COMMISSION REGULATION (EEC) No 1570/78

of 4 July 1978

laying down detailed rules for the application of Regulation (EEC) No 2742/75 as regards production refunds on starches and repealing Regulation (EEC) No 2026/75

THE COMMISSION 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 1254/78 (2),

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 1260/78 (4),

Having regard to Council Regulation (EEC) No 2742/75 of 29 October 1975 on production refunds in the cereals and rice sectors (5), as last amended by Regulation (EEC) No 1127/78 (6), and in particular Article 8 thereof,

Whereas Article 11 (1) (c) and (d) of Regulation (EEC) No 2727/75 provides that a production refund may be granted on maize groats and meal used for the manufacture of glucose by the direct hydrolysis process and on maize used for the manufacture of maize groats and meal (gritz) used by the brewing industry; whereas the characteristics of such products and, in particular, the quality and purity requirements which they must satisfy should be specified so as to prevent production refunds from being granted in error in respect of products which resemble maize groats or meal but which are in fact composed of a mixture of such products and other products, thus ensuring that the granting of refunds is based on the same criteria throughout the Community;

Whereas the production refund is to be paid to producers of starch, of quellmehl, of maize groats and meal or of broken rice and to importers of broken rice to be used by the starch or brewing industry;

Whereas the person entitled to the production refund should be able to make use of it at the earliest possible date; whereas this can be achieved if the basic product is placed under official supervision and the competent agency pays the production refund within 30 days of the day on which the application for taking under official supervision is accepted;

Whereas common wheat starch is usually manufactured from common wheat flour; whereas the production refund is calculated on the basis of the quantity of common wheat required to produce a given quantity of starch; whereas it is therefore necessary to lay down a conversion rate for the expression of common wheat flour in terms of common wheat;

Whereas it is necessary to specify which Member State is responsible for paying the production refund; whereas for reasons of administrative facility this should be the Member State in which the basic product is processed or into which it is imported;

Whereas sufficient proof that the maize groats and meal, quellmehl or broken rice have been used by the industry concerned can be furnished by documents certifying that the product has been sold to the industry in question and by the control as to use; whereas provision should be made for a system of administrative cooperation affording adequate safeguards to handle cases where the product in question is used in a Member State other than the State required to pay the production refund;

Whereas, in order to ensure that processing is carried out or that the basic product placed under supervision is used for the purpose intended, provision should be made for the person entitled to the refund to lodge a security; whereas such security will be released only when the person concerned has fulfilled the obligations specified in this Regulation;

Whereas it is desirable for the sake of clarity to reproduce the provisions relating to production refunds in a new Regulation; whereas Regulation (EEC) No 2026/75 of 4 August 1975 laying down detailed rules for the application of Regulation (EEC) No 1955/75 as regards production refunds on starches (7) should therefore be repealed;

Whereas the measures provided for in this Regulation are in accordance with the opinion of the Management Committee for Cereals,

(1) OJ No L 281, 1. 11. 1975, p. 1.
(2) OJ No L 156, 14. 6. 1978, p. 1.
(3) OJ No L 166, 25. 6. 1976, p. 1.
(4) OJ No L 156, 14. 6. 1978, p. 11.
(5) OJ No L 281, 1. 11. 1975, p. 57.
(6) OJ No L 142, 30. 5. 1978, p. 24.
(7) OJ No L 206, 5. 8. 1975, p. 5.

HAS ADOPTED THIS REGULATION :

Article 1

1. For the purpose of this Regulation, 'groats and meal' means products obtained in the milling of maize grain. They are sharp-edged, granular fragments of the grain kernel and at least 70 % are uniform in size.

Groats and meal may contain no products other than those obtained in the normal milling process, such as starch, whether or not heat-modified, and similar products. They must :

(a) have a fat content calculated on dry matter not exceeding 1·3 % by weight and a raw cellulose content calculated on dry matter ; not exceeding 0·8 % by weight ;

(b) not comprise more than 30 % matter which passes through a 315 micron mesh sieve ; and

(c) comprise less than 5 % matter which passes through a 150 micron mesh sieve.

For the purposes of calculating the production refund provided for in Article 4 (2) of Regulation (EEC) No 2742/75, a maximum of 1·80 tonnes of maize shall be deemed to be used by the maize industry for the manufacture of one tonne of maize groats and meal for use by the brewing industry in the production of beer.

2. Imported broken rice prepared in the Community shall be treated in the same way as broken rice produced in the Community.

3. When common wheat to be used for the production of flour and then of starch is placed under official supervision, a conversion rate of 1·40 tonnes of common wheat to one tonne of flour shall be applied.

4. For the purpose of this Regulation, 'quellmehl' means flour of which the starch has undergone heat treatment or other treatment thus increasing its swelling capacity.

Article 2

The production refund provided for in Articles 1 and 4 of Regulation (EEC) No 2742/75 shall be paid :

(a) to producers of starch, and of quellmehl intended for use in bread-making, obtained from common wheat or maize ;

(b) to producers of maize groats and meal for the manufacture either of glucose by direct hydrolysis or for use by the brewing industry in the production of beer ; and

(c) to producers or importers of broken rice for use by the starch industry, or in the production of beer ;

provided such producers or importers, hereinafter called 'persons entitled to the refund', furnish proof that the basic product in question has been placed under supervision by the competent agencies of the Member States and state that they are prepared to supply on request all information necessary for such supervision.

