



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 24.8.2005
COM(2005) 384 final

2005/0164 (CNS)

Proposal for a

COUNCIL REGULATION

on the common organisation of the market in seeds

(presented by the Commission)

EXPLANATORY MEMORANDUM

Council Regulation (EEC) No 2358/71 on the common organisation of the market in seeds and the CN codes of products falling within the scope of that common market organisation have undergone a number of substantial amendments. In view of those amendments and, in particular, those introduced under Council Regulation (EC) No 1782/2003 establishing common rules for direct support schemes under the common agricultural policy and establishing certain support schemes for farmers, that Regulation should be repealed and replaced by a new Regulation in the interests of clarity and a proper understanding of Community legislation.

The provisions of Council Regulation (EEC) No 1674/72 laying down general rules for granting and financing aid for seed were incorporated into the implementing rules provided for in Chapter 10 of Commission Regulation (EC) No 1973/2004. Council Regulation (EC) No 1674/72 should therefore be repealed.

The import licence scheme has been made uniform for all seed imports and, at the same time, has been streamlined in that there are no longer exemptions for duly registered growing contracts in third countries.

The provisions on the granting of national aid by Finland on account of its specific climatic conditions have been retained and the Commission will transmit a report to the Council on the results of this aid by 1 January 2006.

Proposal for a

COUNCIL REGULATION

on the common organisation of the market in seeds

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 36 and the third subparagraph of Article 37(2) thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament,

Having regard to the opinion of the European Economic and Social Committee,

Whereas:

- (1) The operation and development of the common market in agricultural products must be accompanied by the establishment of a common agricultural policy to include, in particular, a common organisation of the agricultural markets which may take various forms depending on the product concerned.
- (2) Council Regulation (EEC) No 2358/71 of 26 October 1971 on the common organisation of the market in seeds¹ has been substantially amended several times, particularly by Council Regulation (EC) No 1782/2003 establishing common rules for direct support schemes under the common agricultural policy and establishing certain support schemes for farmers and amending Regulations (EEC) No 2019/93, (EC) No 1452/2001, (EC) No 1453/2001, (EC) No 1454/2001, (EC) 1868/94, (EC) No 1251/1999, (EC) No 1254/1999, (EC) No 1673/2000, (EEC) No 2358/71 and (EC) No 2529/2001². In the interests of clarity, Regulation (EC) No 2358/71 should be repealed and replaced by a new Regulation.
- (3) The provisions of Regulation (EEC) No 1674/72 laying down general rules for granting and financing aid for seed³ were incorporated into the implementing rules in Chapter 10 of Commission Regulation (EC) No 1973/2004 of 29 October 2004 laying down detailed rules for the application of Council Regulation (EC) No 1782/2003 as regards the support schemes provided for in Titles IV and IVa of that Regulation and

¹ OJ L 246, 5.11.1971, p. 1. Regulation as last amended by Regulation (EC) No 1782/2003 (OJ L 270, 21.10.2003, p. 1).

² (See footnote 4.) Regulation as last amended by Commission Regulation (EC) No 118/2005 (OJ L 24, 27.1.2005, p. 15).

³ OJ L 177, 4.8.1972, p. 1. Regulation as last amended by Regulation (EEC) No 3795/85 (OJ L 367, 31.12.1985, p. 21).

the use of land set aside for the production of raw materials⁴. Regulation (EC) No 1674/72 should therefore be repealed.

- (4) In order to monitor the volume of trade in seeds with third countries, provision should be made for an import licence scheme with the lodging of a security to ensure that the transactions for which such licences are requested are effected.
- (5) The system of customs duties makes it possible to dispense with all other protective measures in the case of goods imported from third countries.
- (6) The internal market and customs duty mechanism could, in exceptional circumstances, prove inadequate. In such cases, so as not to leave the Community market without defence against disturbances that might ensue, the Community should be able to take all necessary measures without delay. Those measures must comply with the Community's international obligations.
- (7) The proper working of the single market in seeds would be jeopardised by the granting of national aid. The provisions of the Treaty governing state aid should, therefore, apply to the products covered by this common market organisation. However, since accession, Finland has been able, subject to authorisation by the Commission, to grant aid for certain quantities of seeds and cereal seeds produced solely in Finland on account of its specific climatic conditions.
- (8) Since the common market in seeds is constantly evolving, the Member States and the Commission should keep each other supplied with information relevant to developments in this area.
- (9) The measures required to implement this Regulation should be adopted in accordance with Council Decision 1999/468/EC of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred on the Commission⁵,

HAS ADOPTED THIS REGULATION:

⁴ OJ L 345, 20.11.2004, p. 1. Regulation as last amended by Regulation (EC) No 794/2005 (OJ L 134, 27.5.2005, p. 6).

