

# COMMISSION OF THE EUROPEAN COMMUNITIES

COM(75) 600 final

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COMMISSION PROPOSALS TO THE COUNCIL  
on the fixing of prices for certain agricultural  
products and on certain related measures

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(Communication by Mr LARDINOIS)

Volume I

COM(75) 600 final



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## INTRODUCTORY REMARKS

The Commission herewith presents to the Council its proposals concerning the fixing of prices for certain agricultural products for the 1976/77 marketing year and also concerning a number of related measures.

At the same time, the Commission puts forward its proposals on the common prices to be applied in the new Member States insofar as the Act concerning the Conditions of Accession and Adjustments to the Treaties lays down special provisions (milk, beef and veal, flax).

The Commission's proposals follow the guidelines set out in its Memorandum on the improvement of the common agricultural policy (COM(73) 1850 final of 31 October 1973) and in its stocktaking of the common agricultural policy (COM(75) 100 of 26 February 1975) as well as the Council's conclusions on the stocktaking of the common agricultural policy (Doc. 1/173/75 (agri. 12) (fin 60) of 11 November 1975).

The attached proposals have been formulated in the light of the information contained in the 1975 Report on the Agricultural situation in the Community (COM(75) 601 final of 10 December 1975).

For the first time the Commission is presenting its proposals for agricultural prices in the form of a single Regulation covering all the prices and amounts to be fixed for the 1976/77 marketing year. The legal acts relating to prices which are not included in this single Regulation and those concerned with the related measures are included in Volume II of this Document (COM'75) 600).

A. EXPLANATORY MEMORANDUM

1. The proposals for prices for the 1976/77 marketing year are being framed at a time when the Community is facing the most difficult economic situation it has experienced since its creation. There is high inflation, serious recession, a high rate of unemployment and wide distortions in the balances of payments.

It is expected that the Community's gross domestic product will drop by about 2.5% in 1975. Towards the end of the year unemployment will affect over 5 million of the working population i.e. 2 million more than a year ago. The overall economic prospects for 1976 are still not encouraging, although it seems that there will be some revival of economic activity. As regards inflationary trends, these will probably still affect the Community economy in 1976, although to a lesser extent.

2. In this period of general recession, following an unfavourable year in 1974, the agricultural sector seems to have been affected in 1975 to the same extent as other sectors of the economy. Increases in the prices of the means of production, which had reached very high levels in the Community in 1973 (17%) and in 1974 (21%) fell to less than 11% in 1975, while at the same time the prices of agricultural products have increased on average by about 13% in 1975 (3.7% in 1974). The stabilizing measures set up under the common agricultural policy thus helped somewhat to shelter agriculture from the adverse effects of the general economic recession. However, imbalances continued in 1975 on some markets such as milk, common wheat and wine. For 1976/77 one can expect a continued imbalance in the milk sector while the development of the cattle and pig cycles point to a relative stabilization of the market in these sectors.

3. This economic background, against which the price proposals for the 1976/77 marketing year are made must be seen together with the Community institution's rather longer-term reflections based on the stocktaking of the common agricultural policy. In particular there is the Commission's wish, many times expressed, that energetic measures be taken to reestablish an equilibrium on certain agricultural markets, to remedy disparities

in income between the different categories of farmers and between the different regions and to eliminate obstacles and barriers to the unity of the market.

Moreover, the general economic situation and the pressure which it exerts on public finance makes it still more necessary to implement the common agricultural policy in the most efficient and least costly way possible, in respect both of economic and of budgetary costs.

4. For this reason the Commission accompanies its price proposals for the 1976/77 marketing year with a wide range of related measures which constitute a third series of measures in the context of the 1973-78 programme for the improvement of the common agricultural policy. These are in the first place agri-monetary measures the purpose of which is to reestablish a single market between six Member States, with reduced compensatory monetary amounts remaining only for Germany, the United Kingdom and Ireland. Secondly, sectoral measures are proposed for several products with a view in particular to achieving a long-term balance on the markets concerned and a better functioning of the common organization of the markets.

#### Price proposals for 1976/77

5. The Commission would first recall the opinion it has already expressed in the stocktaking of the common policy (Doc. COM(75) 100 of 26 February 1975):

"92. While the prices policy must continue to be the principal instrument of incomes policy in agriculture, the Commission believes that the manner in which this policy is implemented must accord with the need to maintain, and in certain cases reestablish, structural equilibrium of markets.

In this connection, the Commission draws attention to the guidelines to which prominence was given in its memorandum on the improvement of the common agricultural policy of October 1973.

Since the 1972/73 marketing year, the Commission, in preparing its price proposals, has:

- increasingly related the movement of the general level of prices to modernized farms, it being to such farms that the general agricultural price policy must aim to provide an earned income comparable to that obtainable in non-agricultural sectors, allowance

being made for an adequate return on invested capital and changes in productivity and in the cost of the means of production employed;

- taken into account the supply and demand situation on each market in pricing each product".

"93. However, the results obtained have not always been satisfactory.

Subsequent experience, especially in relation to the price proposals for the 1974-1975-1976 marketing years, has demonstrated the importance of the annual change in the general level of agricultural prices in relation to the overall balance of agricultural markets. A number of uncertainties, which the Commission intends to reduce to the minimum, are inherent in the "objective method" now employed, to its complexity. This method yields a general indicator, which the Commission uses in combination with other indicators (market situations, economic trends etc) to arrive at its proposals for increases in the general level of agricultural prices consistent with the efforts being made to ensure market equilibrium".

6. The Commission has reviewed the "objective method" used to fix the common agricultural prices with a view to improving it. It decided to eliminate some of the uncertainties which were inherent in this method in the past. The principal changes made correspond in particular to the following needs:

- to take into consideration the current divergent economic and monetary developments within the Community according to the monetary zones concerned;
- to choose the reference farms on the basis of comparable incomes as applied in implementation of Council Directive 72/159/EEC on the modernization of farms;
- to take into account a more sophisticated structure of the inputs of reference farms;
- to use a mobile period of 36 months for the totality of the changes recorded in respect of the various factors to be taken into consideration.

7. Taking into account the structure of inputs noted on the reference farms of the Farm Accountancy Data Network, of the interrelated development of input costs and farming income during 1973, 1974, and 1975, the increases in the common prices in u.a. and in national currencies which have already

occurred during the 1974/75 and 1975/76 marketing years, and a fixed technical progress coefficient of 1.5% per year, the increase in the general level of common prices of agricultural products would be of the order of 4.6% for the 1976/77 marketing year. Table 1 shows the components of this calculation.

It should, however, be noted that this Community average is lowered by the monetary changes which have occurred in Italy, in particular during the last two marketing years. By excluding Italy from the calculation, the increase in the general level of common agricultural prices would be 9.1%.

8. The result of the "objective method" is a general indicator which the Commission uses together with other indicators. The Commission considers that one must give priority consideration to the general economic situation and the need to support also by common agricultural policy measures the efforts towards economic stability and budgetary austerity undertaken in the Community.

These measures are all the more necessary in that the present level of certain prices is already in some sectors causing a stagnation and even a decline in consumption.

9. Secondly, the Commission, by proposing increases in prices differentiated by product, has taken into account the present situation on the various agricultural markets and their short and medium-term prospects. The considerations relating thereto are developed below in Part C of this Document.

10. The Commission therefore considers it appropriate to present in this document price increases for the various agricultural products which result in a rise in the general level of common prices for the 1976/77 year of the order of 7.5%.

#### Agri-monetary measures

11. At its meeting on 11 November 1975 the Council stated that the unity of agricultural markets has been compromised during the last few years by the repercussions of monetary fluctuations and certain divergencies in the economic development of the Member States. This situation has made it more difficult to maintain the system of common prices.

TABLE I

Aggregation of "Objective method" figures at Community level and by monetary zone  
 With reference to the observation period 1973, 1974 and 1975 (figures in indices)

Monetary Zone	Gross requirements by monetary zone						Total (1c+2c)	Corrected requirements by monetary zone (1)	Changes in exchange rates (EUR)	Requirements by monetary zone	Relative importance of monetary zone for Community agricultural production		Calculation of Community requirements in EUR (6x7): 100	
	Inputs			Earned Income							EUR"7"	EUR"9"	EUR "7"	EUR "9"
	Structure (%)	Prices	Product (a x b): 100	Structure (%)	Prices	Product (a x b): 100								
	1(a)	1(b)	1(c)	2(a)	2(b)	2(c)	3				4	5	6	7(a)
Germany	74,1	126,87	94,01	25,9	134,2	34,76	128,77	123,14	108,66317	133,81	21,7	19,3	29,0368	25,8253
France	61,1	140,34	85,75	38,9	152,5	59,32	145,07	138,73	100,00000	138,73	34,3	30,5	47,5844	42,3127
Italy	51,0	153,59	78,33	49,0	172,3	84,43	162,76	155,65	74,84737	116,50	28,1	25,0	32,7365	29,1250
Netherlands	68,2	127,76	87,13	31,8	150,5	47,86	134,99	129,09	104,9996	135,54	7,3	6,6	9,8944	8,9456
Belgium	66,0	130,36	86,04	34,0	158,7	53,96	140,00	133,88	100,0000	133,88	3,8	3,4	5,0874	4,5519
Luxembourg	69,2	131,92	91,29	30,8	148,0	45,58	136,87	130,89	100,0000	130,89	0,1	0,1	0,1309	0,1309
Denmark	77,4	143,55	111,11	22,6	155,1	35,05	146,16	139,78	100,0000	139,78	4,7	4,0	6,5697	5,5912
EEC (Sept)											100		131,04	
United Kingdom	70,9	172,01	121,96	29,1	173,0	50,34	172,30	164,77	78,26257	128,95	-	8,8	-	11,3476
Ireland	59,5	168,69	100,37	40,5	177,4	71,85	172,22	164,70	78,26257	128,90	-	2,3	-	2,9647

(1) Corrected by the fixed technical progress coefficient over three years (column 3 divided by 1.045678)

Table I (contd)

(figures in indices)

Monetary Zone	Requirements repeated		Price increase already received				Remaining requirements (9 : 12) x 100		Situation of compensatory monetary amounts on 10 Dec. 1975.		
	by monetary zone (see column 4)	Community (see column 8)	in u.a.		by changing the green exchange rates	Total (10 : 11) x 100		by monetary zone	Community	Monetary disparity	Incidence of re-representative rates on prices in national currencies
			by monetary zone and Community			by monetary zone	Community				
	9		10	11	12		13		14	15	
Germany	123,14		113,8 x 1,091 = 124,16	102,271	121,403		101,43		110,0	111,1	
France	138,73		114,6 x 1,091 = 125,00	98,598	126,777		109,43		101,4	101,4	
Italy	155,65		115,7 x 1,102 = 127,50	72,929	174,828		89,03		101,0	101,0	
Netherlands	129,09		114,0 x 1,093 = 124,60	105,887	117,673		109,70		102,0	101,9	
Belgium	133,88		114,0 x 1,092 = 124,49	100,725	123,594		103,32		102,0	102,0	
Luxembourg	130,89		114,5 x 1,090 = 124,81	100,725	123,912		105,63		102,0	102,0	
Denmark	139,78		113,4 x 1,091 = 123,72	100,000	123,720		112,98		100,0	100,0	
EEC (Seot)		131,04	114,5 x 1,094 = 125,26			125,26		104,61			
United Kingdom	164,77	-	113,7 x 1,094 = 124,39	81,113(1)	153,351	-	107,45	-	93,6(1)	92,9 (1)	
Ireland	164,70	-	114,7 x 1,095 = 125,60	79,890(1)	157,211	-	104,76	-	95,2(1)	94,3 (1)	

(1) Taking into account the 5.8% devaluation in the green UK £ and the 2.2% devaluation of the green Irish £ in October 1975.

The means employed to overcome these difficulties prevented market disturbance from occurring for a certain time. However the prolonged use of these means without adjustment may provoke other distortions. These can however be eliminated by means of pragmatic solutions. (Doc. R/2821/75 of the Council of 17 November 1975).

12. The Commission proposed that the Council should adopt such a pragmatic approach so as to achieve at least partially during the next marketing year their aim of re-establishing the unity of the market. The common agricultural market is at present divided into several monetary zones differentiated by fixed **monetary compensatory amounts** which are positive for Germany (+ 10%) and the Benelux (+ 2%) and by variable negative amounts for the United Kingdom (- 6.4%) and Ireland (- 4.8%)<sup>(1)</sup>. No amount has been applied in Italy since the exchange rate of the lira has been close to its representative rate. Since the French franc rejoined the snake no amount has been applied in France, although there is a positive monetary disparity of 1.422% between the representative rate and the central rate for the French franc. Finally, Denmark is not **applying monetary compensatory amounts.**

13. Faced with this situation the Commission proposes first of all to carry out a technical regularization operation consisting initially of aligning the representative rate ("green" rate) of the French franc on its central rate by revaluing this "green" rate, and to compensate for this alignment by a linear increase of all prices and amounts expressed in u.a. Since this increase affects prices throughout the Community, it justifies corresponding revaluation of the "green" rates of the other currencies which have appreciated. A linear rise of 1.422% in the proposed prices, which is included in the general 7.5% increase in common prices, should avoid any danger of an appreciation in the representative rates of the currencies concerned causing a reduction in the prices expressed in national currencies. This technical regularization operation reduces the disparities on which the calculation of monetary compensatory amounts applied by Germany is based to about 8.7% instead of 10%, and by the Benelux countries to about 0.5% instead of 2%.

The revaluation of the "green" rate of the Italian lira is restricted by the difference between the representative rate and the market rate.

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(1) Rates based on the 15 - 21 October 1975 figures.

14. In terms of common prices expressed in national currency this technical regularization operation will maintain the status quo in Germany. France and Benelux while the prices will increase by about 0.4% in Italy and about 1.4% in Denmark, the United Kingdom and Ireland.

15. The Commission considers that in connection with the fixing of prices another step should be taken towards re-establishing a single market, firstly by changing the "green" rates of the currencies of the Benelux countries and thus removing any remaining disparities within the Benelux after the technical regularization operation referred to above, and, secondly by changing the "green" rate of the DM, and thus reducing the monetary disparity for the application of compensatory amounts in Germany to 6.5%.

This second monetary operation would re-establish a single market between France, Italy, Benelux and Denmark and would only leave a positive compensatory monetary amount based on a monetary disparity of 6.5% in Germany and a negative compensatory amount in the United Kingdom (- 6.4%) and in Ireland (- 4.8%).

16. In terms of common prices expressed in national currency these agri-monetary measures combined with the increase in common prices proposed for the 1976/77 marketing year would mean a slightly smaller increase in prices in the Benelux countries. The general economic situation in Germany is such that the need for an increase in the general agricultural price level is less there than in the Community in general; the total increase in common agricultural prices taking into account the adjustment of the "green" rate for the DM resulting from the agri-monetary operation is greater than that need; this is still true even after taking into account the scheduled reduction of 0.75 point in the subsidy granted via the VAT system after the DM revaluation in 1969. (Council Decision of 21 January 1974).

17. Through these agri-monetary measures the Community will have taken another big stride towards restoring the unity of the market while effecting an increase in the common prices expressed in national currencies which corresponds better to the economic needs of the different monetary zones within the Community.

Table II contains figures on the effects of the proposed agri-monetary measures.

Table II

The effect of agri-monetary measures on the single market and on common prices expressed in national currencies

in%

Monetary Zone	Initial monetary disparity	A. Technical regularization				
		Revaluation of green rates	Effect on prices in national currency	Compensatory price rise in u.a.	Net effect on prices in national currency	Intermediate monetary disparity
1	2	3	4	5	6	7
Germany	+ 10	+ 1,422	- 1,402	+ 1,422	0	8,7507
France	0 (1)	+ 1,422	- 1,402	+ 1,422	0	0
Italy	0 (2)	+ 1,046	- 1,035	+ 1,422	+ 0,372	0
Netherlands	+ 2	+ 1,422	- 1,402	+ 1,422	0	0,4670
Belgium	+ 2	+ 1,422	- 1,402	+ 1,422	0	0,5858
Luxembourg	+ 2	+ 1,422	- 1,402	+ 1,422	0	0,5858
Denmark	0	-	-	+ 1,422	+ 1,422	0
United Kingdom	- 6,4 (4)	-	-	+ 1,422	+ 1,422	- 6,4 (4)
Ireland	- 4,8 (4)	-	-	+ 1,422	+ 1,422	- 4,8 (4)

1) Real monetary disparity : +1,422;

2) Real monetary disparity : + 1.046 for the period 26.11 - 2.12.1975

3) Taking into account the effect of the VAT reduction from 3 to 2.25, real German requirements are  $1.43 + 0.765 = 2.195$ 

4) Calculated on the basis of figures for the period 15 - 21.10.1975

Table II (contd)

	B. Supplementary monetary measures			C. Combined effects		D. Combined effect (monetary and price proposals)		Required increase in common prices
	Ultimate monetary disparity	Revaluation of green rates	Effect on prices in national currency	Revaluation of green rates (3 x 9)	Effect on prices in national currency (6orD)	Effect of 1976/77 price proposals (without col.5)	Net effect on prices in national currency (12x13)	
	8	9	10	11	12	13	14	15
Germany	6,5	+ 2,466	- 2,407	+ 3,923	- 2,407	6,2	3,6	1,4 (3)
France	0	-	-	+ 1,422	0	6,2	6,2	9,4
Italy	0	-	-	+ 1,046	+ 0,372	5,5	5,9	(-11,0)
Netherlands	0	+ 0,469	- 0,467	+ 1,898	- 0,467	5,9	5,4	9,7
Belgium	0	+ 0,589	- 0,586	+ 2,020	- 0,586	6,3	5,7	8,3
Luxembourg	0	+ 0,589	- 0,586	+ 2,020	- 0,586	5,9	5,3	5,6
Denmark	0	-	-	-	+ 1,422	6,3	7,8	13,0
United Kingdom	- 6,4 (4)	-	-	-	+ 1,422	6,3	7,8	7,4
Ireland	- 4,8 (4)	-	-	-	+ 1,422	6,1	7,6	4,8

(3) Taking into account the effect of the VAT decrease from 3 to 2.25, the real German requirements are  $1.43 + 0.765 = 2.195$

(4) Calculated on the basis of the figures for the period 15-21.10.1975

18. A further decrease should also be made in the monetary compensatory amounts in the Member States where currency has depreciated. The amount of 1.25% to be deducted from the rates established on the basis of the difference between the "green" rate and the market rate will therefore be replaced by that of 1.5 (Council Regulation (EEC) No 475/75 of 27 February 1975).

Related measures

19. With regard to price and market policies, the Commission proposes improvements in common organization of markets, in particular in the following sectors:

- cereals (in particular by amending the basic regulation with a view to improving the common organization of the market by introducing a better scale of prices),
- fruit and vegetables (in particular, reorganization of fruit production),
- the milk/beef and veal complex,
- wine (the Council have already received Commission proposals on this).

20. As regards the milk and beef and veal sectors in particular the Commission is aware of the serious imbalance in the milk sector since 1968 and that the prospects are unfavourable in the medium-term. It is for this reason that it is proposing to the Council a series of measures relating both to milk and to beef and veal and including measures on prices, the organization of markets and structural adjustments. It considers that it is only by simultaneously implementing a whole series of incisive measures that the equilibrium of the markets in the milk sector will be re-established.

