COUNCIL REGULATION (EEC) No 878/77
of 26 April 1977
on the exchange rates to be applied in agriculture

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Articles 28, 43 and 235 thereof,

Having regard to Council Regulation No 129 on the value of the unit of account and the exchange rates to be applied for the purposes of the common agricultural policy (1), as last amended by Regulation (EEC) No 2543/73 (2), and in particular Article 3 thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament (3),

Having regard to the opinion of the Economic and Social Committee (4),

Whereas the situation referred to in Article 3 (1) of Regulation No 129, in respect of which derogations may be made from the principle of using parities for converting one currency into another, now obtains in various Member States ;

Whereas it has been possible to solve the problems posed by such a situation by applying monetary compensatory amounts and representative conversion rates for the purposes of the common agricultural policy ; whereas this arrangement leads to divergent price levels in the Member States concerned ; whereas, however, in order to prevent the maintenance of unchanged rates for the common agricultural policy from leading to an increase in the difference between price levels expressed in national currencies when prices are increased and in view of the fact that certain adjustments may be made to the rates to adapt them to the real economic situation in the Member States, representative rates for the currencies of the Member States concerned should be fixed at levels more closely related to the actual economic situation ; whereas, at the same time, all the representative rates should be republished in a new text ;

Whereas, however, the impact of this measure on the economies of the Member States concerned should be moderated as far as possible ; whereas, for this reason, the new rates should be applied within a reasonable period, coinciding if possible with the beginning of the marketing year or with a change in prices ;

Whereas fixing a representative rate leads to an adjustment of agricultural prices ; whereas the problems raised by the modification of exchange rates are the subject of Community provisions, in particular Council Regulation (EEC) No 1134/68 of 30 July 1968 laying down rules for the implementation of Regulation (EEC) No 653/68 on conditions for alterations to the value of the unit of account used for the common agricultural policy (5) ; whereas these provisions only cover the case of a change in the parity of a currency ; whereas they should also be applied in this case ; whereas, however, in so far as the parties concerned may request the cancellation of documents or certificates, such application would be justified only if they are placed at a disadvantage as a result of the fixing of the new representative rates ; whereas, however, provision should be made for this right to be replaced by another giving rise to compensation for the disadvantage suffered ;

Whereas the Monetary Committee will be consulted ; whereas, in view of the urgency involved, the measures envisaged should be adopted in accordance with the conditions laid down in Article 3 (2) of Regulation No 129,

HAS ADOPTED THIS REGULATION :

Article 1

1. When transactions to be carried out in pursuance of instruments relating to the common agricultural policy, or specific rules laid down by virtue of Article 235 of the Treaty, require the currencies referred to in Article 2 to be expressed in another currency or in units of account, the rate of exchange shall, in derogation from Article 2 (1) of Regulation No 129, be that corresponding to the representative rate for that currency.

2. The representative rate shall cease to be applicable for the currency of a Member State at such time as that State declares a new parity to the International Monetary Fund.

(1) OJ No 106, 30. 10. 1962, p. 2553/62.
(2) OJ No L 263, 19. 9. 1973, p. 1.
(3) OJ No C 93, 18. 4. 1977, p. 11.
(4) OJ No C 77, 30. 3. 1977, p. 15.
(5) OJ No L 188, 1. 8. 1968, p. 1.

Article 2

1. The representative rate referred to in Article 1 shall be :

(a) for the Belgian franc and the Luxembourg franc :
1 Belgian franc/Luxembourg franc = 0·0202640 unit of account ;

(b) for the Danish kroner :
1 Danish kroner = 0·122877 unit of account ;

(c) for the German mark :
1 German mark = 0·293033 unit of account ;

(d) for the French franc :
1 French franc = 0·172995 unit of account ;

(e) for the Irish pound :
1 Irish pound = 1·35190 units of account ;

(f) for the Italian lira :
100 Italian lira = 0·0970874 unit of account ;

(g) for the Dutch guilder :
1 Dutch guilder = 0·293884 unit of account ;

(h) for the pound sterling :
1 pound sterling = 1·70463 units of account.

2. These representative rates shall be applied from :

(a) 1 April 1977 as regards the French franc, the Italian lira and the Irish pound for :
— milk and milk products,
— beef and veal,
— pigmeat,
— dehydrated fodder,
— silkworms,
— cherries ;

(b) 1 August 1977 for eggs, poultry and ovalbumin and lactalbumin ;

(c) 1 November 1977 for pigmeat as regards the German mark ;

(d) 16 December 1977 for wine ; however, other dates may be laid down for distillation operations ;

(e) 1 January 1978 for fishery products ;

(f) the beginning of the 1977/78 marketing year for the other products for which the marketing year has not commenced on the date of entry into force of this Regulation ;

(g) 1 May 1977 in all other cases.

Article 3

By way of derogation from Article 2, with regard to milk and milk products, the representative rate applicable in the United Kingdom from the beginning of the milk year until 15 September 1977 shall be : 1 pound sterling = 1·75560 units of account, and that applicable from 16 September 1977 until 31 March 1978 shall be 1 pound sterling = 1·73013 units of account.

Article 4

1. The provisions of Regulation (EEC) No 1134/68 in respect of an alteration of the relationship between the parity of the currency of a Member State and the value of the unit of account shall apply.

2. However, the second subparagraph of Article 4 (1) of Regulation (EEC) No 1134/68 shall apply only if the application of the new representative rates is disadvantageous to the party concerned.

Before the date of application of the new rate it may be decided to offset this disadvantage by an appropriate measure. In this case, advance fixing and the certificate or document attesting thereto may not be cancelled.

Article 5

1. Rules for the application of this Regulation shall be adopted in accordance with the procedure laid down in Article 26 of 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 3138/76 [2], or, where appropriate, in the corresponding Articles of the other agricultural Regulations establishing similar procedures, if necessary, in derogation from the rules govering the fixing of prices laid down in the relevant provisions where and so long as strictly necessary for implementation of this Regulation.

2. As regards the amounts fixed in units of account which are not connected with the fixing of prices, the arrangements referred to in paragraph 1 above may consist of an increase of 2·00 %.

Article 6

The provisions of Council Regulation (EEC) No 557/76 of 15 March 1976 on the exchange rates to be applied in agriculture and repealing Regulation (EEC) No 475/75 [3], as last amended by Regulation (EEC) No 723/77 [4], shall cease to be applicable for a given sector on the date on which the provisions of this Regulation become applicable to that sector.

Article 7

This Regulation shall enter into force on 1 May 1977.

(1) OJ No L 281, 1. 11. 1975, p. 1.
(2) OJ No L 354, 24. 12. 1976, p. 1.
(3) OJ No L 67, 15. 3. 1976, p. 1.
(4) OJ No L 88, 6. 4. 1977, p. 8.

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

Done at Luxembourg, 26 April 1977.

For the Council

The President

J. SILKIN