

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(76) 146 final

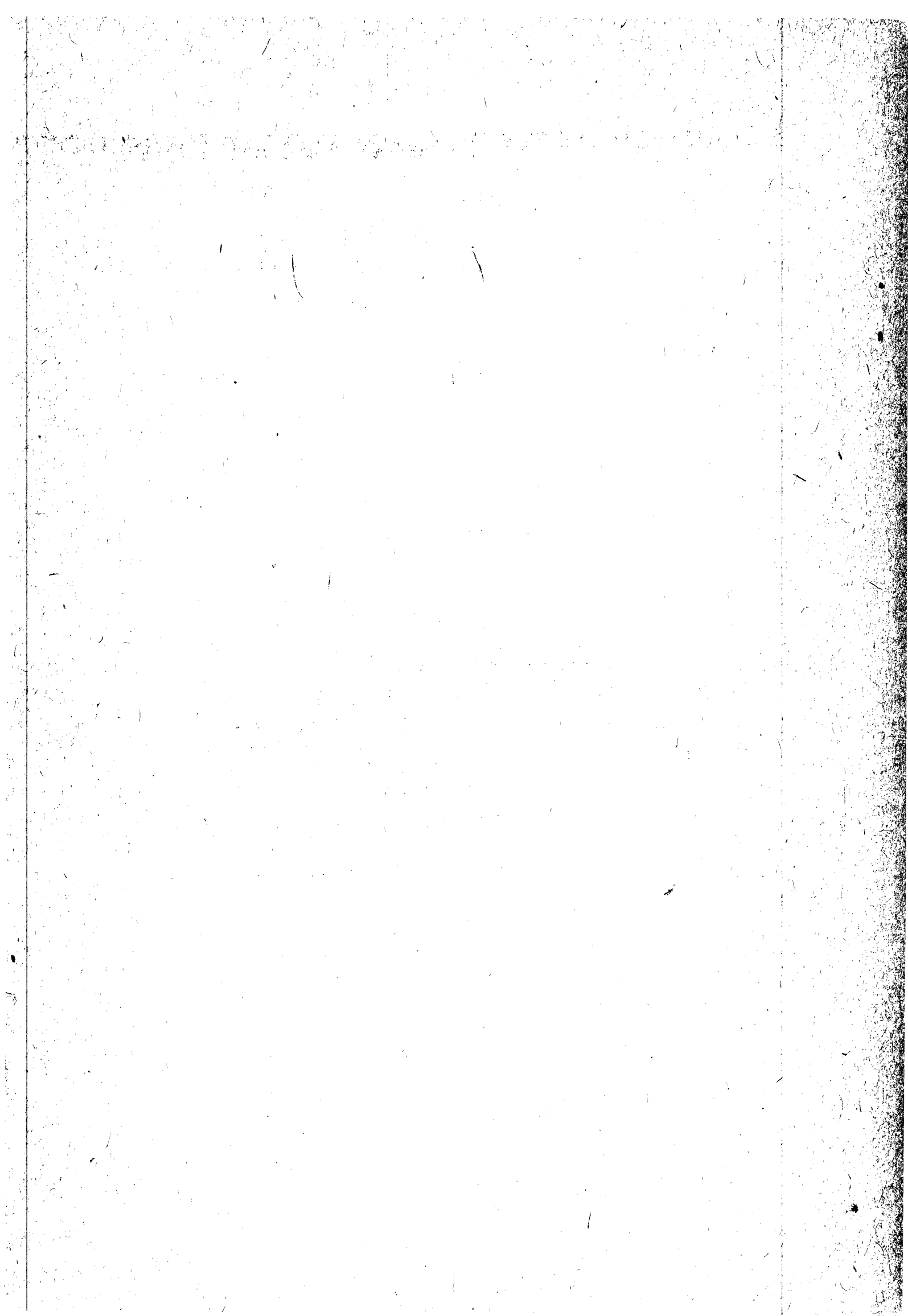
Brussels, 2 April 1976

Proposal for a
COUNCIL REGULATION (EEC)

on the transfer to the Italian intervention agency
of common wheat held by the French intervention
agency

(submitted to the Council by the Commission)

COM(76) 146 final



EXPLANATORY NOTE

Re: Draft Council Regulation on the transfer to the Italian intervention agency of common wheat held by the French intervention agency.

The Italian authorities have requested permission to use 100 000 t of common wheat in intervention in the Community in order to meet supply difficulties.

The market price for common wheat in Italy is well above the intervention price. This is due on the one hand to the structural deficit in common wheat production in Italy and on the other hand to the speculative with holding of stocks, caused by the depreciation of the lira on the exchange markets. This latter factor has been an obstacle to imports from non-member countries and from the Community.

In order to stabilize the market, the Italian authorities, have therefore put part of the intervention stocks (100 000 t) out for tender and the remaining quantities will be put up for sale, but these may prove insufficient.

In view of the supplies available to the French and German intervention agencies it will be possible to put 100 000 t of common wheat at the disposal of the Italian intervention agency.

