

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(83) 183 final

Brussels, 28th March 1983

PROPOSAL FOR A COUNCIL REGULATION (EEC)

amending Regulation (EEC) n° 878/77 on the exchange
rates to be applied in agriculture

(presented by the Commission to the Council)

COM(83) 183 final

1. On 23 March 1983, the Belgian authorities requested a change in the date of application of their green rate.

Under the terms of Regulation (EEC) No 2792/82 of 19 October 1982, the BLEU green rate was devalued onto its central rate. The new green rate was to come into force on 1 November 1982 for pork, olive oil and wine, but for most other products, including milk and beef, from the beginning of the 1983/84 marketing year for milk and milk products.

Because of the delay in the Council decisions on agricultural prices, the milk marketing year will not begin on 1 April 1983 and the introduction of the new Belgian green rate is thereby delayed.

2. Consequently, the Belgian authorities request that the new Belgian green rate be introduced on 1 April 1983 for milk and on 4 April 1983 for beef. It is necessary at the same time to revise the new green rate. This new green rate, accepted in October, was aligned on the then central rate of the BF/LF. On 21 March 1983, within the European Monetary System, the central rates were realigned and the central rates for Belgium and Luxembourg revalued. Accordingly, the green BF/LF rate, agreed in October, no longer corresponds to the current BF/LF central rate.

When the green rate, decided in October, enters into force, the result is a positive monetary compensatory amount, as is already the case for pigmeat, for which the green rate, decided on 19 October 1982, has already taken effect.

It is necessary to close this positive gap before the dates on which the new rate, introduced by Regulation (EEC) No 2792/82, comes into force in the remaining sectors, otherwise new positive MCAs will be introduced for all sectors.

3. It is therefore proposed that a revised green rate, based on the revised central rate, be introduced in the BLEU immediately, to come into force on 1 April 1983 for the milk sector, on 4 April 1983 for the beef sector and at the beginning of the various marketing years for the remaining sectors.

The consequences of this proposal are shown in the table annexed.

4. Since this proposal will have the effect of preventing the introduction of positive MCAs in the majority of sectors, it is in full accord with the terms of the communiqué issued at the end of the Finance Ministers' meeting.

Etat membre	Taux pivot (1 Ecu =)	Taux représentatif			Ecart monétaire		MCM à appliquer	Incidence sur les prix (en %)
		ancien (1 Ecu =)	nouveau (1 Ecu =)	réévaluation/ dévaluation (en %)	avant réévaluation/ dévaluation	après réévaluation/ dévaluation		
Belgique/ Luxembourg								
a) secteurs : porc, vin, huile d'olive, pêche	44,3662	44,9704	44,3662	1,362 % (ré-)	+ 1,344	0	0	- 1,3436
b) autres secteurs	44,3662	42,9772	44,3662	3,1308 % (dé-)	- 3,232	0	0	+ 3,2319

Proposal for a
COUNCIL REGULATION (EEC)

amending Regulation (EEC) No 878/77 on the exchange rates to be applied in
agriculture

THE COUNCIL OF THE EUROPEAN
COMMUNITIES,

Having regard to the Treaty establishing the European
Economic Community,

Having regard to Council Regulation No 129 on the
value of the unit of account and the exchange rates to
be applied for the purposes of the common agricul-
tural policy⁽¹⁾, as last amended by Regulation (EEC)
No 2543/73⁽²⁾, and in particular Article 3 thereof,

Having regard to the proposal from the Commission,

Whereas the representative rates currently applicable
were fixed by Regulation (EEC) No 878/77⁽³⁾, as last
amended by Regulation (EEC) No 221/83⁽⁴⁾;

⁽¹⁾ OJ No 106, 30. 10. 1962, p. 2553/62.

⁽²⁾ OJ No L 263, 19. 9. 1973, p. 1.

⁽³⁾ OJ No L 106, 29. 4. 1977, p. 27.

⁽⁴⁾ OJ No L 27, 29. 1. 1983, p. 7.

