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INFORMATION MEMO

NEW COMMON ORGANIZATIONS OF AGRICULTURAL MARKETS

Just before Christmar, on December 23, 1963, the Council agreed to Commission proposals for the establishment of three new market organizations - dairy produce, beef and rice - and a resolution on the broad lines of a common policy on fats and oils.

This means that the major political choices have been made and that the basic regulations for the three products mentioned above are now adopted, save, however, for a few secondary matters which were not settled last year for lack of time. This outstanding business was dispatched at the Council's session early in February and the various regulations and decisions were adopted officially - in the four Community languages - on February 5.

The entry into force of the common agricultural policy has for the moment been fixed at July 1, 1964 for dairy produce, beef and rice, and November 1, 1964 for fats and oils. For this last sector, the regulation has yet to be drafted (no opinion has yet been rendered by the European Parliament). About 70 implementing regulations are to be adopted either by the Council of Ministers or by the Commission for the three new market organizations and for the Agricultural Fund (FEOGA). This means a heavy programme in coming months; it is however planned that all the necessary implementing regulations will be adopted by May 1. Government departments will then have two months in hand to make preparations for the entry into force of the new arrangements on July 1, 1964.

The Member States have pledged themselves to take the necessary steps to adjust their laws and regulations so that the three new regulations can take effect on the appointed date. They are, for example, required to organize a system of official and publicized price quotations for all dairy produce having a determining influence as regards levies.

The regulation altering refunds on exports to non-member countries of pigmeat, eggs and poultry will also enter into force on July 1. This regulation abolishes the original refunds and stipulates that refunds henceforth must be calculated only on the basis of the incidence of differences in costs of raw materials.

It should be added that the Council has noted the Commission's undertaking to submit a proposal to amplify the regulations in force (cereals, pigmeat, eggs, poultry, fruit and vegetables) or in course of adoption so that in their implementation due regard will be had at the same time to the interests of the common agricultural policy (see Article 39 of the Treaty) and of those of the Community's commercial policy (Article 110 of the Treaty).

The three new common organizations of markets will fit into the general framework of the agricultural policy and will be largely based on the regulations already in force. For example, the regulation on the financing of the common agricultural policy applies to the three new sectors. The safeguard clauses for which provision is made in the new regulation are similar to the clauses of those two years ago. The machinery will be similar: Management Committees will be set up for milk and milk products and for beef, and the Cereals Management Committee will henceforth be competent for rice as well. Many other arrangements already written into the cereals or pigmeat common organization recur in the new organization of internal markets or among the measures to be taken when produce is imported from non-member countries.

MILK AND MILK PRODUCTS

Milk accounts for about 20% of the total value of agricultural production. One third of farm incomes in the Community is derived from dairy products and beef and veal, against only 12% from cereals. Dairy products account for some 7.5% of the value of intra-Community trade in farm products. In 1962 the Member States spent more than DM 1 500 million in aids (Italy is the only country that does not support dairy farming from public funds).

Products: The following products come under the common organization of the markets in milk and milk products: milk and cream, fresh, preserved, concentrated or sweetened; butter, cheese and curds; lactose and lactose syrup, and fodder containing certain

other products of which a list is given, excluding products falling within the scope of the cereals regulation.

However, the regulation will not yet cover the dairy milk market. Only the provisions concerning prices and aids will affect milk and fresh cream. The Council will make a special regulation for these products before July 1, 1965.

For non-agricultural derived products (therefore not included in Annex II of the Treaty) a decision will be taken as soon as possible (procedure of Article 235 of the Treaty), just as was done for second-processed cereal products.

The milk year runs from April 1 to March 31.

Import and export arrangements

The levies on imports are to be equal to the difference between the threshold price in the importing Member State and the price free at frontier. The levy is to be reduced by a sum representing the incidence of internal imposts on imports from Member States. The levy is also to be reduced by a fixed amount designed to secure intra-Community preference and to encourage the development of Community trade. The intra-Community levies will be eliminated gradually during the transition period in step with the alignment of prices for dairy products.

In fixing the prices to serve as a basis for calculating the levies, any difference in the composition or in the quality grade of the products will be taken into consideration if it materially affects marketing.

