose), syrups (but not including lactose syrup and glucose syrup) and molasses, but not including fruit juices containing added sugar in any proportion

2. For the purposes of this Regulation:

- 'white sugar' means sugar falling within heading No 17.01 of the Common Customs Tariff containing, in the dry state, 99.5% or more by weight of sucrose determined by the polarimetric method;
- 'raw sugar' means sugar falling within heading No 17.01 of the Common Customs Tariff containing, in the dry state, less than 99.5% by weight of sucrose determined by the polarimetric method.

TITLE I

Prices

Article 2

1. A target price for white sugar shall be fixed each year for the Community area having the largest surplus. This target price shall be valid for white sugar of a standard quality, unpacked, ex-factory, loaded on to the means of transport chosen by the purchaser.

2. Before 1 August of each year the target price for the marketing year beginning on 1 July of the following calendar year shall be fixed in accordance with the procedure laid down in Article 43 (2) of the Treaty.

The same procedure shall be followed to determine:

- the standard quality for white sugar and, at the same time as the target price,
- the Community area having the largest surplus.

Article 3

1. An intervention price for white sugar shall be fixed each year for the Community area having the largest surplus.

2. Derived intervention prices shall be fixed for other areas, account being taken of the regional variations which, given a normal harvest and free movement of sugar, might be expected to occur in the price of sugar under natural conditions of price formation.

3. The intervention prices referred to in paragraphs 1 and 2 shall be valid for white sugar of the standard quality to which the target price applies, unpacked, ex-factory, loaded into the means of transport chosen by the purchaser.

4. The derived intervention prices for French overseas departments shall, however, be valid for sugar f.o.b. and stowed aboard a seagoing vessel at the port of embarkation.

For these departments, intervention prices shall also be fixed for raw sugar of a standard quality. These shall be derived from the intervention prices for white sugar fixed for those departments, allowance being made for a uniform processing margin and a standard yield.

5. The intervention price for the area having the largest surplus shall be fixed at the same time as the target price in accordance with the procedure laid down in Article 43 (2) of the Treaty.

6. The Council, acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission, shall determine:

- the standard quality for raw sugar and, before 1 August of each year for the following marketing year,
- the areas referred to in paragraph 2 and the derived intervention prices valid for these areas.

Article 4

1. Each year, for each beet-sugar-producing area for which an intervention price is fixed:

- a minimum price for beet shall be fixed in accordance with the provisions of paragraphs 2, 3 and 4;
- a minimum price for beet outside the basic quota shall be fixed in accordance with Article 28.

These prices shall apply to a specified delivery stage and a specified standard quality.

2. When the minimum price for beet is being established, the intervention price for white sugar in the area in question and fixed values for the Community representing:

- the processing margin;
- the yield;
- factories' or undertakings' receipts from sales of molasses; and,
- where appropriate, costs incurred in delivering beet to factories

shall be taken into account.

3. At the same time as the target price is fixed,

- the minimum price for beet referred to in the first indent of paragraph 1 for the Community area having the largest surplus shall be fixed, and
- the delivery stage and standard quality for beet shall be determined

in accordance with the procedure laid down in Article 43 (2) of the Treaty.

4. The Council, acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission, shall fix the minimum price for beet referred to in the first indent of paragraph 1 for other areas at the same time as the derived intervention prices.

Article 5

1. Subject to the provisions of Article 27 (4), Article 29 (1) and provisions adopted pursuant to Article 32 (3), sugar manufacturers buying beet for processing into sugar shall be required to pay at least the minimum price for sugar beet, adjusted by price increases or reductions to allow for deviations from the standard quality.

2. The price increases and reductions shall be fixed in accordance with the procedure laid down in Article 40.

Article 6

The Council, acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission, shall adopt outline provisions dealing in particular with general conditions governing purchasing, delivery, reception and payment to which agreements within the trade at Community, regional or local level and contracts concluded between buyers and sellers of beet must conform.

Article 7

1. Conditions for purchasing sugar cane shall be governed by agreements within the trade between cane growers and sugar manufacturers.

