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Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

**establishing a common organisation of the markets in agricultural products (Single
CMO Regulation)**

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

The Commission proposal for the Multiannual Financial Framework (MFF) for 2014-2020 (the MFF proposal)¹ sets the budgetary framework and main orientations for the Common Agricultural Policy (CAP). On this basis, the Commission presents a set of regulations laying down the legislative framework for the CAP in the period 2014-2020, together with an impact assessment of alternative scenarios for the evolution of the policy.

The current reform proposals are based on the Communication on the CAP towards 2020² that outlined broad policy options in order to respond to the future challenges for agriculture and rural areas and to meet the objectives set for the CAP, namely 1) viable food production; 2) sustainable management of natural resources and climate action; and 3) balanced territorial development. The reform orientations in the Communication have since been broadly supported both in the inter-institutional debate³ and in the stakeholder consultation that took place in the framework of the impact assessment.

A common theme that has emerged throughout this process is the need to promote resource efficiency with a view to smart, sustainable and inclusive growth for EU agriculture and rural areas in line with the Europe 2020 strategy, keeping the structure of the CAP around two pillars that use complementary instruments in pursuit of the same objectives. Pillar I covers direct payments and market measures providing a basic annual income support to EU farmers and support in case of specific market disturbances, while Pillar II covers rural development where Member States draw up and co-finance multiannual programmes under a common framework.⁴

Through successive reforms the CAP has increased market orientation for agriculture while providing income support to producers, improved the integration of environmental requirements and reinforced support for rural development as an integrated policy for the development of rural areas across the EU. However, the same reform process has raised demands for a better distribution of support among and within Member States, as well as calls for a better targeting of measures aiming at addressing environmental challenges and better addressing increased market volatility.

In the past, reforms mainly responded to endogenous challenges, from huge surpluses to food safety crises; they have served the EU well both on the domestic and the international front. However, most of today's challenges are driven by factors that are external to agriculture and would thus require a broader policy response.

¹ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions *A budget for Europe 2020*, COM(2011)500 final, 29.6.2011.

² Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions *The CAP towards 2020: meeting the food, natural resources and territorial challenges of the future*, COM(2010)672 final, 18.11.2010.

³ See in particular the European Parliament resolution of 23 June 2011, 2011/2015(INI), and the Presidency conclusions of 18.3.2011.

⁴ The current legislative framework comprises Council Regulation (EC) No 73/2009 (direct payments), Council Regulation (EC) No 1234/2007 (market instruments), Council Regulation (EC) No 1698/2005 (rural development) and Council Regulation (EC) No 1290/2005 (financing).

The pressure on agricultural income is expected to continue as farmers are facing more risks, a slowdown in productivity and a margin squeeze due to rising input prices; there is therefore a need to maintain income support and to reinforce instruments to better manage risks and respond to crisis situations. A strong agriculture is vital for the EU food industry and global food security.

At the same time, agriculture and rural areas are being called upon to step up their efforts to meet the ambitious climate and energy targets and biodiversity strategy that are part of the Europe 2020 agenda. Farmers, who are together with foresters the main land managers, will need to be supported in adopting and maintaining farming systems and practices that are particularly favourable to environmental and climate objectives because market prices do not reflect the provision of such public goods. It will also be essential to best harness the diverse potential of rural areas and thus contribute to inclusive growth and cohesion.

The future CAP will not, therefore, be a policy that caters only for a small, albeit essential, part of the EU economy, but also a policy of strategic importance for food security, the environment and territorial balance. Therein lies the EU added value of a truly common policy that makes the most efficient use of limited budgetary resources in maintaining a sustainable agriculture throughout the EU, addressing important cross-border issues such as climate change and reinforcing solidarity among Member States, while also allowing flexibility in implementation to cater for local needs.

The framework set out in the MFF proposal foresees that the CAP should maintain its two-pillar structure with the budget for each pillar maintained in nominal terms at its 2013 level and with a clear focus on delivering results on the key EU priorities. Direct payments should promote sustainable production by assigning 30 % of their budgetary envelope to mandatory measures that are beneficial to climate and the environment. Payment levels should progressively converge and payments to large beneficiaries be subject to progressive capping. Rural development should be included in a Common Strategic Framework with other EU shared management funds with a reinforced outcome-orientated approach and subject to clearer, improved ex-ante conditionalities. Finally, on market measures the financing of the CAP should be reinforced with two instruments outside the MFF: 1) an emergency reserve to react to crisis situations; and 2) the extension of the scope of the European Globalization Adjustment Fund.

On this basis, the main elements of the legislative framework for the CAP during the period 2014-2020 are set out in the following regulations:

- Proposal for a Regulation of the European Parliament and of the Council establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy ('the direct payments regulation');
- Proposal for a Regulation of the European Parliament and of the Council establishing a common organisation of the markets in agricultural products (Single CMO Regulation) ('the Single CMO regulation');
- Proposal for a Regulation of the European Parliament and of the Council on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) ('the rural development regulation');

- Proposal for a Regulation of the European Parliament and of the Council on the financing, management and monitoring of the common agricultural policy ('the horizontal regulation');
- Proposal for a Council regulation determining measures on fixing certain aids and refunds related to the common organisation of the markets in agricultural products;
- Proposal for a Regulation of the European Parliament and of the Council amending Council Regulation (EC) No 73/2009 as regards the application of direct payments to farmers in respect of the year 2013;
- Proposal for a Regulation of the European Parliament and of the Council amending Council Regulation (EC) No 1234/2007 as regards the regime of the single payment scheme and support to vine-growers.

The rural development regulation builds on the proposal presented by the Commission on 6 October 2011 that sets out common rules for all funds operating under a Common Strategic Framework⁵. A regulation will follow on the scheme for most deprived persons, for which funding is now placed under a different heading of the MFF.

In addition, new rules on the publication of information on beneficiaries taking account of the objections expressed by the Court of Justice of the European Union are also under preparation with a view to finding the most appropriate way to reconcile beneficiaries' right to protection of personal data with the principle of transparency.

2. RESULTS OF CONSULTATIONS WITH THE INTERESTED PARTIES AND IMPACT ASSESSMENT

On the basis of the evaluation of the current policy framework and an analysis of future challenges and needs, the impact assessment assesses and compares the impact of three alternative scenarios. This is the result of a long process started in April 2010 and steered by an inter-service group that brought together extensive quantitative and qualitative analysis, including setting a baseline in the form of medium-term projections for agricultural markets and income up to 2020 and modelling the impact of the different policy scenarios on the economics of the sector.

The three scenarios elaborated in the impact assessment are: 1) an adjustment scenario that continues with the current policy framework while addressing its most important shortcomings, such as the distribution of direct payments; 2) an integration scenario that entails major policy changes in the form of enhanced targeting and greening of direct payments and reinforced strategic targeting for rural development policy in better coordination with other EU policies, as well as extending the legal base for a broader scope of producer cooperation; and 3) a refocus scenario that reorients the policy exclusively towards the environment with a progressive phasing out of direct payments, assuming that productive

⁵ Proposal for a Regulation of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund covered by the Common Strategic Framework and laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Regulation (EC) No 1083/2006, COM(2011)615 of 6.10.2011.

capacity can be maintained without support and that the socio-economic needs of rural areas can be served by other policies.

Against the background of the economic crisis and the pressure on public finances, to which the EU has responded with the Europe 2020 strategy and the MFF proposal, all three scenarios attach different weight to each of the three policy objectives of the future CAP which aims at a more competitive and sustainable agriculture in vibrant rural areas. With a view to a better alignment with the Europe 2020 strategy, notably in terms of resource efficiency, it will be increasingly essential to improve agricultural productivity through research, knowledge transfer and promoting cooperation and innovation (including through the European Innovation Partnership on agricultural productivity and sustainability). Whereas EU agricultural policy does not any more operate within a trade distorting policy environment, additional pressure on the sector is expected from further liberalization, notably in the framework of the DDA or the FTA with Mercosur.

The three policy scenarios were drawn up taking into account the preferences expressed in the consultation which was conducted in the context of the impact assessment. Interested parties were invited to submit contributions between 23.11.2010 and 25.1.2011 and an advisory committee was organised on 12.1.2011. The main points are summarized below:⁶

- There is broad agreement among stakeholders on the need for a strong CAP based on a two-pillar-structure in order to address the challenges of food security, sustainable management of natural resources and territorial development.
- Most respondents find that the CAP should play a role in stabilizing markets and prices.
- Stakeholders have diverse opinions concerning the targeting of support (especially redistribution of direct aid and capping payments).
- There is agreement that both pillars can play an important role in stepping up climate action and increasing environmental performance for the benefit of EU society. Whereas many farmers believe that this already takes place today, the wider public argues that Pillar I payments can be more efficiently used.
- The respondents want all parts of the EU, including less favoured areas, to be part of future growth and development.
- The integration of the CAP with other policies, such as environmental, health, trade, development, was emphasised by many respondents.
- Innovation, development of competitive businesses and provision of public goods to EU citizens are seen as ways to align the CAP with the Europe 2020 strategy.