Proposed prices and amounts

The Commission proposes that the Council should fix the prices and, as the case may be the amounts for the various products as following:

Product	Category of price or amount	Amounts fixed 1975/76 u.a./m.t.	1976/77 Proposals		Period of application of the proposed prices
			u.a./m.t.	Change in % 1976/77 compared with 1975/76	
1	2	3	4	5	6
Durum wheat	Target price	207,33	218,80	5,5	1.8.76 - 31.7.77
	Single intervention price	190,53	202,00	6,0	
	Guaranteed minimum price to producers (wholesale trade)	215,45	-	-	
	Aid	24,92	-	-	
Common wheat	Target price	139,44	152,51	9,5	1.8.76 - 31.7.77
	Basic intervention price	125,93	-	-	
	Reference price for break making quality	-	134,60	-	
	Basic intervention price	-	118,66	-	
Barley	Target price	126,99	138,46	9,0	1.8.76 - 31.7.77
	Single intervention price	110,96	117,04	5,5	
Rye	Target price	138,74	149,15	7,5	1.8.76 - 31.7.77
	Single intervention price	119,76	128,74	7,5	
Maize	Target price	126,41	138,46	9,5	1.8.76 - 31.7.77
	Single intervention price	103,43	113,29	9,5	
Rice	Target price - husked rice	261,03	279,82	7,2	1.9.76 - 31.8.77
	Intervention price - paddy rice	154,87	167,26	8,0	
Sugar	Minimum price for sugar beet	22,75	24,57	8,0	1.7.76 - 30.6.77
	Target price for white sugar	320,50	348,70	8,0	
	Intervention price for white sugar	304,50	331,40	8,0	
Olive oil	Producer target price	1.850,00	1.905,50	3,0	1.11.76 - 31.10.77
	Market target price	1.499,60	1.551,40	3,0	
	Intervention price	1.427,10	1.475,60	3,0	

Product	Category of price on amount	Amounts fixed 1975/76 u.a./m.t.	1976/77 Proposals		Period of application of proposed prices
			u.a./m.t.	Increase in % 1976/77 compared with 1975/76	
1	2	3	4	5	6
Oil seeds	Guide (norm) price for soya seed	261,10	282,00	8,0	1.11.76-31.10.77
	Target price	255,30	275,70	8,0	1.7.76-30.6.77
	- colza and rape seed	265,10	286,30	8,0	1.9.76-31.8.77
	- Sunflower seed				
	Basic intervention price				
	- Conza and rape seed	247,90	267,70	8,0	1.7.76-30.6.77
	- Sunflower seed	257,40	278,00	8,0	1.9.76-31.8.77
Dehydrated fodder	Fixed rate aid	8,00	9,00	-	1.4.76-31.3.77
Cotton seeds	Fixed rate aid (per ha)	96,00	103,20	-	1.8.76-31.7.77
Flax and Hemp	Norm price for linseed	-	290,00	-	
	Fixed rate aid (per ha)	188,15 (1)	188,15(1) (115)	-	1.8.76-31.7.77
	- Flax	161,90	174,04		
	- Hemp				
Seeds	Aid (per 100 kg)				
	- Monoecious hemp	7,00	8,00	-	
	- Fiber flax	12,00	13,00	-	
	- Grasses	11 à 31	10 à 31	-	1.7.76-30.6.77
	- Legumes	5 à 25	4 à 25	-	
Table wine	Type R I	1,84	1,96	6,5	
	Type R II	1,84	1,96	6,5	
	Type R III	28,71	30,58	6,5	16.12.76 -
	Type A I	1,73	1,84	6,5	15.12.77
	Type A II	38,26	40,75	6,5	
	Type A III	43,69	46,53	6,5	
Raw tobacco	Norm price	(2)	(2)	± 5,0	1.1.76-31.12.76
	Intervention price			on average	

Product	Category of price and amount	Amounts fixed 1975/76 u.a./m.t.		1976/77 Proposal				Period of application of proposed prices	
				u.a./m.t.		Increase in % 1976/77 compared with 1975/76			
1	2	3		4		5		6	
Fruit and vegetables	Basic price Buying-in price	(3)		(3)		8,0 sauf pommes et poires 4,0		1976 - 1977 (3)	
Milk (4)*	Target price for milk Guide price for skimmed milk powder Intervention prices - skimmed milk powder - butter - Cheeses - Grana-Padano 30-60 days - Grana-Padano 6 months - Parmigiano-Reggiano 6 months	149,20 - 887,00 1946,30(1) 1958,50 2308,30 2500,30	155,90 - - 2095,80(1) 2014,50 2367,40 2559,40	159,00 - 905,70 2123,40 2048,90 2403,80 2595,80	166,00 938,70 - 2210,70 2123,50 2482,60 2674,60	2.0 * - * 2.1 * 1.3 * 1.7 * 1.5 * 1.4 *	4.5 * - * - 4.1 * 3.6 * 3.3 * 3.0 *	1.3.76- 15.9.76	16.9.76 28.2.77
Beef and veal	Guide price for adult bovine animals (live weight) Guide price for calves (live weight)	1.099,40 1.287,40		1187,40 1390,40		8,0 8,0		1.3.76 - 28.2.77	
Pigmeat	Basic price (slaughter weight)	1.060,00		1150,00		8,5		1.3.76-31.10.77	
Silk worms	Aid per box of silk seed	36,50		40,00		-		1.4.76 - 31.3.77	

1. Prices and amounts differentiated for the new Member States:

Flax United Kingdom aid u.a./ha fixed 1975/76 128.20  
 proposed 1976/77 143.20

			<u>3.3.1975</u>	<u>fixed</u> <u>16.9.1975</u>	<u>1.3.1976</u>	<u>proposed</u> <u>16.9.1976</u>
Butter	{ United Kingdom	intervention price	1 341.90	1 436.80	1 677.40	1 739.60
u.a./m.t.		Ireland	1 841.40	1.983.20	2 047.00	2 130.90

Adult bovine animals: United Kingdom and Ireland: guide price u.a./m.t. fixed 1975/76 975.50 proposed 1976/77 1098.10 ) 12%  
 Calves: United Kingdom and Ireland: guide price u.a./m.t. fixed 1975/76 1 142.10 proposed 1976/77 1 285.70 ) increase

1. (a) In 1975/76 fixing of the aid for linseed and fibre flax. From 1976/77 aid solely for fibre flax.

2. Nineteen varieties of tobacco the prices for which apply to the calendar year crop.

3. Products in Annex II of Council Regulation 3052/72 and periods varying according to the product:

Cauliflowers:	1.5.1976	to	30.4.1977	Table grapes:	1.8.1976	to	31.10.1976
Tomatoes :	1.6.1976	to	30.11.1976	Apples:	1.8.1976	to	31.5.1977
Peaches	1.6.1976	to	30.9.1976	Mandarins:	16.11.1976	to	28.2.1977
Lemons:	1.6.1976	to	31.5.1977	Sweet oranges:	1.12.1976	to	30.4.1977
Pears:	1.7.1976	to	30.4.1977				

4. In this sector, in 1975/76, except for skimmed milk powder, two periods of application from 3.3.75 to 15.9.75 and 16.9.75 to 29.2.76 and in 1976/77, for all products two periods from 1.3.76 and from 16.9.76.

5. Consumers subsidy for butter of 45 u.a./100 kg (of which 9.25 u.a. payable by the EAGGF) in 1975/76 ; maintenance of this subsidy in 1976/77 solely for butter produced in the Community. Subsidy for the production of whole milk powder in 1976/77, proposed at a level of 15 u.a./100 kg. Maintenance in 1976/77 of the subsidies for skimmed milk powder for animal feeding (between 30 and 40 u.a./100 kg) and for liquid skimmed milk for animal feeding.

N.B. Aid for the 1974 hop harvest ranging from 100 to 750 u.a./ha according to variety.

With regard to fishing, different prices for each product covered by Council Regulation 2142/70. In November 1975 (guide)price proposals for products in Annex I, A and C of this Regulation, (guide) prices for products in Annex II of this Regulation, intervention prices and Community production prices for the 1976 marketing year. Intervention prices for sardines and anchovies are automatically calculated at the rate of 45% of guide prices.

**B. Proposals for regulations**

I. Proposal for Regulation (EEC) No /76 of the Council  
of  
fixing certain prices and other amounts applicable in agriculture  
for the 1976/77 marketing year

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THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,  
and in particular Article 43 thereof;

Having regard to Council Regulation (EEC) No 2727/75<sup>(1)</sup> of 29 October 1975  
on the common organization of the market in cereals, as last amended by  
Regulation (EEC) No <sup>(2)</sup>, and in particular Article 3 ( ) thereof;

Having regard to Council Regulation No 2759/75<sup>(3)</sup> of 29 October 1975 on the  
common organization of the market in pigmeat, and in particular Article 4(4)  
thereof;

Having regard to Council Regulation (EEC) No 1035/72<sup>(4)</sup> of 18 May 1972 on the  
common organization of the market in fruit and vegetables, as last amended  
by Regulation (EEC) No <sup>(5)</sup>, and in particular Article 16(1) thereof;

Having regard to Council Regulation (EEC) No 2511/69<sup>(6)</sup> of 9 December 1969  
laying down special measures for improving the production and marketing of  
Community citrus fruit, as last amended by Regulation (EEC) No 2481/75<sup>(7)</sup>,  
and in particular Article 7(2) thereof;

Having regard to Council Regulation (EEC) No 816/70<sup>(8)</sup> of 28 April 1970 laying  
down additional provisions for the common organization of the market in wine,  
as last amended by Regulation (EEC) No 1932/75<sup>(9)</sup>, and in particular Article  
2 thereof;

Having regard to Council Regulation (EEC) No 804/68 of 27 June 1968 on the common  
organization of the market in milk and milk products<sup>(10)</sup>, as last amended by  
Regulation (EEC) No <sup>(11)</sup>, and in particular Articles 2, 3(4), 5(1)  
and 12(2) thereof;

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(1) OJ No L 281, 1.11.1975, p. 1 (9) OJ No L 198, 29.7.1975, p. 19  
(2) OJ No L (10) OJ No L 148, 28.6.1968, p. 13  
(3) OJ No L 282, 1.11.1975, p. 1 (11) OJ No L  
(4) OJ No L 118, 20.5.1972, p. 1  
(5) OJ No L  
(6) OJ No L 318, 18.12.1969, p. 1  
(7) OJ No L 254, 1.10.1975, p. 1  
(8) OJ No L 99, 5.5.1970, p. 1

Having regard to Council Regulation (EEC) No 805/68<sup>(1)</sup> of 27 June 1968 on the common organization of the market in beef and veal, as last amended by Regulation (EEC) No <sup>(2)</sup>, and in particular Article 3(4) thereof;

Having regard to Council Regulation 359/67/EEC<sup>(3)</sup> of 25 July 1967 on the common organization of the market in rice, as last amended by Regulation (EEC) No 668/75<sup>(4)</sup>, and in particular Articles 2(4) and 4(4) thereof;

Having regard to Council Regulation No 136/66/EEC<sup>(5)</sup> of 22 September 1966 on the establishment of a common organization of the market in oils and fats, as last amended by Regulation (EEC) No 1707/73<sup>(6)</sup>, and in particular the first paragraph of Article 4 thereof;

Having regard to Council Regulation (EEC) No 1516/71<sup>(7)</sup> of 12 July 1971 introducing a system of subsidies for cotton seeds, and in particular Article 1(3) thereof;

Having regard to Council Regulation (EEC) No 1900/74<sup>(8)</sup> of 15 July 1974 laying down special measures for soya beans, and in particular Article 1(1) and (3) thereof;

Having regard to Council Regulation (EEC) No /76 laying down special measures for linseed, and in particular Article 1(1) and (3) thereof;

Having regard to Council Regulation (EEC) No 3330/74<sup>(10)</sup> of 19 December 1974 on the common organization of the market in sugar, as last amended by Regulation (EEC) No /76<sup>(11)</sup>, and in particular Articles 2(2), 3(5), 4(3) and the second subparagraph of Article 25(2) thereof;

Having regard to Council Regulation (EEC) No 845/72<sup>(12)</sup> of 24 April 1972 laying down special measures to encourage silkworm rearing, and in particular Article 2(3) thereof;

Having regard to Council Regulation (EEC) No 727/70<sup>(13)</sup> of 21 April 1970 on the common organization of the market in raw tobacco, as last amended by the Act of Accession<sup>(14)</sup>, and in particular Articles 2(5), 4(4) and 6(8) thereof;

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(1) OJ No L 148, 28.6.1968, p. 24

(2) OJ No L

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

(4) OJ No L 72, 20.3.1975, p. 18

(5) OJ No L 172, 30.9.1966, p. 3025/66

(6) OJ No L 175, 29.6.1973, p. 5

(7) OJ No L 160, 17.7.1971, p. 1

(8) OJ No L 201, 23.7.1974, p. 5

(9) OJ No L

(10) OJ No L 359, 31.12.1974, p. 1

(11) OJ No L

(12) OJ No L 100, 27.4.1972, p. 1

(13) OJ No L 94, 28.4.1970, p. 1

(14) OJ No L 73, 27.3.1972, p. 14

Having regard to Council Regulation (EEC) No 1308/70<sup>(1)</sup> of 29 June 1970 on the common organization of the market in flax and hemp, as last amended by Regulation (EEC) No <sup>(2)</sup>, and in particular Article 4(3) thereof;

Having regard to Council Regulation (EEC) No 2358/71<sup>(3)</sup> of 26 October 1971 on the common organization of the market in seeds, as last amended by Regulation (EEC) No 671/75<sup>(4)</sup>, and in particular Article 3(3) thereof;

Having regard to Council Regulation (EEC) No 1067/74<sup>(5)</sup> of 30 April 1974 on the common organization of the market in dehydrated fodder, as amended by Regulation (EEC) No 1420/75<sup>(6)</sup>, and in particular Article 4(3) thereof;

Having regard to the proposal from the Commission;

Having regard to the Opinion of the European Parliament;

Having regard to the Opinion of the Economic and Social Committee;

Whereas the markets and prices policy - based on modernized farms - remains the main instrument of the incomes policy in agriculture; whereas full advantage cannot be drawn from such a policy unless it is integrated into the common agricultural policy as a whole, including social and structural policy and the application of the rules on competition contained in the Treaty;

Whereas the common agricultural prices must be fixed by a method based on objective criteria; whereas, when those prices are fixed, account should also be taken of the objectives of the common agricultural policy and of the contribution which the Community desires to make to the harmonious development of world trade; whereas the objectives of the common agricultural policy are in particular to ensure a fair standard of living for the agricultural community, to ensure that supplies are available and that they reach consumers at reasonable prices;

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(1) OJ No L 146, 4.7.1970, p.1  
(2) OJ No L  
(3) OJ No L 246, 5.11.1971, p. 1  
(4) OJ No L 72, 20.3.1975, p. 21  
(5) OJ No 120, 1.5.1974, p. 2  
(6) OJ No L 141, 3.6.1975, p. 1

1. Cereals

Whereas the intervention prices and target prices for the principal cereals must be fixed in such a way as to promote a balance between the different sections of production on the basis of actual market requirements, while at the same time ensuring the improvement of farm incomes;

Whereas, in order to facilitate transition from the arrangements applied during the 1975/76 marketing year to those laid down in Article 3 of Regulation (EEC) No 2727/75, the principle of fixing the single intervention prices for common wheat, barley and maize at a common level may, under Article 4 of that Regulation, be waived for the 1976/77 marketing year; whereas, in order to guarantee the flow of those cereals on to the Community market and at the same time avoid excessive price increases for some of them, it seems advisable that, in a first stage, those intervention prices should only be moved towards alignment, pending complete alignment;

Whereas, when reference prices are fixed for common wheat of bread-making quality, account should be taken of the difference in gross income per hectare between the production of the former and that of high-yield common wheat, which is at present 15%;

Whereas, for the 1976/77 marketing year, in order to establish both the abovementioned reference price and also the common target price for barley and maize, the level of the single intervention price for barley should be taken as the level of the common single intervention price, so that the market may absorb more easily both the natural regionalization of prices and the scale thereof;

2. Pigmeat

Whereas the basic price for pig carcasses must be fixed in accordance with the criteria laid down in Article 4(1) of Regulation (EEC) No 2759/75 for a standard quality defined in accordance with Council Regulation (EEC) No 2760/75<sup>(1)</sup> of 29 October 1975 determining the Community scale for grading pig carcasses; whereas the grade and weight categories which are most representative of Community production should be taken as standard quality;

Whereas an increase in production costs has resulted from certain measures taken in the milk products sector; whereas the basic price should therefore be applied at a date earlier than that laid down in Article 4(1) of

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(1) OJ No L 282, 1.11.1975, p. 10

### 3. Fruit and vegetables

Whereas it is laid down in Article 16(1) of Regulation (EEC) No 1035/72 that, for each marketing year, a basic price and a buying-in price shall be fixed for each of the products listed in Annex II thereto; whereas the marketing of the products in question, harvested during a specific production year, takes place for:

- cauliflowers, from May to April of the following year;
- tomatoes, from January to December;
- peaches, from May to October;
- lemons, from June to May of the following year;
- pears, from June to May of the following year;
- table grapes, from May to April of the following year;
- apples, from July to June of the following year;
- mandarins, from November to March of the following year;
- sweet oranges, from October to June of the following year;

Whereas, however, in accordance with the third subparagraph of Article 16(1) of Regulation (EEC) No 1035/72, no basic price or buying-in price must be fixed during the slack marketing periods at the beginning and end of the marketing year; whereas the basic prices must be fixed in accordance with the criteria laid down in Article 16(2) of that Regulation; whereas the buying-in prices must be fixed in relation to the basic price, in accordance with paragraph 3 of that Article ;

Whereas the amount of the financial compensation for oranges, mandarins and clementines must be fixed in accordance with the criteria laid down in Article 7(2) of Regulation (EEC) No 2511/69;

### 4. Wine

Whereas, in order to achieve the objectives of the common agricultural policy, guide prices for the different types of table wine should be fixed for the period from 16 December 1976 to 15 December 1977 at levels higher than those fixed for the preceding period, owing in particular to the recent development of prices;

Whereas the guide prices must be fixed for each type of table wine which is representative of Community production as laid down in Council Regulation (EEC) No 945/70<sup>(1)</sup> of 26 May 1970 determining the types of table wines;

### 5. Milk products

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(1) OJ No L 114, 27.5.1970, p. 1

Whereas the target price for milk must bear a balanced relationship to the prices for other agricultural products and in particular to that for beef and veal, and be consistent with the direction which it is desired that cattle farming should take; whereas it is also necessary, in fixing those prices to take account of the Community's efforts to establish a long-term balance between supply and demand on the market in milk, allowing for external trade in milk and milk products;

Whereas the intervention price for butter and the guide price for skimmed milk powder are designed to contribute to the achievement of the target price for milk; whereas it is necessary to determine the price levels in the light of both the general state of supply and demand on the Community market in milk and the opportunities for the disposal of butter and skimmed milk powder on the Community and world markets;

Whereas the intervention prices for Grana padano and Parmigiano Reggiano must be fixed in accordance with the criteria laid down in Article 5(2) of Regulation (EEC) No 804/68;

Whereas only the intervention price for butter in force in the new Member State should be moved towards alignment with the common price in the 1976/77 marketing year, in accordance with Article 52(2)(a) of the Act of Accession;

Whereas, in view of the market situation, the target price for milk should be increased in two stages; whereas, consequently, there will be an increase in stages for the intervention price for butter and for Grana padano and Parmigiano Reggiano cheeses; whereas, consequently, there will also be an increase in the intervention price for skimmed milk powder, which is valid only until 15 September 1976;

#### 6. Beef and Veal

Whereas the guide prices must be fixed in accordance with the criteria laid down in Article 3(2) of Regulation (EEC) No 805/68;

Whereas, for the 1976/77 marketing year, the guide prices should be fixed at a level higher than that adopted for the preceding marketing year;

Whereas, however, in view of the present economic situation of the market in beef and veal, it would seem necessary that the intervention price for adult bovine animals for the 1976/77 marketing year should be fixed at a level lower than that which would result from the increase in the guide price;

Whereas Article 52(2) of the Act of Accession lays down that the prices valid in the new Member States should be moved towards alignment each year at the beginning of the marketing year; whereas, in the beef and veal sector, that provision applies to the guide prices for calves and adult bovine animals pursuant to Article 90 of the Act of Accession;

#### 7. Rice

Whereas the target price for rice must be fixed at a rate which takes account of the level of production the direction which production should take, the use made of rice and the improvement of agricultural incomes;

Whereas the Arles and Vercelli intervention prices for paddy rice must be derived from the target price for husked rice, in accordance with the criteria laid down in Article 4(3) of Regulation No 359/67/EEC;

Whereas the application of the above criteria entails fixing the same intervention prices for Arles and Vercelli at a level higher than for the preceding marketing year;

#### 8. Oils and Fats

Whereas the production target price, the market target price and the intervention price for olive oil must be fixed in accordance with the criteria laid down in Articles 4 and 5 of Regulation No 136/66/EEC for a determined standard quality;

Whereas the reasons which led to the determination of the standard quality for the preceding marketing year are still valid; whereas that standard quality should therefore remain the same;

Whereas the target price and the basic intervention price for colza, rape and sunflower seeds are fixed annually, in accordance with the criteria laid down in Articles 23 and 24 of Regulation No 136/66/EEC; whereas the guide (ie. norm) price for soya beans must be fixed in accordance with the criteria of the second subparagraph of Article 1(1) of Regulation (EEC) No 1900/74;

Whereas the second subparagraph of Article 1(1) of Regulation (EEC) No /76 lays down that the norm price for linseed should be fixed at a fair level for producers in the light of the supply requirements of the Community; whereas, in that respect, a balanced relationship should be maintained between that

price and the price for other agricultural products;

Whereas the prices for oilseeds must be fixed for determined standard qualities; whereas those qualities should be established on the basis of the average qualities of the seeds harvested in the Community; whereas, for colza, rape and sunflower seeds and soya beans, the quality defined for the 1975/76 marketing year meets those requirements and may therefore be maintained for the following marketing year;

Whereas the annual fixing of the amount of aid for cotton seeds produced in the Community must be effected in accordance with the criteria laid down in Article 1(2) of Regulation (EEC) No 1516/71;

#### 9. Sugar

Whereas, in order to achieve the objectives of the common agricultural policy, the target price for sugar should be fixed at a level which, account being taken in particular of the resulting level of the intervention price, ensures a fair income for producers of sugar beet or cane and at the same time respects the interests of the consumer;

Whereas, in view of the features of the market in sugar, marketing presents only relatively few risks; whereas, consequently, when the intervention price is fixed for sugar, the difference between the target price and the intervention price may be fixed at a fairly low level;

Whereas the minimum price for beet must be established in the light of the intervention price and the costs of processing and of delivering beet to the factories and also on the basis of a yield which may be assessed for the Community at 130 kilograms of white sugar per metric ton of beet with a 16% sugar content; whereas it is laid down in Article 18(2) of Regulation (EEC) No 3330/74 that the costs relating to the minimum stock shall be taken into account when the prices are fixed;

Whereas the abovementioned costs may be assessed at a flat-rate of 14.24 units of account per 100 kilograms of white sugar; whereas that fixed amount is obtained by adding the processing margin, assessed at 12.58 units of account, the costs of delivering the beet to the factories, assessed at 2.24 units of account, the costs relating to the minimum stock, assessed at a flat-rate of 0.25 unit of account, the total thus obtained being reduced by a fixed amount

of 0.83 unit of account representing the receipts from sales of molasses obtained by the factories and calculated on the basis of a yield of 38.5 kilograms per metric ton of beet processed and an ex-factory price of 2.80 units of account per 100 kilograms of molasses;

Whereas it is advisable to choose, as the standard quality for beet, a quality which takes account of the production features of the main beet-producing regions in the Community;

Whereas, in the light of production trends and the specialization thereof on the one hand and, on the other, of the Community's sugar requirements and the marketing opportunities, the maximum quota for each undertaking laid down in Article 25 of Regulation (EEC) No 3330/74 should be fixed at 135% of its basic quota;

#### 10. Silkworms

Whereas the amount of the aid for silkworms reared within the Community must be fixed annually, in accordance with the criteria laid down in Article 2(2) of Regulation (EEC) No 845/72;

