REFORM OF THE COMMON AGRICULTURAL POLICY

Legal texts (Arable Crops, Sheepmeat, Beefmeat)

(presented by the Commission)
CAP REFORM

Legal texts

Arable crops
EXPLANATORY MEMORANDUM

This proposal puts the Commission's conclusions concerning support for arable producers\(^1\) into regulatory form. The essence of those conclusions was that price supports for arable crops should be considerably reduced and that compensation for this policy change should be made by introducing new aids which are not linked to the volume of production, and which are paid directly to farmers on a per hectare basis. It was also concluded that, for larger farms, access to these aids should be made conditional on the withdrawal of some arable land from production. This proposal is therefore additional to the existing regulations governing the Common Market Organisations in the cereals, oilseeds, and protein crops sectors. To the (limited) extent that it is incompatible with them, they will be revised before this regulation enters into force.

Article 1 lays down which land uses are affected by the regulation. It includes cultivation of most of the major arable crops. The regulation does not make any distinction between crops which are grown for seed and those which are not, nor between cereals which are eligible for intervention and those which are not. For the remainder of the regulation, "arable crops" is to be taken to mean those which are referred to in this article.

Article 2 lays down the main features of the new direct aid scheme. It is optional for farmers. The value of the aid will not be the same in all regions, because the productivity of the land (and hence the loss which could be caused by the change in price support policy) varies from region to region within the Community. The aid is payable each year to farmers who claim it, for the number of eligible hectares on their farm that are producing arable crops, but for not more than a certain maximum which is to be known as a base area.

Farmers are given a choice as to the year in which their "base area" is established, to reduce the risk that their base area could be set at a level below what their reasonable long-term average area of arable crops should be. They are offered the choice of 1989, 1990 or 1991. The notion of base area is not attached to individual plots of land. It is a simple limit, expressed in hectares, which applies to the farm as a whole. It includes any paid fallow which was present on the farm in 1989, 1990 or 1991, because there is every likelihood that land in paid fallow would have grown an arable crop in one of those years had it not been

---

\(^1\) see COM (91) 258 of 11 July 1991
set aside. Finally, article 2 establishes the rule that small farmers (defined in Article 8), which are the vast majority of arable farmers in the Community, can apply for the compensatory aids under a simplified scheme which involves no set-aside requirement, whereas larger farmers must withdraw some of their land from production.

Article 3 lays down the procedure for determining the value of the compensatory aid in each region. First, the boundaries of each region are defined by the Member state, in such a way that the productivity of the land within each region is broadly homogeneous. The second step is to establish an average cereals yield for each region, which will be taken as a surrogate measure of the productivity of the land. At the same time, the yields of other crops in each region are examined to see that the region can be considered homogeneous. The Member states must complete this work by 1st August 1992, so that farmers will be able to work out what the value of the aid will be in their region before deciding on their planting pattern for the 1993 harvest.

The final step in the procedure is an examination of the Member states' work, with the Commission, which may lead to revisions. This procedure completed, the regional cereals yield per hectare, multiplied by the "basic amounts" per tonne given in Article 4, will give the value of the compensatory payment per hectare for that region. It applies to all the eligible crops except for oilseeds grown on big farms. The special rules for oilseeds are in article 5.

Article 4 lays down the values of the "basic amounts" which are to be used in the calculations of the compensatory payments, which are paid by the hectare. The "basic amounts" may change from year to year since they represent the gap between the planned target price in any one year, and the effective average support price for wheat and barley, the main cereals, in the 1992/1993 marketing year (which is to be the last year before the policy change). In the case of farmers who had been receiving durum wheat aid, a supplement to the compensatory payment will be due. This is because of two things. Firstly, the support price for durum wheat will no longer be any different from that for other cereals (implying an extra 59 Ecu per tonne price drop or 118 Ecu per hectare to be compensated, on a 2 tonne per hectare yield basis). Secondly, it is proposed to maintain an existing per hectare aid for durum of 180 Ecu per hectare. Taken together, these two provide the justification for the 300 Ecu per hectare supplement for established durum wheat farmers.

Article 5 deals with the compensatory payment for large farmers producing oilseeds. The Commission has already proposed a mechanism to Council COM(91) 318 final of 31 July to provide income support for the producers of oilseeds, so as to provide no particular incentive for farmers to switch from one arable crop to another. This text only differs to the extent that it would be necessary to take account of a lower cereals price (150 Ecu/t. instead of 155 Ecu/t.) should the 1991 cereals harvest be found to have exceeded the Maximum Guaranteed Quantity.
Article 6 lays down the rule that, even on big farms, and unlike the special case of oilseeds, the compensatory payment per hectare for protein crops is the same as that for cereals.

Article 7 lays down the rules that apply in the event that a farmer has to fallow (i.e. set aside) some land by virtue of the fact that he is participating in the "general" scheme, rather than the simplified scheme which is only open to small producers. It will be recalled that no farmer may receive the direct aids for cultivating arable crops on hectares which exceed his "base area". Article 7 states that, if a set-aside requirement of 15% is applied, then "base" areas have to be reduced by 15%. Thus a large farmer with 100 ha of base area growing arable crops on 85 hectares, and having 15 hectares of fallow on the same holding, will receive the direct aids for those 85 ha. Even if he has acquired additional "base" area or disposed of some, this 15% proportionality between current "base" area and fallow must be respected. Naturally, a hectare which has already been withdrawn from production under a paid set-aside scheme cannot count towards the 15% reduction, because the purpose of the 15% reduction in base area is to reduce the volume of cereals output and (on larger farms) to reduce the number of hectares on which compensatory payments are due. This is spelled out in paragraph 2. A consequence of this is that some farmers may feel that the total area of set-aside on their land is rather high. The solution for this is given in Article 14, which allows such farmers to drop out of the 5-year scheme after any harvest, rather than only after 3 or 5 years.

Paragraph 2 of article 7 says that the fallow must be subject to rotation. The purpose of this requirement is to reduce "slippage" effects, where the effectiveness of fallow in reducing production is compromised by the tendency of farmers to fallow their least productive plots.

Paragraph 3 says that Member states shall apply appropriate rules about the management of the fallow areas which are appropriate to the local environment. This will mean rules to encourage the local flora and fauna and to protect natural resources and the environment from disturbance and risks such as from fire, pollution, loss of soil fertility, or erosion.
Paragraph 4 provides farmers with an opportunity to try out production for new non-food markets on their set aside land if they so wish. This relieves a major obstacle which stood in the way of the development of, for example, new fibre crops, which was that in order to grow them farmers would have had to forego the income from normal, highly supported, farming for food outlets. The facility to be able to use land which would otherwise have had to lie fallow will be a considerable stimulus. Naturally, these alternative uses of the land which would otherwise have had to lie fallow will have to be tightly controlled.

The final point on set aside is the compensation which may be paid. Compensation is in fact only to be paid for the first portion of fallow, up to a certain limit. This limit has been set so that compensation would be payable on the fallow area required on a farm capable of producing 230 tonnes of cereals, a capacity which characterises a professional farming enterprise producing a high revenue. Within this limit, the compensation is paid per hectare just as if the land were growing cereals, except that the basic amount to be used is 55 Ecu per tonne as from 1993 rather than 1995.

Article 8 describes the simplified scheme for small producers. Small producers are defined according to the size of the "base area" resulting from their 1989, 1990, or 1991 crop pattern, as modified by any acquisitions or disposals of "base area" since then. The simplicity of this scheme lies in the fact that there is no set aside requirement and that the eligible area on the farm will attract aids as if it were all down to cereals, with no distinction being made for oilseeds area.

Article 9 introduces a special rule to restrict further growth of the cultivated area in the Community, the consequence of which can only be to counteract the objectives of the changed policy. Plots of land which had not been cultivated before the year in which the holding's base area is determined, shall remain ineligible for compensatory payments for the foreseeable future. They shall not count towards the fulfillment of set aside obligations either, to avoid that land which is in any case unsuitable for arable cropping is ploughed up to provide extra space in which to meet this obligation, whilst maintaining the same level of arable crop output. This rule is all the more necessary in that the introduction of aids limited to a certain number of hectares would otherwise encourage deforestation and ploughing-up of ancient pasture, which can both be environmentally damaging.

Articles 10 and 11 lay down some general rules on the administration of the compensatory payments system for cereals and for oilseeds. A notable feature of these articles is that in the cases of durum wheat and rapeseed, where the quality of the final product is very important and is heavily influenced by the farmer's choice of seed, payments are conditional on the use of certified seed of suitable varieties.

Article 12 gives a list of some of the detailed rules which it will be necessary to establish, and which will be delegated to the Commission.
Article 13 is a standard text which indicates that the funds will come from the EAGGF Guarantee Section.

Title II (Articles 14 to 18) only concerns general legal and transitional provisions. The most notable of these is article 15, which requires Member states to pay over the aids to the farmers in their entirety, without for example subtracting any specific levy or tax.
Draft
Council Regulation (EEC) No. 91/91
establishing a support system
for producers of certain arable crops

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,

Whereas the Common Agricultural Policy aims to attain the objectives referred to in Article 39 of the Treaty taking account of the market situation;

Whereas, in order to ensure better market balances, a new support system, common to all producers of arable crops harvested within the Community, has to be established; whereas the best way to achieve this objective is to approximate the Community prices to the prices of the world market and to compensate the loss of income caused by the reduction of the institutional prices by a compensatory payment for producers who sow and intend to harvest such products;

Whereas the new support system shall be applied with effect from the marketing year 1993/1994 on and in the case of oilseeds, it can be based on the provisional support system introduced for these products since 1992 by Council Regulation (EEC) No. 91/91 establishing a support system for the producers of soya beans, rapeseed and sunflowerseed(1);

Whereas the compensatory payments should be introduced for existing holdings and the participation in the aid scheme should be voluntary;

Whereas such compensatory payments should reflect the specific structural characteristics that influence yield and that the drawing up of a regionalization plan based on objective criteria should be left to the Member States; whereas a uniform average cereals yield should be established by the regionalization plans; whereas these plans must be consistent with the average yields of each region achieved in a given period; whereas a specific procedure should be provided in order to examine these plans on the Community level;

(1) ...
Whereas, in order to calculate the cereals compensatory payment, a basic amount per tonne should be multiplied by the average cereals yield determined for the region concerned;

Whereas the present policy concerning durum wheat is to discourage production especially outside the traditional production zones and that this policy should be continued; whereas however a supplement to the cereals compensatory payment should be paid for producers of durum wheat in the traditional production zones as currently defined; whereas this supplement should compensate durum wheat producers in these regions for the income loss due to alignment on the price for other cereals; whereas the supplement should be subject to the same conditions as the basic compensatory payment;

Whereas in order to calculate the compensatory payment for oilseeds it is necessary to establish a Projected Reference Price, a Community Reference Amount, the calculation method and appropriate corrective measures;

Whereas the aid for protein crops should be fixed initially at the level of the definitive cereals aid and regionalised on the same basis; whereas the same level of aid will apply to all protein crops, other than dried fodder where the aid provided for in Regulation (EEC) No. 1117/78(2), as last amended ... (3), should be withdrawn;

Whereas, in order to facilitate administration and control, the compensatory payments should be granted under a "general scheme" open to all producers and a "simplified scheme" open only to small producers;

Whereas small producers should be defined on the basis of an area equivalent to annual production of not more than 92 tonnes of cereals; whereas the yield averages for cereals in the different regions, which have been defined in the regionalization plans for the aid, should be also used to determine small producers;

Whereas in order to benefit from the compensatory payments under the "general scheme" producers must set aside a predetermined percentage of their arable area; whereas for environmental reasons, the set-aside should be organized on the basis of a rotation of areas and the land set aside would have to be cared for so as to meet certain minimum environmental standards; whereas the areas set aside as temporary fallow can also be used for non food purposes provided effective control systems can be applied;

Whereas the set-aside requirement should be fixed initially at 15% of the land of the holding which has been under arable cultivation; whereas this percentage should be re-examined to take account of production and market developments;

---

(2) O.J. No. 142 of 30.05.1978, p. 2.
(3) ...
Whereas the set-aside obligation should be subject to a due compensation; whereas in the case of holdings of a limited dimension the compensation should be equivalent to the definitive compensatory aid per hectare for cereals calculated at the regional level; whereas professional holdings of a greater dimension should be able to adapt to the new situation without full compensation for the set-aside effort required; whereas, the compensation for such holdings could therefore be limited to an area equivalent to production of up to 34.5 tonnes of cereals, thus introducing a degressive element;

Whereas, under the "simplified scheme" for small producers no set-aside requirement is imposed and the compensatory payment for cereals shall be paid for all areas irrespective of the crops actually sown; whereas, however, producers applying for this scheme have to accept certain procedures to facilitate controls;

whereas compensatory payments should be paid once a year for a given area; whereas areas previously not cultivated should not be eligible for aid, with the exception of an area that has been set aside in previous years under the existing voluntary set aside arrangements; whereas no aid should be granted for a second crop following or preceding the main one;

Whereas it is necessary to determine certain conditions for applying for compensatory payments and to specify when producers shall be paid;

Whereas a quality policy for rapeseed and durum wheat is required;

Whereas expenditures incurred by the Member States as a result of the obligations arising out of the application of this Regulation will be financed by the Community in accordance with Articles 2 and 3 of Council Regulation (EEC) No. 729/70 of 21 April 1970 on the financing of the common agricultural policy\(^4\), as last amended by Regulation (EEC) No. 2048/88\(^5\);

Whereas it is necessary to provide for transitional measures and to enable the Commission to adopt, if necessary, additional transitional measures;

Whereas the new support system will not be fully introduced before the marketing year 1995/1996; whereas for the transitional, as well as for the definitive application period existing Community legislation for the products concerned should be adapted; whereas these adaptations should be the subject of separate regulations;

HAS ADOPTED THIS REGULATION:

Article 1

1. This regulation hereby establishes a system of compensatory payments for producers of arable crops.

2. For the purposes of this Regulation:
   - the marketing year shall run from 1 July to 30 June.
   - "arable crops" are taken to mean those listed in Annex I, unless grown for silage.
Title I

Compensatory payment

Article 2

1. Community producers of arable crops may apply for a compensatory payment under the conditions set out in this title.

2. The compensatory payment shall be fixed on a per hectare basis and regionally differentiated.

The compensatory payment is granted for the area which is down to arable crops, and which does not exceed a base area. A base area for each holding is established as the number of hectares which were down to arable crops, or which were fallowed in conformity with a publicly funded scheme, during 1989, 1990, or 1991. The farmer chooses which year shall be used.

3. The compensatory payment shall be granted under:

   a) a "general scheme", open to all producers, or

   b) a "simplified scheme" open to small producers.

Producers applying for the compensatory payment under the general scheme shall be subject to an obligation to set aside part of the land of their holding from production and shall receive a compensation for this obligation.
Article 3

1. Each Member State shall establish a regionalization plan setting out the criteria for the establishment of separate production regions. The criteria used must be appropriate, objective and provide the necessary flexibility for the recognition of distinctive homogeneous zones of a minimum size and allow for specific characteristics that influence yields such as soil fertility.

2. For each production region, the Member State shall give details of the areas and yields of cereals, oilseeds, and protein crops produced in that region during the five year period 1986/87 to 1990/91. An average cereals yield shall be calculated for each region by excluding the year with the highest and the year with the lowest yield during that period.