The impact assessment thus compared the three alternative policy scenarios:

The refocus scenario would accelerate structural adjustment in the agricultural sector, shifting production to the most cost efficient areas and profitable sectors. While significantly increasing funding for the environment, it would also expose the sector to greater risks due to limited scope for market intervention. Furthermore, it would come at a significant social and

⁶ See Annex 9 of the impact assessment for an overview of the 517 contributions received.

environmental cost as the less competitive areas would face a considerable income loss and environmental degradation, since the policy would lose the leverage of direct payments coupled with the cross compliance requirements.

At the other end of the spectrum, the adjustment scenario would best allow for policy continuity with limited but tangible improvements both in agricultural competitiveness and environmental performance. There are however serious doubts as to whether this scenario could adequately address the important climate and environmental challenges of the future, which also underpin the long-term sustainability of agriculture.

The integration scenario breaks new ground with enhanced targeting and greening of direct payments. The analysis shows that greening is possible at a reasonable cost to farmers although some administrative burden cannot be avoided. Similarly, a new impetus in rural development is possible provided that the new possibilities are efficiently used by Member States and regions and that the common strategic framework with the other EU funds does not remove synergies with Pillar I or weaken rural development's distinctive strengths. If the right balance is struck, this scenario would best address the long term sustainability of agriculture and rural areas.

On this basis the impact assessment concludes that the integration scenario is the most balanced in progressively aligning the CAP with the EU's strategic objectives and this balance is also found in the implementation of the different elements in the legislative proposals. It will also be essential to develop an evaluation framework to measure the performance of the CAP with a common set of indicators linked to policy objectives.

Simplification has been an important consideration throughout the process and should be enhanced in a variety of ways, for instance in the streamlining of cross compliance and market instruments, or the design of the small farmers scheme. In addition, the greening of direct payments should be designed in such a way as to minimize administrative burden including the costs of controls.

3. LEGAL ELEMENTS OF THE PROPOSAL

It is proposed to maintain the current structure of the CAP in two pillars with annual mandatory measures of general application in Pillar I complemented by voluntary measures better tailored to national and regional specificities under a multi-annual programming approach in Pillar II. However, the new design of direct payments seeks to better exploit synergies with Pillar II, which is in turn placed under a Common Strategic Framework to better coordinate with other EU shared management funds.

On this basis, the current structure of four basic legal instruments is also maintained, albeit with the scope of the financing regulation enlarged to bring together common provisions into what is now called the horizontal regulation.

The proposals comply with the principle of subsidiarity. The CAP is a truly common policy: it is an area of shared competence between the EU and the Member States that is being handled at EU level with a view to maintaining a sustainable and diverse agriculture throughout the EU, addressing important cross-border issues such as climate change and reinforcing solidarity among Member States. In the light of the importance of future challenges for food security, the environment and territorial balance, the CAP remains a policy of strategic

importance to ensure the most effective response to the policy challenges and the most efficient use of budgetary resources. In addition, it is proposed to maintain the current structure of instruments in two pillars where Member States have more leeway to tailor solutions to their local specificities and also co-finance Pillar II. The new European Innovation Partnership and risk management toolkit are also placed within Pillar II. At the same time the policy will be better aligned with the Europe 2020 strategy (including a common framework with other EU funds) and a number of improvements and simplification elements introduced. Finally, the analysis carried out in the framework of the impact assessment clearly shows the cost of no action in terms of negative economic, environmental and social consequences.

The Single CMO regulation lays down rules for the common organisation of agricultural markets, with the aid scheme for the most deprived to be placed under a separate instrument.

The 2008-2009 dairy crisis showed the need to maintain an effective safety net mechanism as well as to streamline available tools. The discussions in the High Level Expert Group on Milk that followed also pointed to the need to improve the functioning of the food chain. The regulation thus aims to streamline, expand and simplify provisions on the basis of experience to date with public intervention, private storage, exceptional/emergency measures and aid to specific sectors as well as to facilitate cooperation through producer and interbranch organisations.

Certain sectoral aids are removed (e.g. skimmed milk, hops and silkworms). The milk quota system and the wine planting ban are set to expire under existing legislation which is thus left unchanged in this respect. Sugar quotas are set to expire by 30 September 2015. A single animal disease / loss of consumer confidence provision and a general market disturbance clause are provided with the latter expanded to cover all sectors in the current Single CMO.

The product coverage for recognition of producer organisations and their associations as well as interbranch organisations by Member States is expanded to all sectors in the current Single CMO. Support for the setting up of producer groups in the fruit and vegetable sector is moved to rural development.

The regulation reflects the proposal already made for the milk sector that set out basic conditions if Member States make written contracts compulsory with a view to strengthening the bargaining power of milk producers in the food chain. It also reflects the proposal already made on marketing standards in the context of the quality package.

From a simplification perspective, doing away with certain sectoral aids, the decoupling of the aid scheme in the silk worm sector, ending the sugar quota system and removing the requirements for registration of supply contracts and for attestation of equivalence in the hops sector will positively impact the burden on Member States and red tape for operators. It will no longer be necessary to maintain a capacity to implement the sectoral aid schemes and to allocate resources to control them.

4. BUDGETARY IMPLICATION

The MFF proposal provides that a significant part of the EU budget should continue to be dedicated to agriculture, which is a common policy of strategic importance. Thus, in current

prices, it is proposed that the CAP should focus on its core activities with EUR 317.2 billion allocated to Pillar I and EUR 101.2 billion to Pillar II over the 2014-2020 period.

The Pillar I and Pillar II funding is complemented by additional funding of EUR 17.1 billion consisting of EUR 5.1 billion for research and innovation, EUR 2.5 billion for food safety and EUR 2.8 billion for food support for the most deprived persons in other headings of the MFF, as well as of EUR 3.9 billion in a new reserve for crises in the agricultural sector and up to EUR 2.8 billion in the European Globalization Adjustment Fund outside the MFF, thus bringing the total budget to EUR 435.6 billion over the 2014-2020 period.

As regards distribution of support among Member States, it is proposed that all Member States with direct payments below 90% of the EU average will see one third of this gap closed. The national ceilings in the direct payments regulation are calculated on this basis.

The distribution of rural development support is based on objective criteria linked to the policy objectives taking into account the current distribution. As is the case today, less developed regions should continue to benefit from higher co-financing rates, which will also apply to certain measures such as knowledge transfer, producer groups, cooperation and Leader.

Some flexibility for transfers between pillars is introduced (up to 5% of direct payments): from Pillar I to Pillar II to allow Member States to reinforce their rural development policy, and from Pillar II to Pillar I for those Member States where the level of direct payments remains below 90% of the EU average.

Details on the financial impact of the CAP reform proposals are set out in the financial statement accompanying the proposals.

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

establishing a common organisation of the markets in agricultural products (Single CMO Regulation)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular the first subparagraph of Article 42 and Article 43(2) thereof,

Having regard to the proposal from the European Commission⁷,

After transmission of the draft legislative act to the national Parliaments,

Having regard to the opinion of the European Economic and Social Committee⁸,

Having consulted the European Data Protection Supervisor⁹

Acting in accordance with the ordinary legislative procedure¹⁰,

Whereas:

- (1) The Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on "The CAP towards 2020: Meeting the food, natural resources and territorial challenges of the future"¹¹ sets out potential challenges, objectives and orientations for the Common agricultural Policy (CAP) after 2013. In the light of the debate on that Communication, the CAP should be reformed with effect from 1 January 2014. That reform should cover all the main instruments of the CAP, including Council Regulation (EU) No [COM(2010)799] of [...] establishing a common organisation of agricultural markets and on specific provisions for certain agricultural products (Single CMO Regulation)¹². In view of the scope of the reform, it is appropriate to repeal Regulation (EU) No [COM(2010)799] and to replace it with a new Single CMO Regulation. The reform should also, as far as possible, harmonise, streamline and simplify the provisions, particularly those covering more than one agricultural sector, including by ensuring that non-essential elements of measures may be adopted by the Commission by way of delegated acts.

⁷ OJ C [...], [...], p. [...].

⁸ OJ C [...], [...], p. [...].

⁹ Opinion of [...] OJ C [...], [...], p. [...].

¹⁰ OJ C [...], [...], p. [...].

¹¹ COM(2010) 672 final, 18.11.2010.

¹² OJ L 299, 16.11.2007, p. 1.

