Note BIO (86) 220 aux Bureaux Nationaux cc. aux Membres du Service du Porte-Parole

RENDEZ-VOUS DE MIDI (M. Berendt)

Community - US/Agreement

The first phase in implementing the agreement reached between Commissioner De Clercq and Ambassador Clayton Yeutter will take effect tomorrow (August 21). Both sides have now completed procedures which will allow removal of the American duties on Community pasta and the Community's duties on citrus fruit and walnuts from the US, which were imposed in November 1985. The Americans have not yet implemented the agreement on semi-finished steel products.

<u>Agriculture</u>

We have informed the press of two recent Management Committees which agreed to Commission's proposals on cereals and beef.

446.21 U46.311

441.2(103)

CEREALS: The Management Committee was informed of Commission's estimates for the 1986 harvest of less than 145 million tonnes compared with 160 million tonnes last year. In order to avoid an internal increase in grain prices as a result of export demand, it was agreed that 950.000 tonnes of intervention grain should be released from stock for exporting during the september/december period. No destination or price was decided. The breakdown is as follows: WHEAT: France 250.000 tonnes, Germany 250.000, Denmark 100.000, UK 250.000 (feed wheat). RYE (feed quality): Denmark 50.000, Germany 50.000.

It was also agreed that up to 400.000 tonnes of feed grain is to be transferred in France from intervention store to the drought-stricken regions, FEOGA meeting the cost of transport.

BEEF: The Management Committee yesterday approved the sale to Brazil of 100.000 tonnes of beef from intervention. The Commission is expected to publish its decision in the next few days. The beef would be provided from Italy (30.000 tonnes), France (40.000), UK (20.000) and Ireland (10.000). The price will be about 50 US\$ higher than a similar sale made two months ago.

It has also been decided to open intervention for hind quarters as from September 1 and to give aid for private storage for six weeks from the same date.

Regards,

M. Berendt. Comeur [///

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