

# COMMISSION OF THE EUROPEAN COMMUNITIES

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Brussels, 19 June 1974

Proposal for a

REGULATION (EEC) OF THE COUNCIL

amending Regulation No 139/67/EEC on the fixing  
and granting of export refunds on cereals

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(submitted to the Council by the Commission)

## EXPLANATORY STATEMENT

1. According to the first sub-paragraph of Article 16(4) of Council Regulation No 120/67/EEC, the export refunds for the basic cereals may be subject to advance fixing. In that case, the refund must be adjusted on the basis of the threshold price in force in the month of export. However, there may be applied to it a corrective amount which is fixed independently.

The second sub-paragraph of Article 16(4) provides for the possibility of applying the provisions cited above, wholly or partially, to cereal based processed products. For certain flours, groats and meals advance fixing has been partly introduced by Article 4(1) of Regulation No 139/67/EEC. Now, for these products it has proved necessary in practice to establish a system of correctives similar to that for the basic cereals. In this way, particularly for flour, better account can be taken of the future development of the markets.

The attached draft aims at applying, from now on, all the rules governing advance fixing to the products listed in Article 1(c) of Regulation No 120/67/EEC.

2. The Commission, in its Memorandum to the Council of 31 October 1973, proposed some improvement to the Common Agricultural Policy. Among these improvements there figured, as regards cereals, the setting up of a system of tendering for the export refunds in order to increase the flexibility of management of the market. In the attached proposal the Commission is taking the first step toward the application of such a system; such a system is moreover in force for the fixing of the export levy.
3. Article 8 of Regulation No 139/67/EEC provides for weekly fixing of the export refunds under Management Committee (Cereals) procedure. This provision has proved too rigid in practice, particularly when world market prices have clearly exceeded Community prices over a long period. In order to avoid so far as possible taking decisions which have no economic consequence, it is proposed to replace the existing periodicity by one more adaptable to different situations.

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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 No 120/67/EEC <sup>(1)</sup> of 13 June 1967 on the common organisation of the market in cereals, as last amended by Regulation (EEC) No /74 <sup>(2)</sup> \*, and in particular Article 16(5) thereof;

Having regard to the proposal from the Commission;

Whereas Article 16(4) of Regulation No 120/67/EEC provides for the possibility of applying the provisions governing the advance fixing of export refunds, wholly or in part, to processed products based on cereals; whereas for certain flours, groats and meals this has been introduced in part by Article 4(1) of Council Regulation No 139/67/EEC <sup>(3)</sup> of 21 June 1967 laying down general rules for granting export refunds on cereals and criteria for fixing the amount of such refunds; whereas the possibility of adjusting the refund by the application of a corrective amount should also be introduced for these products;

Whereas the refund constitutes an instrument for permitting the flow of Community surpluses towards third countries; whereas this flow could be achieved upto now by using the refund without any quantitative restriction; whereas it is however important in certain situations, and particularly in periods of uncertainty or of large price fluctuations on the world market, to ensure more precise management of exports; whereas the fixing of the refund by means of tenders seems to be a method capable of attaining this objective;

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(1) OJ No 117, 19.6.1967, p. 2269/67;

(2) \* Draft Regulation amending Regulation No 120/67/EEC on the common organisation of the market in cereals.

(3) OJ No 125, 26.6.1967, p. 2453/67.

Whereas Article 8 of Regulation No 139/67/EEC provides for weekly fixing of the export refunds for the basic cereals; whereas this frequency is not always necessary for good management of the market;

HAS ADOPTED THIS REGULATION:

Article 1

Article 4(1) of Regulation No 139/67/EEC is replaced by the following:

"1. For the products listed in Article 1(c) of Regulation No 120/67/EEC, the refund applicable on the day on which the application for export licence is lodged, adjusted on the basis of the threshold price in force during the month of exportation, shall be applied to exports to be effected during the validity of the export licence if the applicant so requests when applying for the licence. In that case a corrective amount, which may be fixed at the same time as the refund and according to the same procedure, shall be applied to the refund; however, when necessary, the Commission, following a request from a Member State or on its own initiative, may take a different decision in the interval".

Article 2

The following Article shall be added to Regulation 139/67/EEC:

"Article 4 a

1. The refund for the products referred to in Article 1(a) and (b) of Regulation No 120/67/EEC may be fixed by means of tenders. These tenders shall relate to the amount of the refund.
2. The detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 26 of Regulation No 120/67/EEC.

Article 3

Article 8 of Regulation No 139/67/EEC is replaced by the following:

"The refunds on the products listed in Article 1(a), (b) and (c) of Regulation No 120/67/EEC shall be fixed at least once a month".

Article 4

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

The President

