

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(81) 804 final

Brussels, 27 January 1982

COMMUNICATION FROM THE COMMISSION TO THE COUNCIL

1982 food aid programmes

COM(81) 804 final

EXPLANATORY NOTE

PROPOSAL FOR 1982 FOOD AID PROGRAMMES

1. In this communication the Commission proposes that the Council should allocate to developing countries and specialised agencies the following quantities of food aid:

- 1 087 963 t cereals
- 150 000 t skimmed milk powder
- 45 000 t butteroil.

The cereals quantity is increased by 17,2 % over 1981.

2. The total value of this food aid is estimated at 701,9 million ECU at Community prices, including 257,4 million ECU for export restitutions and 66,6 million ECU for transport beyond FOB.

3. Allocations to developing countries are proposed on the basis of documented requests, and of the three general criteria adopted by the Council in March 1977 (without excluding other considerations).

The criteria are :

- (i) food import requirements;
- (ii) economic development (poorest countries defined here as those whose GNP/h (1980) does not exceed \$ 730)
- (iii) the balance of payments position.

Allocations to agencies are considered case by case.

4. A special effort has been made to concentrate the Community's food aid for 1982 on the poorest countries, who would receive 100 % of the direct allocations in cereals, 92 % of those in the skimmed milk powder, and 94 % of the butteroil. It is also proposed, as regards cereals, to include at this stage only those countries with the largest import requirements, resulting in allocations exceeding 5 000 t; food aid to the remaining countries will be proposed later under simplified procedures in a supplementary programme.

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INTRODUCTION

The presentation of the 1982 food aid programmes follows closely on the Commission proposal for a plan to combat hunger in the world. Inevitably, therefore, the programmes are based on this plan's twin guidelines for immediate and comprehensive action, i.e. to do more and to do better.

A. To do more

1. The first measure under the plan to combat hunger consists in allocating exceptional additional food aid worth 40 million ECU to the least developed countries (L D Cs). This special measure is in response to the worsening situation of the L D Cs (food deficits and lack of financial resources for making purchases on the world market).

2. The quantity of cereals it will be possible to deliver on the basis of the budget decision for this exercise is 1 097 963 t. This quantity is an increase of 17,2 % on that of 1981 (927.663 t). It represents about 1,1 % of the developing countries import requirements and is the minimum reasonable response to the cereals deficit in those countries.

The quantities of food aid in the form of milk products, however, are identical to those under the 1981 programmes.

3. It is worth pointing out that, in addition to the proposed increases for 1982, the backlog in the implementation of the annual programmes has been substantially eliminated in 1981. In the case of cereals, for example, nearly 90 % of the programme adopted on 19 May 1981 will have been delivered or be on its way by 31 December 1981. A report on the implementation of the 1981 programmes is being drawn up and will be presented shortly.

This catching-up process is boosting the quantities actually delivered to developing countries.

B. To do better

1. In recent years food aid has been given instruments to enable it to play a more integral role in the developing countries' food security measures.

In this connection, the Council resolution of 18 November 1980 opened the possibility of using food aid for multiannual projects and for building up stocks. The Commission intends to propose specific schemes in the near future for multiannual projects involving Bangladesh and Sri Lanka.

With regard to security stocks, i.e. for meeting needs other than those of immediate consumption, certain proposals are at present being studied. Mention may be made of the schemes being drawn up in CILSS, which could require the establishment of national and/or regional security stocks. In addition, there is the agreement on food security in Mali which is being negotiated between the Mali authorities and various donors.

2. The proposed cereals food aid programme has two new features designed to ensure greater consistency in the allocations, by taking into account :

- i. an index of average import requirements in the last three years;
- ii. the latest data available for the current marketing year (these details are included in the information memo annexed to this communication).

In addition, to ensure better adjustment to the trend of the situation as the year progresses, provision has been made for increasing the amount of the reserve set aside for special needs and contingencies, which will make the whole programme more flexible.

Furthermore, Zambia and Pakistan had improved crops in 1981 and are not included in the programme, as they did not submit any requests; the example of Pakistan proves that food aid, even in the case of a major recipient, does not have to be permanent or an obstacle to self-sufficiency.

At the same time, it was considered essential to concentrate aid on the countries with the heaviest cereals deficits (such concentration being additional to that already practised in favour of the poorest countries) in order to ensure a better sharing out of the quantities available.

3. Lastly, the Commission is anxious to see the successful conclusion as soon as possible of the coordination procedure initiated with Parliament on the basis of the common guidelines issued by the Council on 14 September 1981, concerning the "framework regulation" on food aid. Adoption of the draft "framework regulation" offers the only means of enabling the Commission to render fully effective the efforts made to turn food aid into a consistent and effective instrument.

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1982 FOOD AID PROGRAMME IN CEREALS

Cereals programme quantities

1. The total quantity proposed is 1 087 963 t, in line with the Commission's budget for 1982. This represents an increase of 17,2 % over the quantity of 927 663 t in the 1981 programme. It is considered by the Commission to be the minimum possible response by the Community to the sharply increased cereals import requirements of the developing countries.
2. These import requirements have been most recently estimated by FAO for 1981/82 at 105 million tonnes, which shows a continuation of the steady increase every year. Of these, 26 million tonnes are required by the low-income developing countries towards which the Community's food aid programme is targetted.

Requests received

3. As in all previous years, the total of cereals food aid requests addressed to the Community greatly exceeds the amount available. In all, 46 countries have made requests, amounting to some 2,1 million tonnes. In addition, requests have been received from the following specialised agencies: World Food Programme, United Nations High Commission for Refugees, United Nations Relief and Works Agency, International Red Cross, and several non-governmental organizations.

Food outlook for 1982

4. The food outlook in the developing countries is in the short term less gloomy than last year. There have been certain positive developments. The total 1981 harvest of key low-income developing countries (1) is estimated by FAO at 129 million tonnes, which is a record. The steady decline in their per caput cereals production has been checked. After the 1980 African food emergency, there has been a recovery in many countries. Finally, there has been a slight decline in world prices of the principal cereals traded, and of sea transport.

(1) ALL countries with 1980 GNP/caput up to \$ 730 (1979: \$ 680) excluding Burma, China, India, Thailand.

5. There are however continued grounds for pessimism, especially beyond the immediate future. The key figure of per caput cereals production in the above countries is still only estimated at 155 kg/year, compared with 165 kg five years ago. And the trend is still downward; in other words cereals production growth is lower than population growth. Secondly, the overall production increase is in fact concentrated on only a small number of countries, and hides a decrease in many others (1). The falls in prices are more than offset by the growing financial problems of this set of countries; whilst the food aid they have received, expressed as a percentage of their cereals imports, has fallen every year for the last five. It should finally be noted that there are no signs of any alleviation of the burden of refugees and displaced persons.

Determination of proposed allocations to countries

6. The essential criteria retained by the Commission are still: basic cereals needs, level of economic development, state of external finances. These were approved by the Council in March 1977, on the understanding that they would be applied with a certain flexibility, and that other criteria could be taken into account. These criteria have not changed. However the Commission is proposing certain changes of method for this year, and a certain change of emphasis.
7. In the first place it is considered that the list of recipient countries has become too long, and has come to include a number of attributions of only symbolic value to the recipient, and to the Community. Thus the 1981 programme contained 43 country allocations; of these 16 were of 5 000 tonnes or less, and amounted to only 36 000 t in total. Leaving aside the question of the viability of delivering so many relatively small consignments, the length of the list has lengthened the time needed to prepare and adopt the annual programme.
8. For these reasons it is proposed to draw a distinction between those countries with the quantitatively largest cereals import requirements (where it is proposed to allocate over 5 000 t Community aid) and the rest.

(1) In Africa alone, reduced crops are expected in Angola, Cap Verde, Ethiopia, Ghana, Guinea, Guinea Bissau, Madagascar, Mauretania, Mozambique, Niger, Sierra Leone, Somalia, Tanzania, Uganda.

For the former (twenty in number) proposals are made here and now by way of Council Decision.

As regards the remaining countries, it is in no way the Commission's intention to exclude them from participating in the food aid programme, but rather to propose that their requests should be considered on a different basis using different procedures. It is considered that this allows a closer analysis of requirements, and increased consistency and transparency in the proposals.