Whereas a new representative rate for the Belgian franc/Luxembourg franc, aligned on the central rate of the Belgian franc/Luxembourg franc, was introduced by Regulation (EEC) No 2792/82 of 19 October 1982 (5) amending Regulation (EEC) No 878/77, on the exchange rates to be applied in agriculture; whereas this new green rate is to be introduced gradually at the beginning of the marketing years; whereas, following a change in the central rate of the Belgian franc/Luxembourg franc on 21 March 1983, the new green rate does not correspond to the revised central rate; whereas, therefore, a revised green rate should be introduced in order to prevent the introduction of new monetary compensatory amounts based on a positive monetary gap and in order to eliminate such monetary compensatory amounts already in force in the pigmeat sector;

Whereas Regulation (EEC) No 2792/82 further provided that a revised representative rate of the Belgian franc/Luxembourg franc, aligned on the central rate, be applied for all sectors other than pigmeat, olive oil, wine and fishery products from the beginning of the 1983/84 marketing year, for milk and milk products; whereas this marketing year was due to begin on 1 April 1983; whereas the milk marketing year will not now start on this date; whereas, therefore, the revised representative rate for the Belgian franc/Luxembourg franc should be introduced for the various sectors at the date on which their respective marketing years were planned to begin;

(5) OJ No L 295, 21.10.1982, p. 6

ANNEX I

BELGIUM/LUXEMBOURG

1 ECU = ~~44.3662~~ Belgian francs/Luxembourg francs.

This rate shall apply:

- 1 April 1983 for the milk and milk products sector,
- 4 April 1983 for the beef and veal sector,
- 4 April 1983 for the sheepmeat and goatmeat sector,
- 1 July 1983 for the sugar and isoglucose sector, and for durum wheat and durum wheat groats and meal,
- 1 August 1983 for the cereals, with the exception of durum wheat and durum wheat groats and meal, eggs and poultrymeat, ovalbumin and lactalbumin sectors,
- ~~from~~ 1 November 1983 for the pigmeat sector,
- ~~from~~ 1 November 1983 for the olive oil sector,
- ~~from~~ 16 December 1983 for the wine sector; however, other dates may be provided for the distillation operations and the aid referred to in Articles 14 and 14a of Regulation (EEC) No 337/79,
- ~~from~~ 1 January 1984 for the fishery products sector,
- 1 July 1984 for the seeds sector,
- the beginning of the 1983/84 marketing year for the other products for which there is a marketing year,
- 1 April 1983 in all other cases.

Until the new rate enters into force, the following rates apply:

1 ECU = 44.9704 Belgian francs/Luxembourg francs for the pigmeat sector, the olive oil sector, the wine sector and the fishery products sector and

1 ECU = 42.9774 Belgian francs/Luxembourg francs in all other cases.

these new rates applying in this context may differ from the other date of application of the new rates in the wine sector;

Whereas, in order to avoid differing treatment of interdependent products, provision should be made for the new rates to apply in the cereals (with the exception of durum wheat) and the eggs and poultrymeat, ovalbumin and lactalbumin sectors with effect from the same date;

Whereas the Monetary Committee will be consulted; whereas, as this is an urgent matter, 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

Annex 1 to Regulation (EEC) No 878/77 shall be replaced by Annex 1 hereto.

Article 2

This Regulation shall enter into force on the day of its publication in the *Official Journal of the European Communities*.

Whereas the rates must be adjusted with proper regard to their effects, in particular on prices, and to the situation in the Member States concerned;

Whereas Council Regulation (EEC) No 337/79 of 5 February 1979 on the common organization of the market in wine⁽⁶⁾ as last amended by Regulation (EEC) No 2144/82⁽⁷⁾ provides for certain distillation operations and aid; whereas the date of application of

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at _____, 1983.

For the Council

⁽⁶⁾ OJ No L 54, J. 2. 1979, p. 1.
⁽⁷⁾ OJ No L 227, J. 8. 1982, p. 1.

FINANCIAL STATEMENT

Date : 25.3.83

1. BUDGET HEADING : Titles 1 and 2

APPROPRIATIONS :1983 14.087 mio ECU

2. TITLE : Council Regulation amending Regulation 878/77 with regard to the exchange rates to be applied in agriculture for Belgium and Luxembourg

3. LEGAL BASIS : Council Regulation 129

4. AIMS OF PROJECT : Devaluation of the representative rate for the Belgian and Luxembourg francs to make it identical with the new representative rate from 1 April 1983 for the milk sector, 4 April 1983 for the beef and veal and sheepmeat sectors and the beginning of the 1983/84 marketing year for the other sectors mio ECU

5. FINANCIAL IMPLICATIONS	PERIOD OF 12 MONTHS	CURRENT FINANCIAL YEAR (83)	FOLLOWING FINANCIAL YEAR ()
5.0 EXPENDITURE			
- CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTIONS)		+28	
- XXXXXXXXXXXXXXXXXXXX			
- XXXX			
5.1 RECEIPTS			
- OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES)		+14	
- NATURAL			
.....			
5.0.1 ESTIMATED EXPENDITURE			
5.1.1 ESTIMATED RECEIPTS			