In view of the great variety of milk products, some of them cheeses, for instance - are to be grouped (the same kind of
simplification was adopted for cuts of pork). For the "pilot"
products in these groups the levies will be calculated as indicated
above; for the other products in each group the levies will be the
same, unless it is decided to apply derived levies. The amounts
of the levies will be fixed by the Member States. The levies will
be collected by the importing Member States and will accrue to that
State. During the transition period, the Commission may authorize

a Member State, under certain conditions and at its request, to reduce the levies on one or more milk products for reasons connected with the current trade situation.

A Member State giving aid to production may in the case of exportation make a charge not greater than the incidence of this aid on the price of the products exported, on condition however that this Member State shall grant for products imported from the other Member States a subsidy having the same effect on the price.

Special arrangements

The levies on fodder will be made up of three components: a variable component corresponding to the levies on milk products, an additional component corresponding to the levies for cereal products and a fixed component constituting protection for the processing industry. This last component will be equal, for intra-Community levies, to nine fifteenths of the levy on trade with non-member countries, and it will be tapered down from the 1965/66 season onwards by two fifteenths each year.

For Emmental, Gruyere, Sbrinz, Cheddar and Glaris cheeses imported from non-member countries, the levies cannot exceed the customs duties laid down in the common external tariff and bound in GATT as long as the conditions specified in the customs tariff of the European Communities are complied with.

Price system

The free-at-frontier prices are to be determined on the basis of the prices ex works plus a fixed amount representing costs of transport to the frontier of the importing country. The free-at-frontier prices thus fixed will be reduced by a sum worked out on a standard rate basis corresponding to the incidence of internal taxes refunded on exports. For imports from non-member countries the free-at-frontier prices will be determined on the basis of the most favourable prices in international trade. For the importation of butter from non-member countries a differing cif price will be fixed according to whether the product is fresh cream butter or sour cream butter.

The threshold prices will be fixed annually by the Member States. For the milk year 1964/65, threshold prices have been fixed on the basis of reference prices reflecting average market prices. To the reference prices must be added the fixed amounts. The threshold price of best butter may however be increased by an amount corresponding to the difference between the intervention price and the reference price. Where this difference is less than 0.05 u.a., an increase of 0.05 u.a. can nevertheless be made. But the difference may not exceed 0.075 u.a. per kg. The differences and the

intervention price will gradually be harmonized. For other products the Council may authorize a Member State at its request to at increase its reference price by not more than 2%, when the threshold price is fixed for the first time. The reference prices are to be calculated for each Member State on the basis of the arithmetical average of the prices at which the producers delivered to wholesalers during 1963. The reference prices may be adjusted in relation with changes in the milk target prices and with the reduction of aids (see domestic market). If it is impossible to establish the reference price for a product in this way, the price will be calculated on the basis of similar products, or else the price at which the product in question was imported during 1963 will be taken as a basis. The reference prices will be fixed by the Council acting unanimously on proposals from the Commission.

All imports of butter, milk and cream (concentrated or sweetened) from outside the Community and, during the transition period, from other Member States as well, will be subject to import licence (excepting whole powdered milk in airtight containers of a net weight of not more than 1 kg). A surety must also be deposited.

Until March 31, 1966 any Member State may prohibit the importation of butter with a fat content lower than 82%, a water content of more than 16% and a non-fat content of more than 2% if such butter does not fulfil the requirements of the importing Member State, when the relevant regulation comes into force, concerning best butter of domestic origin. However, such prohibition will only be allowed until the date on which laws in this field are harmonized, which is to be done by March 31, 1966.

In order to allow of exports to non-member countries at the prices prevailing in international trade, the difference between these prices and prices in the exporting Member State may be covered by a refund. In intra-Community trade the Member States will be authorized to refund an amount corresponding to the difference between the free-at-frontier price and the threshold price of the importing Member State plus a fixed amount corresponding to the incidence of internal taxes on imports.

Incompatibilities

Subject to any provisions to the contrary, the proposed arrangement will replace national restrictive measures such as quota restrictions, minimum prices, special charges and customs duty (except in the case of Luxembourg in respect of the maintenance of quantitative restrictions).

Safeguard clauses

During the transition period, a safeguard clause is provided for, both in intra-Community trade and trade with non-member countries, where there is serious disturbance - - - - - - - -

or a threat of serious disturbance of the market in one or more Member States. This clause is exactly the same as the normal safeguard clause in force for other products already subject to a common organization of markets. However, for butter and milk the major suspension clause has been adopted which is also written into the cereals regulation: for these products there will therefore be suspension of the Commission's decision for ten days where reference is made to the Council.

