

## REGULATION (EEC) No 787/69 OF THE COUNCIL

of 22 April 1969

on the financing of intervention expenditure in respect of the domestic market in cereals and rice

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community;

Having regard to Council Regulation No 17/64/EEC<sup>1</sup> of 5 February 1964 on the conditions for granting aid from the European Agricultural Guidance and Guarantee Fund, as last amended by Regulation (EEC) No 1892/68<sup>2</sup>, and in particular Articles 5 (2) and 6 (2) thereof;

Having regard to the proposal from the Commission;

Whereas it is necessary to determine the conditions for granting aid from the European Agricultural Guidance and Guarantee Fund (hereinafter called the 'Fund') for Community financing of intervention expenditure in each sector of the common organization of the markets;

Whereas the operations for the denaturing of cereals, carried out pursuant to Article 7 (3) of Council Regulation No 120/67/EEC<sup>3</sup> of 13 June 1967 on the common organization of the market in cereals, as last amended by Regulation (EEC) No 289/69<sup>4</sup>, satisfy the conditions laid down in Article 5 (1) of Regulation No 17/64/EEC;

Whereas the measures provided for in Article 8 of Regulation No 120/67/EEC and in Article 6 of Council Regulation No 359/67/EEC<sup>5</sup> of 25 July 1967 on the common organization of the market in rice, as last amended by Regulation (EEC) No 1603/68<sup>6</sup>, are intended to avoid the buying-in of large quantities under compulsory intervention; whereas they thus satisfy the conditions laid down in Article 6 (1) of Regulation No 17/64/EEC; whereas the same applies to the compensation for stocks referred to in Article 9 of Regulation No 120/67/EEC and in Article 8 of Regulation No 359/67/EEC, and to the aids and refunds on production granted pursuant to Articles 10 and 11 of Regulation No 120/67/EEC and of Article 9 of Regulation No 359/67/EEC;

Whereas any losses which may arise from the interventions referred to in Article 7 (1) and (2) of Regulation No 120/67/EEC and in Article 5 (1) and (2) of Regulation No 359/67/EEC must be charged to the Fund, since those interventions satisfy the conditions laid down in Article 6 (1) of Regulation No 17/64/EEC; whereas a standard method should be established for taking over such losses, taking into account the degree of discretion which Member States have under Community rules and the fact that a certain number of costs are not harmonized

Whereas provisions must be laid down enabling the Fund to avoid bearing the financial consequences of any negligence discovered in the application of the intervention system,

HAS ADOPTED THIS REGULATION:

*Article 1*

In connection with the common organization of the markets in cereals and rice the following meanings shall apply:

- interventions on the domestic market having a purpose and function identical with those of export refunds, within the meaning of Article 5 (1) of Regulation No 17/64/EEC, means actions arising from the application of the second indent of the first subparagraph, and the second subparagraph, of Article 7 (3) of Regulation No 120/67/EEC;
- interventions on the domestic market within the meaning of Article 6 (1) of Regulation No 17/64/EEC means actions arising from the application of Articles 7 (1) and (2), 8, 9, 10 and 11 of Regulation No 120/67/EEC and of Articles 5 (1) and (2) 6, 8 and 9 of Regulation No 359/67/EEC.

*Article 2*

The following shall be chargeable to the Guarantee Section of the Fund:

- (a) net losses borne by intervention agencies on quantities of cereals and paddy rice harvested within the Community and bought in by those agencies in pursuance of Article 7 (1) and (2) of Regulation No 120/67/EEC and Article 5 (1) and (2) of Regulation No 359/67/EEC;

<sup>1</sup> OJ No 34, 27.2.1964, p. 586/64.

<sup>2</sup> OJ No L 289, 29.11.1968, p.1.

<sup>3</sup> OJ No 117, 19.6.1967, p. 2269/67.

<sup>4</sup> OJ No L 41, 18.2.1969, p. 1.

<sup>5</sup> OJ No 174, 31.7.1967, p. 1.

<sup>6</sup> OJ No L 253, 16.10.1968, p. 5.

- (b) the denaturing premium granted by intervention agencies in respect of common wheat, in accordance with the second subparagraph of Article 7 (3) of Regulation No 120/67/EEC;
- (c) net expenditure borne by intervention agencies in pursuance of decisions authorizing Member States to apply special intervention measures, in accordance with Article 8 of Regulation No 120/67/EEC and Article 6 of Regulation No 359/67/EEC;
- (d) compensation granted in pursuance of Article 9 of Regulation No 120/67/EEC and of Article 8 of Regulation No 359/67/EEC in respect of cereals and rice in stock at the end of the marketing year;
- (e) aid to durum wheat production granted in pursuance of Article 10 of Regulation No 120/67/EEC;
- (f) production refunds granted in pursuance of Article 11 of Regulation No 120/67/EEC and of Article 9 of Regulation No 359/67/EEC.

### Article 3

1. In order to apply Article 2 (a), the intervention agencies shall draw up, for each marketing year and for each product for which an intervention price is fixed, an account which shall be:

- (a) debited with the items mentioned in Article 4 (1);
- (b) credited with the items mentioned in Article 4 (2).

2. The balances of the accounts referred to in paragraph 1 shall be carried over to a single account drawn up for each accounting period.

