

COMMISSION OF THE EUROPEAN COMMUNITIES

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Brussels, 19 June 1974

Proposal for a

REGULATION (EEC) OF THE COUNCIL

amending Regulation No 120/67/EEC on the
common organization of the market in cereals

(submitted to the Council by the Commission)

EXPLANATORY STATEMENT

1. The marketing year for cereals, apart from maize, starts on 1 August and finishes on 31 July of the following year. For maize the marketing year has been fixed, by an amendment to Article 3 of Regulation No 120/67/EEC, as starting on 1 October and finishing on 30 September. The aim of that amendment, which takes greater account of the cultural cycle for maize, was to avoid difficulties with the sale of barley and abnormal intervention for this cereal at the beginning of the marketing year. Now, the same reasons which led to a changed system for maize are equally valid for sorghum, a cereal which has, as regards the cultural cycle, the rhythm of sales, the price level and nutritive value, the same characteristics as maize. It is therefore proposed to apply to sorghum the same marketing year as for maize.

2. Article 16(4) of Regulation No 120/67/EEC provides that, in the case of advance fixing of the export-refund on cereals, a corrective amount shall be applied to it.

This corrective amount is fixed

- by the Commission at the same time as the premium which is applied to the import levy (ie. all working days except the day of the Management Committee),
- in accordance with Management Committee procedure at the time of the weekly fixing of the refund.

This method does not take sufficient account of the nature of the corrective which is to increase or to decrease the refund valid on the day of application for prefixing and which applies to an export to take place in a month after the month of issue of the certificate.

The corrective must be regarded then as an integral part of the refund. It should thus be assessed in the same way as the refund and submitted to the rules which are valid for the refund.

Since Article 16(4) has been amended several times it is proposed, in the interest of clarity, to publish the whole of it. This is, however, only a question of repeating the current text as far as the first sentence of the first sub-paragraph and the last two sub-paragraphs are concerned.

3. The measures referred to in Article 19 of Regulation No 120/67/EEC and defined by Council Regulation (EEC) No 1968/73 (OJ No L 201, p. 10) can only be triggered if the c.i.f. price is higher than the threshold price by at least two per cent. This provision has proved insufficient, as regards exports from the Community, to cope with a high price situation on the world market. In fact, the risk of disturbance can exist by the time the world market level significantly exceeds the intervention price applicable at the Community ports or exit points because the intervention price has greater influence on Community export market than does the threshold price, the latter being an import price reference first and foremost. Further, in the export context the c.i.f. price in Community ports is only one of the criteria which could be used to assess the situation on the world market; one could equally take into account other prices or quotations ascertained on this market. Because of this, it is proposed to adapt Article 19 to the needs of a better management of the market.

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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 the proposal from the Commission;

Having regard to the Opinion of the European Parliament ⁽¹⁾;

Whereas according to Article 3 of Council Regulation No 120/67/EEC ⁽²⁾ of 13 June 1967 on the common organisation of the market in cereals, as last amended by Regulation (EEC) No 1125/74 ⁽³⁾, the marketing year for maize, with effect from the 1975/76 marketing year starts on 1 October and finishes on 30 September of the following year; whereas the reasons which led to this system are equally valid for sorghum, a cereal which has, as regards the cultural cycle, the rhythm of sales, the price level and nutritive value, the same characteristics as maize; whereas the same dates for the beginning and end of the marketing year should therefore be laid down for sorghum;

Whereas Article 16(4) of Council Regulation No 120/67/EEC provides for corrective amounts to be applied in cases where the export refunds for cereals are subject to advance fixing; whereas, according to that Article, this corrective amount must be fixed at the same time as the premium referred to in Article 15(2) of the same Regulation; whereas, in the light of experience and with regard to the good management of the market, the existing link between the fixing of the premium and that of the corrective amount should no longer be retained;

Whereas Article 19 of Regulation No 120/67/EEC aims at avoiding disturbances on the Community market and at ensuring stability thereon in the case of significant increases in the world market price; whereas, in order to ascertain the necessity for triggering the measures appropriate to the intended result,

(1) OJ No

(2) OJ No 117, 19. 6.1967, p. 2269/67

(3) OJ No L

provision is made for comparison between the c.i.f. price and the threshold price; whereas, in fact, the threat of disturbance on the internal Community market may already exist, above all in the surplus areas where the market price is generally influenced by the level of the intervention price, even before world market prices reach the level of the threshold price; whereas, at such a time, a reference level of Community price more appropriate to the intended result than is the threshold price, should be followed for the triggering of such measures; whereas, in the same context, the concept of the c.i.f. price should be replaced by a concept more suited to a high price situation on the world market;

Whereas Article 16(4) of Regulation No 120/67/EEC has been amended several times; whereas that paragraph should therefore be published in totality;

HAS ADOPTED THIS REGULATION:

Article 1

Article 3 of Regulation No 120/67/EEC shall be replaced by the following:

" With the exception of maize and sorghum, for which it shall begin on 1 October and end on 30 September of the following year, the marketing year for all products referred to in Article 1 shall begin on 1 August and end on 31 July of the following year; the 1974/75 marketing year for maize and sorghum shall, however, begin on 1 August 1974 and on 30 September 1975."

Article 2

Article 16(4) of Regulation No 120/67/EEC shall be replaced by the following:

" However, for the products referred to in Article 1 (a) and (b) the export refund applicable on the day on which the application for the certificate is lodged, adjusted on the basis of the threshold price valid in the month of exportation shall be applied, if the party concerned so requests at the same time as the application for the certificate is made (the request to be made not later than 1300 hours), to exports effected during the period of validity of the certificate. In that case a corrective amount, which may be fixed at the same time as the refund and according to the same procedure, shall be applied to the refund; however, when necessary, the Commission, following a request from a Member State or on its own initiative, may take a different decision in the interval.

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The provisions of the preceding subparagraph may be applied, in whole or in part, to any of the products listed in Article 1 (c) and (d) and to Article 1 products exported in the form of goods listed in Annex B.

If the carry-over payment envisaged by Article 9 is not granted for barley and malt and if an advance fixing of the refund has been laid down for malt, the refund on exports, during the first two months of the marketing year, of malt in stock at the end of the preceding marketing year or made from barley in stock at that time shall be adjusted for the threshold price in force in the last month of the preceding marketing year."

Article 3

The text of Article 19 of Regulation No 120/67/EEC shall be replaced by the following:

- "1. When the quotations or prices on the world market for one or more of the products mentioned in Article 2 are significantly higher than the intervention price levels valid in the ports or exit points for the surplus areas of the Community, and when that situation is likely to continue, thereby disturbing the Community market, appropriate measures may be taken.
2. 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 adopt general rules for the application of this Article.
3. The detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 26."

Article 4

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