- (2) It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level. The Commission, when preparing and drawing up delegated acts, should ensure a simultaneous, timely and appropriate transmission of relevant documents to the European Parliament and to the Council.
- (3) Pursuant to Article 43(3) of the Treaty on the Functioning of the European Union (the Treaty), the Council shall adopt measures on fixing prices, levies, aid and quantitative limitations. In the interest of clarity, where Article 43(3) of the Treaty applies, this Regulation should explicitly refer to the fact that measures will be adopted by the Council on that basis.
- (4) This Regulation should contain all the basic elements of the Single CMO. The fixing of prices, levies, aid and quantitative limitations is in certain cases inextricably linked to those basic elements.
- (5) This Regulation should apply to all agricultural products listed in Annex I to the Treaty in order to ensure the existence of a common organisation of the market for all such products, as required by Article 40(1) of the Treaty.
- (6) It should be clarified that Regulation (EU) No [...] [horizontal CAP Regulation]¹³ and the provisions adopted pursuant to it should apply to the measures set out in this Regulation. In particular the [horizontal CAP Regulation] lays down provisions to guarantee compliance with the obligations laid down by CAP provisions, including checks and the application of administrative measures and administrative penalties in case of non-compliance, and rules related to the lodging and releasing of securities and the recovery of undue payments.
- (7) This Regulation and other acts adopted under Article 43 to the Treaty refer to the description of products and references to the headings or subheadings of the combined nomenclature. Amendments to the Common Customs Tariff nomenclature may necessitate consequential technical adjustments to such Regulations. The Commission should be able to adopt implementing measures to make such adjustments. In the interests of clarity and simplicity, Council Regulation (EC) No 234/79 of 5 February 1979 on the procedure for adjusting the Common Customs Tariff nomenclature used for agricultural products¹⁴ which currently provides for such a power should be repealed and the power integrated into the present Regulation.
- (8) In order to take into account the specificities of the rice sector, the power to adopt certain acts in accordance with Article 290 of the Treaty should be delegated to the Commission in respect of updating the definitions concerning the rice sector set out in Part I of Annex II of this Regulation.
- (9) In order to ensure that production is orientated towards certain varieties of paddy rice, the Commission should be able to adopt implementing measures in respect of fixing increases and reductions of the public intervention price.

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¹⁴ ...
OJ L 34, 9.2.1979, p. 2.

- (10) Marketing years should be fixed for cereals, rice, sugar, dried fodder, seeds, olive oil and table olives, flax and hemp, fruit and vegetables, bananas, milk and milk products, and silkworms, and adapted as far as possible to the biological production cycles of each of those products.
- (11) In order to take into account the specificities of the fruit and vegetables and processed fruit and vegetables sectors, the power to adopt certain acts in accordance with Article 290 of the Treaty should be delegated to the Commission in respect of fixing the marketing years for those products.
- (12) In order to stabilise the markets and to ensure a fair standard of living for the agricultural community, a differentiated system of price support for the different sectors has been developed and direct support schemes have been introduced, taking into account the different needs in each of these sectors on the one hand and the interdependence between different sectors on the other. Those measures take the form of public intervention or, as the case may be, the payment of aid for private storage. There continues to be a need to maintain price support measures whilst streamlining and simplifying them.
- (13) For the sake of clarity and transparency, the provisions should be made subject to a common structure, whilst maintaining the policy pursued in each sector. For that purpose it is appropriate to distinguish between reference prices and intervention prices and to define the latter, in particular, clarifying that only intervention prices for public intervention correspond to the applied administered prices referred to in the first sentence of paragraph 8 of Annex 3 to the WTO Agreement on Agriculture (i.e. price gap support). In this context it should be understood that market intervention can take the form of public intervention as well as other forms of intervention that do not use ex-ante established price indications.
- (14) As appropriate to each sector concerned in the light of the practice and experience under previous CMOs, the system of intervention should be available during certain periods of the year and should be open during that period either on a permanent basis or should be opened depending on market prices.
- (15) The price level at which buying-in under public intervention, i.e. price gap support, should be carried out at a fixed price for certain quantities for some products and in other cases should depend on tendering, reflecting the practice and experience under previous CMOs.
- (16) This Regulation should provide for the possibility of disposal of products bought in public intervention. Such measures should be taken in a way that avoids market disturbances and that ensures equal access to goods and equal treatment of purchasers.
- (17) In order to ensure market transparency, the power to adopt certain acts in accordance with Article 290 of the Treaty should be delegated to the Commission in respect of laying down the conditions under which it may decide to grant private storage aid in order to achieve the aim of balancing the market and stabilising the market prices, and taking into account the market situation.
- (18) In order to take into account the specificities of the different sectors, the power to adopt certain acts in accordance with Article 290 of the Treaty should be delegated to

the Commission in respect of adopting the requirements and conditions to be met by products to be bought-in under public intervention and to be stored under the system of private storage aid, in addition to the requirements laid down in this Regulation as well as in respect of adopting the applicable price increases or reductions for quality purposes as regards both buying-in and sales and in respect of adopting the provisions relating to the obligation for the paying agencies to have all the beef boned after the take-over and prior to the placing into storage.

- (19) In order to take account of the diversity of situations relating to the storage of intervention stocks in the Union and to ensure adequate access to public intervention for operators, the power to adopt certain acts in accordance with Article 290 of the Treaty should be delegated to the Commission in respect of the requirements to be met by intervention storage places for the products to be bought-in under the system, provisions relating to the sale of small quantities remaining in storage in the Member States; and rules for direct sale quantities which may no longer be repackaged or are deteriorated; and certain rules on storage of products inside and outside the Member State responsible for them and their treatments as regards customs duties and any other amounts to be granted or levied under the CAP.
- (20) In order to ensure that private storage has the desired effect on the market, the power to adopt certain acts in accordance with Article 290 of the Treaty should be delegated to the Commission in respect of measures for reducing the amount of aid to be paid where the quantity stored is lower than the contracted quantity; and conditions for granting of an advance payment.
- (21) In order to safeguard the rights and obligations of operators participating in public intervention or private storage measures, the power to adopt certain acts in accordance with Article 290 of the Treaty should be delegated to the Commission in respect of provisions relating to the use of tendering procedures; the eligibility of operators; and an obligation to lodge a security guaranteeing.
- (22) In order to standardise the presentation of the different products for the purposes of improving market transparency, price recording and the application of market intervention arrangements in the form of public intervention and private storage, the power to adopt certain acts in accordance with Article 290 of the Treaty should be delegated to the Commission in respect of Union scales for the classification of carcasses in the beef and veal, pigmeat and sheepmeat and goatmeat sectors.
- (23) In order to ensure accuracy and reliability of the classification of carcasses, the power to adopt certain acts in accordance with Article 290 of the Treaty should be delegated to the Commission in respect of the review of the application of classification of carcasses in Member States by a Union committee.
- (24) The existing scheme for food distribution to the most deprived in the Union adopted under the common agricultural policy should be the subject of a separate regulation adopted to reflect its social cohesion objectives. Provision should nevertheless be made in this Regulation to allow for disposal of products held in public intervention by making them available for use in the scheme.
- (25) The consumption of fruit and vegetables and milk products amongst children should be encouraged, including by durably increasing the share of those products in the diets

of children at the stage when their eating habits are being formed. Union aid to finance or co-finance the supply to children in educational establishments of such products should therefore be promoted.

- (26) In order to ensure a sound budgetary management of the schemes, appropriate provisions for each one should be established. Union aid should not be used to replace funding for any national existing school fruit schemes. In the light of budgetary constraints, Member States should nonetheless be able to replace their financial contribution to the schemes with contributions from the private sector. In order to make their school fruit scheme effective, Member States should provide for accompanying measures for which Member States should be allowed to grant national aid.
- (27) In order to promote the healthy eating habits of children, to ensure the efficient and targeted use of European Funds and to promote awareness of the scheme the power to adopt certain acts in accordance with Article 290 of the Treaty should be delegated to the Commission in respect of the school fruit scheme concerning: the products that are ineligible for the scheme; the target group of the scheme; the national or regional strategies that Member States must draw up in order to benefit from the aid, including the accompanying measures; the approval and selection of aid applicants; objective criteria for the allocation of aid between Member States, the indicative allocation of aid between Member States and the method for reallocating aid between Member States based on applications received; the costs eligible for aid, including the possibility of fixing an overall ceiling for such costs; and requiring participating Member States to publicise the subsidising role of the scheme.
- (28) In order to take account of the evolution in the dairy products consumption patterns and of the innovations and developments on the dairy products market, to ensure that the appropriate beneficiaries and applicants qualify for the aid and to promote awareness of the aid scheme, the power to adopt certain acts in accordance with Article 290 of the Treaty should be delegated to the Commission in respect of the school milk scheme concerning: the products that are eligible for the scheme; the national or regional strategies that Member States must draw up in order to benefit from the aid and the target group for the scheme; the conditions for granting aid; the lodging of a security guaranteeing the execution where an advance of aid is paid; monitoring and evaluation; and requiring educational establishments to communicate the subsidising role of the scheme.
- (29) The aid scheme for hop producer organisations is only used in one Member State. In order to create flexibility and to harmonise the approach in this sector with the other sectors, the aid scheme should be discontinued, with the possibility to support the producer organisations under rural development measures.
- (30) Union financing is required to encourage approved operator organisations to draw up work programmes for the purpose of improving the production quality of olive oil and table olives. In that context, this Regulation should provide for Union support to be allocated in accordance with the priorities given to the activities undertaken within the respective work programmes. However, the activities concerned should be limited to the most useful and co-financing should be introduced in order to improve the quality of such programmes.