5.2 METHOD OF CALCULATION **See Annex**

6.0 CAN THE PROJECT BE FINANCED FROM APPROPRIATIONS ENTERED IN THE RELEVANT CHAPTER OF THE CURRENT BUDGET ? ~~YES~~/NO

6.1 CAN THE PROJECT BE FINANCED BY TRANSFER BETWEEN CHAPTERS OF THE CURRENT BUDGET ? ~~YES~~/NO

6.2 WILL A SUPPLEMENTARY BUDGET BE NECESSARY ? YES/~~NO~~

6.3 WILL FUTURE BUDGET APPROPRIATIONS BE NECESSARY ? ~~YES~~/NO

OBSERVATIONS : The increase of +28 mio ECU in expenditure and the increase of +14 mio ECU in own resources are budget increases. The measure itself entails a reduction in expenditure of -4 mio ECU and a reduction in own resources of -2 mio ECU (see Annex).

ANNEX

I. INITIAL SITUATION AND LEVEL OF AGRI-MONETARY EXPENDITURE AND INCOME FOR BELGIAN FRANC AND LUXEMBOURG FRANC

1. For the Belgian and Luxembourg francs the 1983 budget provided for a MCA of -2.5 and a double rate coefficient of 0.962.

The proportion of the appropriations entered in the 1983 budget for the Belgian franc and the Luxembourg franc was thus :

Table 1

Mio ECU

<u>Expenditure</u>	<u>1983</u>
MCA's	- 3
Double rate on CMOs	- 26
MCA's to be deducted from the refunds	- 14
TOTAL	- 43
<u>Revenue</u>	
Double rate and MCA's on levies	- 19
Double rate on sugar levies	- 3
TOTAL	- 22

2. The monetary events of 14 June 1982 and 21 March 1983 along with Council Regulation (EEC) No 2792/82 making the representative rate for the Belgian franc and the Luxembourg franc identical with the central rate from 1 November 1982 for pigmeat and olive oil, 14.12.1982 for wine, 1.11.1983 for fishery products and the beginning of the 1983/84 marketing year for all other products give the following schedule of agri-monetary expenditure:

Table II

Mio ECU		

<u>Expenditure</u>	<u>1983</u>	<u>1984</u>
MCAs	+ 10	+ 14
Double rate on CMOs	- 14	+ 11
MCAs to be deducted from the refunds	- 7	- 5

TOTAL	- 11	+ 20

<u>Revenue</u>		
Double rate and MCAs on levies	- 5	+ 8
Double rate on sugar levies	- 1	+ 1

TOTAL	- 6	+ 9

3. The proposed Regulation, which makes the representative rate identical with the new central rate from 1 April 1983 for the milk sector, 4 April 1983 for the beef and veal and sheepmeat sectors and the beginning of the 1983/84 marketing year for the other sectors brings the agri-monetary expenditure and revenue shown at 2 above to the following level:

Table III

Mio ECU		

<u>Expenditure</u>	<u>1983</u>	<u>1984</u>
MCAs	+ 8	0
Double rate on CMOs	- 17	0
MCAs to be deducted from the refunds	- 6	0

TOTAL	- 15	0

<u>Revenue</u>		
Double rate and MCAs on levies	- 7	0
Double rate on sugar levies	- 1	0

TOTAL	- 8	0

II. CONCLUSION

1. The changes in costs from the 1983 budget resulting from the trend of the Belgian franc and the Luxembourg franc and the proposed measures are as follows:

Table IV = Table III -Table I

	Mio ECU
<hr/>	
<u>Expenditure</u>	<u>1983</u>
MCAs	+ 11
Double rate on CMOs	+ 9
MCAs to be deducted from the refunds	+ 8
<hr/>	
TOTAL	+ 28
<hr/>	
<u>Revenue</u>	
Double rate and MCAs on levies	+ 12
Double rate on sugar levies	+ 2
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TOTAL	+ 14
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2. The cost of the proposed measure itself can be estimated at:

Table V - Table III -Table II

	Mio ECU	
<hr/>		
<u>Expenditure</u>	<u>1983</u>	<u>1984</u>
MCAs	- 2	- 14
Double rate on CMOs	- 3	- 11
MCAs to be deducted from the refunds	+ 1	+ 5
<hr/>		
TOTAL	- 4	- 20
<hr/>		
<u>Revenue</u>		
Double rates and MCAs on levies	- 2	- 8
Double rates on sugar levies	0	- 1
<hr/>		
TOTAL	- 2	- 9
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