2. Where no agreements within the trade exist, conditions of purchase, and in particular the minimum proportion of the intervention price for cane sugar to be paid by sugar manufacturers to sellers of sugar cane, shall be determined in accordance with the procedure laid down in Article 40.

Article 8

1. Subject to the provisions of Article 32 (2), storage costs for white sugar and raw sugar, manufactured from beet or cane harvested in the Community, shall be reimbursed at a flat rate by the Member States.

Member States shall charge a levy on each sugar manufacturer per unit of weight of sugar produced.

The amount of the reimbursement shall be the same for the whole Community. The same rule shall apply to the levy.

2. The Council, acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission, shall adopt rules for the application of paragraph 1.

3. The amount of the reimbursement and the levy shall be fixed each year in accordance with the procedure laid down in Article 40. Other rules for the application of this Article shall be adopted in accordance with the same procedure.

Article 9

1. Throughout the marketing year intervention agencies designated by sugar-producing Member States shall be required, under conditions to be laid down in accordance with paragraphs 7 and 8, to buy in white sugar and raw cane sugar offered to them which has been manufactured from beet or cane harvested in the Community.

Intervention agencies shall buy in at the intervention price valid for the area in which the sugar is located at the time of purchase. If the quality of the sugar deviates from the standard quality for which the intervention price was fixed, that price shall be adjusted by means of price increases and reductions.

2. Intervention agencies may grant denaturing premiums for sugar rendered unfit for human consumption.

3. Until 31 December 1969, the intervention system described in paragraphs 1 and 2 shall also apply to raw beet sugar.

4. From 1 January 1970, special measures may be taken for raw beet sugar should an abnormal situation arise.

5. Should difficulties arise in marketing sugar produced in the French overseas departments, appropriate measures shall be taken.

6. A production refund shall be granted on the products listed in Article 1 (1) (a), and the syrups listed in Article 1 (1) (d) containing sucrose, used in the manufacture of certain products of the chemical industry.

7. The Council, acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission, shall determine:

- general rules for the application of the above paragraphs;
- intervention prices for raw beet sugar;
- the products of the chemical industry referred to in paragraph 6.

8. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 40 and shall deal in particular with:

- the minimum quality and quantity requirements on intervention;
- the scales of price increases and reductions applicable on intervention;
- procedures and conditions for taking-over by intervention agencies;
- conditions for granting denaturing premiums and the amount of such premiums;
- conditions for granting the production refund and the amount of such refund.

Article 10

1. Intervention agencies may only sell sugar on the domestic market at a price which is higher than the intervention price.

They may however be authorised to sell sugar:

- at a lower price when it has been rendered unfit for human consumption;

— on the basis of prices on the world market, if it is exported to third countries in the natural state or following processing into the products listed in Annex II to the Treaty or into the goods listed in the Annex to this Regulation.

2. The Council, acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission, shall adopt general rules for the sale of products which have been subject to intervention measures.

3. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 40.

TITLE II

Trade with third countries

Article 11

1. Imports or exports into or out of the Community of the products listed in Article 1 (1) shall be made conditional on the submission of an import or export licence issued by Member States to any applicant irrespective of the place of his establishment in the Community.

Such licences shall be valid for a transaction effected within the Community on or after a date to be fixed by the Council, acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission, but not later than 1 August 1969. Until that date, such licences shall be valid only for a transaction effected in the Member State which issued them.

The issue of such licences shall be conditional on the lodging of a deposit guaranteeing that importation or exportation is effected during the period of validity of the licence; this deposit shall be forfeited in whole or in part if the transaction is not effected, or is only partially effected within that period.

2. The period of validity of licences and other detailed rules for the application of this Article, which may include a time limit for the issue of licences, shall be adopted in accordance with the procedure laid down in Article 40.

Article 12

1. Each year a Community threshold price shall be fixed for white sugar, raw sugar and molasses.

2. The threshold price for white sugar shall be the same as the target price for the Community area

having the largest surplus plus transport charges, calculated at a flat rate, from that area to the most distant deficit area in the Community. It shall apply to the same standard quality as the target price.