9. Cereals import requirements have as in previous years been based upon the figures prepared by FAO. For the first time a three year average has been used, partly since up-to-date figures are not available for many countries, but mainly in order to avoid excessive fluctuations from one year to the next in the amounts allocated. No adjustment has been made this year to take account of the higher value of rice compared to that of wheat and coarse grains, since the effect of the adjustment has been found in practice to be small.
10. The second major criterion - level of economic development - has been applied by reference to the latest World Bank estimates of 1980 GNP/head produced in July 1981. A figure of \$ 730 has been retained as an upper limit, corresponding to the FY 1982 guideline for IDA eligibility.
11. The external finances of the applicant countries have been taken into account by examining available IMF figures for balance of payments as an absolute figure, and the payments ratio (exports of goods and services as a percentage of balance of payments on current account). The results are listed in Table 4.

Application of criteria

12. Of the requests received, twenty have been retained for inclusion in the programme here proposed. Certain countries have had to be excluded on the grounds that their economic or financial position did not place them among the category of the poorest developing countries⁽²⁾ towards whom the Community's cereals food aid programme is directed. Others have not received a precise allocation because certain basic data is lacking (e.g. revised crop forecasts) or because it has not yet been possible to overcome some practical difficulties experienced in previous years. (1)

(1) The following countries have made requests but are not proposed for inclusion: Antigua, Centrafrique, Jamaica, Lebanon, Malta, Morocco, Peru, Philippines, Salvador, St. Kitts, Syria, Uganda and Yemen (A.R.).

(2) Poorest defined as GNP/h (1980) \$ 730 or less.

13. Certain countries that have previously received food aid have not made requests for 1982. The two most notable are Pakistan and Zambia who are currently self sufficient in cereals. Two others are Jordan and Indonesia.
14. For the fourteen countries which have not been mentioned at this stage because their import requirements are relatively small (on average less than 50 000 t compared with 680 000 t for those countries that have been included), it is proposed that for 1982 the Commission should be empowered to decide allocations to these countries up to a limit of 5 000 t cereals each and 50 000 t in total. Details of these countries are listed in Table 3. It is envisaged that simplified delivery procedures could also be used, including where appropriate the purchase of the cereals in a nearby developing country.
15. The remaining 20 countries have average import requirements estimated at 13,6 million tonnes, as listed in Table 2. Under the programme some 670 000 tonnes are available for allocation to these countries, after taking into account the proposed allocations to specialised agencies, and the need for a substantial reserve. The allocations have been drawn up on the basis of a percentage of import requirements⁽¹⁾, taking into account the countries' economic and financial situation and any other special factors. It will be seen that on average the Community is in a position to supply as food aid just under five percent of import requirements; the percentage ranges in practice from 8 % in the case of the very poorest countries (Bangladesh, Ethiopia, Mali etc.) down to 3 % (Egypt).
16. The proposed country allocations show the following features.
- . 100% is for countries with GNP/head (1980 est.) not exceeding \$ 730, and 63 % for the poorest countries in this group where GNP/head does not exceed \$ 370. (1981 programme: 95% and 59%)
 - . 37 % is for ACP countries, slightly more than in 1981.
 - . 43 % is for Least Developed Countries. 42 % is for countries of Sub-Saharan Africa.
- (1) 3-year average of gross import requirements as communicated by FAO, before deduction of commercial imports or food aid deliveries.

Allocations to agencies

17. The following allocations to specialised agencies are proposed, totalling 236 000 t:

- World Food Programme: 65 000 t (1981: 55 000 t). The increase is in line with the commitment entered into by all signatories of the Food Aid Convention and reflects the successful cooperation with the Programme in recent years.
- International Emergency Food Reserve: 50 000 t (1981 : 30.000 t plus 100 000 t special action). This follows the Community's increased support of this important instrument in the fight against world hunger. This contribution would be channelled through World Food Programme.
- UNRWA: 42 000 t as requested. (The increase of 2 000 t over 1981 is the result of a change in the technical coefficients of equivalence between wheat and flour). Approximately 38 000 t is for distribution in the form of flour to eligible Palestine refugees under the agency's basic rations programme, the remainder for use in the supplementary feeding programme for young children.
- UNHCR: allocations are proposed of 50 000 t for refugees in Pakistan and 12 000 t for refugees in Thailand.
- Red Cross: the same allocations are proposed as for 1981, that is: 15 000 t for the International Committee of the Red Cross (ICRC), and 2 000 t for the League of Red Cross Societies (LICROSS).
- Non-governmental organizations: as in previous years the Commission is not proposing a general allocation to non-governmental organizations; this does not of course preclude ad hoc allocations in any particular cases that may arise during 1982.

Reserve

18. A substantial reserve, totalling 184 963 t, is proposed for 1982; this represents 17 % of the programme. The reserve would be intended for the following purposes:

- (a) to meet late requests and additional allocations, to be decided by the Council along with the main programme;
- (b) for emergency food aid actions to be decided under existing procedures during the year;
- (c) for smaller allocations (under 5 000 t) to be decided by the Commission as described above;
- (d) for ad hoc allocations to be proposed by the Commission to the Council as and when requirements become clear. In particular the needs of Kampuchea are not yet determined for 1982. Certain countries have not made requests at this stage but may do later on.
- (e) for allocations in support of food strategies, as an integral part of the Community's action plan against world hunger; this could include supplies to national or regional grain reserves (as mentioned above the CILSS proposal is under study);
- (f) for special allocations where requests do not meet the basic criteria but a Community intervention may nonetheless be desirable; for example Nicaragua, the programme of the churches in Chile, and possibly elsewhere in Latin America ;

Transport

19. The following guidelines have been used to determine the extent of the Community's financing of transport costs:

- (a) Delivered to destination (D.D.): allocations to or through specialised agencies, and to landlocked countries;
- (b) Cost, insurance, freight (C.I.F.): Countries with GNP/head below \$ 250, or below \$ 300 in the case of African countries, where experience has shown that greater transport difficulties arise;
- (c) Free-on-board (F.O.B.): all other countries.

It should be noted that although allocations to specialised agencies have been indicated as delivered to destination, this represents a maximum. Precise terms will depend on the negotiations with the recipient and on the circumstances; they will usually be C.I.F. in practice. Similarly the reserve has been marked for delivery to destination, representing the maximum extent of the Community's financing.

Proposals

20. In summary the following allocations are proposed by the Commission for the 1982 cereals programme:

Directly to developing countries	: 667 000 t
To specialised agencies	: 236 000 t
Reserve	: <u>184 963 t</u>
	1 087 963 t
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Details of each allocation are set out in the annexed draft Decision, which the Council is requested to adopt as a matter of urgency.

COUNCIL DECISION

on the 1982 cereals food aid programme.

THE COUNCIL OF THE EUROPEAN COMMUNITIES

having regard to the Treaty establishing the European Economic Community and in particular Article 113 thereof,

Having regard to the proposal from the Commission;

Whereas the European Economic Community has deposited a declaration of provisional application of the Food Aid Convention 1980 and of the 1981 Protocol to extend it;

Whereas that Convention entered into force on 1st July 1980;

Whereas the Council approved on November 16, ¹⁹⁸¹ an ad hoc allocation for 1981/82 of the Community's minimum commitment of 1 650 000 t of cereals under the Food Aid Convention 1980 between Community actions and national actions of the Member States, without however excluding the possibilities of additional voluntary actions beyond the minimum commitment;

Whereas certain developing countries and specialised agencies have requested food aid in the form of cereals from the Community; whereas their situation and that of the Community justify food aid from the Community totalling 1 087 963 t;

Whereas the Council approved on 22 March 1977 certain basic criteria for selecting food aid recipients and determining quantities, other relevant considerations also being taken into account;

Whereas, in order for the aid to be used effectively, arrangements should be made in appropriate cases to finance certain transport and distribution costs;

HAS DECIDED AS FOLLOWS :

Article 1

An amount of 1 087.963 t of cereals shall be made available to developing countries and specialised agencies under the 1982 Food Aid Programme, by way of the Community actions under the Food Aid Convention 1980.

Article 2

The countries and agencies to receive this aid, together with the quantities allocated and the delivery terms, shall be as set out in the Annex.

Article 3

In the case of aid allocated to agencies, where so provided in the conditions agreed with the recipient, the Community may also finance distribution costs.

