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COMMISSION OF THE EUROPEAN COMMUNITIES

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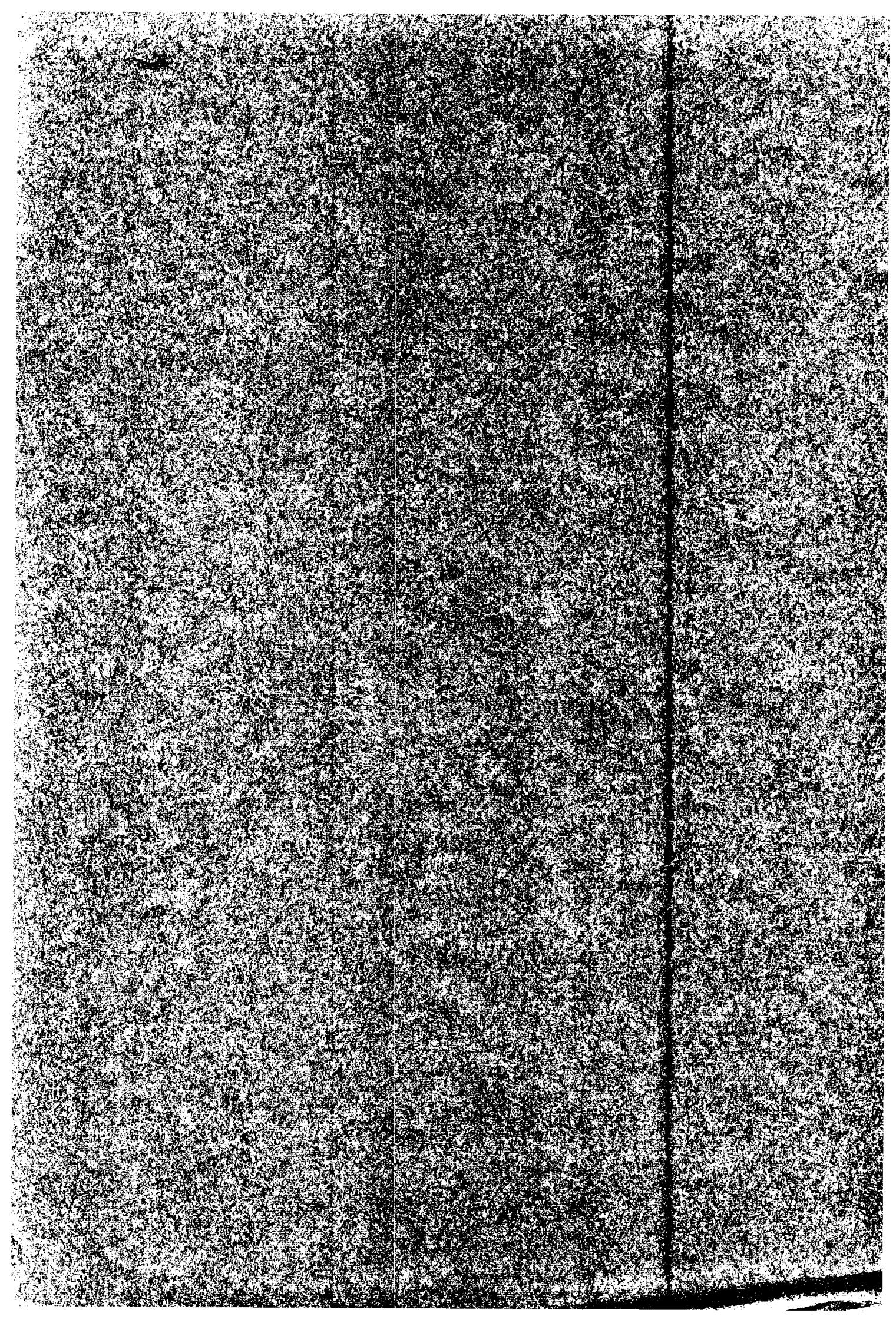
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SERIALS UNIT

Proposal for a
COUNCIL REGULATION (EEC)

amending for the fourth time Regulation (EEC) No 2453/76 on the transfer to the Italian intervention agency of frozen beef and veal held by the intervention agencies of other Member States

(submitted to the Council by the Commission)

COM(78) 271 final



MEMORANDUM

1. This draft Regulation recognizes the practical problems encountered during the sale in Italy of the 40 000 tonnes of frozen beef (30 000 tonnes of bone-in beef and 10 000 tonnes of boneless beef) made available to the Italian intervention agency by the intervention agencies of other Member States. It is recalled that the first consignments of this meat from the intervention stocks of the other Member States have been transferred to Italy since 20 January 1977 and that the last consignments were stored in Italy on 1 March 1978.

Council Regulation (EEC) N° 2453/76 of 5 October 1976 on the transfer to the Italian intervention agency of frozen beef and veal held by the intervention agencies of other Member States (1) envisaged that this meat would be sold before 1 April 1977. Then, this Regulation was extended, in turn, by Council Regulation (EEC) N° 314/77 (2) fixing the end date at 1 July 1977, by Council Regulation (EEC) N° 1330/77 (3) fixing the end date at 1 December 1977, and by Council Regulation (EEC) N° 2584/77 (4) which, yet again, extended the end date to 1 July 1978.

