REGULATION (EEC) No 2742/75 OF THE COUNCIL

of 29 October 1975

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 (EEC) No 2727/75 [1] of 29 October 1975 on the common organization of the market in cereals, and in particular Article 11 (3) thereof;

Having regard to Council Regulation No 359/67/EEC [2] of 25 July 1967 on the common organization of the market in rice, as last amended by Regulation (EEC) No 668/75 [3], 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, Regulations (EEC) No 2727/75 and No 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 an assessment of the situation resulting from the level of common prices and from the competition between, on the one hand maize starch, rice starch and potato starch and on the other, the substitute chemical products, indicates that the production refund on maize used in starch manufacture should be fixed at 10·00 units of account per metric ton; whereas a production refund of 16·30 units of account per metric ton of common wheat and of 12·30 units of account per metric ton of broken rice used for starch manufacture would be aimed at ensuring a balance between the use of these products and the use of maize; whereas, however, the level of the abovementioned refunds should be guaranteed only in so far 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 production refund to be granted on groats and meal for the manufacture of glucose by the process known as direct hydrolysis should be fixed at such a level as to achieve a balance between glucose manufactured by such a process 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 avoid disturbances in the Community market 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

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[1] See page 1 of this Official Journal.
[2] OJ No 174, 31. 7. 1967, p. 1.
[3] OJ No L 72, 20. 3. 1975, p. 18.

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 2757/75 [2] of 29 October 1975 laying down general rules for the system of accession compensatory amounts for cereals, and Article 5 of Council Regulation (EEC) No 243/73 [3] of 31 January 1973 laying down general rules for the system of compensatory amounts for rice and fixing these amounts for certain products, as last amended by Regulation (EEC) No 1999/74 [4],

HAS ADOPTED THIS REGULATION:

TITLE I

Production refunds on cereal starch

Article 1

1. Member States shall grant a production refund on maize for the manufacture of starch of 10·00 units of account per metric ton less any accession compensatory amount applicable.

2. Member States shall grant a production refund on common wheat for the manufacture of starch of 16·30 units of account per metric ton, less any accession compensatory amount applicable for common wheat.

3. Member States shall grant a production refund on broken rice for the manufacture of starch of 12·30 units of account per metric ton, less any accession compensatory amount applicable for broken rice.

(1) OJ No L 73, 27. 3. 1972, p. 14.
(2) See page 104 of this Official Journal.
(3) OJ No L 29, 1. 2. 1973, p. 26.
(4) OJ No L 209, 31. 7. 1974, p. 5.

TITLE II

Production refunds on potato starch

Article 2

Member States shall grant a production refund of 10·00 units of account per metric ton of potato starch, less any accession compensatory amounts applicable for maize and multiplied by the coefficient 1·61.

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 a metric ton 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 162·00 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 to the producer is less than the minimum referred to in the second indent of the second paragraph, 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

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 metric ton of maize groats and meal so used shall be 10·00 units of account less any applicable accession compensatory amount for maize and multiplied by the coefficient 1·23.

Article 5

Member States shall take all necessary measures to ensure that the refund referred to in Article 4 is limited to the quantities of maize groats and meal actually used in the Community by the glucose industry.

TITLE IV

General provisions

Article 6

1. If the prices of the basic products mentioned in Article 1 show appreciable and persistent variations on the world market in relation to their respective threshold prices less the production refund, the production refunds specified in Articles 1, 2 and 4 may be altered by the Council acting on a qualified majority on a proposal from the Commission.

2. If the world market price of maize, common wheat or broken rice appreciably and persistently exceeds its respective threshold price less the production refund, an export levy shall be introduced for products falling within heading No or subheadings 11.08 A, 11.09, 17.02 B II, 17.05 B and 23.03 A I of the Common Customs Tariff to compensate for this excess. The Commission shall fix the export levy.

Article 7

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.

Article 8

Detailed rules for the application of this Regulation shall be adopted in accordance with the procedure laid down in Article 26 of Regulation (EEC) No 2727/75 and Article 26 of Regulation No 359/67/EEC in particular as regards:

(a) the export levy referred to in Article 6 (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 one metric ton 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 9

1. Council Regulation (EEC) No 1955/75 (2) of 22 July 1975 on production refunds in the cereals and rice sectors, is hereby repealed.

2. References to the Regulation repealed by virtue of paragraph 1 shall be construed as references to this Regulation.

Article 10

This Regulation shall enter into force on 1 November 1975.

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

Done at Luxembourg, 29 October 1975.

For the Council

The President

G. MARCORA

(1) Pursuant to Regulation (EEC) No 2730/75, the products falling within tariff subheading 17.02 B I are subject to the same arrangements as those laid down for products falling within tariff subheading 17.02 B II.

(2) OJ No L 200, 31. 7. 1975, p. 1.