

COMMISSION OF THE EUROPEAN COMMUNITIES

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COM(78) 62 final

Brussels, 13 February 1978

Proposal for a
COUNCIL REGULATION (EEC)

amending Regulation (EEC) No 1418/76 on the
common organization of the market in rice

(submitted to the Council by the Commission)

COM(78) 62 final

EXPLANATORY MEMORANDUM

1. Pursuant to the first subparagraph of Article 227 (2) of the EEC Treaty, the common organisation of the market in rice applies to the French overseas departments, with the exceptions of the provisions relating to the European Agricultural Guidance and Guarantee Fund. Refunds and intervention measures are financed by France while levies are considered as Community own resources and are entered under its Budget.

2. The overseas department of Reunion, having no domestic rice production is completely dependent on imports These have been as follows:

in tonnes

Origin	1975	1976	1977 (six month)
Italy	24.518	3.970	-
France	-	-	1
Non-member countries	19.475	52.901	18.400
Total	43.993	56.871	18.401

Among the main suppliers are Asian countries such as Thailand and Pakistan.

3. Rice forms the principal foodstuff of the least favoured categories of the population of Reunion. Per capita consumption is 110 kilograms per annum compared with 3 kilograms per annum in the Community with the result that the effect of levies weighs considerably more heavily on the family budget of the inhabitants of Reunion.

4. Rice is imported into Reunion almost exclusively in the form of long-grained husked rice. In 1976/77 the average levy for this category of rice was 138.25 units of account per tonne and during the first five months of the 1977/78 marketing year 99.75 units of account per tonne. The world market prices recorded at Rotterdam, for uncorrected quality, was 215.35 and 245.64 units of account per tonne respectively for the same periods.

5. To improve its supply situation it is proposed that import levies should no longer be applied to rice in the overseas department of Reunion, this measure being limited however to the level of the component for the protection of the industry (11.50 units of account per tonne) for milled and semi-milled rice. For the sake of equality, rice from the Community should enjoy the same advantage. It is therefore necessary, to subsidize Community

supplies to Reunion. So that this subsidy may be financed by the European Agricultural and Guidance and Guarantee Fund it is proposed that the provisions concerning the Guarantee Section of the EAGGF should also apply to the said Department in respect of rice products.

COUNCIL REGULATION (EEC)

amending Regulation (EEC) No 1418/76 on the common organisation of the
market in rice

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,
and in particular Articles 43 and 227 thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament ¹⁾,

Whereas pursuant to the first subparagraph of Article 227 (2) of the EEC Treaty, the common organisation of the market in rice applies to the French overseas departments; whereas import levies are considered as own resources of the Community;

Whereas no rice is cultivated in the overseas department of Reunion; whereas this department is therefore completely dependent on imports;

Whereas rice constitutes the basic foodstuff of the least favoured categories of the population of Reunion; whereas per capita consumption considerably exceeds that of the Community; whereas the supply position should be improved by the introduction of special arrangements for rice for local consumption;

Whereas import levies should therefore no longer be applied in the overseas department of Reunion;

Whereas the threshold price for milled rice includes a component for the protection of the industry which is currently fixed at 11.50 units of account per tonne; whereas in order to continue to protect the industry established in Reunion, a levy equal to the amount of this protection component should be maintained.

Whereas rice imported into Reunion does not only come from non-member countries but also from Member States; whereas, in the interests of equal treatment and Community preference, rice from Member States should enjoy an advantage corresponding to that accorded to rice from non-member countries;

Whereas the expenditure incurred by the Member States as a result of their obligations under Council Regulation (EEC) No 1418/76 of 21 June 1976 on the common organisation of the market in rice ²⁾, as amended by Regulation (EEC) No 1158/77 ³⁾, are financed by the Guarantee Section of the European Agricultural Guidance and Guarantee Fund pursuant to Articles 2 and 3 of

1) OJ No

2) OJ No L 166, 25. 6.1976, p.1.

3) OJ No L 136, 2. 6.1977, p. 13.