#### 11. Tobacco

Whereas the norm and intervention prices for leaf tobacco must be fixed in accordance with the criteria laid down in Article 2(2) of Regulation (EEC) No 727/70 in such a way as to constitute an incentive for conversion to the cultivation of these varieties which are most competitive and most in demand;

Whereas it is desirable to fix, in respect of the 1976 harvest also, derived intervention prices both for the varieties which before the common organization of the market came into force were subject to a price guarantee at the baled tobacco stage, and for the varieties which are principally grown in Germany, in order to take account of marketing practices in that country; whereas, to that end, both the rise in costs and increase in productivity should be taken into consideration;

Whereas the premium granted to purchasers of Community tobacco is intended to enable them to pay producers of leaf tobacco a price which is at the level of the norm price; whereas the amount of the premium should reflect the

alterations to the norm price and the costs of first processing decided on for the 1976 harvest, account being taken of the trend in world market prices and the level of prices established on the Community market by supply and demand;

Whereas the abovementioned prices and the amount of the premium must be fixed in relation to a reference quality defined in such a way that as objective as possible an assessment can be made of the quality of the tobacco; whereas it is possible to adopt, for the 1976 harvest, the reference qualities defined by Council Regulation (EEC) No 673/75<sup>(1)</sup> of 4 March 1975 fixing, for the 1975 harvest, the norm prices, the intervention prices and the reference qualities for leaf tobacco, and by Council Regulation (EEC) No 674/75<sup>(2)</sup> of 4 March 1975 fixing the derived intervention prices and the reference qualities for baled tobacco from the 1975 harvest;

#### 12. Flax and hemp

Whereas it is laid down in Article 4 of Regulation (EEC) No 1308/70 that aid is to be fixed annually for flax and hemp produced in the Community, and the criteria for the fixing of the amount of such aid are set out in paragraph 2 of that Article;

Whereas, for the 1975/76 marketing year, the amount of the aid for flax was fixed at a lower level for the United Kingdom than for the other Member States; whereas, for the 1976/77 marketing year, in accordance with Article 95 of the Act of Accession, the amount of aid valid for the United Kingdom should be moved towards alignment with the common level;

#### 13. Seeds

Whereas, for certain seeds which are listed in the Annex to Regulation (EEC) No 2358/71 and which will be marketed during the 1976/77 marketing year, the market situation in the Community and its foreseeable development do not enable a fair income to be ensured for producers; whereas aid should be granted to compensate for some of their production costs; whereas that aid must be fixed in accordance with the criteria laid down in Article 3(2) of the abovementioned Regulation;

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(1) OJ No L 72, 20.3.1975, p. 25

(2) OJ No L 72, 20.3.1975, p. 32

Whereas the classification of the different varieties of *Lolium perenne*, hitherto effected on the basis of ripeness, should be corrected and a qualitative criterion of perenniality, that is to say of longevity of the different varieties, should be used;

14. Dehydrated fodder

Whereas Article 4 of Regulation (EEC) No 1067/74 lays down that the amount of the aid for dehydrated fodder must be fixed in the light of the need to improve Community supplies of those products;

Whereas the application of the criteria for the fixing of the different prices and other amounts, and the application of the measures provided for in respect of the exchange rates to be applied in agriculture, entail the fixing of those prices and amounts at the levels shown in the Annexes to this Regulation;

HAS ADOPTED THIS REGULATION:

Article 1

In the agricultural sector, for the 1976/77 marketing year, certain prices and other amounts, together with certain of the conditions for the application thereof, the period during which certain of the prices and amounts shall apply and, where appropriate, the standard qualities to which they relate, are fixed in the Annex to this Regulation in the following order:

- Annex 1: Cereals
- Annex 2: Pigmeat
- Annex 3: Fruit and vegetables
- Annex 4: Wine
- Annex 5: Milk products
- Annex 6: Beef and veal
- Annex 7: Rice
- Annex 8: Oils and fats
- Annex 9: Sugar
- Annex 10: Silkworms
- Annex 11: Tobacco
- Annex 12: Flax and hemp
- Annex 13: Seeds
- Annex 14: Dehydrated fodder

Article 2

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

For the Council

Annex 1

CEREALS

	Units of account per 1 000 kg
<u>Common Wheat</u>	
Single intervention price	118,66
Reference price for common wheat of bread-making quality	134,60
Target price	152,51
<u>Rye</u>	
Single intervention price	128,74
Target price	149,15
<u>Barley</u>	
Single intervention price	117,04
Target price	138,46
<u>Maize</u>	
Single intervention price	113,29
Target price	138,46
<u>Durum wheat</u>	
Single intervention price	202,00
Target price	218,80

Annex 2

PIGMEAT

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	Units of account per 100 kg	Period of application
Basic price for pig carcasses of standard quality	115.00	From 1 March 1976 to 31 October 1977 (*)

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\*) Derogation from Article 4(1) of Regulation (EEC) No 2759/75

The standard quality is the quality of pig carcasses in Grade II of the scale laid down by Council Regulation (EEC) No. 2760/75<sup>(1)</sup> of 29 October 1975 determining the Community scale for grading pig carcasses, excluding those of a weight of less than 70 kilograms and those of a weight of 160 kilograms or over.

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(1) OJ No L 282, 1.11.1975, p. 10

ANNEX 3

FRUIT AND VEGETABLES

A: Basic price and buying-in price

Cauliflowers	For the period from 1 May 1976 to 30 April 1977		
		<u>Basic price</u>	<u>Buying-in price</u>
		u.a./100 kg net	u.a./100 kg net
	May	11,25	4,92
	June	13,98	6,07
	July	11,67	5,02
	August	11,67	5,02
	September	13,14	5,55
	October	13,87	5,86
	November	10,62	4,60
	December	10,62	4,60
	January	10,62	4,60
	February	9,46	4,08
	March	10,30	4,39
	April	10,51	4,60
<p>These prices relate to the following packed products:</p> <p>- cauliflowers "with leaves" of Quality Class I for the months of May, November, December, January, February, March and April;</p> <p>- "trimmed" cauliflowers of Quality Class I, for the months of June, July, August, September and October.</p>			
Tomatoes	For the period from 1 May to 30 November 1976:		
		<u>Basic price</u>	<u>Buying-in price</u>
		u.a./100 kg net	u.a./100 kg net
	June first 10 days	-	-
	second 10 days	18,22	7,58
	third 10 days	16,12	6,95
	July	14,02	5,80
	August	12,02	5,06
	September	13,07	5,48
	October	16,64	6,85
November	18,11	8,00	
<p>These prices refer to packed "round" and "ribbed" tomatoes of Quality Class I, size 57/67 mm and packed "elongated" tomatoes of Quality Class I, size 40/47 mm.</p>			

<p>Peaches (excluding nectarines)</p>	<p>For the period from 1 June to 30 September 1976.</p> <table data-bbox="1000 319 1439 501"> <thead> <tr> <th></th> <th style="text-align: center;"><u>Basic price</u></th> <th style="text-align: center;"><u>Buying-in price</u></th> </tr> <tr> <th></th> <th style="text-align: center;">u.a./100 kg net</th> <th style="text-align: center;">u.a./100 kg net</th> </tr> </thead> <tbody> <tr> <td>June</td> <td style="text-align: center;">26.66</td> <td style="text-align: center;">16.22</td> </tr> <tr> <td>July-September</td> <td style="text-align: center;">24.77</td> <td style="text-align: center;">15.28</td> </tr> </tbody> </table> <p>These prices relate to the following packed products:</p> <ul style="list-style-type: none"> <li>- peaches of the Fior di Maggio (May Flower) variety, Quality Class I size 51/61 mm, for the month of June;</li> <li>- peaches of the Amsden, Charles Ingouf, and Sant'Anna varieties, Quality Class I, size 61/67 mm, for the month of July;</li> <li>- peaches of the Red Haven and Fair Haven varieties, Quality Class I, size 61/67 mm, for the month of August;</li> <li>- peaches of the JH Hale variety, Quality Class I, size 61/67 mm, for the month of September.</li> </ul>		<u>Basic price</u>	<u>Buying-in price</u>		u.a./100 kg net	u.a./100 kg net	June	26.66	16.22	July-September	24.77	15.28																														
	<u>Basic price</u>	<u>Buying-in price</u>																																									
	u.a./100 kg net	u.a./100 kg net																																									
June	26.66	16.22																																									
July-September	24.77	15.28																																									
<p>Lemons</p>	<p>For the period from 1 June 1967 to 31 May 1977</p> <table data-bbox="1000 1022 1439 1601"> <thead> <tr> <th></th> <th style="text-align: center;"><u>Basic price</u></th> <th style="text-align: center;"><u>Buying-in price</u></th> </tr> <tr> <th></th> <th style="text-align: center;">u.a./100 kg net</th> <th style="text-align: center;">u.a./100 kg net</th> </tr> </thead> <tbody> <tr> <td>June</td> <td style="text-align: center;">26.14</td> <td style="text-align: center;">15,73</td> </tr> <tr> <td>July</td> <td style="text-align: center;">26,98</td> <td style="text-align: center;">16,25</td> </tr> <tr> <td>August</td> <td style="text-align: center;">26,87</td> <td style="text-align: center;">16,15</td> </tr> <tr> <td>September</td> <td style="text-align: center;">22,99</td> <td style="text-align: center;">14,99</td> </tr> <tr> <td>October</td> <td style="text-align: center;">21,20</td> <td style="text-align: center;">14,78</td> </tr> <tr> <td>November</td> <td style="text-align: center;">20,36</td> <td style="text-align: center;">12,26</td> </tr> <tr> <td>December</td> <td style="text-align: center;">19,84</td> <td style="text-align: center;">12,05</td> </tr> <tr> <td>January</td> <td style="text-align: center;">20,68</td> <td style="text-align: center;">12,47</td> </tr> <tr> <td>February</td> <td style="text-align: center;">19,63</td> <td style="text-align: center;">11,95</td> </tr> <tr> <td>March</td> <td style="text-align: center;">20,78</td> <td style="text-align: center;">12,47</td> </tr> <tr> <td>April</td> <td style="text-align: center;">22,15</td> <td style="text-align: center;">13,31</td> </tr> <tr> <td>May</td> <td style="text-align: center;">22,88</td> <td style="text-align: center;">13,73</td> </tr> </tbody> </table> <p>These prices relate to packed lemons of Quality Class I, size 53/62mm.</p>		<u>Basic price</u>	<u>Buying-in price</u>		u.a./100 kg net	u.a./100 kg net	June	26.14	15,73	July	26,98	16,25	August	26,87	16,15	September	22,99	14,99	October	21,20	14,78	November	20,36	12,26	December	19,84	12,05	January	20,68	12,47	February	19,63	11,95	March	20,78	12,47	April	22,15	13,31	May	22,88	13,73
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Pears (other than perry pears)	For the period from 1 July 1976 to 30 April 1977		
		<u>Basic price</u>	<u>Buying-in price</u>
		u.a./100 kg net	u.a./100 kg net
	July	16,51	8,41
	August	14,94	8,09
	September	13,99	7,57
	October	14,83	7,57
	November	15,15	7,78
	December	15,46	8,09
	January - April inclusive	15,67	8,30
These prices relate to the following packed products:			
(a) pears of the Dr. Jules Guyot variety, Quality Class I, size 60 mm or more, for the month of July;			
(b) pears of the Dr. Jules Guyot, Clapp's favourite, and Bon chrétien Williams varieties, Quality Class I, size 60 mm or more, for the month of August;			
(c) pears of the Bon chrétien Williams and Conference varieties, Quality Class I, size 60 mm or more, for the months of September and October;			
(d) - pears of the Conference and Alexandrine Douillard varieties, Quality Class I, size 60 mm or more for the month of November;			
- pears of the Passe-Crassane variety, Quality Class I, size 70 mm or more, for the month of November;			
(e) pears of the Conference variety, Quality Class I, size 60 mm or more, for the months December to April;			
pears of the Passe-Crassane variety, Quality Class I, size 70 mm or more, for the months December to April.			

<p>Table grapes</p>	<p>For the period from 1 August to 31 October 1976:</p> <table data-bbox="964 306 1408 476"> <thead> <tr> <th></th> <th style="text-align: center;"><u>Basic price</u></th> <th style="text-align: center;"><u>Buying-in price</u></th> </tr> <tr> <th></th> <th style="text-align: center;">u.a./100 kg net</th> <th style="text-align: center;">u.a./100 kg net</th> </tr> </thead> <tbody> <tr> <td>August</td> <td style="text-align: center;">20.48</td> <td style="text-align: center;">13.35</td> </tr> <tr> <td>September and October</td> <td style="text-align: center;">17.33</td> <td style="text-align: center;">10.51</td> </tr> </tbody> </table> <p>These prices relate to packed table grapes of the Regina dei Vigneti and Regina (mennavacca bianca) varieties, Quality Class I.</p>		<u>Basic price</u>	<u>Buying-in price</u>		u.a./100 kg net	u.a./100 kg net	August	20.48	13.35	September and October	17.33	10.51																		
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<p>Apples</p>	<p>For the period from 1 August 1976 to 31 May 1977:</p> <table data-bbox="964 675 1408 1111"> <thead> <tr> <th></th> <th style="text-align: center;"><u>Basic price</u></th> <th style="text-align: center;"><u>Buying-in price</u></th> </tr> <tr> <th></th> <th style="text-align: center;">u.a./100 kg net</th> <th style="text-align: center;">u.a./100 kg net</th> </tr> </thead> <tbody> <tr> <td>August</td> <td style="text-align: center;">14.63</td> <td style="text-align: center;">7.45</td> </tr> <tr> <td>September</td> <td style="text-align: center;">14.63</td> <td style="text-align: center;">7.45</td> </tr> <tr> <td>October</td> <td style="text-align: center;">14.63</td> <td style="text-align: center;">7.55</td> </tr> <tr> <td>November</td> <td style="text-align: center;">14.95</td> <td style="text-align: center;">7.66</td> </tr> <tr> <td>December</td> <td style="text-align: center;">16.10</td> <td style="text-align: center;">8.29</td> </tr> <tr> <td>January</td> <td style="text-align: center;">17.57</td> <td style="text-align: center;">9.02</td> </tr> <tr> <td>February</td> <td style="text-align: center;">18.83</td> <td style="text-align: center;">9.55</td> </tr> <tr> <td>March to May</td> <td style="text-align: center;">20.30</td> <td style="text-align: center;">10.28</td> </tr> </tbody> </table> <p>These prices relate to the following packed products:</p> <ul style="list-style-type: none"> <li>(a) apples of the James Grieve variety, Quality Class I, size 70 mm or more, for the month of August;</li> <li>(b) - apples of the James Grieve and Golden Delicious varieties, Quality Class I, size 70 mm or more, for the month of September;</li> <li style="padding-left: 2em;">- apples of the Reine des reinettes variety, Quality Class I, size 65 mm or more, for the month of September;</li> <li>(c) apples of the Golden Delicious variety, Quality Class I, size 70 mm or more, for the months October to May.</li> </ul>		<u>Basic price</u>	<u>Buying-in price</u>		u.a./100 kg net	u.a./100 kg net	August	14.63	7.45	September	14.63	7.45	October	14.63	7.55	November	14.95	7.66	December	16.10	8.29	January	17.57	9.02	February	18.83	9.55	March to May	20.30	10.28
	<u>Basic price</u>	<u>Buying-in price</u>																													
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March to May	20.30	10.28																													

Mandarins	For the period from 16 November 1976 to 28 February 1977:		
		<u>Basic price</u>	<u>Buying-in price</u>
		u.a./100 kg net	u.a./100 kg net
	November (16 to 30)	26.28	17.35
	December	25.97	16.93
	January	25.55	16.30
	February	24.18	15.88
	These prices relate to packed mandarins of Quality Class I, size 55/64 mm.		
Sweet oranges	For the period from 1 December 1976 to 30 April 1977:		
		<u>Basic price</u>	<u>Buying-in price</u>
		u.a./100 kg net	u.a./100 kg net
	December	23.54	15.33
	January	20.60	13.86
	February	21.12	14.28
	March	22.70	14.90
	April	23.22	14.70
	These prices relate to the following packed products:		
	- oranges of the Moro variety, Quality Class I, size 67/80 mm for the month of December,		
	- oranges of the Sanguinello variety, Quality Class I, size 67/80 mm, for the months January to April.		

NB The prices quotes in this Annex do not include the cost of the packaging in which the product is presented.

B. Amount of financial compensation

	For the 1976/77 marketing year
8.11	- units of account per 100 kg net for oranges of the Moro, Tarocco, Ovale calabrese, Belladonna, Navel, Valencia late varieties;
6.97	- units of account per 100 kg net for oranges of the Sanguinello variety;
4.58	- units of account per 100 kg net for oranges of the Sanguigno and Biondo comune varieties;
6.97	- units of account per 100 kg net for mandarins;
4.06	- units of account per 100 kg net for clementines.

NB Financial compensation is only granted for products of the Quality Classes Extra and I.

ANNEX 4

Table Wine	Guide Price
Type R I	1.96 u.a./°/hl
Type R II	1.96 u.a./°/hl
Type R III	30.58 u.a./hl
Type A I	1.84 u.a./°/hl
Type A II	40.75 u.a./hl
Type A III	46.53 u.a./hl

Annex 5

MILK AND MILK PRODUCTS

	Units of account from per 100 kg	
	1 March 1976 to 15 September 1976	16 September 1976
(a) Target price for milk	15.90 <i>15.30</i>	16.60
(b) Intervention price		
Butter:		<i>213.09</i>
- in Ireland	204.70	213.09
- in United Kingdom	167.74	173.96
- in other Member States	212.34	221.07
Skimmed milk powder	90.57	-
Grana padano cheese		
- 30-60 days old	204.89	212.35
- <b>at least six months old</b>	240.38	248.26
Parmigiano Reggiano cheese, at least six months old	259.58	267.46
(c) Guide price for skimmed milk powder	-	93.87

ANNEX 6

BEEF AND VEAL

(units of account per 100 kg live weight)

	Ireland and United Kingdom	Other Member States
Guide price		
- calves	128.57	139.04
- Adult bovine animals	109.81	118.74
Intervention price for adult bovine animals (1)	98.83	106.74

(1) Derogation from Article 6 of Regulation (EEC) No 805/68

Annex 7

RICE

	Units of account per metric ton
(a) Target price <u>Husked rice</u>	279.82
(b) Intervention price Paddy rice for Arles and Vercelli	167.26

Annex 8

OILS AND FATS

I. Olive oil

	Units of account per 100 kg
(a) Producer target price	190.55
(b) Market target price	155.14
(c) Intervention price	147.56

- These prices refer to semi-fine virgin olive oil with a free fatty acid content, expressed as oleic acid, of 3 grams per 100 grams.

II. Oilseeds

	Units of account per 100 kg
(a) Colza and rape seeds:	
- target price	27.57
- basic intervention price	26.77
(b) Sunflower seeds:	
- target price	28.63
- basic intervention price	27.80

The basic intervention prices are valid for Genoa.

These prices relate to seeds in bulk, of sound and fair marketable quality:

- with 2% impurities and, on seeds as such, 9% humidity and 40% oil, for colza and rape seeds;

- with 2% impurities and, on seeds as such, 10% humidity and 40% oil, for sunflower seeds.

	Units of account per 100 kg
Guide (norm) price: soya beans <sup>1</sup>	28.20
Norm price: linseed <sup>2</sup>	29.00

1

This price relates to beans:

- in bulk, of sound and fair marketable quality and
- with 2% impurities and, on beans as such, 14% humidity and 18% oil.

2

This price relates to seeds:

- in bulk, of sound and fair marketable quality and
- with 2% impurities and, on seeds as such, 9% humidity and 38% oil

Cotton seeds	Units of account per ha.
Amount of aid	103.20

Annex 9

SUGAR

1. Target price for white sugar in u.a. per 100 kg:		: 34.87
2. Intervention price for white sugar in u.a. per 100 kg:		: 33.14
3. The area with the largest surplus consists of the following French departments		: Aisne, Oise, Somme
4. Minimum price for beet in u.a., valid for the area with the largest surplus, per metric ton, delivered to the reception centre:		: 24.57
5. Beet of standard quality if of sound and fair marketable quality with a sugar content of 16% at the time of reception.		
6. Notwithstanding Article 25(1)(b) of Regulation (EEC) No 3330/74, the coefficient referred to in Article 25(1)(a) of the said Regulation is 1.35.		

Annex 10

SILKWORMS

	Units of account per box of silk seed employed
Amount of aid	40.00

Annex 11

TOBACCO

Norm price, intervention price and amount of the premium granted to purchasers of leaf tobacco; derived intervention price of baled tobacco for the 1976 harvest.

These prices relate, for each variety, to the reference qualities defined in Annex 1 of Regulation (EEC) No 673/75 for leaf tobacco and Annex I of Regulation (EEC) No 674/75 for baled tobacco.

