

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(79) 629 final

Brussels, 15 November 1979

Proposal for a
COUNCIL REGULATION (EEC)

amending Regulation (EEC) No 939/79 laying down
general rules for the supply of milk fats to certain
developing countries and specialized bodies under
the 1979 food-aid programme

Proposal for a
COUNCIL REGULATION (EEC)

amending Regulation (EEC) No 940/79 on the supply of
milk fats to certain developing countries and speci-
alized bodies under the 1979 food-aid programme

(submitted by the Commission to the Council)

COM(79) 629 final

1. Since 1974, the amount of butteroil earmarked by the Budget Authority to be supplied as food aid to developing countries has remained static at 45 000 tonnes. This represents a failure to keep pace with the growing demand manifested by potential recipient countries. In 1979, applications for this product totalled 149 000 t, as against 92 000 t in 1978.

Because of this, the Commission was obliged to reject a large number of applications when drawing up the 1979 programme, and to cut back on the quantities granted.

In its Preliminary Draft Budget for 1979, the Commission had therefore proposed raising the quantity of butteroil from 45 000 t to 55 000 t. The increase was turned down by the Budget Authority, and accordingly the Commission again requested an increase in Community butteroil food aid to 55 000 t as part of its agricultural price proposals for the 1979-80 farm year. On 22 June 1979, the Council of Ministers (Agriculture) gave its support to such an increase, particularly in view of the persistent imbalance on the butter market.

2. The Commission's view is that this supplementary quantity should go as a matter of priority to applicant countries whose needs could not be satisfactorily taken into account in the allocation of the first instalment of the 1979 programme.

The annexed table is based on this criterion, and sets out the relevant data on the countries in question, it being understood that the general aid allocation criteria remain those applicable to the first instalment of 45 000 T.

3. In budgetary terms, the increase involves raising the appropriation for food aid by an estimated 13 million EUA at world prices or 39.1 million EUA at internal prices. The Commission, following the decision of the Council on this communication, will present the appropriate proposals to the Budgetary Authority.

CONCLUSION

To arrive at a decision as soon as possible, as agreed at the Council meeting of 22 June 1979, and to meet the most pressing needs of the developing countries, the Commission proposes that the Council, by the adoption of the Regulations attached :

- to increase to 55 000 T. the quantity of butteroil allocation under the 1979 butteroil aid programme;
- to allocate the additional quantity of 10 000 T. between the different countries and bodies.

FINANCIAL MEMORANDUM

1. Relevant budget headings

Title 9, Article 921 "Food aid in milk products"

Title 6, Chapter 62 "Milk and milk products"

Article 620 "Export refunds".

2. Legal basis

Article 43 of the EEC Treaty and Regulation No 804/68 of 27 June 1968 on the common organization of the market in milk and milk products.

3. Description, objectives and justification of the operation

The 10 000 T increase in the amount of butteroil to be supplied as food aid under the 1979 programme is designed to cover the most urgent needs stated by developing countries, particularly those whose requirements were not fully met when the first 45 000 T instalment of the 1979 programme was allocated.

4. Type of expenditure

The expenditure is to cover the cost of purchasing and packing the butteroil and transporting it to the port of loading.

In line with the 1979 budget format, this expenditure is entered partly under Title 9 (world market price of product + packing + transport costs) and partly under Title 6 (export refunds).

5. Method of calculation

1. Title 9 : item 9213

	EUA
- amount to be supplied at world price	
10.000 T. x 951.8 u.a./t. ⁽¹⁾ x 1.2244 ⁽²⁾ =	11.653.000

- transport costs	
6.465 T. x 180 u.a./t. x 1.244 ⁽²⁾ =	1.425.000

2. Title 6 : item 6202

export refunds	
10.000 T. x 2.130 u.a./t. x 1.2244 ⁽²⁾ =	26.079.000

TOTAL	39.157.000
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(1) This figure represents the intervention price for butter (2 357.2 u.a./t) multiplied by the butter/butteroil conversion rate (1.22) plus the cost of transforming butter into butteroil (196 u.a./t) and carriage to the FOB stage (10 u.a./t), minus the refund (2.130 u.a./t) :

$$2\ 357.2 \times 1.22 = 2\ 875.8 + 196 + 10 = 3\ 081.8 - 2\ 130 = 951,8 \text{ u.a./t.}$$

(2) Dual rate coefficient.

BUTTEROIL (2nd INSTALMENT)

Country	Amount requested in 1979	Use FD: free distribution SFC: sale to final consumer SDI: sale to dairy industry	Needs	Direct aid 1978 (t)	1979 (t)	Proposed amount (t) Financing arrangements*	Remarks
Bangladesh	12 000	SFC, SDI	12 000	3 000	3 000	1 000 PU	
Egypt (R.A.)	15 000	SDI for sale at reduced price	7 000	800 (+ 1960 reserve 77)	2 800	1 200 PL	
Ethiopia	1 500	FD	2 925	1 500	-	500 PU	1978 aid delivered at beginning of 1979
Ghana	10 000	SDI	2 350	200	200	300 PU	
Guinea Conakry	500	FD	530	185	token entry	200 PU	
Honduras	2 000	SFC	1.500	515	515	500 PL	
India	20 000	SDI (Operation Flood II)	20 000	12 700	12 700	1 500 PU	
Malta				-	-	100 PL	
Mauritania	5 000	FD	1 868	900	500	400 PU	