- (31) In order to ensure that the aid provided for olive oil and table olive operator organisations meet their objective of improving the production quality of olive oil and table olives and to ensure that olive oil and table olive operator organisations respect their obligations, the power to adopt certain acts in accordance with Article 290 of the Treaty should be delegated to the Commission concerning the conditions for the approval of operator organisations for the purposes of the aid scheme, the suspension or withdrawal of such approval; the measures eligible for Union financing; the allocation of Union financing to particular measures; the activities and costs that are not eligible for Union financing; and the selection and approval of work programmes and concerning requiring the lodging of a security.
- (32) This Regulation distinguishes between fruit and vegetables, which include fruit and vegetables for marketing and fruit and vegetables intended for processing, on the one hand, and processed fruit and vegetables, on the other hand. Rules on producer organisations, operational programmes and Union financial assistance only apply to fruit and vegetables and fruit and vegetables solely intended for processing.
- (33) The production of fruit and vegetables is unpredictable and the products are perishable. Even limited surpluses can significantly disturb the market. Therefore, measures for crisis management should be established and those measures should continue to be integrated into operational programmes.
- (34) The production and marketing of fruit and vegetables should fully take into account environmental concerns, including cultivation practices, management of waste materials and disposal of products withdrawn from the market, in particular as regards protection of water quality, maintenance of biodiversity and the upkeep of the countryside.
- (35) Support for setting up producer groups should be provided for all sectors in all Member States under rural development policy so the specific support in the fruit and vegetables sector should be discontinued.
- (36) In order to give producer organisations in the fruit and vegetables sector greater responsibility for their financial decisions and to gear the public resources assigned to them towards future requirements, terms should be set out for the use of those resources. Joint financing of operational funds set up by producer organisations is an appropriate solution. Additional scope for financing should be permitted in particular cases. Operational funds should only be used to finance operational programmes in the fruit and vegetables sector. In order to control Union expenditure, there should be a cap on assistance granted to producer organisations that establish operational funds.
- (37) In regions where the organisation of production in the fruit and vegetables sector is weak, granting of additional national financial contributions should be allowed. In case of Member States which are at a particular disadvantage with regard to structures, such contributions should be reimbursed by the Union.
- (38) In order to ensure an efficient, targeted and sustainable support of producer organisations in the fruit and vegetables sector, the power to adopt certain acts in accordance with Article 290 of the Treaty should be delegated to the Commission in respect of operational funds and operational programmes, the structure and content of

a national framework and a national strategy; Union financial assistance; crisis prevention and management measures; and national financial assistance.

- (39) It is important to provide for support measures in the wine sector which are liable to strengthen competitive structures. While those measures should be defined and financed by the Union, it should be left to Member States to select the appropriate set of measures to meet the needs of their regional bodies, taking into account their particularities, where necessary, as well as integrating them into national support programmes. Member States should be responsible for the implementation of such programmes.
- (40) One key measure eligible for national support programmes should be the promotion and marketing of Union wines in third countries. Restructuring and conversion activities should continue to be covered on account of their positive structural effects on the wine sector. Support should also be available for investments in the wine sector which are geared towards improving economic performance of the enterprises as such. Support for by-product distillation should be a measure available to Member States which desire to use such an instrument to ensure the quality of wine, while preserving the environment.
- (41) Preventive instruments such as harvest insurance, mutual funds and green harvesting should be eligible for support under the wine support programmes so as to encourage a responsible approach to crisis situations.
- (42) The provisions on support to vine-growers by way of allocation of payment entitlements as decided by Member States were made definitive. Therefore the only such support which may be provided is the one decided by Member States by 1 December 2013 under Article 137 of Regulation (EU) No [COM(2011)799] and under the conditions set out in that provision.
- (43) In order to ensure that wine support programmes meet their objectives and that there is a targeted use of the European Funds, the power to adopt certain acts in accordance with Article 290 of the Treaty should be delegated to the Commission in respect of rules: on the responsibility for expenditure between the date of receipt of the support programmes, and modifications to support programmes and their date of applicability; on eligibility criteria of support measures, the type of expenditure and operations eligible for support; measures ineligible for support and the maximum level of support per measure; on changes to support programmes after they have become applicable; on requirements and thresholds for advance payments, including the requirement for a security where an advance payment is made; containing general provisions and definitions for the purposes of support programmes; to avoid misuse of the support measures and double funding of projects; under which producers shall withdraw the by-products of winemaking, exceptions from this obligation in order to avoid additional administrative burden and provisions for the voluntary certification of distillers; laying down the requirements for the Member States for the implementation of the support measures, as well as restrictions to ensure consistency with the scope of the support measures; regarding payments to beneficiaries, including payments through insurance intermediaries.
- (44) Beekeeping is characterised by the diversity of production conditions and yields and the dispersion and variety of economic operators, both at the production and marketing

stages. Moreover, in view of the spread of varroasis in several Member States in recent years and the problems which that disease causes to honey production, action by the Union continues to be necessary as varroasis cannot be completely eradicated and is to be treated with approved products. Given such circumstances and in order to improve the production and marketing of apiculture products in the Union, national programmes for the sector should be drawn up every three years with a view to improving the general conditions for the production and marketing of apiculture products. Those national programmes should be partly financed by the Union.

- (45) In order to ensure a targeted use of Union funds for apiculture, the power to adopt certain acts in accordance with Article 290 of the Treaty should be delegated to the Commission in respect of: the measures which may be included in apiculture programmes, rules on the obligations relating to the content of national programmes, their drawing up and the related studies; and the conditions for the allocation of the Union's financial contribution to each participating Member State.
- (46) Union aid for silkworm rearing should be decoupled into the direct payments system following the approach taken for aids in other sectors.
- (47) The aid for Union-produced skimmed milk and skimmed-milk powder intended for use as a feedingstuff and for processing into casein and caseinates has not proved effective in supporting the market and should therefore be discontinued, along with the rules concerning the use of casein and caseinates in the manufacture of cheese.
- (48) The application of standards for the marketing of agricultural products can contribute to improving the economic conditions for the production and marketing as well as the quality of such products. The application of such standards is therefore in the interest of producers, traders and consumers.
- (49) Following the Communication from the Commission on agricultural product quality policy¹⁵ and subsequent debates, it is deemed appropriate to maintain marketing standards by sectors or products, in order to take into account the expectations of consumers and to contribute to the improvement of the economic conditions for the production and marketing of agricultural products as well as to their quality.
- (50) In order to guarantee that all products are of sound, fair and marketable quality, and without prejudice to Regulation (EC) No 178/2002 of the European Parliament and of the Council of 28 January 2002 laying down the general principles and requirements of food law, establishing the European Food Safety Authority and laying down procedures in matters of food safety¹⁶, a basic general marketing standard as envisaged in the aforementioned Communication of the Commission should be appropriate for products not covered by marketing standards by sectors or products. When such products conform to an applicable international standard, as appropriate, those products should be considered as conforming to the general marketing standard.
- (51) For some sectors and/or products, definitions, designations and/or sales descriptions are important elements for the determination of conditions of competition. Therefore, it is appropriate to lay down definitions, designations and sales descriptions for those

¹⁵ COM/2009/0234 final.

¹⁶ OJ L 31, 1.2.2002, p. 1.

sectors and/or products, which should only be used in the Union for the marketing of products which comply with the corresponding requirements.

- (52) Provisions of a horizontal nature should be established for marketing standards.
- (53) Marketing standards should apply to enable the market to be supplied with products of standardised and satisfactory quality and should relate, in particular, to definitions, grading into classes, presentation and labelling, packaging, production method, conservation, transport, information on producers, content of certain substances, related administrative documents, storage, certification and time limits.
- (54) Taking into account the interest of consumers to receive adequate and transparent product information, it should be possible to determine the place of farming, on a case by case approach at the appropriate geographical level, while taking into account the specificities of some sectors, in particular concerning processed agricultural products.
- (55) Marketing standards should apply to all agricultural products marketed in the Union.
- (56) It is appropriate to provide for special rules in respect of products imported from third countries if national provisions in force in third countries justify derogations from the marketing standards if their equivalence to Union legislation is guaranteed.
- (57) It is appropriate to introduce the possibility for Member States to maintain or adopt certain national rules on quality levels as regards spreadable fats.
- (58) In order to address changes in the market situation, taking into account the specificity of each sector, the power to adopt certain acts in accordance with Article 290 of the Treaty should be delegated to the Commission in respect of acts to adopt, modify and derogate from requirements related to the general marketing standard, and rules concerning the conformity to it.
- (59) In order to take account of the expectations of consumers and to contribute to the improvement of the economic conditions for the production and marketing of agricultural products as well as to their quality and in order to adapt to the constantly changing market conditions, to the evolving consumer demands, as well as in order to take into account the developments in relevant international standards and to take technical progress into account and avoid creating obstacles to product innovation, the power to adopt certain acts in accordance with Article 290 of the Treaty should be delegated to the Commission in respect of acts to adopt marketing standards by sectors or products, at all stages of the marketing, as well as derogations and exemptions from the application of such standards and in respect of necessary modification, derogation or exemption from definitions and sales descriptions.
- (60) In order to ensure the correct and transparent application of national rules for certain products and/or sectors as regards marketing standards, the power to adopt certain acts in accordance with Article 290 of the Treaty should be delegated to the Commission in respect of establishing conditions for application of such marketing standards as well as the conditions for the holding, circulation and use of the products obtained from the experimental practices.
- (61) In order to take account of the specificities in trade between the Union and certain third countries, the special character of some agricultural products and the specificity

of each sector, the power to adopt certain acts in accordance with Article 290 of the Treaty should be delegated to the Commission concerning a tolerance for each marketing standard beyond which the entire batch of products should be considered as not respecting the standard and concerning rules which define the conditions under which imported products are considered as providing an equivalent level of compliance with the Union requirements concerning marketing standards and which allow for measures derogating from the rules that products be marketed in the Union only in accordance with such standards and determine the rules relating to the application of the marketing standards to products exported from the Union.

