COMMISSION OF THE EUROPEAN COMMUNITIES

COM(92) 428 final

Brussels, 13 November 1992

Proposal for a

COUNCIL REGULATION (EEC)

amending Regulations (EEC) N° 2771/75 on the common organization of the market in eggs, N° 2777/75 on the common organization of the market in poultrymeat, N° 827/68 on the common organization of the market in certain products listed in Annex II to the treaty and N° 2658/87 on the tariff and statistical nomenclature and on the Common Customs Tariff.

(presented by the Commission)

EXPLANATORY MEMORANDUM

The attached proposal to amend the basic Council Regulations on the Common organisations of the markets in eggs and poultrymeat concerns five points:

1) Neither Regulation (EEC) N° 2771/75 nor Regulation (EEC) N° 2777/75 provide so far for a system of import licences. The recent inclusion of tariff quotas for eggs and poultrymeat in a number of international agreements requires, for the proper management of these quotas, the application of import licences. It is therefore proposed to add provisions on import licences in the basic regulations for CMO eggs and poultrymeat similar to those contained in Regulation (EEC) N° 2759/75 (CMO pigmeat).

2) Classification problems for certain egg products have highlighted a gap in the Combined Nomenclature, i.e. that egg products manufactured from incubated or damaged eggs which have not been denatured are difficult to classify within CN code 0408. As a solution it is proposed to base the wording of the CN code 0408 on that applicable to egg albumin under CN code 3502.

3) The annex to Regulation (EEC) N° 2771/75 contains the list of products, for the export of which refunds on their egg content may be paid. In view of the need to adapt this list to the changing market conditions and in order to facilitate these amendments, it is proposed to define this list in future by the Commission under the Management Committee procedure as already done in other sectors.

4) Regulation (EEC) N° 2777/75 covers raw fatty liver of ducks and geese, but not their preparations. Under Council Regulation (EEC) N° 1906/90, marketing standards for poultrymeat have been introduced which apply to raw duck and goose liver as well. In order to assure harmonized information of consumers and fair competition, it is considered necessary to lay down common standards for a number of preparations too. Before this can be done, these products need to be deleted from Regulation (EEC) N° 827/68, and included in the CMO poultrymeat which is the aim of the 4th part of the present proposal.

5) The customs duties for some products under the CMO for poultrymeat are bound in GATT. At present an import levy limited to the amount resulting from that binding is applicable to those products. Since the levy will thus only be collected if it is smaller than the customs duty, which may vary between 3 and 18 per cent ad valorem, it is proposed in future only to apply the customs duty to those products.

The measures cited under nos 1, 2, 3 and 5 are necessary to ensure the uniform application of the Community's external trade regime by all Member States.

In relation to point 4 it should be noted that although France is by far the most important producer and consumer Member State, production is also developing in other Member States. To avoid different national legislations for fatty liver preparations being adopted and creating problems for intra Community exchange, it would seem appropriate to provide the basis for the elaboration of common standards for liver preparations in line with those already existing for raw liver.

1 Ex

COUNCIL REGULATION (EEC) N°
of
amending Regulations (EEC) N° 2771/75 on the common organization of the market in eggs, N° 2777/75 on the common organization of the market in poultrymeat, N° 827/68 on the common organization of the market in certain products listed in Annex II to the treaty and N° 2658/87 on the tariff and statistical nomenclature and on the Common Customs Tariff.

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 43 thereof,

Having regard to the proposal from the Commission(1),

Having regard to the opinion of the European Parliament(2),

Having regard to the opinion of the Economic and Social Committee(3),

Whereas it has recently been detected that classification of certain egg products within heading 0408 of the Combined nomenclature in Annex I to Regulation (EEC) N° 2658/87 on the tariff and statistical nomenclature and on the Common Customs Tariff(4), as last amended by Regulation (EEC) N° ..../..(5) creates problems for the competent authorities; whereas to remedy that situation the structure of the subheadings within heading 0408 should be improved;

Whereas Regulations (EEC) N° 2771/75(6), and (EEC) N° 2777/75(7), both as last amended by Regulation (EEC) N° 1235/89(8), do not provide until now for a system of import licences; whereas in view of the increasing number of international agreements concerning inter alia trade in eggs and poultrymeat such a system involving the provision of security as a guarantee that importation will be effected should be introduced in these sectors too in order that a check may be kept on the volume of imports;

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(1) O.J. N° C
(2) O.J. N°
(3) O.J. N° C
(4) O.J. N° L 256, 7.9.1987, p. 1.
(5) O.J. N° L ....
(6) O.J. N° L 282, 01.11.1975, p. 49.
(7) O.J. N° L 282, 01.11.1975, p. 77.
(8) O.J. N° L 128, 11.05.1989, p. 29.

