

**Amended proposal for a Council Regulation introducing specific measures for certain agricultural products for the Azores and Madeira <sup>(1)</sup>**

(2001/C 180 E/22)

COM(2001) 156 final — 2000/0314(CNS)

*(Submitted by the Commission pursuant to Article 250(2) of the EC Treaty on 15 March 2001)*

1. The following recital is added:

'(17a) Agricultural activity in the Azores is highly dependent on milk production. This dependence, combined with other handicaps linked to their extreme remoteness and the absence of viable alternative production, is detrimental to their economic development. The needs of local consumption in those islands covered by local production should be taken into account and some of the provisions of the common market organisation for milk and milk products on limiting output should be derogated from for a period of four marketing years beginning in 1999/2000 in order to take account of the level of development of and the conditions for local production. Although this measure derogates from the second subparagraph of Article 34(2) of the EC Treaty, it is restricted to milk producers in the Azores and is of marginal economic impact when compared with the total quota for Portugal. It should enable the sector in the Azores to continue being restructured over the period of application of this measure without interfering with the milk market and without appreciably affecting the sound working of the levy scheme at Portuguese or Community level.'

2. The following Articles 21a to 21c are inserted after Article 21 in Section 1 (Livestock and milk products) of Chapter III (Measures to assist local products in the Azores) of Title II (Measures to assist local products):

*'Article 21a*

1. For a transitional period covering the 1999/2000, 2000/01, 2001/02 and 2002/03 marketing years, for the purposes of sharing the additional levy between the producers referred to in the second sentence of Article 2(1) of Regulation (EEC) No 3950/92 <sup>(2)</sup>, only producers as defined in Article 9(c) of that Regulation established and producing in the Azores, who market quantities

exceeding their reference quantity increased by the percentage referred to in subparagraph 3 shall be deemed to have contributed to the overrun.

The additional levy shall be due on quantities exceeding the increased reference quantity after reallocation of the unused quantities within the margin resulting from this increase among the producers referred to in the first subparagraph and in proportion to the reference quantity available to each producer.

The percentage referred to in the first subparagraph shall be equal to the ratio between the quantity of 73 000 tonnes and the total of the reference quantities available on each holding on 31 March 2000. It shall apply for each producer only to the reference quantities available to that producer on 31 March 2000.

2. The quantities of milk or milk equivalent marketed which exceed the reference quantities but which comply with the percentage referred to in paragraph 1, after the reallocation referred to in that same paragraph, shall not be taken into account in establishing any overrun in Portugal as calculated in accordance with the first sentence of Article 2(1) of Regulation (EEC) No 3950/92.

*Article 21b*

Prior to their entry into force, the Portuguese Republic shall notify the Commission of measures taken pursuant to Article 21a.

*Article 21c*

In accordance with the procedure provided for in Article 29(2), the Commission shall, where necessary, adopt the measures necessary for the application of Article 21a.'

<sup>(1)</sup> OJ C 96 E, 27.3.2001, p. 301.

<sup>(2)</sup> OJ L 405, 31.12.1992, p. 1. Regulation as last amended by Regulation (EC) No 749/2000 (OJ L 90, 12.4.2000, p. 4).