Done at Brussels1981

For the Council

The President

1982 CEREALS FOOD AID PROGRAMME

<u>Recipient</u>	<u>Quantity (t)</u>	<u>Delivery terms</u>
<u>Countries</u>		
Angola	10 000	CIF
Bangladesh	150 000	CIF
Egypt	180 000	FOB
Ethiopia	30 000	CIF
Ghana	15 000	FOB
Guinea	10 000	CIF
Haiti (*)	10 000	DD
Kenya	15 000	FOB
Lesotho	6 000	DD
Madagascar	20 000	FOB
Mali	15 000	DD
Mauritania	10 000	FOB
Mozambique	45 000	CIF
Senegal	20 000	FOB
Somalia	30 000	CIF
Sri Lanka	45 000	FOB
Sudan	13 000	FOB
Tanzania	20 000	CIF
U. Volta	8 000	DD
Zaire	15 000	CIF
<u>Agencies</u>		
WFP (projects)	65 000	DD
WFP (IEFR)	50 000	DD
UNRWA	42 000	DD
UNHCR	62 000	DD
CICR	15 000	DD
LICROSS	2 000	DD
<u>Reserve</u>	<u>184 963</u>	DD
	1 087 963	
	=====	

(*) through specialized agency

TABLE 1

1982 CEREALS FOOD AID PROGRAMME

REQUESTS RECEIVED FROM COUNTRIES

Angola	20 000 t	wheat	social feeding project
Bangladesh	200 000 t	wheat	controlled sale
Benin	7 000 t	wheat	controlled sale
Cap Verde	18 000 t	cereals	unspecified
Centrafrique	3 500 t	wheat flour	sale to trade
Comores	6 000 t	rice	open sale
	700 t	wheat four	
Djibouti	6 000 t	cereals	
Egypt	250 000 t	wheat	open sale
Ethiopia	80 000 t	wheat	relief feeding project
Ghana	10 000 t	maize	open sale
	10 000 t	rice	open sale
Guinea	20 000 t	rice	open sale
	10 000 t	wheat flour	open sale
	300 t	maize	social feeding project
	130 t	wheat	social feeding project
Guinea Bissau	15 000 t	maize	open sale
	10 000 t	rice	open sale
	10 000 t	sorghum	open sale
	5 000 t	wheat flour	open sale
Guinea-Equatorial	2 000 t	wheat flour	controlled sale
	1 000 t	rice	controlled sale
Guyana	1 000 t	wheat flour	open sale
Jamaica	6 650 t	wheat flour	social feeding project
	1 800 t	maize flour	" " "
	50 t	oat flakes	" " "
Kenya	70 000 t	wheat	open sale
Lebanon	22 000 t	wheat flour	relief feeding project
	5 000 t	rice	" " "
Lesotho	8 000 t	wheat	sale for milling
Madagascar	50 000 t	rice	open sale
	25 000 t	wheat flour	" "
Mali	15 000 t	maize	open sale
	10 000 t	rice	" "
Malta	50 000 t	wheat	sale for milling
Mauretania	58 000 t	wheat	open sale, sale for milling,
	30 000 t	sorghum (1)	social feeding project
Morocco	100 000 t	wheat	unspecified
Mozambique	30 000 t	wheat	sale for milling
	10 000 t	rice	sale for trade
Nicaragua (i)	20 000 t	wheat	open sale
Niger	5 000 t	wheat	unspecified
Peru	15 000 t	durum wheat	open sale
Philippines	5 000 t	wheat flour	open sale
Rwanda	3 000 t	wheat	sale for milling
St. Kitts	104 t	wheat flour	school feeding project
	62 t	rice	" " "
	42 t	maize	" " "

(1) Proportions not defined.

St. Tome	2 000 t	cereals	controlled sale
Salvador	2 250 t	oat flakes	child feeding project
Senegal	15 000 t	rice	social feeding project
	5 000 t	wheat	sale for milling
Sierra Leone	10 000 t	rice	open sale
Somalia	76 000 t	cereals	refugee feeding project
	5 000 t	wheat flour	open sale
	4 550 t	durum wheat	food for work project
Sri Lanka	(100 000 t)	wheat	open sale
Sudan	20 000 t	wheat	open sale
Syria	10 000 t	maize	sale for animal feed
	10 000 t	wheat	sale for milling
Tanzania	50 000 t	maize	controlled sale
	10 000 t	rice	open sale
	10 000 t	wheat	open sale
Uganda (1)	40 000 t	rice	open sale
Upper Volta	10 000 t	maize	open sale
	5 000 t	maize meal	controlled sale
	2 500 t	rice	open sale
	2 500 t	wheat flour	" "
	321 t	maize meal	child feeding project
	193 t	rice	" " "
Yemen (A) (2)	(50 000 t)	wheat	controlled sale
Zaire	15 000 t	wheat	sale after milling

Total (product quantities) 1 700 000 t

Total (cereals equivalent) 1 745 000 t

Total (wheat equivalent) 2 125 000 t

(1) Government request separate from NGO request.

(2) Request announced

Additional requests

Antigua	(600) t	cereals	unspecified
Grenada	225 t	wheat flour	school feeding project
Grenada	45 t	rice	school feeding project
Honduras	8 000 t	wheat	sale for milling
Nicaragua (ii)	5 000 t	oats	open sale

CALCULATION OF PROPOSED COUNTRY ALLOCATIONS

tx 1000

Country	GNP/h \$ 1980	Export ratio	Qty requested	Average import requir.	Key %	Theoret. alloc.	1981 alloc.	1982 prop.
Bangladesh	120	- 51	200	1874	8	150	130	150
Ethiopia	140	- 39	80	390	8	31	20	30
Somalia	(150)	-134	87	343	8	25	30	30
Mozambique	160		40	562	8	45	25	45
Mali	190	- 21	25	160	8	13	15	15
U. Volta	190		27	79	8	6	8	8
Zaire	220		15	318	5	16	10	15
Angola	(250)		20	223	5	11	8	10
Tanzania	260	- 76	70	237	5	12	20	20
Haiti *	270	- 26	-	174	5	9	3	10
Sri Lanka	270	- 20	100	937	5	47	32	45
Guinea	290		34	167	5	8	10	10
Mauretania	320	- 60	88	137	5	7	10	10
Madagascar	350	- 93	84	352	5	18	15	20
Lesotho	380		8	157	4	6	4	6
Ghana	420	- 7	20	348	4	14	10	15
Kenya	420	- 30	70	350	4	15	15	15
Senegal	450		20	432	4	17	20	20
Sudan	470	- 28	20	325	4	13	10	13
Egypt	580	- 24	250	6.075	3	180	135	180
			1 258	13 640			530	667
			=====	=====			===	===

* Aid through specialised agency.

1982 CEREALS FOOD AID PROGRAMMECountries with relatively small import requirements

tx 1000

Country	GNP/h	Quantity requested	Import requirement	1981 allocation
Guinea Bissau	160	42	53	7
Guinea Equatorial	(160)	4	3	1
Cap Verde	(180)	18	52	7
Rwanda	200	(3)	17	2
Djibouti	(270)	6	34	4
Sierra Leone	270	10	81	4
Benin	300	7	68	3
Comoros	300	7	26	3
Niger	330	5	41	0
S. Tome	490	2	8	1
Honduras	560	8	157	1
Guyana	690	1	73	1
Grenada	690	.	5	1
Nicaragua	720	25	69	10
		138	687	45

Note: All the above countries would be eligible for Community food aid under the 1982 cereals programme according to the simplified procedures described in the text. In addition the members of CILSS not figuring in the above table nor in the main 1982 proposal would be eligible also: that is, Chad and Gambia.

1982 CEREALS FOOD AID PROGRAMME

Balance of payments data

(US \$ million)

COUNTRY	BASE YEAR	EXPORTS OF GOODS AND SERVICES (A)	CURRENT BALANCE OF PAYMENTS (B)	EXPORT RATIO (B/A)
Somalia	1979	153	- 206	- 134
Madagascar	1979	466	- 433	- 93
Tanzania	1978	628	- 478	- 76
Mauritania	1979	204	- 123	- 60
Bangladesh	1979	852	- 440	- 51
Ethiopia	1980	576	- 224	- 39
Kenya	1979	1 602	- 479	- 30
Sudan	1979	839	- 239	- 28
Haiti	1979	223	- 59	- 26
Egypt	1979	6 953	-1553	- 24
Mali	1978	132	- 28	- 21
Sri Lanka	1979	1 174	- 231	- 20
Ghana	1980	1 282	- 94	- 7

No recent data available : Angola, Guinea, Lesotho, Mozambique, Senegal,
Upper Volta, Zaire.

Source : I M F, International Financial Statistics, August 1981.

DAIRY PRODUCTS

The criteria laid down by the Community for allocating food aid, i.e. import requirements, per capita GNP and external financial situation, cannot be applied automatically in the preparation of food aid programmes involving dairy products. This is because dairy products supplement the basic diet, which consists of cereals, but are not a substitute for it. In the case of dietary supplement, therefore, import requirements are of only relative importance, as priority must be given to providing the cereals needed to combat under-nourishment, before malnutrition can be tackled through the proteins contained in milk. Consequently, the proposals for allocating food aid in the form of dairy products have to take into account not theoretical import requirements but the capacity to use and absorb this type of product.

