REGULATION (EEC) No 1132/74 OF THE COUNCIL

of 29 April 1974

on production refunds in the cereals and rice sectors

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 (1) of 13 June 1967 on the common organization of the market in cereals, as last amended by Regulation (EEC) No 1125/74 (2), and in particular Article 11 (3) thereof;

Having regard to Council Regulation No 359/67/EEC (3) of 15 July 1967 on the common organization of the market in rice, as last amended by Regulation (EEC) No 1129/74 (4), and in particular Article 9 (2) thereof;

Having regard to the proposal from the Commission;

Whereas, on account of the special situation on the market in starches and, in particular, the need for the starch industry to ensure that its prices are competitive with those of substitute products, Regulation Nos 120/67/EEC and 359/67/EEC provided for the granting of a production refund, in order that the starch industry might obtain the basic products it requires at a lower price than that which would result from the application of the rules of the common organization of the markets in the products in question;

Whereas a precise assessment of the situation resulting from the level of common prices and from the competition between, on the one hand, maize starch, rice starch, potato starch and, on the other, the substitute chemical products, indicates that the refund should be fixed at such a figure that the price of maize used in starch manufacture is brought down to 8·20 units of account per 100 kilogrammes; whereas this price of 8·20 units of account for common wheat ensures a proper balance between the use of this product and the use of maize; whereas in order to obtain the same balance in the use of rice, the refund for broken rice should be fixed at such a figure that the price of broken rice is brought down to 10·20 units of account per 100 kilogrammes; whereas, however, the level of the abovementioned supply prices should be guaranteed only insofar as the price of the basic products on the world market is situated below the threshold price for each of these products;

Whereas on account of the connection between the production prices of the raw materials used in the manufacture of cereal and potato starches and of the interchangeability of these two products, a balanced relationship should be maintained between the prices of these products; whereas the refund granted should therefore be the same for both of these products; whereas, however, the refund paid to producers of potato starch should be such as to assure Community potato producers of a price allowing them a fair income, while the market conditions for cereals used in starch manufacture and the common market organizations governing them are such as to ensure that their price is in fact held at the level of the threshold price; whereas steps should therefore be taken to ensure that potato producers ultimately benefit from the refund paid to producers of potato starch;

Whereas the level of the production refund to be granted on maize used by the maize industry in the manufacture of groats and meal for use by the brewing industry in the production of beer, and on broken rice used for the same purpose should be such as to achieve a balance between the cost of supplying the brewing industry with maize starch, on the one hand, and with maize groats and meal and broken rice, on the other; whereas this objective will be achieved by fixing the refund on maize for the manufacture of groats and meal at the same level as the refund on maize for the manufacture of starch and, also, by fixing the refund on broken rice at a level which reduces the price to the brewing industry to 10·20 units of account per 100 kilogrammes;

Whereas Article 11 (1) of Regulation No 120/67/EEC provided for a production refund to be granted on groats and meal for the manufacture of glucose by the process known as direct hydrolysis; whereas

(1) OJ No 117, 19. 6. 1967, p. 2269/67.
(2) See page 12 of this Official Journal.
(3) OJ No 174, 31. 7. 1967, p. 1.
(4) See page 20 of this Official Journal.

this refund should be fixed at such a level as to achieve a balance between glucose manufactured by direct hydrolysis and glucose manufactured from starch;

Whereas, in the event of appreciable and persistent variations in the world price of maize, common wheat and broken rice, these refunds should be limited, so long as world market prices remain high, in such a way as to deter imports at prices below the world market level and to prevent the financial burden of production refunds from becoming excessive;

Whereas the abovementioned measures should not disturb the markets in third countries; whereas, therefore, in the event of an appreciable and persistent increase in prices on the said markets, provision should be made for compensatory measures consisting of the charging of a levy on exported products with a view to reducing the advantages granted to Community manufacturers to an appropriate level;

Whereas under Article 57 of the Act of Accession (1), in fixing the level of the various elements of the price and intervention system, except for intervention prices, account is to be taken for the new Member States, to the extent necessary for the proper functioning of Community rules, of the difference in prices expressed by the compensatory amount; whereas, however, for the application of this provision, the compensatory amount may be reduced in accordance with Article 7 of Council Regulation (EEC) No 229/73 (2) of 31 January 1973 laying down general rules for the system of compensatory amounts for cereals and fixing these for certain products, as last amended by Regulation (EEC) No 1967/73 (3) and Article 5 of Council Regulation (EEC) No 243/73 (4) of 31 January 1973 laying down general rules for the system of compensatory amounts for rice and fixing these amounts for certain products;

Whereas Council Regulation No 367/67/EEC (5) of 25 July 1967 fixing production refunds on maize groats and meal and broken rice used in the brewing industry, as last amended by Regulation (EEC) No 1926/73 (6), and Council Regulation No 371/67/EEC (7) of 25 July 1967 fixing production refunds on starches and quellmehl, as last amended by Regulation (EEC) No 178/73 (8), have frequently been amended; whereas, for reasons of clarity, it is preferable to include all the provisions relating to production refunds on cereals and rice in a single Regulation,

HAS ADOPTED THIS REGULATION:

TITLE I

Production refunds on cereal starch

Article 1

1. Member States shall grant a production refund on maize and common wheat for the manufacture of starch equal to the difference per 100 kilogrammes between the threshold price for each of these products, less any accession compensatory amount applicable, and 8·20 units of account.

