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(Acts whose publication is obligatory)

COUNCIL REGULATION (EEC) No 1143/76

of 17 May 1976

amending Regulation (EEC) No 2727/75 on the common organization of the market in cereals

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Articles 42 and 43 thereof,

Having regard to the proposal from the Commission,

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

Whereas the common organization of the market in cereals includes a single-price system for the Community; whereas this system provides, in particular, that a target price and a single intervention price must be fixed annually for each basic cereal, with the exception of common wheat for which provision is made for a basic intervention price from which are obtained various derived intervention prices;

Whereas this price system and the structure resulting from its application no longer represent the best means of attaining the objectives set out in Article 39 of the Treaty; whereas, in particular, the aim of stabilizing market prices, which is essential to ensure an equitable standard of living for the agricultural community concerned, has not been fully achieved as witnessed by the number of unusual intervention measures for certain cereals;

Whereas the system should therefore be reviewed; whereas, in the light of experience gained with other cereals, regionalization for common wheat should be abolished and replaced by a single-price intervention system for the Community;

Whereas, moreover, in order to enhance the fluidity of the cereals market as a whole, a new structure should be set up for the fixing of intervention prices for the principal cereals, so that a better balance between the different types of production can be ensured on the basis of real market needs but without affecting producers' incomes; whereas, to this end, the intervention price for high-yield common wheat varieties of poor breadmaking quality should be brought into line with those for barley and maize; whereas such common intervention level for all feed grains constitutes the minimum level guaranteed to producers, above which market prices for these cereals should develop in accordance with their value for use in animal feed;

Whereas, on the other hand, the production of common wheat of good breadmaking quality should be encouraged by fixing a reference price the level of which should reflect the difference in return between the production of common wheat of breadmaking quality and that of common wheat of non-breadmaking quality; whereas provision should be made that, if necessary, the development of market prices should be supported in relation to this level;

Whereas there should be sufficient difference between the target price, which determines the level of protection of the Community market, and the intervention price to ensure market fluidity and to balance excess production in surplus areas and shortages in deficit areas; whereas, to attain this objective, target prices should be established taking into consideration, in addition to the element reflecting the cost of transport between the area having the largest surplus and that having the largest deficit, a market element reflecting the difference, recorded in a price structure developing under normal conditions in the production area having the largest surplus, between market prices and the price support level reflected in the reference price for common wheat and in the intervention prices for other cereals;

Whereas the reference price for common wheat of breadmaking quality should be included among those prices that are subject to monthly increases during the marketing year;

(1) OJ No C 53, 8. 3. 1976, p. 24.

Whereas, in certain regions of the Community, particular circumstances may temporarily cause market prices to follow a trend other than in the rest of the Community; whereas, to avoid large-scale intervention in such regions, it should be possible to take, by way of prevention, particular intervention measures to relieve their markets for a given period; whereas it should also be possible to take special intervention measures for common wheat of breadmaking quality where there is a risk that market prices no longer develop normally in relation to the level of the reference price;

Whereas, in view of the uniformity which should characterize the Community market in cereals, the abovementioned particular and special intervention measures should be assessed and decided on from a Community viewpoint;

Whereas, in view of the radical nature of this review and in order to enable the market to adjust to it under optimum conditions, it should be possible to postpone, for the duration of the 1976/77 marketing year, the full application of the review, particularly the establishment of a price structure which fully complies with the new system;

Whereas, in view of the rise in the Community production of durum wheat, it is no longer justified to grant uniform aid to all procedures; whereas, however, with a view to encouraging an increase in productivity and an improvement of the quality of this product, it should continue to benefit from aid; whereas, however, such aid could be confined to certain regions and to durum wheat having certain qualitative and technical characteristics which make it suitable for the manufacture of pasta products;

Whereas, to avoid sales to intervention agencies of durum wheat which does not have the above characteristics, provision should be made for additional conditions of eligibility for intervention in respect of this cereal,

HAS ADOPTED THIS REGULATION:

Article 1

The following Articles shall be substituted for Articles 2, 3 and 4 of Regulation (EEC) No 2727/75:

'*Article 2*

The marketing year for all the products listed in Article 1 shall begin on 1 August and end on 31 July of the following year.