It is imperative to prevent wherever possible the danger of serious illnesses resulting from incorrect use of milk powder. The sale of milk in powder form is acceptable only in countries where the population knows how to prepare liquid milk hygienically and has the facilities for doing so. It is therefore proposed to allocate larger quantities to countries and organizations which meet these requirements either via carefully structured social programmes or through the intermediary of the dairy industry.

In addition, priority must be given in future to improving the quality of the products supplied. For example, there must be systematic checking of the vitamin content both on shipment and at the destination. Furthermore, packaging in 25 kg bags is very often ill-suited to free distribution programmes. More deliveries will have to be packaged in smaller quantities if serious losses are to be avoided.

It should be emphasized that in the annexed tables, "net requirements" does not mean the milk requirements of a country but the quantities needed by the dairy industry or required for a free distribution programme.

1. Requests

Requests have been received so far from 49 countries for a total of 173,743 t of skimmed-milk powder. In addition to this, there are the requests from organizations, amounting to 127,794 t. The total quantity requested is therefore 301,537 t.

With regard to butteroil, 39 countries have requested a total quantity of 86,694 t, while organizations have requested 18,950 t, making 105,644 t in all. The total quantity requested is less than for 1981 (117,267 t); the reason for this may be that many countries are now requesting only the quantities allotted to them in preceding years, irrespective of the extent to which they meet the requirements.

2. Proposed allocations

a) Skimmed-milk powder

The proposed allocation in the light of the foregoing is as follows :

- international organizations : 63,800 tonnes
- applicant countries : 69,650 tonnes
- reserve : 16,550 tonnes.

Remarks :

- It is to be expected that the reserve of 16,550 t will be reduced, as a token entry has been made for some countries pending receipt of additional information.
- It should be pointed out, however, that the reserves under previous programmes still stand at the following levels :

. 1980 programme :	1,015 tonnes	
. 1981 programme :	7,318 tonnes	
TOTAL :	8,333 tonnes.	

b) Butteroil

The proposed allocation is as follows :

- international organizations : 13,400 tonnes
- applicant countries : 29,805 tonnes
- reserve : 1,795 tonnes.

Remarks :

This reserve represents an absolute minimum, as quantities will have to be allotted to countries for which a token entry has been made for the time being.

However, the following quantities are still available in the reserves under earlier programmes :

- . 1980 programme : 524 tonnes
- . 1981 programme : 1,270 tonnes.

This quantity - 1,794 tonnes - is the minimum needed to cover any emergency operations approved between now and the end of 1982.

As in previous years, an indicative programme has been drawn up for dairy product allocations to the N G Os, LICROSS and the I C R C. This programme could be amended at the request of the organization concerned, by agreement with the Commission.

1982 MILK PROGRAMME

S : sale at market price
 FD : free distribution
 SDI : sale dairy industry
 SFC : sale final consumer
 SRP : sale at reduced price
 FAD : free at destination

Recipient country	Quantity requested (t)	Use	GNP/head 1980	Net requirements (t)	Direct aid 1981 (t)	Proposal 1982 (t)	Method of delivery	Observations
Angola	-	FD : 2,000,000 p	(250)	4,200	500	500	CIF	(1)
Bangladesh	10,000		120	-	5,000	0	-	(2)
Burundi	300	SDI	200	368	100	100	FAD	
Cape Verde	800	SRP : 400 p FD : 55,000 p	(180)	3,500	400	400	CIF	
Comoros	1,000	FD : 102,850 p	300	1,000	400	400	CIF	(3)
Djibouti	400	FD : 60,000 p	(270)	200	200	200	CIF	
Ecuador	1,623	FD : 279,000 p	1,220	1,786	500	1,000	FOB	
Ethiopia	15,000	FD : 1,200,000 p	140	9,000	2,000	2,000	CIF	
Ghana	5,000	SDI	420	5,000	300	2,000	FOB	(4)
Guinea-Bissau	700	SDI	(160)	700	600	0		(5)
Guinea-Conakry	1,500	FD	290	-	token entry	0		(8)
Grenada	350	FD : 43,000 p SDI : 50 t	690	350	400	350	FOB	
Equatorial Guinea	2,000	SFC : 500 t FD : 1,500 t	(160)	2,000	token entry	0		(42)
Upper Volta	2,000	FD : 146,148 p	190	5,312	token entry	0		(9)
Honduras	3,000	FD : 330,000 p	560	993	2,000	t. entry	FOB	(21)
India	31,000	SDI	240	31,000	31,000	31,000	CIF	
Indonesia	3,010	SDI : 1,360 t FD : 1,650 t	420	3,010	1,350	2,000	FOB	(26)
Jamaica	3,000	FD : 354,350	1,030	3,174	1,500	1,500	FOB	

1982 MILK PROGRAMME

Recipient country	Quantity requested (t)	Use	GNP/head 1980	Net requirements (t)	Direct aid 1981 (t)	Proposal 1982 (t)	Method of delivery	Observations
Jordan	1,500	FD Palest. refugees : 250,000 p	1,390	1,500	1,500	token entry	FOB	(13)
Kenya	6,400	SDI	420	6,400	2,000	t. entry	FOB	(24)
Lesotho	930	FD : 260,000 p	380	930	300	300	FAD	
Lebanon	4,700	FD : 525,000 p	(1,500)	4,700	1,100	1,100	FOB	
Madagascar	1,500		350		token entry	t. entry	FOB	(23)
Mali	1,500	FD : 750 t SDI : 750 t	190	1,500	600	600	FAD	(10)
Malta	600	FD : 200 t SRP : 400 t	(2,200)	2,160	400	200	FOB	(11)
Mauritius	700	FD : 190,000 p	1,050	700	-	500	FOB	(25)
Mauritania	6,000	SFC : 3,000 t	320	-	1,000	1,000	CIF	(34)
Morocco		FD	860	-	1,500	0		(14)
Mozambique	1,100	SDI	(160)	1,100	750	750	CIF	
Nicaragua	3,000	SDI	720		2,000	2,000	FOB	(35)
Niger	2,000	FD	330	-	250	250	FAD	
Uganda	986	SDI	280	986	-	500	FAD	(27)
Pakistan	3,000		300	-	750	2,000	FOB	(36)
Peru	2,000	SDI	930	-	1,000	1,000	FOB	
Philippines	1,000	SFC	710	2,800	1,000	t. entry	FOB	(37)
Egypt	20,000	SDI	580	20,000	10,000	10,000	FOB	

1982 MILK PROGRAMME

Recipient country	Quantity requested (t)	Use	GNP/head 1980	Net requirements (t)	Direct aid 1981 (t)	Proposal 1982 (t)	Method of delivery	Observations
Central African Republic	250	FD : 240,000 p	340	250	token entry	0	-	(18)
Rwanda	-	-	200	-	-	0	-	(39)
El Salvador	1,800	FD SDI : 1,000 t	590	1,800	-	-	-	(20)
Senegal	3,750	SFC : 1,000 t FD : 500,000 p	450	-	2,000	2,000	FOB	(38)
St. Kitts-Nevis	100	FD : 8,000 p	-	100	-	-	-	
Sierra Leone	957	FD : 212,571 p	270	957	token entry	500	CIF	(6)
Somalia	6,748	FD : 900,000 p	(150)	6,748	3,500	3,500	CIF	(29)
Sudán	5,000	SDI : 3,000 t FD : 2,000 t	470	5,000	500	500	FOB	(19)
Sri Lanka	2,500		270	-	token entry	t. entry	FOB	(40)
Syria	4,000	SDI	1,340	-	1,200	t. entry	FOB	(12)
Tanzania	2,324	SDI	260	2,324	2,500	2,000	CIF	(28)
Chad	no request	FD	120	-	token entry	t. entry	FAD	
Thailand	3,000	FD : 340,000 p	670	3,000	token entry	t. entry	FOB	(30)
Togo	500	SDI	410	500	250	t. entry	FOB	(7)
Yemen A.R.	awaited		460	-	500	t. entry	FOB	(15)
Zaire	3,000	SFC	220	-	token entry	0	-	(31)
Zimbabwe	3,715		630	-	-	1,500	FOB	(33)
Zambia	1,500	SDI	560	1,500	1,500	t. entry	FAD	(32)
TOTAL	173,743			136,548	81,600	69,650		