3. The threshold price for raw sugar shall be derived from the threshold price for white sugar, a standard processing margin and a standard yield being taken into account.

It shall apply to the same standard quality as the intervention prices for raw sugar.

4. The threshold price for molasses shall be so fixed that receipts for sales of molasses may reach the level of factories' and undertakings' receipts which are taken into account pursuant to Article 4 when minimum prices for beet are being fixed. It shall apply to a standard quality.

5. The Council, acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission, shall fix the threshold prices at the same time as the derived intervention prices.

6. The standard quality for molasses shall be determined in accordance with the procedure laid down in Article 40.

Article 13

1. A c.i.f. price shall be calculated for a Community frontier crossing point for white sugar, raw sugar and molasses. This price shall be calculated on the basis of the most favourable purchasing opportunities for each product on the world market, based on quotations or prices on that market, corrected to allow for any deviations from the standard quality for which the threshold price is fixed.

2. Where free quotations on the world market are not a determining factor for the offer price and where that price is lower than world market prices, a special c.i.f. price calculated on the basis of the offer price shall be substituted, solely in respect of the imports in question, for the c.i.f. price.

3. The Council, acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission, shall determine the frontier crossing point.

4. Detailed rules for calculating the c.i.f. prices shall be adopted in accordance with the procedure laid down in Article 40. The corrective amounts referred to in paragraph 1 shall be fixed in accordance with the same procedure.

Article 14

1. A levy shall be charged on imports of the products listed in Article 1 (1).

2. The levy on white sugar, raw sugar and molasses shall be equal to the threshold price less the c.i.f. price.

3. The levy on raw sugar shall, where necessary, be adjusted according to the yield. The levy on white sugar shall be charged on imports of raw sugar for purposes other than refining if that levy is higher than the levy applicable to raw sugar. If the levy on white sugar is higher than the levy on raw sugar, raw sugar for refining shall be subject to customs control or to an administrative inspection offering equivalent guarantees.

4. The levy on the products listed in Article 1 (1) (b) shall be calculated at a standard rate on the basis of the sucrose content of each of these products and the levy on white sugar.

For purposes other than the manufacture of sugar, partial exemption from the import levy may be allowed as a temporary measure in special instances in accordance with the procedure laid down in Article 40.

5. The levy on the products listed in Article 1 (1) (d) shall be calculated, where appropriate, at a standard rate on the basis of the sucrose content (including other sugars expressed as sucrose) of the product concerned and the levy on white sugar.

The levies applicable to maple sugar and maple syrup falling within heading No 17.02 of the Common Customs Tariff shall, however, be limited to the amount resulting from application of the rate of duty bound within GATT.

6. Detailed rules for the application of this Article, including the margins within which variations in the factors used for calculating the levy do not require any alteration of the levy, shall be adopted in accordance with the procedure laid down in Article 40.

7. The levies referred to in this Article shall be fixed by the Commission.

Article 15

1. The levy to be charged shall be that applicable on the day of importation.

2. The levy may, however, be fixed in advance for imports of the products listed in Article 1 (1) (a) and (c).

In that event the levy applicable on the day on which the application for the licence is lodged, adjusted on the basis of the threshold price in force on the day of importation, shall be applied to imports to be effected during the validity of the licence, provided the party concerned so requests when applying for the licence. A premium to be added to the levy may be fixed at the same time as the levy.

3. The Council, acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission, shall adopt rules for the application of this Article; in particular it shall decide upon the conditions under which advance fixing may take place and the rules for fixing premiums.

4. Where the conditions referred to in paragraph 3 exist, a decision to apply the system provided for in paragraph 2 shall be taken in accordance with the procedure laid down in Article 40. Once these conditions no longer exist, the decision shall be repealed in accordance with the same procedure.

It may be decided in accordance with the same procedure to apply the system provided for in paragraph 2 in whole or in part to each of the products listed in Article 1 (1) (d).