Serial No	Varieties	Norm Price	Intervention price	Amount of premium	Derived intervention price
1	a) Badischer Geudertheimer b) Forchheimer Havana IIc)	2.256	2.030	1.514	3.104
2	Badischer Burley E	2.696	2.426	1.553	3.487
3	Virgin SCR	2.571	2.314	1.459	3.001
4	a) Paraguay and hybrids thereof b) Dragon vert and hybrids thereof	1.962	1.766	1.204	-
5	Nijkerk	1.939	1.745	1.194	-
6	Burley (Burley x Bel)	2.175	1.958	1.047	-
7	a) Misionero and hybrids thereof b) Rio Grande and hybrids thereof	1.799	1.619	1.138	-
8	a) Philippin b) Petit Grammont (Flobecq) c) Burley (Ergo x 6410 and Ergo x Bursana)	1.515	1.364	0.859	-
9	a) Semois b) Appelterre	1.815	1.634	1.029	-

Serial No	Varieties	Norm Price	Intervention price	Amount of premium	Derived intervention prices
10	Bright	2.180	1.962	1.217	2.748
11 a)	Burley I	1.642	1.478	0.774	2.231
11 b)	Maryland	1.906	1.715	0.956	2.504
12	(a) Kentucky and hybrids thereof (b) Moro di Cori (c) Salento	1.678	1.510	0.727	2.169
13	(a) Nostrano del Brenta (b) Resistente 142 (c) Gojano	1.651	1.486	1.202	2.235
14	Beneventano	1.302	1.172	0.887	1.739
15	Xanti-Yaka	2.445	2.201	1.445	3.488
16	Perustitza	2.316	2.084	1.358	3.064
17	Erzegovina and hybrids thereof	2.080	1.872	1.230	2.761
18	(a) Round Tip (b) Scafati (c) Sumatra	10.802	9.722	5.294	14.737
19	(a) Brasile Selvaggio (b) Other varieties	1.076	0.968	0.295	-

Annex 12

FLAX AND HEMP

	u.a. per hectare
Amount of aid	
- Flax: - United Kingdom	143.20
- Other Member States	188.15
- Hemp	174.04

Annex 13

SEEDS

Common Customs Tariff No	Description of goods	Amount of Aid u.a./100 kg
ex 12.01.A	Linum usitatissimum L. partim (fibre flax) Cannabis sativa  1. <u>GRAMINAE</u>	13 8
ex 12.03.C	Arrhenatherum elatius (L) J. and C. Presl. Dactylis glomerata L. Festuca arundinacea Schreb. Festuca ovina L. Festuca pratensis Huds. Festuca rubra L. Lolium multiflorum Lam. Lolium perenne L. (with high late or medium-late persistence) Lolium perenne L. (of low persistence, semi-late, medium-early or early) lolium perenne L. (new varieties and others) Lolium perenne x hybridum Hausskn. Phleum pratense L. Poa nemoralis L. Poa pratensis L. Poa trivialis L.  2. <u>LEGUMINOSAE</u>	31 27 27 19 21 18 11  18  10 14 11 31 19 19 19
ex 07.05 AI	Pisum arvense L.	4
ex 07.05 AIII	Vicia fabaL. ssp faba var. equina Pers. Vicia faba L. var. minor (Peterm.) bull	4 4 4
ex 12.03 C	Medicago sativa L. (ecotypes) Medicago sativa L. (varieties) Trifolium pratense L. Trifolium repens L. Trifolium repens L. var. giganteum Vicia sativa L.	8 12 20 22  25 14

Annex 14

DEHYDRATED FODDER

	u.a./1000 kg
Amount of aid to production	9.00

2. Proposal for a Regulation (EEC) No /76 of the Council  
of  
on the exchange rates to be applied in agriculture  
repealing Regulation (EEC) No 475/75

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THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,  
and in particular Articles 28,43 and 235 thereof,

Having regard to Council Regulation No 129<sup>I</sup> on the value of the unit of  
account and the exchange rates to be applied for the purposes of the common  
agricultural policy, as last amended by Regulation (EEC) No 2543/73<sup>2</sup>, and  
in particular Article 3 thereof;

Having regard to the proposal from the Commission;

Having regard to the Opinion of the European Parliament;

Having regard to the Opinion of the Economic and Social Committee;

Whereas the situation referred to in Article 3(1) of Regulation No 129, in  
respect of which derogations may be made from the principle of using  
parities for converting one currency into another, now obtains in various  
Member States;

Whereas it has been possible to solve the problems posed by a situation  
of this kind by applying monetary compensatory amounts and representative  
conversion rates for the purposes of the common agricultural policy; whereas  
this arrangement leads to diversent price levels in the Member States  
affected; whereas, however, to prevent the retention of fixed rates for the  
common agricultural policy from leading to an increase in the divergencies  
between price levels expressed in national currencies when prices  
increases are decided and in view of the fact that certain adjustments may  
be made to the rates to adapt them to the real economic situation in the  
Member States, representative rates for the currencies of the Member States  
concerned should be fixed at levels more closely related to the actual economic  
situation; whereas at the same time all these representative rates should be  
set out in a new text;

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(1) OJ No 106, 30 October 1962, p. 2553/62;

(2) OJ No L 263, 19 September 1973, p. 1

Whereas the impact of this measure on the economies of the Member States concerned should be cushioned as far as possible; whereas, for this reason, the new rates should be applied within a reasonable period, coinciding if possible with the beginning of the marketing year or with a change in prices;

Whereas it is possible still further to reduce the effects of the compensatory amounts on Member States with depreciated currencies; whereas, for this purpose, changes should be made to the provisions of Article 2(1)(b) of Council Regulation (EEC) No 974/71<sup>3</sup> of 12 May 1971 on certain measures of conjunctural policy to be taken in agriculture following the temporary widening of the margins of fluctuation of the currencies of certain Member States, as last amended by Regulation (EEC) No 3259/74<sup>4</sup>;

Whereas the fixing of representative rates leads to changes in agricultural price levels; whereas the problems raised by the adjustment of exchange rates are the subject of Community provisions, in particular Council Regulation (EEC) No 1134/68 laying down rules for the implementation of Regulation (EEC) No 653/68 on conditions for alterations to the value of the unit of account used for the common agricultural policy<sup>5</sup>; whereas these provisions only cover changes in currency parities; whereas they should also be applied in this case; whereas, however, insofar as the interested parties may request the cancellation of documents or certificates, such application could only be justified if the interested parties are put at a disadvantage as a result of the fixing of the new representative rates;

Whereas the Monetary Committee will be consulted and whereas, in view of their urgency, the measures envisaged should be adopted in accordance with the conditions laid down in Article 3(2) of Regulation No 129,

HAS ADOPTED THIS REGULATION:

Article 1

1. Where transactions to be carried out in pursuance of measures relating to the common agricultural policy or specific rules laid down by virtue of Article 235 of the Treaty, require the currencies referred to in paragraph 2 to be expressed in another currency or in units of account the rate of exchange

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1. OJ No L 106, 12 May 1971, p. 1

2. OJ No L 349, 28 December 1974, p. 10

3. OJ No L 188, 1 August 1968, p. 1

shall, in derogation from Article 2(1) of Regulation No 129, that corresponding to the representative rate for that currency.

2. The representative rate shall cease to be applicable for the currency of a Member State at such a time as that State shall declare a new parity to the International Monetary Fund.

Article 2

1. The representative rate referred to in paragraph 1 shall be:

(a) for the Belgian franc and the Luxembourg franc:

Bfrs./Lfr. 1 = 0.0205519 unit of account;

(b) for the Danish Kroner:

Dkr. 1 = 0.131956 unit of account;

(c) for the German mark:

DM. 1 = 0.290392 unit of account;

(d) for the French franc:

FF. 1 = 0.180044 unit of account;

(e) for the Irish pound:

£ Ir. 1 = 1.72914 units of account;

(f) for the Italian Lira:

Lit. 100 = 0.117906 unit of account;

(g) for the Dutch Guilder:

Fl. 1 = 0.298056 unit of account;

(h) for the UK pound:

£ 1 = 1.75560 units of account

The new representative rates shall be applicable from:

(a) 1 August 1976 for eggs, poultry and ovalbumin and lactalbumin;

(b) 16 September 1976 for milk and milk products; **except for the derogations set out in paragraph 2**

(c) 16 December 1976 for wine;

(d) 1 January 1977 for fishery products;

(e) the beginning of the 1976/77 marketing year for the other products for which the marketing year has not commenced on the date of entry into force of this Regulation;

(f) 1 March 1976 in all other cases.

2. By derogation from paragraph 1, with regard to the milk sector and milk products and for the period from 1 March 1976 to 15 September 1976, the representative rates are :

a) for the Belgian and Luxembourg franc  
Bfrs./Lfrl = 0,0204315 unit of account

b) for the German Mark  
DM. 1 = 0,283402 unit of account

c) for the Dutch Florin  
Fl. 1 = 0,296664 unit of account

d) for other currencies = the rates set out in paragraph 1.

### Article 3

1. Detailed rules for the application of this Regulation shall be adopted in accordance with the procedure laid down in Article 26 of Regulation (EEC) No 2727/75<sup>6</sup> or in the corresponding Articles of the other agricultural regulations establishing similar procedures or, if necessary, by derogation from the rules governing the fixing of prices laid down in the relevant regulations where and so long as strictly necessary to take account of the provisions of this Regulation.

2. As regards amounts fixed in units of account which are not connected with the fixing of prices, the arrangements referred to above may consist in an increase of 3.92%.

### Article 4

In Article 2(1)(b) last subparagraph of Regulation (EEC) No 974/71, the figure 1.25 is replaced by 1.5 with effect from 1 March 1976.

### Article 5

1. The provisions of Regulation (EEC) No 1134/68 in respect of changes to the relationship between the parity of the currency of a Member State and the value of the unit of account shall apply.

2. However, Article 4(1)(b) of Regulation (EEC) No 1134/68 shall apply only if the application of the new representative rates is disadvantageous for the interested party.

### Article 6

The provisions of Regulation (EEC) No 475/75 of the Council of 27 February 1975<sup>7</sup> on the exchange rates to be applied in agriculture, as last amended by Regulation (EEC) No 2638/75<sup>8</sup>, shall cease to be applicable for a given sector on the date on which the provisions of this Regulation become applicable to that sector.

(6) OJ No L 281, 1 November 1975, p. 1

(7) OJ No L 52, 28 February 1975, p. 28

(8) OJ No L 269, 18 October 1975, p. 1

Article 7

This Regulation shall enter into force on the third day following that of 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

The President

C. DISCUSSION OF INDIVIDUAL PRODUCTS

Cereals

A. Prices

1. Article 3 of Council Regulation (EEC) No 2727/75<sup>(1)</sup> of 29 October 1975 on the common organization of the market in cereals, as amended in the draft which figures among the related measures hereinafter, provides that the following should be adopted according to the procedure laid down in Article 3(2) of the Treaty:

- the common single intervention price for common wheat, barley and maize and the single price for rye and for durum wheat;
- the reference price for common wheat of bread-making quality;
- the target price for common wheat, durum wheat and rye and the common target price for barley and maize.

However, for 1976/77, and by way of derogation as provided for in Article 4 of Regulation (EEC) No 2727/75 amended as stated above, a single and separate intervention price may be fixed for common wheat, barley and maize.

2. Given the desirability of an increase in the general level of common agricultural prices and the agri-monetary measures proposed, prices should be fixed this year in such a way as to meet the wishes expressed by the Council in its Recommendation of 22 July 1975<sup>(2)</sup> and its Resolution of the same date<sup>(3)</sup>, and to take account of the Council's conclusions with regard to the stocktaking of the Common Agricultural Policy<sup>(4)</sup>.

For this purpose, the proposed measures set out below contain important amendments to the basic regulation. However, it is difficult to apply all the proposed measures immediately, if excessive increases or decreases are to be avoided when the price structure is being reorganized, given the need to ensure price flexibility. This is why a temporary system is being set up using acceptable limits so that the market can absorb both the natural regionalization of all cereal prices and the price structure.

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(1) OJ No L 281, 1.11.1975, p. 1

(2) Doc. R/2020/75 (Agri 558) Council

(3) Doc. R/2021/75 (Agri 559) Council

(4) Doc. R/2821/75 (Agri 756) (Fin 739) Council.

Thus, total alignment of the single intervention price based on barley is not achieved for the first year, in order to facilitate the ending of the regionalization of common wheat. Nonetheless, account has been taken of the need for both common wheat and maize to come as close as possible in price to barley, which has a relatively lower utilization value.

The price of barley, which is taken as the basis for calculation is therefore increased by a modest 5.5%, at the level of the single intervention price. The increase of 9% at the level of the target price provides sufficient leeway to reapply the single intervention price in all former centres.

An increase of 9.5%, similar to the one for common wheat, is adopted for maize at the level of the target price, so that its level, in absolute value, is equal to that of barley; the same increase is applied at the level of the intervention price.

For common wheat the price nearest to the calculation provided for in the basic regulation is chosen so that the price of high-yield common wheat is not lower than the current price in the area with the largest surplus.

The reference price for common wheat of bread-making quality is set at a high enough level to encourage production of common wheat of bread-making quality, that is, 15% above the level of the intervention price for barley.

A separate system is planned for rye, since this cereal is regarded as being entirely of bread-making quality and the price is increased by an average of 7.5%. The special intervention premium is abolished since the increase is greater than for barley.

Examination of the arrangements applicable to durum wheat has made it possible to propose a new system of production aid better suited to the regions producing the largest quantities, which are also those with the lowest yields.

As regards the price system for durum wheat, increases of 6% in the intervention price and 5.50% in the target price are proposed, which would make it possible to improve its price structure compared with that of common wheat:

1975/76 target price, ratio  $139.44/207.33 = 148.68$

1976/77 proposal, ratio  $152.51/218.80 = 143.47$

The conditions for the granting of aid are amended as proposed in the related measures. This aid is restricted to regions with an average yield of less than 30 quintals/ha for the 1971/72 to 1973/74 marketing years.

This aid is awarded per hectare as follows:

subsidy of 42 u.a. up to 22 quintals/ha

^ subsidy of 21 u.a. **from more than 22,0 to 30 quintals/ha**

3. The situation in the cereals sector, analysis of which served as a basis for the price proposal, is as follows:

- (a) Cereal production, which accounted for about 12% of the value of the final agricultural production of the Community in 1974, covers about 29% of the utilized agricultural area. After an increase of 2% in 1974, production is 97.50 million m.t. in 1975, a drop of 10 % due, above all, to a fall in yields, as a result of unfavourable weather conditions and producers' endeavours to obtain the best possible price.
- (b) Apart from an increase in the production of durum wheat (+ 24%) and no change in the production of maize, a drop in the production of cereals was recorded in 1975 (common wheat: - 19% despite an increase in the production of fodder wheat; rye - 12% barley - 7% and oats: -6%).

This being the case, there will be an overall price rise of slightly less than 8%. However, this involves two levels, as a result of the proposed reorganization of the price structure: firstly, an increase of 5.5% in the intervention price, and then because of the enlargement of the price framework, an additional average market increase of about 3%. This additional increase will be higher for common wheat of bread-making quality because of the introduction of a reference price level far higher than the intervention price for barley.

As regards the effects on import and export arrangements, no fundamental change should be expected in the general pattern, but rather a return to normal as a result of the elimination of abnormal and excessive exports and imports.

4. As regards the monthly increases, it is proposed to maintain them essentially at the present level, since those for the preceding marketing year were adjusted to take account of increases in financing and energy costs.

For this marketing year it might be considered that the increase in energy costs has been offset by a fall in loan interest rates.

Following the agri-monetary measures, however, provision has been made for a slight increase.

\* \* \* \* \*

In the proposed figures included in the following table, the percentages resulting from the calculations have been rounded off to the first decimal point.

PRICE PROPOSALS FOR 1976/1977

Product	1974/75	Increase	1974/75	Increase <sup>1</sup>	1976/77
	u.a./m.t.	%	ua./m.t.	%	u.a./m.t.
<u>COMMON WHEAT</u>					
Target price	127.93	+ 9	139.44	+ 9.5	152.51
Basic intervention price	115.53	+ 9	125.93		
	<u>12.40</u>		<u>13.51</u>		
Reference price for cereals of bread making quality	-	-	-	-	134.60
Single intervention price	-	-	-	-	118.66
<u>RYE</u>					
Target price	124.99	+11	138.74	+ 7.5	149.15
Single intervention price	106.93	+12	119.76	+ 7.5	128.74*
	<u>18.06</u>		<u>18.98</u>		<u>20.41</u>
<u>BARLEY</u>					
Target price	116.08	+ 9.40	126.99	+ 9.0	138.46
Single intervention price	101.43	+ 9.40	110.96	+ 5.5	117.04
	<u>14.65</u>		<u>16.03</u>		<u>21.42</u>
<u>MAIZE</u>					
Target price	114.92	+10	126.41	+ 9.5	138.46
Single intervention price	94.03	+10	103.43	+ 9.5	113.29
	<u>20.89</u>		<u>22.98</u>		<u>25.17</u>
<u>DURUM WHEAT</u>					
Target price	191.97	+ 8	207.33	+ 5.5	218.80
Single intervention price	175.17	+ 9	190.53	+ 6.0	202.00
	<u>16.80</u>		<u>16.80</u>		<u>16.80</u>
Minimum guaranteed price	205.17	+ 5.01	215.45	-	-
Aid	30		24.92	-	**

<sup>1</sup>Percentages rounded-off to the first decimal point.

\*The special intervention premium on rye suitable for bread making is discontinued

\*\*Aid per m.t. is discontinued and replaced by aid per hectare (see explanatory memorandum)

As regards feed grains, the market price structure for cereals in the region producing the greatest surplus should be taken into account. In this region the lowest market price should be for barley, which has the lowest nutritional value for animal feed, while maize has the highest.

Thus, the target price for all feed grains should be fixed on the basis of maize, the cereal most used for the production of feedingstuffs, so that it is channeled to the consumer region with the greatest deficit.

The target price for feed grains is calculated, therefore, by adding to the common intervention price first of all a market factor representing the relative utilization value of the cereal with the highest energy value (maize) and, secondly, the cost of transport between the region with the largest production surplus (Orleans) and the consumer region with the largest deficit (Duisburg); the transport cost is the same as that used for common wheat.

Because of its use in bread-making, rye constitutes a special case and should be dealt with separately in order to maintain production in regions with poor soil.

In order to improve the effectiveness of special market intervention measures, general arrangements should be made enabling them to be adopted either at the request of the Member State or by the Commission, in order to support the market price for wheat for bread-making in terms of the reference price.

Durum wheat also represents a special case since its market position has changed as a result of an increase in production. The price for durum wheat should not be increased too much, and for the moment it should not be calculated by the same methods as are the other cereals. The system of aid for durum wheat should be altered and the proposed changes are set out below; they involve the elimination of the minimum guaranteed price.

B. Related measures

1. Proposal for a Council Regulation amending Regulation (EEC) No 2727/75 (ex No 120/67/EEC) on the common organization of the market in cereals (amendment of Articles 2, 3, 4, 7 and 10)

The purpose of the proposed amendment is, in accordance with the basic principles of the agricultural policy set out in Article 39 of the Treaty, to facilitate the establishment of a system under which the price system and the free movement of cereals will improve the balance between the various branches of production and the actual market requirements, and will encourage the use of high-yield common wheat of poor bread-making quality as a feedingstuff, without applying the denaturing premium.

To achieve this, the price for this category of common wheat should be brought into line with the price for barley and maize. However, in the first year, notwithstanding the basic regulation, proposals should be made for narrowing the divergence between these three prices, as a transitional measure.

Such a proposal would be in line with the Council's wishes as indicated in the preceding section on prices.

In order to achieve this aim the regional system which still applies in the case of common wheat should also be discontinued since it has already been abandoned in the case of all other cereals.

Production of the best grades of common wheat suitable for bread making should be encouraged by allowing the market to develop to a higher level than that of high-yield common wheat. In view of the divergence in the gross income between the production of wheat suitable for bread-making and that of very high yield varieties (15% minimum), a parametric price level should be fixed to serve as a basis for calculating the target price and as a means of assessing the operation of the market with a view to intervention measures.

The target price for common wheat is calculated on the basis of this parametric level, adding firstly a market factor representing a trading margin similar to the existing margin between the basic intervention price and the target price and secondly the cost of transport between the region with the largest production surplus (Orleans-Ormes) and the region with the largest deficit (Duisburg). Under the proposed amendment, this parametric level is given by the reference price.

As regards the intervention prices applicable between 1 June and 31 July of each year, it was considered more normal to refer to the price applicable in the August of the same marketing year rather than the August of the following marketing year, which might be subject to different price arrangements (for monetary reasons, for example).

Finally, the special premiums for barley suitable for brewing and rye suitable for bread-making and the denaturing premiums are discontinued.

2. Proposal for a Council Regulation laying down rules for determining the intervention centres for cereals

The adoption of single intervention prices for the various kinds of cereals renders null and void the provisions of Council Regulation No 2733/75 of 29 October 1975 laying down rules for deriving intervention prices and determining certain market centres for cereals<sup>1</sup>, for with the abandonment of the regional system there is no longer any reason to provide for the calculation of derived prices, since regional price differences between surplus and deficit regions are produced naturally by the market. However, intervention centres should be established wherever necessary without differentiating between regions. Thus, it is intended to retain the criteria used for determining the former marketing centres.

3. Proposal for a Council Regulation amending Regulation (EEC) No 2740/75 (ex No 174/67/EEC) on special intervention measures for cereals

Following the reorganization of the common organization of the market in cereals, Regulation (EEC) No 2740/75 (ex No 174/67/EEC) on special intervention measures should also be amended.

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(1) OJ No L 281, 1 November 1975, p. 31

Besides the provisions of Article 1 of this Regulation, which remain in force, it is proposed to empower the Commission:

1. to adopt in accordance with the procedure laid down in Article 26 of Regulation (EEC) No 2727/75, special intervention measures where the situation on domestic or world markets so requires;
2. to proceed, on its own initiative or at the request of a Member State, to purchase on the market wheat of bread-making quality on the basis of the reference price provided for in the price proposal. These purchases must be made in accordance with criteria and conditions which guarantee the required technical quality, to be determined by a Commission Regulation in conformity with the procedure laid down in Article 26 of Regulation (EEC) No 2727/75.
4. Proposal for a Council Regulation amending Regulation (EEC) No 2741/75 on aid for durum wheat

During the present marketing year there was an increase in durum wheat production in France. For the first time since the common organization of the market in cereals, the Community has a durum wheat surplus.