1982 MILK PROGRAMME

Recipient country	Quantity requested (t)	Use	GNP/head 1980	Net requirements (t)	Direct aid 1981 (t)	Proposal 1982 (t)	Method of delivery	Observations
<u>BODIES</u>								
I C R C	2,000	FD			2,200	2,000	FAD	
LICROSS	1,800	FD			1,800	1,800	FAD	
U N H C R		FD			token entry	t. entry	FAD	(41)
N G Os	41,794	FD			25,000	27,000	FAD	
U N R W A	awaited	FD Palest. refugees			1,632	(1,000)	FAD	(16)
W F P	82,000	FD			30,000	32,000	FAD	
TOTAL BODIES	127,794				60,632	63,800		
RESERVE					7,318	16,550		
TOTAL	301,537			136,548	150,000	150,000		

OBSERVATIONS : SKIMMED-MILK POWDER

1. BANGLADESH : quantities allocated for 1981 still to be delivered.
2. BURUNDI : limited capacity for transport to this country.
3. COMOROS : despite the increase in the numbers qualifying for free distribution, an increase in the allocation would appear to be unattainable for reasons related to transport and distribution capacity.
4. GHANA : token entry in 1981 on account of technical difficulties in the dairy industry. These difficulties have now been resolved.
5. GUINEA BISSAU : as the dairy industry is not functioning properly for technical reasons, a zero allocation is proposed.
6. SIERRA LEONE : the backlog of deliveries of aid previously allocated has now been cleared.
7. TOGO : delivery of previous aid allocations now in progress; they are intended for the new dairy industry and the results produced by the plant must be awaited before new aid is committed.
8. GUINEA : establishment of a factory for recombining milk (EDF financing requested) is awaited before any milk powder is delivered.
9. UPPER VOLTA : 2,000 t from 1980 still not delivered.
10. MALI : as previously, the proposal is for an allocation of aid for free distribution via the N G Os.
11. MALTA : the proposal covers free distribution only. It should be possible for products intended for sale to be imported commercially (GNP = \$ 2,000/head).
12. SYRIA : request relates to multiannual project. It will be dealt with separately after examination of the project.
13. JORDAN : following a report from the Commission Delegate, a detailed examination must be made of the use of previous schemes before any new aid is committed.
14. MOROCCO : before any new aid is committed, the 1981 results must be awaited; the solution using the N G Os as previously can be adopted if necessary.

15. YEMEN A.R. : reports on 1980 aid awaited before a new proposal is made.
16. U N R W A : re-assessment of requirements in progress.
17. MOZAMBIQUE : solely for dairy industry; free distribution programme cancelled.
18. CENTRAL AFRICAN REPUBLIC : no guarantees of proper use.
19. SUDAN : the token entry was replaced by a quantity of 500 t for 1981, following receipt of reports on the use of previous aid allocations.
20. EL SALVADOR : indirect aid will be proposed if necessary.
21. HONDURAS : zero allocation proposed, pending reports on implementation.
23. MADAGASCAR : token entry pending receipt of information on proposed use.
24. KENYA : local production is now sufficient to supply the dairy industry. Free distribution in schools is ensured under a three-year programme for 16,000 t of skimmed-milk powder and 2,500 t of butteroil.
25. MAURITIUS : this country had waived aid under the milk programme in 1980 for reasons of storage and because of distribution problems. The distribution infrastructure has improved, hence this request.
26. INDONESIA : the quantities allocated in 1980/81 have been used up for free distribution. The proposed supplement would be for the dairy industry and a development project in the dairy production sector (Baturraden).
27. UGANDA : the dairy industry is operating once again after a lapse of several years. The W F P is providing the industry with 985 t.
28. TANZANIA : the request is much smaller than in 1981. It is therefore proposed that the aid allocation be scaled down.
29. SOMALIA : a supplementary quantity of 1,500 t was delivered in 1981 as emergency aid. The number of refugees is going down (700,000 in 1981 against 900,000 in 1980).
30. THAILAND : this country has presented a request for a multiannual project (five years) covering free distribution in schools and via social services. A proposal will be made separately following receipt of full details.

31. ZAIRE : the milk requested is intended for sale in powder form. Net requirements would appear to be 200,000 t. It is proposed to carry out schemes via the NGOs.
32. ZAMBIA : token entry pending additional information on the dairy industry and counterpart funds.
33. ZIMBABWE : since independence, dairy production has been disrupted by a rise in demand.
34. MAURITANIA : for free distribution only.
35. NICARAGUA : request awaited.
36. PAKISTAN : extension of programmes for free distribution in schools and hospitals.
37. PHILIPPINES : request for sale in powder form. Results of 1981 operation awaited prior to new allocation.
39. RWANDA : irrespective of whether a request is submitted, it is proposed to make a zero allocation pending reports on the use of 1980 aid.
40. SRI LANKA : request relates to a multiannual project. A proposal will be made subsequently.
41. U N H C R : as in 1981, there is to be no general allocation; proposals will be made for specific schemes (e.g. Afghan refugees).
42. EQUATORIAL GUINEA : no guarantee of correct use of milk powder.

1982 BUTTEROIL PROGRAMME

S : sale
 SRP : sale at reduced price
 SDI : sale dairy industry
 FD : free distribution
 FAD : free at destination
 SFC : sale final consumer

Recipient country	Quantity requested (t)	Use	GNP/head 1980	Net requirements (t)	Direct aid 1981 (t)	Proposal 1982 (t)	Method of delivery	Observations
Bangladesh	10,000	SFC : 8,000 t SDI : 2,000 t	120	10,000	3,000	3,500	CIF	(21)
Burundi	100	SDI	200	100	50	50	FAD	
Cape Verde	600	SFC	(180)	-	250	250	CIF	
Central African Republic	300	FD : 240,000 p	-	340	-	-	-	(6)
Comoros	200	SRP	300	200	100	100	CIF	
Djibouti	awaited	FD : 11,000 p	(270)	-	100	100	CIF	
Ethiopia	7,500	FD : 500,000 p	140	5,400	1,000	1,000	CIF	
Ecuador	110	SDI	1,220	-	-	token entry	FOB	(12)
Ghana	3,500	SDI	420	3,000	200	600	FOB	(1)
Guinea-Bissau	1,000	SFC : 400 t	160	1,000	175	175	CIF	
Guinea	200	SFC	290	-	200	t. entry	CIF	(3)
Equatorial Guinea	3,000	SFC + FD	160	-	token entry	0	-	(2)
Guyana	350	SDI	690	-	100	100	FOB	
Grenada	30	FD : 20,000	690	30	30	30	FOB	
Upper Volta	-	-	190	-	token entry	0	-	(11)
Honduras	awaited	SFC	560	-	600	600	FOB	
India	12,700	SDI	240	20,000	12,700	12,700	CIF	
Indonesia	4	sale	-	-	-	-	-	(20)

1982 BUTTEROIL PROGRAMME

Recipient country	Quantity requested (t)	Use	GNP/head 1980	Net requirements (t)	Direct aid 1981 (t)	Proposal 1982 (t)	Method of delivery	Observations
Jamaica		FD : 354,350	1,030	-	200	200	FOB	
Lesotho	350	FD : 35,414 p	380	350	100	200	FAD	(4)
Lebanon	2,350	FD : 525,000 p	(1,500)	-	1,000	1,000	FOB	
Mali	270	SDI	190	270	200	200	FAD	(5)
Mauritania	4,500	FD : 320,000	320	-	1,000	1,000	CIF	
Mozambique	600	SDI	(160)	1,500	200	200	CIF	
Nicaragua	-	SDI	720	-	200	200	FOB	
Niger	1,000		330	-	-	0		(16)
Pakistan	5,000	SFC	300		1,500	2,000	FOB	
Peru*	2,000	SDI	930	2,000	500	500	FOB	
Philippines	100	SFC	710	-	100	100	FOB	
Egypt	15,000	SFC	580	15,000	2,800	2,800	FOB	
Sao Tome	600	FD : 30,000 p + sale	490	300	100	100	CIF	
Salvador	1,350		590	-	-	-		(7)
St. Kitts-Nevis	25	FD : 8,000	-	-	-	0		(13)
Senegal	1,000	FD : 500,000 p	450	-	200	0		(19)
Sierra Leone	639	FD : 212,571 p	250	639	200	200	CIF	
Somalia	4,610	FD : 963,700 p	(150)	4,610	1,500	1,500	CIF	
Sudan	2,000	SFC	470	-	0	0		(17)
Sri Lanka	250	FD : 18,500	230	250	token entry	100	FOB	

1982 BUTTEROIL PROGRAMME

Recipient country	Quantity requested (t)	Use	GNP/head 1980	Net requirements (t)	Direct aid 1981 (t)	Proposal 1982 (t)	Method of delivery	Observations
Syria	1,000	SDI	1,340	1,000	400	t. entry	FOB	(8)
Tanzania	670	SDI	260	670	400	400	CIF	
Thailand	286	FD	670	286	token entry	t. entry	FOB	(9)
Yemen A.R.	awaited							
Zambia	500	SDI	560	-	500	t. entry	FAD	(15)
Zaire	3,000	SDI	220	-	-	-		(10)
TOTAL COUNTRIES	86,694				31,630	29,905		
BODIES								
I C R C	1,000	FD			1,000	1,000	FAD	
LICROSS	500	FD			500	500	FAD	
U N H C R		FD				t. entry	FAD	(22)
U N R W A	3,900	FD			3,900	3,900	FAD	
W F P	10,000	FD			6,000 (1)	6,000	FAD	
N G O s	3,550	FD			2,000	2,000	FAD	
TOTAL BODIES	18,950				13,400	13,400		
RESERVE					1,270	1,695		
TOTAL	105,644				45,000	45,000		
(1) Of which : 1,300 t under the 1977 and 1978 programmes.								

