

19.6.67

OFFICIAL JOURNAL OF THE EUROPEAN COMMUNITIES

2269/67

**REGULATION No 120/67/EEC OF THE COUNCIL**  
**of 13 June 1967**  
**on the common organisation of the market in cereals**

THE COUNCIL OF THE EUROPEAN ECONOMIC COMMUNITY,

Having regard to the Treaty establishing the European Economic Community, and in particular Articles 42 and 43 thereof;

Having regard to the proposal from the Commission;

Having regard to the Opinion of the European Parliament<sup>1</sup>;

Whereas the operation and development of the common market in agricultural products must be accompanied by the establishment of a common agricultural policy to include in particular a common organisation of agricultural markets which may take various forms depending on the product;

Whereas Regulation No 19<sup>2</sup> provided that the common organisation of the market in cereals should be established progressively from 1962; whereas the main features of the market organisation thus established are the annual fixing of target prices, published before the winter sowing so as to allow producers to make their crop plans, and the fixing, on the basis of the target price, of an intervention price, at which the competent agencies are obliged to buy in the cereals offered to them, and of a threshold price to which the price of imported products must be equated by means of a variable levy;

Whereas a progressive approximation of the target prices for basic products was provided for in Article 6 (4) of Regulation No 19 so that a common target price might be attained by the end of the transitional period; whereas, however, the method of progressive reduction of disparities between target prices fixed by Member States has encountered considerable difficulties; whereas the uncertainty about the final level of cereal prices to which this process was leading and

on which agricultural prices in general depend in large measure made it more difficult for farmers to make medium-term forecasts and was liable to cause unproductive investments; whereas, therefore, a single price system for cereals for the Community should be introduced from the 1967/68 marketing year;

Whereas, owing to the price mechanism brought into being by Regulation No 19, the creation of a single market in cereals for the whole Community does not depend solely on the removal of all obstacles to the free movement of goods within the Community and on the establishment of identical protection at its external frontiers, but also on the adoption of a system comprising, as provided for in Article 13 of Regulation No 19, a target price valid for the whole Community, a single threshold price, a single method of fixing intervention prices and finally a single frontier crossing point for the Community to be used for determining c.i.f. prices for products from third countries; whereas, therefore, the necessary adjustments should be made to the system provided in Regulation No 19;

Whereas the aim of the common agricultural policy is to attain the objectives set out in Article 39 of the Treaty; whereas in the cereals sector, in order to stabilise markets and to ensure a fair standard of living for the agricultural community concerned, intervention agencies should continue to take intervention measures on the market, such measures however to be standardised so as not to impede the free movement of cereals within the Community;

Whereas free movement of cereals within the Community should enable surpluses in production areas to be offset against requirements in deficit areas; whereas, so as not to impede such offsetting, intervention prices derived from the basic price should be fixed in such a way that the differences between them reflect the disparities which, given a normal harvest, arise under natural conditions of price formation on the market, and that the forces of supply and demand may have free play;

<sup>1</sup> OJ No 103, 2.6.1967, p. 2063/67.

<sup>2</sup> OJ No 30, 20.4.1962, p. 933/62.

Whereas the smooth adjustment of the market to the regionalisation of prices requires intervention agencies to be able, in special circumstances, to take intervention measures suited to those circumstances; whereas, however, so that the required uniformity of intervention systems may be maintained, those special circumstances should be assessed and the appropriate measures determined at Community level;

Whereas the target prices, intervention prices and threshold prices should, in the course of the marketing year, be subject to a certain number of monthly increases in order to take account, among other things, of storage costs and interest charges for storing cereals in the Community and of the need to ensure that the disposal of stocks conforms to market requirements;

Whereas it may prove impossible to give producers of durum wheat sufficient guarantees by fixing a price which takes into account the ratio existing normally on the world market between durum and common wheat prices; whereas this ratio should be respected so far as possible in the Community because of the interchangeability of these two products; whereas provision must therefore be made for the possibility of granting aid to producers of durum wheat;

Whereas because of the special situation on the market in starches and, in particular, the need for that industry to keep prices competitive with those for substitute products, it is necessary to ensure by means of a production refund that the basic products used by the industry are made available to it at a lower price than that which would result from applying the system of levies and common prices; whereas, for similar reasons and because of the interchangeability of starches with quellmehl and maize groats and meal, production refunds should also be granted in respect of the latter products;