Given that at the present time a refund of 30 u.a./t. is granted for the export of this cereal and that market prices in Italy are 25/30% above the intervention price, there exists a profit margin for the EAGGF which would make it possible to cover the transport costs arising from this operation without any loss to the EAGGF.

This calculation is valid if transport costs are limited between France and Italy.

COUNCIL REGULATION (EEC)

on the transfer to the Italian intervention agency of common wheat held by
the French intervention agency

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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 2727/75 of 29 October 1975 on the common organization of the market in cereals ⁽¹⁾, as last amended by Regulation (EEC) No /76 ⁽²⁾, and in particular Article 7 (4) thereof,

Having regard to Council Regulation (EEC) No 729/70 of 21 April 1970 on the financing of the common agricultural policy ⁽³⁾, as last amended by Regulation (EEC) No 2788/72 ⁽⁴⁾, and in particular Article 3 (2) thereof,

Having regard to Council Regulation (EEC) No 2738/75 of 29 October 1975 laying down general rules for intervention on the market in cereals ⁽⁵⁾, and in particular Article 4 thereof,

Whereas the Italian market for common wheat is experiencing supply difficulties and is currently characterised by fairly high price levels; whereas several factors have given rise to this situation; these are the structural production deficit in Italy, speculative retention caused by the depreciation of the Italian Lira on the exchanges and the decrease in imports which have been made more difficult as a result of these monetary events;

Whereas in response to this situation the Italian authorities have offered for sale part of the existing intervention stocks; whereas the offer for sale of the quantity remaining may turn out to be insufficient to restore the supply situation to normal;

.../...

(1) OJ No L 281, 1.11.1975, p. 1
(2) OJ No L 1976, p.
(3) OJ No L 94, 28. 4.1970, p. 13
(4) OJ No L 275, 30.12.1972, p. 1
(5) OJ No L 281, 1.11.1975, p. 49

Whereas in order to attain this objective part of the quantity of common wheat which is still available in intervention in the rest of the Community should be made available to the Italian intervention agency; whereas a certain amount of common wheat is still held by, inter alia, the French intervention agency;

Whereas detailed rules for taking over the wheat and for the transfer of responsibility should be laid down;

Whereas provision should be made for this operation to be integrated into the arrangements contained in Council Regulation (EEC) No 787/69 of 22 April 1969 on the financing of intervention expenditure in respect of the domestic market in cereals and in rice⁽⁶⁾, as last amended by Regulation (EEC) No 330/74⁽⁷⁾;

Whereas this operation involves the Guarantee Section of the European Agricultural Guidance and Guarantee Fund assuring responsibility for transport costs; whereas it is also clear that the Community's monetary Regulations do not apply to this operation;

HAS ADOPTED THIS REGULATION :

Article 1

The French intervention agency shall, until 31 May 1976, hold 100 000 metric tons of common wheat at the disposal of the Italian intervention agency which may take delivery of it under the conditions specified in Article

Article 2

1. The Italian intervention agency shall take delivery of the wheat at the place in which it is stored and shall thereupon assume responsibility for it.
2. The delivery operations referred to in paragraph 1 shall be assigned by tender. Such operations shall refer to the supply of wheat in stock at the departure point delivered to the store in the Italian ports designated by the Italian intervention agency.

The successful tenderer shall be the tenderer or tenderers who offer the best terms.

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⁽⁶⁾ OJ No L 105, 2.5.1969, p. 4
⁽⁷⁾ OJ No L 37, 9.2.1974, p. 5

3. The tender shall be carried out by the Italian intervention agency.

The Italian intervention agency shall determine the clauses and conditions of the invitation to tender in so far as they are compatible with the provisions of this Regulation. They may provide for, in particular, the lodging of a security to guarantee the fulfilment of the obligations under the tender. They shall also ensure equality of access and treatment for all interested parties wherever they may be established in the Community.

4. Tenders must be made in Italian Lira to the Italian intervention agency.
5. The Italian authorities shall keep the Commission informed of the operation of the invitation to tender.

Article 3

1. The French intervention agency shall show the quantity of common wheat transferred under Article 1 as a zero debit in the account referred to in Article 3 (1) of Regulation (EEC) No 787/69.
2. The Italian intervention agency shall show wheat taken over by it under Article 1 as a zero credit in the account referred to in paragraph 1.

Article 4

The costs provided for in the invitation to tender referred to in Article 2 for the quantity of common wheat specified in Article 1 shall be entered in the account referred to in Article 3(1) of Regulation (EEC) No 787/69.

Article 5

1. The Italian Republic shall take all necessary steps to ensure that, when resold, the common wheat referred to in Article 1 is used exclusively for the manufacture of foodstuffs to be supplied to the population.
2. Commission Regulation (EEC) No 376/70 of 27 February 1970 laying down the procedure and conditions for the disposal of cereals held by intervention agencies ⁽⁸⁾, as last amended by Regulation (EEC) No 129/73 ⁽⁹⁾, shall apply to the common wheat referred to in Article 1.

(8) OJ No L 47, 28.2.1970, p. 49

(9) OJ No L 17, 20.1.1973, p. 17

Article 6

This Regulation shall enter into force on

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

Done at Brussels,

For the Council

The President