OBSERVATIONS : BUTTEROIL

1. GHANA : quantity required (500 t) for recombining whole milk with 2,000 t of powder.
2. EQUATORIAL GUINEA : 1980 allocation still be delivered; results of this allocation awaited before further aid is supplied.
3. GUINEA : no information on use.
4. LESOTHO : increased requirements for a new "Food for Work" programme, to supplement school programmes.
5. MALI : quantity proposed in proportion to the milk allocation for recombining whole milk.
6. CENTRAL AFRICAN REPUBLIC : this country is a producer of vegetable oils and fats. No information on previous food aid.
7. EL SALVADOR : indirect aid will be proposed if necessary.
8. SYRIA : request relates to multiannual project. Will be dealt with separately following examination of the project.
9. THAILAND : request in respect of multiannual project (5 years) for free distribution in schools and via social services. Will be dealt with separately following receipt of full details.
10. ZAIRE : aid to be supplied via N G Os if necessary.
11. UPPER VOLTA : use of previous aid in the form of butteroil not satisfactory.
12. ECUADOR : request is for the dairy industry. Additional information on use is awaited before a proposal is made.
13. ST. KITTS : token entry pending receipt of additional information on the proposed programme.
15. ZAMBIA : token entry pending more detailed information on use.
16. NIGER : this country is a producer and consumer of vegetable oils.
17. SUDAN : no information on use of previous aid.
19. SENEGAL : this country produces 100,000 t of groundnut oil annually. Butteroil was supplied in 1981 because of the disastrous drop in groundnut production.

20. INDONESIA : quantity requested is 4 t. No details on conditions of sale.
21. BANGLADESH : including 500 t for the dairy industry.
22. U N H C R : to be dealt with as and when needs arise (500 t in 1981).

COUNCIL REGULATION (EEC) No

of

laying down general rules for the supply of skimmed-milk powder to certain developing countries and specialized bodies under the food aid programme

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 Council Regulation (EEC) No 804/68 of 27 June 1968 on the common organization of the market in milk and milk products⁽¹⁾, as last amended by Regulation (EEC) No 1761/78⁽²⁾, and in particular Article 7 (4) thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament⁽³⁾,

Whereas certain developing countries and specialized bodies have indicated their requirements in high-protein milk products; whereas these high-protein products may be supplied in the form of skimmed-milk powder produced within the Community and meeting certain quality standards;

Whereas the supply of skimmed-milk powder must take into account the amounts of skimmed-milk powder available in the Community and the necessity of not disrupting market conditions;

Whereas the amounts available at present enable 150 000 tonnes of skimmed-milk powder to be supplied under the . . . programme;

Whereas, if the quantities of skimmed-milk powder in public stocks are insufficient for the delivery of the abovementioned amount, or if they do not have the characteristics necessary for their particular destination where this requires in particular other forms of packing or the addition of vitamins or other additives, supplies must be ensured by the buying-in of skimmed-milk powder on the Community market;

Whereas, in order to enable the aid to be used effectively, arrangements should be made to finance certain transport and distribution costs;

Whereas the supplies must be delivered at the cheapest possible price; whereas in order to achieve that aim, a tendering procedure must be provided for; whereas, however, it may be desirable in the interests of speed, in exceptional cases, to have recourse to private contracts;

Whereas it is desirable that the rules for the application of the measures laid down for buying-in skimmed-milk powder on the market should be adopted in accordance with the procedure laid down in Article 30 of Regulation (EEC) No 804/68, as in the case of the rules to be applied where public stocks are used,

HAS ADOPTED THIS REGULATION:

Article 1

150 000 tonnes of skimmed-milk powder shall be made available to certain developing countries and specialized bodies as food aid under the . . . programme.

Article 2

1. The skimmed-milk powder referred to in Article 1 shall be purchased in accordance with Article 7 (1) of Regulation (EEC) No 804/68.
2. If the amounts of skimmed-milk powder in public stocks are insufficient to supply the quantities provided for in Article 1 or if they do not have the characteristics necessary for their particular destination where this requires, in particular, other forms of packing or the addition of vitamins or other additives, supplies shall be ensured by the buying-in of skimmed-milk powder on the Community market. Buying-in shall be done in such a way as not to disturb the normal development of prices on the market.

Article 3

For the purposes of Article 1:

- (a) the cost of the skimmed-milk powder, delivered to the port of shipment or a corresponding stage, shall be financed by the Community;
- (b) in exceptional cases, the Community may also wholly or partially finance on the basis of a decision of the Council, in accordance with the procedure referred to in Article 7:
 - transport
 - to the frontier of the country and, possibly, to the place(s) of destination, and
 - distribution, where the goods are distributed by a specialized body.

(1) OJ No L 148, 28. 6. 1968, p. 13.

(2) OJ No L 204, 28. 7. 1978, p. 6.

(3) Opinion delivered on

Article 4

Amounts corresponding to the costs referred to in Article 3 (b) shall, where the arrangements agreed with the recipient country or body so provide, be paid wholly or in part as a lump-sum contribution to the country or body of destination by the Commission.

Article 5

For delivery of skimmed-milk powder to the port of shipment or a corresponding stage, and, where relevant, for its shipment from that stage and its purchase on the Community market, invitations to tender shall be issued, without prejudice to Article 4 save in exceptional cases, where private contracts are negotiated.

Article 6

The decision to apply Article 2 (2) shall be taken and the procedure for implementing this paragraph and

Article 5 shall be adopted in accordance with the procedure laid down in Article 30 of Regulation (EEC) No 804/68.

Article 7

The countries and bodies for which this aid is destined, together with the quantity to be allocated to each, shall be determined by the Council acting by a qualified majority on a proposal from the Commission.

Article 8

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

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

Done at Brussels,

For the Council

The President

COUNCIL REGULATION (EEC) No

of
 on the supply of skimmed-milk powder to certain developing countries and specialized bodies under the food-aid programme

THE COUNCIL OF THE EUROPEAN COMMUNITIES

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No . . . laying down general rules for the supply of skimmed-milk powder to certain developing countries and specialized bodies under the . . . food aid programme (1), and in particular Articles 3 and 7 thereof,

Having regard to the proposal from the Commission,

Whereas Council Regulation (EEC) No . . . provides for the supply of 150 000 tonnes of skimmed-milk powder; whereas this quantity should be allocated among the various countries and bodies from which applications have been accepted and arrangements for financing should be specified;

whereas . . . tonnes should be kept as a contingency reserve for future allocation,

HAS ADOPTED THIS REGULATION:

Article 1

The allocation and financing arrangements in respect of 150 000 tonnes of skimmed-milk powder to be supplied to certain developing countries and specialized bodies as food aid under the . . . programme in accordance with Regulation (EEC) No . . . are set out in the Annex.

Article 2

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

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

Done at Brussels,

For the Council
The President

(1) See page . . . of this Official Journal.