Whereas the creation of a single Community market for cereals involves, apart from a single price system, the introduction of a single trading system at the external frontiers of the Community; whereas a trading system including levies and export refunds, combined with intervention measures, also serves to stabilise the Community market, in particular by preventing price fluctuations on the world market from affecting prices ruling within the Community; whereas, therefore, provision should be made for charging a levy on imports from third countries and for the payment of a refund on exports to these countries, both being designed to cover the difference between prices ruling outside and within the Community; whereas, moreover, in respect of products processed from cereals to which this Regulation applies, account should be taken of the need to ensure a measure of protection for the Community processing industry;

Whereas, in addition to the system described above, and to the extent necessary for its proper working, provision should be made for regulating or, when the

situation on the market so requires, prohibiting the use of 'inward processing arrangements'; whereas, moreover, the refund should be fixed in such a way that operations under inward processing arrangements do not lead the Community processing industry to use, with a view to export, basic products imported from third countries in preference to Community basic products; whereas the creation of a single market in cereals necessitates Community control of the inward processing trade;

Whereas the competent authorities must be in a position constantly to follow trade movements in order to assess market trends and to apply the measures laid down in this Regulation as necessary; whereas, to that end, provision should be made for the issue of import and export licences accompanied by the lodging of a deposit guaranteeing that the transactions for which such licences are requested are effected;

Whereas the levy system makes it possible to dispense with all other protective measures at the external frontiers of the Community; whereas, however, the common price and levy machinery may in exceptional circumstances prove defective; whereas, in such cases, so as not to leave the Community market without defence against disturbances which may arise therefrom after the import barriers which existed previously have been removed, the Community should be enabled to take all necessary measures without delay;

Whereas the establishment of a single market in cereals involves the removal at the internal frontiers of the Community of all obstacles to the free movement of the goods in question;

Whereas the establishment of a single market based on a common price system would be jeopardised by the granting of certain aids; whereas, therefore, the provisions of the Treaty which allow the assessment of aids granted by Member States and the prohibition of those which are incompatible with the common market should be made to apply to cereals;

Whereas the transition from the system provided in Regulation No 19 to that established by this Regulation should be effected as smoothly as possible; whereas, to that end, Regulations Nos 119/66/EEC<sup>1</sup> and 90/67/EEC<sup>2</sup> have already provided for certain transitional measures but others may prove necessary; whereas, in addition, Italy should be authorised for some years to take measures to reduce the impact of the new system on the level of prices for feed grain in that Member State in order to facilitate the adjustment of the Italian market to that new system;

Whereas the common organisation of the market in cereals must include the products of primary process-

<sup>1</sup> OJ No 149, 11.9.1966, p. 2737/66.

<sup>2</sup> OJ No 89, 9.5.1967, p. 1749/67.

ing which contain cereals or certain products which do not contain cereals but which are directly interchangeable in their use with cereals or with products obtained from cereals;

Whereas the common organisation of the market in cereals must take appropriate account, at the same time, of the objectives set out in Articles 39 and 110 of the Treaty;

Whereas, in order to facilitate implementation of the proposed measures, a procedure should be provided for establishing close co-operation between Member States and the Commission within a Management Committee;

HAS ADOPTED THIS REGULATION:

*Article 1*

The common organisation of the market in cereals shall comprise a price and trading system and cover the following products:

CCT heading No	Description of goods
(a) ex 10.01	Common wheat (including meslin)
10.02	Rye
10.03	Barley
10.04	Oats
10.05	Maize
10.07	Buckwheat, millet, canary seed and grain sorghum; other cereals
(b) ex 10.01	Durum wheat
(c) 11.01 A	Wheat or spelt flour
11.01 B	Meslin flour
ex 11.01 C	Rye flour
ex 11.02 A 1	Wheat groats and meal (common wheat and durum wheat)
(d) The products listed in Annex A to this Regulation.	

TITLE I

Prices

*Article 2*

1. Simultaneously and before 1 August of each year the following prices shall be fixed for the Com-

munity for the marketing year beginning during the following calendar year:

- a target price for each of the following: common wheat, durum wheat, barley, maize and rye;
- a basic intervention price for each of the following: common wheat, durum wheat, barley and rye and, unless the provisions of Article 4 (2) are applied, for maize;
- a guaranteed minimum price for durum wheat.

2. These prices shall be fixed for a standard quality to be determined for each of the above cereals.

3. The target price and the basic intervention price shall be fixed for Duisburg at the wholesale stage, goods delivered to warehouse, not unloaded.

The guaranteed minimum price for durum wheat shall be fixed for the marketing centre of the region with the largest surplus, at the same stage and under the same conditions as the target price.