Whereas Article 9 of Regulation (EEC) N° 2771/75 provides for refunds on exports to third countries of eggs and egg products also in the form of further processed products listed in the annex thereto; whereas in order to facilitate future amendments to this list, it should be adopted in accordance with Article 17 of the said regulation;

Whereas prepared goose or duck liver falling under the CN subheading 1602 20 10 are covered by Regulation (EEC) N° 827/68(9), as last amended by Regulation (EEC) N° 789/89(10); whereas these preparations should be brought under Regulation (EEC) N° 2777/75 in order to be able to lay down common marketing standards for these products necessary for assuring harmonised information of consumers and fair competition; whereas the annex to Regulation (EEC) N° 827/68 should be adapted accordingly;

Whereas the customs duties for some products are bound in GATT;
Whereas at present an import levy is fixed for those products; but this levy is limited to the amount resulting from the binding of the customs duty; whereas for the sake of simplification in future only customs duties should be applied to those products.

HAS ADOPTED THIS REGULATION :

Article 1

Regulation (EC) N° 2771/75 is hereby amended as follows :

1. Article 1(1) is replaced by the following :

'Article 1

1. The common organization of the market in eggs shall cover the following products :

	CN Code	Description
(a)	0407 00 11	Poultry eggs in shell, fresh, preserved or cooked
	0407 00 19	
	0407 00 30	
(b)	0408 11 80	Other eggs not in shell and other egg yolks,
	0408 19 81	fresh, dried, cooked by steaming or by boiling in
	0408 19 89	water, moulded, frozen or otherwise preserved,
	0408 91 80	whether or not containing added sugar or other
	0408 99 80	sweetening matter

(9) O.J. N° L 151, 30.06.1968, p. 16.
(10) O.J. N° L 85, 30.03.1989, p. 3.

2. The following Article 8 a) is inserted

"Article 8 a)

1. The importation into the Community of any of the products listed in Article 1(1) may be made conditional on the submission of an import licence which shall be issued by Member States to any applicant irrespective of the place of his establishment in the Community.

   Such licence shall be valid for an importation carried out anywhere in the Community.

   The issue of such licences shall be conditional on the provision of security as a guarantee that importation will be effected during the period of validity of the licence; the security shall be wholly or partially forfeit if importation is not effected, or is only partially effected, within that period.

2. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 17.

3. Article 9(1) is replaced by the following

"Article 9

1. To the extent necessary to enable the products specified in Article 1(1) to be exported, in the state referred to therein or in the form of products the list of which shall be adopted in accordance with the procedure laid down in Article 17, on the basis of prices for those products on the world market, the difference between those prices and prices within the Community may be covered by an export refund."

4. Article 10 last indent shall be replaced by the following :

" - in special cases, in respect of products specified in Article 1(1) which are intended for the manufacture of the products appearing on the list referred to in Article 9(1)."

5. The Annex I is deleted.

Article 2

Regulation (EC) N° 2777/75 is hereby amended as follows :

1. Article 1(1) is replaced by the following :

"Article 1

1. The common organization of the market in poultrymeat shall cover the following products :

	CN Code	Description of goods
(a)	0105	Live poultry, that is to say, fowls of the species Gallus Domesticus, ducks, geese, turkeys and guinea fowl.
(b)	ex 0207	Meat and edible offal, of the poultry of heading N° 0105 fresh, chilled or frozen, excluding livers falling within subheadings 0207 31 00, 0207 39 90 and 0207 50
(c)	0207 31 00 0207 39 90 0207 50	Poultry livers, fresh, chilled or frozen
	0210 90 71 0210 90 79	Poultry livers salted, in brine, dried or smoked
(d)	0209 00 90	Poultry fat (not rendered), fresh, chilled, frozen, salted, in brine, dried or smoked
(e)	1501 00 90	Poultry fat, rendered, whether or not pressed or solvent-extracted
(f)	1602 20 10 1602 31 1602 39	Other prepared or preserved goose or duck liver Other prepared or preserved meat, or meat offal of poultry of heading N° 0105'

"

2. Article 3 is replaced by the following :

"Article 3

1. For products falling within subheadings 0207 31 00, 0207 39 90, 0207 50, 0210 90 71, 0210 90 79, 1501 00 90, 1602 20 10, 1602 31, 1602 39 19, 1602 39 30 and 1602 39 90 of the combined nomenclature customs duties laid down in the tariff shall apply.
2. For products referred to in Article 1(1) other than those listed in paragraph 1 of this Article a levy fixed in advance for each quarter in accordance with the procedure laid down in Article 17 shall be charged on imports into the Community."