5. The premiums shall be fixed, where appropriate, by the Commission.

Article 16

1. If the c.i.f. price for white sugar or raw sugar is higher than the threshold price, a levy equal to the difference between those prices shall be charged on exports of the product in question. The levy to be charged, if any, shall be that applicable on the day of exportation.

2. Under the conditions described in the first sentence of paragraph 1, a subsidy may be granted on imports of the product in question.

3. The Council, acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission, shall adopt rules for the application of paragraphs 1 and 2.

4. Provisions corresponding to those of paragraph 1 and to the rules for its application may be adopted for the products listed in Article 1 (1) (b), (c) and (d), in accordance with the procedure laid down in Article 40.

5. The levies referred to in paragraph 1, together with any levies resulting from the application of paragraph 4, shall be fixed by the Commission.

Article 17

1. To the extent necessary to enable the products listed in Article 1 (1) (a), (c) and (d) to be exported in the natural state, or in the form of goods listed in the Annex to this Regulation, on the basis of quotations or prices for the products listed in Article 1 (1) (a) and (c) on the world market, the difference between those quotations or prices and prices within the Community may be covered by an export refund.

2. The refund shall be the same for the whole Community. It may be varied according to use or destination.

The refund shall be granted on application by the party concerned.

The refund for raw sugar may not exceed the refund for white sugar.

When the refund is being fixed particular account shall be taken of the need to establish a balance between the use of Community basic products in the manufacture of processed goods for export to third countries and the use of third country products brought in under inward processing arrangements.

The Council, acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission, shall adopt general rules for granting refunds, for fixing the amount of such refunds, and for fixing such refunds in advance.

Refunds shall be fixed at regular intervals in accordance with the procedure laid down in Article 40. Where necessary the Commission may, at the request of a Member State or on its own initiative, alter the refunds in the intervening period.

3. The Council, acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission, shall adopt general rules applicable to refunds where these are awarded by tender.

4. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 40.

Article 18

1. Provision may be made for a production refund on molasses intended for the manufacture of certain products if the c.i.f. price for molasses remains considerably below the level of the threshold price for a prolonged period.

2. The rules necessary for the application of this Article, and in particular a list of the products re-

ferred to in paragraph 1, shall be adopted by the Council acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission.

Article 19

1. To the extent necessary for the proper working of the common organisation of the market in sugar, the Council, acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission, may prohibit, in whole or in part, the use of inward processing arrangements in respect of:

- the products listed in Article 1 (1) which are intended for the manufacture of the products listed in Article 1 (1) (d);
- and, in special instances, the products listed in Article 1 (1) which are intended for the manufacture of the goods listed in the Annex to this Regulation.

2. Community provisions to regulate inward processing trade in the products listed in Article 1 (1) shall be adopted not later than 1 July 1968.

3. Rules to be applied until the provisions mentioned in paragraph 2 enter into force shall be adopted in accordance with the procedure referred to in paragraph 1; they shall apply in respect of:

- (a) the rate of yield to be taken when the quantity of Article 1 (1) products used in the manufacture of processed goods for export is being determined;
- (b) the determination, for the purpose of applying the levy, of the quantity of products used in the manufacture of goods put into free circulation.

4. For the purpose of this Article, 'inward processing arrangements' means all those provisions determining the conditions under which products from third countries are used within the Community in the manufacture of goods for export and enjoy exemption from the levies applicable to them.

Article 20

1. The general rules for the interpretation of the Common Customs Tariff and the special rules for its application shall apply to the tariff classification of products covered by this Regulation; the tariff nomenclature resulting from application of this Regulation shall be incorporated in the Common Customs Tariff from the date on which the latter is fully applied.

2. Save as otherwise provided in this Regulation or where derogation therefrom is decided by the Coun-

cil, acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission, the following shall be prohibited:

- the levying of any customs duty or charge having equivalent effect;
- the application of any quantitative restriction or measure having equivalent effect.

The restriction of import or export licences to a specified category of those entitled to receive them shall be one of the measures considered as having effect equivalent to a quantitative restriction.

