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COMMISSION OF THE EUROPEAN COMMUNITIES

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SERIALS UNIT Proposal for a
COUNCIL REGULATION (EEC)

on the transfer to the Italian intervention agency
of common wheat held by the German intervention agency

(submitted to the Council by the Commission)

COM(77) 463 final



EXPLANATORY MEMORANDUM

Against the background of the Council's decision of principle taken on 25 and 26 April 1977, the Commission undertook to propose to transfer bread making wheat to Italy if there were sufficient quantities available in intervention.

Prolonged rain in Italy seriously reduced the acreage sown to wheat to the extent that there is a deficit of this cereal.

The Italian government has asked the Commission to propose within the limits of the quantities for which there is an agreement in principle, that 200.000 tons of wheat should be transferred from the German intervention agency.

The total quantity available in German intervention stores exceeds the amount requested by the Italian government. The Commission proposes therefore to put 200.000 tons of bread making wheat at present held by the German intervention agency at the disposal of the Italian intervention agency.

COUNCIL REGULATION (EEC)

on the transfer to the Italian intervention agency of common wheat held by
the German intervention agency

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 2727/75 of 29 October 1975 on the common organization of the market in cereals⁽¹⁾, as last amended by Regulation (EEC) No 1386/77⁽²⁾, and in particular Article 7 (4) thereof,

Having regard to Council Regulation (EEC) No 729/70 of 21 April 1970 on the financing of the common agricultural policy⁽³⁾, as last amended by Regulation (EEC) No 2788/72⁽⁴⁾, and in particular Article 3 (2) thereof,

Having regard to Council Regulation (EEC) No 2738/75 of 29 October 1975 laying down general rules for intervention on the market in cereals⁽⁵⁾, and in particular Article 4 thereof,

Having regard to the proposal from the Commission,

Whereas the Italian market in common wheat is experiencing supply difficulties; whereas a significant reduction in winter sowings of wheat has been recorded there and persistent rain during the sowing period has jeopardized part of the crop; whereas the shortage of common wheat has therefore increased substantially;

Whereas, in order to deal with this situation, there should be made available to the Italian intervention agency part of the common wheat of bread-making quality which is still available in intervention in the rest of the Community;

Whereas detailed rules should thereafter be laid down for taking over the product and for transferring responsibility for it;

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- (1) OJ No L 281, 1.11.1975, p. 1.
(2) OJ No L 153, 29. 6.1977, p. 1.
(3) OJ No L 94, 28. 4.1970, p. 13.
(4) OJ No L 295, 30.12.1972, p. 1.
(5) OJ No L 281, 1.11.1975, p. 49.

Whereas the accounting provisions for this operation should be based on the system provided for in Council Regulation (EEC) No 787/69 of 22 April 1969 on the financing of intervention expenditure in respect of the domestic market in cereals and rice⁽⁶⁾, as last amended by Regulation (EEC) No 330/74⁽⁷⁾;

Whereas the above measures involve the Guarantee Section of the European Agricultural Guidance and Guarantee Fund in bearing the cost of transport,

HAS ADOPTED THIS REGULATION:

Article 1

1. 200 000 tonnes of common wheat of bread-making quality held by the German intervention agency shall be held at the disposal of the Italian intervention agency until 31 December 1977.

The said wheat shall meet the requirements of Regulation (EEC) No 1155/77⁽⁸⁾.

2. Commission Regulation (EEC) No 376/70 of 27 February 1970 laying down the procedure and conditions for the disposal of cereals held by intervention agencies⁽⁹⁾, as last amended by Regulation (EEC) No 1687/76⁽¹⁰⁾, shall apply to the resale of the wheat referred to in paragraph 1.

3. Delivery and transport shall be put out to tender. Mobilization shall be carried out on the best transport terms available.

4. The detailed rules for the application of this Regulation, and in particular the rules concerning the delivery and transport of the said wheat, shall be adopted in accordance with the procedure laid down in Article 26 of Regulation (EEC) No 2727/75.

Article 2

1. The German intervention agency shall enter the quantities transferred as a zero debit in the account referred to in Article 3 (1) of Regulation (EEC) No 787/69.

2. The Italian intervention agency shall enter the quantities delivered to it as a zero credit in the account referred to in paragraph 1.

(6) OJ No L 105, 2. 5.1969, p. 4.

(7) OJ No L 37, 9. 2.1974, p. 5.

(8) OJ No L 136, 2. 6.1977, p. 10.

(9) OJ No L 47, 23. 2.1970. p. 49.

(10) OJ No L 190, 14. 7.1976, p. 14.

3. The costs of transporting the quantities transferred shall be entered in the account referred to in paragraph 1.
4. Where necessary, detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 13 of Regulation (EEC) No 729/70.

Article 3

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

FINANCIAL STATEMENT

DATE :

1. BUDGET LINE CONCERNED : Post 6015

2. ACTION : Draft Council Regulation regarding the transfer of Common wheat from the German to the Italian intervention agency.

3. LEGAL BASIS : Article 7 of R 2727/75

4. OBJECTIVES : Transfer of 200,000 t of common wheat to the Italian intervention agency.

5. FINANCIAL CONSEQUENCE	FOR THE MARKETING YEAR	CURRENT FINANCIAL YEAR ()	FOLLOWING FINANCIAL YEAR ()
5.0 EXPENDITURE			
-CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTIONS)	-	- 1,8 mio ua.	
-CHARGED TO NATIONAL ADMINISTR.			
-CHARGED TO OTHER NATIONAL GROUPS			
5.1 RECEIPTS			
-OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES)			
-NATIONAL			

YEAR YEAR YEAR

5.0.1 PLURIANNUAL PATTERN OF EXPENDITURE

5.1.1 PLURIANNUAL PATTERN OF RECEIPTS Transfer to be completed by 31.12.1977

5.2 METHOD OF CALCULATION

A. Possibility of export sales of intervention stocks.

Germany: 62 ua/t

B. Sales in Italy at intervention price
125,90-62 ua/t = 63,9 ua/t

C. Savings : 200,000 t x 63,9 ua/t =
12,8 mio ua

D. Transport Costs:

200,000 t x 55 ua/t =
11 mio ua

1,6 mio ua

6.0 FINANCING POSSIBLE WITH CREDITS INSCRIBED IN RELEVANT CHAPTER OF CURRENT BUDGET ?

YES/NO:

6.1 FINANCING POSSIBLE TO TRANSFER BUDGETARY CREDITS TO CURRENT BUDGET ?

YES/NO:

6.2 POSSIBILITY FOR A CREDIT TRANSFER TO BUDGET ?

YES/NO:

6.3 CREDITS TO BE TRANSFERRED TO FUTURE BUDGETS ?

YES/NO:

COMMENTS :

(1) Does not take account of the double rate which following the transfer at zero price should increase the expected economy.