COMMISSION REGULATION (EC) No 38/2004

of 9 January 2004

amending Regulation (EC) No 314/2002 laying down detailed rules for the application of the quota system in the sugar sector

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 1260/2001 on the common organisation of the markets in the sugar sector [1], and in particular Articles 13(3), 14(4), 15(8), 16(5), 18(5) and 20(2) and the second paragraph of Article 41 thereof,

Whereas:

(1) Both yeast and alcohol production use sugar industry products and by-products that do not form part of the finished product but are needed for the fermentation process by which it is made.

(2) The recently increasing demand from alcohol producers for molasses has meant that less high quality beet molasses has been available to yeast producers and that it is of increasing interest to them to use sugar syrups. Use of these in turn means a marked reduction in environmental pollution caused by using molasses in making yeast.

(3) Commission Regulation (EC) No 314/2002 [2] stipulates that invert sugar and syrups processed into alcohol or rum are excluded from calculation of sugar production for the purposes of Articles 13 to 18 of Regulation (EC) No 1260/2001.

(4) In order to treat yeast producers fairly the above provision should be extended to cover syrups processed into live yeast.

(5) To prevent any misuse of the production quota system, arrangements should be introduced for supervising both enterprises allocated sugar production quotas and those processing sugar into alcohol, rum or yeast. Official approval of processing enterprises should be required and prior declaration of deliveries from enterprises assigned quotas should be required so that the authorities of the Member States can check on quantities. These arrangements should also apply to syrups for spreading and syrups to be processed into 'Rinse appelstroop', which, under Article 1(2)(h) of Regulation (EC) No 314/2002, are excluded from calculation of sugar production for the purposes of Articles 13 to 18 of Regulation (EC) No 1260/2001. To give the authorities time to introduce management and inspection measures, the new provisions should apply from 1 February 2004.

(6) To allow monitoring of use of invert sugar and syrups and of the corresponding production of alcohol, rum, yeast, syrups for spreading and 'Rinse appelstroop', Member States should notify the Commission of the quantities used and produced.

(7) In the third subparagraph of Article 4b(3) of Regulation (EC) No 314/2002 a distinction should be made between quantities of isoglucose expressed as dry matter and quantities of inulin syrup expressed as white sugar equivalent.

(8) In Article 6(5)(c) of Regulation (EC) No 314/2002 concerning export obligations to be fulfilled during the current marketing year (within the meaning of Article 15(1)(d) of Regulation (EC) No 1260/2001) the words 'such quantities being spread evenly over the marketing year' are unnecessary and should for clarity be removed.

(9) Regulation (EC) No 314/2002 should be amended accordingly.

(10) The Management Committee for Sugar has not delivered an opinion within the time limit set by its chairman,

HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EC) No 314/2002 is amended as follows:

1. in Article 1(2) point (f) is replaced by:

'(f) quantities of invert sugar and syrups processed into alcohol or rum and quantities of syrups used in making live yeast;'

[1] OJ L 178, 30.6.2001, p. 1. Regulation as last amended by Commission Regulation (EC) No 2196/2003 (OJ L 328, 17.12.2003, p. 26).
[2] OJ L 50, 21.2.2002, p. 40. Regulation as amended by Regulation (EC) No 1140/2003 (OJ L 160, 28.6.2003, p. 33).