After the expiry of the transition period, the issuing of import licences for produce from non-member countries may be suspended if there is a serious disturbance of the market (particularly if intervention agencies are obliged to make substantial purchases on the domestic market). This provision therefore constitutes a safeguard clause vis-à-vis non-member countries.

The domestic market

The national target price will be the price which it is sought to ensure for all farmers for all milk sold during the milk year. During the transition period each Member State will fix annually before February 15 a target price ex farm for milk containing 3.7% fat, valid for the subsequent milk year. These prices will be fixed for the first time before March 15, 1964. For the year 1964/65, the Council will establish the upper and lower limits of the national milk target prices. They will be fixed on the basis of the average price for milk ex farm which all the farmers of each Member State have received for the whole of their milk production marketed, with due regard to any changes in producers' prices in relation with the reference period caused by changes in price objectives or by the normal development of the markets and of prices. The Member States may attempt to attain the national target price solely by receipts from the sales of dairy products, but they will also retain during the transition period the option of granting national aids.

A common target price for milk ex farm will be fixed by the Council each year from 1965/66 onwards. During the transition period the Council will decide each year on the measures the Member States must apply with a view to approximation of prices. The national target prices are to be approximated on the basis of common target prices. In the final, single-market stage, the national target price will be the same as the common target price. The approximation of threshold prices will also be carried out on the basis of common target prices. Uniform costs and yields will be taken as a basis in calculations for each product.

The Council is also to decide the criteria for fixing the amount intended to protect the processing industry and the valorization ratio of the milk used in the various processed products.

Those Member States which subsidize production must increase their market prices in the transition period so that in the final, single-market stage they will be at the same level as the common target prices. The target price for milk will then be the price which market policy aims at ensuring for Community producers as a whole for all the milk marketed.

During the transition period direct aids may be granted at national level, i.e. aids for specific milk products and aids in respect of the milk sold by farmers. The Member States will inform the Commission of the details of their national aids. National aids will be tapered down each year by one seventh if they bring the market prices for the products in question below the prices corresponding to the lower limit of the bracket laid down by the Council for the target price of milk for the 1964/65 marketing year. Assistance from public equalization funds for milk for manufacture (supported in fact by the dairy milk market) will be authorized until a regulation for dairy milk comes into operation (at latest December 1, 1965); the new regulation will decide what should then become of this assistance. If, however, payments are linked with specific products, they must be reduced as indicated above.

For the rest, the Council, on proposals from the Commission, will fix by what amount aids are to be cut in relation with the alignment of national target prices and the raising of threshold prices: the general principle under the common agricultural policy is that the farmer's income should be derived solely from sales.

If, as a consequence of the harmonization of national target prices, the target price in a given Member State falls below the price per kilogramme of milk paid to producers during 1963 for all milk sold, the Member State in question may compensate for this difference. Such compensation may be granted per kilogramme of milk, and not later than the end of the transition period it will assume a form independent of milk production. The aid arrangements will have to be gradually adapted so that the transition to arrangements for the definitive stage is made smoothly. To this purpose, the Commission will address to the Member States concerned, and in particular to the Federal Republic of Germany and to Luxembourg, a recommendation that they begin adjusting these aids during 1966/67.

Account will be taken under the FEOGA (the European Agricultural Guidance and Guarantee Fund) of the incidence of national aids on the amount of refunds made on exports of dairy produce to non-member countries.

Subject to provisions to the contrary in the milk regulation, Articles 92 to 94 of the Treaty (arrangements governing state aids) will apply to production of and trade in dairy produce.

Community aids are obviously not prohibited. For instance, provision is made for intervention, notably in the <u>butter</u> market. The Member States will fix an <u>intervention price</u> for fresh best butter. Throughout the dairy year the intervention agencies will have to purchase any best home-produced fresh butter offered to them. When first fixed, the intervention price will be equal to the reference price, though this figure may be reduced by a maximum of 0.075 units of account. Butter from stock must be sold in such a way as not to disturb sales of fresh butter. The Member States may also grant aids in respect of private stocks of butter and frozen cream.

During the transition period a Member State may also purchase products other than best butter in order to prevent any imbalance on its market. A procedure for Community consultation is laid down for such cases. The intervention must be co-ordinated during the transition period, and within two years the Council will determine what other products will be subject to Community intervention measures and how the measures shall be applied.

