COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 20.7.1999
COM(1999) 399 final

99/0156 (ACC)

Proposal for a

COUNCIL REGULATION (EC)

concerning the tariff quota for butter of New Zealand origin

(presented by the Commission)

EXPLANATORY MEMORANDUM

Under the Uruguay Round of multilateral trade negotiations the Community agreed to concessions referred to in the agreements concluded and contained in Schedule CXL/European Communities.

In particular these concessions include a tariff quota of 76 667 tonnes of butter of New Zealand origin under the conditions that the butter is at least six weeks old, of a fat content by weight of not less than 80% but less 82% and is manufactured directly from milk or cream.

Since 1991 and 1995 respectively butter manufactured in New Zealand using the processes referred to as "Ammix " and "Spreadable" was exported to the Community under this tariff quota. The eligibility under the tariff quota of this butter has however been questioned.

In the interest of legal certainty it is appropriate to specify that such butter manufactured from milk or cream without the use of stored materials should not be excluded from the tariff quota simply by virtue of the fact that it is manufactured by a process which may involve the cream passing through a stage of concentrated milkfat and/or the fractionation of such milkfat.

The purpose of this proposal is to clarify the extent of the above tariff quota.

Proposal for a

COUNCIL REGULATION (EC)

concerning the tariff quota for butter of New Zealand origin

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 133 thereof,

Having regard to the proposal from the Commission,

(1) Whereas the Community concessions referred to in the Agreements concluded under the Uruguay Round of multilateral trade negotiations and contained in Schedule CXL/European Communities, include a tariff quota of 76 667 tonnes of butter of New Zealand origin, at least six weeks old, of a fat content by weight of not less than 80% but less 82% manufactured directly from milk or cream;

(2) Whereas the eligibility under the tariff quota of butter manufactured in New Zealand using the processes referred to as "Ammix" and "Spreadable" has been questioned;

(3) Whereas in the interest of legal certainty it is appropriate to specify that such butter manufactured from milk or cream without the use of stored materials is not excluded from the tariff quota by virtue of the fact that it is manufactured by a process which may involve the cream passing through a stage of concentrated milkfat and/or the fractionation of such milkfat,

HAS ADOPTED THIS REGULATION:

Article 1

For the purpose of the implementation of the tariff quota for butter of New Zealand origin, the phrase "manufactured directly from milk or cream" does not exclude butter manufactured from milk or cream, without the use of stored materials, in a single, self-contained and uninterrupted process which may involve the cream passing through a stage of concentrated milkfat and/or the fractionation of such milkfat.

Article 2

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

It shall apply from this date.

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: Chapter 10 - Agricultural duties			APPROPRIATIONS: EUR 1 054.5 million
2.	TITLE: Proposal for a Council Regulation concerning the tariff quota for butter of New Zealand origin.			
3.	LEGAL BASIS: Article 133 of the Treaty			
4.	AIMS: To clarify that butter manufactured in New Zealand using the processes referred to as "Ammix" and spreadable" is eligible under the tariff quota for butter of New Zealand origin.			

5. FINANCIAL IMPLICATIONS	12 MONTH PERIOD (EUR million)	CURRENT FINANCIAL YEAR [1999] (EUR million)	FOLLOWING FINANCIAL YEAR [2000] (EUR million)
5.0 EXPENDITURE - CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTION) - NATIONAL AUTHORITIES - OTHER	-	-	-
5.1 REVENUE - OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES) - NATIONAL	-	-	-

	2001	2002	2003	2004
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:

As the proposal concerns a legal clarification, it does not as such have financial consequences.