4. The prices mentioned in this Article and the standard qualities for which they are fixed shall be determined in accordance with the procedure laid down in Article 43 (2) of the Treaty.

*Article 3*

The marketing year for all the products listed in Article 1 shall begin on 1 August and end on 31 July of the following year.

*Article 4*

1. In order to guarantee to producers that the market price does not fall below a minimum level, derived intervention prices for common wheat, durum wheat, barley, maize and rye shall be fixed for the Community, in addition to the basic intervention price.

The derived intervention prices shall be fixed for the same standard quality, at the same stage and under the same conditions as the target price, for all marketing centres in the Community except Duisburg. The derived intervention prices shall be calculated in such a way that the differences between them correspond to the price disparities in prices to be expected in a normal harvest under natural conditions of price formation on the market and allow the free movement of cereals within the Community in accordance with the requirements of the market.

2. By way of derogation from the provisions of paragraph 1, a single intervention price shall be fixed for maize for all the marketing centres for that

cereal, provided that the quantities of home-grown maize marketed in a normal harvest remain below 45% of the amount consumed within the Community. This price shall correspond to the lowest derived intervention price which would have been fixed in the Community if the provisions of paragraph 1 had applied.

3. Intervention prices for common wheat, durum wheat, barley and rye shall be effective from 1 August to 31 May of the following year. From 1 June to 31 July the intervention prices effective for August of the following marketing year shall apply.

Intervention prices for maize shall be effective from 1 August to 31 July of the following year.

4. The Council, acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission, shall lay down each year before 15 March for the following marketing year:

- (a) the marketing centre to which the lowest derived intervention price applies and the price in question in respect of each Member State and each kind of cereal produced in any quantity in that Member State, except for maize where paragraph 2 applies;
- (b) the principal marketing centres and the derived intervention prices effective in those centres;
- (c) the intervention price for maize provided for in paragraph 2, if the provisions of that paragraph are applied.

5. Rules shall be adopted in accordance with the procedure referred to in paragraph 4 for:

- (a) determining marketing centres other than those mentioned in paragraph 4 (b);
- (b) deriving intervention prices valid both for the principal marketing centres and for other centres.

6. The marketing centres mentioned in paragraph 5 (a) and the derived intervention prices valid for these centres shall be determined, after consultation with the Member States concerned, before 15 May of each year for the following marketing year, in accordance with the procedure laid down in Article 26.

#### Article 5

1. In respect of common wheat, durum wheat, barley, maize and rye a threshold price shall be fixed for the Community in such a way that the selling price for the imported product on the Duisburg market shall be the same as the target price, differences in quality being taken into account.

The threshold price shall be fixed for the same standard quality as the target price.

2. For a standard quality of each of the products listed in Article 1 (a) which are not mentioned in paragraph 1 above, a threshold price shall be fixed for the Community in such a way that the price for those cereals mentioned in paragraph 1 which are in competition with these products shall reach the target price on the Duisburg market.

3. For a standard quality of each of the products listed in Article 1 (c) a threshold price shall be fixed for the Community, account being taken of the objective stated in paragraph 2 and of the need to protect the processing industry.

4. The threshold prices shall be calculated for Rotterdam.

5. The Council, acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission, shall determine:

- (a) the rules for fixing threshold prices for products referred to in paragraph 3 and the standard quality for products referred to in paragraphs 2 and 3;
- (b) before 15 March of each year, for the following marketing year, the threshold prices for products referred to in paragraphs 1 and 2.

6. Threshold prices for products referred to in paragraph 3 shall be fixed before 15 March of each year for the following marketing year in accordance with the procedure laid down in Article 26.

#### Article 6

1. The target prices, intervention prices and threshold prices shall be the subject of monthly increases phased over all or part of the marketing year.

2. The Council, acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission, shall fix before 15 March of each year, for the following marketing year, the number and amount of the monthly increases phased over the marketing year.

#### Article 7

1. Throughout the marketing year the intervention agencies designated by Member States shall be obliged to buy in cereals mentioned in Article 4 which are offered to them and have been harvested in the

Community, provided that the offers comply with conditions, in particular in respect of quality and quantity, to be determined in accordance with paragraph 5.

2. The intervention agencies shall buy in at the intervention price ruling for the marketing centre at which the cereal is offered, under conditions determined in accordance with paragraphs 4 and 5. If the quality of the cereal is different from the standard quality for which the intervention price has been fixed, the intervention price shall be adjusted in accordance with scales of price increases and reductions. These scales may also include special optional price increases in respect of barley of brewery quality and, in certain regions, in respect of rye of bread-making quality.