2. The problems encountered during the sale of the stocks in question on the Italian market could be summarized as follows:
 - a) Legal and administrative problems : the Italian Government was obliged to amend the national regulations concerning the possibility of retailing this frozen beef ; the Commission changed, on four occasions, the selling prices ex cold store in view of the different cuts and presentations of this meat, in order to keep consumer prices expressed in lira, constant ;
 - b) economic and marketing difficulties : in effect the sale of this meat takes place without the intermediary wholesaler and the retailing butchers are not adequately organized or equipped to carry out quickly the operations of advance financing of purchases, the technical preparation of frozen meat and its marketing in a condition acceptable to consumers.
3. Taking account of the afore mentioned, it is appropriate to note that the commencement of the sale of this meat in Italy was very difficult and that the rhythm of sale increases regularly but slowly.

(1) OJ N° L 279, 9.10.1976, p. 3
(2) OJ N° L 45, 19. 2.1977, p. 1
(3) OJ N° L 154, 23. 6.1977, p. 1
(4) OJ N° L 301, 15.11.1977, p. 6

At the moment the quantity sold each week oscillates between 500 and 600 tonnes. On 15 May 1978 a total of 6 962 tonnes of bone-in beef and 7 808 tonnes of boneless beef were sold, so that the stocks transferred have been used only in part and consequently about 22 997 tonnes of bone-in beef and about 2 168 tonnes of boneless beef remain unsold.

It seems appropriate therefore to note that it will not be possible for the Italian authorities to sell this quantity before 1 July 1978, the end date fixed by the Council.

To the extent that the recent amendments to the regulations applicable to the sale of this meat will make the sale more easy, it is possible to envisage that a sale of 1 000 tonnes per week could be achieved. In these circumstances one is justified in hoping that the remainder of the meat transferred will be sold by 31 December 1978.

This draft aims to replace the current end date of 1 July 1978 by 1 January 1979.

COUNCIL REGULATION (EEC)

amending for the fourth time Regulation (EEC) N° 2453/76 on the transfer to the Italian intervention agency of frozen beef and veal held by the intervention agencies of other Member States

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) N° 805/68 of 27 June 1968 on the common organization of the market in beef and veal (1), as last amended by Regulation (EEC) N° 425/77(2), and in particular Article 7(2) thereof,

Having regard to Council Regulation (EEC) N° 729/70 of 21 April 1970 on the financing of the common agricultural policy (3), as last amended by Regulation (EEC) N° 2788/72(4), and in particular Article 3(2) thereof,

Having regard to the proposal from the Commission,

Whereas Article 1 of Council Regulation (EEC) N° 2453/76 of 5 October 1976 on the transfer to the Italian intervention agency of frozen beef and veal held by the intervention agencies of other Member States (5), as last amended by Regulation (EEC) N° 2584/77 (6), provides for the disposal on the Italian market before 1 July 1978 of certain quantities of carcasses, compensated quarters and boned beef.

Whereas this date should be replaced by 1 January 1979 as a result of the practical difficulties encountered in organizing the selling of this beef,

HAS ADOPTED THIS REGULATION :

Article 1

In Article 1(1) of Regulation (EEC) N° 2453/76 the date '1 July 1978' is hereby replaced by '1 January 1979'.

Article 2

This Regulation shall enter into force on 1 July 1978.

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

Done at Brussels,

For the Council

(1) OJ N° L 148, 28. 6.1968, p. 24
(2) OJ N° L 61, 5. 3.1977, p. 1
(3) OJ N° L 94, 28. 4.1970, p. 13

(4) OJ N° L 295, 30.12.1972, p. 1
(5) OJ N° L 279, 9.10.1976, p. 3
(6) OJ N° L 301, 25.11.1977, p. 1

FINANCIAL STATEMENT

DATE: 25 May 1978

1. BUDGET LINE CONCERNED: 6511. Appropriations: 218.3 million EUA

2. ACTION: Proposal for a Council Regulation amending Regulation No 2453 on the transfer of frozen beef to the Italian intervention agency.

3. LEGAL BASIS: Article 7 of Council Regulation No 805/68.

4. OBJECTIVES: Extension, for reasons specified in the explanatory memorandum, of the time lit for the disposal of the beef transferred to the Italian intervention agency (Art. 1)

5. FINANCIAL CONSEQUENCE	FOR THE MARKETING YEAR	CURRENT FINANCIAL YEAR (78)	FOLLOWING FINANCIAL YEAR (79)
5.0 EXPENDITURE - CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTIONS)		2 million EUA	
XXXXXXXXXXXXXXXXXXXXXXXXXXXX			
XXXXXXXXXXXXXXXXXXXXXXXXXXXX			
XXXXXXXXXXXX			
XXXXXXXXXXXXXXXXXXXXXXXXXXXX			
XXXXXXXXXXXX			

YEAR YEAR YEAR

~~XXXXXXXXXXXXXXXXXXXXXXXXXXXX~~

~~5.1 ANNUAL BUDGETARY RESOURCES~~

5.2 METHOD OF CALCULATION

a) Extension of the storage period involves the following expenditure :

- storage costs $25,000 \text{ t} \times 0.40 \text{ UA/t/day} \times 180 \text{ days} \times 0.5 = 0.9 \text{ million UA}$
- financing charges $25,000 \text{ t} \times 0.08 \times 1800 \text{ UA/t} \times 6/12 \times 0.5 = 0.9 \text{ million UA}$

Total 1.8 million UA

or 2.0 million UA

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

6.1 FINANCING POSSIBLE BY TRANSFER FROM CHARGES OF CURRENT BUDGET ? YES/NO

6.2 RESOURCES FOR A SUPPLEMENTARY BUDGET ? YES/NO

6.3 RESOURCES TO BE PRICED INTO FUTURE BUDGETS ? YES/NO

COMMENTS :