3. Member States shall submit their regionalization plan to the Commission by 1st August 1992 together with all available supporting information. In order to fulfill this obligation they may refer to their regionalization plan submitted to the Commission in accordance with regulation (EEC) n°.../91.

4. The Commission shall examine the regionalization plans submitted by the Member States and shall ensure that each plan is based on appropriate, objective criteria and is consistent with available historical information. The Commission may object to plans which are not compatible with the aforementioned relevant criteria in particular with the average yield of the Member State. In this case the plans shall be subject to adjustment by the Member State concerned after consultation with the Commission.

5. The regionalization plan may be revised by the Member State concerned at the request of the Commission in accordance with the same procedure as outlined in the preceding paragraphs.
Article 4

1. The cereals compensatory payment is calculated by multiplying the basic amount per tonne by the average cereals yield determined in the regionalization plan for the region concerned.

2. The basic amount per tonne is fixed at:
   - 30 ECUS for the marketing year 1993/1994
   - 45 ECUS for the marketing year 1994/1995 and
   - 55 ECUS from the marketing year 1995/1996 onwards.

3. A supplement to the compensatory payment shall be granted for the area down to durum wheat in the traditional production zones listed in Annex II, within the limit of the number of hectares which were down to durum wheat and eligible for durum wheat aid during 1988/89, 1989/90, or 1990/91. The farmer chooses which marketing year shall be used.

   The supplement is fixed at 300 ECUS per hectare from the marketing year 1993/1994 on.

4. If the 1991 cereals crop is found to have exceeded the Maximum Guaranteed Quantity, the amounts set out in paragraph 2 will each be reduced by 5 Ecu, and in paragraph 3 by 3 Ecu.
Article 5

1. The compensatory payment per hectare for oilseeds is calculated in the following way:

a) A Projected Reference Price for oilseeds is set at 163 Ecu/tonne.

b) A Community Reference Amount for oilseeds is set at 384 Ecu/hec tare. This figure will be reduced to 359 Ecu per hectare if the 1991 cereals crop is found to exceed the Maximum Guaranteed Quantity.

c) For each region determined in the regionalization plan, a Projected Regional Reference Amount shall be established which reflects the relation between the cereals yield for that region and the average cereals yield for the Community (4.6 tonnes/hectare).

d) Before 30 January in each marketing year the Commission, in accordance with the procedure laid down in Article 38 of Regulation 136/66/EEC, shall determine a Final Regional Reference Amount based on the Observed Reference Price for oilseeds. This amount shall be calculated by substituting the Observed Reference Price for the Projected Reference Price; no account shall be taken of price variations within 8% of the Projected Reference Price.

2. Until the end of the 1994/95 marketing year, a standard bonus for sunflowerseed cultivation will be payable in Spain and Portugal. This bonus, which is in addition to the compensatory payment, will be calculated by the Commission annually for Spain and Portugal to reflect the differential foreseen in current legislation.

3. The Commission shall publish the aforementioned amounts in the Official Journal. The publication shall include a succinct explanation of the calculations made.
Article 6

The compensatory payment per hectare for protein crops is fixed at the same level as the compensatory payment for cereals taking into account the same basic amount per tonne of 55 Ecu. If the 1991 cereals harvest is found to have exceeded the Maximum Guaranteed Quantity, the basic amount will be 50 Ecu per tonne.
Article 7

1. The set aside requirement for producers applying for compensatory payments under the general scheme is fixed as a percentage reduction of their base area. The set aside requirement to apply with effect from the sowings for the 1993/94 marketing year onwards, shall be 15%.

2. The land set aside shall be subject to rotation. In the case of a farm where there are areas set aside in compliance with Article 2 of regulation EEC n° 2328/91, these areas cannot be used to fulfill the set aside requirement given in paragraph 1.

3. Member States shall apply appropriate environmental measures which correspond to the specific situation of the land set aside.

4. The land set aside may be used for the provision of materials for the manufacture within the Community of products not primarily intended for human or animal consumption, provided that effective control systems are applied.

5. The compensation for the obligation to set aside land is fixed at the level of the compensatory payment which would be paid from the marketing year 1995/1996 for the same areas if cultivated with cereals. This compensation will be paid for each hectare set aside, up to the number of hectares which would be needed to produce 34.5 tonnes of cereals at the average cereals yield which has been determined for the region concerned.
Article 8

1. Small producers of arable crops may apply for the compensatory payment under the simplified scheme.

2. Small producers are producers whose base area is not more than the area which would be needed to produce 92 tonnes of cereals, if they achieved the average cereals yield which has been determined for their region.

3. Under the simplified scheme:
   - no set-aside requirement is imposed;
   - the compensatory payment shall be paid at the rate applicable for cereals for all areas sown to arable crops.
Article 9

Applications for the compensatory payment and for the compensation for the set aside obligation may only be made in respect of plots of land which had already been cultivated during any one of the three years which may be chosen for establishing the base area, or which had been withdrawn from arable production in conformity with a publicly funded scheme at that time.
Article 10

1. The compensatory payments for cereals, and protein crops, as well as the compensation for the set aside obligation, shall be paid between 16th October and 31st December next following the harvest.

2. In order to qualify for the compensatory payment a producer must, at the latest by the 15 May preceding the relevant harvest:
   - have sown the seed;
   - have lodged an application.

3. The application must be accompanied by references enabling the areas concerned to be identified.

4. Access to the supplement for growers of durum wheat referred to in Article 4.3 is restricted to those using certified seed.

   The Commission, in accordance with the procedure laid down in Article 24 of Regulation EEC no. 92/1 may decide that certain varieties are ineligible.

5. Member States shall take the necessary measures to remind applicants of the need to respect existing environmental legislation.

(1) New basic regulation for cereals, management committee procedure
**Article 11**

1. Access to the compensatory payment for growers of oilseed rape is restricted to those using certified seed. The Commission, in accordance with the procedure laid down in Article 38 of Regulation 136/66 EEC may decide that certain varieties are ineligible.

2. Those producers who lodge a contract or a cultivation plan for oilseeds shall be entitled to an advance payment of no more than 50% of the Provisional Regional Reference Amount. Member States shall carry out the necessary checks to ensure entitlement to the advance is justified.

3. In order to qualify for an advance payment a producer must have sown the seed and have lodged with the competent agency of the Member State by 30 April at the latest:

   - either a contract with an approved first buyer for the cultivation of oilseeds

   - or a detailed cultivation plan for this holding showing the land to be used for cultivating oilseeds.

4. Where an advance has been made a balance shall be paid equal to the difference, if any, between the amount of the advance and the Final Regional Reference Amount.

5. Where a producer demonstrates that he has retained ownership of the product for a period to be determined, an orderly marketing bonus may be payable. The amount of the bonus and the conditions determining eligibility shall be adopted by the Commission in accordance with the procedure laid down in Article 38 of Regulation No. 136/66/EEC.

6. Payment shall be made by the Member State to each eligible producer within a period of 90 days after publication of the amounts (advance and final payments) in the Official Journal.
Article 12

Detailed rules for the application of this title shall be adopted in accordance with the procedure laid down in Article 38 of Regulation 136/66/EEC, and Article 24 Regulation (EEC) No. 92/...../92 respectively, and in particular:

- those relating to the establishment of regionalization plans, including the determination of the minimum size of a region;

- those relating to the determination of the amount, and the payment of the compensatory aid;

- those relating to the minimum area to be cultivated; such rules shall take particular account of the monitoring requirements and of the sought-after effectiveness of the scheme in question;

- those determining the eligibility requirements for the durum wheat supplement;

- those relating to monitoring; without prejudice to specific provisions on an integrated management and control system, such rules shall include the use of remote sensing and/or plausibility monitoring on the basis of binding official documents that are already available in the national administrations;

- the dates for the application and the request of an advance payment may be varied for specific regions to take account of exceptional climatic circumstances;

- those relating to the set aside requirement; such rules shall define especially the notion of rotation, the minimum annual set aside period and the measures to be taken in favour of the environment and determine the regions where, for climatic reasons, these measures may be replaced by other more appropriate measures;

- those relating to the specific administrative procedures to assist controls for the simplified scheme.

- those relating to the effects of property transactions on the application of the scheme.

According to the same procedure, the Commission may add minor crops to the list given in Annex I and determine the consequences of such extensions in particular in so far as base areas and set aside requirements are concerned.
Article 13

The measures defined in this title shall be deemed to be interventions intended to stabilize the agricultural markets within the meaning of Article 3 (1) of Council Regulation (EEC) No 729/70 on the financing of the common agricultural policy.
Title II

General and transitional provisions

Article 14

The 1992 harvest is the last harvest in respect of which new applications may be made for participation in the set aside scheme provided for in Article 2 of Regulation (EEC) n° 2328/91. Farmers still participating after that time have the option to leave the said scheme, between September 1st and December 15th in 1992 to 1996. This option is restricted to holdings which are subject to the set-aside requirement set out in Article 7.
Article 15

1. The amounts of the compensatory payments and the compensation for the set aside obligation, as well as the percentage of base area to be set aside fixed in this regulation may be changed in the light of developments in production, productivity, and the markets, according to the procedure laid down in Article 43 paragraph 2 of the Treaty.

2. From the 1994/95 marketing year onwards the Council may decide, according to the procedure laid down in Article 43 paragraph 2 of the Treaty, that the arrangements for making the compensatory payments for oilseeds shall also apply to the case of protein crops.

3. The payments referred to in this regulation are to be paid over to the beneficiaries in their entirety.
Article 16

Should specific measures be necessary to facilitate the transition from the system in force to that established by this Regulation, in particular if the introduction of this system 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 38 of Regulation 136/66/EEC, and Article 24 of Regulation (EEC) N°...../92 respectively.

2. Regulation (EEC) No. /91 is abolished.
Article 18

This Regulation shall enter into force on 1st July 1993.

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

For the Council
The President
## Annex I

**Definition of products**

<table>
<thead>
<tr>
<th>CN Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1001 10</td>
<td>Durum wheat</td>
</tr>
<tr>
<td>1001 90</td>
<td>Other wheat and meslin other than durum wheat</td>
</tr>
<tr>
<td>1001 00 00</td>
<td>Rye</td>
</tr>
<tr>
<td>1003 00</td>
<td>Barley</td>
</tr>
<tr>
<td>1004 00</td>
<td>Oats</td>
</tr>
<tr>
<td>1005</td>
<td>Maize</td>
</tr>
<tr>
<td>1007 00</td>
<td>Grain sorghum</td>
</tr>
<tr>
<td>1008</td>
<td>Buckwheat, millet and canary seed; other cereals</td>
</tr>
</tbody>
</table>
II. OILSEEDS

1201 00
1205 00
1206 00

III. PROTEIN CROPS

0713 10
0713 50
1209 29 50

- Soya beans
- Rapeseed
- Sunflowerseed
- Peas
- Field beans
- Sweet lupins
Annex II

Traditional production zones for durum wheat

ITALY

Regions

Abruzzi
Basilicata
Calabria
Campania
Latium
Marches
Molise
Apulia
Sardinia
Sicily
Tuscany

FRANCE

Regions

Provence-Alpes-Côte d'Azur
Languedoc-Roussillon

GREECE

Regions

Central Greece
Peloponnese
Ionian islands
Thessaly
Macedonia
Aegean islands
Thrace
SPAIN

Communidades Autonomas

Andalucia
Navarra

Provincias

Badajoz
Burgos
Salamanca
Toledo
Zamora
Zaragoza

PORTUGAL

Districtos

Santarém
Lisboa
Setúbal
Portalegre
Evora
Beja
Faro.
CAP REFORM

Legal texts

Cereals
EXPLANATORY MEMORANDUM

The purpose of this text is to make the basic regulation of the Common Market Organisation for cereals compatible with the reform arrangements. Since the reform arrangements are additional to the existing CMO's, there is in fact very little in this text which is new.

Article 3.1 is the first place where new material is introduced. It transcribes quite simply the Commission's declared intentions on the future level of price support, i.e., threshold, target, and intervention prices. It replaces rules whereby these prices were calculated according to formulae including transport costs and "fixed elements" for protection.

Article 5 introduces some changes in the sense that all the general rules listed will become rules for which the Commission is competent.

Article 7 introduces a change whereby the basic coresponsability levy will remain only until 1994/1995. Note that there is no longer any provision for a maximum guaranteed quantity, nor for a supplementary coresponsability levy.

Article 9 changes the arrangements for starch potatoes, producers of which were essentially supported by a minimum price for potatoes. Since this minimum price depends on the price for maize (the other main source of industrial starch) it will fall significantly, in line with the cereals prices given in Article 3.1. These price falls are fully compensated by the direct aids introduced in Article 9.2.

The remainder of the text mainly consists of material taken over from the existing basic regulation. However, the opportunity is being taken to introduce a few small changes which are desirable in any event. The most important of these is the introduction of a clause allowing the Commission to take special measures which might become necessary during the transitional period. This is in Article 27, paragraph 3.
THE COUNCIL OF THE EUROPEAN COMMUNITIES,

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;

Having regard to the opinion of the Economic and Social Committee;

Whereas the prices and guarantees represented by the machinery introduced by Council Regulation (EEC) No 2727/75 of 29 October 1975 on the common organization of the market in cereals, as last amended by Regulation (EEC) No 92/92 encourage the growth of cereal production at a rate which is no longer in line with the absorption capacity of the market; whereas, in order to avoid a succession of increasingly serious crises, the current policy should be radically reformed; whereas that implies that the support provided by the market organization should be reorientated in such a way that it no longer depends solely on guaranteed prices;

Whereas the new orientation of the common agricultural policy must lead to better market equilibrium and to a better competitive position for Community agriculture; whereas that objective can be achieved by lowering the target price to a level representing an anticipated rate on a stabilized world market; whereas, so as not to encourage producers to opt for one particular crop, the target price should be the same for the major cereals;

Whereas the loss of income resulting from the drop in prices is offset by direct aid per hectare introduced by Regulation (EEC) No 92/92;

Whereas the structure of guaranteed prices must permit disposal of surpluses within the Community; whereas an intervention price should therefore be fixed at a lower level and a threshold price at a higher level than the target price;

Whereas the new structure of guaranteed prices leads to the elimination of the current provisions on derived prices;

Whereas the aid scheme provided for by Regulation (EEC) No 92/92 replaces those for durum wheat and certain minor cereals; whereas those aids should therefore be discontinued;

1 OJ No L , p.
2 OJ No L , p.
3 OJ No L
Whereas the intervention agencies must 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 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, to some extent, 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, having regard to the imbalance which persists between production and consumption of cereals and the accumulation of intervention stocks, the basic co-responsibility levy scheme should also be renewed temporarily;

Whereas potatoes intended for the production of starch are in direct competition with cereals intended for the production of starch; whereas, in view of the reform measures envisaged for cereals and to ensure equal treatment between the lines of production in question, similar measures should be adopted with regard to potatoes intended for the production of starch;

Whereas the creation of a single Community market for cereals involves, apart from a system of guaranteed prices, 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 stabilize 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 those countries, both being designed to cover the difference between prices ruling outside and within the Community; whereas, moreover, in respect of products processed from the 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 totally or partially the use of "inward processing arrangements";

Whereas the competent authorities must be in a position to monitor 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 provision of security 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, the Community should be enabled to take all necessary measures without delay;

Whereas, in a situation of high prices on the world market, provision should be made for appropriate measures to be taken in order to safeguard Community supplies and to stabilize prices on Community markets;