Article 3

1. Before 1 August of each year the following prices shall be fixed for the Community for the marketing year beginning the following year:

— a common single intervention price for common wheat, barley and maize, and a single intervention price for rye and durum wheat,

— a reference price for common wheat of breadmaking quality,

— a target price for common wheat, durum wheat and rye and a common target price for barley and maize.

2. These prices shall be fixed for a standard quality to be determined for each of the above cereals.

3. The single intervention prices shall be fixed for the Ormes intervention centre, which is the centre of the Community area having the greatest surplus for all cereals, at the wholesale stage, goods delivered at warehouse, before unloading. They shall be valid for all Community intervention centres designated for each cereal.

The single intervention prices shall be valid from 1 August to 31 May of the following year. From 1 June to 31 July, the intervention prices valid for August of the marketing year in progress shall apply.

4. The reference price for common wheat of breadmaking quality shall be calculated by adding to the common single intervention price for this product an amount reflecting the difference in return between the production of common wheat of breadmaking quality and that of common wheat of non-breadmaking quality.

5. The target prices shall be fixed for Duisburg, which is the centre of the Community area having the greatest deficit for all cereals, at the wholesale stage, goods delivered at warehouse, before unloading.

They shall be calculated by adding a market element and an element reflecting the cost of transport between the Ormes area and the Duisburg area:

— to the reference price, for common wheat,

— to the respective single intervention price for rye and durum wheat,

— to the common single intervention price, for barley and maize.

For rye, durum wheat and common wheat respectively, the market element shall reflect the difference which should exist between:

(a) the single intervention price for rye, the single intervention price for durum wheat and the reference price for common wheat of breadmaking quality on the one hand, and

(b) the level of the market prices for rye, durum wheat and common wheat of breadmaking quality respectively to be expected, in a normal harvest and under natural conditions of price formation on the Community market, in the area having the greatest surplus, on the other.

The market element for barley and maize shall reflect the difference which should exist between the market price for barley and the common single intervention price, plus the difference in market prices reflecting the ratio between the average relative values of the two cereals concerned for use in animal feed. The market prices to be taken into consideration are those to be expected, in a normal harvest and under natural conditions of price formation on the Community market, in the production area having the greatest surplus.

The element reflecting the cost of transport shall be determined on the basis of the most favourable means of transport or combination of means of transport and on existing tariffs.

6. The prices referred to in paragraph 1 and the standard qualities referred to in paragraph 2 shall be determined in accordance with the procedure laid down in Article 43 (2) of the Treaty.

7. The Council, acting by a qualified majority on a proposal from the Commission, shall lay down the rules for determining the intervention centres to which the single intervention prices apply.

8. The intervention centres referred to in paragraph 7 shall be determined, after consultation with the Member States concerned, before 1 May of each year for the following marketing year, in accordance with the procedure laid down in Article 26.

Article 4

1. To facilitate the transition from the arrangements applied during the 1975/76 marketing year to those laid down in Article 3 and in particular the price structure normally established thereby, the single intervention prices for common wheat, barley and maize may, by way of derogation from paragraph 1 of that Article, be fixed at different levels for the 1976/77 marketing year. In that case, the common single intervention price used to establish the common target price for barley and maize shall be the single intervention price for barley.

2. When, in application of the derogation referred to in paragraph 1, the single intervention price for common wheat is fixed with respect to its breadmaking quality, the price shall, by way of derogation from Article 3 (2), be fixed in respect of a standard breadmaking quality.

Such standard quality shall be that defined pursuant to Article 3 (6), with the addition of certain criteria concerning the minimum requirements for breadmaking. Common wheat which does not meet these requirements shall only receive at intervention a price corresponding to the common single intervention price which for the marketing year in question shall be that applicable to barley.

In the case covered by this paragraph the reference price referred to in Article 3 (1) shall not be fixed and the target price for common wheat shall be established according to Article 3 (5), by substituting the single intervention price for that cereal for its reference price.

3. The Council, acting by a qualified majority on a proposal from the Commission, shall lay down the minimum requirements for breadmaking.

The method to be followed for determining whether common wheat meets such requirements and the detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 26.'