ANNEX1982 SKIMMED-MILK POWDER FOOD AID PROGRAMME

Recipient countries and bodies	Quantities allocated (tonnes)	Arrangements for financing
<u>C o u n t r i e s</u>		
ANGOLA	500	CIF
BURUNDI	100	free at destination
CAPE VERDE	400	CIF
COMOROS	400	CIF
DJIBOUTI	200	CIF
EGYPT	10,000	FOB
ECUADOR	1,000	FOB
ETHIOPIA	2,000	CIF
GHANA	2,000	FOB
GRENADA	350	FOB
HONDURAS	token entry	FOB
INDIA	31,000	CIF
INDONESIA	2,000	FOB
JAMAICA	1,500	FOB
KENYA	token entry	FOB
LESOTHO	300	free at destination
LEBANON	1,100	FOB
MADAGASCAR	token entry	
MALI	600	free at destination
MALTA	200	FOB
MAURITIUS	500	FOB
MAURITANIA	1,000	CIF
MOZAMBIQUE	750	CIF
NICARAGUA	2,000	FOB
NIGER	250	free at destination
UGANDA	500	free at destination
PAKISTAN	2,000	FOB
PERU	1,000	FOB
PHILIPPINES	token entry	FOB
SENEGAL	2,000	FOB
SIERRA LEONE	500	CIF
SOMALIA	3,500	CIF
SUDAN	500	FOB
SRI LANKA	token entry	
SYRIA	token entry	FOB
TANZANIA	2,000	CIF
CHAD	token entry	
THAILAND	token entry	
TOGO	token entry	FOB
YEMEN A.R.	token entry	FOB
ZAMBIA	token entry	free at destination
ZIMBABWE	1,500	FOB
<u>B o d i e s</u>		
LICROSS	2,000	free at destination
U N H C R	1,800	free at destination
N G O s	token entry	free at destination
	27,000	free at destination
U N R W A	1,000	free at destination
W F P	32,000	free at destination
Reserve	16,550	
TOTAL	<u>150,000</u>	

COUNCIL REGULATION (EEC) No

of

laying down general rules for the supply of milk fats to certain developing countries and specialized bodies under the . . . food-aid programme

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 Council Regulation (EEC) No 804/68 of 27 June 1968 on the common organization of the market in milk and milk products⁽¹⁾, as last amended by Regulation (EEC) No 1761/78⁽²⁾, and in particular Article 6 (6) thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament⁽³⁾,

Whereas certain developing countries and specialized bodies have indicated their requirements in milk fats; whereas these fats may be supplied in the form of butter or butteroil produced within the Community and meeting certain quality standards;

Whereas the amounts available at present in the Community enable a quantity corresponding to 45 000 tonnes of butteroil to be supplied as food aid in butter and butteroil; whereas the apportionment of supplies between public and private stocks will vary depending on market trends and seasonal requirements;

Whereas in view of the situation on the Community market in butter and other butterfats, as well as the need to make certain emergency deliveries and ensure regular supplies under the most favourable economic conditions, provision should be made for these supplies to be made either by taking butter or other butterfats from stocks held by intervention agencies or by buying-in butter or butteroil on the Community market;

Whereas, in order to enable the aid to be used effectively, arrangements should be made to finance certain transport and distribution costs;

Whereas the supplies must be delivered at the cheapest possible price; whereas in order to achieve that aim, provision should be made for a tendering procedure; whereas, however, in the interests of speed it may be desirable in exceptional cases to use private contracts;

Whereas it is desirable that the rules for implementing the measures laid down for buying-in butter

or butteroil on the market should be adopted in accordance with the procedure laid down in Article 30 of Regulation (EEC) No 804/68, as in the case of the rules to be applied where public stocks are used,

HAS ADOPTED THIS REGULATION:

Article 1

A quantity of butter or butteroil corresponding to 45 000 tonnes of butteroil shall be made available to certain developing countries and specialized bodies under the . . . food-aid programme.

Article 2

1. The butter referred to in Article 1 shall be purchased in accordance with Article 6 (1) of Regulation (EEC) No 804/68. The butteroil referred to in Article 1 shall be processed from this butter.

2. If the market situation is such that delivery as provided in Article 1 cannot be carried out in accordance with paragraph 1, then the supply shall be ensured by using butter or butterfats available on the Community market. Buying-in shall be done in such a way as not to disturb the normal development of prices on the market.

Article 3

For the purposes of Article 1:

(a) the cost of the butter or butteroil, delivered to the port of shipment or a corresponding stage, shall be financed by the Community;

(b) in exceptional cases, the Community may also wholly or partially finance on a decision of the Council adopted in accordance with the procedure referred to in Article 8:

- transport to the frontier of the country and, possibly, to the places of destination, and
- distribution where the goods are distributed by a specialized body.

Article 4

The costs referred to in Article 3 (b) shall, where the arrangements agreed with the recipient country or

⁽¹⁾ OJ No L 148, 28. 6. 1968, p. 13.

⁽²⁾ OJ No L 204, 28. 7. 1978, p. 6.

⁽³⁾

lately so provide, be paid wholly or in part as a lump-sum contribution to the country or body of destination by the Commission.

Article 5

Without prejudice to Article 4, invitations to tender shall be issued for delivery of the product, including packing, labelling and forwarding to the port of shipment or a corresponding stage, and, where relevant, for its forwarding beyond that stage, save in exceptional cases where private contracts may be negotiated.

Article 6

The sums to be paid to the undertaking selected shall be due only if:

- (a) the undertaking satisfies the conditions laid down in the invitation to tender or the private contract; and
- (b) the quality and packing of the delivered products are found on inspection to comply with the relevant Community provisions.

Provision may be made for part of such sums to be paid in advance.

Article 7

The decision to apply Article 2 (2) shall be taken and the resulting procedure for implementing that paragraph and Article 5 shall be adopted in accordance with the procedure laid down in Article 30 of Regulation (EEC) No 804/68.

Article 8

The countries and bodies for which this aid is destined, together with the quantity to be allocated to each, shall be determined by the Council acting by a qualified majority on a proposal from the Commission.

Article 9

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

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

Done at Brussels,

For the Council

The President

COUNCIL REGULATION (EEC) No

of

on the supply of milk fats to certain developing countries and specialized bodies
under the food-aid programme

THE COUNCIL OF THE EUROPEAN
COMMUNITIES,

Having regard to the Treaty establishing the European
Economic Community,

Having regard to Council Regulation (EEC) No
laying down general rules for the supply of
milk fats to certain developing countries
and specialized bodies under the food-aid
programme⁽¹⁾, and in particular Articles 3 and 8
thereof,

Having regard to the proposal from the Commission,

Whereas Regulation (EEC) No provides for
the supply of a quantity of butter or butteroil cor-
responding to 45 000 tonnes of butteroil to certain de-
veloping countries and specialized bodies; whereas this
quantity should be allocated among the various coun-
tries and organizations from which applications have

been accepted and arrangements for financing should
be specified; whereas tonnes should be kept as
a contingency reserve for future allocation,

HAS ADOPTED THIS REGULATION:

Article 1

The allocation and financing arrangements in respect
of a quantity of milk fats corresponding to 45 000
tonnes of butteroil under the food-aid
programme, as provided for in Regulation (EEC) No
are set out in the Annex.

Article 2

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

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

Done at Brussels,

For the Council

The President

⁽¹⁾ See page of this Official Journal.

ANNEX1982 BUTTEROIL FOOD AID PROGRAMME

Recipient countries and bodies	Quantities allocated (tonnes)	Arrangements for financing
<u>C o u n t r i e s</u>		
BANGLADESH	3,500	CIF
BURUNDI	50	free at destination
CAPE VERDE	250	CIF
COMOROS	100	CIF
DJIBOUTI	100	CIF
EGYPT	2,800	FOB
ETHIOPIA	1,000	CIF
GHANA	600	FOB
GUINEA-BISSAU	175	CIF
GUINEA	token entry	CIF
GUYANA	100	FOB
GRENADA	30	FOB
HONDURAS	600	FOB
INDIA	12,700	CIF
JAMAICA	200	FOB
LESOTHO	200	free at destination
LEBANON	1,000	FOB
MALI	200	free at destination
MAURITANIA	1,000	CIF
MOZAMBIQUE	200	CIF
NICARAGUA	200	FOB
PAKISTAN	2,000	FOB
PERU	500	FOB
PHILIPPINES	100	FOB
SAO TOME	100	CIF
SIERRA LEONE	200	CIF
SOMALIA	1,500	CIF
SRI LANKA	100	FOB
SYRIA	token entry	FOB
TANZANIA	400	CIF
THAILAND	token entry	
ZAMBIA	token entry	free at destination
<u>B o d i e s</u>		
I C R C	1,000	free at destination
LICROSS	500	free at destination
U N H C R	token entry	free at destination
U N R W A	3,900	free at destination
W F P	6,000	free at destination
N G O s	2,000	free at destination
Réserve	1,695	
TOTAL	45,000	
	=====	

FINANCIAL RECORD

1. On the basis of the price estimates adopted by the Budget Authority at its first reading of the 1982 Budget and the rectificative letter, the cost of the 1982 programmes can be summarised as:

million EUA

	Cereals	Milk Powder	Butteroil	Total
Goods at world prices	143,5	132,7	101,7	377,9
Export refunds	88	79,7	89,7	257,4
Goods at internal prices	231,5	212,4	191,4	635,3
Transport costs	37,5	21,4	7,7	66,6
Total	269	233,8	199,1	701,9
Quantities for delivery	1.087.963T.	150 000 T.	45 000 T.	-

2. The cost of the proposed programme, 701,9 million EUA, represents 90 % of the total expenditure of the 1982 food aid budget.