44

Mozambique	920	SFC	800	100	250	150 PU	
Pakistan	10 000	SFC	10 000	2 900	1 000	500 PL	
Peru	2 000	SDI	11 000	-	token entry	600 PL	
El Salvador	835	FD	832	-	-	200 PL	Nutrition programme started 1976
Somalia	6 000	FD	4 500	500 (reserve 78)	300	600 PU	
Syria	4 000	SFC	8 500	-	200	300 PL	
Uganda		FD		-	-	(200) DD	World's 13th largest groundnut producer, but situation catastrophic
UNHCR	3 500	FD		-	1 500	1 000 DD	
Reserve						750	
TOTAL			87 205	24 560	22 965	10 000	

*PL = port of loading
FU = port of unloading
DD = delivered destination

ANNEX 3

Proposal for a

COUNCIL REGULATION (E E C)

amending Regulation (EEC) No. 939/79 of laying down general rules for the supply of milk fats to certain developing countries and specialised bodies under the 1979 food-aid programme.

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 (E E C) No. 804/68 of 27 June 1968 on the common organization of the market in milk and milk products⁽¹⁾, as last amended by Regulation (EEC) No. 1761/78⁽²⁾, and in particular Article 6 (6) thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament⁽³⁾,

Whereas certain developing countries and specialized bodies have indicated their requirements in milk fats,

Whereas these fats may be supplied in the form of butter or butteroil produced in the Community and meeting certain quality standards,

Whereas the amounts available at present in the Community enable the allocation of an additional quantity of 10 000 tonnes of butteroil to the 45 000 tonnes already allocated under the 1979 food-aid programme by Council Regulation (EEC) No. 939/79⁽⁴⁾,

(1) O.J. No L 148, 28.6.68, p. 13

(2) O.J. No L 204, 28.7.78, p. 6

(3) O.J. No C

(4) O.J. No L 119, 15.5.79, p. 5

HAS ADOPTED THIS REGULATION:

Article 1

In Article 1 of Regulation (EEC) 939/79, the quantity "4500" shall be replaced by the quantity "5500".

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
The President

ANNEX 4

Proposal for a

COUNCIL REGULATION (EEC)

amending Regulation (EEC) No. 940/79
on the supply of milk fats to certain developing countries and
specialised bodies under the 1979 food-aid programme

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic
Community,

Having regard to Council Regulation (EEC) No. 939/79 of 8 May 1979,
laying down general rules for the supply of milk fats to certain
developing countries and specialised bodies under the 1979 food-aid
programme⁽¹⁾, as amended by Regulation No. /79⁽²⁾, and in
particular Articles 3 and 8 thereof,

Having regard to the proposal from the Commission,

Whereas Regulation (EEC) No. /79 amending Regulation (EEC) No 939/79
increased to 55,000 tonnes the quantity of butteroil to be supplied under
the 1979 food-aid programme, whereas the additional quantity of
10,000 tonnes should be allocated among the various countries and
bodies from which applications have been accepted and arrangements
for financing specified; whereas 1230 tonnes of
butteroil should be kept as a contingency reserve for future
allocation; whereas Council Regulation (EEC) No 940/79 should
therefore be amended;

(1) O.J. No. L 119, 15.5.79, p.5

(2) O.J. No. L

(3) O.J. No L 119, 15.5.79, p.7

HAS ADOPTED THIS REGULATION

Article 1

Regulation (EEC) No 940/79 is hereby amended as follows:

1. In Article 1, the quantity "4500" shall be replaced by the quantity "5500".

The Annex shall be replaced by the Annex to this Regulation.

Article 2

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

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

Done at

For the Council
The President

ANNEX

BUTTEROIL FOOD-AID PROGRAMME 1979

Recipient countries and bodies	Quantities allocated (tonnes)	Arrangements for financing (1)
<u>COUNTRIES</u>		
Bangladesh	4 000	PU
Chad	100	DD
Egypt	4 000	PL
El Salvador	200	PL
Ethiopia	500	PU
Ghana	500	PU
Guinea	200	PU
Guinea Bissau	175	PU
Guyana	100	PL
Honduras	1 015	PL
India	14 200	PU
Jamaica	200	PL
Jordan	1 125	PL
Lebanon	650	PL
Lesotho	100	DD
Mali	105	DD
Malta	100	PL
Mauritania	900	PU
Mauritius	100	PL
Mozambique	400	PU
North Yemen	500	PL
Pakistan	1 500	PL
Peru	600	PL
Republic of Cape Verde	250	PU
Rwanda	200	DD
Sao Tome and Principe	200	PU
Sierra Leone	200	PU
Somalia	900	PU
Sri Lanka	200	PU
Sudan	500	PL
Syria	500	PL
Tanzania	400	PU
Uganda	200	DD
Upper Volta	250	DD
Vietnam	4 000	PU
Zambia	500	PL
<u>BODIES</u>		
CRS	2 000	DD
ICRC	1 000	DD
LICROSS	500	DD
UNHCR	2 500	DD
UNRWA	3 200	DD
WFP	5 000	DD
RESERVE	1 230	
TOTAL	55 000	
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(1) PL = Port of Loading; PU = Port of Unloading; DD = Delivered Destination

(2) Emergency schemes may include financing to cover the cost of transport between the port of destination and the cost of distribution where aid is channelled via a specialised body. Such financing may be wholly or partly in the form of a lump sum contribution.