Article 21

1. If, by reason of imports or exports, the Community market in one or more of the products listed in Article 1 (1) experiences or is threatened with serious disturbances which may endanger the objectives set out in Article 39 of the Treaty, appropriate measures may be applied in trade with third countries until such disturbance or threat of disturbance has ceased.

The Council, acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission, shall adopt detailed rules for the application of this paragraph and define the cases in which and the limits within which Member States may take protective measures.

2. If the situation mentioned in paragraph 1 arises, the Commission shall, at the request of a Member State or on its own initiative, decide upon the necessary measures; the measures shall be communicated to the Member States and shall be immediately applicable. If the Commission receives a request from a Member State, it shall take a decision thereon within twenty-four hours following receipt of the request.

3. The measures decided upon by the Commission may be referred to the Council by any Member State within a period of three working days following the day on which they were communicated. The Council shall meet without delay. It may amend or repeal the measures in question in accordance with the voting procedure laid down in Article 43 (2) of the Treaty.

TITLE III

Transitional provisions

Article 22

1. Articles 23 to 33, and in particular the provisions concerning national basic quantities, their distribution between factories or undertakings and price

differentiation, shall be repealed with effect from 1 July 1975.

2. Definitive arrangements applicable from 1 July 1975 shall be adopted in accordance with the procedure laid down in Article 43 (2) of the Treaty. The definitive arrangements shall not involve any discrimination between Community producers.

Article 23

1. Member States shall fix a basic quota for each factory or for each undertaking producing sugar on their territory. Without prejudice to provisions adopted pursuant to paragraph 3 or 4, this basic quota shall be established by multiplying the average annual sugar production of the factory or undertaking concerned during the 1961/62 to 1965/66 marketing years by a coefficient expressing the ratio of the Member State's basic quantity to the average annual sugar production of that State during the same period.

The basic quantities shall be:

- for Germany: 1 750 000 metric tons of white sugar;
- for France: 2 400 000 metric tons of white sugar;
- for Italy: 1 230 000 metric tons of white sugar;
- for the Netherlands: 550 000 metric tons of white sugar;
- for BLEU: 550 000 metric tons of white sugar.

2. When a Member State fixes basic quotas by undertaking, it shall take the necessary steps to take the interests of beet and cane growers into account.

3. General rules for the application of paragraph 1 and any derogation from the provisions of that paragraph shall be adopted by the Council acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission.

4. Should detailed rules for the application of this Article prove necessary, they shall be adopted in accordance with the procedure laid down in Article 40.

Article 24

1. Member States shall fix a maximum quota for the factories or the undertakings for which they have fixed a basic quota. This maximum quota shall be determined by multiplying the basic quota by a coefficient.

2. Until the 1970/71 marketing year the coefficient referred to in paragraph 1 shall be 1.35. The coefficient may be adjusted, in the light of the actual trend of production and consumption, by the Council acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission.

The coefficient for the 1971/72 to 1974/75 marketing years shall be fixed at the same time as the target price in accordance with the procedure laid down in Article 43 (2) of the Treaty, account being taken of the trend of production from the point of view of specialisation and marketing opportunities.

Article 25

1. Subject to the provisions of Article 32, and unless a shortage is found to exist in the Community, the quantity of sugar produced in excess of the maximum quota fixed for a factory or undertaking in any given marketing year shall not be disposed of on the internal market.

2. The provisions of Articles 8, 9, 16 and 17 shall not apply to the quantity referred to in paragraph 1 which is not carried forward to the following marketing year pursuant to Article 32.

3. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 40. These detailed rules shall provide in particular for the levying of a charge where the quantity referred to in paragraph 2 has been disposed of in whole or in part on the internal market.

Article 26

1. The Council, acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission, shall fix a guaranteed quantity valid for the Community at the same time as the derived intervention prices.

2. This quantity shall be equal to 105% of anticipated human consumption in the Community, expressed in terms of white sugar, during the marketing year for which the guaranteed quantity is fixed.

Article 27

1. Subject to the provisions of Article 32, Member States shall impose a production levy on manufacturers of sugar which is outside the basic quota but within the maximum quota.