Whereas the establishment of a single market based on a common price system would be jeopardized 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 common organization of the market in cereals must include the products of primary processing 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, in order to facilitate implementation of the proposed measures, a procedure should be laid down for establishing close cooperation between Member States and the Commission within a Management Committee;

Whereas the common organization 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 the expenditure incurred by the Member States as a result of the obligations arising out of the application of this Regulation falls on the Community in accordance with the provisions of Articles 2 and 3 of Council Regulation (EEC) No 729/70 of 21 April 1970 on the financing of the common agricultural policy, as amended by Regulation (EEC) No ;

Whereas the cut in common prices from the time of the entry into force of this Regulation is liable to disrupt the internal market; whereas provision should therefore be made for the possibility for the Commission to take any appropriate measures to avoid such disruptions;
Whereas, since their consolidation by Regulation (EEC) No 2727/75\(^2\), as last amended by Regulation (EEC) No...\(^3\), several provisions concerning the organization of the market in cereals have been amended a number of times; whereas, by reason of their number, their complexity and their dispersal among various Official Journals, these texts are difficult to use and thus lack the clarity which should be an essential feature of all legislation; whereas they should, therefore, be updated,

HAS ADOPTED THIS REGULATION:

Article 1

The common organization of the market in cereals shall cover the following products:

<table>
<thead>
<tr>
<th>CN code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>0709 90 60</td>
<td>Sweet corn, fresh or chilled</td>
</tr>
<tr>
<td>0712 90 19</td>
<td>Dried sweet corn, whole, cut, sliced, broken or in powder, but not further</td>
</tr>
<tr>
<td></td>
<td>prepared, other than hybrid for sowing</td>
</tr>
<tr>
<td>1001 90 91</td>
<td>Common wheat and meslin seed</td>
</tr>
<tr>
<td>1001 90 99</td>
<td>Spelt, common wheat and meslin other than for sowing</td>
</tr>
<tr>
<td>1002 00 00</td>
<td>Rye</td>
</tr>
<tr>
<td>1003 00</td>
<td>Barley</td>
</tr>
<tr>
<td>1004 00</td>
<td>Oats</td>
</tr>
<tr>
<td>1005 10 90</td>
<td>Maize (corn) other than hybrid</td>
</tr>
<tr>
<td>1005 90 00</td>
<td>Maize (corn) other than seed</td>
</tr>
<tr>
<td>1007 00 90</td>
<td>Grain sorghum, other than hybrid, for sowing</td>
</tr>
<tr>
<td>1008</td>
<td>Buckwheat, millet and canary seed; other cereals</td>
</tr>
<tr>
<td>1001 10</td>
<td>Durum wheat</td>
</tr>
<tr>
<td>1101 00 00</td>
<td>Wheat or meslin flour</td>
</tr>
<tr>
<td>1102 10 00</td>
<td>Rye flour</td>
</tr>
</tbody>
</table>

\(^3\) OJ No L
2. This Regulation shall apply notwithstanding the measures provided for by Regulation (EEC) No..... for assistance for arable farmers.

**Article 2**

The marketing year for all products listed in Article 1 shall begin on 1 July and end on 30 June of the following year.
Title 1

Pricing and intervention system

Article 3

1. A target price for all cereals is fixed at:
   - 125 ECUS per tonne for the marketing year 1993/1994
   - 110 ECUS per tonne for the marketing year 1994/1995 and
   - 100 ECUS per tonne from the marketing year 1995/1996 on.

   A threshold price for all cereals is fixed at 110% of the target price.

   An intervention price for cereals subject to intervention is fixed at 90%
   of the target price.

2. The prices are fixed for a standard quality for each cereal.

   The intervention and threshold prices shall be subject to monthly
   increases, for the whole or part of the marketing year and may cover
   different periods for the two prices. The amounts of the monthly
   increases and their number are determined in accordance with the
   procedure laid down in Article 43(2) of the Treaty.

   The intervention price shall refer to the wholesale stage for goods
   delivered to the warehouse, before unloading. They shall be valid for
   all Community intervention centres designated for each cereal.

3. The threshold price for maize and sorghum valid during June, will be
   applicable during July, August and September of the following marketing
   year.

4. The prices fixed in this regulation may be changed in the light of
   developments in production and the markets.
Article 4

1. The intervention agencies designated by the Member States shall buy in common wheat, durum wheat, rye, barley, maize and sorghum which are offered to them and have been harvested in the Community, provided that the offers comply with conditions laid down, in particular in respect of quality and quantity.

2. Buying-in may take place only in the following periods:
   - from 1 August to 30 April in the case of Italy, Spain, Greece and Portugal,
   - from 1 November to 31 May in the case of the other Member States.

3. Buying-in shall be carried out on the basis of the intervention price, if necessary after a price increase or reduction for quality reasons.
Article 5

Detailed rules for the application of Articles 3 and 4 shall be adopted in accordance with the procedure laid down in Article 24 in particular as regards:

- the standard qualities to which prices refer;
- the determination of the intervention centres;
- the minimum conditions, in particular with respect to quality and quantity required of each cereal for it to be eligible for intervention;
- 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 by the intervention agencies;
- the setting of the threshold prices for the products, referred to in Article 1 c.
Article 6

1. Where the market situation so dictates, special intervention measures may be decided on.

These intervention measures may in particular be taken if, in one or more regions of the Community, market prices fall or threaten to fall in relation to the intervention price.

2. The nature and application of the special intervention measures and the conditions and procedures for the sale or for any other means of disposal of the products subject to those measures shall be determined in accordance with the procedure laid down in Article 24.
Article 7

1. A basic co-responsibility levy shall be payable by producers in respect of the cereals referred to in Article 1 point a), with the exception of the codes NC 0709 90 and 0712 90, and point b) which are produced in the Community and placed on the market or sold to an intervention agency. These arrangements shall apply for the 1993/1994 and 1994/1995 marketing years.

The amount of the basic co-responsibility levy shall be 3% of the target price in the 1993/94 marketing year and 2% in the 1994/95 marketing year.

2. The basic levy referred to in paragraph 1 will not be payable where:

- the cereals are placed on the market by a small producer as defined by Regulation (EEC) n° 729/89, in a Member State where Regulation (EEC) n° 1346/90 is not applied.
- the cereals are placed on the market by a producer as referred to in Article 2.7 of Regulation (EEC) n° 2328/91,
- the cereals are certified seed within the meaning of Directive 66/402/EEC.

The detailed rules for applying this paragraph will be adopted in accordance with the procedure laid down in article 24.

3. The levy provided for in this Article shall be regarded as forming part of the intervention measures designed to stabilize agricultural markets and shall be allocated to the financing of expenditure in the cereals sector.

4. For the purposes of applying this Article, for cereals other than maize and grain sorghum, produced in Italy, Greece, Spain and Portugal, “marketing year” shall mean the period from 1 June to 31 May.

5. Detailed rules for the application of this Article, in particular the definition of placing on the market and the conditions for exempting cereal seeds shall be adopted in accordance with the procedure laid down in Article 24.
Article 8

1. A production refund may be granted for starch obtained from maize, wheat or potatoes and for certain derivatives used in the manufacture of certain goods.

A list of the goods referred to in the first subparagraph shall be drawn up in accordance with the procedure laid down in paragraph 3.

2. The refund shall be fixed periodically.

3. The Commission shall adopt detailed rules for the application of this Article and shall fix the amount of the refund in accordance with the procedure laid down in Article 24.
Article 9

1. A minimum price for potatoes destined for the manufacture of potato starch is fixed at:
   - 200 Ecu for the 1993/94 marketing year
   - 176 Ecu for the 1994/95 marketing year
   - 160 Ecu for the 1995/96 marketing year

These prices apply to the quantity of potatoes, delivered to the factory, which are needed for making one tonne of starch.

2. A system of compensatory payments is established for producers of potatoes destined for the manufacture of potato starch. The amount of the payment applies to the quantity of potatoes needed for making one tonne of starch. It is set at:
   - 48 Ecu for the 1993/94 marketing year
   - 72 Ecu for the 1994/95 marketing year
   - 88 Ecu for the 1995/96 marketing year.

However, if the 1991 cereals harvest is found to have exceeded the Maximum Guaranteed Quantity, these payments shall each be reduced by 8 Ecu per tonne of starch.

3. The minimum price and the compensatory payment are adjusted according to the starch content of the potatoes.

4. If the situation on the potato starch market makes it necessary, the Council shall adopt the appropriate measures in accordance with the procedure laid down in Article 43 paragraph 2 of the Treaty.

5. The Commission shall adopt the detailed rules for applying this article following the procedure laid down in Article 24.
TITLE II

Article 10

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. Where the levy or refund is fixed in advance, the advance fixing shall be noted on the licence which serves as supporting document for such advance fixing.

The import or export licence shall be valid throughout the Community. The issue of such licences shall be conditional on the lodging of a security guaranteeing that importation or exportation will be effected during the period of validity of the licence; the security 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 24.
Article 11

1. A levy equal for each product to the threshold price less the cif price shall be charged on imports of the products listed in Article 1(a), (b) and (c). However, the levy applicable to rye shall be charged on imports of the products falling within subheading 1008 90 of the combined nomenclature.

2. The cif 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 cif price calculated on the basis of the offer price shall be substituted for the cif 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 cif 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 24.

5. The Commission shall fix the levies mentioned in this Article.
Article 12

1. A levy shall be charged on imports of products referred to in Article 1(d), with the exception of those falling within subheadings 0714 20 00, 0714 90 90, 2303 10 19, 2303 20 90, 2303 30 00, 2308 10 00 and 2308 90 30, 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 appropriate, 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 24 may be added to the levy fixed in accordance with paragraph 1.

3. The Commission shall fix the levies specified in paragraph 1.
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 lodged, adjusted on the basis of the threshold price which will be in force during the 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 premium, 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 24 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 an advance fixing of the levy has been prescribed for malt, the levy shall be adjusted during the first three months of the marketing year on the basis of the threshold price in force during the last month of the preceding marketing year.

4. Detailed rules for advance fixing shall be adopted in accordance with the procedure laid down in Article 24.

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

6. Where examination of the market situation shows that the application of the provisions concerning the advance fixing of the levy has given rise or may give rise to difficulties, a decision may be taken, in accordance with the procedure laid down in Article 24, to suspend the application of those provisions for the period strictly necessary.

In cases of extreme urgency, the Commission may, after examination of the situation on the basis of all the information available to it, decide to suspend advance fixing for a maximum of three working days.

Applications for licences accompanied by applications for advance fixing lodged during the period of suspension shall be rejected.
Article 14

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.

Refunds shall be fixed at regular intervals in accordance with the procedure laid down in Article 24.

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 exports of products listed in Article 1 and of goods listed in Annex B shall be that applicable on the day of exportation.

4. However, in the case of products listed in Article 1(a) and (b), the refund applicable on the day on which application for the licence is lodged, 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.

A corrective amount may be fixed. It shall be applied to refunds fixed in advance. The corrective amount shall be fixed at the same time as the refund according to the same procedure; however, where necessary the Commission may, at the request of a Member State or on its own initiative, alter the corrective amounts in the intervening period.

The provisions of the preceding subparagraphs may be applied, in whole or in part, to any of the products listed in Article 1(c) and (d) and to any products listed in Article 1 which are exported in the form of goods specified in Annex B.

If advance fixing of the refund has been laid down for malt, the refund on exports, during the first three 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 on the basis of the threshold price in force in the last month of the preceding marketing year.
5. In so far as is necessary to take account of the particular features of the production of certain spirituous beverages obtained from cereals, the criteria for granting the export refunds referred to in paragraph 1 and the supervision procedures may be adapted to this particular situation. The Commission, acting in accordance with the procedure laid down in Article 24, shall lay down the detailed rules needed for this adaptation.

6. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 24. Annex B shall be amended in accordance with the same procedure.

7. Where examination of the market situation shows that the application of the provisions concerning the advance fixing of the export refund has given rise or may give rise to difficulties, a decision may be taken, in accordance with the procedure laid down in Article 26, to suspend the application of those provisions for the period strictly necessary.

In cases of extreme urgency, the Commission may, after examination of the situation on the basis of all the information available to it, decide to suspend advance fixing for a maximum of three working days.

Applications for licences accompanied by applications for advance fixing lodged during the period of suspension shall be rejected.
Article 15

1. To the extent necessary for the proper working of the common organization of the market in cereals, the use of inward processing arrangements may be prohibited in whole or in part:

- 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. Measures adopted pursuant to this Article shall be decided on in accordance with the procedure laid down in Article 24.
Article 16

1. The general rules for the interpretation of the combined nomenclature and the special rules for its application shall apply to the tariff classification of products covered by this Regulation.

2. Save as otherwise provided in this Regulation or where derogation therefrom is decided by the Commission, acting in accordance with the procedure laid down in Article 24, the following shall be prohibited in trade with third countries:

   - the levying of any customs duty or charge having equivalent effect,
   - the application of any quantitative restriction or measure having equivalent effect.
Article 17

1. When the quotations or prices on the world market for one or more of the products referred to in Article 1 reach the level of Community prices, and when that situation is likely to continue and to deteriorate, thereby disturbing or threatening to disturb the Community market, appropriate measures may be taken.

2. The detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 24.
Article 18

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.

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 three days following receipt of the request.

3. 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, acting by a qualified majority, amend or repeal the measures in question.
TITLE III
General provisions

Article 19

Goods listed in Article 1 which are manufactured or obtained from products to which Articles 9(2) and 10(1) of the Treaty do not apply shall not be admitted to free circulation within the Community.
Article 20

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 21

1. Article 40(4) of the Treaty and the relevant provisions for the implementation of Article 40 shall, so far as the Guarantee Section of the European Agricultural Guidance and Guarantee Fund is concerned, apply to the French overseas departments in respect of the products referred to in Article 1.
Article 22

Member States and the Commission shall communicate to each other the information necessary for implementing this Regulation and for complying with the international obligations concerning cereals. Rules for the communication and distribution of such information shall be adopted in accordance with the procedure laid down in Article 24.
Article 23

1. A Management Committee for Cereals (hereinafter called the "Committee") shall be established, consisting of representatives of the 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 24

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 adopted. The Committee shall deliver its opinion on the draft within a time limit set by the Chairman according to the urgency of the matter. An opinion shall be delivered by a majority of 54 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 by a qualified majority, may take a different decision within one month.
Article 25

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 26

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 27

1. Council Regulation No 2727/75 is hereby repealed with effect from the 1993/94 marketing year.

References to the Regulation repealed by paragraph 1 shall be construed as references to this Regulation.

A table is provided in Annex C for the purposes of correlating citations of and references to the Articles of that Regulation with those of this Regulation.

2. The following Regulations are hereby repealed:

- with effect from the beginning of the 1993/94 marketing year:

  Regulations (EEC) Nos 2731/75, 2743/75, 2744/75, 2745/75, 2746/75, 2747/75, 2748/75, 1145/76, 1188/81, 1008/86, 1009/86, 1581/86, 1582/86, 2226/88 and 1835/89;

- with effect from the 1995/96 marketing year:

  Regulations (EEC) Nos 729/89 and 1346/90.

3. To facilitate the transition from the current arrangement as regards the common organization of the market in cereals to the arrangements resulting from this Regulation, or to facilitate the transition from one marketing year to the next during the marketing years 1993/94, 1994/95 and 1995/96, the Commission, acting in accordance with the procedure laid down in Article 24, may adopt any transitional measures deemed appropriate.
This Regulation shall enter into force on the seventh day following its publication in the Official Journal of the European Communities.

