

Council Regulation (EC) No 318/2006 of 20 February 2006 on the common organisation of the markets in the sugar sector (repealed)

TITLE II

**INTERNAL MARKET**

CHAPTER 1

**Prices**

*Article 3*

**Reference prices**

- 1 For white sugar, the reference price shall be:
  - a EUR 631,9 per tonne for each of the marketing years 2006/2007 and 2007/2008;
  - b EUR 541,5 per tonne for the marketing year 2008/2009;
  - c EUR 404,4 per tonne as from the marketing year 2009/2010.
- 2 For raw sugar, the reference price shall be:
  - a EUR 496,8 per tonne for each of the marketing years 2006/2007 and 2007/2008;
  - b EUR 448,8 per tonne for the marketing year 2008/2009;
  - c EUR 335,2 per tonne as from marketing year 2009/2010.
- 3 The reference prices referred to in paragraphs 1 and 2 shall apply to unpacked sugar, ex factory. They shall apply to white sugar and raw sugar of the standard quality described in Annex I.

*Article 4*

**Price reporting**

The Commission shall set up an information system on prices in the sugar market, including a system for the publication of price levels for the sugar market.

The system shall be based on information submitted by undertakings producing white sugar or by other operators involved in the sugar trade. This information shall be treated with confidentiality. The Commission shall ensure that the information published shall not permit to identify the prices of individual undertakings or operators.

*Article 5*

**Minimum beet price**

- 1 The minimum price for quota beet shall be:
  - a EUR 32,86 per tonne for the marketing year 2006/2007;
  - b EUR 29,78 per tonne for the marketing year 2007/2008;

- c EUR 27,83 per tonne for the marketing year 2008/2009;
- d EUR 26,29 per tonne as from the marketing year 2009/2010.

2 The minimum price referred to in paragraph 1 shall apply to sugar beet of the standard quality described in Annex I.

3 Sugar undertakings buying quota beet suitable for processing into sugar and intended for processing into quota sugar shall be required to pay at least the minimum price, adjusted by price increases or reductions to allow for deviations from the standard quality.

4 For the quantities of sugar beet corresponding to the quantities of industrial sugar or surplus sugar that are subject to the surplus amount provided for in Article 15, the sugar undertaking concerned shall adjust the purchase price so that it is at least equal to the minimum price for quota beet.

### *Article 6*

#### **Interprofessional agreements**

1 Agreements within the trade and delivery contracts shall conform to paragraph 3 and to purchase terms laid down in Annex II, in particular as regards the conditions governing the purchase, delivery, taking over and payment of beet.

2 The terms for buying sugar beet and sugar cane shall be governed by agreements within the trade concluded between Community growers of these raw materials and Community sugar undertakings.

3 In delivery contracts, a distinction shall be made according to whether the quantities of sugar to be manufactured from sugar beet will be:

- quota sugar,
- out-of-quota sugar.

4 Each sugar undertaking shall provide the Member State in which it produces sugar with the following information:

- a the quantities of beet referred to in the first indent of paragraph 3, for which they have concluded pre-sowing delivery contracts and the sugar content on which those contracts are based;
- b the corresponding estimated yield.

Member States may require additional information.

5 Sugar undertakings which have not signed pre-sowing delivery contracts at the minimum price for quota beet for a quantity of beet equivalent to their quota sugar shall be required to pay at least the minimum price for quota beet for all the sugar beet they process into sugar.

6 Subject to the approval of the Member State concerned, agreements within the trade may derogate from paragraphs 3 and 4.

7 If no agreements within the trade exist, the Member State concerned shall take the necessary steps under this Regulation to protect the interests of the parties concerned.

## CHAPTER 2

### **Quota production**

#### *Article 7*

### **Quota allocation**

1 The quotas for the production of sugar, isoglucose and inulin syrup at national or regional level are fixed in Annex III.

2 The Member States shall allocate a quota to each undertaking producing sugar, isoglucose or inulin syrup established in its territory and approved under Article 17.

For each undertaking, the allocated quota shall be equal to the total of the A and B quotas under Regulation (EC) No 1260/2001 which were allocated to the undertaking for the marketing year 2005/2006.

3 In case of allocation of a quota to a sugar undertaking having more than one production unit, the Member States shall adopt the measures they consider necessary in order to take due account of the interests of sugar beet and cane growers.

#### *Article 8*

### **Additional sugar quota**

1 By 30 September 2007 at the latest, any sugar undertaking may request from the Member State where it is established the allocation of an additional sugar quota.