3. Article 5(2) is deleted and paragraph 3 of that Article becomes paragraph 2.

4. The following Article 8 a) is inserted :

"Article 8 a

1. The importation into the Community of any of the products listed in Article 1(1) may be made conditional on the submission of an import licence which shall be issued by Member States to any applicant irrespective of the place of his establishment in the Community.

Such licence shall be valid for an importation carried out anywhere in the Community.

The issue of such licences shall be conditional on the provision of security as a guarantee that importation will be effected during the period of validity of the licence; the security shall be wholly or partially forfeit if importation is not effected, or is only partially effected, within that period.

2. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 17.

Article 3

In the annex to Regulation (EEC) N° 827/68, the following heading and subheading of the Combined Nomenclature are deleted :

ex 16 02 20	-	Of liver of any animal :
16 02 20 10	- -	Goose or duck liver.

Article 4

In Annex I to Council Regulation (EEC) N° 2658/87, heading 0408 is replaced by the following :

CN code	Description	Rate of duty		Supplementary unit
		autonomous (%) or levy (AGR)	conventional (%)	
1	2	3	4	5
0408	Birds' eggs, not in shell, and egg yolks, fresh, dried, cooked by steaming or by boiling in water, moulded, frozen or otherwise preserved, whether or not containing added sugar or other sweetening matter :			
	- Egg yolks :			
0408 11	-- Dried :			
0408 11 20	--- Unfit for human consumption (2)	free	free	-
0408 11 80	--- Other	22 (AGR)	-	-
0408 19	-- Other :			
0408 19 20	--- Unfit for human consumption (2)	free	free	
	--- Other :			
0408 19 81	---- Liquid	22 (AGR)	-	-
0408 19 89	---- Other, including frozen	22 (AGR)	-	-
	- Other :			
0408 91	-- Dried :			
0408 91 20	--- Unfit for human consumption (2)	free	free	-
0408 91 80	--- Other	22 (AGR)	-	
0408 99	-- Other :			
0408 99 20	--- Unfit for human consumption (2)	free	free	-
0408 99 80	--- Other	22 (AGR)		-

(2) Entry under this subheading is subject to conditions laid down in the relevant Community provisions.

Article 5

This Regulation shall enter into force on 1 January 1993.

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** : Chap. 24 **APPROPRIATIONS** : 259 Mio ECU

2. **TITLE** :
Draft Council Regulation amending R.2771/75 on the common organization of the market in eggs, R.2777/75 on the common organization of the market in poultrymeat, R.2658/87 on the tariff and statistical nomenclature and on the Common Customs Tariff and R.827/68 on the common organization of the market in certain products listed in Annex II to the Treaty.

3. **LEGAL BASIS** : Art. 43 of the Treaty

4. **AIMS OF THE PROJECT** :
- Add provisions on import licenses in the basic regulations for CMO eggs and poultrymeat similar to those contained in R.2759/75 (pigmeat).
- Create new CN subheadings for egg products manufactured from incubated or damaged eggs which have not been denaturated.
- Proposal to define the list of non Annex II products for the export of which refunds may be paid under the management committee procedure
- Include preparations of raw fatty liver of ducks and geese in the CMO poultrymeat in order to lay down common standards for a number of preparations.
- Apply customs duty to GATT bound products only

5. FINANCIAL IMPLICATIONS	PERIOD OF 12 MONTHS	CURRENT FINANCIAL YEAR (1992)	FOLLOWING FINANCIAL YEAR (1993)
5.0 EXPENDITURE			
- CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTIONS)	p.m.	p.m.	p.m.
- NATIONAL ADMINISTRATION			
- OTHERS			
5.1 RECEIPTS			
- OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES)	p.m.	p.m.	p.m.
- NATIONAL			

	1994	1995	1996	1997
5.0.1 ESTIMATED EXPENDITURE	p.m.	p.m.	p.m.	p.m.
5.1.1 ESTIMATED RECEIPTS	p.m.	p.m.	p.m.	p.m.

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 **IS A SUPPLEMENTARY BUDGET NECESSARY ?** YES / NO

6.3 **WILL FUTURE BUDGET APPROPRIATIONS BE NECESSARY ?** YES / NO

OBSERVATIONS :

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