3. Under conditions to be laid down in accordance with paragraphs 4 and 5, the intervention agencies:

- shall offer for sale, for export to third countries or for supply to the internal market, the product bought in under the provisions of paragraph 1;
- may likewise offer for sale for the same purposes common wheat and also rye of bread-making quality in respect of which the special price increase has been granted, after having rendered them unfit for human consumption by denaturing.

They may also grant a denaturing premium for common wheat.

4. The Council, acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission, shall adopt general rules governing intervention and denaturing.

5. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 26, in particular as regards:

- the minimum quality and quantity required for intervention in respect of each cereal;
- the scales of price increases and reductions applicable to intervention;
- the procedures and conditions for taking-over by the intervention agencies;
- the procedures and conditions for disposal of produce by the intervention agencies;
- the conditions for granting denaturing premiums and the amount thereof.

#### Article 8

The Council, acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty

on a proposal from the Commission, shall determine the conditions under which intervention agencies may take special intervention measures to prevent substantial purchases being made in pursuance of Article 7 (1) in certain regions of the Community.

The nature and scope of such intervention measures shall be determined in accordance with the procedure laid down in Article 26.

Before the expiry of the first year of application of this Regulation the Commission shall submit to the Council a report on the results obtained from the application of the measures laid down in this Article and on the advisability of amending or repealing them.

#### Article 9

1. A carry-over payment may be granted in respect of stocks remaining at the end of the marketing year of common wheat, durum wheat, rye and barley harvested in the Community, and of malt.

Before 15 March of each year the Council, acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission, shall decide whether a carry-over payment should be granted in respect of one or more of the above-mentioned products and, if so, to what extent.

2. A carry-over payment shall be granted each year in respect of maize, but shall be limited to stocks of maize harvested in the Community in hand at the end of the marketing year in areas of surplus production.

3. The carry-over payment for each cereal shall not exceed the difference between the target price valid for the last month of the marketing year and that valid for the first month of the next marketing year.

4. The carry-over payment shall be granted only if stocks reach a minimum quantity.

5. The amount of the carry-over payment shall be fixed in accordance with the procedure referred to in paragraph 1.

6. Detailed rules for the application of this Article, in particular the minimum quantity qualifying for a carry-over payment and the categories of those entitled to it, shall be adopted in accordance with the procedure laid down in Article 26.

#### Article 10

Where the intervention price for durum wheat valid for the marketing centre of the area with the largest

surplus is lower than the guaranteed minimum price, aid shall be granted for the production of this cereal. This aid, of a uniform amount for the whole Community, shall be equal throughout the marketing year to the difference between the guaranteed minimum price and the above-mentioned intervention price at the beginning of the marketing year.

The Council, acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission, shall adopt detailed rules for the application of this Article.

#### Article 11

1. A production refund shall be granted:
  - (a) for maize and common wheat used by the starch industry for the manufacture of starch and quellmehl;
  - (b) for potato starch;
  - (c) for maize used in the maize industry for the manufacture of maize groats and meal (gritz) used by the brewing industry.
2. The payment of the production refund for potato starch shall be subject to the condition that the processor has paid a minimum free-at-works price for the potatoes.

The minimum price to be received by the producer shall consist of the minimum price to be paid by the starch manufacturer plus an amount corresponding to the production refund.

3. The Council, acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission, shall adopt rules for the application of this Article and fix the amount of the production refund.

## TITLE II

### Trade with third countries

#### Article 12

1. Imports into the Community or exports therefrom of any of the products listed in Article 1 shall be subject to the submission of an import or export licence which may be issued by Member States to any applicant irrespective of the place of his establishment in the Community.

From a date to be fixed by the Council, acting in accordance with the voting procedure laid down in

Article 43 (2) of the Treaty on a proposal from the Commission, and from 1 August 1969 at the latest, such licences shall be valid for transactions effected in the Community. Until that date such licences shall be valid only for transactions effected in the Member State which issued them.

The issue of such licences shall be conditional on the lodging of a deposit guaranteeing that importation or exportation is effected during the period of validity of the licence; the deposit shall be forfeited in whole or in part if the transaction is not effected, or is only partially effected, within that period.

2. The period of validity of licences and other detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 26.

#### Article 13

1. A levy equal for each product to the threshold price less the c.i.f. price shall be charged on imports of the products listed in Article 1 (a), (b) and (c).