On the other hand, increased yields in certain regions were accompanied by a fall in quality since some varieties of durum wheat were technically unsuitable for the production of semolina and pasta products.

Some durum wheat has already been submitted for intervention and further quantities are likely to be submitted later. In that event, there will be a danger of accepting durum wheat qualities which can only be disposed of for fodder (about 84 u.a./m.t. difference in price), placing too heavy a financial burden on the EAGGF.

With this in mind, it is planned to change the intervention conditions and restrict aid to durum wheat of adequate quality. In addition, it will be necessary to change the system of aid to confine its application to those areas where it is really necessary.

The proposals for related measures and for prices offer the following advantages:

- limitation of intervention and associated expenditure while keeping intact Community preferences and guarantees to domestic producers;
- improvement of the system of trade with non-member countries;
- simplification of Community rules as desired by the Council and by others concerned.

RICE

A. Prices

1. Under Articles 2 and 4 of Regulation No 359/67/EEC<sup>1</sup>, the Commission must propose a target price for husked rice and an intervention price for paddy rice in rice-producing areas for the marketing year from 1 September 1976 to 31 August 1977.
2. For the 1975/76 marketing year:
  - the target price for husked rice was fixed at 261.03 u.a./m.t., an increase of 10% compared with 1974/75;
  - the intervention price for paddy rice was fixed at 154.87 u.a./m.t., an increase of 8% compared with 1974/75.
3. Since an increase in the general level of the common agricultural prices is desirable, and in view of the proposed agri-monetary measures, a target price of 279.82 u.a./m.t. is proposed for husked rice for the 1976/77 marketing year, representing an increase of 7.2% compared with 1975/76. This increase corresponds to the average rise in the prices of agricultural products in general and of cereals in particular.

For the 1976/77 marketing year, an intervention price of 167.26 u.a./m.t. is proposed for paddy rice, i.e., an increase of 8% compared with 1975/76. Details are given in the following table:

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<sup>1</sup>

OJ No 174, 31 JULY 1967.

	(In u.a./m.t.)	
	(For information)	
	<u>1975/76</u>	<u>1976/77</u>
Target price for husked rice at Duisburg	261.03	279.82
Partial reduction of the ACP/OCT preference (3 u.a./m.t.)	1.50	1.50
Price of husked rice at Duisburg	259.53	278.32
Transport Vercelli-Duisburg	20.54	22.59
Price of husked rice at Vercelli	238.99	255.73
Conversion of husked rice into paddy rice (100/80)	191.19	204.58
Husking costs per m.t., paddy rice	23.95	23.95
Value of by-products	-	-
Theoretical target price for paddy rice at Vercelli	167.24	180.63
Margin 7.4%	12.37	13.37
Intervention price for paddy rice at Vercelli	154.87	167.26

It should be noted that, with identical intervention prices,

- sown areas in Italy increased by 5.15% per year from 1963 to 1973. There was then a slight decline (+1.1% in 1974 on 1973 and +1.6% in 1975 on 1974);
- sown areas in France fell by 5.53% per year from 1963 to 1973 and are continuing to fall sharply (in 1974, 5.9% on 1973; in 1975, 33.3% less than in 1974).

In 1974/75, market prices in the main rice-producing region (Vercelli) averaged 166.25 u.a./m.t. (13% above the intervention price) for round-grained paddy rice and 183.25 u.a./m.t. (11% above the intervention price) for long-grained paddy rice.

In November 1975 these prices were as follows:

- round-grained paddy rice: 192.50 u.a./m.t., i.e., 22% above the intervention price.
- long-grained paddy rice: 201.80 u.a./m.t., i.e., 16% above the intervention price.

B. Related measures

1. Monthly increases

- (a) Council Regulation No 359/67/EEC of 25 July 1967 on the common organization of the market in rice<sup>1</sup>, as last amended by Regulation (EEC) No 668/75<sup>2</sup>, provides (Article 7(2)) that the Council, acting in accordance with the voting procedure laid down in Article 43(2) of the Treaty on a proposal from the Commission, shall, before 1 May each year, determine for the following marketing year the number and the amount of the monthly increases and their phasing over the marketing year.
- (b) For the 1975/76 marketing year the number of monthly increases was raised from 8 to 10 and the amount was fixed 1.72 u.a./m.t. for paddy rice, i.e., an increase of 27.4% over the previous marketing year. For husked rice, by conversion of the monthly increase for paddy rice, the amount was fixed at 2.15 u.a./m.t.
- (c) For the 1976/77 marketing year, it is proposed that the number of changes, and in principle their amounts, should be retained. These monthly increases were raised sharply for the previous marketing year to take account of higher interest rates and energy costs. For the present marketing year, it might be thought that the rise in energy costs have been offset by the fall in the interest rates. However, as a result of the agri-monetary measures provision has been made for a slight increase.

2. Amount for the protection of the industry to be added to the threshold price for milled rice

- (a) Article 14 of Regulation 359/67/EEC provides that the Council, acting in accordance with the voting procedure laid down in Article 43(2) of the Treaty, shall fix each year before 1 May the amount for the protection of the industry to be included in the threshold price for milled rice.
- (b) For the 1975/76 marketing year the amount for the protection of the industry was raised from 7 u.a./m.t. to 11.50 u.a./m.t., i.e., an increase of 64% over the previous year.
- (c) For the 1976/77 marketing year it is proposed to maintain the

(1) OJ No 174, 31 July 1967

(2) OJ No L 72, 20 March 1975

protective amount at 11.50 u.a./m.t., since this level provides adequate protection for the Community's rice-processing industry.

SUGAR

A. PRICES

1. Council Regulation (EEC) No 3330/74 of 19 December 1974 on the common organization of the market in sugar provides in Articles 2, 3, 4, and 25 respectively, for the fixing of the target price for white sugar, the intervention price for white sugar for the area having the largest surplus, the minimum price for beet in the said area and the coefficient for fixing the maximum quota.

Taking into account both the desirability of an overall increase in agricultural prices and the agri-monetary measures, it is proposed to increase sugar prices for the 1976/77 marketing year by 8%.

	1975/76 marketing year		1976/77 marketing year	
	u.a.	%	u.a.	%
1. Target price for 100 kg of white sugar	32 05	100	34 87	108
2. Intervention price for 100 kg of white sugar	30 45	100	33 14	108
3. Minimum price of beet per m.t.	22 75	100	24 57	108
4. Coefficient for determining the maximum quota		1,45		1,35

2. As a result of the extraordinary shortage both in the Community and on the world market during the 1974/75 sugar year, the Council adopted a whole series of measures to encourage sugar production.

For the 1975/76 sugar year, these measures were as follows:

- a 15% increase in beet and sugar prices, the largest increase in any agricultural sector;
- the fixing of the maximum quotas for undertakings at 145% of the basic quota;
- the advance fixing of the production levy at zero, thus giving "B" beet and sugar the same full guarantee granted to beet and sugar belonging to the basic quota.

These measures supplemented those already introduced with regard to the basic quota in the Council's new basic sugar regulation, which increases these quotas by 17%.

The effect of all these measures was a 16% increase in the area under beet in the Community in 1975.

This increase in area and preferential sugar imports, under Protocol No 3 to the Lomé Convention on ACP sugar, enabled the Community, in spite of the very poor crop in 1975/76 to fulfil its obligations as regards exports linked to subsidized imports from non-member countries in 1974/75.

In this way the sugar supply difficulties in the Community in 1974/75 were overcome. The supply and price position on the world market is now back to normal.

Consequently, no new measures to encourage Community sugar production are required.

Assuming that the present area under beet (1 820 000 hectares) will not change substantially in 1976/77, that sugar yield per hectare will be normal, and that undertakings to deliver under the preferences scheme will be respected, the Community will be able to export some 2 million tons of sugar to non-member countries.

This being so, the maximum quotas should be fixed at 135% of the basic quotas as in the sugar marketing years before 1974/75, the maximum amount of the production levy should be 30% of the intervention price, the maximum provided for in the basic regulation, and as a result the minimum price for beet produced over and above the quota should be fixed at 70% of the minimum price for beet produced within the quota.

The price increase in the sugar sector for 1976/77 should be that agreed for all the other sectors. In all likelihood, any losses on the sale of surpluses will be borne entirely by the beet growers and sugar manufacturers. To the actual increase in the price of sugar must be added a factor representing the costs involved in maintaining a minimum stock.

B. Related measures

3. The extraordinary shortage during 1974/75 caused the Council to introduce a system of minimum stocks amounting in principle to 10% of the basic quotas. Since sugar imported under preference schemes has the same status as sugar produced under the quota system, it must similarly contribute to the guaranteeing of Community supplies, which is the aim of the system. In order to ensure that the marketing of sugar imported under preference schemes is phased over the whole sugar year in accordance with requirements, provision should be made in this case also for the reimbursement of storage costs, and since the corresponding levy is an integral part of the Community sugar price used to fix the guaranteed price, it should also apply to sugar imported under preference schemes.

4. The Directive governing inward processing traffic, applicable in all Member States from 1 January 1976, allows inward processing operations where export precedes import. In view of the extent of such operations in the past and the possible risk involved for supplies to the Community, for example during bridging periods, provision should be made for the prohibition of recourse to inward processing arrangements in the case of the refining of raw sugar.

In addition the Commission recalls that under Article 5(4) of Protocol No 3 to the Lomé Convention, a guaranteed price for the sugar imported under preference schemes is negotiated each year before 1 May within the range of prices obtaining in the Community.

The Commission will submit to the Council in the near future a proposal on the brief for these negotiations.

OLIVE OIL

1. In accordance with the Decision taken by the Council in March 1974, the Commission will submit proposals for the revision of the common organization of market in olive oil to the Council in 1976.

However, the Commission feels that it should put forward its proposals for the annual prices in this sector now, especially the producer target price, since this rather is a decisive factor in producer incomes and can only be examined in company with the prices for other agricultural products.

2. Article 4 of Regulation No 135/66/EEC provides for the annual fixing of a producer target price, a market target price and intervention price for olive oil.

For the 1975/76 marketing year, the Council fixed these prices as follows:

- producer target price:	185 u.a./100 kg
- market target price:	149.96 u.a./100 kg
- intervention price:	142.71 u.a./100 kg

Since the entry into force of the common organization of the market in olive oil, prices have increased considerably (expressed in Lit: producer target price, + 120%; intervention price, + 168%); in 1975/76 alone the increases amounted to 55% for the producer target price and 82% for the intervention price.

During the 1975/76 marketing year, the olive oil supply position in the Community changed considerably; the harvest will be very good (as in the other Mediterranean producer countries while consumption has fallen considerably - by an estimated 15 - 20%). Faced with this situation and taking the agri-monetary measures into account, the Commission proposes:

(a) an increase in the producer target price of 3% and an increase in the market target price such that the amount of aid expressed in Lire remains unchanged (3.4%);

As a result the common price will be as follows:

- producer target price:	190.55 u.a./100 kg
- market target price:	155.14 u.a./100 kg
- intervention price:	147.56 u.a./100 kg

(b) monthly increases of 1.12 u.a./100 kg.

OIL AND PROTEIN SEEDS

Prices

The oil and protein seeds sector basically comprises colza and rape, sunflower, soya, flax and cotton seeds.

1. Colza, rape and sunflower seeds

Each year, pursuant to Regulation No 136/66/EEC<sup>1</sup>, a target price and a basic intervention price are fixed for colza, rape and sunflower seeds.

These prices apply to the marketing year beginning and ending on the following dates:

- 1 July - 30 June in the case of colza and rape seeds;
- 1 September - 30 August in the case of sunflower seeds.

For the 1975/76 marketing year the prices were fixed as follows:

	<u>u.a./100 kg</u>
	<u>1975/76</u>
(a) colza and rape seeds:	
- target price	25.53
- intervention price	24.79
(b) sunflower seeds:	
- target price	26.51
- basic intervention price	25.74

In view of the desirability of a general increase in agricultural prices and the planned agri-monetary measures, it is proposed to fix the target prices and the basic intervention prices for colza and rape seed and for sunflower seed for the 1976/77 marketing year as follows:

	<u>u.a./100 kg</u>
(a) colza and rape seed:	
- target price	27.57
- basic intervention price	26.77
(b) sunflower seeds:	
- target price	28.63
- basic intervention price	27.80

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 (1) OJ No 172, 30.9.1976, p. 3025/66

These prices apply to the following qualities:

→ colza and rape seed:      2% impurities  
                                  9% moisture  
                                  40% oil

- sunflower seeds:       2% impurities  
                          10% moisture  
                          40% oil

This proposal is made on the assumption that the proposed Directive laying down a maximum erucic acid content for seeds, oils and margarine intended for human consumption is adopted by the Council in good time and enters into force on 1 July 1976.

In this connection it should be remembered that growers made an effort to sow colza varieties with a low erucic acid content in Autumn 1974 and that the Council decided to take this into account from the 1975/76 marketing year onwards, by altering the standard quality for colza and rape seed.

It would be contrary to the interests of the Community in general and the interests of the oilseed sector in particular if the efforts of the farmers concerned were thwarted.

In addition, production of colza and rape seeds in the Community of Nine in 1975/76 would seem to be more than 15% down on the preceding marketing year.

Two factors explain this fall in production, firstly the reduction in area as a result of bad weather at the time of sowing and during the winter and secondly the considerable fall in yields resulting both from the weather conditions mentioned above and the large-scale substitution of new varieties of low erucic acid content for traditional varieties, as well as the technical problems connected with the new varieties.

In these circumstances there is a danger that growers will move out of colza and rape production if support is not at least equal to the average support provided in the case of other agricultural products.

In 1975/76 sunflower seed production was 64% up on 1974/75.

Given the deficit for this product and the quality of the oils and oil cake produced, it is advisable to maintain conditions which will guarantee the expansion of production, by increasing the target price and the basic intervention price by the same percentage as is envisaged on average for other agricultural products.

#### Monthly increases

In view of the factors referred to above, the monthly increases for the

1976/77 marketing year are fixed as follows:

- colza and rape seeds: 0.304 u.a./100 kg
- sunflower seeds: 0.355 u.a./100 kg.

## 2. Soya beans

Each year, pursuant to Regulation (EEC) No 1900/74<sup>1</sup>, the Council fixes a target price for Community produced soya. This target price applies to the marketing year beginning on 1 November and ending on 31 October.

The target price for soya beans was fixed for the first time by Council Regulation (EEC) No 2503/74<sup>2</sup>, for the 1975/76 marketing year it amounted to 26.11 u.a./100 kg.

Taking into account the average increase planned for other agricultural products and in view of the agri-monetary measures envisaged for 1976/77, it is proposed to fix the target price for soya beans at 28.20 u.a./100 kg.

In view of possible developments in the protein sector, soya production in the Community, even if it remains limited, is of some importance.

Since soya production in the Community is only at an early stage and to encourage this new type of cultivation, support should be given corresponding to the average proposed for other agricultural products.

## 3. Linseed (see Chapter on FLAX).

## 4. Cottonseed

Each year, pursuant to Article 1 of Regulation (EEC) No 1516/71<sup>3</sup>, aid is granted per hectare of land sown and harvested with cottonseed.

This aid has been fixed for the 1975/76 marketing year at 96 u.a./ha.

Taking into account the desired average increase in agricultural prices and the agri-monetary measures planned for 1976/77, it is proposed to fix aid for that year at 103.20 u.a./ha.

It should also be noted that as a result of certain problems in adapting foreign varieties to growing conditions in Community production areas, there has been no advance as regards yields or profitability.

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(1) OJ No L 201, 23 July 1974, p. 5

(2) OJ No L 268, 3 October 1974, p. 14

(3) OJ No L 160, 17 July 1971, p. 1

However, in view of certain improvements planned in this area for the next marketing year, it might be thought that an increase in aid corresponding to the general increase proposed for 1976/77 should sustain interest in this crop.

DEHYDRATED FODDER

Amount of aid

1. The 1975/76 marketing year was the second year of operation of the common organization of the market, introduced by Council Regulation (EEC) No1067/74<sup>1</sup> of 30 April 1974. This organization provides for the granting of aid for dehydrated fodder produced in the Community. For the 1975/76 marketing year, this aid was fixed at 8 u.a. per m.t.
2. Since a general increase in the common agricultural prices is desirable , and in view of the proposed agri-monetary measures, and the special situation in the sector in question, it is proposed to increase the amount of aid for 1976/77 to 9u.a. per m.t.
3. Since the introduction of the common organization of the market, the sector has been faced with circumstances particularly unfavourable to its expansion. First of all, as a result of the increase in fuel prices, the cost of dehydrating fodder rose from 1974/75 onwards, to a greater extent than costs in many other agricultural product processing sectors. Then the general fall in the prices of proteins used in feedingstuffs during the first half of 1975 forced dehydrating plants to adjust to the drop in prices obtained for their products. These plants were forced to continue paying producers of green fodder a price linked to the guaranteed price for certain other products such as cereals, to prevent them from ceasing production.
4. As regards the 1976/77 marketing year, the probable abundance of supplies of protein in 1976 suggests that the market price obtained by the dehydrating industry for its products will not allow it to pay farmers a sufficiently high price for green fodder to guarantee their continued interest in this crop.  
Although it is difficult to determine exactly the price difference which the aid will have to cover, in view of the planned increase in prices for crops competing with green fodder there is reason to believe that this difference will be greater than that taken into account when fixing aid for the 1975/76 marketing year.

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<sup>1</sup> OJ No L 120; 1 May 1974, p.2.

FLAX AND HEMP

FLAX

A. Related measures

1. The fixed rate per hectare provided for in Article 4 of Regulation (EEC) No 1308/70<sup>1</sup> on the common organization of the market in flax and hemp applies to all flax, whether fibre or seed flax, produced in the Community. This means that the same aid is granted to these products.

This system was set up because of the requirements and characteristics on the production of fibre flax which at the time was far more important than seed flax (in 1970 : 52 000 hectares under fibre flax and 1 200 under seed flax). The area under fibre flax has not increased to any great extent since then, but there has been a considerable increase in the area under seed flax (30 000 hectares in 1975).

This increase could have been greater if it had not been held up by a shortage of suitable seed. It is explained by the fact, that aid, which is fixed on the basis of the requirements of fibre flax, has since 1973 become higher than is required for the steady development of seed flax production.

Because of the growing interest in linseed in the Community and the need to ensure sound financial administration of the market organization in this product, it appears desirable, indeed necessary, to replace aid for seed flax at a fixed rate per hectare by a special system for linseed.

2. The proposed system is similar to that already in force for soya beans. Under it, a norm price for linseed produced in the Community, from both fibre flax and seed flax, is to be fixed annually at a level ensuring producers a fair income. Should this norm price be higher than the world price, aid amounting to the difference between these two prices is to be granted for linseed.

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<sup>1</sup> OJ No L146, 4 July 1970, P;1.

In order to simplify checks, and in particular to render them unnecessary in the case of the large quantities of seed imported, aid will not be granted for the quantity actually produced but for a production figure drawn up by applying to the areas harvested a reference yield similar to the actual average quantity.

Since this system is better adapted to the characteristics of seed flax production, it should allow its steady development while granting only aid which takes account of the actual market situation.

3. It is proposed to apply the new system also to linseed obtained from fibre flax. The main fault of the system applied to fibre flax is the fixed rate required by the characteristics of fibre flax straw. Any relaxation of the fixed nature of this system is likely to improve it. Thus the granting of aid for fibre flax seed which reflects trends in prices for this product will help reduce the inconvenience arising from the payment of a fixed rate for fibre flax.
  
4. An initial proposal for a regulation aimed to abolish, as from the 1976/77 marketing year, the fixed rate per hectare for seed flax referred to above. In its place, a second proposal for a regulation now presented to the Council provides for special measures for linseed produced in the Community.  
The extension of the new support system to linseed obtained from fibre flax means that the effects of fixing a norm price for linseed must in future be borne in mind when the fixed rate for fibre flax, payable under Article 4 of Regulation (EEC) No 1308/70, is being determined.

#### B. Prices and amounts of aid

1. As regards the norm price for linseed, proposed for the first time for the 1976/77 marketing year (see under A), it is felt that this price

must be fixed at a level which takes account of the prices for the main agricultural products which compete in crop rotation, in order to permit the harmonious development of linseed production. Bearing in mind both the desirability of an increase in the general level of common agricultural prices and the proposed agri-monetary measures, a norm price of 29.00 u.a./100 kg should allow this aim to be achieved. The quality for which this price is paid will be determined on the basis of the average quality of seed harvested in the Community.

2. Pursuant to Article 4 of Regulation (EEC) No 1308/70 aid per hectare is fixed each year. From 1976/77 onwards this aid will be paid only for fibre flax. It is proposed to maintain aid at 188.15 u.a./hectare for the following reasons :

The desirability of an increase in the general level of common agricultural prices and the proposed agri-monetary measures should be borne in mind.

An increase in producers income comparable to that proposed for other agricultural products is indeed necessary if flax growers, faced on the one hand with a considerable increase in production costs and on the other with the poor yields of the 1975 harvest, are not to endanger future supplies for the flax industry by reducing the area under flax in 1976.

As the sale of flax fibre from the 1975 harvest is still difficult, the retters and scutchers will only be able to contribute in part towards increasing producer income ; the increase must therefore be partly accounted for by increased aid.

Nevertheless, the effects of the new measure proposed for linseed, which also applies to fibre flax seed, should help to bring about the necessary increase.

Pursuant to the provisions on harmonization, it is proposed to increase the amount of aid for the United Kingdom from 128.20 to 143.20 u.a./hectare.

HEMP

Amount of aid

It is proposed to increase the amount of aid per hectare for hemp under Article 4. of Regulation (EEC) No 1308/70 from 161.90 to 174.04 u.a./hectare.

This increase, which takes in<sup>to</sup> account the desirability of an increase in the general level of common agricultural prices and the proposed agri-monetary measures appears sufficient to ensure a fair return for the producers.

