

COMMISSION OF THE EUROPEAN COMMUNITIES

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Brussels, 11 November 1974

Proposal for a

REGULATION (EEC) OF THE COUNCIL

amending Council Regulation (EEC) No 1132/74 on
production refunds in the cereals and rice sectors

(submitted to the Council by the Commission)

EXPLANATORY MEMORANDUM

1. Council Regulation (EEC) No 1132/74, Article 7, paragraph 1 provides that if the prices on the world market of maize, common wheat or broken rice show appreciable and persistent variations in relation to the amounts specified in Articles 1, 4 and 5 of that Regulation the Council may alter these amounts.

2. Prices of these basic products on the world market have remained at high levels for some considerable time and are likely to remain so. So that the maintenance of the amounts specified in Articles 1, 4 and 5 at their present levels does not lead to the granting of a restitution which is no longer economically justified and the financial burden of which does not become excessive, it is proposed to introduce the following amounts as from 1 December 1974:

Maize:	10.09 ua per 100 kg
Common wheat:	10.09 ua per 100 kg
Broken rice:	12.74 ua per 100 kg

3. In order to preserve the balanced relationship between cereals starch and potato starch, it is proposed to reduce the production refund paid to the manufactureres of potato starch. This leads to an amount of 13.16 units of account being introduced in Article 3, paragraph 1.

Financial Consequences

This draft Council Regulation provides for a reduction in the starch production refund of slightly less than 50%. Based on the regulation at present in force, expenditure for 1975 has been estimated at 160 Mio U.C. The proposed reduction will lead at first sight to a saving in expenses of 80 Mio U.C. Taking account of the 90 day period for being under suspension and also the delay in payment, the reduction in FEOGA expenses will be about 50-60 Mio U.C. (on the basis that the out applies equally to potatoes in the 1975/76 marketing year). This reduction in expenditure falls under heading 6011, Chapter 60 of the 1975 Budget of the European Communities.

Heading 6011

	Credits	Expenditure	Mio U.C.
1975		167,5	
1974	120.0	145.7 (Jan-Oct 1974)	1
1975	162.0	-	

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amending Council Regulation (EEC) No 1132/74 on production refunds in
the cereals and rice sectors

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community;

Having regard to Council Regulation No 120/67/EEC ⁽¹⁾ of 13 June 1967 on the common organisation of the market in cereals, as last amended by Regulation (EEC) No 1996/74 ⁽²⁾, and in particular Article 11(3) thereof;

Having regard to Council Regulation No 359/67/EEC ⁽³⁾ of 25 July 1967 on the common organisation of the market in rice, as last amended by Regulation (EEC) No 1129/74 ⁽⁴⁾, and in particular Article 9(2) thereof;

Having regard to the proposal from the Commission;

Whereas Article 7(1) of Council Regulation (EEC) No 1132/74 ⁽⁵⁾ provides that if the prices of common wheat, maize or broken rice show appreciable and persistent variations on the world markets in relation to the amounts specified in Articles 1, 4 and 5 of that Regulation, the latter may be altered; whereas world market prices for these products have become very high and are likely to remain so; whereas the maintenance of the amounts specified in Articles 1, 4 and 5 at their present levels could lead to the granting of a production refund the size of which is no longer economically justified and the financial burden of which could become excessive; whereas these amounts should therefore be altered ;

(1) OJ No 117, 19.6.1967, p. 2269/67

(2) OJ No L 209, 31.7.1974, p. 1.

(3) OJ No L 174, 31.7.1967, p. 1.

(4) OJ No L 128, 10.5.1967, p. 20.

(5) Ibid, p. 24

Whereas if the said amounts are altered it will also be necessary to adjust the price to be paid to producers of potatoes used in the manufacture of starch ;

Whereas it should be specified how the production refund on potato starch is to be determined if the amount used for the purpose of calculating the production refund on maize for the manufacture of starch is altered during the course of a marketing year ;

HAS ADOPTED THIS REGULATION :

Article 1

1. In Articles 1, 5 and 7 of Regulation (EEC) No 1132/74 the amount '8.745 units of account' is replaced by '10.09 units of account'.
2. In Articles 1, 4 and 7 of Regulation (EEC) No 1132/74 the amount '10.907 units of account' is replaced by '12.74 units of account'.

Article 2

The following paragraph is added to Article 2 of Regulation (EEC) No 1132/74 :

'However, if the amount specified in the first sub-paragraph of Article 1(1) is altered during a marketing year, the refund provided for in the first paragraph of this Article shall be equal to the arithmetical mean of the refunds per 161 kilogrammes of maize for starch manufacture granted during the period running from the date of such alteration to the end of the marketing year. However, the alteration of the amount specified in the first sub-paragraph as aforesaid shall not be taken into account in calculating refunds granted before the date on which such alteration took effect'.

Article 3

In Article 3(1) the amount '11.309 units of account' is replaced by '13.16 units of account'.

Article 4

This Regulation shall enter into force on 1 December 1974.

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

Done at Brussels,

For the Council

The President