It shall apply from the 1993/94 marketing year; however, Article 27(3) shall apply from 1 January 1993.

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

Done at Brussels,
### ANNEX A

#### Products referred to in Article 1(d)

<table>
<thead>
<tr>
<th>CN code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>0714</td>
<td>Manioc, arrowroot, salep, Jerusalem artichokes, sweet potatoes and similar roots and tubers with high starch or inulin content, fresh or dried, whether or not sliced or in the form of pellets; sago pith:</td>
</tr>
<tr>
<td>ex 1102</td>
<td>Cereal flours other than of wheat or meslin:</td>
</tr>
<tr>
<td>1102 20</td>
<td>- Maize (corn) flour</td>
</tr>
<tr>
<td>1102 90</td>
<td>- Other:</td>
</tr>
<tr>
<td>1102 90 10</td>
<td>- - Barley flour</td>
</tr>
<tr>
<td>1102 90 30</td>
<td>- - Oat flour</td>
</tr>
<tr>
<td>1102 90 90</td>
<td>- - Other</td>
</tr>
<tr>
<td>ex 1103</td>
<td>Cereal groats, meal and pellets with the exception of groats and meal of wheat (subheading 1103 11), groats and meal of rice (subheading 1103 14 00) and pellets of rice (subheading 1103 29 50)</td>
</tr>
<tr>
<td>ex 1104</td>
<td>Cereal grains otherwise worked (for example, hulled, rolled, flaked, pearled, sliced or kibbled, except rice of heading No 1006 and flaked rice of subheading 1104 19 91; germ of cereals, whole, rolled, flaked or ground</td>
</tr>
<tr>
<td>1106 20</td>
<td>Flour and meal of sago, roots or tubers of heading No 0714</td>
</tr>
<tr>
<td>ex 1105</td>
<td>Starches; inulin:</td>
</tr>
<tr>
<td>1108 11 00</td>
<td>- Starches:</td>
</tr>
<tr>
<td>1108 12 00</td>
<td>- - Wheat starch</td>
</tr>
<tr>
<td>1108 13 00</td>
<td>- - Maize (corn) starch</td>
</tr>
<tr>
<td>1108 14 00</td>
<td>- - Potato starch</td>
</tr>
<tr>
<td>1108 19 90</td>
<td>- - Manioc (cassava) starch</td>
</tr>
<tr>
<td>ex 1108 19</td>
<td>- - Other starches:</td>
</tr>
<tr>
<td>1108 19 90</td>
<td>- - - Other</td>
</tr>
<tr>
<td>1109 00 00</td>
<td>Wheat gluten, whether or not dried</td>
</tr>
<tr>
<td>ex 1702</td>
<td>Other sugars, including chemically pure lactose, maltose, glucose and fructose, in solid form; sugar syrups not containing added flavouring or colouring matter; artificial honey, whether or not mixed with natural honey; caramel:</td>
</tr>
<tr>
<td>1702 30</td>
<td>- Glucose and glucose syrup, not containing fructose or containing in the dry state less than 20 % by weight of fructose:</td>
</tr>
<tr>
<td>1702 30 90</td>
<td>- - Other:</td>
</tr>
<tr>
<td>1702 30 91</td>
<td>- - - In the form of white crystalline powder, whether or not agglomerated</td>
</tr>
<tr>
<td>1702 30 99</td>
<td>- - - Other</td>
</tr>
<tr>
<td>ex 1702 40</td>
<td>Glucose and glucose syrup containing, in the dry state, at least 20 % but less than 50 % by weight of fructose, but excluding isoglucose of subheading 1702 40 10</td>
</tr>
<tr>
<td>ex 1702 90</td>
<td>- Other, including invert sugar:</td>
</tr>
<tr>
<td>1702 90 50</td>
<td>- - Maltodextrine and maltodextrine syrup</td>
</tr>
<tr>
<td>-</td>
<td>- - Caramel:</td>
</tr>
</tbody>
</table>
| - | - - - Other:
<table>
<thead>
<tr>
<th>CN code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1702 90 75</td>
<td>In powder form whether or not agglomerated</td>
</tr>
<tr>
<td>1702 90 79</td>
<td>Other</td>
</tr>
<tr>
<td>2106</td>
<td>Food preparations not elsewhere specified or included:</td>
</tr>
<tr>
<td>ex 2106 90</td>
<td>Other:</td>
</tr>
<tr>
<td></td>
<td>- Flavoured or coloured syrups:</td>
</tr>
<tr>
<td></td>
<td>- Other:</td>
</tr>
<tr>
<td>2106 90 55</td>
<td>Glucose syrup and maltodextrine syrup</td>
</tr>
<tr>
<td>ex 2302</td>
<td>Bran, sharps and other residues, whether or not in the form of pellets, derived from the sifting, milling or other working of cereals</td>
</tr>
<tr>
<td>ex 2303</td>
<td>Residues of starch manufacture and similar residues, beet pulp, bagasse and other waste of sugar manufacture, brewing or distilling dregs and waste, whether or not in the form of pellets:</td>
</tr>
<tr>
<td>2303 10</td>
<td>Residues of starch manufacture and similar residues</td>
</tr>
<tr>
<td>2303 30 00</td>
<td>Brewing or distilling dregs and waste</td>
</tr>
<tr>
<td>2308</td>
<td>Vegetable materials and vegetable waste, vegetable residues and by-products, whether or not in the form of pellets, of a kind used in animal feeding, not elsewhere specified or included:</td>
</tr>
<tr>
<td>2308 10 00</td>
<td>Acorns and horse-chestnuts</td>
</tr>
<tr>
<td>ex 2308 90</td>
<td>Other:</td>
</tr>
<tr>
<td>ex 2308 90 30</td>
<td>Pomace or marc of fruit, other than grapes</td>
</tr>
<tr>
<td>2309</td>
<td>Preparations of a kind used in animal feeding:</td>
</tr>
<tr>
<td>ex 2309 10</td>
<td>Dog or cat food, put up for retail sale:</td>
</tr>
<tr>
<td>2309 10 11</td>
<td>Containing starch, glucose, glucose syrup, maltodextrine or maltodextrine syrup falling within subheadings 1702 30 51 to 1702 30 99, 1702 40 90, 1702 90 30 and 2106 90 55 or milk products ** except preparations and feedingstuffs containing 50% or more by weight of milk products</td>
</tr>
<tr>
<td>2309 10 33</td>
<td>Other, containing starch, glucose, glucose syrup, maltodextrine or maltodextrine syrup falling within subheadings 1702 30 51 to 1702 30 99, 1702 40 90, 1702 90 30 and 2106 90 55 or milk products ** except preparations and feedingstuffs containing 50% or more by weight of milk products</td>
</tr>
</tbody>
</table>

** For the purposes of this subheading 'milk products' means products falling within heading Nos 0401 to 0406 as well as subheadings 1702 10 and 2106 90 51."
### ANNEX B