However, the levy applicable to hybrid maize, falling within sub-heading No 10.05 A of the Common Customs Tariff, shall be limited to the amount resulting from the application of the rate of duty bound within GATT.

2. The c.i.f. prices shall be calculated for Rotterdam on the basis of the most favourable purchasing opportunities on the world market, determined for each product on the basis of the quotations and prices of that market after adjustment for any differences in quality as compared with the standard quality for which the threshold price is fixed.

Differences in quality shall be expressed in coefficients of equivalence.

3. Where free quotations on the world market are not a determining factor for the offer price and where this price is lower than world market prices, a special c.i.f. price calculated on the basis of the offer price shall be substituted for the c.i.f. price solely for the imports in question.

4. Detailed rules for the application of this Article, and in particular the coefficients of equivalence, the rules for determining c.i.f. prices and the margin within which variations in the factors used for calculating the levy do not require any alteration of the levy, shall be adopted in accordance with the procedure laid down in Article 26.

5. The Commission shall fix the levies mentioned in this Article.

*Article 14*

1. A levy shall be charged on the importation of products referred to in Article 1 (d) consisting of two components:

A. A variable component which may be fixed and revised on a flat-rate basis,

(a) corresponding, in respect of products processed from basic products listed in Article 1 (a), to the incidence on their prime cost of the levies on those basic products;

(b) increased, where necessary, for processed products which contain both basic products listed in Article 1 (a) and other products, by the amount of the incidence on their prime cost of the levies or customs duties charged on those other products;

(c) fixed, for products which do not contain any basic products listed in Article 1 (a), with reference to market conditions for those Article 1 products which are in competition with them;

B. A fixed component designed to protect the processing industry.

2. Where actual offers from third countries of products referred to in Article 1 (d) do not correspond to the price which results from the price of basic products used in their manufacture plus processing costs, an amount fixed in accordance with the procedure laid down in Article 26 may be added to the levy fixed in accordance with paragraph 1.

3. The Council, acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission, shall adopt rules for the application of this Article.

4. The Commission shall fix the levies specified in paragraph 1.

*Article 15*

1. The levy to be charged shall be that applicable on the day of importation.

2. However, as regards imports of products listed in Article 1 (a) and (b), the levy applicable on the day on which application for a licence is made, adjusted for the threshold price which will be in force during the expected month of importation, shall be applied to an import to be effected during the period of validity of the licence, if the applicant so requests when applying for the licence. In this case a pre-

mium, fixed at the same time as the levy, shall be added to the levy.

3. A decision may be taken in accordance with the procedure laid down in Article 26 to apply the provisions of paragraph 2, in whole or in part, to any of the products listed in Article 1 (c) and (d).

If the carry-over payment envisaged by Article 9 is not granted for malt, and if an advance fixing of the levy has been prescribed for this product, the levy shall be adjusted during the first two months of the marketing year on the basis of the threshold price in force during the last month of the preceding marketing year.

4. The Council, acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission, shall adopt rules for fixing the scale of premiums and measures to be taken in exceptional circumstances or where importation is not effected within the month laid down.

5. The scale of premiums shall be adopted by the Commission.

*Article 16*

1. To the extent necessary to enable the products listed in Article 1 to be exported in the state referred to therein or in the form of goods listed in Annex B on the basis of quotations or prices for those products on the world market, the difference between those quotations or prices and prices in the Community may be covered by an export refund.

2. The refund shall be the same for the whole Community. It may be varied according to use or destination.

The refund shall be granted on application.

When the refund is being fixed particular account shall be taken of the need to establish a balance between the use of Community basic products in the manufacture of processed goods for export to third countries and the use of third country products brought in under inward processing arrangements.

Refunds shall be fixed at regular intervals in accordance with the procedure laid down in Article 26. Where necessary the Commission may, at the request of a Member State or on its own initiative, alter the refunds in the intervening period.

3. The amount of the refund applicable to the export of products listed in Article 1 and of goods listed in Annex B shall be that applicable on the day of exportation.

4. However, as regards exports of products listed in Article 1 (a) and (b), the refund applicable on the day on which application for a licence is made, adjusted for the threshold price which will be in force during the month of exportation, shall be applied to an export to be effected during the period of validity of the licence, if the applicant so requests when applying for the licence. In this case a corrective amount, fixed at the same time as the refund, shall apply to the refund.

The provisions of the preceding subparagraph may be applied in whole or in part to any of the products listed in Article 1 (c) and (d).