The expenditure under each budget article is as follows:

<u>Article</u>	<u>Description</u>	<u>Million ECU</u>		
		<u>This proposal</u>	<u>Other actions</u>	<u>Total submission</u>
920	Cereals food aid	143,5	0,9	144,4
921	Milk products food aid	234,4	28,6	263,0
922	Sugar food aid	-	2,8	2,8
923	Vegetable oil food aid	-	5,0	5,0
924	Other products food aid	-	5,0	5,0
925	Food aid transport	66,6	11,3	77,9
926	UNRWA Convention	-	4,0	4,0
927	Other food aid expenses	-	1,5	1,5
Titles 1 and 2	Food aid export refunds	<u>257,4</u>	<u>23,7</u>	<u>281,1</u>
	Total (chapter 92)	<u>701,9</u>	<u>82,8</u>	<u>784,7</u>

3. As regards the other actions not covered by this proposal, no general programme is envisaged by the Commission in sugar, vegetable oil and other products because of the limited quantities, they will be used for special ad hoc actions during 1982 (except for the 6100 t sugar for UNRWA which is the subject of a separate proposal.) The remaining appropriations relate to balances for delivery from previous programmes and exceptional control expenses.

I. 1982 CEREALS PROGRAMME1. BUDGET HEADINGS CONCERNED

Title 9, Article 920, item 9201	}	For "world price"
(cereals)		
item 9203		
(rice)	}	For "export refunds"
Title 1, Article 1002 item 1001		
(cereals)		
item 1031		
(rice)		

2. TITLES OF BUDGET HEADINGS

Article 920: "Food aid in cereals:"

Article 100: "Refunds in connection with Community food aid."

3. LEGAL BASIS

Food Aid Convention 1980, and 1981 Protocol to extend it, budget 1982.

4. DESCRIPTION OF THE OPERATION

The aim of the operation is to supply, during 1982, 1 087.963 t of cereals to certain developing countries and international agencies.

5. TYPE OF EXPENDITURE

The expenditure is intended to cover the costs of procurement, packaging and transport of cereals to the port of loading (any transport costs beyond the fob stage are covered by Article 924 of the general budget of the Communities.)

This expenditure is charged partly to Budget Article 920 ("world price of the goods") and partly to Article 100 ("export refunds").

6. METHOD OF CALCULATION¹1. Article 920: "World price"

1 087 963³t of cereals: cost calculated at world prices as follows:

(a) wheat (cost charged to item 9201)
 quantity for delivery x world price
 887 963 t x 124,8 EUA/t = 110 800 000 EUA

(b) husked rice (cost charged to item 9203)
 100 000 t² x 327 EUA/t = 32 700 000 EUA

Total 143 500 000 EUA

2. Article 100: "Export refunds"

(a) item 1001: wheat
 887 963 t x 83,4 = 74 000 000 EUA
 (13,35 M.ECUS allocated for commercial restitutions)

(b) item 1031: rice
 100 000 t x 140 = 14 000 000 EUA
88 000 000 EUA

The estimated total cost of the operation at internal Community prices (excluding transport costs) is therefore:

143 500 000 EUA (for "world price")
88 000 000 EUA (for "refunds")

231 500 000 EUA (the amount required for the delivery of 1 087 963 t of cereals to European ports)

1. Based on the (internal and world) price estimates adopted by the Budget Authority.
2. 1 t of husked rice = 2 t of unprocessed cereals.

II. 1982 MILK POWDER PROGRAMME

1. BUDGET HEADINGS CONCERNED

Title 9, article 921, item 9211 for "world price",
Title 2, article 200, item 2001 for "refunds".

2. TITLES OF BUDGET HEADINGS:

Article 921: "Food aid in milk products: 1982 programme"

Article 200: "Refunds on skimmed-milk powder supplied under the
Community food-aid programme for the current financial
year."

3. LEGAL BASIS

Article 43 of the EEC Treaty and Regulation (EEC) No 804/68 of 27 June
1968 setting up a common organization of the market in the milk and
milk products sector.

4. DESCRIPTION OF THE OPERATION

The aim of the operation is to supply, during 1982, 150 000 t of
skimmed-milk powder to certain developing countries and international
agencies.

5. TYPE OF EXPENDITURE

The expenditure is intended to cover the costs of procurement of
skimmed-milk powder, the addition of vitamins (A and D), packaging
and carriage to the port of loading (fob stage).

This expenditure is charged partly to Budget Article 921 ("world price"
of the goods + vitaminization + packaging + delivery to fob) and partly
to Article 200 ("export refunds").

6. METHOD OF CALCULATION¹1. Article 921Item 9211

150 000 t of skimmed-milk powder: cost calculated at world price as follows:

70 000 t (vitaminized) x 920 EUA/t	=	64 400 000
80 000 t (not vitaminized) x 854 EUA/t	=	<u>68 300 000</u>
Total		<u>132 700 000</u>

2. Article 928Item 6201

150 000 t x 531 : EUA/t = 79 700 000

The total cost of the operation at internal Community prices (excluding transport costs) is therefore:

132 700 000 EUA (for "world price")
79 700 000 EUA (for "refunds")
212 400 000 EUA

1. Based on the (internal and world) price estimates adopted by the Budget Authority.

III. 1982 BUTTEROIL PROGRAMME

1. BUDGET HEADINGS CONCERNED

Title 9, Article 921, item 9213 for "world price"

Title 2, Article 200, item 2003 for "refunds"

2. TITLES OF BUDGET HEADINGS

Article 921: "Food aid in milk products: 1982 butteroil programme";

Article 200: "Refunds on butteroil supplied under the Community food aid programme for the current financial year."

3. LEGAL BASIS

Article 43 of the EEC Treaty and Regulation (EEC) No. 804/68 of 27 June 1968 setting up a common organization of the market in the milk and milk production sector.

4. DESCRIPTION OF THE OPERATION

The aim of the operation is to supply, during 1982, 45 000 t of butteroil to certain developing countries and international agencies.

5. TYPE OF EXPENDITURE

The expenditure is intended to cover the costs of procurement, packaging and carriage of butteroil to the port of loading (fob stage).

This expenditure is charged partly to Budget Article 921 ("world price" of the goods + packaging + delivery to fob and partly to Article 200 ("export refunds"). Any transport costs beyond the fob stage are not included in this financial record.

6. METHOD OF CALCULATION¹1. Article 921Item 9213

45 000 t of butteroil: cost calculated at world price as follows:

- Quantity for delivery x world price
 45 000 t x 2260 EUA/t = 101 700 000 EUA

2. Article 200Item 2003

45 000 t x 1993 EUA/t = 89 700 000 EUA

The total cost of the operation at internal Community prices (excluding transport costs) is therefore:

101 700 000 EUA (for "world price")
 89 700 000 EUA (for "refunds")

191 400 000 EUA

¹ Based on the (internal and world) price estimates adopted by the Budget Authority for 1982.

IV. TRANSPORT OF GOODS SUPPLIED AS FOOD AID

1. BUDGET HEADING CONCERNED

Title 9, Chapter 92, item 9251.

2. TITLE OF BUDGET HEADING

" Food aid transport costs, programmes and operations for the current year."

3. LEGAL BASIS

Same legal basis as for each of the products transported.

4. DESCRIPTION OF THE OPERATION

The aim of the operation is to transport, during 1982, approximately the following quantities beyond the fob stage:

750 000 t of cereals
120 000 t of milk powder
35 000 t of butteroil

The precise quantities to be transported at the Community's expense beyond the FOB stage cannot be determined in advance, since this depends on the allocations from the reserves to be decided during the year.

5. TYPE OF EXPENDITURE

The expenditure is intended to cover the costs of sea transport of certain quantities of food aid to the port of unloading and, where appropriate, the cost of transport, delivery and distribution beyond the cif stage (free at destination); it is also intended to cover insurance and other costs incurred in connection with the carriage of the goods.

6. METHOD OF CALCULATION

Quantities transported beyond port of loading

Cereals: 750 000 t x 50 EUA = 37 500 000

Milk powder: 120 000 x 178 EUA = 21 400 000

Butteroil: 35 000 t x 220 EUA = 7 700 000

66 600 000

Transport costs would thus total approximately 10% of the value of the goods calculated at internal Community prices (660 900 000 EUA).