- (62) The concept of quality wines in the Union is based, inter alia, on the specific characteristics attributable to the wine's geographical origin. Such wines are identified for consumers through protected designations of origin and geographical indications. In order to allow for a transparent and more elaborate framework underpinning the claim to quality by the products concerned, a regime should be established under which applications for a designation of origin or a geographical indication are examined in line with the approach followed by Union's horizontal quality policy applicable to foodstuffs other than wine and spirits in Council Regulation (EC) No 510/2006 of 20 March 2006 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs¹⁷.
- (63) In order to preserve the particular quality characteristics of wines with a designation of origin or a geographical indication, Member States should be allowed to apply more stringent rules.
- (64) To qualify for protection in the Union, designations of origin and geographical indications for wine should be recognised and registered at the Union level in accordance with procedural rules laid down by the Commission.
- (65) Protection should be open to designations of origin and geographical indications of third countries where they are protected in their country of origin.
- (66) The registration procedure should enable any natural or legal person having a legitimate interest in a Member State or a third country to exercise his rights by notifying his objections.
- (67) Registered designations of origin and geographical indications should enjoy protection against uses which unduly take advantage of the reputation that complying products command. So as to promote fair competition and not to mislead consumers, that protection should also affect products and services not covered by this Regulation, including those not found in Annex I to the Treaty.
- (68) In order to take existing labelling practices into account, the power to adopt certain acts in accordance with Article 290 of the Treaty should be delegated to the Commission in respect of permitting the use of a name of a wine grape variety to be used even though it contains or consists of a protected designation of origin or a protected geographical indication.

¹⁷ OJ L 93, 31.3.2006, p. 12.

- (69) In order to take account of the specificities of the production in the demarcated geographical area, to ensure product quality and traceability and to ensure the legitimate rights or interests of producers or operators the power to adopt certain acts in accordance with Article 290 of the Treaty should be delegated to the Commission concerning the principles for the demarcation of the geographical area, and definitions, restrictions and derogations related to the production in the demarcated geographical area; concerning the conditions under which product specifications may include additional requirements; and concerning the elements of the product specification; the type of applicant that may apply for the protection of a designation of origin or geographical indication; the procedures to be followed in respect of an application for the protection of a designation of origin or geographical indication, including on preliminary national procedures, scrutiny by the Commission, objection procedures, and procedure on amendment, cancellation and conversion of protected designations of origin or protected geographical indication; the procedures applicable to trans-border applications; procedures for applications relating to geographical areas in a third country; the date from which protection shall run; the procedures related to amendments to product specifications; and the date on which an amendment shall enter into force.
- (70) In order to ensure adequate protection and that economic operators and competent authorities are not prejudiced by the application of this Regulation as regards wine names which have been granted protection prior to 1 August 2009, the power to adopt certain acts in accordance with Article 290 of the Treaty should be delegated to the Commission in respect of adoption restrictions regarding the protected name and in respect of transitional provisions concerning: wine names recognised by Member States as designations of origin or geographical indications by 1 August 2009; preliminary national procedure; wines placed on the market or labelled before a specific date; and amendments to the product specifications.
- (71) Certain terms are traditionally used in the Union and convey information to consumers about particularities and quality of wines complementing the information conveyed by designations of origin and geographical indications. So as to ensure the working of the internal market and fair competition and to avoid consumers being misled, those traditional terms should be eligible for protection in the Union.
- (72) In order to ensure an adequate protection, the legitimate rights of producers or operators and to take account of the specificities in trade between the Union and certain third countries the power to adopt certain acts in accordance with Article 290 of the Treaty should be delegated to the Commission in respect of provisions regarding the language and the spelling of a traditional term to be protected; regarding the definition of the type of applicants that may apply for the protection of a traditional term; the conditions of validity of an application for recognition of a traditional term; the grounds for objecting to a proposed recognition of a traditional term; the scope of the protection, including the relationship with trade marks, protected traditional terms, protected designations of origin or geographical indications, homonyms, or certain wine grape names; the grounds for cancellation of a traditional term; the date of submission of an application or a request; the procedures to be followed in respect of an application for the protection of a traditional term, including scrutiny by the Commission, objection procedures and the procedures on cancellation and modification and in respect of the conditions under which traditional terms may be used on products from third countries and provide for related derogations.

- (73) The description, designation and presentation of products of the wine sector covered by this Regulation can have significant effects on their marketability. Differences between the laws of the Member States on the labelling of products of the wine sector may impede the smooth functioning of the internal market. Rules should therefore be laid down which take into account the legitimate interests of consumers and producers. For this reason, it is appropriate to provide for Union rules on labelling.
- (74) In order to ensure compliance with existing labelling practices, with horizontal rules related to labelling and presentation, and to consider the specificities of the wine sector; in order to ensure the efficiency of the certification, approval and verification procedures and the legitimate interests of operators and that economic operators are not prejudiced the power to adopt certain acts in accordance with Article 290 of the Treaty should be delegated to the Commission in respect of exceptional circumstances justifying omitting reference to the terms “protected designation of origin” or “protected geographical indication”; in respect of the presentation and use of labelling particulars other than those provided for in this Regulation; certain compulsory particulars; optional particulars; and presentation; in respect of the necessary measures as regards labelling and presentation of wines bearing a designation of origin or a geographical indication, whose designation of origin or geographical indication meets the necessary requirements; in respect of wine placed on the market and labelled before 1 August 2009; and in respect of derogations on labelling and presentation.
- (75) Provisions concerning wine should be applied in the light of the agreements concluded under Article 218 of the Treaty.
- (76) It is appropriate to lay down rules for the classification of wine grape varieties, according to which Member States producing more than 50 000 hectolitres per year continue to be responsible for classifying the wine grape varieties from which wine may be made on their territories. Certain wine grape varieties should be excluded.
- (77) It is appropriate to determine certain oenological practices and restrictions for the production of wine, in particular as regards coupage and the use of certain types of grape must, grape juice and fresh grapes originating in third countries. In order to meet the international standards, for further oenological practices, the Commission should as a general rule base itself on the oenological practices recommended by the International Organisation of Vine and Wine (OIV).
- (78) For the wine sector, Member States should be allowed to limit or to exclude the use of certain oenological practices and be allowed to keep more stringent restrictions for wines produced in their territory, as well as permit the experimental use of unauthorised oenological practices under conditions to be defined.
- (79) In order to provide for a satisfactory level of traceability of the products concerned, in particular in the interest of consumer protection, provision should be made for all the wine sector products covered by this Regulation to have an accompanying document when circulating within the Union.
- (80) For a better management of wine-growing potential Member States should communicate to the Commission an inventory of their production potential based on the vineyard register. To encourage Member States to communicate the inventory,

support for restructuring and conversion is limited to those Member States which have communicated the inventory.

- (81) In order to facilitate the monitoring and the verification of the production potential by Member States, the power to adopt certain acts in accordance with Article 290 of the Treaty should be delegated to the Commission in respect of the scope and content of the vineyard register and exemptions.
- (82) In order to facilitate the transport of wine products and verification thereof by Member States, the power to adopt certain acts in accordance with Article 290 of the Treaty should be delegated to the Commission in respect of rules on the accompanying document, its usage and the exemptions to the obligation to use such a document; establish the conditions under which an accompanying document is to be regarded as certifying protected designations of origin or geographical indications; establish an obligation to keep a register; specify who shall keep a register and exemptions from the obligation to keep a register; indicate the operations to be included in the register; and establish rules concerning the use of accompanying documents and registers.
- (83) Specific instruments will still be needed after the end of the quota system to ensure a fair balance of rights and obligations between sugar undertakings and sugar beet growers. Therefore, the standard provisions governing agreements between them should be established.
- (84) In order to taking into account the specificities of the sugar sector and the interests of all parties, the power to adopt certain acts in accordance with Article 290 of the Treaty should be delegated to the Commission in respect of such agreements, in particular as regards the conditions governing the purchase, delivery, taking over and payment of beet.
- (85) Producer organisations and their associations can play useful roles in concentrating supply and promoting best practices. Interbranch organisations can play important part in allowing dialogue between actors in the supply chain, and in promoting best practices and market transparency. Existing rules on the definition and recognition of such organisations and their associations covering certain sectors should therefore be harmonised, streamlined and extended to provide for recognition on request under statutes set out in EU law in all sectors.
- (86) Existing provisions in various sectors, boosting the impact of producer organisations their associations and interbranch organisations by permitting Member States, under certain conditions, to extend certain rules of such organisations to non-member operators have proved effective and should be harmonised, streamlined and extended to all sectors.
- (87) As regards live plants, beef and veal, pigmeat, sheepmeat and goatmeat, eggs and poultrymeat provision should be made for the possibility of adopting certain measures to facilitate the adjustment of supply to market requirements which may contribute to stabilising the markets and to ensuring a fair standard of living for the agricultural community concerned.
- (88) In order to encourage action by producer organisation, their associations and interbranch organisations to facilitate the adjustment of supply to market requirements,

with the exception of action relating to withdrawal from the market, the power to adopt certain acts in accordance with Article 290 of the Treaty should be delegated to the Commission in respect of measures concerning live plants, beef and veal, pigmeat, sheepmeat and goatmeat, eggs and poultrymeat sectors to improve quality; promote better organisation of production, processing and marketing; facilitate the recording of market price trends; and permit the establishment of short and long-term forecasts on the basis of the means of production used.