The maximum additional sugar quotas per Member State are fixed in point I of Annex IV.

2 On the basis of the requests, the Member State shall determine according to objective and non-discriminatory criteria the quantities which are acceptable. If the sum of these demands for additional quantities exceeds the available national quantity, the Member State concerned shall provide for a proportional reduction of the acceptable quantities. The resulting quantities shall be the additional quota allocated to the undertakings concerned.

3 A one-off amount of EUR 730 shall be levied on the additional quotas that have been allocated to undertakings in accordance with paragraphs 1 and 2. It shall be collected per tonne of additional quota allocated.

4 The totality of the one-off amount paid in accordance with paragraph 3 shall be charged by the Member State to the undertakings on its territory that have been allocated an additional quota.

The payment of the one-off amount by a sugar undertaking concerned shall be made by a deadline to be determined by the Member States. The deadline shall not be later than 28 February 2008.

5 If the sugar undertaking has not paid the one-off amount before 28 February 2008 the additional quotas shall not be considered as allocated to the sugar undertaking concerned.

### *Article 9*

#### **Additional and supplementary isoglucose quota**

1 In the marketing year 2006/2007 an isoglucose quota of 100 000 tonnes shall be added to the total of the isoglucose quota fixed in Annex III. In each of the marketing years 2007/2008 and 2008/2009 a further isoglucose quota of 100 000 tonnes shall be added to the quota of the preceding marketing year.

Member States shall allocate the additional quotas to undertakings, proportionately to the isoglucose quotas that have been allocated in accordance with Article 7(2).

2 Italy, Lithuania and Sweden may allocate, upon request by any undertaking established on their respective territories a supplementary isoglucose quota in the period from the marketing year 2006/2007 until the marketing year 2009/2010. The maximum supplementary quotas are fixed per Member State in point II of Annex IV.

3 A one-off amount of EUR 730 shall be levied on the quotas that have been allocated to undertakings in accordance with paragraph 2. It shall be collected per tonne of supplementary quota allocated.

### *Article 10*

#### **Quota management**

1 In accordance with the procedure referred to in Article 39(2), the quotas set out in Annex III shall be adjusted by 30 September 2006 at the latest for the marketing year 2006/2007 and by the end of February at the latest of the previous marketing year for each of the marketing years 2007/2008, 2008/2009, 2009/2010 and 2010/2011. The adjustments shall result from the application of Articles 8 and 9, of paragraph 2 of this Article, and of Articles 14 and 19 of this Regulation and of Article 3 of Regulation (EC) No 320/2006.

2 Taking into account the results of the restructuring scheme provided for in Regulation (EC) No 320/2006, the Commission shall decide by the end of February 2010 at the latest, in accordance with the procedure referred to in Article 39(2), the common percentage needed to reduce the existing quotas for sugar, isoglucose and inulin syrup per Member State or region with a view to avoid market imbalances in the marketing years as from 2010/2011.

3 The Member States shall adjust the quota of each undertaking accordingly.

### *Article 11*

#### **National quota reallocation**

1 A Member State may reduce the sugar or isoglucose quota as allocated to an undertaking established on its territory:

— by up to 25 % for the marketing years 2006/2007 and 2007/2008 whilst respecting the freedom of undertakings to participate in the mechanisms established by Regulation (EC) No 320/2006,

and

— by up to 10 % for the marketing year 2008/2009 and following.

2 Member States may transfer quotas between undertakings in accordance with the rules laid down in Annex V and taking into consideration the interests of each of the parties concerned, particularly sugar beet and cane growers.

3 The quantities reduced pursuant to paragraphs 1 and 2 shall be allocated by the Member State in question to one or more undertakings on its territory, whether or not holding a quota.

## CHAPTER 3

### Out-of-quota production

#### *Article 12*

#### **Scope**

The sugar, isoglucose or inulin syrup produced during a marketing year in excess of the quota referred to in Article 7 may be:

- (a) used for the processing of certain products as referred to in Article 13;
  - (b) carried forward to the quota production of the next marketing year, in accordance with Article 14,
  - (c) used for the specific supply regime for the outermost regions, in accordance with Title II of Regulation (EC) No 247/2006;
- or
- (d) exported within the quantitative limit fixed in accordance with the procedure referred to in Article 39(2) respecting the commitments resulting from agreements concluded under Article 300 of the Treaty.

Other quantities shall be subject to the surplus amount referred to in Article 15.