Article 3

1. The granting of the refund referred to in Article 2 shall be conditional on the lodging by the person entitled to the refund of a security guaranteeing the processing and/or use of the basic product.

The security may take the form of a guarantee given by a credit institution or any other agency meeting the criteria fixed by the Member State.

2. The amount of the security shall be equal to 105 % of the production refund requested.

3. The security shall be released when :

(a) the person entitled to the refund has furnished proof to the competent agency that at least 96 % of the quantity of the basic product placed under supervision has been processed not later than 90 days following acceptance of the application for the product to be placed under official supervision. However, when a quantity equal to less than 96 % of the amount of the basic product has been processed during this period, the security shall be released in respect of an amount equal to that of the production refund payable on the quantity of the basic product which has been processed ;

(b) where applicable, the amount referred to in subparagraph (a) of Article 5 (2) has been repaid.

4. Moreover, in respect of maize processed into groats and meal to be used either for the production of beer or for the manufacture of glucose by direct hydrolysis, in respect of wheat or maize processed into quellmehl used in bread-making, and in respect of broken rice for the manufacture of starch or beer, the security shall not be released, except in the case referred to in Article 6 until the person entitled to the refund has submitted to the competent authority an application to which must be appended proof of sale to a brewery, to a starch manufacturing undertaking, to a bakery or to a glucose manufacturing undertaking using direct hydrolysis, stating the quantity, expressed in net weight, of the maize groats and meal, quellmehl or broken rice sold and the exact business name of the undertaking concerned.

In addition, the Member State on whose territory the quellmehl, the maize groats and meal or broken rice are used shall ensure, by means of appropriate checks,

that the product concerned has been used in bread-making, brewing, glucose manufacture or in the manufacture of rice starch.

The competent agency of the Member State in question shall, taking economic and industrial exigencies into account, stipulate within what period the product in question must be used by the brewing, bread-making, glucose or rice starch industry.

5. The security or part thereof not released in accordance with this Article shall be forfeit and applied by way of reimbursement of the refund paid.

However, where, as a result of *force majeure,* the basic product has not been processed or used within the prescribed period, the competent agency of the Member State shall, at the request of the person entitled to the refund, decide in the light of the circumstances evoked, whether the security should be released or the period set for processing extended.

If the competent agency finds that *force majeure* exists, its Member State shall fortwith notify the Commission, which shall inform the other Member States.

Article 4

For maize processed into groats and meal, broken rice produced in or imported into the Community, and wheat or maize processed into quellmehl, between 19 October 1977 and the date of entry into force of this Regulation, and used respectively in brewing or baking, the production refund shall be paid provided the applicant furnishes proof that the maize, wheat or rice has been processed during such period and attaches to the application for the refund proof of sale to a brewery or bakery of the maize groats and meal, broken rice or quellmehl, giving the details regarding quantity and destination required in Article 3 (4).

Article 5

1. The production refund valid on the day on which the application for the basic product to be placed under supervision is accepted shall be paid by the Member State on whose territory the common wheat or maize starch, the quellmehl, the maize groats and meal or broken rice is produced or into whose territory the broken rice is imported. It shall be paid within 30 days of that on which the application for the basic product to be placed under supervision was accepted.

2. Where the production refund is altered between the day on which the application for the basic product to be placed under official supervision is accepted and the day of processing, the amount thereof shall be adjusted in proportion to this alteration.

The amount of such adjustment shall, within 30 days following the day of processing, be :

(a) repaid by the person entitled to the production refund to the competent agency, where the adjustment necessitates a reduction in the production refund ; or

(b) shall be paid by the competent agency to the person entitled to the refund, where the adjustment necessitates an increase in the production refund.

Article 6

If the maize groats and meal, the quellmehl or the broken rice is for use in a Member State other than in the State required to pay the refund :

(a) proof of the use of maize groats and meal in the brewing or glucose industry, quellmehl in bread-making and of broken rice in the starch or brewing industry may be funished only by production of the control copy provided for in Article 10 of Regulation (EEC) No 223/77. On that copy :

— Sections 101, 103 and 104 shall be completed,

— Section 104 shall be completed by deleting as appropriate and entering against the second indent the relevant form of the following endorsements :

intended for use in the 'brewing industry' the 'glucose industry by direct hydrolysis process', the 'bread-making' or 'starch industry' in accordance with Regulation (EEC) No 1570/78 ;

(b) the quantity of brewing or maize groats and meal actually used by the brewing or glucose industry, the quantity of quellmehl actually used in bread-making, or the quantity of broken rice actually used by the starch or brewing industry shall be entered in the section 'Control as to use and/or destination' under the heading 'Remarks'.

Article 7

Details of the methods of inspection and analysis necessary for the application of this Regulation shall be communicated by every Member State to the Commission within three months following the entry into force of this Regulation. Any alterations made to those methods shall be communicated to the Commission forthwith.

Article 8

Regulation (EEC) No 2026/75 is hereby repealed.

Article 9

This Regulation shall enter into force on the 15th 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, 4 July 1978.

For the Commission

Finn GUNDELACH

Vice-President