

**CIRC 1/08**

Brussels, 17 January 2007

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**UNISTOCK position on the consultation on the CAP Health Check:  
intervention for cereals**

Unistock is the association representing professional storekeepers of cereals in the EU with members in 12 EU Member States. Over 100 mio tons are stored/transshipped every year through Unistock members' installations, including intervention silos.

We would like to contribute to the consultation by the Commission on the Health Check, and specifically on the intervention for cereals.

Unistock members are of the opinion that at present, there is no need to modify the intervention mechanism for cereals.

The available forecasts about longer-term prospects of the cereals markets (increasing population resulting in higher demand for cereals as foodstuffs, feedstuffs and raw material for energy production) in the context of limited surface mean that the cereals prices are likely to stay at a level well above the intervention prices, unless there are several consecutive years of high production.

We believe that the market prices way above the intervention level will be regulating the supply and demand of cereals. The best illustration of the precedence of the market forces is probably the case of the intervention system for maize – in the end, the market has taken care of the surplus.

Apart from the market prices, there is another reason why the reoccurrence of high intervention stocks is unlikely. Increasing harmonisation of the production costs throughout the EU has mitigated the interest of producing for the intervention in some areas.

At the same time, high cereal prices that we believe, will be sustained over the medium term, and intervention stocks close to zero are a fairly new situation. Just one year ago, the discussion about the intervention stocks for maize took place in the context of some million tons in intervention.

Cereals production follows a biological cycle and the crop cannot be guaranteed. Volatility of prices, supply and climatic conditions are the elements that need to be considered over a longer period of time than the two years of lower cereals production. Today it is not the appropriate moment to change the system that has taken a long time to establish.

Because of its impact on feed and food production, the intervention should not be limited to the milling wheat, and should remain in its current form for the other cereals.

Higher price fluctuation means higher risks that would need to be managed. While discussion is going on about other measures of risk management, like the revenue insurance programmes and contract growing, an alternative should remain in place. Time is necessary till the new systems become fully operational.

**The intervention system has come back to exactly what it is supposed to be - a safety net in the case of need, and must be kept in its current form for some years to come.**

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