⁵ OJ L 184, 17.7.1999, p. 23.

CHAPTER I

INTRODUCTORY PROVISIONS

Article 1

A common organisation of the market in seeds shall be established and shall cover the following products:

CN Code	Description of goods
0712 90 11	Sweetcorn hybrids for sowing
0713 10 10	Peas (<i>Pisum sativum</i>) for sowing
ex 0713 20 00	Chickpeas for sowing
ex 0713 31 00	Beans of the species <i>Vigna mungo</i> (L.) Hepper or <i>Vigna radiata</i> (L.) Wilczek for sowing
ex 0713 32 00	Small red (Adzuki) beans (<i>Phaseolus</i> or <i>Vigna angularis</i>) for sowing
0713 33 10	Kidney beans, including white pea beans (<i>Phaseolus vulgaris</i>) for sowing
ex 0713 39 00	Other beans for sowing
ex 0713 40 00	Lentils for sowing
ex 0713 50 00	Broad beans (<i>Vicia faba</i> var. <i>major</i>) and horse beans (<i>Vicia faba</i> var. <i>equina</i> , <i>Vicia faba</i> var. <i>minor</i>)
ex 0713 90 00	Other dried leguminous vegetables for sowing
1001 90 10	Spelt for sowing
ex 1005 10	Hybrid maize (corn) seed
1006 10 10	Rice in the husk (paddy or rough) for sowing
1007 00 10	Grain sorghum hybrids for sowing
1201 00 10	Soya beans, whether or not broken, for sowing
1202 10 10	Groundnuts, not roasted or otherwise cooked, in shell, for sowing
1204 00 10	Linseed, whether or not broken, for sowing
1205 10 10	Rape or colza seeds, whether or not broken, for sowing
1206 00 10	Sunflower seeds, whether or not broken, for sowing
ex 1207	Other oil seeds and oleaginous fruits, whether or not broken, for sowing
1209	Seeds, fruit and spores, of a kind used for sowing

Article 2

The marketing year for seeds shall begin on 1 July of each year and end on 30 June of the following year.

Article 3

This Regulation shall apply without prejudice to the measures provided for by Council Regulation (EC) No 1782/2003.

CHAPTER II

TRADE WITH THIRD COUNTRIES

Article 4

1. Imports into the Community of any of the products listed in Article 1 may be subject to the presentation of an import licence. The products for which import licences are required shall be determined in accordance with the procedure referred to in Article 10(2).
2. Import licences shall be issued by the Member States to any persons who so request, irrespective of their place of establishment in the Community.
3. Licences shall be valid for imports carried out anywhere in the Community. Their issue shall be subject to the lodging of a security guaranteeing that the products are imported during the validity period of the licence. Except in cases of *force majeure*, the security shall be forfeited in whole or in part if the transaction is not carried out, or is carried out only partially, within that period.

Article 5

Unless this Regulation provides otherwise, the Common Customs Tariff duty rates shall apply to the products listed in Article 1.

Article 6

1. The general rules for the interpretation of the Combined Nomenclature and the detailed rules for its application shall apply to the tariff classification of products referred to in Article 1. The tariff nomenclature resulting from the application of this Regulation shall be included in the Common Customs Tariff.
2. Save as otherwise provided in this Regulation or in provisions adopted pursuant thereto, the following shall be prohibited in trade with third countries:
 - (a) the levying of any charge having equivalent effect to a customs duty,
 - (b) the application of any quantitative restriction or measure having equivalent effect.

