COUNCIL REGULATION (EEC) No 1009/86

of 25 March 1986

establishing general rules applying to production refunds in the cereals and rice sector

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 2727/75 of 29 October 1975 on the common organization of the market in cereals (1), as last amended by Regulation (EEC) No 1006/86 (2), and in particular Articles 11 (4) and 11a (4) thereof,

Having regard to Council Regulation (EEC) No 1418/76 of 21 June 1976 on the common organization of the market in rice (3), as last amended by Regulation (EEC) No 1007/86 (4), and in particular Articles 9 (2) and 9a (3) 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 to ensure that prices are competitive with those of starches produced in third countries and imported in the form of products covered by import arrangements which provide insufficient protection for Community products, Regulations (EEC) No 2727/75 and (EEC) No 1418/76 provide for the granting of a production refund to enable the user industries to obtain starch and certain derived products at a price lower than would result from the application of the rules of the common organization of the markets in the products in question;

Whereas the abovementioned Regulations provide for a list to be established of products for the manufacture of which the use of starch affords entitlement to the refund; whereas that list should be open to amendment, taking into account certain given criteria;

Whereas in order to make the supervision measures more effective, it should be laid down that beneficiaries of the refund must have received prior approval from the Member State in whose territory the products mentioned above are manufactured;

Whereas in order to bring about the transition to the new arrangements for production refunds the amounts of the refunds provided for in Regulation (EEC) No 2742/75 (5), as last amended by Regulation (EEC) No 3794/85 (6), should be amended for the transitional period of the 1986/87 and 1988/89 marketing years;

Whereas in fixing the production refunds for starches, account must be taken of the difference in prices, on the world and Community market, between the basic cereal products most commonly used for the manufacture of starch,

HAS ADOPTED THIS REGULATION:

TITLE I

Arrangements applicable to starch used in the manufacture of certain goods

Article 1

1. Refunds shall be granted to natural or legal persons using starch, extracted from wheat, maize, rice, broken rice or potatoes, or certain derived products in the preparation of one or more of the goods listed in the Annex.

2. The list referred to in paragraph 1 may be amended taking account of the level of competition with third countries, and the degree of protection against such competition afforded by the mechanisms of the common agricultural policy, the Common Customs Tariff or otherwise.

Other factors shall be taken into account, notably:

— the progress made in the technology of starch manufacture and utilization,

— the degree to which starch is incorporated in the final product and/or the relative value of starch in the final product and/or the importance of the product as an outlet for starch, in the light of competition with other products.

3. (a) Any granting of a production refund for a product may not cause distortion in the conditions of competition with other products which are not eligible for such refund.

(b) Should it be established that distortion has occurred, following the granting of a production refund, the Commission shall decide in accordance with the procedure laid down in Article 26 of Regulation (EEC) No 2727/75 and Article 27 of Regulation (EEC) No 1418/76, either:

— to abolish that refund, or

— to adjust it in so far as is necessary to eliminate the distortion in the conditions of competition.

Article 2

1. The refund shall be granted by the Member State in whose territory the products included in the list referred to in Article 1 are manufactured.

2. Beneficiaries shall be granted prior approval in return for their undertaking to allow the competent authorities to carry out all checks and inspections required for the purpose of granting the refund.

(1) OJ No L 281, 1. 11. 1975, p. 1.
(2) See page 1 of this Official Journal.
(3) OJ No L 166, 25. 6. 1976, p. 1.
(4) See page 3 of this Official Journal.
(5) OJ No L 281, 1. 11. 1975, p. 57.
(6) OJ No L 367, 31. 12. 1985, p. 20.

Article 3

The rate of the refund shall be fixed with particular reference to :

— the objective of making starch available to beneficiaries under similar conditions to those available to competing industries on the world market,

— the difference between Community prices and world prices for maize and common wheat,

— the potential outlets for the starch and the conditions under which it can be used.

TITLE II

Transitional Period

Article 4

Regulation (EEC) No 2742/75 is hereby amended as follows :

For the marketing years 1986/87, 1987/88 and 1988/89,

	1986/87	1987/88	1988/89
1. The amount shown in Article 1 (1) shall be replaced by :	15	10	5
2. The amount shown in Article 1 (2) shall be replaced by :	20	14	7
3. The amount shown in Article 1 (3) shall be replaced by :	18	12	6
4. The amount shown in Article 2 shall be replaced by :	24	16	8
5. The amount shown in Article 4 (1) shall be replaced by :	18	12	6
6. The amount shown in Article 4 (2) shall be replaced by :	15	10	5
7. The amount shown in Article 4 (3) shall be replaced by :	18	12	6

Article 5

1. The refund provided for in Article 3 shall be :

— for the 1986/87 marketing year equal to 50 % of the difference between the refund calculated in accordance with Article 3 and that fixed in Article 4,

— for the 1987/88 and 1988/89 marketing years equal to 100 % of that difference.

2. However, where the calculation in paragraph 1 produces a figure lower than that fixed in Article 4, the latter amount shall be payable.

TITLE III

General and final provisions

Article 6

The detailed rules for applying this Regulation shall be drawn up in accordance with the procedure laid down in Article 26 of Regulation (EEC) No 2727/75 and in Article 27 of Regulation (EEC) No 1418/76, and in particular :

— payment of the refund,

— supervision of use,

— the possibility of refunds being fixed in advance and the lodging of security.

Article 7

The Commission shall, before 1 April 1989, submit to the Council a report on the state of application of this Regulation and of Regulation (EEC) No 1008/86 [1] in the different Member States.

Article 8

Regulation (EEC) No 2742/75 is hereby repealed with effect from the first day of the 1989/90 cereal marketing year.

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, 25 March 1986.

For the Council

The President

G. BRAKS

[1] See page 5 of this Official Journal.

ANNEX

Products for which starch and/or its derivatives are used from the following headings and chapters of the Common Customs Tariff

CCT heading No	Description
ex 13.03 C III	Carrageenan
ex 15.11 B	Glycerol, other than crude
Chapter 29 (excluding subheadings 29.04 C II and 29.04 C III)	Organic chemicals
Chapter 30	Pharmaceutical products
34.02	Organic surface-active agents; surface-active preparations and washing preparations, whether or not containing soap
Chapter 35 (excluding 35.01 and 35.05)	Albuminoidal substances; glues; enzymes
Chapter 38 (excluding subheadings 38.12 A and 38.19 T)	Miscellaneous chemical products
Chapter 39	Artificial resins and plastic materials etc.
48.01 48.03 48.04 48.05 48.07 48.08	Paper and paperboard, in rolls or in sheets
48.11	Wallpaper and lincrusta; window transparencies of paper
Chapter 55	Cotton