FATS AND OILS

Before November 1, 1964 the Council will adopt, on a proposal from the Commission a regulation applying a Community fats and oils policy. This will be done on the basis of principles laid down in a resolution of the Council containing the following main points:

- (a) Free importation of oil-seeds and of fats and oils of vegetable origin or extracted from marine mammals, and application to these products (except olive oil) of the duties in the common external tariff. It should be noted that oil-seeds and oleaginous fruit are exempt from duty;
- (b) Granting of direct aids to producers of oil-seeds and oleaginous fruit in order to maintain the necessary volume of production in the Community. (Community output of seed oils accounts for only about 6% of Community needs with a total of about 150 000 metric tons per year);
- (c) Annual establishment of a target price for <u>olive oil</u> enabling the necessary volume of production in the Community to be maintained at fair prices for the producers (the quantity of olive oil produced in the Community is estimated at an average of 350 000 metric tons per year);
- (d) Annual establishment of an intervention price for olive oil so as to guarantee for producers sales at a price as near the target price as possible;

- (e) Constitution of buffer stocks so as to stabilize consumer prices;
- (f) Fixing of a threshold price for olive oil and institution of levies on imports;
- (g) Should it prove necessary to fix the target price at a level below that indicated above in order to combat an appreciable fall in olive-oil consumption resulting from low prices for competing products on the world market, granting of direct Community aids to producers;
- (h) Establishment by the Italian Government in co-operation with the Commission of a programme to improve conditions under which olives and olive oil are produced and marketed and to help olive-growing areas; for the implementation of this programme, intervention of the European Agricultural Guidance and Guarantee Fund within its terms of reference without prejudice to any intervention by other Community institutions:
- (i) As regards oleaginous products from the associated African States or Madagascar imported into the Community: for oils, elimination of the customs duties in the national tariffs in the same way as the Member States are eliminating duties as between themselves; for seed, in case of need, special measures to ensure a certain privileged position;
- (j) As regards oleaginous products from the associated African States or Madagascar imported into the Community, granting of aid to mitigate the effects of a fall in world prices below an average price to be fixed as a reference.

The Community financing of this policy will be ensured by a contribution on edible fats and oils of vegetable or marine origin imported into or produced in the Community. This contribution will be limited to a total of DM 350 million (estimated at DM 0.14 per kg). The European Agricultural Guidance and Guarantee Fund will provide the rest. However, for a year from the entry into force of the relevant regulation, and possibly for a further year, certain Member States may dispense with the contribution and provide the necessary funds, for example, by budget appropriations.

If the common policy on dairy produce or that on vegetable fats and oils leads to substantial changes in the markets for these two groups of products in the various Member States, the Commission will make appropriate proposals to the Council.

BEEF AND VEAL

Production of beef and veal accounts for 14% of the total earnings of agriculture in the Six. The value of intra-Community trade in this sector represents almost 7% of the total. The organization of a common market in the beef sector is relatively simple, firstly because the Community is a net importer (243 000 metric tons imported in 1960/61), and secondly because there are no great divergences of price from one member country to another.

The sector obviously has close links with the milk sector, and the regulation lays down that one of the points to be taken into account in fixing the guide prices of beef and veal is the development of the market in milk and milk products.

The products covered are live cattle (other than for blood-stock breeding), beef and offal (fresh and other), sausages, other prepared or preserved meats and unrendered fats and tallow.

Customs duties will be the principal means of normalizing competition from non-member countries. In the common external tariff the duty on live animals is 16% and on meat 20%. The time-table for reducing internal duties and putting the common external tariff into effect is as follows:

Reduction of duties in intra-Community trade		Alignment on the CET
60%	1.4.64 31.3.65	(as in Article 23 of the Treaty)
50% 40% 30%	1.4.65 1.4.66 1.4.67	50% 65%
20%	1.4.68 1.4.69	85%
All duties abolished	1.1.70	CET in force.

For certain products, however, account will have to be taken of the maximum rate of duty bound in GATT. For frozen meat, see below. In addition, the Federal Republic of Germany will apply a duty reduced in proportion with the incidence of the Umsatzausgleichsteuer.