Although the price at which contracts between papermills and hemp producers are concluded does not appear likely to increase in the 1976/77 marketing year because of certain difficulties, which are considered temporary, experienced by the users, the considerable increase in this price in the 1975/76 marketing year compared with preceding years should be borne in mind.

SEEDS

Amount of aid

Article 3 of Council Regulation (EEC) No 2358/71 of 26 October 1971 on the common organization of the market in seeds provides that where the situation on the Community market for one or more of the products listed in the Annex does not ensure producers a fair income, aid may be granted for seed production. In view of the desirability of an increase in the general level of common agricultural prices and the proposed agri-monetary measures, and bearing in mind the special situation of this market, it is proposed to maintain, broadly speaking, the present level of aid during the 1976/77 seed marketing year.

Some modifications are, however, necessary for the following reasons :

1. Estimates for the 1975 harvest confirm that seed production in the Community will reach approximately the same high level as in 1974, about 1 600 000 quintals.

Trade with non-member countries in the past two years has shown a slight increase in exports (199 000 quintals in 1973 ; 233 000 quintals in 1974, an increase of 17%) and a drop in imports (499 000 quintals in 1973 ; 363 000 quintals in 1974, a fall of 27%).

Because of the quantity in store (about 850 000 quintals), the quantity seed available will be in the region of 2 500 000 quintals. Since consumption accounts for about 1 500 000 quintals and normal reserve stocks equal about 30% of this consumption, the Community market on the whole is therefore in a surplus situation.

2. The greatest imbalance between supply and demand is found among the grasses, and in particular among certain species such as *Lolium perenne*, which alone makes up about 50% of graminaceae production, and *Festuca rubra*.

Because of the surplus on the market, prices for most species have been very low since 1974. The present prices of some species are about 70% lower than in the 1973/74 marketing year. As most of these species are multiannual crops, the area planted was still very large in 1975 and production will probably greatly exceed demand. The forecasts for 1976, on the other hand, show

a general reduction in the area producing seed in the various Member States, in particular in Denmark, where it will probably fall by about 20% ; the problem is therefore to keep this reduction within limits corresponding to demand for the 1977/78 marketing year, since supplies for the 1976/77 marketing year can be obtained from existing stocks.

### 3. Lolium perenne

As the Commission announced to the Council during the discussions on the agricultural prices for 1975/76, it is proposed to apportion Community aid to groups of varieties on lines more in keeping with the quality requirements of the Community market. It is therefore necessary to amend the classification of the different varieties of *Lolium perenne*, which until now has been carried out on the basis of ripeness by a qualitative criterion, namely the longevity of the variety.

The criterion was chosen because, in most regions of the Community, fodder plants appear in crop rotation every five or six years. An aid policy must therefore be used to encourage the production of long-lived varieties.

For this reason the Commission proposes for the 1976/77 marketing year a new definition of the groups of varieties of *Lolium perenne*, in which a qualitative criterion will be predominant for classification of the varieties and a reduction from 13.2 to 10 u.a./100 kg in the aid granted to the groups of varieties which are of poor quality but which have the highest seed yield per plant.

The Commission therefore proposes the following breakdown :

- long-lived varieties (late or semi-late) : 18 u.a./100 kg
- short-lived varieties (semi-late, semi-early, or early) : 10 u.a./100 kg
- new varieties and others : 14 u.a./100 kg

4. Fibre flax and monoecious hemp

A slight increase in aid (1 u.a./100 kg) is proposed for these two species because of the increase in production costs noted in 1975 for certified seed as compared with non-certified seed.

5. Large-seeded legumes (field beans and folder peas)

Last year, certain remarks were made in the Council on the subject of aid granted to Vicia faba minor and Pisum arvense, they were used as seed in some Member States. The problem has been examined by experts who reached the conclusion that Community aid should not exceed the cost of certification. For this reason the Commission proposes to reduce aid from 5 to 4 u.a./100 kg.

6. Modification of the Annex to Regulation (EEC) No 2358/71

In the course of 1975 the Commission examined applications from some Member States for the inclusion of new species in the list annexed to Regulation (EEC) No 2358/71. The Commission rejected these applications mainly for the following reasons :

- a) Soya : the area used for seed production in the Community has not changed and there is no difficulty in obtaining supplies of certified seed from non-member countries. On the other hand, the research and experimental work on the production of new European varieties has not reached a sufficiently advanced stage in either France or Italy.
- b) Seed flax : in 1975 the area increased by about 20 000 hectares. The present production of certified seed is quite adequate to supply the Community market, and the price situation remains very satisfactory.
- c) Phleum Bertolonii : this species is used in particular for growing grass. Certified seed is very expensive, as the species is used in particular for golf courses and football grounds.

WINE

A. Prices

1. Under Article 2 (1) of Council Regulation (EEC) No 816/70 of 28 April 1970 laying down additional provisions for the common organization of the market in wine, a guide price is to be fixed annually before 1 August for each type of table wine representative of Community production.

Under Article 2 (2) of the same Regulation the guide price is to be fixed on the basis of average prices recorded for the type of wine in question during the two wine-growing years preceding the date of fixing and on the basis of price trends during the current wine-growing year.

Trend of wine prices in the EEC (on the basis of communications from Member States in accordance with Regulation (EEC) No 1020/70)

Wine-growing year	R I u.a./°/hl	R II u.a./°/hl	R III u.a./hl	A I u.a./°/hl	A II u.a./hl	A III u.a./hl
1973/74	1,716	2,005	18,40	1,555	19,14	33,63
1974/75	1,545	1,550	17,00	1,316	20,06	31,20
1975/76 (1)	1,632	1,570	16,43	1,359	20,01	29,29

2. The prices recorded for all types of table wine with the exception of type A II during the 1974/75 wine-growing year and during the current wine-growing year were lower than those recorded in 1973/74.

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<sup>1</sup> From 2 September 1975 to 28 October 1976.

The downward trend in prices was due to the over-abundant harvest in 1973 and to the 1974 harvest which also exceeded consumption. This over-production made it necessary to have recourse to all the intervention measures provided for in the regulations to avert a total collapse of prices.

In line with the rules laid down in Regulation (EEC) No 816/70 and in view of desirability of an increase in agricultural prices in general and the agri-monetary measures, it is proposed to increase guide prices for table wines by 6.5% in the 1976/77 wine-growing year.

#### B. Related measures

1. The Commission has submitted to the Council several proposals for regulations aimed at improving the situation on the wine market by amending the basic regulation<sup>1,2</sup>, adjusting wine-growing potential to market requirements<sup>3</sup> and granting a conversion premium in the wine sector<sup>4</sup>.
2. As part of the amendments at present being discussed by the Council it is also proposed to modify the Regulation on the common organization of the market in fruit and vegetables.

The production of table grapes in the Community is marked by considerable surpluses, in the region of 500.000 m.t., which until now have been used to produce wine when they could not be consumed fresh.

Because of the considerable surpluses of wine on the Community market and in order to absorb them, the Commission proposed to the Council that certain varieties of vine should be grubbed.

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<sup>1</sup> OJ No C 31, 8 February 1975, p.3

<sup>2</sup> OJ No C 167, 24 July 1975, p.5

<sup>3</sup> OJ No C 167, 24 July 1975, p.2

<sup>4</sup> OJ No C 249, 30 October 1975, p.7.

In order to persuade producers to grub vines and thus to absorb as much of the surplus as possible, intervention prices for fresh produce must be made less attractive.

For this purpose a proposal for a Council Regulation has been presented, amending Regulation (EEC) No 1035/72 on the common organization of the market in fruit and vegetables.

The proposed measures provide that grapes will be bought in only at the price for Category III even if they are in fact of higher quality.

3. The price proposals for the wine sector are presented by the Commission to the Council in the hope that the Council will at the same time adopt the proposals for improving the situation on the wine market. The Commission considers that the price proposals and the related measures constitute a whole.

## RAW TOBACCO

Article 2 of Council Regulation (EEC) No 272/70 of 21 April 1970 on the common organization of the market in raw tobacco provides norms for the fixing of prices and intervention prices each year before 1 August for each variety of Community-produced leaf tobacco.

As has been the case for the last three years the Commission, at the request of the delegations of all Member States, is also transmitting proposals on the fixing of the premiums and the derived intervention prices for the 1976 marketing year to the Council.

Since an increase in common agricultural prices generally is desirable, and in view of proposed agri-monetary measures, an average increase of about 5% in prices and 8% in the premiums is proposed for the 1976 harvest. This cartiars price policy, accompanied by a relatively larger increase in the premiums, is dictated by the following considerations.

### I. SITUATION ON THE WORLD MARKET

1. World trends as regards area and production were influenced (since the rise in prices in 1973/74) by the following factors :
  - the general increase (about 6%) especially for the American varieties (Burley and Virginia) ;
  - the particularly sharp increases in the United States and the developing countries.
2. Consumption of tobacco products continued to rise (3-4%), though at a slightly lower rate than production ; the increase, especially in American type cigarettes, (wild flavour, light tobacco, low nicotine content) was more pronounced in the developing countries (above 5%) than in industrialized countries.
3. Price trends generally tended to stabilize following the sharp rise in preceding years ; however, the price of Virginia flue cured tobacco fell (as a result of a substantial increase in production). Later there was increase in sun-cured tobacco prices since production costs are rising rapidly (20-30%), especially in Greece and Turkey.

## II. SITUATION ON THE COMMUNITY MARKET

The considerable expansion of intra - Community trade in recent years bears witness to the growing integration of the European tobacco market. As a result, tobacco production in the EEC is increasingly influenced by trends on European and world markets.

### 1. Area and production

In view of world market prices in 1973 and 1974, both area and production in the EEC continued to increase following the entry into force of the common organization of the market. From 1970 to 1975 production rose from 126 500 m.t. to 162.000 m.t.; i.e., an annual rate of about 6%. This increase was accompanied by a switch in varieties in response to demand. Increase concentration on the American varieties (Burley, Bright and Maryland), the Paraguay variety and a lesser extent sun-cured tobaccos, was offset by a trend away from varieties less in demand by Community and world industry (Badischer, Geudertheimer, Nostrano, Kentucky).

### 2. Conditions and marketing

The situation described above resulted in a clear improvement in the marketing of the Community production, leading to :

- considerable reduction in the quantities offered for intervention (10 000 t. from the 1971 harvest against 3 100 t. from the 1972 harvest and 2 600 t. from the 1973 harvest) ;
- Generally, satisfaction prices for planters equalling or exceeding norm price levels.

The granting of refunds on certain varieties undoubtedly helped to improve marketing conditions. It should be emphasized, however, that it is still difficult to market some varieties, which obtain contract prices lower than the norm price and/or are submitted for intervention (Badischer Geudertheimer, Badischer Burely and Virginia in Germany, Kentucky, Nostrano and Be neventano in Italy).

### III. PRICES AND PREMIUMS BY VARIETY

To conclude, since Community production is running at a higher annual rate than consumption, and since difficulties exist in marketing several Community-produced varieties, it is proposed that tobacco prices should be increased to a lesser extent than the average general increase in agricultural prices for the 1976/77 marketing year.

Details of the proposals for each variety are given below.

#### 1. Norm prices

- a 6% increase is proposed for varieties in steady demand (Misionero, Maryland, Philippin, Semois, and Paraguay).
- and smaller increases for varieties which could be difficult to market (Sun-cured and Bright 5%; Burley, Virgin SCR and Nijkerk 4%; Badischer Geudertheimer and Badischer Burley 3%);
- a 1% increase is proposed for those where supply and demand are not evenly matched on the market (Nostrano, Veneventano, Kentucky);

#### 2. Premiums.

In view of the various factors which determine the level of the premium, namely :

- the level of the norm price for leaf tobacco ;
- processing costs ;
- the trend of offer prices on the world market ;
- the trend in producer prices in the Community.

A different approach was adopted for each variety. It was based on the 1976 estimates, which predict a standstill in world market prices and a reduction in the common customs tariff in perfect of Virginia flue-cured tobacco under the generalized preference scheme. It is proposed :

- a) as a general rule, the full effect of increases in norm prices and in processing costs should be reflected in the premium (Paraguay and Burley above 9%; Bright 10%, Maryland, Philippin and Semois above 12%, Round Tip 3%);

- b) no increase should be made in the premium for certain varieties where producer prices greatly exceed the norm price (sun-cured tobacco) ;
  
- c) The standard component of the premium (Article 4b of Regulation (EEC) No 727/70) should be utilized to grant an additional increase to enable the contract price to the producer to reach the level of the norm price (Badischer Geudertheimer 9%; Badischer Burley 11%, Virgin 15%, Kentucky and Beneventano above 8%).

FRUIT AND VEGETABLES

A. Prices and financial compensation

1. Basic prices and buying-in prices

Under Article 16 of Regulation (EEC) No 1035/72, as last amended by Council Regulation (EEC) No 2482/75, the Commission is required to propose a basic price and a buying-in price for the products listed in Annex II to that Regulation.

For the 1975/76 marketing year basic prices and buying-in prices were fixed in such a way that intervention prices rose by 11% in comparison with the 1974/75 marketing year, except in the case of apples and pears, for which the increase was only 9%.

In view of the desirability of increasing the general level of common agricultural prices and the agri-monetary measures, the Commission proposes for the 1976/77 marketing year an increase of 8% in the prices actually paid to the producers for all products in the event of market intervention, except in the case of apples and pears, for which the increase is limited to 4%.

As regards apples and pears, the percentage increase in the intervention prices paid to producers is less than that adopted for the other products because there are structural surpluses of certain varieties and so as not to reduce the effectiveness of the proposed reform measures.

The increase in the intervention prices has been calculated by applying to the basic price a percentage increase which is identical with that applied to the buying-in prices.

In consequence the buying-in prices for all products are within the brackets provided for in Article 16(3) of Regulation (EEC) No 1035/72.

Although such a situation ensures that producers do not suffer too greatly a fall in income during a period of market instability, it is not likely to result in structural surpluses in the Community since the intervention prices are between 40 and 70% below the normal market prices, according to product.

2. Financial compensation for oranges, mandarins and clementines

Article 7 of Council Régulation (EEC) No 2511/69 of 9 December 1969 laying down special measures for improving the production and marketing of Community citrus fruit, as amended by Regulation (EEC) No 2481/75 of 29 September 1975, provides that, beginning with the 1976/77 marketing year, the amount of financial compensation for oranges, mandarins and clementines is to be fixed taking into account both the previous levels of this amount and the trend of the basic and buying-in prices of the products concerned.

Moreover, Article 23(2) of Regulation (EEC) No 1035/72 on the common organization of the market in fruit and vegetables, as last amended by Regulation (EEC) No 2482/75, provides that from the same date reference prices for these products are to be fixed at a level equal to that of the previous marketing year, adjusted as necessary by a percentage not exceeding the difference between the percentages representing respectively the variation in basic and buying-in prices and in the financial compensation provided for by Regulation (EEC) No 2511/69.

It is proposed to increase the financial compensation for these products in the 1976/77 marketing year by 4%.

This limited increase in financial compensation compared to the increase in basic and buying-in prices will ensure Community protection for the products concerned in the face of competition from non-member countries if market prices justify an increase in reference prices, bearing in mind the complementary between financial compensation and the reference price provided for in the two above-mentioned Regulations.

B. Related measures : Proposal for a Council Regulation laying down new measures for reorganizing Community fruit production

Council Regulation (EEC) No 2517/69 of 9 December 1969 laying down certain measures for reorganizing Community fruit production (amended by Regulations (EEC) Nos 2476/70 and 2456/72) made provision for granting a premium not exceeding 800 u.a. per hectare to Community fruit growers who, subject to certain conditions, grubbed apple, pear and peach trees. 50% of this premium was to be paid by the Member State on whose territory the grubbing took place, and 50% by the EAGGF.

Within the Community as originally constituted, some 80 000 hectares were grubbed on basis of Regulation (EEC) No 2517/69, distributed as follows :

	Apples	Pears	Peaches	Total
Belgium	3.363	885	177	4.425
Germany	24.091	1.802	198	26.091
France	15.705	3.692	2.520	21.917
Italy	6.285	10.386	3.278	19.949
Luxembourg	226	2	-	228
Netherlands	5.206	1.369	2	6.577
TOTAL	54.876	18.136	6.175	79.187

Bearing in mind that it is principally the least productive orchards, with an average yield per hectare of about 9 m.t. in the case of apples and pears and 8 m.t. in the case of peaches, which have been grubbed, grubbing has so far reduced annual production by about :

500 000 m.t. for apples  
165 000 m.t. for pears  
50 000 m.t. for peaches.

In spite of this reduction in potential considerable quantities, especially of apples and pears, have been withdrawn from the market, as the following table shows :

	Apples		Pears	
	m.t.	% of commercial production	m.t.	% of commercial production
1973/74	403.360	6.29	260.579	11.21
1974/75 <sup>1</sup>	34 290	0.59	201 010	7.90
1975/76	310 000	4.38	95 000	4.11

<sup>1</sup>Provisional figures

<sup>2</sup>Figure at 15 November 1975

The largest withdrawals are of :

- Golden Delicious apples, which account for about 60% of all withdrawn from the market, although this variety is of little importance in the three new Member States and accounts for only 40 to 45% of the area planted with apple trees, in the original Community.
- Passe Crassane pears, which made up 87% of all pears withdrawn from the market in 1973/74 although this variety too is uncommon in the three Member States and accounts for only 18% of the area planted with pear trees in the original Community.

A reduction in the production potential of these varieties would therefore improve the situation on the apple and pear market as a whole.

The Commission therefore proposes to improve the production and marketing of Community fruit by attaching the following conditions to the grubbing premium :

- The premium is to be granted only for grubbing apple trees of the Golden Delicious variety and pear trees to the Passe Crassane variety ;
- Applications must be submitted before 1 April 1976, and grubbing completed by 1 April 1977 ;
- the premium is fixed at 1 100 u.a./ha ;
- 50% of the premium is paid by the Guidance Section of the EAGGF.

The amount of the premium has been calculated taking into account the increase since the premium was first fixed by Regulation (EEC) No 2517/69, namely a 35% increase in the cost of grubbing, then estimated at 500 u.q., and 42% corresponding to the rise in the buying-in price, to make up for loss of earnings, then fixed at 300 u.a.

On the basis of the following elements :

amount of premium : 1 100 u.a./ha

grubbing desired : 14 250 ha of which :

6 250 ha for apples

8 000 ha for pears,

the total cost of the operation is 15 675 000 units of account of which 50% (7 837 500 u.a.) will be paid by the EAGGF.

M I L K

PART I : ANALYSIS OF THE SITUATION IN THE MILK AND MILK PRODUCTS SECTOR

In its stocktaking of the common agricultural policy forwarded to the Council, the Commission recognized that a problem existed in the milk sector. The Commission therefore feels that some background information should be provided on the milk policy.

A high single price was fixed in 1968 and adjusted by applying connective factors in certain Member States ; this was followed by a freeze on the target price for milk in the next two marketing years -(1969/70 and 1970/71). The result was a drop in the price in real terms of about 5% per year, accompanied by measures directly affecting potential milk production capacity (slaughtering campaigns and withholding of milk carried out in the psychological climate created by the Mansholt plan).

Since 1971 the target price for milk has risen by over 50% in money terms, equivalent to a drop of about 2.5% in real terms. At the same time the level of support, which is high because of the intervention price for butter, skimmed-milk powder and certain cheeses was raised a little higher still.<sup>1</sup> The fats/nitrates ratio, which was 70/30 in 1968, has been brought down in stages to the present ratio of 55/45.

The changes in the target price for milk have tended to be passed on in the prices received by producers but with considerable variation from one region to another. These variations are accounted for not only by differing structures and trade situations but also by certain measures taken by the Member States (national aid) or the Community (positive and negative corrective factors ; changes in representative rates). The price policy for beef and veal also has an impact on milk production because herds are made up in such a way that the two types of farming are usually complementary rather than alternative.

On the whole milk production has tended to react to the impetus given by the price policy.

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<sup>1</sup> The present level of support averages 96%.

After declining by 0,5% per year between 1968 and 1971, milk production has since gone up by about 1.4% per year. Generally speaking, dairy herds have tended to remain stable in the long run at about 25 million dairy cows in the enlarged Community : one-third of the increase in deliveries of milk to dairies stems from higher yields (+ 2.8% between 1968 and 1975) and two-thirds from the rise in the rate of delivery of milk to dairies (+10.6% from 1968 to 1975).

However, these general remarks must be qualified according to the different regions of the Community : in the grassland regions of the Community, for instance, milk production has gone up by 25% in the last ten years whereas it has declined by nearly 20% in non-grazing regions. Generally speaking, the size of dairy herds increases in proportion to the area of grazing land available but declines near large urban centres and in mountain areas.

In parallel with the changes in the pattern of milk production a fairly radical change has occurred in structure. It is estimated that in recent years about 120 000 producers have abandoned milk production each year in the original Community. Today in the enlarged Community there are about 2.2 million milk producers with an average of 11 cows on the farm, 5 more than in 1967. The number of producers with more than 40 cows is on the increase but there are still relatively few : less than 100 000 farmers own more than 40 head of cattle but account for 25% of total cows numbers by contrast, about 1.4 million farms have less than 10 cows and account for 30% of total numbers.

These structural changes are all the more marked at regional level where the cattle count tends to be concentrated in regions with adequate rainfall, particularly south-west Ireland and the west of the United Kingdom, along the North Sea coast from Brittany to Denmark, in southern Germany and the Po Valley. In addition the average herd per farm tends to be governed by the available area per labour unit (e.g. 85 cows in Scotland, 23 in the Netherlands and 10 in Brittany).

Likewise considerable concentration has taken place in the dairies sector where the number has dropped by about half between 1965 and the present time. In the last ten years, the number of dairies that receive over 100 m.t. of milk per day have more than doubled their share of the market. This concentration has been accompanied by increased modernization of processing potential and remarkable expansion of production capacity.