<table>
<thead>
<tr>
<th>CN code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ex 0403</td>
<td>Buttermilk, curdled milk and cream, yogurt, kephir and other fermented or acidified milk and cream, whether or not concentrated or containing added sugar or other sweetening matter or flavoured or containing added fruit or cocoa:</td>
</tr>
<tr>
<td></td>
<td>- Yogurt</td>
</tr>
<tr>
<td></td>
<td>- Flavoured or containing added fruit or cocoa:</td>
</tr>
<tr>
<td></td>
<td>- - In powder, granules or other solid forms, of a milk fat content by weight:</td>
</tr>
<tr>
<td>0403 10</td>
<td>- - - Not exceeding 1.5 %</td>
</tr>
<tr>
<td>0403 10</td>
<td>- - - Exceeding 1.5 % but not exceeding 27 %</td>
</tr>
<tr>
<td>0403 10</td>
<td>- - - Exceeding 27 %</td>
</tr>
<tr>
<td>0403 10</td>
<td>- - Other, of a milk fat content, by weight:</td>
</tr>
<tr>
<td>0403 10</td>
<td>- - - Not exceeding 3 %</td>
</tr>
<tr>
<td>0403 10</td>
<td>- - - Exceeding 3 % but not exceeding 6 %</td>
</tr>
<tr>
<td>0403 10</td>
<td>- - - Exceeding 6 %</td>
</tr>
<tr>
<td>ex 0403</td>
<td>- Other:</td>
</tr>
<tr>
<td></td>
<td>- - Flavoured or containing added fruit or cocoa:</td>
</tr>
<tr>
<td></td>
<td>- - In powder, granules or other solid forms, of a milk fat content, by weight:</td>
</tr>
<tr>
<td>0403 90</td>
<td>- - - Not exceeding 1.5 %</td>
</tr>
<tr>
<td>0403 90</td>
<td>- - - Exceeding 1.5 % but not exceeding 27 %</td>
</tr>
<tr>
<td>0403 90</td>
<td>- - - Exceeding 27 %</td>
</tr>
<tr>
<td>0403 90</td>
<td>- - Other, of a milk fat content, by weight:</td>
</tr>
<tr>
<td>0403 90</td>
<td>- - - Not exceeding 3 %</td>
</tr>
<tr>
<td>0403 90</td>
<td>- - - Exceeding 3 % but not exceeding 6 %</td>
</tr>
<tr>
<td>0403 90</td>
<td>- - - Exceeding 6 %</td>
</tr>
<tr>
<td>ex 0710</td>
<td>Vegetables (uncooked or cooked by steaming or boiling in water), frozen:</td>
</tr>
<tr>
<td>0710 40</td>
<td>- Sweet corn</td>
</tr>
<tr>
<td>0711</td>
<td>Vegetables provisionally preserved (for example, by sulphur dioxide gas, in brine, in sulphur water or in other preservative solutions), but unsuitable in that state for immediate consumption:</td>
</tr>
<tr>
<td>ex 0711</td>
<td>- Other vegetables, mixtures of vegetables:</td>
</tr>
<tr>
<td></td>
<td>- Vegetables:</td>
</tr>
<tr>
<td>0711 90</td>
<td>- - Sweet corn</td>
</tr>
<tr>
<td>ex 1302</td>
<td>Vegetable saps and extracts; pectic substances, pectinates and pectates; agar-agar and other mucilages and thickeners, whether or not modified, derived from vegetable products:</td>
</tr>
<tr>
<td></td>
<td>- Mucilages and thickeners, whether or not modified, derived from vegetable products:</td>
</tr>
<tr>
<td>1302 31</td>
<td>- - Agar-agar</td>
</tr>
<tr>
<td>1302 32</td>
<td>- - Mucilages and thickeners, whether or not modified, derived from locust beans, locust bean seeds or guar deeds</td>
</tr>
<tr>
<td>1302 39</td>
<td>- - Other</td>
</tr>
<tr>
<td>CN code</td>
<td>Description</td>
</tr>
<tr>
<td>-------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>ex 1518 00</td>
<td>Animal or vegetable fats and oils and their fractions, boiled, oxidized, dehydrated, sulphurized, blown, polymerized by heat in vacuum or in inert gas or otherwise chemically modified, excluding those of heading No 1516; inedible mixtures or preparations of animal or vegetable fats or oils or of fractions of different fats or oils of this chapter, not elsewhere specified or included:</td>
</tr>
<tr>
<td>1518 00 10</td>
<td>Linoxyn</td>
</tr>
<tr>
<td>ex 1520</td>
<td>Glycerol (glycerine), whether or not pure; glycerol waters and glycerol lyes:</td>
</tr>
<tr>
<td>1520 90 00</td>
<td>Other, including synthetic glycerol</td>
</tr>
<tr>
<td>1702</td>
<td>Other sugars, including chemically pure lactose, maltose, glucose and fructose, in solid form; sugar syrups not containing added flavouring or colouring matter; artificial honey, whether or not mixed with natural honey; caramel:</td>
</tr>
<tr>
<td>ex 1702 90</td>
<td>Other, including invert sugar</td>
</tr>
<tr>
<td>1702 90 10</td>
<td>Chemically pure maltose</td>
</tr>
<tr>
<td>ex 1704</td>
<td>Sugar confectionery (including white chocolate), not containing cocoa, excluding liquorice extract containing more than 10% by weight of sucrose but not containing other added substances of subheading 1704 90 10</td>
</tr>
<tr>
<td>1806</td>
<td>Chocolate and other food preparations containing cocoa</td>
</tr>
<tr>
<td>1901</td>
<td>Malt extract; food preparations of flour, meal, starch or malt extract, not containing cocoa powder or containing cocoa powder in a proportion by weight of less than 50%, not elsewhere specified or included; food preparations of goods of headings Nos 0401 to 0404, not containing cocoa powder or containing cocoa powder in a proportion by weight of less than 10%, not elsewhere specified or included</td>
</tr>
<tr>
<td>ex 1902</td>
<td>Pasta, whether or not cooked or stuffed (with meat or other substances) or otherwise prepared, such as spaghetti, macaroni, noodles, lasagne, gnocchi, ravioli, cannelloni; couscous, whether or not prepared:</td>
</tr>
<tr>
<td>1902 11 00</td>
<td>Uncooked pasta, not stuffed or otherwise prepared:</td>
</tr>
<tr>
<td>1902 19</td>
<td>Other</td>
</tr>
<tr>
<td>ex 1902 20</td>
<td>Stuffed pasta whether or not cooked or otherwise prepared:</td>
</tr>
<tr>
<td>1902 20 91</td>
<td>Cooked</td>
</tr>
<tr>
<td>1902 20 99</td>
<td>Other</td>
</tr>
<tr>
<td>1902 30</td>
<td>Other pasta</td>
</tr>
<tr>
<td>1902 40</td>
<td>Couscous</td>
</tr>
<tr>
<td>1903 00 00</td>
<td>Tapioca and substitutes thereof prepared from starch, in the form of flakes, grains, pearls, siftings or similar forms</td>
</tr>
<tr>
<td>1904</td>
<td>Prepared foods obtained by the swelling or roasting of cereals or cereal products (for example, corn flakes); cereals, other than maize (corn), in grain form, precooked or otherwise prepared</td>
</tr>
<tr>
<td>CN code</td>
<td>Description</td>
</tr>
<tr>
<td>----------</td>
<td>-----------------------------------------------------------------------------</td>
</tr>
<tr>
<td>1905</td>
<td>Bread, pastry, cakes, biscuits and other bakers' wares, whether or not containing cocoa; communion wafers, empty cachets of a kind suitable for pharmaceutical use, sealing wafers, rice paper and similar products</td>
</tr>
<tr>
<td>2001</td>
<td>Vegetables, fruit, nuts and other edible parts of plants, prepared or preserved by vinegar or acetic acid:</td>
</tr>
<tr>
<td>ex 2001 90</td>
<td>Other:</td>
</tr>
<tr>
<td>2001 90 30</td>
<td>— Sweet corn <em>(Zea mays var. saccharata)</em></td>
</tr>
<tr>
<td>2001 90 40</td>
<td>— Yams, sweet potatoes and similar edible parts of plants containing 5% or more by weight of starch</td>
</tr>
<tr>
<td>2004</td>
<td>Other vegetables prepared or preserved otherwise than by vinegar or acetic acid, frozen:</td>
</tr>
<tr>
<td>ex 2004 10</td>
<td>— Potatoes</td>
</tr>
<tr>
<td>2004 10 91</td>
<td>— — In the form of flour, meal or flakes</td>
</tr>
<tr>
<td>ex 2004 90</td>
<td>— Other vegetables and mixtures of vegetables:</td>
</tr>
<tr>
<td>2004 90 10</td>
<td>— Sweet corn <em>(Zea mays var. saccharata)</em></td>
</tr>
<tr>
<td>ex 2005</td>
<td>Other vegetables prepared or preserved otherwise than by vinegar or acetic acid, not frozen:</td>
</tr>
<tr>
<td>2005 20</td>
<td>— Potatoes:</td>
</tr>
<tr>
<td>2005 20 10</td>
<td>— — In the form of flour, meal or flakes</td>
</tr>
<tr>
<td>2005 80 00</td>
<td>— Sweet corn <em>(Zea mays var. saccharata)</em></td>
</tr>
<tr>
<td>ex 2008</td>
<td>Fruits, nuts and other edible parts of plants, otherwise prepared or preserved, whether or not containing added sugar or other sweetening matter or spirit, not elsewhere specified or included:</td>
</tr>
<tr>
<td>ex 2008 11</td>
<td>— Nuts, ground-nuts and other seeds, whether or not mixed together:</td>
</tr>
<tr>
<td>2008 11 10</td>
<td>— — Ground-nuts</td>
</tr>
<tr>
<td>2208 91 00</td>
<td>— — — Peanut butter</td>
</tr>
<tr>
<td>ex 2008 99</td>
<td>— — — Other:</td>
</tr>
<tr>
<td>2008 99 85</td>
<td>— — — Not containing spirit:</td>
</tr>
<tr>
<td>2008 99 91</td>
<td>— — — Not containing added sugar:</td>
</tr>
<tr>
<td>2008 99 85</td>
<td>— — — Maize (corn) other than sweet corn <em>(Zea mays var. saccharata)</em></td>
</tr>
<tr>
<td>2008 99 91</td>
<td>— — — Yams, sweet potatoes and similar edible parts of plants, containing 5% or more by weight of starch</td>
</tr>
<tr>
<td>ex 2101</td>
<td>Extracts, essences and concentrates, of coffee, tea or maté and preparations with a basis of these products or with a basis of coffee, tea or maté; roasted chicory and other roasted coffee substitutes and extracts, essences and concentrates, thereof:</td>
</tr>
<tr>
<td>2101 10</td>
<td>— Extracts, essences and concentrates of coffee, and preparations with a basis of these extracts, essences or concentrates of with a basis of coffee</td>
</tr>
<tr>
<td>2101 20</td>
<td>— Extracts, essences and concentrates, of tea or maté, and preparations with a basis of these extracts, essences or concentrates or with a basis of tea or maté</td>
</tr>
<tr>
<td>ex 2101 30</td>
<td>Roasted chicory and other roasted coffee substitutes, and extracts, essences and concentrates thereof:</td>
</tr>
<tr>
<td>2101 30 19</td>
<td>— Roasted chicory and other roasted coffee substitutes:</td>
</tr>
<tr>
<td>2101 30 99</td>
<td>— — Other (than roasted chicory)</td>
</tr>
<tr>
<td>2101 30 99</td>
<td>— — Extracts, essences and concentrates of roasted chicory and other roasted coffee substitutes:</td>
</tr>
<tr>
<td>2101 30 99</td>
<td>— — — Other (than roasted chicory)</td>
</tr>
<tr>
<td>CN code</td>
<td>Description</td>
</tr>
<tr>
<td>---------</td>
<td>-------------</td>
</tr>
<tr>
<td>2102</td>
<td>Yeasts (active or inactive); other single-cell micro-organisms, dead (but not including vaccines of heading No 3002); prepared baking powders:</td>
</tr>
<tr>
<td>ex 2102 10</td>
<td>Active yeasts:</td>
</tr>
<tr>
<td></td>
<td>— Bakers’ yeast:</td>
</tr>
<tr>
<td>2101 10 31</td>
<td>— — Dried</td>
</tr>
<tr>
<td>2102 10 39</td>
<td>— — Other</td>
</tr>
<tr>
<td>ex 2102 20</td>
<td>Inactive yeasts; other single-cell micro-organisms, dead:</td>
</tr>
<tr>
<td></td>
<td>— — Inactive yeasts:</td>
</tr>
<tr>
<td>2102 20 11</td>
<td>— — In tablet, cube or similar form, or in immediate packings of a net content not exceeding 1 kg</td>
</tr>
<tr>
<td>2102 20 19</td>
<td>— — Other</td>
</tr>
<tr>
<td>ex 2103</td>
<td>Sauces and preparations therefor; mixed condiments and mixed seasonings:</td>
</tr>
<tr>
<td>2103 10 00</td>
<td>Soya sauce</td>
</tr>
<tr>
<td>2103 20 00</td>
<td>Tomato ketchup and other tomato sauces</td>
</tr>
<tr>
<td>2103 90</td>
<td>Other</td>
</tr>
<tr>
<td>ex 2104</td>
<td>Soups and broths and preparations therefor; homogenized composite food preparations:</td>
</tr>
<tr>
<td>2104 10 00</td>
<td>Soups and broths and preparations therefor</td>
</tr>
<tr>
<td>2105 00</td>
<td>Ice cream and other edible ice, whether or not containing cocoa</td>
</tr>
<tr>
<td>ex 2106</td>
<td>Food preparations not elsewhere specified or included:</td>
</tr>
<tr>
<td>2106 10</td>
<td>Protein concentrates and textured protein substances:</td>
</tr>
<tr>
<td>ex 2106 90</td>
<td>Other:</td>
</tr>
<tr>
<td>2106 90 10</td>
<td>Cheese fondues</td>
</tr>
<tr>
<td></td>
<td>— Flavoured or coloured sugar syrups:</td>
</tr>
<tr>
<td>2106 90 91</td>
<td>— — Containing no milkfats, milk proteins, sucrose, isoglucose, glucose or starch or containing less than 1.5% milkfat, 2.5% milk proteins, 5% sucrose or isoglucose, 5% glucose or starch</td>
</tr>
<tr>
<td>2106 90 99</td>
<td>— — Other</td>
</tr>
<tr>
<td>2202</td>
<td>Waters, including mineral waters and aerated waters, containing added sugar or other sweetening matter or flavoured, and other non-alcoholic beverages, not including fruit or vegetable juices of heading No 2009</td>
</tr>
<tr>
<td>2203 00</td>
<td>Beer made from malt</td>
</tr>
<tr>
<td>2205</td>
<td>Vermouth and other wine of fresh grapes flavoured with plants or aromatic substances</td>
</tr>
<tr>
<td>ex 2208</td>
<td>Undermatured ethyl alcohol of an alcoholic strength by volume of less than 80% vol; spirits, liqueurs and other spirituous beverages; compound alcoholic preparations of a kind used for the manufacture of beverages:</td>
</tr>
<tr>
<td>ex 2208 30</td>
<td>Whiskies</td>
</tr>
<tr>
<td></td>
<td>— Other than Bourbon in containers holding:</td>
</tr>
<tr>
<td>2208 30 91</td>
<td>— — 2 litres or less</td>
</tr>
<tr>
<td>2208 30 99</td>
<td>— — More than 2 litres</td>
</tr>
<tr>
<td>2208 50</td>
<td>Gin and Geneva</td>
</tr>
<tr>
<td>ex 2208 90</td>
<td>Other:</td>
</tr>
<tr>
<td></td>
<td>— Vodka of an alcoholic strength by volume of 45.4% vol or less and plum, pear or cherry spirit (excluding liqueurs), in containers holding:</td>
</tr>
<tr>
<td></td>
<td>— — 2 litres or less:</td>
</tr>
<tr>
<td>CN code</td>
<td>Description</td>
</tr>
<tr>
<td>-----------</td>
<td>-----------------------------------------------------------------------------</td>
</tr>
<tr>
<td>2208 90 31</td>
<td>Vodka</td>
</tr>
<tr>
<td>ex 2208 90 39</td>
<td>More than 2 litres: vodka</td>
</tr>
<tr>
<td>2208 90 51</td>
<td></td>
</tr>
<tr>
<td>2208 90 53</td>
<td></td>
</tr>
<tr>
<td>2208 90 55</td>
<td></td>
</tr>
<tr>
<td>2208 90 59</td>
<td></td>
</tr>
<tr>
<td>2208 90 71</td>
<td></td>
</tr>
<tr>
<td>2208 90 73</td>
<td></td>
</tr>
<tr>
<td>2208 90 79</td>
<td></td>
</tr>
<tr>
<td>ex 2520 20</td>
<td>Gypsum; anhydrite; plasters (consisting of calcined gypsum or calcium sulphate whether or not coloured, with or without small quantities of accelerators or retarders:</td>
</tr>
<tr>
<td>2839 90 00</td>
<td></td>
</tr>
<tr>
<td>Chapter 29</td>
<td>Organic chemicals</td>
</tr>
<tr>
<td>Chapter 30</td>
<td></td>
</tr>
<tr>
<td>ex 330* 49 00</td>
<td>Pre-shave, shaving or after-shave preparations, personal deodorants, bath preparations, depilatories and other perfumery, cosmetic or toilet preparations, not elsewhere specified or included; prepared room deodorizers, whether or not perfumed or having disinfectant properties:</td>
</tr>
<tr>
<td>330* 90 00</td>
<td>Other</td>
</tr>
<tr>
<td>ex 3401 19 00</td>
<td>Organic surface-active agents (other than soap); surface-active preparations, washing preparations (including auxiliary washing preparations) and cleaning preparations, whether or not containing soap, other than those of heading No 3401:</td>
</tr>
<tr>
<td>3402</td>
<td></td>
</tr>
<tr>
<td>ex 3403 19 10</td>
<td>Lubricating preparations (including cutting-oil preparations, bolt or nut release preparations, anti-rust or anti-corrosion preparations and mould release preparations, based on lubricants) and preparations of a kind used for the oil or grease treatment of textile materials, leather, furskins or other materials, but excluding preparations containing, as basic constituents, 70 % or more by weight of petroleum oils or of oils obtained from bituminous minerals:</td>
</tr>
</tbody>
</table>

- Containing petroleum oils or oils obtained from bituminous minerals:
- Preparations for the treatment of textile materials, leather, furskins or other materials
- Other:
- Containing 70 % or more by weight of petroleum oils or of oils obtained from bituminous minerals but not as the basic constituent
<table>
<thead>
<tr>
<th>CN code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ex 3405</td>
<td>Polishes and creams, for footwear, furniture, floors, coachwork, glass or metal, scouring pastes and powders and similar preparations (whether or not in the form of paper, wadding, felt, nonwovens, cellular plastics or cellular rubber, impregnated, coated or covered with such preparations), excluding waxes of heading No 3404</td>
</tr>
<tr>
<td>3407 00 00</td>
<td>Modelling pastes, including those put up for children's amusement; preparations known as 'dental wax' or as 'dental impression compounds', put up in sets, in packings for retail sale or in plates, horseshoe shapes, sticks or similar forms; other preparations for use in dentistry, with a basis of plaster (of calcined gypsum or calcium sulphate)</td>
</tr>
<tr>
<td>Chapter 35</td>
<td>Albuminoidal substances; modified starches; glues, enzymes, excluding heading No 3501</td>
</tr>
<tr>
<td>Chapter 38</td>
<td>Miscellaneous chemical products</td>
</tr>
<tr>
<td>Chapter 39</td>
<td>Plastics and articles thereof</td>
</tr>
<tr>
<td>4813</td>
<td>Cigarette paper, whether or not cut to size or in the form of booklets or tubes:</td>
</tr>
<tr>
<td>ex 4813 90</td>
<td>— Other:</td>
</tr>
<tr>
<td>4813 90 90</td>
<td>— — Others</td>
</tr>
<tr>
<td>ex 4818</td>
<td>Toilet paper, handkerchiefs, cleansing tissues, towels, tablecloths, serviettes, napkins for babies, tampons, bed sheets and similar household, sanitary or hospital articles, articles of apparel and clothing accessories, of paper pulp, paper, cellulose wadding or webs of cellulose fibres:</td>
</tr>
<tr>
<td>4818 10</td>
<td>— Toilet paper</td>
</tr>
<tr>
<td>ex 4823</td>
<td>Other paper, paperboard, cellulose wadding and webs of cellulose fibres, cut to size or shape; other articles of paper pulp, paper, paperboard, cellulose wadding or webs of cellulose fibres:</td>
</tr>
<tr>
<td>4823 11</td>
<td>— Gummed or adhesive paper, in strips or rolls:</td>
</tr>
<tr>
<td>4823 19 00</td>
<td>— — Self-adhesive</td>
</tr>
<tr>
<td>4823 20 00</td>
<td>— — Filter paper and paperboard</td>
</tr>
<tr>
<td>— Other paper and paperboard, of a kind used for writing, printing or other graphic purposes:</td>
<td></td>
</tr>
<tr>
<td>4823 51</td>
<td>— Printed, embossed or perforated</td>
</tr>
<tr>
<td>4823 59</td>
<td>— — Other</td>
</tr>
<tr>
<td>ex 4823 90</td>
<td>— Other:</td>
</tr>
<tr>
<td>— — Other:</td>
<td></td>
</tr>
<tr>
<td>— — — Cut to size or shape:</td>
<td></td>
</tr>
<tr>
<td>4823 90 51</td>
<td>— — — Condenser paper</td>
</tr>
<tr>
<td>— — — Other:</td>
<td></td>
</tr>
<tr>
<td>4823 90 71</td>
<td>— — — — Gummed or adhesive paper</td>
</tr>
<tr>
<td>4823 90 79</td>
<td>— — — — Other'</td>
</tr>
</tbody>
</table>
###ANNEX C

**Correlation table**

<table>
<thead>
<tr>
<th>Regulation N° 2727/75</th>
<th>This regulation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Article 1</strong></td>
<td><strong>Article 1</strong></td>
</tr>
<tr>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>4</td>
<td>7</td>
</tr>
<tr>
<td>4 (b)</td>
<td>-</td>
</tr>
<tr>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>6</td>
<td>3</td>
</tr>
<tr>
<td>7</td>
<td>4</td>
</tr>
<tr>
<td>8</td>
<td>6</td>
</tr>
<tr>
<td>9</td>
<td>27</td>
</tr>
<tr>
<td>10</td>
<td>-</td>
</tr>
<tr>
<td>10 (a)</td>
<td>-</td>
</tr>
<tr>
<td>10 (b)</td>
<td>-</td>
</tr>
<tr>
<td>11 (a)</td>
<td>8</td>
</tr>
<tr>
<td>11 (b)</td>
<td>-</td>
</tr>
<tr>
<td>12</td>
<td>10</td>
</tr>
<tr>
<td>13</td>
<td>11</td>
</tr>
<tr>
<td>14</td>
<td>12</td>
</tr>
<tr>
<td>15</td>
<td>13</td>
</tr>
<tr>
<td>16</td>
<td>14</td>
</tr>
<tr>
<td>17</td>
<td>15</td>
</tr>
<tr>
<td>18</td>
<td>16</td>
</tr>
<tr>
<td>19</td>
<td>17</td>
</tr>
<tr>
<td>20</td>
<td>18</td>
</tr>
<tr>
<td>21</td>
<td>19</td>
</tr>
<tr>
<td>22</td>
<td>20</td>
</tr>
<tr>
<td>23</td>
<td>-</td>
</tr>
<tr>
<td>23 (a)</td>
<td>21</td>
</tr>
<tr>
<td>24</td>
<td>22</td>
</tr>
<tr>
<td>25</td>
<td>23</td>
</tr>
<tr>
<td>26</td>
<td>24</td>
</tr>
<tr>
<td>27</td>
<td>25</td>
</tr>
<tr>
<td>28</td>
<td>-</td>
</tr>
<tr>
<td>29</td>
<td>26</td>
</tr>
<tr>
<td>30</td>
<td>27</td>
</tr>
</tbody>
</table>

**ANNEX**

- ANNEX A
- ANNEX B
- ANNEX C
EXPLANATORY MEMORANDUM

This regulation is designed to carry forward existing arrangements up until the beginning of the 1993/94 marketing year.