2. The production levy shall be calculated per unit of weight by dividing total losses incurred in marketing the quantity produced in the Community outside the guaranteed quantity by the sum of the quantities produced outside the basic quota by Community factories or undertakings. When this calculation is being made quantities outside the maximum quotas and quantities carried forward to the next marketing year pursuant to Article 32 shall be ignored.

Detailed rules for the application of this paragraph shall be adopted in accordance with the procedure laid down in Article 40.

3. The production levy may not, however, exceed a maximum amount.

4. Sugar manufacturers may require sellers to reimburse the production levy in respect of a quantity of beet or cane corresponding to the quantity of sugar on which the production levy is charged, up to a percentage which may be varied according to the above-mentioned raw materials. Sugar manufacturers shall communicate to the Member State concerned, for each factory or undertaking, the sum of the amounts reimbursed to them by beet or cane sellers.

Article 28

The Council, acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission, shall fix:

- minimum prices for beet outside the basic quota for the areas referred to in Article 4 (1);
- the percentage referred to in Article 27 (4);
- the maximum amount of the production levy calculated in such a way that the minimum prices for beet outside the basic quota are respected,

at the same time as the derived intervention prices.

Article 29

1. Sugar manufacturers may buy beet intended for the production of sugar in excess of the maximum quota fixed for the factory or undertaking concerned at a price which is lower than the minimum prices for beet referred to in Article 4 (1).

2. The provisions of paragraph 1 shall not apply if the excess quantities of sugar are carried forward to the following marketing year pursuant to Article 32.

Article 30

1. In contracts for the delivery of beet for the manufacture of sugar, beet shall be differentiated de-

pending on whether the quantities of sugar to be manufactured from it are:

- (a) within the basic quota;
- (b) outside the basic quota but within the maximum quota;
- (c) outside the maximum quota.

For each factory or undertaking, sugar manufacturers shall inform the Member States in which the factory or undertaking concerned produces sugar of:

- the quantities of beet referred to under (a) for which pre-sowing contracts were signed and the sugar content on which these contracts were based;
- the corresponding yield expected.

Member States may require additional information to be supplied to them.

2. By way of derogation from Article 27 (4) and Article 29 (1), any sugar manufacturer who has not signed pre-sowing delivery contracts for a quantity of beet equal to the basic quota, at the minimum price for beet referred to in the first indent of Article 4 (1), shall be required to pay this minimum price for all beet processed into sugar in the factory or undertaking concerned.

3. The Council, acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission, shall adopt general rules for the application of paragraph 1.

4. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 40. As far as paragraph 2 is concerned, they shall take the carry-forward effected pursuant to Article 32 into account.

Article 31

1. Each Member State shall be free to decide that the provisions of Article 30 are not to apply on its territory.

2. Each Member State shall, however, be free to limit the field of application of the decision referred to in paragraph 1 to specific factories or undertakings subject to certain conditions and in line with rules to be adopted by the Council acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission.

3. A Member State may only decide that the provisions of Article 30 are not to apply for a fixed

period. If it so decides, a special maximum quota calculated by multiplying the basic quota by a coefficient valid for the period shall be fixed for each factory or undertaking concerned.

In this event, the Member States shall fix the maximum quota for the factory or undertaking concerned for each marketing year of the period in question, and not later than 30 June for the current marketing year, without taking the provisions of Article 24 into account. The sum of the maximum quotas for the period in question for each factory or undertaking must be equal to the special maximum quota fixed for that factory or undertaking.

The maximum quota may not be higher than the maximum quota determined in accordance with the method of calculation described in Article 24 (2).

For the 1968/69 marketing year, the maximum quota may not be lower than the basic quota. The maximum quota for the next two marketing years may not be lower than the basic quota unless production is lower than the basic quota.

For the period from 1 July 1968 to 30 June 1971 the decision not to apply the provisions of Article 30 shall be taken before 1 March 1968 and the special maximum quota shall be calculated by multiplying the basic quota allocated to the factory or undertaking concerned for the 1968/69 marketing year by a coefficient of 3.5.