- (89) In order to improve the operation of the market for wines, Member States should be able to implement decisions taken by interbranch organisations. The scope of such decisions should, however, exclude practices which could distort competition.
- (90) In the absence of Union legislation on formalised, written contracts, Member States may, within their own contract law systems, make the use of such contracts compulsory provided that in doing so the Union law is respected and in particular that the proper functioning of the internal market and the common market organisation is respected. Given the diversity of situations across the Union, in the interests of subsidiarity, such a decision should remain with Member States. However, in the milk and milk products sector, to ensure appropriate minimum standards for such contracts and good functioning of the internal market and the common market organisation, some basic conditions for the use of such contracts should be laid down at the Union level. Since some dairy co-operatives may have rules with similar effect in their statutes, in the interests of simplicity they should be exempted from the requirement for a contract. In order to ensure that any such system is effective it should apply equally where intermediate parties collect milk from farmers to deliver to processors.
- (91) In order to ensure the rational development of production and thus a fair standard of living for dairy farmers, their bargaining power vis-à-vis processors should be strengthened which should result in a fairer distribution of value-added along the supply chain. Therefore, in order to attain these CAP objectives, a provision should be adopted pursuant to Articles 42 and 43(2) of the Treaty to allow producer organisations constituted by dairy farmers or their associations to negotiate contract terms, including price, for some or all of its members' production with a dairy. In order to maintain effective competition on the dairy market, this possibility should be subject to appropriate quantitative limits.
- (92) The registration of all supply contracts regarding hops produced in the Union is a burdensome measure and should be discontinued.
- (93) In order to ensure that the objectives and responsibilities of producer organisations, associations of producer organisations, interbranch organisations and operator organisations are clearly defined so as to contribute to the effectiveness of their actions, to take into account the specificities of each sector, and to ensure the respect of competition and the good functioning of the common market organisation, the power to adopt certain acts in accordance with Article 290 of the Treaty should be delegated to the Commission in respect of rules on: the specific aims which may, shall or shall not be pursued by such organisations and associations, including derogations from those listed in this Regulation; the rules of association, the recognition, structure, legal personality, membership, size, accountability and activities of such organisations and associations, the effects deriving from recognition, the withdrawal of recognition, and mergers; transnational organisations and associations; outsourcing of activities

and the provision of technical means by organisations or associations; the minimum volume or value of marketable production of organisations and associations; the extension of certain rules of the organisations to non-members and the compulsory payment of subscriptions by non-members, including a list of stricter production rules which may be extended, further requirements as regards representativeness, the economic areas concerned, including Commission scrutiny of their definition, minimum periods during which the rules should be in force before their extension, the persons or organisations to whom the rules or contributions may be applied, and the circumstances in which the Commission may require that the extension of rules or compulsory contributions be refused or withdrawn.

- (94) A single market involves a trading system at the external borders of the Union. That trading system should include import duties and export refunds and should, in principle, stabilise the Union market. The trading system should be based on the undertakings accepted under the Uruguay Round of multilateral trade negotiations and in bilateral agreements.
- (95) Monitoring trade flows is foremost a matter of management which should be addressed in a flexible way. The decision on the introduction of licence requirements should be made taking account of the need for licences for the management of the markets concerned and, in particular, for monitoring the imports or exports of the products in question.
- (96) In order to take account of the evolution of trade and market developments, the needs of the markets concerned and when necessary for monitoring imports or exports, the power to adopt certain acts in accordance with Article 290 of the Treaty should be delegated to the Commission in respect of the list of the products of sectors subject to the presentation of an import or export licence; and the cases and situations where the presentation of an import or export licence is not required.
- (97) In order to define the main elements of the licence system, the power to adopt certain acts in accordance with Article 290 of the Treaty should be delegated to the Commission in respect of acts to: define the rights and obligations deriving from the licence, its legal effects, including the possibility of a tolerance as regards the respect of the obligation to import or export, and the indication of the origin and provenance where that is compulsory; provide that the issue of an import licence or the release into free circulation shall be subject to the presentation of a document issued by a third country or an entity certifying inter alia the origin, the authenticity and the quality characteristics of the products; adopt the rules applicable to the transfer of the licence or, as necessary, the restrictions on this transmissibility; adopt the rules necessary for the reliability and the efficiency of the licence system and the situations where a specific administrative assistance between Member States is needed to prevent or deal with cases of fraud and irregularities; and determine the cases and situations where the lodging of a security guaranteeing that the products are imported or exported within the period of validity of the licence is or is not required.
- (98) The essential elements of customs duties applicable to agricultural products reflecting WTO agreements and bilateral agreements are laid down in the Common Customs Tariff. The Commission should be empowered to adopt measures for the detailed calculation of import duties pursuant to those essential elements.

- (99) In order to prevent or counteract adverse effects on the Union market which could result from imports of certain agricultural products, imports of such products should be subject to payment of an additional duty, if certain conditions are fulfilled.
- (100) In order to ensure the efficiency of the entry price system, the power to adopt certain acts in accordance with Article 290 of the Treaty should be delegated to the Commission in respect of providing for inclusion a check of the customs value against another value than the unit price.
- (101) It is appropriate, under certain conditions, to open and administer import tariff quotas resulting from international agreements concluded in accordance with the Treaty or from other acts.
- (102) In order to ensure fair access to the quantities available, the application of the agreements, commitments and rights of the Union, and an equal treatment of operators within the import tariff quota, the power to adopt certain acts in accordance with Article 290 of the Treaty should be delegated to the Commission in respect of acts to: determine the conditions and eligibility requirements that an operator has to fulfil to submit an application within the import tariff quota; adopt provisions relating to the transfer of rights between operators and when necessary the limitations to transfer within the management of the import tariff quota; make the participation in the import tariff quota subject to the lodging of a security; adopt all the necessary provisions for any particular specificities, requirements or restrictions applicable to the tariff quota as set out in the international agreement or other act concerned.
- (103) Agricultural products may in certain cases benefit from special import treatment in third countries if the products comply with certain specifications and/or price conditions. Administrative cooperation between the authorities in the importing third country and the Union is necessary to ensure the correct application of such a system. To that end, the products should be accompanied by a certificate issued in the Union.
- (104) In order to ensure that products that are exported may benefit from a special treatment on import into a third country if certain conditions are respected, in accordance with agreements concluded by the Union in accordance with Article 218 of the Treaty, the power to adopt certain acts in accordance with Article 290 of the Treaty should be delegated to the Commission in respect of requiring the competent authorities of the Member States, on request and after appropriate checks, to issue a document certifying that the conditions are met.
- (105) The customs duty system makes it possible to dispense with all other protective measures at the external borders of the Union. The internal market and duty mechanism could, in exceptional circumstances, prove to be inadequate. In such cases, in order not to leave the Union market without defence against disturbances that might ensue, the Union should be able to take all necessary measures without delay. Such measures should comply with the international commitments of the Union.
- (106) The possibility of prohibiting the use of inward and outward processing arrangements should be provided for. It is thus appropriate to enable suspension of the use of inward and outward processing arrangements in such situations.