The first paragraph carries forward the legal basis for applying the basic coreresponsibility levy, which would otherwise expire during the intervening period.

If the 1991 crop exceeds the Maximum Guaranteed Quantity (MGQ) existing legislation already implies a 3% price cut in 1992/93. A levy of up to 1 1/2% would also be due in 1992/93 if the 1991 crop exceeds the MGQ by more than 1 1/2%. The effect of this proposal would be to increase that levy up to a maximum of 3%.

The proposal would also imply that if the 1992 crop exceeds the extended MGQ there would be a 3% price cut in 1993 if the existing regulatory framework remains. However if the arable reform package in the cereals sector is in force by then, there will be no such consequence.
COUNCIL REGULATION (EEC) No ....../

of ........
amending Regulation (EEC) No 2727/75 on the
common organization of the market in cereals

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 43 thereof,

Having regard to the proposal from the Commission¹,

Having regard to the opinion of the European Parliament²,

Having regard to the opinion of the Economic and Social Committee³,

Whereas Regulation (EEC) No 2727/75⁴, as last amended by Regulation (EEC) No 3577/90⁵, provides for the application of a system of a basic and an additional co-responsibility levy for the period 1988/89 to 1991/92;

Whereas the trend in Community production of cereals and internal consumption thereof shows a growing imbalance and, thus, an accumulation of intervention stocks; whereas in such a situation and pending the implementation of a general reform of the machinery of the common organization of the market in cereals, the restrictive price policy operated in the sector should be continued; whereas the application of the basic co-responsibility levy and the system of a maximum guaranteed quantity constitutes the main element of that policy; whereas the said schemes should be renewed for the marketing years preceding the full implementation of the general reform of the agricultural policy in the cereals sector,

HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EEC) No 2727/75 is hereby amended as follows:

1. In Article 4(1) "for the 1988/89 to 1991/92 marketing years" is replaced by "for the marketing years 1991/92 and 1992/93".

2. In the last sentence of Article 4b(1), "for the 1988/89, 1989/90, 1990/91 and 1991/92 marketing years" is replaced by "for the marketing years 1991/92 and 1992/93".

² .......
³ .......
Article 2

This Regulation shall enter into force on the seventh 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.

It shall apply from the 1992/93 marketing year.
CAP REFORM

Legal texts

Beef
Explanatory memorandum

For an analysis of the general agricultural situation and a statement of the reform targets and the means by which they are to be achieved, reference should be made to document COM(91) 258.

This memorandum covers the three reform package Regulations for the beef and veal sector:

1. Adjustment of intervention price

Under the reform proposals the intervention price is to be adjusted in three stages in the same way as for cereals.

The proposals in COM(91) 258 are adopted in full: the intervention price being ECU 343/100 kg carcase weight of quality R3 for each 12-month period, from 1 July 1993 this is reduced by 5% for the first, 10% for the second and 15% for the third year. The other aspects of the system are unchanged.

2. Financing of promotion measures

This Regulation defines the type of measures which may be cofinanced. Since the intention is to promote quality production, it is proposed to incite the industry to set up programmes to control quality throughout the production chain from farmer to consumer.

It was initially proposed that the measures be co-financed by deduction from the intervention price. This idea has been dropped on the grounds that there would be an unavoidable direct effect on the processing margin (3.5% or 2.5% added to the market price). Given the present delicate balance (owed to this margin) any disturbance should be avoided so as not to set off a new downward price spiral that in turn might force the Commission to propose an increase in the margin.

3. Producer premiums

In order to simplify the provisions covering these they are grouped in a new section of Regulation (EEC) No 805/68. This covers:

- the special premium for beef producers;
- the premium for maintaining suckler cows;
- the processing premium for male calves of dairy breeds.
The first two premiums will be gradually adjusted at the same time as the changes decided on for cereals.

The age brackets for the special premium are wider than those indicated in Document COM(91) 258. This is necessary for effective management and control and there is no risk in regard to the number of eligible animals.

In the case of the suckler cow premium the Member States will continue to be able to grant a national supplement (ECU 25 per cow), part of which in the case of holdings located in objective I regions (structures) can be cofinanced by the EAGGF.
Draft

COUNCIL REGULATION (EEC) No ....../91
of ........
amending Regulation (EEC) No 805/68 on the common organization
of the market in beef and veal and
repealing Regulation (EEC) No 468/87 laying down general rules
applying to the special premium for beef producers
and Regulation (EEC) No 1357/80 introducing
a system of premiums for maintaining suckler cows

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,
and in particular Article 43 thereof,

Having regard to the proposal from the Commission¹,

Having regard to the opinion of the European Parliament²,

Whereas the beef and veal sector is persistently subject to economic
factors which, given the possibilities for exports to third countries,
cause structural imbalance between supply and demand on the Community
market;

Whereas in order to redress the situation of agriculture in general
measures must be applied both in the farming sectors supplying raw
materials for beef and veal production and in the beef and veal sector
itself; whereas as a result of these measures the intervention price for
beef is to be reduced;

¹
²
Whereas, given the consequences for producers, partial compensation should be granted in the form of premiums, subject to a limit on the number of eligible animals per holding; whereas, given the variety of stockfarming enterprises, the special premium for beef producers and the premium for maintaining suckler cow herds should be continued; whereas these schemes should be adapted to the new situation by redefinition of the conditions of grant;

Whereas one of the market destabilizing factors is the availability of a large number of male calves of dairy breeds; whereas these animals do not yield a product of desirable quality and the volume of production merely increases overall output; whereas a premium for the withdrawal from production of such calves should be instituted;

Whereas, given the rising trend towards intensification of beef and veal production, premiums for stockfarming should be determined with due regard for the various possibilities of use of the forage capacity of each holding in relation to the numbers and species of animals held; whereas, to encourage extensive production, the grant of such premiums should be subject to compliance with a maximum stocking density on the holding, taking account of the specific stockfarming conditions obtaining in the various regions of the Community; whereas account should be taken of the situation of very small-scale producers keeping suckler cows;

Whereas producers fattening beef on extensive holdings do not benefit as much as intensive producers from reductions in input prices; whereas this situation should be remedied by authorizing the grant of the special premium until the animals reach the age of three years;
Whereas the amounts of the premiums for cattle farming should be adapted progressively in several stages; whereas, in order to achieve the desired economic target, the premiums must be granted within a certain time limit;

Whereas, in the case of the suckler cow premium, specific conditions must be laid down to permit the transition from the old arrangements to the new;

Whereas, in order to maintain the consistency of Community agricultural legislation, it is appropriate to use existing legislative instruments to lay down conditions concerning extensification; whereas Council Regulation (EEC) No 2328/91 of 15 July 1991 on improving the efficiency of agricultural structures and Council Directive No 75/268/EEC of 28 April 1975 on mountain and hill farming and farming in certain less-favoured areas, as last amended by Regulation (EEC) No 797/85, can be used for this purpose;

Whereas, in order to monitor stockfarming enterprises qualifying for premiums, a system of marking and registration of stock satisfying identical criteria throughout the Community must be introduced; whereas Regulation (EEC) No ../91 (to be adopted) should be used for this purpose;

Whereas in order to simplify agricultural legislation the premium arrangements should be grouped in a single section of Regulation (EEC) No 805/68,

HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EEC) No 805/68 is amended as follows:

5 OJ No L 93, 30.3.1985, p.1.
6
1. The following heading is inserted before Article 4a:

"Section 1 - Premiums"

2. Article 4a is replaced by the following:

"Article 4a

For the purposes of this section:

- 'producer' means an individual farmer, whether a natural or a legal person or group of natural or legal persons, irrespective of the legal status conferred by national law on such a group or its members, whose holding is located in Community territory and who is engaged in rearing bovine animals;

- 'holding' means all the production units managed by the producer and located in the territory of a single Member State;

- 'suckler cow' means:

(i) a cow belonging to a meat breed or born of a cross with a meat breed, and belonging to a herd intended for rearing calves for meat production, or

(ii) an in-calf heifer, meeting the same criteria, which replaces a suckler cow.

Article 4b

1. A producer fattening male bovine animals on his holding may qualify for a special premium. It shall be granted, on application, in the form of an annual premium for not more than 90 animals per calendar year per holding.
2. Grant of the premium shall be limited to the first three years of life of each male bovine animal. Premium applications shall concern bovine animals in the following age brackets only:

- not less than 6 months and not more than 9 months
- not less than 14 months and not more than 22 months
- not less than 28 months and not more than 34 months

which are kept for fattening by the producer for a period to be determined.

3. Member States may decide to grant the premium at the time of slaughter. It shall be granted only in respect of carcases weighing not less than 200 kg. The premium shall be paid to the producers.

4. The amount of the premium shall be:

- ECU 40 per eligible animal for calendar year 199(3);
- ECU 50 per eligible animal for calendar year 199(4);
- ECU 60 per eligible animal for calendar year 199(5) and thereafter;

Except in duly justified cases, payment must be made not later than 30 April of the year following the calendar year for which the premium is applied for.

5. From the time of the first premium application each male bovine animal must be covered by an administrative document until it reaches three years of age or until slaughter.

6. Detailed rules for applying this Article shall be adopted by the Commission in accordance with the procedure laid down in Article 27.
Article 4c

1. A producer keeping suckler cows on his holding for rearing calves for beef production may qualify for a premium for maintaining suckler cows. The premium shall be granted, on application, for not more than 90 suckler cows per calendar year per holding.

2. The premium shall be granted to any producer not supplying milk or milk products from his holding during the calendar year for which the premium is applied for, provided that he keeps for not less than six successive months in that year a number of suckler cows at least equal to the number in respect of which the premium is applied for.

The supply of milk or milk products directly from the holding to the consumer shall not prevent grant of the premium.

3. The premium shall also be granted to any producer supplying milk or milk products whose individual reference quantity as referred to in Article 5c of Regulation (EEC) No 804/68*OJ, minus the quantities suspended pursuant to Regulation (EEC) No 775/87**, does not exceed 60 000 kilograms. In such cases, the premium shall be granted for a number of suckler cows not exceeding 10 per year per holding which are kept for not less than six successive months in the calendar year for which the premium is applied for.

The fact of whether cows belong to a suckler herd or to a dairy herd shall be checked on the basis of the beneficiary's reference quantity and an average milk yield to be fixed in accordance with the procedure laid down in Article 27.

---

**OJ No L 78, 20.03.1987, p. 5.
4. The amount of the premium shall be:

- ECU 55 per eligible animal for calendar year 1993;
- ECU 65 per eligible animal for calendar year 1994;
- ECU 75 per eligible animal for calendar year 1995 and thereafter.

Except in duly justified cases, payment must be made not later than 30 April of the year following the calendar year for which the premium is applied for.

Member States may grant an additional national premium, up to a maximum of ECU 25 per cow, provided that no discrimination is caused between stockfarmers in the Member State concerned.

In respect of holdings located in a region as referred to in the Annex of Regulation (EEC) No 2052/88 (***) the first ECU 20 per cow of this additional premium shall be financed by the Guarantee Section of the European Agricultural Guidance and Guarantee Fund (EAGGF).

5. Detailed rules for the application of this Article shall be adopted by the Commission in accordance with the procedure laid down in Article 27.

---


Article 4d

1. Grant of the premium provided for in Article 4b or Article 4c shall be subject to compliance, throughout the calendar year for which the premium is applied for, with a stocking density on the holding, expressed in Livestock Units (LU) per unit of forage area of the holding used for feeding the animals carried on it. However, for grant of the premium provided for in Article 4c, producers shall be exempt from this condition if the number of animals to be taken into account for determining the stocking density of their holding is not more than 6 LU.
2. The stocking density shall be:

- 1.4 LU/ha for holdings or parts of holdings located in a less-favoured area within the meaning of Article 2(2) of Directive 75/268/EEC;

- 2 LU/ha for holdings or parts of holdings located elsewhere.

3. The stocking density of a holding shall be determined on the basis of:

- the number of dairy cows, suckler cows, male bovine animals over 6 months and ewes. The number of animals shall be converted to LU by reference to the conversion table in Annex I to Regulation (EEC) No 2328/91;

- the forage area, meaning the area of the holding used throughout the calendar year for rearing bovine animals and sheep. The forage area does not include buildings, woods, ponds, paths or areas used for other products eligible for Community aid or permanent crops or horticultural crops, or areas eligible under Regulation (EEC) No .../... (cereals), or subject to a national or Community set-aside scheme other than the scheme referred to in point (a) of the third subparagraph of Article 2(3) of Regulation (EEC) No 2328/91. Forage area includes areas in shared use as defined in rules to be adopted in accordance with the procedure laid down in Article 27.

Detailed rules of application shall be adopted by the Commission in accordance with the procedure laid down in Article 27.
4. Bovine animals for which the premium referred to in Article 4b or Article 4c is granted must be identified by marking in accordance with Regulation (EEC) No .../... (identification and registration of animals). Identification data shall be entered in a special register kept by the producer.

**Article 4e**

1. Operators may qualify for a processing premium in respect of male dairy-breed calves which are withdrawn from production before exceeding the age of ten days.

2. The amount of the premium shall be ECU 100 per calf withdrawn. Except in duly justified cases, payment must be made within a period not exceeding four months from the date of submission of the application.

3. In accordance with the procedure laid down in Article 27 the Commission shall:

   - adopt detailed rules for applying this Article, and
   - amend the amount of the premium or decide to suspend the grant thereof.

3. The following heading is inserted before Article 5:

   "Section 2 – Intervention".

4. The following article is added:

   "Article 30a

   The amounts to be paid pursuant to this Regulation shall be paid in full to the beneficiary."
1. Applications for the special premium lodged in respect of calendar years (1991 and 1992) shall remain subject to former Article 4a. Regulation (EEC) No 468/87 is repealed. It shall remain applicable to applications lodged not later than (31 December 1992).

2. Regulation (EEC) No 1357/80 is repealed. It shall remain applicable to applications lodged not later than (30 June 1992).

Article 3

This Regulation shall enter into force on 1 January 1992.

With the exception of Article 4a it shall apply to applications lodged from 1 January 1993.