Since 1968, there have been many changes in the pattern of utilization of the various products, but total consumption in terms of full cream milk equivalent has remained fairly stable. The per capita consumption of butter has declined although the relative price of butter has dropped compared with the price of other milk products and despite a price policy aimed systematically at keeping the price of butter at the same level in money terms.

Consumption of liquid milk and fresh products has remained fairly stable but recently has tended to diminish. On the other hand, per capita consumption of cheese has risen sharply although the price of cheese has gone up in relation to other milk products. But one of the most significant facts in the last ten years has been the accelerated switch from liquid skimmed-milk used on the farm to factory-produced skimmed-milk powder. Owing to the difficulties of disposing of this product in the present market situation, both internally and on the international market, skimmed-milk powder stocks have been steadily building up and topped one million m.t. in October 1975. One factor behind this is the steady increase in the price of skimmed-milk powder resulting from the systematic policy of holding down butter prices.

On the whole, deliveries to dairies continue to rise by an 0.7% in 1975) while internal consumption is stagnant with only limited possibilities of disposal on the world market.

In view of present trends, it is likely that the gap between supply and demand will widen in the next five years. Even if the number of dairy cows were to drop slightly, this would be more than offset by the increase in yields and the rise in the rate of delivery to dairies so that the quantities of milk used in dairies could increase by 1-2% per year.

It is difficult to foresee an increase in consumption either on the internal market or the international market, which is not expanding and where the Community share of world trade is more or less stable.

The enlargement of the Community in 1973 led to no major changes in the balance between supply and demand on the milk market. Potential milk production in the three new Member States is proportionately the same as in the original Community, but owing to the high per capita consumption of liquid milk they have a deficit in butter and cheese ; since accession this has altered the market situation for these products.

Consequently, the structural surplus which was a permanent feature of the milk market in the original Community between 1968 and 1972 and in the enlarged Community since then, wills taking into account import obligations, tend to continue in the coming years.

#### The market situation in 1975

Production and deliveries picked up slightly in 1975. The percentage increase in deliveries to dairies is estimated at 0.7% compared with 1974 despite the continuing trend for the number of dairy cows to decline each year.

Sales of drinking milk, which, in recent years, had been going up at a faster rate than the growth in population levelled off for the first time in 1975.

The rise in the number of cheese-making business will be very limited owing to the slowdown in the growth of consumption in the EEC linked to the general economic situation and export difficulties.

The quantities of milk processed into casein has also declined, the causes being appreciable reduction in demand on the EEC market, the drop in exports and in particular imports of low-price casein from non-member countries.

Sales of liquid skimmed milk to the feedingstuffs sector are down by nearly 20% on the 1974 level.

The use of subsidized skimmed milk powder for feed has been influenced by the considerable drop in the price of competing proteins.

There has also been a market reduction in exports of skimmed milk powder compared with the previous years.

The level of butter consumption in 1975 has already been affected by the decline in the price of competing fats ; it will be down by 1-2%.

The quantity of products offered for intervention is therefore likely to be higher than in 1974. Butter production is up by an estimated 2% skimmed milk powder production by an estimated 6%.

The situation on the skimmed milk powder market is particularly difficult : the milk powder held in public storage has risen from 365 000 m.t. on 1 January 1975 to more than 1 000 000 m.t. at the beginning of December 1975.

#### Short-term forecasts

As printed out in the 1975 report on the situation of agriculture, Part I (1) (Summary) par.16, in 1976 the number of cows will fall more slowly than in 1975, while yields will tend to increase more rapidly.

Total consumption of drinking milk and fresh milk products will probably decline in 1976 and 1977 thus leaving a greater quantity of milk for the manufacture of products, particularly butter, and skimmed milk powder,

thereby widening the present gap between the production and consumption of these products.

The situation on the cheese market will remain unchanged or will improve slightly whereas preserved milk products, which largely depend on the world market, will come up against additional difficulties.

Generally speaking, over the next two years, assuming that present trends continue and no corrective measures are taken, Community intervention stocks of butter and powdered milk will tend to increase.

PART II : Price proposals upper case and related measures

1. The Commission feels that in view of the situation on the milk and milk products market as described above (Part I), priority should be given to price proposals for the milk sector in the 1976/77 marketing year. Further, this situation has prompted the Commission to consider making some changes in the market organization.

The Commission believes that it is of the utmost importance to work out new policy measures that will bring the level of deliveries of milk to dairies into line with consumption. The aim is to achieve a more balanced situation on the milk market. To this end, the Commission proposes some interim measures pending the introduction of others which, in the short-term, will improve the present situation as regards stocks of skimmed milk powder.

The Commission feels that some changes could be introduced at the beginning of the 1976/77 milk year while others could come into effect from 16 September 1976.

These proposals include :

- fixing of prices in two stages in the milk year, on 1 March 1976 and 16 September 1976 ;

- fixing a guide price for skimmed milk powder instead of the present intervention price to be applied on 16 September 1976 ;
  - a change in the level of aid for liquid skimmed milk for use as feed, to be regarded as a first stage in increasing the use of liquid skimmed milk at production level ;
  - a change in the system of private storage aid for butter and the fixing of storage costs on the basis of a tendering system ;
  - aid to support the production of full-cream milk powder ;
  - an enlargement in the short-term, of the skimmed milk powder market by making the use of this product compulsory in all compound feeding-stuffs ;
  - an increase of 200 000 m.t. in 1976 in the allocation of skimmed milk powder for food aid programmes ;
  - stepping up the programme to increase the consumption of milk in schools ;
  - preparation of a conversion plan.
2. In the context of the common organization of the market in milk and milk products as at present structured the Council has to fix annually, for the following marketing year :
- the target price for milk ;
  - the intervention price for butter, skimmed milk powder and certain cheeses ; Grana padano and Parmigiano Reggiano ;
  - threshold prices ;
  - the upper and lower limits for aid for skimmed milk powder for use as feed ;
  - the free at frontier price of certain cheeses bound within GATT.

In accordance to Regulation (EEC) No 466/75, the 1975/76 marketing year ends on 31 January 1976. Notwithstanding Article 2 of Regulation (EEC) No 804/68 the Commission proposes that the 1976/77 milk year should begin on 1 March 1976.

3. In the 1974/75 milk year, the Council increased the target price for milk twice :
- 1 March 1975 : 6% increase raising the price from 14.08 to 14.92 u.a./100 kg
  - 16 September 1975 : increase of 4.7% raising the price from 14.92 to 15.59 u.a./100 kg.

In paragraphs 92 and 106 of Commission document COM(75) 100

- Stocktaking of the common agricultural policy - the Commission explained the principles unduly in the fixing of prices. On a basis of these principles and in the light of the analysis of the milk market set forth in Part I, for the 1976/77 marketing year the Commission proposes that the prices in the milk sector should be fixed in two stages, on 1 March 1976 and 16 September 1976.

Further, taking into account :

- the changes in the production costs of milk in 1974 and 1975 ;
- the two price changes decided in 1975 ;
- the continuing structural imbalance in this sector ;
- the monetary measures taken in the agricultural sector ,

The Commission proposes that the guide price for milk should be raised by 2 % (from 15,59 u.a./100 kg to 15,90 u.a./100 kg) from 1 March 1976 and by 4,5 % (from 15,90 u.a./100 kgs to 16,60 u.a./100 kgs) from 16 September 1976.

In order to facilitate the common organization of the market in milk and milk products, and in line with the changes in the intervention system for skimmed milk, from 16 September 1976, the Commission proposes that a guide price for skimmed milk powder be fixed instead of an intervention price.

The Commission further proposes that the price changes should be made in such a way as to maintain the present ratio between fats and liquid skimmed milk.

4. The Commission proposes that the Council adjust the threshold price by reference to the increase in the target price.
5. Annex II of Regulation (EEC) No 823/68 provides that a number of conditions will apply to imports into the Community of Emmental, Gruyère, Sbrinz, Bergkäse and Appenzell cheeses falling within the Common Customs. Tariff heading No 04.04 A 1. Among these conditions it is specifically stipulated that the Community free-at-frontier price should be respected. Following the increase in the target price for milk, the free-at-frontier price will have to be revised.
6. The Commission proposes an increase in the intervention price for butter on 16 September 1976. Private storage aid for butter will be decided in the light of the market situation and costs fixed by means of a tendering system. The Commission therefore proposes that Regulation (EEC) No 985/68 be amended. However, for the 1976/77 marketing year, the Commission does not intend to fix private storage aid for butter in the light of the changes in the intervention price for butter that will come into effect on 16 September 1976.
7. In the light of experience in recent years concerning special measures for the sale of butter at reduced prices from intervention stocks and given the present market situation, the Commission does not intend to continue to apply the measures laid down in Regulation (EEC) No 349/73 and Regulation (EEC) No 232/75, except for pastry products where it considers necessary a reexamination.

However, as regards the general rules for the granting of a consumer subsidy for butter Regulation (EEC) No 1191/73, the Commission feels that they should be maintained and therefore proposes that the abovementioned mea-

asures be extended, but EAGGF contributions will be paid only for butter produced in the Community. The Commission proposes to increase the EAGGF contributions in connection with this measure.

8. In order to maintain at reduced prices in certain cases, the demand for milk fats and skimmed milk, the Commission proposes that a subsidy be granted for the production of full-cream milk powder. This subsidy will be fixed at 15 u.a./100 kg.

Article 12 of Regulation (EEC) No 804/68 and the introduction of general rules should be amended by the Council as regards the granting of a subsidy for full-cream milk powder.

9. In accordance with Article 52(2) (a) and taking into account Article 52(3) of the Act of Accession, the intervention price of butter for the 1976/77 marketing year in Ireland and the United Kingdom will be :

	<u>From</u>	
	<u>1 March 1976</u>	<u>16 September 1976</u>
Ireland	204,70 u.a./100 kg	213,09 u.a./100 kg
United Kingdom	167,74 u.a./100 kg	173,96 u.a./100 kg.

10. In the light of the trend of production and the use of skimmed milk powder the Commission proposes a number of amendments to the price support system for skimmed milk.

The method of fixing intervention prices for skimmed milk powder for the milk year or part of it will be replaced by a guide price for skimmed milk powder.

To increase flexibility in relation to the market situation, skimmed milk powder will be bought-in under a tendering system. This system and the fixing of a guide price will be applied from 16 September 1976.

The Commission believes that by issuing regular invitations to tender, on the basis of offers made it will quickly be possible to fix a maximum

purchase price for skimmed milk powder of different qualities and in special packings.

11. To dispose of larger quantities of skimmed milk powder, the Commission proposes that it should be compulsory to include skimmed milk powder in compound feedingstuffs for a limited period. It is proposed that feedingstuffs should contain 2% skimmed milk powder, the aim being to dispose of an additional quantity of about 600 000 m.t. of skimmed milk powder.

If this quantity were to be sold at a price that competes with protein from other sources, an outlay of 450 million units of account would be required. However, the Commission believes that this figure could be reduced to 225 million units of account provided that aid to skimmed milk powder for use as feed at present fixed at 36.50 u.a./100 kg - could be granted for these quantities.

12. In view of the Community's experience of the increasing level of production of skimmed milk powder and the steady decline in the use of liquid skimmed milk by farms and dairies, the Commission proposes that a policy be adopted for fixing aid for liquid skimmed milk returned by dairies which, in the short term, maintain the level of utilization and in the long term will increase consumption. In following this policy the Commission recognizes the economic need to expand the market for liquid skimmed milk in relation to the skimmed milk powder market in view of the increased energy costs in the Community.

13. Under Article 2(a) of Regulation 5EEC° No 986/68 on skimmed milk powder, subsidies for the use of skimmed milk powder as feed should be fixed according to criteria adopted by the Council, namely :
  - the price of skimmed milk powder,
  - the trend in supplies of skimmed milk and skimmed milk powder and in the use of these products as feed,
  - trends in the prices for calves,
  - trends in the market prices of other proteins that can be substituted for : skimmed milk or skimmed milk powder,
  - EAGGF expenditure in this sector,

the Commission proposes that the subsidy for skimmed milk powder for use as feed should be between 30 and 40 u.a./100 kg.

14. Under Article 26 of Regulation (EEC) No 804/68, Member States are authorized to grant national subsidies for all products falling within Common Customs Tariff heading No 04.01 or 22.02 used in programmes to encourage the consumption of milk in schools. The Commission proposes that this article be amended so that EAGGF aid may be granted if the programme to encourage the consumption of milk is national and if the Member States finance part of such programmes.
  
15. Given the increased requirements for protein-based in developing countries, the availability of skimmed milk powder stocks in the Community, and the fact that this product is particularly suitable for food aid, the Commission proposes a substantial increase in the allocation of skimmed milk powder for food aid programme. It is proposed that in 1976 the Community donate 200 000 m.t. for these programmes. It is estimated that three-quarters of this quantity can be delivered before the end of 1976.
  
16. In order to bring deliveries of milk into line with demand in the Community, the Commission proposes that a ~~adaptation~~ plan be introduced. The Commission takes the view that the introduction of such a plan would cost the Community considerably less than disposing of milk products which exceed normal commercial demand. Since the increased size of farms has reduced the income gap between dairy farms and others, the amount of aid per 100 kg of milk is determined by the volume of deliveries in 1975. Subject to certain conditions connected with farm management, in particular the non-delivery of milk, the Commission propose to grant aid as follows to producers who in 1975 delivered :
  - less than 30 000 kg ..... 14 u.a./100 kg
  - from 30 000 to 60 000 kg ..... 12 u.a./100 kg
  - from 60 000 to 120 000 kg ..... 10 u.a./100 kg

This aid will be paid for a period of five years, 50% to be financed by the EAGGF.

17. To sum up; the Commission proposes the following prices and intervention measures for the 1976/77 marketing year :

	<u>Applicable from</u> (u.a./100 kg)	
	<u>1 March 1976</u>	<u>16 September 1976</u>
a) Target price for milk	15.90	16.60
b) Intervention price		
<u>Butter</u>		
Ireland	204.70	213.09
United Kingdom	167.74	173.96
Other Member States	212.34	221.07
<u>Skimmed milk powder</u>		
Intervention price	90.57	
Guide price		93.87
<u>Grana padano</u>		
Aged from 30 to 60 days	204.89	212.35
Over 6 months	240.38	248.46
<u>Parmigiano Reggiano</u>		
Aged over 6 months	259.58	267.46
c) Subsidies		
Skimmed milk powder for use as feed		
Lower and upper limits (unchanged)	30 - 40 u.a./100 kg	
Liquid skimmed milk for use as feed	Amount fixed by the Commission on the basis of the Management Committee procedure accor- ding to criteria laid down by the Council.	
Full-cream milk powder	15 u.a./100 kg	
Programmes to encourage the consumption of milk in schools	EAGGF subsidies to national programmes.	

BEEF AND VEAL

A. Prices

1. Under Council Regulation (EEC) No 805/68<sup>1</sup> the Commission is responsible for proposing a guide price for adult bovine animals and a guide price for calves for the 1976/77 marketing year, it being understood that the guide price for calves could be abolished under new import arrangements.

By derogation from Article 4 of the said Regulation it is proposed that the marketing year begin on Monday 1 March 1976.

2. The current guide price for adult bovine animals is 109.94 u.a. per 100 kg of live-weight ; there were successive increases of 10.5% in 1973/74, 17,6% in 1974/75 (including the 5% increase decided on 7 October 1974) and 8.5% in 1975/76).

Since an increase in the general level of the common agricultural prices would be desirable and in view of the proposed agri-monetary measures, the proposed guide price for adult bovine animals is 118.74 u.a. per 100 kg of live-weight or an increase of 8%, and that for veal is 139.04 u.a. per 100 kg of live-weight, also an increase of 8%.

Under the provisions of Article 52 of the Act the Commission proposes to fix the guide price for adult bovine animals in the United Kingdom and Ireland at 109.81 u.a. per 100 kg of live-weight and that for calves at 128.57 u.a. per 100 Kg of live-weight, thus increasing the guide prices in those two countries by 12.6%.

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<sup>1</sup> Council Regulation (EEC) No 805/68 of 27 June 1968 on the common organization of the market in beef and veal (OJ No L 148 of 28 June 1968), as last amended by Regulation (EEC) No 1855/74 (OJ No L 195 of 18 July 1974, p.14).

3. In 1975/76 the intervention price for adult bovine animals was fixed at 99.42 u.a. per 100 kg at live-weight or 90.43% of the guide price, by derogation from Article 6 of Regulation (EEC) No 805/68.

In view of the economic situation determining the trend of the beef and veal market in 1976/77; it is planned to increase the intervention price by a rate (7.5%) close to that of the guide price so that the intervention price will be 90% of the new guide price or 98.83 u.a. per 100 kg of live-weight in the United Kingdom and Ireland and 106.87 u.a. per 100 kg in the other Member States.

4. Experience gained in 1974/75 and 1975/76 suggests that market support measures should be stepped up by granting private storage aid; at the same time, storage of certain categories of meat by intervention agencies should be made less attractive.

In effecting the annual revision of the coefficients used for calculating the purchase price to be fixed for each category of meat in the various Member States, steps should be taken to ensure that these prices are applied more consistently throughout the Community.

The policy of diversifying the choice of products to be stored according to seasonal price trends for the different qualities and cuts as applied in 1975/76, should be maintained.

## B. Related measures

1. From the preliminary forecasts which can now be made for the market situation in 1976/77 it can be estimated that market prices will be relatively high, even showing an upward trend in the first half of 1976 and the first half of 1977. Under such circumstances, although its effects were counter-cyclical in the last marketing year, a generalized application of the premium system for produces of bovine animals would no longer be warranted for 1976/77. The Commission does not, however, rule out the possibility that a system of premium could be applied in the upward phase of the beef and veal production cycle, i.e. when prices are in a downtrend.

Certain transitional arrangements with a view to suspending the system of premiums for producers of bovine animals laid down by Council Regulation (EEC) No 464/75<sup>2</sup> are called for here to prevent undesirable developments in prices on the beef and veal market in the second fortnight of February 1976.

It is proposed that Council Regulation (EEC) No 464/75 should be annulled as follows :

- the amount of the premium granted to producers for slaughtering certain adult bovine animals fixed at 28 u.a. per head (chargeable to the EAGGF Guarantee Section) by Article 1(1) of the above Regulation, should instead be fixed at 18 u.a. per adult bovine animal slaughtered for the month of February 1976. It is proposed to grant the difference, i.e. 10 u.a. per animal, to adult bovine animals of the same category slaughtered in March 1976 ;
- the authorization to grant a supplementary national premium per adult bovine animal up to a maximum amount of 52 u.a., laid down by Article 1(2) of the same Regulation, could remain unchanged for February 1976 ; however this national aid should progressively be reduced by limiting the maximum to 34 u.a. in March 1976 and 18 u.a. in April 1976 for adult bovine animals intended for slaughter other than cows ;
- A Member State which has applied Article 4 of Regulation (EEC) No 464/75 only in respect of the premium for the birth of calves is authorized to continue granting this premium until a date which varies according to administrative region and falls before 1 March 1977, so that the premium will be granted in each region for a period of 12 months ending on 28 February 1977 at the latest. The amount of the premium will continue to be 6 u.a. per calf entirely chargeable to the EAGGF (50% Guarantee Section and 50% Guidance Section : Article 6 of the Regulation referred to above).

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<sup>2</sup>Council Regulation (EEC) No 464/75 of 27 February 1975 establishing systems of premiums for producers of bovine animals (OJ No L 62 of 28 February 1975 page 5), amended by Regulation (EEC) No /75 (Doc. R/2291/75 Agri 601).

This proposal takes into account the fact that the aim of i.e. building cattle stocks in the Member State concerned, laid down as an objective when the Council adopted Regulation (EEC) No 464/75, has not yet been attained ; the reason should therefore be excluded for a further period.

2. The experience acquired in applying Council Regulation (EEC) No 181/73<sup>3</sup> in the last year, when market prices in Ireland and the U.K. were substantially lower than the guide prices, showed that certain artificial trade flows could result from the general rules for calculating the accession compensatory amounts actually applied in trade between the old and the new Member States.

A temporary solution with a view to preventing deflections of trade in the beef and veal sector was applied on 13 October 1975 under Commission Regulation (EEC) No 2582/75<sup>4</sup>. When Regulation (EEC) No 181/73 would be amended at the beginning of the 1976/77 marketing year to the effect that the incidence of the customs duties still applicable in inter-community trade would be calculated, in respect of the compensatory amounts to be levied on imports from Ireland and the United Kingdom into the other Member States, on the basis of the market price in the exporting country and no longer on the basis of the guide price as at present.

3. Amendments to Regulation (EEC) No 805/68.

The changes to Regulation (EEC) No 805/68 announced in the Commission memorandum of 31 October 1973 and proposed on 16 January 1974 (O/J No 27 of 15 March 1974, page 68) were examined by the Council without a final conclusion being reached.

The Commission suggests that the Council should take a decision, at the beginning of 1976/77 marketing year, on the advance fixing of refunds on beef and veal.

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<sup>3</sup>Council Regulation (EEC) No 181/73 of 23 January 1973 laying down general rules for a system of accession compensatory amounts for beef and veal (OJ No L 25 of 30 January 1973, page 9).

<sup>4</sup>Commission Regulation (EEC) No 2582/75 of 10 October 1975 fixing the amounts to be levied by way of accession compensatory amounts to prevent deflections of trade in the beef and veal sector (OJ No L 263 of 11 October 1975 page 10) amended by Regulation (EEC) No 2893/73 (OJ No L 287 of 6 November 1975 page 9).

This suggestion already appears in the proposal of 16 January 1974 referred to above.