- (107) Provisions for granting refunds on exports to third countries, based on the difference between prices within the Union and on the world market, and falling within the limits set by the commitments made within the WTO, should serve to safeguard the Union's participation in international trade in certain products falling within this Regulation. Subsidised exports should be subject to limits in terms of value and quantity.
- (108) Compliance with the limits in terms of value should be ensured at the time when the export refunds are fixed through the monitoring of payments under the rules relating to the European Agricultural Guarantee Fund. Monitoring can be facilitated by the compulsory advance fixing of export refunds, while allowing the possibility, in the case of differentiated refunds, of changing the specified destination within a geographical area to which a single export refund rate applies. In the case of a change of destination, the export refund applicable to the actual destination should be paid, with a ceiling on the amount applicable to the destination fixed in advance.
- (109) Compliance with the quantity limits should be ensured by a reliable and effective system of monitoring. To that end, the granting of export refunds should be made subject to an export licence. Export refunds should be granted up to the limits available, depending on the particular situation of each product concerned. Exceptions to that rule should be permitted only for processed products not listed in Annex I to the Treaty, to which volume limits do not apply. Provision should be made for a derogation from strict compliance with management rules where exports benefiting from export refunds are not likely to exceed the quantity laid down.
- (110) In the case of the export of live bovine animals, provision should be made whereby export refunds are granted and paid only if the provisions established in Union legislation concerning animal welfare, in particular those concerning the protection of animals during transport, are respected.
- (111) In order to ensure equality of access to export refunds for exporters of agricultural products covered by this Regulation, the power to adopt certain acts in accordance with Article 290 of the Treaty should be delegated to the Commission in respect of applying certain rules for agricultural products to products exported in the form of processed goods.
- (112) In order to encourage exporters to respect animal welfare conditions and to enable the competent authorities to verify correct expenditure of export refunds where this is conditional on respect for animal welfare requirements, the power to adopt certain acts in accordance with Article 290 of the Treaty should be delegated to the Commission in respect of animal welfare requirements outside the customs territory of the Union, including the use of independent third parties.
- (113) In order to ensure that operators respect their obligations when participating in tendering procedures, the power to adopt certain acts in accordance with Article 290 of the Treaty should be delegated to the Commission in respect of designating the primary requirement for release of licence securities for tendered export refunds.
- (114) In order to minimise the administrative burden for operators and authorities, the power to adopt certain acts in accordance with Article 290 of the Treaty should be delegated to the Commission in respect of acts to set thresholds below which the obligation to issue or present an export licence may not be required, designate destinations or

operations where an exemption for the obligation to present an export licence can be justified and permit in justified situation export licences to be granted ex-post.

- (115) In order to adhere to practical situations justifying full or partial eligibility to export refunds, and in order to help operators bridge the period between the application for and the final payment of the export refund, the power to adopt certain acts in accordance with Article 290 of the Treaty should be delegated to the Commission in respect of measures pertaining to: another date for the refund; the consequences for the payment of the export refund when the product code or destination mentioned in a licence is not in conformity with the actual product or destination; advance payment of export refunds including the conditions for the lodging and release of a security; checks and proof when doubts on the real destination of products exist including the opportunity for re-importation into the customs territory of the Union; destinations treated as exports from the Union, and inclusion of destinations within the customs territory of the Union eligible for export refunds.
- (116) In order to ensure that products benefiting from export refunds are exported from the customs territory of the Union and to avoid their return to that territory, and in order to minimise the administrative burden for operators in generating and submitting proof that refund products reached a country of destination for differentiated refunds, the power to adopt certain acts in accordance with Article 290 of the Treaty should be delegated to the Commission in respect of measures pertaining to: the time limit by which the exit from the customs territory of the Union must be finalised, including the time for temporary re-entry; the processing that products benefiting from export refunds may undergo during that period; the proof of having reached a destination for differentiated refunds; the refund thresholds and conditions under which exporters may be exempted from such proof; and conditions for approval of proof of reaching a destination for differentiated refunds by independent third parties.
- (117) In order to take account of the specificities of the different sectors, the power to adopt certain acts in accordance with Article 290 of the Treaty should be delegated to the Commission in respect of specific requirements and conditions for operators and of the products eligible for an export refund including, in particular, the definition and characteristics of the products, and the establishment of coefficients for the purposes of calculating export refunds.
- (118) In order to prevent illicit crops from disturbing the market for hemp for fibre, this Regulation should provide for checks on imports of hemp and hemp seed to ensure that such products offer certain guarantees with regard to the tetrahydrocannabinol content. In addition, imports of hemp seed intended for uses other than sowing should continue to be subject to a control system which provides for the authorisation of the importers concerned.
- (119) Minimum export prices for flowering bulbs are no longer useful and should be abolished.
- (120) In accordance with Article 42 of the Treaty the provisions of the Treaty concerning competition shall apply to production of and trade in agricultural products only to the extent determined by Union legislation within the framework of Article 43(2) and (3) of the Treaty and in accordance with the procedure laid down therein.

- (121) The rules on competition relating to the agreements, decisions and practices referred to in Article 101 of the Treaty and to the abuse of dominant positions should be applied to the production of, and trade in, agricultural products, in so far as their application does not jeopardise the attainment of the objectives of the CAP.
- (122) A special approach should be allowed in the case of farmers' or producer organisations or their associations the objective of which is the joint production or marketing of agricultural products or the use of joint facilities, unless such joint action excludes competition or jeopardises the attainment of the objectives of Article 39 of the Treaty.
- (123) A special approach should be allowed as regards certain activities of interbranch organisations on the condition that they do not lead to the partitioning of markets, affect the sound operation of the CMO, distort or eliminate competition, entail the fixing of prices, or create discrimination.
- (124) The proper working of the single market would be jeopardised by the granting of national aid. Therefore, the provisions of the Treaty governing State aid should, as a general rule, apply to agricultural products. In certain situations exceptions should be allowed. Where such exceptions apply, the Commission should be in a position to draw up a list of existing, new or proposed national aid, to make appropriate observations to the Member States and to propose suitable measures.
- (125) Due to the specific economic situation of the production and marketing of reindeer and reindeer products, Finland and Sweden should continue to grant national payments in that regard.
- (126) In order to address justified cases of crisis even after the end of the transitional period, the distillation support measure provided for under the support programmes in 2012, Member States should be able to make national payments for crisis distillation within an overall budgetary limit of 15 % of the respective value of the Member State's relevant yearly budget for its national support programme. Such national payments should be notified to the Commission and approved under this Regulation before being granted.
- (127) The provisions on the grubbing-up premium and certain measures under wine support programmes should not by themselves preclude national payments for the same purposes.
- (128) In Finland sugar beet growing is subject to particular geographical and climatic conditions which will adversely affect the sector beyond the general effects of the sugar reform. That Member State should therefore be authorised, on a permanent basis, to make national payments to its sugar beet growers.
- (129) Member States should be allowed to continue to make national payments for nuts as currently provided for under Article 120 of Regulation (EC) No 73/2009 in order to cushion the effects of decoupling of the former Union aid scheme for nuts. For clarity, since that Regulation is to be repealed, the national payments should be provided for in this Regulation.
- (130) Restrictions to free circulation resulting from the application of measures intended to combat the spread of animal diseases could cause difficulties on the market in one or

more Member States. Experience shows that serious market disturbances such as a significant drop in consumption or in prices may be attributed to a loss in consumer confidence due to public health or animal or plant health risks. In the light of experience measures attributable to a loss in consumer confidence should be extended to plant products.

- (131) The exceptional market support measures for beef and veal, milk and milk products, pigmeat, sheepmeat and goatmeat, eggs and poultrymeat should be directly related to health and veterinary measures adopted in order to combat the spread of disease. They should be taken at the request of Member States in order to avoid serious disruption on the markets.
- (132) Special intervention measures should be provided in order to react efficiently and effectively against threats of market disturbance. The scope of those measures should be defined.
- (133) In order to react efficiently and effectively against threats of market disturbance caused by significant price rises or falls on internal or external markets or any other factors affecting the market, the power to adopt certain acts in accordance with Article 290 of the Treaty should be delegated to the Commission in respect of the necessary measures for the sector concerned including, where necessary, measure to extend or modify the scope, duration or other aspects of other measures provided for under this Regulation, or suspend import duties in whole or in part including for certain quantities and/or periods.
- (134) The Commission should be authorised to adopt the necessary measures to solve specific problems in case of emergency.
- (135) Undertakings, Member States and/or third countries may be required to submit communications for the purposes of applying this Regulation, monitoring, analysing and managing the market in agricultural products, ensuring market transparency, the proper functioning of CAP measures, of checking, controlling, monitoring, evaluating and auditing CAP measures, and implementing international agreements, including notification requirements under those agreements. In order to ensure a harmonised, streamlined and simplified approach, the Commission should be empowered to adopt all the necessary measures regarding communications. In so doing it should take into account the data needs and synergies between potential data sources.
- (136) In order to make communications fast, efficient, accurate, and cost effective, the power to adopt certain acts in accordance with Article 290 of the Treaty should be delegated to the Commission in respect of the nature and type of the information to be notified; the methods of notification; the rules related to the access rights to the information or information systems made available; and the conditions and means of publication of the information.
- (137) Union legislation concerning the protection of individuals with regard to the processing of personal data and on the free movement of such data, in particular Directive 95/46/EC of the European Parliament and of the Council of 24 October 1995 on the protection of individuals with regard to the processing of personal data and on the free movement of such data and Regulation (EC) No 45/2001 of the European Parliament and of the Council of 18 December 2000 on the protection of individuals

with regard to the processing of personal data by the Community institutions and bodies and on the free movement of such data are applicable.