4. For the period or periods subsequent to 30 June 1971 the Council, acting in accordance with the voting procedure laid down in Article 43 (2) of the 1 August 1970:

- the length of each period for which a decision not to apply the provisions of Article 30 may be taken;
- the coefficient to be applied to the basic quota allocated to the factory or undertaking concerned, for a marketing year still to be determined, in order to calculate a special maximum quota for the period in question.

5. General rules for the application of paragraph 3 shall be adopted, if necessary, in accordance with the procedure laid down in Article 40.

Article 32

1. Where the provisions of Article 30 apply, each factory or undertaking may carry forward that part of its production which is outside the basic quota, up to a maximum corresponding to 10% of the basic quota, to the following marketing year to be treated as part of that year's production.

No production may be carried forward to the 1975/76 marketing year.

2. Factories or undertakings may carry forward part of their production to the following market year only if:

- they have notified the Member States concerned before 1 February of the quantity to be carried forward;
- they keep the quantity carried forward in store from 1 February to 31 January of the following year; storage costs for this period shall not be refunded under the provisions of Article 8.

3. Provisions concerning:

- payment for beet used to manufacture the quantity of sugar carried forward;
- contributions by beet or cane sellers towards the cost of storing the quantities carried forward;
- agreement between beet or cane sellers and sugar manufacturers as a precondition for carrying forward

shall be adopted by the Council acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission.

4. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 40.

Article 33

1. Where the tonnage of sugar produced in a Member State during the 1967/68 marketing year exceeds the quantity referred to in Article 7 (1) of Regulation No 44/67/EEC, adjusted in accordance with Article 8 (3) of that Regulation, this excess shall be distributed by Member States as carried-forward production between factories or undertakings after deduction of the quantities of sugar which have been exported to third countries in the natural state or in the form of processed products and which have not benefited from any export refund, production refund or denaturing premium within the framework of a common organisation of the markets.

2. The quantities to be carried forward shall be treated as production within the basic quota for the 1968/69 marketing year. The sum of these quantities for each Member State and other detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 40.

Article 34

1. During the 1968/69 to 1974/75 marketing years, Italy may grant adaptation subsidies to its beet growers and to its beet processing industry. These subsidies shall be abolished on 30 June 1975.

2. The subsidy to beet growers may not exceed 1.10 units of account per metric ton of beet with a 16% sugar content processed into sugar. Subsidies may only be granted for the quantity of beet used to produce a quantity of white sugar within the basic quota.

3. The subsidy to the beet processing industry may not exceed 1.46 units of account per 100 kilograms of white sugar manufactured from beet grown in Italy. It may only be granted in respect of a quantity of white sugar which is within the basic quota.

TITLE IV

General provisions

Article 35

1. The following shall be prohibited in the internal trade of the Community;

- the levying of any customs duty or charge having equivalent effect;
- any quantitative restriction or measure having equivalent effect;
- recourse to Article 44 of the Treaty.

2. Goods listed in Article 1 (1) which are manufactured or obtained from products to which Article 9 (2) and Article 10 (1) of the Treaty do not apply shall not be admitted to free circulation within the Community.

Article 36

Save as otherwise provided in this Regulation, Articles 92 to 94 of the Treaty shall apply to the production of and trade in the products listed in Article 1 (1).

Article 37

1. The Council, acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission, shall, in respect of sugar in stock on 1 July 1968, adopt provisions concerning the measures needed to offset the difference between national sugar prices and prices valid from 1 July 1968.

2. The requisite provisions to prevent the sugar market being disturbed as a result of an alteration in

price levels at the change-over from one marketing year to the next may be adopted in accordance with the procedure laid down in Article 40.

Article 38

Member States and the Commission shall communicate to each other the information necessary for implementing this Regulation. Rules for the communication and distribution of such information shall be adopted in accordance with the procedure laid down in Article 40.

Article 39

1. A Management Committee for Sugar (hereinafter called the 'Committee') shall be established, consisting of representatives of Member States and presided over by a representative of the Commission.