Price and levy system

In each Member State, annual guide prices will be determined for calves and for grown animals. For the 1964/65 and 1965/66 marketing years these prices will be fixed by the State concerned within a price bracket determined by the Council. For the first year the upper and lower limits of the bracket will be determined in relation to the weighted average of prices in each State from November 1, 1962 to October 31, 1963 and to the direction in which beef production is to be guided. From the marketing year beginning on April 1, 1966 the Council will fix the guide price on a proposal from the Commission. During the first two seasons Belgium may request authorization for a seasonal adjustment of prices.

The width of the bracket will be reduced and the guide prices aligned by annual stages. By December 31, 1969 at latest there is to be a single guide price for the whole Community.

At regular intervals the Commission will fix import prices for calves and grown animals on the basis of the prices quoted on the most typical markets in <u>non-member countries</u>. If for either group the import price (including customs duty) is lower than the guide price of the importing Member State, the difference between the two will be made up by a "non-member country" levy. No levy will be charged, however, if the market price in the importing Member State is more than 5% higher than the guide price. Until March 31, 1966 the importing Member State's market price will be equal to the weighted average of the prices charged in this Member State at a given stage of wholesale distribution. The Commission may on certain conditions authorize a Member State, at its request and for reasons connected with the current business situation, to reduce the customs duties and the levies. When a levy is imposed on live cattle, a corresponding levy will also be charged on fresh, chilled or frozen meat and cuts. The levies for these products will be derived from the levies on the live animals by applying a table of equivalence.

The Member States may on certain conditions intervene on their markets in order to mitigate a substantial fall in prices. These intervention measures may come into operation at a level - to be decided by the Member States - somewhere between 96% and 93% of the guide price. Any Member State that has to intervene must inform the Commission in advance. The measures may only be taken if the price for the commodity is at or below its intervention price. The Council must co-ordinate intervention measures and then specify, not later than three years after the entry into force of the regulation, the way in which, in case of necessity, Community intervention measures will be applied in the final, single-market stage.

During the transition period the Member States may apply intra-Community levies for as long as a Member State intervenes on its market even if intervention affects only one of the commodities covered by a market organization. The levy must be equal to the difference between the offer price plus the customs duty and 95% of the guide price. However, if a Member State intervenes at the level of 96% of the guide price, the levy may not exceed the difference between the offer price and 96% of the guide price. Where a Member State does not intervene on its market, it may impose a levy on imports from other Member States in order to bring back prices to a maximum level of 90% of the guide price.

Special arrangements

For offals, salted, dried or smoked meats, sausages, and other prepared or preserved meats, there will be neither guide price nor levy. Each Member State is free to establish <u>import licence</u> and surety systems for these products.

For imports of <u>frozen meat</u> from other Member States and from outside the Community, import licences will be compulsory. Those Member States whose frozen meat customs duty is below the common external duty will apply on April 1, 1964 a duty of 17.5% and on April 1, 1965 the CET. In addition to the tariff quota of 22 000 metric tons, bound under GATT, an additional tonnage of frozen meat for the processing industries, to be determined by the Council, may be imported at a customs duty of not more than 20%.

During the period for which a supplementary quota has been arranged, customs duties and levies on intra-Community trade in frozen meat will be suspended.

Until 1965, by way of exception, it has been provided that the Federal Republic of Germany may import 16 000 head of cattle from Denmark during the period when cattle are being brought in from pasture (from September 1 to November 30). However, these animals cannot enter at a price below the German guide price.

Refunds

On exports to non-member countries a Member State may refund a sum calculated according to price trends in the exporting Member State and on the world markets.

Frozen meats made available as the result of intervention measures cannot be traded between member countries at prices below those of the world market. The Council is to lay down implementing details, particularly those concerning intra-Community refunds. In addition, for one year after the entry into force of the regulation, an exporting Member State may still refund the difference between costs resulting from health protection measures required by the importing Member State and similar charges imposed by the exporting Member State.

Unless otherwise provided, national restrictive measures such as quotas, minimum prices, and special taxes other than the customs duties provided for in the regulation shall be considered incompatible with the arrangement now adopted.

In addition, Articles 92 to 94 of the Treaty (state aids) will be applicable to production of and trade in beef and veal products. Some exceptions have, however, been provided for in the case of Luxembourg.

Safeguard clauses

The safeguard clause in the regulation is the normal clause applicable to other sectors already covered by a common organization of the market.

