

Potato starch: quotas for the marketing years 2007-2008 and 2008-2009

2006/0268(CNS) - 19/12/2006 - Legislative proposal

PURPOSE: to roll-over potato starch quotas for a further two marketing years.

PROPOSED ACT: Council Regulation.

BACKGROUND: in 1994 the Community established a quota system for the production of potato starch in order to limit its production. See Regulation 1868/94/EC establishing a quota system for the production of potato starch (CNS/1994/0038). This Regulation obliges the Commission to prepare, periodically, an extensive report on the potato starch industry in the EU and the overall state of the starch economy. The findings of the report form the basis of future Commission proposals regarding the potato starch quotas levels in the coming marketing years.

CONTENT: the purpose of this proposed Regulation is to roll-over the quotas established for the marketing years 2006/2007 for a further two marketing years – i.e. 2007/08 and 2008/09. In proposing an extension of the current quota system the Commission is taking account of the reform of the sugar sector, which is expected to have a significant impact on the starch market as a whole, but the effect of which are not yet known. Further, in allowing for an extension of the current quota system, the Commission is allowing itself enough time to assess the effect of the Single Payment Scheme on the potato starch sector. The review of the Single Payment Scheme will take place in 2008 and the Commission is also, therefore, proposing that its next report on the potato starch sector be prepared before 1 January 2009.

As far as the budgetary implications of the proposal are concerned the quotas will remain stable. The starch premium is set at EUR 22.24 per tonne, leading to a total expenditure for each marketing year of EUR 43.4 million.

For further details on the budgetary implications of this proposal please refer to the financial statement.