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

Done at ..., For the Council
The President
COUNCIL REGULATION (EEC) No ....../..

of .......

fixing, for the period between 1 July 1993 and 30 June 1996

the intervention prices for adult bovine animals

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 43 thereof,

Having regard to the proposal from the Commission¹,

Having regard to the opinion of the European Parliament²,

Whereas the beef and veal sector is persistently subject to economic factors which, given the possibilities for exports to third countries, cause structural imbalance between supply and demand on the Community market;

Whereas in order to redress the situation of agriculture in general measures are being applied, including reductions in institutional prices, in the sectors supplying feedingstuffs, especially cereals; whereas the effect in the meat sectors is a 10% fall in the average production price;

Whereas the economic effect of the new conditions of production should be reflected proportionately in the intervention price; whereas, given the constant ratio between the production price for beef and those for pigmeat and poultrymeat, in order not to disturb competition between these two sectors the intervention price for beef should be reduced by a further 5%;

¹
²
Whereas the intervention price should be adjusted with due regard for the transitional arrangements applied in the cereals sector; whereas, therefore, the adjustment provided for in this Regulation should be implemented in three stages;

Whereas, during the period of transition, fixing of the intervention price before the start of each marketing year should be waived,

HAS ADOPTED THIS REGULATION:

Article 1

Notwithstanding the second subparagraph of Article 6(2) of Council Regulation (EEC) No 805/68 of 27 June 1968 on the common organization of the market in beef and veal the intervention price for carcases of male animals in category R3 of the Community scale for the classification of carcases of adult bovine animals laid down in Regulation (EEC) No 1208/81 shall be:

- ECU 325.85 per 100 kilograms carcase weight for the period between 1 July 1993 and 30 June 1994;
- ECU 308.70 per 100 kilograms carcase weight for the period between 1 July 1994 and 30 June 1995;
- ECU 291.55 per 100 kilograms carcase weight for the period between 1 July 1995 and 30 June 1996;

These prices are subject to subsequent adjustment in line with market developments.
Article 2

This Regulation shall enter into force on the third 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 ..., For the Council
The President
Proposal for a
COUNCIL REGULATION (EEC) No ....../..
of ........
on measures to promote and market quality beef and veal

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 43 thereof,

Having regard to the proposal from the Commission¹,

Having regard to the opinion of the European Parliament²,

Whereas the beef and veal market is affected by a long-term decline in Community consumption; whereas, given the imperative need to achieve a better balance between supply and demand, it has become necessary to reduce the intervention price under the market organization for beef and veal and to amend the premium arrangements and introduce a new premium for the withdrawal from production of young male calves of dairy breeds;

Whereas specific measures undertaken by trade and inter-trade organizations to encourage the consumption and marketing of quality beef and veal in the Community may help to restore a better market balance by stimulating demand; whereas such measures should be used to limit the buildup of

¹ OJ No L
² OJ No L
surpluses; whereas, therefore, it is appropriate to create the possibility for the Community to part-finance the implementation of such measures;

Whereas measures qualifying for part-financing by the Community should be defined;

Whereas the purpose of such provisions is to establish better balance on the beef and veal market; whereas any expenditure incurred as a result of Community part-financing should be regarded as intervention within the meaning of Article 3 of Council Regulation (EEC) No 729/70 of 21 April 1970 on the financing of the common agricultural policy\(^3\), as last amended by Regulation (EEC) No 2048/88\(^4\),

HAS ADOPTED THIS REGULATION:

**Article 1**

1. The Community may part-finance measures undertaken by trade and inter-trade organizations to promote and market quality beef and veal. Such part-financing may not exceed 40% of the actual cost of such measures.

2. Promotion and marketing measures entailing control of meat quality throughout the chain of production, from the producer to the consumer, may be given priority. In such cases Community part-financing may be increased to 60% of the actual cost of the measure.

---


Article 2

Measures and programmes undertaken for promotion and marketing purposes must not be biased in favour of any trade mark(s) nor confer advantage on products from a particular Member State.

Article 3

Expenditure incurred as a result of Community part-financing shall be regarded as intervention within the meaning of Article 3(1) of Regulation (EEC) No 729/70.

Article 4

Detailed rules for the application of this Regulation, and in particular rules defining promotion and marketing measures, shall be adopted by the Commission in accordance with the procedure laid down in Article 27 of Regulation (EEC) No 805/68.

Article 5

This Regulation shall enter into force on (1.1.1993).

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

Done at Brussels,  
For the Council  
The President
CAP REFORM

Legal texts

Sheepmeat
EXPLANATORY MEMORANDUM

The annexed draft regulation implements the reform in the sheep sector.

The principal element in the proposal is the introduction from the 1992 campaign of an individual producer limit for premium purposes based on the number of ewes eligible for premium at Member State level in 1990 together with a reduction in the present upper limit of ewes and or goats eligible for the premium in both less favoured and non less favoured areas to be achieved on a phased basis over a three year period beginning in 1992.

Base year for the introduction of the producer limit

As indicated in COM(91) 258 the base year for the introduction of the producer limit is the number of ewes eligible for the premium in each Member State at the beginning of the 1990 marketing year. However, in order to avoid possible difficulties, at producer level the basis would be ewes eligible for the 1991 premium corrected by a coefficient established at Member State level, expressing the difference between ewes eligible at the beginning of 1990 and at the beginning of 1991. This formulation has the advantage that, the more recent use of a corrective factor based on ewes eligible for the premium at the beginning of the 1990 marketing year overcomes the problem associated with the fact that applications in different Member States could be made up to and including 1990 either at the start or end of the campaign. For Italy and Greece, premia arrangements were different to those of the remainder of the Community in the case of Italy up to and including the 1990 marketing year and for Greece up to the 1992 marketing year at the latest. Therefore the same basis for relating the number of ewes eligible for the 1991 ewe premium to the number eligible in 1990 does not exist as in other Member States. Thus it will be necessary that the Commission fix the coefficient expressing the relationship between eligible ewes in these two years following examination of relevant data. For the five new Länder of Germany, too, as 1991 is its first year under Community rules for premium purposes, it will be necessary to take a similar approach.

Reduction in upper limits for premium

At present, producers in LFAs receive the premium at full rate for the first 1000 eligible ewes and at the reduced rate of 50% for other eligible ewes. In non LFAs the figure is 500 ewes. These levels will be reduced from 1,000 to 750 in the LFAs and from 500 to 350 outside the LFAs. Over the same three year period the premia which at present are paid at a rate of 50% above the limits are gradually phased out.

Link of right to premium to land

At present the right to the premium is linked only to the producer. It has no value as any producer who wishes to avail of the premium need only fulfill the necessary conditions regarding the keeping of ewes. With the limit, the right automatically gains very considerable value. Were producers completely free to trade this right, it is possible that certain areas would become desertified. In these circumstances, it is justifiable to link the
right to the land to the extend possible.

Transferability of right to premium

It is envisaged that producers be permitted to dispose their limit in one of two ways:

- Disposal of all the limit and associated land together as for instance through sale or inheritance;

- Sale of right to the premium to the Member State through the provision of a buy up scheme financed by the Member State.

Producers purchasing limits and land together will be required to continue to exercise the rights acquired on the associated land.

Creation and feeding of a reserve

The establishment of a producer limit will inevitably throw up a number of difficult cases. Among these will be producers who had problems (health of owner, health of flock, late application for the premium etc) in the base year together with those in the process of establishing or increasing flock size according to a development plan. For these and for newcomers to the sector a reserve must be established. It is therefore proposed that Member States constitute a reserve at national level by reducing the limit of each producer by one percent.

In order to feed the reserve sales of the right to the premium to the Member State shall automatically fall into it.

It should be noted that provision for a reserve at Community level has not been made. However the possibility of creating a Community reserve should Member States not use part of their national reserves has been included.

Use of the reserve

Besides hard cases etc. the reserve will be orientated essentially towards newcomers into the system and those purchasing traditional sheep/goat grazing land to which premium rights are not attached. The reserve will also be used to favour producers situated in less favoured areas.
Draft proposal for a
COUNCIL REGULATION (EEC) No 3013/89 of 1991
amending Regulation (EEC) No 3013/89 on the common organization of the market in sheepmeat and goatmeat (presented to the Council by the Commission)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 43 thereof,


Whereas it is opportune for administrative purposes that the latest date for the payment of the premium foreseen in Article 5 of the above mentioned regulation should coincide with the finish of the budgetary exercise;

Whereas the continuing upward trend in ewe numbers in the Community and the resulting substantial drop in prices are having serious repercussions on market balance and have considerably increased expenditure charged to the EAGGF;

Whereas, far from being adequately curbed by the various measures introduced in recent years, in particular as regards prices and stabilizers, this trend has only been accentuated, and has resulted in an increase of approximately 65% in EAGGF expenditure during the last three years;

Whereas further, more severe measures should be introduced; whereas the results sought may be achieved firstly, by reducing the limits laid down in Article 5(7) of Regulation (EEC) No 3013/89, secondly, by providing that above those limits and after a transitional period, no premium will be granted, and, lastly, by imposing, subject to special provisions applicable to producer groups, an individual limit on each producer based on the total premiums granted for the 1991 marketing year to each producer;

Whereas an individual limit on each producer based on past production could be particularly disadvantageous to small producers who are unable to expand; whereas, therefore, in the interests of an equitable balance, the maximum limits referred to above should be lowered; whereas, on the other hand, the non-payment of any premium above the said lowered limits would not force holdings with a production level above the limit to abandon sheepmeat and goatmeat production since such producers are not totally dependent on the premium to assure themselves of an equitable living standard by keeping larger herds;

Whereas, in order to correct the upward trend of production in 1991, this total should however be multiplied by a coefficient established for each Member State and representing the ratio between the total number of ewes eligible in 1990 and that in 1991; whereas, however, special provisions must be adopted for Italy, Greece and the territory of the former German Democratic Republic in view of the fact that 1990 was not representative of the true situation of the producers concerned;

Whereas new producers and existing producers whose reference flocks are not in line with the normal trend in ewe numbers must not be excluded from entitlement to the premium; whereas, to that end, provision should be made for a national reserve made up initially of a flat-rate levy on the individual limits of all producers and financed and administered in accordance with Community criteria;
Whereas changes in production may be made necessary by possible alterations to the assets or production capacity of recipients; whereas, therefore, provision should be made that entitlements to the premium acquired in respect of individual limits may be transferred on certain conditions to other producers or, depending on the circumstances, to Member States, while upholding the broadest possible link between entitlements and area of land used for sheep production;

Whereas it is opportune to establish an indissoluble link between the land and the production of sheep and goats so as to ensure the maintenance of this production especially in areas where there is no other alternative;

Whereas the peculiarities of production, characterised by the use of greatly varying land qualities, make it difficult to identify the rights to be transferred where there is a partial transfer of land between producers; whereas it is therefore appropriate, with a view to simplification, to foresee that the right to the premium may be transferred directly to another producer only in the case of total transfer of lands devoted to production while also establishing a priority in the national reserve in favour of producers who have acquired only a part of these lands;

Whereas the introduction of the above arrangements, by maintaining flock numbers at their existing level, should reduce very appreciably the risk of budgetary overspending; whereas, in these circumstances, the coefficient for reducing the basic price referred to in Article 8(2) of that Regulation should be fixed at the level adopted for the 1990 marketing year,

HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EEC) No 3013/89 is hereby amended as follows:

1. In Article 5:

   - The text of paragraph 2 is replaced by the following text:
Paragraph 7 is hereby deleted.

The text of the fourth subparagraph of paragraph 6 is replaced by the following text:
"The amount of the final premium shall be determined without delay after the end of the marketing year in question and not later than 31 March where appropriate. Before 15 October of the same year any balance, where appropriate, shall be paid.

the following articles are inserted:

"Article 5a

1. An individual limit per producer is hereby introduced in respect of the grant of the premium provided for in Article 5.

In the case of producers who have been granted the premium prior to the 1992 marketing year, the premium shall be paid at the full rate for that marketing year and subsequent years within the limit of the number of animals for which the premium has been paid for the 1991 marketing year, such number being multiplied by the coefficient referred to in paragraph 6, provided that that number does not exceed the following maximum limits:

<table>
<thead>
<tr>
<th>Year</th>
<th>Less-favoured areas</th>
<th>Other areas</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>920</td>
<td>450</td>
</tr>
<tr>
<td></td>
<td>830</td>
<td>400</td>
</tr>
<tr>
<td>1982 marketing year</td>
<td>750</td>
<td></td>
</tr>
<tr>
<td>1983 marketing year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1984 marketing year and subsequent marketing years</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

103
The limits set out in the above table shall be reduced by the number of ewes corresponding to the percentage provided for in Article 5b(1) applied to the figures shown in that table.

2. For animal numbers in excess of the limits referred to in the preceding paragraph, the premium shall be paid at the reduced rate of 33 % for the 1992 marketing year and 17 % for the 1993 marketing year. For subsequent marketing years, no premium shall be paid for animals numbers in excess of those limits.

3. Where, as a result of natural circumstances, no premium has been paid for the 1991 marketing year, the number of animals corresponding to the payments made during the most recent marketing year shall be used. Where no premium has been paid for the 1991 marketing year as a result of the imposition of penalties provided for to that end, the number recorded during the check which gave rise to those penalties shall be used.

4. In the case of groups, associations or other forms of association between producers, the limits and ceilings laid down in paragraph 1 shall be applied individually to each associate producer member in accordance with the following rule:

a) where the group has notified the competent authority of the formula for apportioning livestock referred to in Article 2(2) of Regulation (EC) No 2385/91\(^{(1)}\) in respect of the 1991 marketing year, in accordance with Article 4 of that Regulation, those limits shall be fixed for each producer member using that formula as a basis;

b) where the group has not notified the competent authority of the formula for apportionment referred to in (a) in respect of the 1991 marketing year, the premium shall be paid to the group in respect of not more than the number of animals for which it was granted to the group for the 1991 marketing year, in accordance with the rules laid down in paragraph 1. An individual limit shall be fixed for each producer member in respect of the 1992 marketing year in accordance with the formula notified by the group.

\(^{(1)}\) OJ No L 219, 7.08.1991, p. 15.
In the event of subsequent changes in the membership of the group, account shall be taken, when the premium is paid to the group, of the individual limit of each producer member who has joined or left the group.

5. Entitlement to the premium may be:

a) transferred fully to another producer provided that all the land used for sheep and/or goat-rearing are also transferred to that producer and that that producer continues to exercise the rights acquired on the transferred land; the transfer may concern the ownership, beneficial interest, lease or any such form of property. However, the transfer of entitlement to the premium by a producer who does not possess such land shall take place in accordance with rules to be laid down;

b) purchased fully or partially using national funds by the Member State in which that producer's holding is situated. The amount of the purchase price shall be determined by the Member State up to a maximum of 100 ECU per ewe and 70 ECU per goat;

In the cases referred to at (a) entitlement to the premium transferred to a producer shall be aggregated with that originally granted to him. However, the premium actually granted shall not exceed that corresponding to the number of animals shown in the table in paragraph 1, the producer being permitted, however, in accordance with provisions to be determined, to transfer totally or partially entitlements acquired by inheritance.

In the cases referred to at (b), entitlements to the premium acquired by a Member State shall be made over to the national reserve provided for in Article 5b.

6. For the purpose of applying paragraph 1, Member States shall establish a coefficient representing the ratio between:

a) the total number of eligible animals conferring entitlement to the premium present at the beginning of the 1990 marketing year on the holdings of beneficiaries, and
b) the total number of eligible animals conferring entitlement to the premium for the 1991 marketing year.

In the case of producers in Italy, Greece and the territory of the former German Democratic Republic, however, the coefficient shall be established by the Commission in accordance with the procedure laid down in Article 30.

Article 5b

1. Each Member State shall establish an initial national reserve equal to 1% of the sum of the individual limits applicable to producers whose holdings are situated in its territory.

