

# COMMISSION OF THE EUROPEAN COMMUNITIES

COM(82) 604 final

Brussels, 30 September 1982

Proposal for a  
COUNCIL REGULATION (EEC)  
on the supply of skimmed-milk powder as food aid for Honduras

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(submitted to the Council by the Commission)

COM(82) 604 final

1. Skimmed-milk powder as food aid for Honduras : summary and future prospects

Honduras, which has been a recipient of Community food aid since 1974, received aid between 1974 and 1981 in the form of cereals and milk products worth 20.6 million ECU at world prices, or 36 million ECU at EEC internal prices; in addition, counterpart funds totalling more than 8 million ECU were released.

Food aid in milk products supplied since 1976 comes to 12 075 t (1) of skimmed-milk powder (of which 4 900 t was sold to the dairy industry) and 4 045 t (2) of butteroil (sold direct to the end consumer through the BANASUPRO chain stores).

The 1982 milk products programme adopted by the Council on 26 April (Council Regulations (EEC) Nos 1038/82 and 1039/82) made provision for 600 t of butteroil and a "token entry" of skimmed-milk powder for Honduras. As regards the skimmed-milk powder, the Commission was waiting for additional information on the utilization of past aid before proposing any specific quantity.

In the light of information received and fresh requests from the Honduran authorities, new proposals can be put forward, based on the following data :

- i. the net skimmed-milk powder requirements for the reconstitution of milk products to meet the total consumption needs of the people of Honduras come to 4 600 t in 1982.

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(1) For 1976	1 000 t	(2) For 1976	1 000 t
" 1977	1 000 t	" 1977	300 t
" 1978	3 075 t	" 1978	515 t
" 1979	3 000 t	" 1979	515 t
" 1980	2 000 t	" 1980	515 t
" 1981	2 000 t	" 1981	600 t

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- ii. the vitamin-enriched skimmed-milk powder required for the free distribution programmes set up by the Honduran authorities (primarily the Ministries for Education and Health) in conjunction with certain NGOs comes to more than 5 000 t for approximately 580 000 recipients, of whom 400 000 are pupils at state schools.
- iii. the deficit in the Honduran balance of payments is increasing dangerously under the combined effect of the crisis in Central America, the rise in energy prices and the drop in the prices of raw materials exported by Honduras.

## 2. Possible Community measures

Quantities are still available under the reserve of the 1981 skimmed-milk powder programme. (1). In the Commission's opinion it would be advisable to use part of this to continue providing skimmed-milk powder to Honduras.

The following proposals may be made :

proposed appropriation : 2 000 t of skimmed-milk powder

utilization :

- i. 1000 t to be sold to the dairy industry; the counterpart funds from the sale are to go to the BANASUPRO organization (chain stores) to finance a project cofinanced by Community financial and technical aid (Project PVDNA 80-24), which involves opening 75 new BANASUPRO centres in four years, thereby stabilizing retail consumer prices. The provision of this quantity will also help to ease the burden on the Honduran balance of payments.
- ii. 1 000 t of vitamin-enriched skimmed-milk powder for free distribution through the Ministries of Education and Health. These distribution programmes, which are already receiving contributions from NGOs including CARE, consist of supplementary food aid, with CARE supplying soya-based products and sugar and the EEC skimmed-milk powder.

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(1) Council Regulation (EEC) No 1038/82.

financing : the 1 000 t intended for sale should be delivered fob. The 1 000 t for free distribution should be financed cif, particularly since it is part of a programme administered in conjunction with NGOs. Since Honduras is in the grip of a serious financial crisis, it would not be able to finance the transport without adversely affecting other social programmes.

The 2 000 t of skimmed-milk powder would be set against the general reserve of the 1982 programme.

The cost of this aid can be estimated at 2.3 million ECU at world prices and it can be financed by appropriations available under the general budget of the Communities.

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To conclude, it is proposed that the Council agree to provide Honduras with food aid in the form of 2 000 t of skimmed-milk powder (of which 1000 t to be delivered cif), to be set against the general reserve of the 1982 skimmed-milk powder food aid programme.

Accordingly, it is proposed that the Council adopt the annexed Regulation.

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THE COUNCIL OF THE EUROPEAN COMMUNITIES

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 1037/82 of 26 April 1982 laying down general rules for the supply of skimmed-milk powder to certain developing countries and specialized bodies under the 1982 food-aid programme (1), and in particular Article 7 thereof,

Having regard to the proposal from the Commission,

Whereas Council Regulation (EEC) No 1038/82 of 26 April 1982 on the supply of skimmed-milk powder to certain developing countries and specialized bodies under the 1982 food-aid programme (2), as amended by Regulation (EEC) No 2037/82(3) provides for a reserve of 10 990 t of skimmed-milk powder; whereas quantities are still available under this reserve;

Whereas the Commission has received a request for food aid for Honduras in the form of skimmed-milk powder; whereas the needs warrant food aid from the Community

HAS ADOPTED THIS REGULATION :

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- (1) OJ No L 120, 1.5.82, p. 1
- (2) OJ No L 120, 1.5.82, p. 3
- (3) OJ No L 219, 28.7.82, p. 6

.../...

Article 1

Of the quantities of skimmed-milk powder still available under the reserve provided for by Regulation (EEC) No 1038/82, 2 000 t shall be allocated as food aid to Honduras. The financing arrangements for 1000 t shall be based on the value of the skimmed-milk powder at the cif stage.

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 Brussels,

For the Council,

The President.

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