

EUROPEAN BACKGROUND INFORMATION COMMUNITY

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AGRICULTURAL BACKGROUND NOTE

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EUROPEAN COMMUNITY COMMISSION DISCOUNTS REPORTS OF GRAIN LEVY MANIPULATION

The Commission of the European Communities today discounted reports of grain levy manipulation by large US grain exporters.

The allegation that large US grain companies were manipulating the Community import levy system to influence prices of grain was made last week at hearings by the Subcommittee on Multinational Corporations of the Senate Foreign Relations Committee.

At a news conference today in Brussels, a Commission spokesman said that price reports by grain exporters are only one source of information used to determine grain levies. Other sources -- commodity exchanges, price reports by European importers, and official organizations -- offer many opportunities to cross-check information received from exporters.

The levy system, the spokesman added, is intended to stabilize prices within the Community. Because it has done so, the Commission thinks that Community levies on grain imports have reflected market realities.