2. Within the Committee the votes of Member States shall be weighted in accordance with Article 148 (2) of the Treaty. The Chairman shall not vote.

Article 40

1. Where the procedure laid down in this Article is to be followed, the Chairman shall refer the matter to the Committee either on his own initiative or at the request of the representative of a Member State.

2. The representative of the Commission shall submit a draft of the measures to be taken. The Committee shall deliver its Opinion on such measures within a time limit to be set by the Chairman according to the urgency of the questions under consideration. An Opinion shall be adopted by a majority of twelve votes.

3. The Commission shall adopt measures which shall apply immediately. However, if these measures are not in accordance with the Opinion of the Committee, they shall forthwith be communicated by the Commission to the Council. In that event the Commission may defer application of the measures which it has adopted for not more than one month from the date of such communication.

The Council, acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty, may take a different decision within one month.

Article 41

The Committee may consider any other question referred to it by its Chairman either on his own initia-

tive or at the request of the representative of a Member State.

Article 42

At the end of the transitional period, the Council, acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission, shall decide in the light of experience whether to retain or amend the provisions of Article 40.

Article 43

1. Regulation No 25¹ on the financing of the common agricultural policy and the provisions adopted to implement that Regulation shall apply to the markets in the products listed in Article 1 (1) from the date on which this Regulation begins to apply.

2. From the date of application of this Regulation, Article 40 (4) of the Treaty and the provisions adopted for the application of that Article shall, as far as the Guarantee Section of the European Agricultural Guidance and Guarantee Fund is concerned, apply to the French overseas departments in respect of the markets in the products listed in Article 1 (1).

3. The premium provided for in Article 15 (2) shall be considered to be a levy in relation to third countries within the meaning of Article 11 (4) of Council Regulation No 130/66/EEC² of 26 July 1966 on the financing of the common agricultural policy.

4. Financial arrangements concerning the levies provided for in Articles 8 (1), 25 (3) and 27 shall be decided upon before 31 December 1967.

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

Done at Brussels, 18 December 1967.

Article 44

This Regulation shall be so applied that appropriate account is taken, at the same time, of the objectives set out in Articles 39 and 110 of the Treaty.

Article 45

1. Should transitional measures be necessary to facilitate transition to the system established by this Regulation, in particular if the introduction of the new system on the date provided for would give rise to substantial difficulties, such measures shall be adopted in accordance with the procedure laid down in Article 40. They shall be applicable until 30 June 1969 at the latest.

2. Such measures may, however, remain applicable until 30 June 1970 as far as the method of payment for beet in Italy is concerned.

Article 46

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

2. It shall apply from 1 July 1968, with the exception of Articles 6, 7, 23, 24, 30, 31, 33, 38 and 45, which shall apply immediately.

3. Regulation No 44/67/EEC and the provisions adopted in application thereof shall be repealed with effect from 1 July 1968.

For the Council

The President

H. HOECHERL

¹ OJ No 30, 20.4.1962, p. 991/62.

² OJ No 165, 21.9.1966, p. 2965/66.

ANNEX

CCT heading No	Description of goods
ex 17.04	Sugar confectionery, not containing cocoa: B. Chewing gum C. Other
ex 18.06	Chocolate and other food preparations containing cocoa and sugar
ex 19.02	Preparations of flour, starch or malt extract, of a kind used as infant food or for dietetic or culinary purposes, containing less than 50% by weight of cocoa, containing sugar
ex 19.08	Pastry, biscuits, cakes and other fine bakers' wares, whether or not containing cocoa in any proportion, containing sugar
ex 21.06	Natural yeasts (active or inactive)
ex 21.07	Food preparations not elsewhere specified or included, containing sugar
ex 22.02	Lemonade, flavoured spa waters and flavoured aerated waters, and other non-alcoholic beverages, containing sugar, not including fruit and vegetable juices falling within heading No 20.07
ex 22.09 C III	Spirituous beverages, other, containing sugar
29.04 C II	Mannitol, sorbitol