If the carry-over payment envisaged by Article 9 is not granted for barley and malt and if an advance fixing of the refund has been laid down for malt, the refund on exports, during the first two months of the marketing year, of malt in stock at the end of the preceding marketing year or made from barley in stock at that time shall be adjusted for the threshold price in force in the last month of the preceding marketing year.

5. The Council, acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission, shall adopt general rules for granting export refunds and criteria for fixing the amount of such refunds.

6. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 26.

#### Article 17

1. To the extent necessary for the proper working of the common organisation of the market in cereals, the Council, acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission, may prohibit in whole or in part the use of inward processing arrangements:

- in respect of products listed in Article 1 which are intended for the manufacture of products listed in Article 1 (c) and (d);
- and, in special cases, in respect of products listed in Article 1 which are intended for the manufacture of goods listed in Annex B.

2. Community provisions to regulate the inward processing trade in the products listed in Article 1 shall be adopted not later than 1 July 1968.

3. Rules to be applied until the provisions mentioned in paragraph 2 enter into force shall be adopted in accordance with the procedure referred to in paragraph 1; they shall apply in respect of:

- (a) the rate of yield to be taken when determining the quantity of Article 1 products used in the manufacture of processed goods for export;
- (b) the determination, for the purpose of applying the levy, of the quantity of products used in the manufacture of processed goods put into free circulation.

4. For the purposes of this Article 'inward processing arrangements' means all those provisions determining the conditions under which products from third countries are used in the Community in the manufacture of goods for export and enjoy exemption from the levies applicable to them.

#### Article 18

1. Without prejudice to the provisions of Regulation No 156/66/EEC,<sup>1</sup> the general rules for the interpretation of the Common Customs Tariff and the special rules for its application shall apply to the tariff classification of products covered by this Regulation; the tariff nomenclature resulting from application of this Regulation shall be incorporated in the Common Customs Tariff from the date on which the latter is fully applied.

2. Save as otherwise provided in this Regulation or where derogation therefrom is decided by the Council, acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission, the following shall be prohibited:

- the levying of any customs duty or charge having equivalent effect;
- the application of any quantitative restriction or measure having equivalent effect, subject to the provisions of the Protocol on the Grand Duchy of Luxembourg.

The restriction of import or export licences to a specified category of those entitled to receive them shall be one of the measures considered as having effect equivalent to a quantitative restriction.

#### Article 19

When the c.i.f. price of one or more of the products mentioned in Article 2 is appreciably higher than the threshold price, and that situation is likely to continue, thereby disturbing or threatening to disturb the Community market, the necessary measures may be taken.

The Council, acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty

<sup>1</sup> OJ No 192, 27.10.1966, p. 3278/66.

on a proposal from the Commission, shall adopt general rules for the application of this Article.

#### Article 20

1. If by reason of imports or exports the Community market in one or more of the products listed in Article 1 experiences or is threatened with serious disturbances which may endanger the objectives set out in Article 39 of the Treaty, appropriate measures may be applied in trade with third countries until such disturbance or threat of disturbance has ceased.

The Council, acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission, shall adopt rules for the application of this paragraph and define the cases in which and the limits within which Member States may take protective measures.

2. If the situation mentioned in paragraph 1 arises, the Commission shall, at the request of a Member State or on its own initiative, decide upon the necessary measures; the measures shall be communicated to the Member States and shall be immediately applicable. If the Commission receives a request from a Member State, it shall take a decision thereon within twenty-four hours following receipt of the request.

3. The measures decided upon by the Commission may be referred to the Council by any Member State within three working days following the day on which they were communicated. The Council shall meet without delay. It may amend or repeal the measures in question in accordance with the voting procedure laid down in Article 43 (2) of the Treaty.

### TITLE III

#### General provisions

#### Article 21

1. The following shall be prohibited in the internal trade of the Community:

- the levying of any customs or charge having equivalent effect;
- any quantitative restriction or measure having equivalent effect, subject to the provisions of the Protocol on the Grand Duchy of Luxembourg;
- recourse to Article 44 of the Treaty.

2. Goods listed in Article 1 which are manufactured or obtained from products to which Article 9 (2) and Article 10 (1) of the Treaty do not apply shall not be admitted to free circulation within the Community.

#### Article 22

Save as otherwise provided in this Regulation, Articles 92 to 94 of the Treaty shall apply to the production of and trade in the products listed in Article 1.

#### Article 23

1. When barley, oats, maize, grain sorghum and millet are imported by sea into the Italian Republic and until the end of the 1971/72 marketing year, that Member State may reduce the levy by 7.5 units of account per metric ton on condition that an equal subsidy is granted for deliveries of the same cereals by sea from Member States.