Rice

The Community produces about 750 000 metric tons of rice a year, equivalent to some 600 000 tons of husked rice. The quantities of rice imported and exported are in balance, but net imports of broken rice are about 100 000 tons a year. The value of rice grown in the Community, and also of intra-Community trade in this commodity, is less than 0.5% of the total value of agricultural production.

The rice regulation is based largely on that adopted for other cereals, but some adaptation proved necessary to take account of the special features of the sector. This was because rice is grown in only two of the Member States and the other Member States place virtually no obstacles in the way of trade in rice.

<u>Products</u>: The regulation applies to rice in all its forms, to broken rice and to rice flour, rice groats, ground rice and rice starch.

Arrangements for non-producing Member States

A single market for rice and broken rice will be set up on July 1, 1964 in the four non-producing Member States. This makes possible a single threshold price, a single cif price and a single levy on imports from non-member countries.

The common threshold price will be fixed by the Council. For the first year it will be equal to the most typical price on world markets plus 5%, but may not be lower than 12.5 units of account per 100 kg.

The levy system

During a transition period the two <u>producing countries</u> will fix the threshold price each year with respect to a husked short grain rice of a standard of quality identical for all Member States. The threshold price will be fixed so that the selling price of the imported product, including the fixed amount, will, in the area of largest deficit, be at the level of the basic target price. The

threshold price for broken rice will be equal to the threshold price for husked rice less a percentage fixed by reference to a specified period.

The import levy will be equal to the difference between the threshold price and the cif price (where the product is imported from non-member countries) or the free-at-frontier price (if the import comes from a producing Member State). In the latter case, the difference will be reduced by a fixed amount to ensure intra-Community preference. For imports of paddy, the levy on husked rice will be adjusted in accordance with a table of equivalence. Where the selling price does not correspond to the free quotations on world markets on which the cif price is based, the cif price will be replaced by a price determined in relation to the selling price.

The levy system for processed rice and for rice flour, rice groats, ground rice and rice starch will be similar to that for processed products based on cereals. These levies therefore have two components: a variable component corresponding to the levy on the basic product and a fixed component representing protection for the processing industry.

If the price free-at-frontier of rice from a producing Member State is higher than the threshold price in an importing Member State, the producing State may grant a refund. To facilitate exports to non-member countries, the Member States may cover the difference between their prices and world market prices by a refund. A refund system will also be introduced for broken rice, rice flour, ground rice and rice starch.

If a Member State grants refunds on exports of processed rice, it will also grant refunds on exports of husked rice and paddy; if it grants a refund on exports of husked rice, it will also grant a refund on exports of paddy.

Import licences

All imports and exports of rice are subject to the presentation of an import or export licence. Licences will only be issued on deposit of a surety. The import licence will be valid until the end of the third month following that in which it was issued, and its validity may be extended by another month when certain conditions are fulfilled.

Price system

Each year the producing Member State will fix for husked rice a basic target price, at the wholesale buying stage, for an identical standard of quality, together with derived target prices and a monthly graduated scale over a period of eight consecutive months. An intervention price for paddy will be fixed each year by the producing Member States; in the transition period, this price must be 7% below the derived target price adjusted in relation to the quality standard for which the intervention price is fixed, and 4% below at the final, single-market stage.

The Member States will be obliged to buy up all paddy offered to them at the intervention price throughout the marketing year. They will not be allowed to resell the product on terms that will prevent prices in the producing areas from reaching the target price obtaining in the marketing centres of these areas. By April 1, 1964 the Council must fix a maximum and a minimum for the basic target price. These limits will correspond to the minimum prices guaranteed to growers during the previous year plus 7%.

At the end of the transition period a single threshold price and a single (basic) target price for the whole Community will be fixed by the Council. In the final, single-market stage the various derived target prices will be established in relation to the basic target price valid throughout the Community with due regard to the natural conditions of price formation.

Other provisions

The provisions stating how the levy is to be fixed in advance, and those concerning correcting factors, determination of the fixed amount, the safeguard clause, incompatibilities and the possible abolition of national aids will be the same as those in Regulation No. 19 (cereals). The Cereals Management Committee will also be responsible for this sector.

In addition, before February 1, 1964 the Commission will make proposals concerning imports of rice from the <u>associated States</u> of Africa and Madagascar and from Surinam, so that arrangements for these imports can be brought into force on the same date as the rice regulation.