COUNCIL REGULATION (EEC) No 1125/78

of 22 May 1978

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 Article 43 thereof,

Having regard to the proposal from the Commission,

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

Having regard to the opinion of the Economic and Social Committee (2),

Whereas Article 11 of Council Regulation (EEC) No 2727/75 of 29 October 1975 on the common organization of the market in cereals (3), as last amended by Regulation (EEC) No 709/78 (4), provides for a discretionary production refund for certain products used for the manufacture of starch, potato starch, or glucose by direct hydrolysis; whereas starch may be in direct competition with quellmehl used in baking or with maize groats and meal used in brewing;

Whereas, in its judgments in Cases 117/76 and 16/77 and in Cases 124/76 and 20/77, the Court of Justice considered it inconsistent with the principle of equality to grant a production refund for certain products while withholding it for others competing for the same outlets; whereas the Court of Justice also held that it is for the competent institutions responsible for the common agricultural policy to take the necessary action;

Whereas the introduction of production refunds for the products in question constitutes a means of conforming with the Court's conclusions;

Whereas, pending the outcome of the general examination of the system of production refunds in the starch sector, it is desirable that production refunds for products intended for the brewing of beer and for the manufacture of quellmehl for baking be granted for a limited period only;

Whereas this measure should be made retrospective owing to the Council's having been required to comply with the procedures laid down by the Treaty;

Whereas the constraints imposed on the potato starch industry could lead to a disturbance of the balance between the different starch industries and whereas it may also prove necessary to provide for a premium to be paid to potato starch manufacturers,

HAS ADOPTED THIS REGULATION:

Article 1

Article 11 (1) of Regulation (EEC) No 2727/75 shall be replaced by the following:

'1. A production refund may be granted:

(a) for maize and common wheat used in the Community for the manufacture of starch;

(b) for potato starch;

(c) for maize groats and meal used in the Community for the manufacture of glucose by direct hydrolysis;

(d) until the end of the marketing year 1978/79, for maize used for the manufacture of maize groats and meal (gritz) used by the brewing industry;

(e) until the end of the marketing year 1978/79, for maize and common wheat used in the Community for the manufacture of quellmehl intended for baking.

However, the production refund for products intended for the brewing of beer may be granted until the end of the marketing year 1978/79 only.

The production refunds for the products referred to in (d) and (e) may be granted with effect from 19 October 1977.'

Article 2

Article 11 (3) of Regulation (EEC) No 2727/75 shall be replaced by the following paragraphs:

(1) OJ No C 63, 13. 3. 1978, p. 48 and OJ No C 108, 8. 5. 1978, p. 57.
(2) OJ No C 101, 26. 4. 1978, p. 19.
(3) OJ No L 281, 1. 11. 1975, p. 1.
(4) OJ No L 94, 8. 4. 1978, p. 9.

'3. A premium may be paid to potato starch manufacturers.

4. The Council, acting by a qualified majority on a proposal from the Commission, shall adopt rules for the application of this Article and fix the amount of the production refund and the amount of the premium.'

Article 3

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, 22 May 1978.

For the Council

The President

K. HEINESEN