Where application of the special intervention measures referred to in Article 8 of Regulation No 120/67/EEC and in Article 6 of Regulation No 359/67/EEC reveals net receipts, they shall be entered to the credit of that single account.

3. The debit balance of the single account referred to in paragraph 2 shall constitute the total amount of net losses borne by the intervention agencies within the meaning of Article 2 (a).

4. Any credit balance of the single account referred to in paragraph 2 shall be carried over to the single account for the following accounting period.

### Article 4

1. The account referred to in Article 3 (1) shall be debited with:

- (a) the value of the quantities in stock at the beginning of the marketing year, calculated by multiplying those quantities by the intervention price operative on the first day of that marketing year for the standard quality;
- (b) the total amount of expenditure on buying-in during the marketing year in question;

(c) the total amount of the costs incurred, during buying-in and selling, by placing in and, where appropriate, removing from storage, calculated on the basis of a standard amount per unit of weight on entry into storage and per unit of weight on removal from storage determined in accordance with Article 5 (2);

(d) The total amount of the costs incurred by drying, calculated on the basis of a standard amount per unit of dry weight, determined in accordance with Article 5 (2); however, as from the 1969/70 marketing year, further costs of drying to reduce the moisture content below that of the standard quality shall be taken into consideration only if the need for that operation has been established by the procedure laid down in Article 26 of Regulation No 120/67/EEC;

(e) the total amount of the costs incurred through storage, calculated on the basis of a standard amount per unit of weight/period of storage determined in accordance with Article 5 (2);

(f) the total amount of any technical costs of denaturing; the costs taken into account shall be those fixed for calculating the denaturing premium operative at the time the denaturing takes place, within the limit of the costs actually incurred;

(g) the total amount of the costs incurred through transportation made necessary after the taking over of goods by the intervention agency, and carried out under conditions concerning, in particular, the need for transportation, to be determined according to the procedure provided for in Article 26 of Regulation No 120/67/EEC or Article 26 of Regulation No 359/67/EEC; this amount shall include the costs of placing in and removing from storage arising from such transportation, calculated as provided for under (c).

2. The account referred to in Article 3 (1) shall be credited with:

- (a) the total amount of the receipts from sales effected during the marketing year in question;
- (b) the value of the quantities in stock on the last day of the marketing year in question, calculated by multiplying those quantities by the intervention price operative on the first day of the following marketing year for the standard quality;
- (c) the value of the quantity losses exceeding the maximum tolerance to be fixed in accordance with the procedure laid down in Article 26 of Regulation No 120/67/EEC or in Article 26 of Regulation No 359/67/EEC, calculated by multiplying those quantities by the basic intervention price operative on the first day of the marketing year in question for the standard quality, plus the total monthly increases for that marketing year.

Quantity losses shall be equal either to the difference between the theoretical stock shown by the current inventory and the actual physical stock remaining on the last day of the marketing year in question and established by taking an inventory, or to the stock

shown as remaining on the books after the physical stock has been exhausted.

The theoretical stock, or in the absence thereof the book stock, shall be reduced by the quantities lost through the drying operations mentioned in paragraph 1 (d); however, for the 1967/68 and 1968/69 marketing years, 50% of the losses incurred through drying in order to lower the moisture content below that accepted for the standard quality shall be deducted from the theoretical or book stock;

- (d) the amounts recovered from warehousemen for deterioration or loss, insofar as there is no duplication with subparagraph (c) or Article 6.

#### Article 5

1. The intervention prices referred to in Article 4 (1) (a) and 2 (b) shall be the derived intervention prices operative for the marketing centre where the products concerned are stored or, if the products are stored elsewhere, for the marketing centre to which they may be taken at the least cost.

In respect of denatured cereals, the intervention price to be taken into consideration shall be that of the same cereal when not denatured.

2. The standard amounts referred to in Article 4 (1) (c), (d) and (e) shall be uniform for the Community. They

shall be fixed in accordance with the procedure laid down in Article 26 of Regulation No 17/64/EEC, account being taken of the results of an examination made under Article 27 of Regulation No 120/67/EEC or Article 27 of Regulation No 359/67/EEC.

#### Article 6

From the amount of expenditure which is chargeable within the meaning of Article 2 (a) there shall be deducted losses incurred as a result of negligence attributable to Member States; this shall be established in accordance with the procedure laid down in Article 26 of Regulation No 17/64/EEC, account being taken of the results of an examination made under Article 27 of Regulation No 120/67/EEC or Article 27 of Regulation No 359/67/EEC.

#### Article 7

This Regulation shall take effect as from the 1967/68 marketing year.

Council Regulation No 18/64/EEC<sup>1</sup> of 5 February 1964 on the financing of intervention expenditure in respect of the internal market in cereals and Council Regulation No 155/66/EEC<sup>2</sup> of 25 October 1966 on the financing of intervention expenditure in respect of the internal market in rice shall no longer be applicable as from the 1967/68 marketing year.

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

Done at Luxembourg, 22 April 1969.

*For the Council*  
*The President*  
J. P. BUCHLER

<sup>1</sup> OJ No 34, 27.2.1964, p. 595/64.

<sup>2</sup> OJ No 192, 25.10.1966, p. 3277/66.