Article 7

1. If, by reason of imports or exports, the Community market in one or more of the products listed in Article 1 is affected by, or is threatened with, serious disturbance likely to jeopardise the achievement of the objectives set out in Article 33 of the Treaty, appropriate measures may be applied in trade with non-member countries of the World Trade Organisation until such disturbance or threat of it has ceased.
2. If the situation referred to in paragraph 1 arises, the Commission shall, at the request of a Member State or on its own initiative, decide upon the necessary measures. The

Member States shall be notified of such measures, which shall be immediately applicable. If the Commission receives a request from a Member State, it shall take a decision thereon within three working days following receipt of the request.

3. The measures mentioned in paragraph 2 may be referred to the Council by any Member State within three working days of the day on which they are notified. The Council shall meet immediately. It may, acting by a qualified majority, amend or repeal the measures in question within one month of the day on which the measures were referred to it.
4. Arrangements adopted under this Article shall take account of the obligations arising from agreements concluded in accordance with Article 300(2) of the Treaty.

CHAPTER III

GENERAL PROVISIONS

Article 8

1. Save as otherwise provided in this Regulation, Articles 87, 88 and 89 of the Treaty shall apply to the production of, and trade in, the products listed in Article 1 of this Regulation.
2. However, since accession, Finland has been able, subject to authorisation by the Commission, to grant aid for certain quantities of seeds and certain quantities of cereal seeds produced solely in Finland on account of its specific climatic conditions.

Prior to 1 January 2006, the Commission shall transmit to the Council, on the basis of the information supplied in due time by Finland, a report on the results of the aid authorised, accompanied by the necessary proposals.

Article 9

The Member States and the Commission shall communicate to each other the information necessary for implementing this Regulation.

Article 10

1. The Commission shall be assisted by the Management Committee on Seeds (hereinafter referred to as "the Committee").
2. Where reference is made to this Article, Articles 4 and 7 of Decision 1999/468/EC shall apply.

The period provided for in Article 4(3) of Decision 1999/468/EC shall be set at one month.

3. The Committee shall adopt its Rules of Procedure.

Article 11

Detailed rules on the application of this Regulation, and in particular the validity period of the licences referred to in Article 4 and the arrangements for communicating the information referred to in Article 9, shall be adopted in accordance with the procedure laid down in Article 10(2).

CHAPTER IV

TRANSITIONAL AND FINAL PROVISIONS

Article 12

1. Regulations (EEC) Nos 2358/71 and 1674/72 are hereby repealed.
2. References to Regulation (EEC) No 2358/71 shall be construed as references to this Regulation and shall be read in accordance with the correlation table in the Annex.

Article 13

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

It shall apply from 1 July 2006.

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

Brussels,

For the Council
The President

ANNEX

Correlation table

Regulation (EEC) No 2358/71	This Regulation
Article 1	Article 1
Article 2	Article 2
–	Article 3
Article 3	–
Article 3a	–
Article 4(1) and (2), first sentence	Article 4
Article 4(2), second subparagraph	Article 11
Article 5(1)	Article 5
Article 5(2) and Article 6	Article 6
Article 7	Article 7
Article 8	Article 8
Article 9, first sentence	Article 9
Article 9, second sentence	Article 11
Article 11	Article 10
Article 12	–
Article 13	–
Article 14	–
Article 15	–
Article 16	–
–	Article 12
Article 17	Article 13

FINANCIAL STATEMENT				
		DATE:		
1.	BUDGET HEADING: 05 02 11 02	APPROPRIATIONS: 110 Mio €		
2.	TITLE: Proposal for a Council Regulation on the common organisation of the market in seeds			
3.	LEGAL BASIS: Article 37 of the Treaty			
4.	AIMS: Repealing and modifying Regulation (EEC) n° 2358/71 following the reform in the seeds sector established by Regulation (EC) n° 1782/2003			
5.	FINANCIAL IMPLICATIONS	12 MONTH PERIOD (EUR million)	CURRENT FINANCIAL YEAR 2005 (EUR million)	FOLLOWING FINANCIAL YEAR 2006 (EUR million)
5.0	EXPENDITURE	-	-	-
	- CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTIONS)			
	- NATIONAL AUTHORITIES			
	- OTHER			
5.1	REVENUE	-	-	-
	- OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES)			
	- NATIONAL			
		2007	2008	2009
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:				