Commission Regulation (EU) No 177/2011 of 24 February 2011 temporarily suspending customs duties on imports of certain cereals for the 2010/2011 marketing year

COMMISSION REGULATION (EU) No 177/2011

of 24 February 2011

temporarily suspending customs duties on imports of certain cereals for the 2010/2011 marketing year

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Council Regulation (EC) No 1234/2007 of 22 October 2007 establishing a common organisation of agricultural markets and on specific provisions for certain agricultural products ('Single CMO' Regulation)[(1)], and in particular Article 187 in conjunction with Article 4 thereof,

Whereas:

(1) World cereal prices have increased extremely rapidly since the start of the 2010/11 marketing year, more than during the previous price increase in the 2007/8 marketing year. For example, world common wheat prices have increased by 65 % since July 2010. Since then cereal prices on the EU market have followed the same trend. The price of common wheat on the EU market has increased by over 90 % to stabilise at around EUR 280 per tonne. The price of other cereals on the EU market has followed the same trend, 'Rouen delivered' barley and 'Bordeaux delivered' maize being above EUR 215 per tonne. The trend in prices on the world cereal market is largely due to the failing ability of production to meet demand.

(2) The outlook for the global cereal market for the end of the 2010/11 marketing year suggests that these high prices will persist, global stocks being estimated at 342 million tonnes at the end of the 2010/11 marketing year, i.e. 62 million tonnes less than at the end of the 2009/10 marketing year.

(3) The reduced-duty import quota opened by Commission Regulation (EC) No 1067/2008[(2)] for common wheat of low and medium quality and the reduced-duty import quota for feed barley opened by Commission Regulation (EC) No 2305/2003[(3)] were much under-used in 2010, with a percentage of 13 % and 5 % respectively. This under-use is set to continue in 2011, all the more so since the EU's traditional suppliers — Russia and the Ukraine — have imposed restrictions on exports.

(4) The persistence of high world prices until the end of the 2010/11 marketing year and the expected under-use in 2011 of reduced-duty import quotas threatens to disrupt the availability of supply on the Union market in the last few months of the 2010/11 marketing year. In this context, in order to make it easier to maintain a flow of imports which will help maintain EU market equilibrium, it is therefore considered appropriate

Changes to legislation: *There are currently no known outstanding effects for the Commission Regulation (EU) No 177/2011. (See end of Document for details)*

to temporarily suspend customs duties for the import tariff quotas for common wheat of low and medium quality and feed barley opened by Regulations (EC) No 1067/2008 and (EC) No 2305/2003 respectively, until 30 June 2011, end of the 2010/11 marketing year.

(5) However, traders should not be penalised in cases where cereals are en route for importation into the Union. Therefore, the time required for transport should be taken into account and traders allowed to release cereals for free circulation under the customs-duty suspension regime provided for in this Regulation, for all products whose direct transport to the Union has started at the latest on 30 June 2011. The evidence to be provided showing direct transport to the Union and the date on which the transport commenced should also be established.

(6) The measures provided for in this Regulation are in accordance with the opinion of the Management Committee for the Common Organisation of Agricultural Markets,

HAS ADOPTED THIS REGULATION:

Article 1

1 The application of customs duties on imports for products of CN codes 1001 90 99, of a quality other than high quality as defined in Annex II to Commission Regulation (EU) No 642/2010[(4)], and CN 1003 00 is suspended for the 2010/11 marketing year for all imports under the reduced-duty tariff quotas opened by Regulations (EC) No 1067/2008 and (EC) No 2305/2003.

2 Where the cereals referred to in paragraph 1 of this Article undergo direct transport to the Union and such transport began at the latest by 30 June 2011, the suspension of customs duties under this Regulation shall continue to apply for the purposes of the release into free circulation of the products concerned.

Proof of direct transport to the Union and of the date on which the transport commenced shall be provided, to the satisfaction of the relevant authorities, by the original transport document.

Article 2

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

It shall apply up to 30 June 2011.

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

Done at Brussels, 24 February 2011.

For the Commission

The President

José Manuel BARROSO