2. Furthermore, when barley, oats, maize, grain sorghum and millet are imported into the Italian Republic, that Member State may reduce the levy by:

- 3.13 units of account per metric ton during the marketing year 1967/68;
- 2.50 units of account per metric ton during the marketing year 1968/69;
- 2.50 units of account per metric ton during the marketing year 1969/70;

on condition that an equal subsidy is granted for deliveries of the same cereals from Member States.

3. By way of derogation from Article 21 (1), if the power conferred by paragraph 2 is used, a charge equal to the amount of the reduction in the levy referred to in that paragraph shall be levied by the Italian Republic on deliveries of barley, oats, maize, grain sorghum and millet from that country to other Member States.

4. If Italy makes use of the power conferred by paragraph 2, the Council, acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission, shall take the measures necessary to prevent distortions of competition as regards trade in those products referred to in Article 1 (d) the levy on which is calculated on the basis of barley, oats, maize, grain sorghum or millet.

5. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 26.

#### Article 24

Member States and the Commission shall communicate to each other the information necessary for im-

plementing this Regulation. Rules for the communication and distribution of such information shall be adopted in accordance with the procedure laid down in Article 26.

#### Article 25

1. A Management Committee for Cereals (hereinafter called the 'Committee') shall be established, consisting of representatives of Member States and presided over by a representative of the Commission.
2. Within the Committee the votes of Member States shall be weighted in accordance with Article 148 (2) of the Treaty. The Chairman shall not vote.

#### Article 26

1. Where the procedure laid down in this Article is to be followed, the Chairman shall refer the matter to the Committee either on his own initiative or at the request of the representative of a Member State.
2. The representative of the Commission shall submit a draft of the measures to be taken. The Committee shall deliver its Opinion on such measures within the time limit to be set by the Chairman according to the urgency of the questions under consideration. An Opinion shall be adopted by a majority of twelve votes.
3. The Commission shall adopt measures which shall apply immediately. However, if these measures are not in accordance with the Opinion of the Committee, they shall forthwith be communicated by the Commission to the Council. In that event the Commission may defer application of the measures which it has adopted for not more than one month from the date of such communication.

The Council, acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty, may take a different decision within one month.

#### Article 27

The Committee may consider any other question referred to it by its Chairman either on his own initiative or at the request of the representative of a Member State.

#### Article 28

At the end of the transitional period, the Council, acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission, shall decide in the light of experience whether to retain or amend the provisions of Article 26.

#### Article 29

This Regulation shall be so applied that appropriate account is taken, at the same time, of the objectives set out in Articles 39 and 110 of the Treaty.

#### Article 30

The additional amount provided for in Article 14 (2) and the premium provided for in Article 15 (2) shall be considered as levies in relation to third countries within the meaning of Article 11 (4) of Council Regulation No 130/66/EEC<sup>1</sup> of 26 July 1966 on the financing of the common agricultural policy.

#### Article 31

The Council, acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission, shall, in respect of processed products referred to in Article 1 (d) containing not only products listed in Article 1 but also products subject to the common organisation of the market in milk and milk products, adopt transitional measures designed to take account of differences in the price of milk products in Member States until the system of common prices in this sector takes effect, such measures to apply to trade both between Member States and between Member States and third countries.

#### Article 32

1. Without prejudice to the provisions of Regulation No 90/67/EEC, should transitional measures be necessary to facilitate the transition from the system provided in Regulation No 19 to that established by this Regulation, in particular if the introduction of the new system on the date provided for would give rise to substantial difficulties in respect of certain products, such measures shall be adopted in accordance with the procedure laid down in Article 26. They shall be applicable until 31 July 1968 at the latest.

By way of derogation from the provisions of Article 3, the 1967/68 marketing year shall begin on 1 July.

2. By way of derogation from the provisions of Article 2, the prices and standard qualities mentioned therein effective for the 1967/68 marketing year shall be determined by the Council, acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission.

<sup>1</sup> OJ No 165, 21.10.1966, p. 2965/66.

3. By way of derogation from the provisions of Article 4 (1), it may be decided, in accordance with the procedure set out in Article 4 (6) and at the request of a Member State, that derived intervention prices for durum wheat, valid for the marketing centres referred to in Article 4 (5) (a) of that Member State, shall, during the 1967/68 and 1968/69 marketing years, be equal to the lowest intervention price fixed for that Member State.

*Article 33*

This Regulation shall enter into force on the day following its publication in the *Official Journal of the European Communities*.