#### *Article 13*

#### **Industrial sugar**

1 Industrial sugar, industrial isoglucose or industrial inulin syrup shall be reserved for the production of one of the products referred to in paragraph 2 when:

- a it has been subject to a delivery contract concluded before the end of the marketing year between a producer and a user which have both been granted approval under Article 17;
- and
- b it has been delivered to the user by 30 November of the following marketing year at the latest.

2 In accordance with the procedure referred to in Article 39(2) the Commission shall draw up a list of products for the production of which industrial sugar, industrial isoglucose or industrial inulin syrup is used.

The list shall in particular include:

- a bioethanol, alcohol, rum, live yeast and quantities of syrups for spreading and those to be processed into 'Rinse appelstroop';
- b certain industrial products without sugar content but the processing of which uses sugar, isoglucose or inulin syrup;
- c certain products of the chemical or pharmaceutical industry which contain sugar, isoglucose or inulin syrup.

3 A production refund may be granted on the products listed in Article 1(1)(b) to (e) if surplus sugar or imported sugar, surplus isoglucose or surplus inulin syrup is not available at a price corresponding to the world price for the manufacturing of products referred to in paragraph 2(b) and (c) of this Article.

The production refund shall be fixed taking into account in particular the costs arising from the use of imported sugar which the industry would have to bear in the event of supply on the world market and the price of the surplus sugar available on the Community market or the reference price if there is no surplus sugar.

#### *Article 14*

### **Carry forward of surplus sugar**

1 Each undertaking may decide to carry forward all or part of its production in excess of its sugar quota, its isoglucose quota or its inulin syrup quota to be treated as part of the next marketing year's production. Without prejudice to paragraph 3, that decision shall be irrevocable.

- 2 Undertakings which take the decision referred to in paragraph 1 shall:
- a inform the Member State concerned before a date to be determined by this Member State:
    - between 1 February and 30 June of the current marketing year for quantities of cane sugar being carried forward,
    - between 1 February and 15 April of the current marketing year for others quantities of sugar or inulin syrup being carried forward;
  - b undertake to store such quantities at their own expense until the end of the current marketing year.

3 If an undertaking's definitive production in the marketing year concerned was less than the estimate made when the decision in accordance with paragraph 1 was taken, the quantity carried forward may be adjusted retroactively by 31 October of the following marketing year at the latest.

4 The quantities carried forward shall be deemed to be the first quantities produced under the quota of the following marketing year.

#### *Article 15*

### **Surplus amount**

- 1 A surplus amount shall be levied on quantities of:
- a surplus sugar, surplus isoglucose and surplus inulin syrup produced during any marketing year, except quantities carried forward to the quota production of the

following marketing year and stored in accordance with Article 14 or quantities referred to in Article 12(c) and (d);

- b industrial sugar, industrial isoglucose and industrial inulin syrup for which no proof has been supplied, by a date to be determined, that it has been processed in one of the products referred to in Article 13(2);
- c sugar, isoglucose and inulin syrup withdrawn from the market in accordance with Article 19 and for which the obligations provided for in Article 19(3) are not met.

2 The surplus amount shall be fixed in accordance with the procedure referred to in Article 39(2) at a sufficiently high level in order to avoid the accumulation of quantities referred to in paragraph 1.

3 The surplus amount paid in accordance with paragraph 1 shall be charged by the Member State to the undertakings on its territory according to the quantities of production referred to in paragraph 1 that have been established for the undertakings for the marketing year concerned.

## CHAPTER 4

### Market management

#### *Article 16*

#### **Production charge**

1 As from the marketing year 2007/2008, a production charge shall be levied on the sugar quota, the isoglucose quota and the inulin syrup quota held by undertakings producing sugar, isoglucose or inulin syrup.

2 The production charge shall be set at EUR 12,00 per tonne of the quota sugar and quota inulin syrup. For isoglucose, the production charge shall be set at 50 % of the charge applicable to sugar.

3 The totality of the production charge paid in accordance with paragraph 1 shall be charged by the Member State to the undertakings on its territory according to the quota held during the marketing year concerned.

Payments shall be made by the undertakings by the end of February of the relevant marketing year at the latest.

4 Community sugar and inulin syrup undertakings may require sugar-beet or sugar-cane growers or chicory suppliers to bear up to 50 % of the production charge concerned.