2. Member States shall grant from their national reserves, within the limits of the reserves, entitlements to producers:

a) who have submitted an application for a premium prior to the 1992 marketing year and who have shown to the satisfaction of the competent authority that the application of the limits pursuant to Article 5a would jeopardize the viability of their holdings, taking into consideration the implementation of an investment programme in the sheep and goat sector drawn up before the 1992 marketing year. The premium to be granted to the producers referred to above may be granted only within the limits of 750/350 animals as laid down in Article 5a(1);

b) who have submitted in respect of the 1991 marketing year an application for a premium which, due to exceptional circumstances, does not correspond to the true situation as ascertained in previous marketing years;

c) submitting an application for a premium for the first time in the 1992 or subsequent marketing years.

d) producers who have acquired part of an area formerly used for sheep and/or goat production by other producers.

3. Producers situated in less-favoured areas within the meaning of Article 3(3), (4) and (5) of Directive 75/268/EEC shall qualify for priority allocation from the national reserve.
4. The national reserve shall receive:

- entitlements acquired pursuant to Article 5a(5)(b) ;

5. Detailed rules for the application of Article 5a and this Article shall be laid down in accordance with the procedure provided for in Article 30 of Regulation (EEC) No 3013/89.

In accordance with the same procedure :
- Measures applicable in cases where the national reserve in a Member State is not allocated shall be adopted and
- Transitional measures necessary to facilitate the passage between the existing regime and that foreseen by this regulation shall be adopted.

6. The Commission shall present to the Council before 1 July 1996 a report on the application of the arrangements laid down in Article 5a and in this Article together with, where appropriate, the necessary proposals.

III. Article 8(4) is replaced by the following:

4. however, from the 1992 marketing year, the coefficient for reducing the basic price referred to in paragraph 2 shall be 7 %.

Article 2

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

It shall apply with effect from the 1992 marketing year.

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

Done at

For the Council
Proposal for
COUNCIL REGULATION (EEC) No ..../..
amending Regulation (EEC) No 3493/90 laying down general rules for the
grant of premiums to sheepmeat and goatmeat producers
Explanatory memorandum

On 27 June 1990 (COM(90)269 final) the Commission presented a proposal to the Council for a regulation laying down general rules for the grant of the premium to sheepmeat producers. The proposal came as a natural follow-up to the Council’s adoption of the reform of the sheepmeat regime in 1989 (Regulation (EEC) No 3013/89) and defined the concepts of "producer", "producer group", "holding", "eligible ewe" and "eligible she-goat".

On the basis of the proposal the Council adopted Regulation (EEC) No 3493/90. But it failed to rule on the concepts of "eligible ewe" and "eligible she-goat" because the Commission’s proposal had raised difficulties, particularly as regards checks, which were deemed hard to resolve.

In its Regulation, therefore, the Council decided that the existing definitions of ewes and she-goats (as given in Regulation (EEC) No 874/84) should remain applicable until the end of 1991 pending a decision on new definitions. In fact, it undertook to rule on the matter before 31 May 1991.

Progress at Council level was such that the matter could not be dealt with by the said date. At the time of the adoption of the 1991/92 price package, therefore, Council and Commission confirmed that the definition of eligible ewe would be decided in the context of the reform of the sheepmeat regime which the Commission intended to propose shortly. If the Council was unable to decide on the proposal for reform of the regime before 1 October 1991, the existing definition would continue to apply to premiums payable in respect of 1992.

2 OJ No L 90, 1.4.1984, p. 7.
In the context of the reform the Commission now considers it appropriate to propose a new definition of "eligible ewe" and "eligible she-goat" which will be easier to check than the present one, as announced in COM(91)258 final of 12 July 1991 on the reform of the CAP (pp28-29).

The Commission therefore proposes that eligible ewes should mean females which have lambed (as under the present definition) and all other females over the age of one year. So it is no longer necessary to check whether the said females are obviously in lamb; such checking raised administrative problems which the Council has been unable to resolve. The new definition does not automatically rule out cull ewes, experience having shown that the concept is impossible to check without cumbersome and over-costly administrative procedures. The fact that all females over one year are now to be included makes the present definition of "eligible female other than eligible ewe" superfluous, as such females are normally all aged over one year.

The consequence of this simplification of the definition of "eligible ewe" and "eligible she-goat" is that, compared with the present situation, the number of animals eligible for the premium could increase. But, assuming the Council adopts the proposals for limiting guarantees put forward by the Commission in the context of reform of the CAP, there would be no consequences in practice because each producer's entitlement to the premium would be limited to a level calculated on the basis of past references and the old definition of eligible ewe and she-goat. The Commission therefore wishes to establish a formal link between the adoption of this Regulation and the adoption of the measures proposed in the context of reform of the CAP.
Proposal for
COUNCIL REGULATION (EEC) No ....../..
amending Regulation (EEC) No 3493/90 laying down general rules for the
grant of premiums to sheepmeat and goatmeat producers

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

on the common organization of the market in sheepmeat and goatmeat¹, as
last amended by Regulation (EEC) No 1741/91², and in particular Article
5(8) thereof.

Having regard to the proposal from the Commission,

Whereas the concepts of "eligible ewe" and "eligible she-goat" as laid down
in Regulation (EEC) No 872/84 of 31 March 1984³, as last amended by
Regulation (EEC) No 1970/87⁴, must be redefined because of the monitoring
difficulties they entail; whereas, given the administrative difficulties
associated with the elaboration of new definitions, Regulation (EEC) No
3493/90 of 27 November 1990 laying down general rules for the grant of
premiums to sheepmeat and goatmeat producers⁵ provides that they will
continue to apply to premiums payable in respect of 1991;

Whereas under the measures decided in the context of Council Regulation
(EEC) No .. of.. amending Regulation (EEC) No 3013/89⁶, and in particular
those relating to the fixing of individual limits for grant of the premium,
it will be possible to resolve the said difficulties by applying relatively
simple definitions for determining, in a readily verifiable manner, the
animals intended for production of sheepmeat;

³ OJ No L 90, 1.4.1984, p. 40.
⁴ OJ No L 184, 3.7.1987, p. 23.
⁶ 
Whereas in the interests of good administrative management the new definitions should not be applied until the start of the 1993 marketing year and the definitions laid down in Regulation (EEC) No 872/84 should remain applicable for the 1992 marketing year;

Whereas Regulation (EEC) No 3493/90 should therefore be amended,

HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EEC) No 3493/90 is hereby amended as follows:

1. The following points are added to the first paragraph of Article 1:

   "4. 'eligible ewe' means: any female of the ovine species having lambed at least once or aged at least one year;

   5. 'eligible she-goat' means: any female of the caprine species having kidded at least once or aged at least one year."

2. In Article 5:

   - in the first paragraph the words "1991 marketing year" are replaced by "1992 marketing year";
   - the second paragraph is deleted.
Article 2

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

Point 1 of Article 1 shall apply to premiums paid in respect of the 1993 marketing year and thereafter.

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

Done at ..., For the Council
The President
These financial implications refer to the proposals for Council Regulations:

- establishing a system of support for producers of certain arable crops;
- on the common organization of the market in cereals;
- amending Council Regulation (EEC) No 2727/75 on the common organization of the market in cereals
### A. Expenditure on arable crops

1. Expenditure on aid per hectare

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Oilseeds</td>
<td>3213</td>
<td>2469</td>
<td>2417</td>
<td>3266</td>
<td>3266</td>
</tr>
<tr>
<td>Cereals</td>
<td>-</td>
<td>5457</td>
<td>8164</td>
<td>9973</td>
<td>9973</td>
</tr>
<tr>
<td>Compensation for set-aside</td>
<td>-</td>
<td>774</td>
<td>774</td>
<td>774</td>
<td>774</td>
</tr>
</tbody>
</table>

Expenditure on aid per hectare: +3213 +8700 +11355 +13113 +13113

2. Other expenditure

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Export refunds</td>
<td>190</td>
<td>1520</td>
<td>978</td>
<td>167</td>
<td>141</td>
</tr>
<tr>
<td>Production refunds (starch)</td>
<td>42</td>
<td>341</td>
<td>294</td>
<td>195</td>
<td>110</td>
</tr>
<tr>
<td>Cost of adjusting private stocks</td>
<td>161</td>
<td>104</td>
<td>76</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Public storage</td>
<td>85</td>
<td>671</td>
<td>425</td>
<td>192</td>
<td>47</td>
</tr>
<tr>
<td>Co-responsibility levies</td>
<td>-429</td>
<td>-246</td>
<td>-</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Total +478 +2207 +1527 +554 +16

3. Total expenditure on oilseeds, cereals and protein crops (3 = 1 + 2)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>3691</td>
<td>10907</td>
<td>12882</td>
<td>13667</td>
<td>13129</td>
</tr>
</tbody>
</table>

4. 1992 Draft budget

<table>
<thead>
<tr>
<th>Category</th>
<th>1992 Draft budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oilseeds (except linseed)</td>
<td>3721</td>
</tr>
<tr>
<td>Cereals</td>
<td>6308</td>
</tr>
<tr>
<td>Protein crops (peas, field beans)</td>
<td>476</td>
</tr>
</tbody>
</table>

Total 10505

5. Appropriations for 1993, relating to the 1993/94 marketing year, made available by the reform

<table>
<thead>
<tr>
<th>Category</th>
<th>1993</th>
<th>1994</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cereals</td>
<td>482</td>
<td></td>
</tr>
<tr>
<td>Peas, field beans</td>
<td>95</td>
<td></td>
</tr>
</tbody>
</table>

Total 577

6. Expenditure on oilseeds, cereals and protein crops in relation to 1992 draft budget

Subtotal A -607 +402 +2377 +3162 +2624

### B. Knock-on effects in other sectors

1. 10% reduction in institutional prices for dairy products and beef

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Dairy products</td>
<td>54</td>
<td>365</td>
<td>643</td>
<td>873</td>
<td>893</td>
</tr>
<tr>
<td>Beef</td>
<td>29</td>
<td>203</td>
<td>376</td>
<td>519</td>
<td>519</td>
</tr>
</tbody>
</table>

2. Withdrawal of refunds for products processed from cereals

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Pigment</td>
<td>-</td>
<td>97</td>
<td>154</td>
<td>193</td>
<td>193</td>
</tr>
<tr>
<td>Eggs and poultry</td>
<td>-</td>
<td>129</td>
<td>207</td>
<td>259</td>
<td>259</td>
</tr>
<tr>
<td>Non-Annex II (cereals section)</td>
<td>-</td>
<td>125</td>
<td>200</td>
<td>250</td>
<td>250</td>
</tr>
</tbody>
</table>

3. Additional expenditure on sheepmeat (estimated 10% reduction in market price)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sheepmeat</td>
<td>17</td>
<td>93</td>
<td>205</td>
<td>298</td>
<td>347</td>
</tr>
</tbody>
</table>

Subtotal B -66 -826 -1375 -1796 -1767

### C. Discontinuance of 5-year set-aside from 1992/93 (EAGGF Guarantee Section part)

<table>
<thead>
<tr>
<th>Year</th>
<th>1992/93</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>692</td>
</tr>
</tbody>
</table>

### D. Withdrawal of aid for dried fodder

<table>
<thead>
<tr>
<th>Year</th>
<th>1992/93</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>623</td>
</tr>
</tbody>
</table>

### Total

<table>
<thead>
<tr>
<th>Year</th>
<th>1992/93</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>770</td>
</tr>
</tbody>
</table>

115
FINANCIAL IMPLICATIONS OF THE CAP
DURING THE 1993-1997 MARKET YEARS
FOR BEEF

These financial implications refer to the proposals for Council Regulations:


- fixing, for the period between 1 July 1993 and 30 June 1996 the intervention prices for adult bovine animals;

- on measures to promote and market quality beef and veal.
THE FINANCIAL IMPLICATIONS OF THE REFORM OF THE MARKET IN BEEF AND VEAL

(Financial implications in relation to the 1992 draft budget)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>- 10% reduction in the institutional price as a result of the reduction in the price of cereals (1)</td>
<td>(-29)</td>
<td>(-203)</td>
<td>(-376)</td>
<td>(-519)</td>
<td>(-519)</td>
</tr>
<tr>
<td>- additional institutional price reduction of 5%</td>
<td>-14</td>
<td>-101</td>
<td>-188</td>
<td>-259</td>
<td>-259</td>
</tr>
<tr>
<td>- reduction of 125 000 t in the quantity bought in to intervention following the introduction of a processing premium for young calves</td>
<td>-196</td>
<td>-254</td>
<td>-241</td>
<td>-241</td>
<td>-241</td>
</tr>
<tr>
<td>- adjustment of the suckler cow premium (ECU 75/head for the first 90 cows on each holding respecting 1.4 LU/ha of forage in less-favoured areas and 2 LU/ha of forage in other areas) and extension of EAGGF reimbursement of additional premium to cover all Objective 1 regions</td>
<td>-+146</td>
<td>+240</td>
<td>+334</td>
<td>+334</td>
<td></td>
</tr>
<tr>
<td>- adjustment of the special premium (ECU 60/head per year for the first 90 male bovines on holdings respecting 1.4 LU/ha of forage in authorized areas and 2 LU/ha of forage in other areas)</td>
<td>-+165</td>
<td>+315</td>
<td>+464</td>
<td>+464</td>
<td></td>
</tr>
<tr>
<td>- processing premiums for young calves from dairy herds (ECU 100/head, estimate 500 000 calves)</td>
<td>+57</td>
<td>+57</td>
<td>+57</td>
<td>+57</td>
<td>+57</td>
</tr>
<tr>
<td>- promotional campaign for beef</td>
<td>+10</td>
<td>+10</td>
<td>+10</td>
<td>+10</td>
<td>+10</td>
</tr>
<tr>
<td>Total</td>
<td>+53</td>
<td>+81</td>
<td>+180</td>
<td>+365</td>
<td>+365</td>
</tr>
</tbody>
</table>

(1) The impact of this reduction is not included since it has already been taken into account in the figures for arable crops as a knock-on effect of the cereals reform.
FINANCIAL IMPLICATIONS OF THE CAP
DURING THE 1993-1997 MARKET YEARS
FOR SHEEPMEAT

These financial implications refer to the proposals for Council Regulations:

- amending Regulation (EEC) No 3013/89 on the common organization of the market in sheepmeat and goatmeat;

The financial implications of the reform of the market in sheepmeat and goatmeat

(Financial implications in relation to the 1992 draft budget)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>- limit on premium based on reference flock (ewes eligible in 1990)</td>
<td>- 70</td>
<td>- 72</td>
<td>- 76</td>
<td>- 79</td>
</tr>
<tr>
<td>- payment of premium limited to 750 ewes in less-favoured areas and 350 ewes in other areas</td>
<td>- 49</td>
<td>- 96</td>
<td>- 134</td>
<td>- 137</td>
</tr>
<tr>
<td>- estimated 10% reduction in the market price as a result of the reduction in the price of other meat (1)</td>
<td>(+ 17)</td>
<td>(+ 93)</td>
<td>(+ 205)</td>
<td>(+ 298)</td>
</tr>
<tr>
<td>Total</td>
<td>- 119</td>
<td>- 168</td>
<td>- 210</td>
<td>- 216</td>
</tr>
</tbody>
</table>

(1) The impact of this reduction is not included since it has already been taken into account in the figures for arable crops as a knock-on effect of the cereals reform.