The system established by this Regulation shall apply from 1 July 1967, except for the measures provided for in Article 32 (1), which may be made to apply from the date of entry into force of this Regulation.

Regulation No 19 and the provisions adopted in implementation thereof, except for the provisions of Regulations Nos 3/63/EEC<sup>1</sup> and 119/66/EEC, shall be repealed with effect from 1 July 1967.

Article 2 of Regulation No 56<sup>2</sup> shall be repealed with effect from the same date.

<sup>1</sup> OJ No 14, 29.1.1963, p. 153/63.

<sup>2</sup> OJ No 54, 2.7.1962, p. 1591/62.

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

Done at Brussels, 13 June 1967.

*For the Council*  
*The President*  
Ch. HEGER

ANNEX A

CCT heading No	Description of goods
ex 07.06 B	Manioc, arrowroot, salep and other similar roots and tubers with high starch content, fresh or dried, whole or sliced, excluding sweet potatoes
ex 11.01	Cereal flours: ex C. Barley flour or oat flour E. Other
ex 11.02	Cereal groats and cereal meal; other worked cereal grains (for example, rolled, flaked, polished, pearled or kibbled, but not further prepared), except husked, glazed, polished or broken rice; germ of cereals, whole, rolled, flaked or ground: ex A. Cereal groats and cereal meal; other worked cereal grains (for example, rolled, flaked, polished, pearled or kibbled, but not further prepared) ex I. Of wheat, except wheat groats and meal II. Of rye III. Of other cereals: (a) Rolled or flaked barley and oats ex (b) Other, except rice groats and meal B. Germ of cereals, whole, rolled, flaked or ground.

CCT heading No	Description of goods
11.06	Flour and meal of sago and of manioc, arrowroot, salep and other roots and tubers falling within heading No 07.06: A. Of manioc B. Other
11.07	Malt, roasted or not
ex 11.08 A	Starches: I. Maize starch II. Potato starch (a) For the manufacture of dextrins, glues, glazings or dressings <sup>1</sup> IV. Other
11.09	Gluten and gluten flour, roasted or not
17.02 B	Glucose and glucose syrup: II. Other
ex 23.02	Bran, sharps and other residues derived from the sifting, milling or working of cereals: ex A. With a starch content exceeding 7% by weight ex B. Other
ex 23.07	Sweetened forage; other preparations of a kind used in animal feeding: ex B. Containing products to which this Regulation or Regulation No 16/64/EEC applies, except preparations and feeding-stuffs containing 50% or more by weight of products falling within headings Nos 04.01, 04.02, 04.03, 04.04 and 17.02 A II

<sup>1</sup> Entry under this sub-heading shall be subject to conditions to be laid down by the competent authorities.

#### ANNEX B

CCT heading No	Description of goods
ex 17.02	Other sugars; sugar syrups; artificial honey (whether or not mixed with natural honey); caramel: ex B. Glucose and glucose syrup: I. Containing, in the dry state, 99% or more by weight of the pure product
ex 17.04	Sugar confectionery, not containing cocoa: B. Chewing gum C. Other
19.01	Malt extract

CCT heading No	Description of goods
19.02	Preparations of flour, starch or malt extract, of a kind used as infant food or for dietetic or culinary purposes, containing less than 50% by weight of cocoa
19.03	Macaroni, spaghetti and similar products
19.04	Tapioca and sago; tapioca and sago substitutes obtained from potato or other starches
19.05	Prepared foods obtained by the swelling or roasting of cereals or cereal products (puffed rice, corn flakes and similar products)
19.06	Communion wafers, empty cachets of a kind suitable for pharmaceutical use, sealing wafers, rice paper and similar products
19.07	Bread, ships' biscuits and other ordinary bakers' wares, not containing sugar, honey, eggs, fats, cheese or fruit
19.08	Pastry, biscuits, cakes and other fine bakers' wares, whether or not containing cocoa in any proportion
21.01	Roasted chicory and other roasted coffee substitutes; extracts, essences and concentrates thereof: ex A. Roasted coffee substitutes other than roasted chicory ex B. Extracts, essences and concentrates of roasted coffee substitutes other than roasted chicory
ex 21.05	Soups and broths, dehydrated
ex 21.07	Food preparations not elsewhere specified or included, containing cereals or preparations of cereals
22.03	Beer made from malt
35.05	Dextrins and dextrin glues; soluble or roasted starches; starch glues
38.12 A I	Prepared glazings and prepared dressings with a basis of amylaceous substances