#### *Article 17*

#### **Approved operators**

1 On request, Member States shall grant an approval to an undertaking producing sugar, isoglucose or inulin syrup or to an undertaking that processes these products into a product included in the list referred to in Article 13(2) provided that the undertaking:

- a proves his professional production capacities;
- b agrees to provide any information and to be subject to controls related to this Regulation;

- c is not subject to suspension or withdrawal of the approval.

2 The approved undertakings shall provide the Member State in whose territory the harvest of beet, cane or the refining takes place, with the following information:

- a the quantities of beet or cane for which a delivery contract has been concluded, as well as the corresponding estimated yields of beet or cane, and sugar per hectare;
- b data regarding provisional and actual sugar beet, sugar cane and raw sugar deliveries, and regarding sugar production and statements of sugar stocks;
- c quantities of white sugar sold and corresponding prices and conditions.

### *Article 18*

#### **Private storage and intervention**

1 If the average Community price recorded is below the reference price, during a representative period, and is likely to remain at that level, taking into account the market situation, aid for private storage of white sugar may be granted to undertakings which are allocated a sugar quota.

2 Throughout the marketing years 2006/2007, 2007/2008, 2008/2009 and 2009/2010, the intervention agency designated by each sugar-producing Member State shall buy in, up to a total quantity of 600 000 tonnes, expressed in white sugar, per marketing year for the Community, any white or raw sugar offered to it provided that the sugar concerned:

- has been produced under quota and manufactured from beet or cane harvested in the Community,
- has been the subject of a storage contract concluded between the seller and the intervention agency.

Intervention agencies shall buy in at 80 % of the reference price fixed in Article 3 for the marketing year following the marketing year during which the offer is lodged. If the quality of the sugar differs from the standard quality for which the reference price is fixed, this price shall be increased or reduced accordingly.

3 Intervention agencies may sell sugar only at a price which is higher than the reference price fixed for the marketing year in which the sale takes place.

However, it may be decided in accordance with the procedure referred to in Article 39(2), whilst respecting the commitments resulting from agreements concluded under Article 300 of the Treaty, that intervention agencies:

- a may sell sugar at a price equal to or lower than the reference price referred to in the first subparagraph if the sugar is intended:
  - for use as animal feed,
  - or
  - for export, either without further processing or after processing into products listed in Annex I to the Treaty or into goods listed in Annex VII to this Regulation.
- b are to make unprocessed sugar held by them available, for human consumption on the internal market of the Community, to charitable organisations — recognised by the Member State concerned or by the Commission in cases where a Member State has not recognised any such organisation — at a price which is lower than the current reference price or free of charge for the distribution as part of individual emergency aid operations.



### *Article 19*

#### **Withdrawal of sugar**

1 In order to preserve the structural balance of the market at a price level which is close to the reference price, taking into account the commitments of the Community resulting from agreements concluded in accordance with Article 300 of the Treaty, a percentage, common to all Member States, of quota sugar, quota isoglucose and quota inulin syrup may be withdrawn from the market until the beginning of the following marketing year.

In that case, the traditional supply need for refining imported raw sugar referred to in Article 29(1) of this Regulation shall be reduced by the same percentage for the marketing year concerned.

2 The withdrawal percentage referred to in paragraph 1 shall be determined by 31 October of the marketing year concerned at the latest on the basis of expected market trends during that marketing year.

3 Each undertaking provided with a quota shall store at its own expense during the period of withdrawal the quantities of sugar corresponding to the application of the percentage referred to in paragraph 1 to its production under quota for the marketing year concerned.

The sugar quantities withdrawn during a marketing year shall be treated as the first quantities produced under quota for the following marketing year. However, taking into account the expected sugar market trends, it may be decided, in accordance with the procedure referred to in Article 39(2), to consider, for the current and/or the following marketing year, all or part of the withdrawn sugar, isoglucose or inulin syrup as:

- surplus sugar, surplus isoglucose or surplus inulin syrup available to become industrial sugar, industrial isoglucose or industrial inulin syrup,
- or
- temporary quota production of which a part may be reserved for export respecting commitments of the Community resulting from agreements concluded under Article 300 of the Treaty.

4 If sugar supply in the Community is inadequate, it may be decided, in accordance with the procedure referred to in Article 39(2), that a certain quantity of withdrawn sugar, isoglucose and inulin syrup may be sold on the Community market before the end of the period of withdrawal.

### *Article 20*

#### **Storage under different measures**

Sugar stored under one of the measures referred to in Article 14, Article 18 or Article 19 during a marketing year may not be subject to private or public storage under any other of those provisions.