Commission Regulation (EC) No 119/2007 of 8 February 2007 amending Regulation (EC) No 493/2006 laying down transitional measures within the framework of the reform of the common organisation of the markets in the sugar sector

COMMISSION REGULATION (EC) No 119/2007

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THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 318/2006 of 20 February 2006 on the common organisation of the markets in the sugar sector[(1)], and in particular Article 44(a) thereof,

Whereas:

(1) Commission Regulation (EC) No 493/2006[(2)] lays down certain special transitional measures, applicable for the 2006/2007 marketing year, the first year of implementation of the reform of the common organisation of the markets in the sugar sector.

(2) The 2006/2007 marketing year has seen an imbalance on the Community markets for sugar under quota and for non-quota sugar. While the surplus of sugar under quota is likely to increase, there could be insufficient supplies of non-quota sugar for the chemical industry during the second half of the 2006/2007 marketing year in view of the quantities being produced, stocks and the increase in demand for raw materials for bioethanol production.

(3) Special transitional measures, limited to the 2006/2007 marketing year, should therefore be laid down to re-establish balance on the markets for sugar under quota and for non-quota sugar and to facilitate the transition in the chemical and pharmaceutical industries between the old arrangements for the supply of sugar under quota in force during the 2005/2006 marketing year and the new arrangements for the supply of non-quota sugar laid down by Regulation (EC) No 318/2006. The reform of the sector was fully implemented only at the end of June 2006, which led to uncertainty, seriously hampering the conclusion of supply contracts for the 2006/2007 marketing year. Such contracts should in practice be concluded before beet is sown, i.e. before the previous March. The measures provided for in this Regulation should provide greater flexibility in the management of production in excess of the quota and ensure supplies of sugar to the chemical industry at world prices. Producers should be allowed to replace quantities of industrial sugar with sugar produced under quota. However, that possibility should be granted only on condition that additional checks on the quantities delivered and actually used by the industry are carried out correctly. The decision to grant that possibility must therefore be left to the discretion of the competent authorities of the Member States.

(4) The provisions on the delivery and use of industrial sugar laid down by Commission Regulation (EC) No 967/2006 of 29 June 2006 laying down detailed rules for the application of Council Regulation (EC) No 318/2006 as regards sugar production in excess of the quota[3] must apply to quantities delivered under the transitional measures laid down in this Regulation.

(5) Regulation (EC) No 493/2006 should therefore be amended.

(6) The measures provided for in this Regulation are in accordance with the opinion of the Management Committee for Sugar,

HAS ADOPTED THIS REGULATION:

Article 1

The following Article 3a is inserted in Regulation (EC) No 493/2006:

Article 3a

Use of sugar under quota

1 For deliveries of industrial sugar made until 30 September 2007 under the contracts referred to in Article 6 of Commission Regulation (EC) No 967/2006[4], the competent authorities of the Member States may allow producers, at their request, to deliver sugar they have produced under quota, including sugar withdrawn under Article 3 of this Regulation, in place of industrial sugar produced in excess of the quota.

2 Quantities of sugar delivered in accordance with paragraph 1 shall be entered in the accounts as industrial raw material delivered to a processor as provided for in point (a) of the second subparagraph of Article 4(1) of Regulation (EC) No 967/2006 for the 2007/2008 marketing year.

3 The communications provided for in Article 8 and 10 of Regulation (EC) No 967/2006 shall indicate separately the quantity delivered in accordance with paragraph 1 of this Article.

Article 2

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

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

Done at Brussels, 8 February 2007.

For the Commission

Mariann FISCHER BOEL

Member of the Commission