

COUNCIL REGULATION (EC) No 1598/96

of 30 July 1996

derogating from Regulation (EEC) No 1765/92 establishing a support system for producers of certain arable crops as regards the set-aside requirement for the 1997/98 marketing year

THE COUNCIL OF THE EUROPEAN UNION,

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

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament⁽¹⁾,

Whereas the support system for producers of certain arable crops introduced by Regulation (EEC) No 1765/92⁽²⁾ provides that, in order to qualify for compensatory payments under the general scheme, producers must set aside a predetermined percentage of their arable land; whereas this percentage is to be reviewed to take account of production and market developments;

Whereas, since the introduction of this system, the cereals market has achieved a better balance as a result of a reduction in production and an increase in Community consumption; whereas this situation, together with the very low level of stocks and very firm prices on the world market, has resulted in a significant reduction in stocks and a sharp rise in the prices for cereals on the Community market;

Whereas the present market situation for cereals is threatening to undermine, in the short term, the Community's presence on the world market and to jeopardize some of the results achieved since the reform of the arable sector, in particular the continuing rise in the consumption of cereals in animal feed; whereas the rate for set-aside beginning not later than 15 January 1997 should therefore be set for the 1997/98 marketing year at a level lower than that resulting from the provisions in force and the application of special set-aside should be suspended where the base area under the 1996/97 marketing year is exceeded;

Whereas, in the event of a transfer of the set-aside requirement, the basic 17,5 % set-aside rate is increased by 3 %; whereas this increase should be adjusted in order to maintain a similar ratio between the basic rate and the percentage increase due on transfer, as a result of the drop in the basic rate; whereas, in the event of a transfer of the set-aside requirement to areas which are sensitive from an environmental point of view, it is appropriate not to apply the abovementioned increase,

HAS ADOPTED THIS REGULATION:

Article 1

For the 1997/98 marketing year, notwithstanding Article 7 of Regulation (EEC) No 1765/92:

- the set-aside requirement referred to in paragraph 1 and the said Article shall be set at 5 %,
- the increase referred to in the second indent of paragraph 7 of the said Article shall be set at one percentage point. However, no increase shall apply to transfers executed to a particular area where environment objectives are achieved.

Article 2

Should the base area under the 1996/97 marketing year be exceeded, the special set-aside referred to in Article 2 (6), second indent of Regulation (EEC) No 1765/92 shall not apply.

Article 3

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

It shall apply to set-aside for the 1997/98 marketing year only.

⁽¹⁾ OJ No C 166, 10. 6. 1996.

⁽²⁾ OJ No L 181, 1. 7. 1992, p. 12. Regulation as last amended by Regulation (EC) No 1575/96 (see page 1 of this Official Journal).

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

Done at Brussels, 30 July 1996.

For the Council
The President
H. COVENEY