Article 2

The following shall be substituted for Article 6 (1) of Regulation (EEC) No 2727/75 :

'1. The intervention prices, the reference price for common wheat of breadmaking quality, the target prices and the threshold prices shall be the subject of monthly increases phased over all or part of the marketing year.'

Article 3

The following Article shall be substituted for Article 7 of Regulation (EEC) No 2727/75 :

'Article 7

1. Throughout the marketing year, the intervention agencies designated by the Member States shall be obliged to buy in cereals mentioned in Article 3 which have been harvested in the Community and are offered to them, provided that the offers comply with conditions, in particular in respect of quality and quantity, to be determined in accordance with paragraph 5.

2. The intervention agencies shall buy in at the single intervention price regardless of the centre at which the cereal is offered, under conditions determined in accordance with paragraphs 4 and 5. If the quality of the cereal is different from the standard quality for which the intervention price has been fixed, the intervention price shall be adjusted in accordance with scales of price increases and reductions. These scales may also include a special price increase for breadmaking rye with certain quality characteristics.

3. Under conditions laid down in accordance with paragraphs 4 and 5, the intervention agencies shall offer for sale :

— for export to third countries,

— or for supply to the internal market,

the product bought in under paragraph 1.

4. The Council, acting by a qualified majority on a proposal from the Commission, shall adopt general rules governing intervention.

5. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 26, in particular as regards :

— the minimum quality and quantity required of each cereal and, in respect of durum wheat, the technical qualities required of it,

— the scales of price increases and reductions applicable for the purposes of intervention,

— the procedures and conditions for taking over by the intervention agencies,

— the procedures and conditions for disposal of produce by the intervention agencies.'

Article 4

The following Article shall be substituted for Article 8 of Regulation (EEC) No 2727/75 :

'*Article 8*

1. To avoid substantial purchases having to be made in certain regions of the Community under Article 7 (1), it may be decided that the intervention agencies take particular intervention measures.

2. Where necessitated by the situation on the Community market in common wheat of breadmaking quality, special intervention measures may be adopted in respect of this cereal with a view to supporting the development of the market therein in relation to the reference price referred to in Article 3 (1).

3. The Council, acting by a qualified majority on a proposal from the Commission, shall adopt general rules for the application of this Article.

4. The nature and application of particular or special intervention measures and the conditions and procedures for the sale or for any other means of disposal of the products subject to these measures shall be determined in accordance with the procedure laid down in Article 26.

Detailed rules for the application of this Article shall, where appropriate, be adopted in accordance with the same procedure.'

Article 5

The following Article shall be substituted for Article 10 of Regulation (EEC) No 2727/75 :

'*Article 10*

1. Aid shall be granted for the production of durum wheat in the Community.

2. The amount of such aid shall be fixed per hectare of land sown and harvested and shall be equal throughout the marketing year. However, aid may be differentiated according to the region concerned and confined to certain production regions.

Aid shall be granted only for durum wheat having qualitative and technical characteristics to be determined.

3. The amount of aid shall be fixed before 1 August for the marketing year beginning the following year in accordance with the procedure laid down in Article 43 (2) of the Treaty.

The production regions referred to in paragraph 2 shall be determined in accordance with the same procedure.

4. The Council, acting by a qualified majority on a proposal from the Commission, shall lay down the general rules for the application of this Article and in particular the criteria for determining the qualitative and technical characteristics referred to in paragraph 2.

5. The following shall be adopted in accordance with the procedure laid down in Article 26.

— the detailed rules for the application of this Article,

— the qualitative and technical characteristics required of durum wheat in order to be eligible for aid and, where appropriate, a list of the varieties concerned.'

Article 6

In June and July of the 1975/76 marketing year, the intervention prices applicable in the new Member States shall be those applicable in the Community as originally constituted at the beginning of the 1976/77 marketing year reduced, where appropriate, by the accession compensatory amounts fixed for the 1975/76 marketing year.

Article 7

This Regulation shall enter into force on the third day following its publication in the *Official Journal of the European Communities.*

It shall apply from 1 August 1976 with the exception of Article 6 and the provisions designed to ensure that the new arrangements laid down in this Regulation are implemented particularly those governing the preparatory administrative measures to be taken by the Member States, which shall apply as soon as this Regulation enters into force.

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

Done at Brussels, 17 May 1976.

For the Council

The President

J. HAMILIUS