Council Regulation (EEC) No 729/70 of 21 April 1970 on the financing of the common agricultural policy ⁴⁾, as last amended by Regulation (EEC) No 2788/72 ⁵⁾;

Whereas, however, pursuant to Article 227 (2) of the Treaty and in the absence of provisions to the contrary adopted by the Council, such Community financing does not apply to expenditure arising out of the application of Regulation (EEC) No 1418/76 in the French overseas departments;

Whereas the non-application of the levy to rice imported from non-member countries is only justified if rice from Member States enjoys an equivalent advantage; whereas this implies a subsidy equal to the amount of the levy; whereas it is not justified to exclude such a subsidy from Community financing; whereas it should consequently be provided that Article 40 (4) of the Treaty should apply to the French department of Reunion also in respect of rice;

HAS ADOPTED THIS REGULATION:

Article 1

The following Articles are hereby added to Regulation (EEC) No 1418/76

I. "Article 11a

1. This Article shall apply to products intended for consumption in the French overseas department of Reunion.
2. By way of derogation from Article 11 (1)(a), (b), (c), (d) and (i), no levy shall be charged on imports of products falling within tariffs subheading 10.06 A and 10.06 C in the French overseas department of Reunion.
3. By way of derogation from Article 11 (1) (e), (f), (g) and (h), the levy to be charged on imports of products falling within tariff subheading 10.06 B in the French overseas department of Reunion shall be equal to the amount for the protection of the industry referred to in Article 14 (3).
4. For deliveries to the overseas department of Reunion of products falling within tariff heading No 10.06 originating in Member States and covered by one of the situations referred to in Article 9 (2) of the Treaty, a subsidy shall be granted equal to the levy applicable to the product concerned on the day on which the product is released on the market in Reunion. However, for products falling within tariff subheading No 10.06 B, this subsidy shall be reduced by the amount for the protection of the industry referred to in paragraph 3.

4) OJ No L 94, 28. 4.1970, p.13.

5) OJ No L 295, 30.12.1972, p. 1.

5. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 27.

II. Article 24a

Article 40 (4) of the Treaty and the provisions adopted to implement Article 40 shall apply, insofar as the Guarantee Section of the European Agricultural Guidance and Guarantee Fund is concerned, to the French overseas department of Reunion in respect of the products referred to in Article 1".

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

FINANCIAL STATEMENT

DATE : 8.2.78

1. BUDGET LINE CONCERNED : 1003
611

84 m.E.U.A.
CREDITS : 1 m E.U.A.

2. ACTION : Proposal for a Council Regulation amending Regulation (EEC) No 1418/76 on the common organisation of the market in rice.

3. LEGAL BASIS : Articles 43 and 227 of the Treaty

4. OBJECTIVES : To improve the supply situation in rice on the Island of Reunion.

5. FINANCIAL CONSEQUENCE	PERIOD OF 12 MONTHS	CURRENT FINANCIAL YEAR (78)	FOLLOWING FINANCIAL YEAR (79)
5.0 EXPENDITURE			
-CHARGED TO THE EC BUDGET (RESEARCH/INTERVENTIONS)	0.5 M. E.U.A.	0.3 M. E.U.A.	0.5 M.E.U.A.
-CHARGED TO NATIONAL ADMINISTR.			
-CHARGED TO OTHER NATIONAL GROUPS			
5.1 RECEIPTS			
-OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES)	- 5.0 M. E.U.A.	- 3.0 M. E.U.A.	- 4.0 M. E.U.A.
-NATIONAL			

	YEAR 1980	YEAR 1981	YEAR 1982
5.0.1 PLURIANNUAL PATTERN OF EXPENDITURE	0.5 m. u.a.	0.5 m.u.a.	0.5 m.u.a.
5.1.1 PLURIANNUAL PATTERN OF RECEIPTS	- 4.0 m. E.U.A.	- 4.0 m. E.U.A.	- 4.0 m.E.U.A.

5.2 METHOD OF CALCULATION

Estimated imports from non-member countries: 45.000 tonnes per year.
 Estimated imports from Community market 5.000 tonnes per year.
 Estimated rate of the levy not applied: 90 units of account per tonne
 Estimated amount of the subsidy for Community rice: 90 units of account per tonne

6.0 FINANCING POSSIBLE WITH CREDITS INSCRIBED IN RELEVANT CHAPTER OF CURRENT BUDGET ? XX/NO

6.1 FINANCING POSSIBLE BY TRANSFER BETWEEN CHAPTERS OF CURRENT BUDGET ? YES/XXXX

6.2 NECESSITY FOR A SUPPLEMENTARY BUDGET ? XXXX/NO

6.3 CREDITS TO BE WRITTEN INTO FUTURE BUDGETS ? YES/XXXX

COMMENTS :