### PIGMEAT

#### Price

1. Pursuant to Council Regulation (EEC) No 2759/75<sup>1</sup>, the Commission is required to propose a basic price for pig carcasses. The basic price is fixed taking into account the sluice-gate price and levy applicable from 1 August each year. However, in order to take account of the probable increase in production costs from 1 March 1976 it is proposed to fix the new basic price for the 1976/77 marketing year on the same date.
2. It is necessary to fix the basic price at a level where it will help to stabilize market prices and at the same time avoid causing structural surpluses in the Community. The basic price for the 1975/76 marketing year fixed in relation to feed grain prices for the same year has achieved its object.

It can be estimated that the prices for feed grain used in pigfeed will go up by an average of 8.5% in the next marketing year. Further, labour, health and sanitation and capital costs have reached a level which will have perceptible repercussions on the end price of pig carcasses.

Consequently, to enable the price system to help stabilize the pigmeat market by mitigating the effect of cyclical fluctuations in supply and prices, and in view of the desirability of increasing the general level of common agricultural prices and the proposed agri-monetary measures, it is proposed that the basic price be fixed at 115.00 u.a./100 kg for the 1976/77 marketing year.

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<sup>1</sup>Council Regulation (EEC) No 2759/75 of 29 October 1975 on the common organization of the market in pigmeat (OJ No L 282, 1 November 1975).

SILKWORMS

A. AMOUNT OF AID

Article 2 of Council Regulation (EEC) No 845/72<sup>1</sup> provides that aid is to be fixed each year per box of silk seed employed.

For the 1976/77 rearing year, which begins on 1 April 1976, it is proposed to increase the amount of aid from 36.5 to 40 u.a. per box.

It is estimated that this increase, which takes into account on the one hand the desirability of increasing the general level of common agricultural prices and on the other the proposed agri-monetary measures, could with the supplementary aid referred to under B provide a stimulus for this production which is adversely affected by imports of raw silk at low prices.

B. Related measures

1. To assist silkworm breeders to overcome the difficulties resulting from the economic situation in this sector, at its meeting of 10 and 11 February 1975 the Council requested the Commission "to submit as quickly as possible a proposal for a Regulation granting Community aid, for a period of three years, to recognize groups of silkworm breeders, formed to promote improved organization of the marketing of the products concerned, so as to encourage the formation of such groups and facilitate their activity".

2. On 7 July 1975 in response to the abovementioned Resolution, The Commission presented to the Council a proposal for a Regulation establishing a system of aid for silkworm breeders organizations (R/1864/75).

It makes provision for these organizations to be granted aid on decreasing scale over a three-year period, to be determined by the value of the products sold by the members.

3. However, Italy, in practice the only Member State concerned, rejected the proposal, believing that it did not solve the main problem of the silkworm breeders, namely the difficulty in marketing cocoons in competition with the raw silk offered at very low prices by China and Brazil. In this connection, Italy recalled that in February it had proposed storage aid for cocoons. This had been refused, mainly on legal grounds.

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<sup>1</sup> OJ No L 100, 27 April 1972, p.1.

4. The Commission considers that the aim of the Council expressed in the resolution referred to in paragraph 1, namely to improve marketing conditions for cocoons, could be achieved by a system other than that proposed by the Commission in Document R/1864/75.
5. This system would for the 1976/77 marketing year in the silkworm sector, in addition to the small aid granted to all producers, provide supplementary aid which would be restricted to breeders who were members of a recognized producers organization to encourage the joint marketing of their cocoons and thus achieve more rational management of supply. The aid would be granted only to breeders who, on completion of breeding, delivered to the organization, per box of silk seed employed a minimum quantity of cocoons to be determined.

The additional aid would be granted on application by each producers' organization for its members as a whole.

It is proposed that the aid be fixed at 6 u.a. per box employed, which would entail a financial commitment on the part of the Community almost equal to that entailed by the Commission proposal in paragraph 2, which has been withdrawn.

A second proposal for a regulation laying down the rules for implementing the new system of supplementary aid is presented at the same time. It sets forth the general rules regarding recognition of producers' organizations. These general rules are the same as these contained in the Commission proposal referred to in paragraph 2.

D. EXPLANATORY MEMORANDUM ON A PROPOSAL FOR A COUNCIL DIRECTIVE AMENDING COUNCIL DIRECTIVE 75/268/EEC OF 28 APRIL 1975 ON MOUNTAIN AND HILL FARMING AND FARMING IN CERTAIN LESS-FAVOURLED AREAS.

The Council Directive 75/268/EEC of 28 April 1975 on mountain and hill farming and farming in certain less-favoured areas concerns the Community's most difficult farming areas and represents a practical demonstration of Community solidarity with these areas.

The total area covered by the areas in question represents 27% of usable agricultural area of the Community and concerns 19% of the farms. The most important of the special aid measures founded for the Directive is the annual compensatory allowance ; its amount is fixed, according to the severity of the permanent natural handicaps affecting farming activities, at between 15 and 50 u.a. per livestock unit or, where appropriate, per hectare.

Eligible expenditure relating to the compensatory allowance can be estimated at 90% of the total eligible expenditure arising from the application of the special system of aid provided for by the Directive.

The Council fixed 25% as the level of the Community's financial contribution to the expenditure on the compensatory allowance. However, when it adopted the Directive on 28 and 29 April 1975, the Council undertook to discuss this matter again before the end of the year, on a proposal from the Commission, to decide whether the contribution should be fixed at a higher level than 25% from 1 January 1976.

Rembursement by the Guidance Section of the EAGGF of 25% of eligible expenditure for the compensatory allowance does not appear to be sufficient to allow the Directive to be effectively applied, above all in the areas which are most at a disadvantage. As things stand, the insufficiency of the funds available is such that there may be considerable delay in the implementation of the Directive in a number of these cases, while in other areas, because of this insufficiency, amounts fixed for the compensatory allowances are well below the levels necessary in view of the severity of permanent natural handicaps.

As result, an increase in the contribution from the Guidance Section of the EAGGF towards the Member States' eligible expenditure on the compensatory allowance would make the Community's assistance for the areas covered by the Directive more effective and therefore, enable the allowance to be applied equitably in all these areas.

**E. FINANCIAL IMPLICATIONS**

1. The Commission's proposals have financial implications as regards :

- the Guarantee Section (Titles 6 and 7 of the Budget),
- Food Aid (Chapter 92),
- the Guidance Section (Title 8).

2. The price proposals and the related measures will result in savings of 220 million u.a. for the Guarantee Section. However, the estimates also have to be revised in the light of changes resulting from economic trends, of the decisions taken by or proposed to the Council since the adoption of the preliminary draft budget for 1976 and of the need to retransfer to Food Aid the appropriations provisionally transferred in 1975 to the Guarantee Section ; the resulting supplementary expenditure amounts to 193 million u.a.

Total net saving therefore amounts to 27 million u.a.

The supplementary Food Aid programme for skimmed milk powder involves expenditure which, in the light of current estimates for the Guarantee Section and Food Aid, will lead to a theoretical overdrawing of appropriations of 53 million u.a. However, in view of the interplay between the Guarantee Section and Food Aid, it is more appropriate to consider the total appropriations for these two sectors together (5 366.9 million u.a.).

The theoretical overdrawing thus becomes less than 1% ; a regularizing proposal would be justified, since these estimates are provisionnal. Indeed they are based partly on proposed measures and partly on a preliminary revision of changes in expenditure resulting from the economic situation. The Commission will draw up a revised estimate of expenditure in the light of the Council's decisions on these Commission proposals and of any changes in economic forecasts.

3. As far as the Guidance Section is concerned, it should be stressed that because of the reimbursement system, the Commission's proposals will have no impact on the 1976 budget.

I. Implications of the price proposals, the related measures and food aid

The tables below show the changes in expenditure as regards the Guarantee Section and Food Aid.

The changes in expenditure under each budgetary item are shown in the Annex.

A. Guarantee Section

Table of changes in expenditure

Section and budget nomenclature	Appropriations 1976	Probable changes in expenditure for 1976			Probable expenditure in 1976
		for economic reasons	as a result of price proposals and related measures	Total	
a	b	c	d	e = c+d	f = b+c
Cereals	714,8	+ 108	- 80	+ 28	742,8
Rice	24,-	-	-	-	24,-
Milk products					
. butter	363,5	-	- 85	- 85	278,5
. skimmed milk	1.257,7	+ 82	- 109	- 27	1.230,7
. other	319,9	+ 14	+ 45	+ 59	378,9
Total milk products	1.941,1	+ 96	- 149	- 53	1.888,1
Oils and fats					
. olive oil	339,8	-	-	-	339,8
. oilseeds	71,5	+ 38	+ 12	+ 50	121,5
Sugar	170,4	+ 10	+ 10	+ 20	190,4
Beef and veal	679,4	- 125	- 4	-129	550,4
Pigmeat	69,0	-	+ 4	+ 4	73,-
Eggs and poultry	24,0	+ 5	+ 2	+ 7	31,-
Fruit and vegetables	112,8	+ 10	+ 2	+ 12	124,8
Wine	196,1	- 10	-	- 10	186,1
Tobacco	203,3	+ 4	-	+ 4	207,3
Other sectors	91,4	+ 10	+ 1	+ 11	102,4
TOTAL A	4.637,6	+ 146	- 202	- 56	4.851,6
Accession compensatory amounts	262,-	+ 5	+ 7	+ 12	274,-
TOTAL B	4.899,6	+ 151	- 195	- 44	4.855,6
Monetary compensatory amounts	260,7	- 1	- 25	- 26	234,7
TOTAL C	5.160,3	+ 150	- 220	- 70	5.090,3
Retransfer to food aid of appropriations provisionally transferred in 1975 from Chapter 92 of the EAGGF Guarantee Section				+ 43	
TOTAL D	5.160,3			- 27	5.133,3

The following comments refer to the changes in expenditure in the main sectors :

#### CEREALS SECTOR

Economic conditions will provoke an increase in expenditure in 1976, for the 1975/76 marketing year of about 108 million units of account, due on the one hand to the deterioration of the world market and on the other, to the fact that information on the current situation of the Community market has improved, especially as regards durum wheat and the availability of various cereals.

The Commission's proposal would involve a reduction in expenditure for 1976 of about 80 million u.a., on account of the reduced price break at the end of one marketing year and the beginning of the next, involving a valorization of stocks, and because of the greater flexibility of the market organization, the greater fluidity of the Community market, the more competitive position of barley and feed wheat compared with maize, and the adjustment of the premium for durum wheat.

#### MILK PRODUCTS SECTOR

Economic conditions will provoke an increase of 96 million u.a. in 1976 in this sector, mainly because of the deterioration of the world market and the need to raise the aid for skimmed milk for use as feed.

The Commission's proposal, however, involves a reduction in expenditure for 1976 of about 149 million u.a. mainly because, on the one hand, the majority of the proposed prices will only come into force on 16 September 1976, thus limiting their budgetary impact to two and a half months and involving a re-valuation of stocks of butter and milk powder built up before that date, and on the other hand, because of the abolition of certain special measures for the disposal of butter and the replacement of the special measures for the disposal of milk powder provided for in the budget by its compulsory inclusion in animal feed combined with provisions ensuring application. In effect, the increasingly serious milk powder stocks suggest a much higher offtake in 1976. The proposed system will allow this objective to be attained, with aid of only 365 u.a./m.t. As a result 338 million u.a. provided for in the Budget (450 000 m.t. x 730 u.a./m.t. + double rate) would not be used and expenditure would only be 218 million u.a. (575.000 m.t. x 365 u.a./m.t. + double rate). If such a measure were not introduced, a supplementary increase in expenditure of the order of 300 million u.a. would be involved.

SUGAR SECTOR

The increase in expenditure is caused by the increase in the cost of storage, but this increase is entirely offset by the storage contributions.

BEEF AND VEAL SECTOR

The foreseeable improvement in the market would involve savings, mainly in respect of public storage.

In addition, the Commission's proposals involve a slight reduction in expenditure, in spite of the rise in refund rates, because of the increase in value of stocks.

WINE SECTOR

In view of the situation on the wine market a considerable reduction in expenditure can be estimated, but delays in payment for the last marketing year will limit its effects.

B. Food Aid

In order to bring the skimmed milk powder in the food aid programme up to 200 000 m.t., a supplementary programme of 145 000 m.t. is planned of which 50 000 m.t. will fall to be financed in 1977 owing to the delays involved in implementing the programme.

The cost of the supplementary 95 000 m.t. to be financed in 1976, not including transport and distribution expenses, amounts to 87 million u.a.<sup>1</sup>, broken down and financed as follows :

	Cost	Effect of price increase	Total costs	Availability of appropriations	Balance to be financed
Guarantee Section	46	2	48	27(2)	21
Food aid	39	-	39	7(3)	32
			87	34	53

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<sup>1</sup> Refunds : 485 u.a./m.t. to be financed under the Guarantee Section  
value of goods 408 u.a./m.t. to be financed under Food Aid.

<sup>2</sup> Availability resulting from the revised forecast relating to the Guarantee Section.

<sup>3</sup> Since the refunds have been revised upwards under the Guarantee Section because of the economic situation, the value of the goods is reduced making available appropriations to finance about 15 000 m.t. more as food aid.

II. Financial implications of structural measures for the Guidance Section

1. Measures provided for are as follows :

- amendment of Article 15 of the Directive on mountain and hill farming and farming in certain less-favoured areas (75/268/EEC) ;
- introduction of a system of premiums for the non-marketing of milk ;
- introduction of a new premium for grubbing certain varieties of fruit trees.

2. For all these measures, Member States' expenditure will be reimbursed from the Guidance Section. The financial effect will not be seen for a further year. There are thus no implications for the 1976 budget.

3. The total financial implications are about 275 million u.a. spread over the budget years 1977 to 1981 and broken down as follows :

- mountain farming Directive : 107 million u.a.
- milk premium : 160 million u.a.
- grubbing fruit trees : 7,8 million u.a.

A N N E X

Item-by-item changes in the EAGGF Guarantee section  
part of the 1976 Budget

Million u.a.

Sector and budget nomenclature	Nature of measure	Appropriations 1976	Probable changes in expenditure for 1976	
			for economic reasons	As a result of price proposals and related measures
<u>CEREALS</u>				
6000/1/2	Export refunds	361,8	+ 108	- 10
6010	Premiums for including wheat in animal feed	26,6	-	-
6011	Production refunds for potato starch	13,5	-	-
6012	Other production refunds	31,5	-	-
6013	Aid for durum wheat	179,2	-	- 12
6014	Carry-on payments	25,-	-	-
6015	Public storage	61,7	-	- 57,5
6016	Special intervention measures	15,-	-	-
6019	Others (Italian importation of feed grain)	0,5	-	-
	TOTAL			
	TOTAL CEREALS - CHAPTER 60	714,8	+ 108	- 79,5
<u>RICE</u>				
6100/1/2	Export refunds	22,7	-	-
611	Intervention	1,3	-	-
	TOTAL RICE - CHAPTER 61	24,-	-	-

Million u.a.

Sector and budget nomenclature	Nature of measure	Appropriations 1976	Probable changes in expenditure for 1976	
			for economic reasons	As a result of price proposals & related measures.
<u>MILK AND MILK PRODUCTS</u>	<u>Butter</u>			
6200	Export refunds	130,-(a)	-	+ 5,0
6220	Private storage	40,-	-	- 40,-
6221	Public storage and special disposal measures	151,5		- 35,1
6223	Special absorption measures	42,-		- 12,0
	<u>Total butter</u>	363,5	-	- 85,2
	<u>Skimmed milk</u>			
6200	Export refunds	172,1(a)	+ 23,2	+ 8,5
6210	Aid skimmed milk powder for animal feed	416,7	-	+ 36,3
6211	Aid liquid skimmed milk	116,3	+ 83,-	+ 7,9
6212	Aid casein	83,-	+ 16,6	+ 3,8
6213/14	Special measures	469,6	- 41,2	- 40,8
	<u>Total skimmed milk</u>	1.257,7	+ 81,6	- 109,3
	<u>Other products</u>			
6200	Refunds	308,-(a)	+ 14,2	+ 15,3
6230	Storage cheese	11,9	-	-
	Milk for schools children	-	-	+ 5,-
	Aid whole milk powder	-	-	+ 25,-
	<u>Total other products</u>	319,9	+ 14,2	+ 45,3
	<b>TOTAL MILK SECTOR</b>	<b>1.941,1</b>	<b>+ 95,8</b>	<b>- 149,2</b>

(a) Breakdown of appropriation under Article 620. Export refunds : 610.1 million u.a.

- Refunds butter	130,-	-	+ 55,0
- Refunds milk powder	172,1	+ 23,2	+ 8,5
- Refunds other products	308,-	+ 14,2	+ 15,3
<b>Total refunds</b>	<b>610,1</b>	<b>+ 37,4</b>	<b>+ 28,8</b>

Million u.a.

Sector and budget nomenclature	Nature of measure	Appropriations 1976	Probable changes in expenditure for 1976	
			for economic reasons	As a result of price proposals and related measures
<u>OILS AND FATS</u>	<u>Olive oil</u>			
630	Export refunds	1,-	-	-
6310	Production aid	337,8	-	-
6311/9	Others	1,-	-	-
	TOTAL OLIVE OIL	339,8	-	-
	<u>Oilseeds</u>			
632/6330	Export refunds + Aid	70,-	+ 38,-	+ 12,-
6331/9	Others	1,-	-	-
634	Aid for cottonseed	0,5	-	-
	TOTAL OILSEEDS	71,5	+ 38,-	+ 12,-
	TOTAL OILS AND FATS - CHAPTER 63	411,3	+ 38,-	+ 12,-
<u>SUGAR</u>				
6400/1/2	Export refunds	35,2	-	-
6410	Denaturing premiums	t.e.*	-	-
6411	Refunds for utilization in chemical industry	t.e.	-	-
6412	Reimbursement storage expenses	131,6	+ 10,-	+ 10,-
6413	Public storage	t.e.	-	-
6414	Measures taken for OT sugar	3,6	-	-
6415	Import subsidies	t.e.	-	-
	TOTAL SUGAR - CHAPTER 64	170,4	+ 10,-	+ 10,-
<u>BEEF AND VEAL</u>				
6500/1	Export refunds	138,6	- 35,-	+ 12,-
6510	Private storage	62,6	+ 31,6	-
6511	Public storage	331,-	- 121,6	- 15,5
6520	Aid for social purposes	t.e.	-	-
6521	Premiums for orderly marketing and slaughter of livestock	88,8	-	-
6522	Stock reconstitution premium	58,4	-	-
	Others	t.e.	-	-
	TOTAL BEEF & VEAL - CHAPTER 65	679,4	- 125,-	- 3,5

\* "t.e." = token entry.

million u.a.

Sector and budget nomenclature	Nature of measure	Appropriations 1976	Changes in expenditure for 1976	
			for economic reasons	as a result of price proposals and related measures
<u>PIGMEAT</u>	<u>PIGMEAT</u>			
660	Export refunds	66,-	} -	+ 4,-
661	intervention	3,-		
	TOTAL PIGMEAT CHAPTER 66	69,-	-	+ 4,-
<u>EGGS AND POULTRYMEAT</u>	<u>EGGS AND POULTRYMEAT</u>			
670	Refunds for eggs	5,-	} + 5,-	+ 2,-
671	Refunds for poultrymeat	19,-		
	TOTAL EGGS AND POULTRYMEAT - CHAPTER 67	24,-	+ 5,-	+ 2,-
<u>FRUIT AND VEGETABLES</u>				
6800	Refunds fresh fruit and vegetables	28,-	-	
6801	Refunds processed fruit and vegetable products	11,9	+ 5,-	negligible
6810	Financial compensation for withdrawal and buying-in	45,-	+ 5,-	+ 2,-
6811	Processing and distribution	4,3	-	
6812	Financial compensation for promotion of Community citrus fruits	15,7	-	slight
6813	Financial compensation for processing oranges	5,5	-	-
6819	Others	p.m.	-	-
682	Intervention for processed fruit and vegetable products (aid for pineapple preserves)	2,4	-	-
	TOTAL FRUIT AND VEGETABLES - CHAPTER 68	112,8	+10,-	+ 2,-
<u>WINE</u>				
690	Export refunds	1,-	-	-
691/2	Intervention	195,1	-90; +80,-	-
	TOTAL WINE - CHAPTER 69	196,1	- 10,-	-

million u.a.

contd.				
Sector and budget nomenclature	Nature of measure	Appropriation 1976	Changes in expenditure for 1976	
			for economic reasons	as a result of price proposals and related measures
TOBACCO 700 701	Export refunds Intervention TOTAL TOBACCO - CHAPTER 70	1,- 202,3	- + 4,-	- -
<u>FISHERY PRODUCTS</u>				
710 711	Export refunds Intervention	1,- 3,-	- -	- -
	TOTAL FISHERY PRODUCTS - CHAPTER 71	4,-	-	-
<u>OTHER PRODUCTS</u>				
730 731 732 733 734 735 739	Intervention flax and hemp Intervention seeds Intervention hops Intervention silk worms Intervention dehydrated fodder Intervention soya Other intervention	16,6 22,1 7,- 2,- 14,2 0,5 p.m.	+ 1,8 + 1,- + 7,- - - - -	- 0,5 - - negligible + 1,3 - -
	TOTAL CHAPTER 73	62,4	+ 9,8	+ 0,8
<u>NON-ANNEX II PRODUCTS</u>				
	Export refunds	25,-	-	negligible
	TOTAL CHAPTER 74	25,-	-	negligible
750	Accession compensatory amounts granted in intra-Community trade - CHAPTER 75	262,-	+ 5,-	+ 7,-
760 761	Monetary compensatory amounts: - in intra-Community trade - in extra-Community trade	170,5 90,2	) ) - 1,-	-25,-
	TOTAL CHAPTER 76	260,7	- 1,-	-25,-
	TOTAL TITLES 6 and 7	5.160,3		