The production refund on maize for the manufacture of starch shall be increased in Italy by 0·30 unit of account per 100 kilogrammes of maize.

This increase shall not, however, apply if recourse is had to the provisions of Article 23 (2) of Regulation No 120/67/EEC.

2. Member States shall grant a production refund on broken rice for the manufacture of starch equal to the difference per 100 kilogrammes between the threshold price for broken rice, less any accession compensatory amount applicable, and 10·20 units of account.

TITLE II

Production refunds on potato starch

Article 2

Member States shall grant a production refund per 100 kilogrammes of potato starch, calculated at a flat rate in accordance with the provisions of Articles 3 and 9, which shall be equal to the average amount of the refund granted during the period beginning on 1 August and ending on 31 July of the following year per 161 kilogrammes of maize for starch manufacture.

(1) OJ No L 73, 27. 3. 1972, p. 14.
(2) OJ No L 27, 1. 2. 1973, p. 25.
(3) OJ No L 201, 21. 7. 1973, p. 8.
(4) OJ No L 29, 1. 2. 1973, p. 26.
(5) OJ No 174, 31. 7. 1967, p. 36.
(6) OJ No L 199, 19. 7. 1973, p. 3.
(7) OJ No 174, 31. 7. 1967, p. 40.
(8) OJ No L 25, 30. 1. 1973, p. 5.

Article 3

1. The price to be paid to the producer at the delivered-to-factory stage for the quantity of potatoes required to manufacture 100 kilogrammes of potato starch shall be equal to the amount of the production refund mentioned in Article 2, increased by an amount of not less than 10·45 units of account.

2. The production refund shall be calculated on the basis of the quantity of potatoes delivered to starch manufacturers, account being taken of the starch content of the potatoes at the time of delivery.

It shall be paid in full to the starch manufacturer if he furnishes proof:

— of the quantities of potatoes delivered to him and their starch content at the time of delivery;

— of payment to the producer of an amount not less than the price fixed in paragraph 1, account being taken of the starch content of the potatoes.

Where the price paid to the producer is less than the minimum referred to in the second indent of the preceding subparagraph, the refund paid to the starch manufacturer shall be reduced by the difference in question.

TITLE III

Production refunds on maize groats and meal and broken rice

Article 4

1. Member States shall grant a production refund on maize used by the maize industry for the manufacture of groats and meal used by the brewing industry in the production of beer equal to the refund granted on the same date on maize for starch manufacture.

2. Member States shall grant a production refund on broken rice used by the brewing industry in the production of beer, equal to the difference per 100 kilogrammes between the threshold price for broken rice, less any accession compensatory amount applicable, and 10·20 units of account.

Article 5

Member States shall grant a production refund on maize groats and meal for the manufacture of glucose under subheading 17.02 B II of the Common Customs Tariff [1] by the process known as direct hydrolysis.

The production refund per 100 kilogrammes of maize groats and meal shall be equal to the difference per 100 kilogrammes between the threshold price for maize, less any accession compensatory amount applicable, and 8·20 units of account multiplied by the coefficient 1·23.

Article 6

Member States shall take all necessary measures to ensure that the refunds mentioned in Articles 4 and 5 are limited to the quantities of maize groats and meal and broken rice actually used in the Community by the brewing industry in the production of beer or by the glucose industry.

TITLE IV

General provisions

Article 7

1. If the prices of the basic products mentioned in Articles 1, 4 and 5 show appreciable and persistent variations on the world markets in relation to the amounts specified in the said Articles, namely 8·20 units of account for maize and common wheat and 10·20 units of account for broken rice, these amounts may be altered by the Council acting on a qualified majority on a proposal from the Commission.

2. If the world market price of, on the one hand, maize or common wheat, and, on the other, broken rice appreciably and persistently exceeds 8·20 and 10·20 units of account, respectively, an export levy to compensate for the difference between prices on the world market and supply prices for these basic products within the Community shall be introduced for products falling within headings 11.08 A, 11.09, 17.02 B II, 17.05 B and 23.03 A I of the Common Customs Tariff. The Commission shall fix the export levy.

Article 8

Member States shall inform the Commission not later than four months after the end of the marketing year of the quantity of products for which production refunds have been paid.

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[1] Pursuant to Regulation No 189/66/EEC, the products falling within tariff subheading 17.02 B I are subject to the same arrangements as those laid down for products falling within subheading 17.02 B II.

Article 9

Detailed rules for the application of this Regulation shall be adopted in accordance with the procedure laid down in Article 26 of Regulation No 120/67/EEC and Article 26 of Regulation No 359/67/EEC in particular as regards:

(a) the export levy referred to in Article 7 (2);

(b) the granting of advances on production refunds which may involve the giving of security;

(c) the calculation, in accordance with a scale drawn up in terms of the starch content of the product, of the quantity of potatoes required to manufacture 100 kilogrammes of starch;

(d) the conditions under which potatoes are accepted and paid for and the conditions under which the proof mentioned in the second subparagraph of Article 3 (2) must be furnished.

Article 10

Regulation Nos 367/67/EEC and 371/67/EEC are hereby repealed.

Article 11

This Regulation shall enter into force:

— on 1 August 1974, for products covered by Regulation No 120/67/EEC,

— on 1 September 1974, for products covered by Regulation No 359/67/EEC.

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

Done at Luxembourg, 29 April 1974.

For the Council

The President

J. ERTL