- (138) Funds should be transferred from the Reserve for crises in the agricultural sector under the conditions and procedure referred to in paragraph 14 of the Interinstitutional Agreement between the European Parliament, the Council and the Commission on cooperation in budgetary matters and on sound financial management¹⁸, and it should be clarified that this Regulation is the applicable basic act.
- (139) In order to ensure the smooth transition from the arrangements provided for in Regulation (EU) No [COM(2010)799] to those laid down in this Regulation, the power to adopt certain acts in accordance with Article 290 of the Treaty should be delegated to the Commission in respect of the necessary measures, in particular those necessary to protect the acquired rights and legitimate expectations of undertakings.
- (140) The use of urgency procedure should be reserved for exceptional cases where this proves to be necessary in order to react efficiently and effectively against threats of market disturbance or where market disturbances are occurring. The choice of an urgency procedure should be justified and the cases in which the urgency procedure should be used should be specified.
- (141) In order to ensure uniform conditions for the implementation of this Regulation, implementing powers should be conferred on the Commission. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by the Member States of the Commission's exercise of implementing powers¹⁹.
- (142) The examination procedure should be used for the adoption of the acts implementing this Regulation given that those acts relate to the CAP as referred to in point (ii) of Article 2(2)(b) of Regulation (EU) No 182/2011. However, the advisory procedure should be used for the adoption of the acts implementing this Regulation relating to competition matters given that the advisory procedure is used for the adoption of acts implementing competition law in general.
- (143) The Commission should adopt immediately applicable implementing acts where, in duly justified cases imperative grounds of urgency so require, relating to adopting, amending or revoking Union safeguard measures, suspending the use of processing or inward or outward processing arrangements, if necessary to react immediately to the market situation, and resolving specific problems in an emergency, if such immediate action is needed to deal with the problems.
- (144) In respect of certain measures under this Regulation which require swift action or which consist in the mere application of general provisions to specific situations without involving discretion, the Commission should be empowered to adopt implementing acts without applying Regulation (EU) No 182/2011.

¹⁸ OJ L [...], [...], p. [...].

¹⁹ OJ L 55, 28.2.2011, p. 13.

- (145) The Commission should further be empowered to carry out certain administrative or management tasks which do not entail the adoption of delegated or implementing acts.
- (146) Pursuant to Regulation (EU) No [COM(2010)799] several sectoral measures, including on milk quotas, sugar quotas and other sugar measures and the restrictions on the planting of vines, as well as certain state aids, will expire within a reasonable period following the entry in force of this Regulation. After the repeal of Regulation (EU) No [COM(2010)799], the relevant provisions should continue to apply until the end of the schemes concerned.
- (147) In order to ensure a smooth transition from the arrangements provided for in Regulation (EU) No [COM(2010)799] to the provisions of this Regulation, the Commission should be empowered to adopt transitional measures.
- (148) Council Regulation (EC) No 1601/96 of 30 July 1996 laying down, in respect of hops, the amount of aid to producers for the 1995 harvest²⁰ is a temporary measure, which by its nature, is now obsolete. Council Regulation (EC) No 1037/2001 of 22 May 2001 authorising the offer and delivery for direct human consumption of certain imported wines which may have undergone oenological processes not provided for in Council Regulation (EC) No 1493/1999²¹ has been superseded by the provisions of the Agreement between the European Community and the United States of America on trade in wine adopted by Council Decision 2006/232/EC of 20 December 2005²² and is therefore obsolete. In the interests of clarity and legal certainty Regulations (EC) No 1601/96 and (EC) No 1037/2001 should be repealed.
- (149) As regards contractual relations in the milk and milk products sectors, the measures set out in this Regulation, are justified in the current economic circumstances of the dairy market and the structure of the supply chain. They should therefore be applied for a sufficiently long duration (both before and after the abolition of milk quotas) to allow them to have full effect. However, given their far-reaching nature, they should nevertheless be temporary in nature, and be subject to review. The Commission should adopt reports on the development of the milk market, covering in particular potential incentives to encourage farmers to enter into joint production agreements, to be submitted by 30 June 2014 and 31 December 2018 respectively,

HAVE ADOPTED THIS REGULATION:

²⁰ OJ L 206, 16.8.1996, p. 46.

²¹ OJ L 87, 24.3.2007, p. 1.

²² OJ L 145, 31.5.2001, p. 12.

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PART I

INTRODUCTORY PROVISIONS

Article 1

Scope

1. This Regulation establishes a common organisation of the markets for agricultural products, which shall mean all the products listed in Annex I TFEU with the exception of the fishery and aquaculture products listed in Annex I to Regulation (EU) No [COM(2011)416] on the common organisation of the markets in fishery and aquaculture products.
2. Agricultural products as defined in paragraph 1 shall be divided into the following sectors as listed in Annex I:
 - (a) cereals, Part I of Annex I;
 - (b) rice, Part II of Annex I;
 - (c) sugar, Part III of Annex I;
 - (d) dried fodder, Part IV of Annex I;
 - (e) seeds, Part V of Annex I;
 - (f) hops, Part VI of Annex I;
 - (g) olive oil and table olives, Part VII of Annex I;
 - (h) flax and hemp, Part VIII of Annex I;
 - (i) fruit and vegetables, Part IX of Annex I;
 - (j) processed fruit and vegetables, Part X of Annex I;
 - (k) bananas, Part XI of Annex I;
 - (l) wine, Part XII of Annex I;
 - (m) live plants, Part XIII of Annex I;
 - (n) tobacco, Part XIV of Annex I;
 - (o) beef and veal, Part XV of Annex I;
 - (p) milk and milk products, Part XVI of Annex I;

- (q) pigmeat, Part XVII of Annex I;
- (r) sheepmeat and goatmeat, Part XVIII of Annex I;
- (s) eggs, Part XIX of Annex I;
- (t) poultrymeat, Part XX of Annex I;
- (u) ethyl alcohol, Part XXI of Annex I;
- (v) apiculture, Part XXII of Annex I;
- (w) silkworms, Part XXIII of Annex I
- (x) other products, Part XXIV of Annex I.

Article 2

General common agricultural policy (CAP) provisions

Regulation (EU) No [...] on the financing, management and monitoring of the common agricultural policy and the provisions adopted pursuant to it shall apply in relation to the measures set out in this Regulation.

Article 3

Definitions

1. For the purposes of this Regulation, the definitions concerning certain sectors as set out in Annex II shall apply.
2. The definitions set out in Regulation (EU) No [...] on the financing, management and monitoring of the common agricultural policy, Regulation (EU) No [...] establishing rules for direct payment to farmers under support schemes within the framework of the common agricultural policy and Regulation (EU) No [...] on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) shall apply, where necessary for the purposes of this Regulation.
3. Taking into account the specificities of the rice sector, the Commission shall be empowered to adopt delegated acts in accordance with Article 160 to update the definitions concerning the rice sector set out in Part I of Annex II.
4. For the purposes of this Regulation, "less developed regions" shall mean those regions defined as such in Article 82(2)(a) of Regulation (EU) [COM(2011)615] laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund covered by the Common Strategic Framework and laying down general provisions on the European

Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Regulation (EC) No 1083/2006²³.

Article 4

Adjustments to the Common Customs Tariff nomenclature used for agricultural products

The Commission may, by means of implementing acts, when necessary due to amendments to the combined nomenclature, adjust the description of products and references to the headings or subheadings of the combined nomenclature in this Regulation or other acts adopted under Article 43 of the Treaty. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 162(2).

Article 5

Conversion rates for rice

The Commission may, by means of implementing acts:

- (a) fix the conversion rates for rice at various stages of processing, the processing costs and the value of by-products;
- (b) adopt all necessary measures regarding the application of conversion rates for rice.

Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 162(2)

Article 6

Marketing years

The following marketing years shall be established:

- (a) 1 January to 31 December of a given year for the banana sector;
- (b) 1 April to 31 March of the following year for:
 - (i) the dried fodder sector;
 - (ii) the silkworm sector;
- (c) 1 July to 30 June of the following year for:
 - (i) the cereals sector;
 - (ii) the seeds sector;
 - (iii) the olive oil and table olives sector;

²³ OJ L [...], [...], p. [...].

- (iv) the flax and hemp sector;
- (v) the milk and milk products sector;
- (d) 1 August to 31 July of the following year for the wine sector;
- (e) 1 September to 31 August of the following year for the rice sector;
- (f) 1 October to 30 September of the following year for the sugar sector.

Taking into account the specificities of the fruit and vegetables and processed fruit and vegetables sectors, the Commission shall be empowered to adopt delegated acts in accordance with Article 160 to fix the marketing years for those products.

Article 7

Reference prices

The following reference prices are fixed:

- (a) as regards the cereals sector, EUR 101,31/tonne, related to the wholesale stage for goods delivered to the warehouse, before unloading;
- (b) as regards paddy rice, EUR 150/tonne for the standard quality as defined in point A of Annex III, related to the wholesale stage for goods delivered to the warehouse, before unloading;
- (c) as regards sugar of standard quality as defined in point B of Annex III, related to unpacked sugar, ex-factory:
 - (i) for white sugar: EUR 404,4/tonne;
 - (ii) for raw sugar: EUR 335,2/tonne.
- (d) as regards the beef and veal sector, EUR 2 224/tonne for carcasses of male bovine animals of grade R3 as laid down in the Union scale for the classification of carcasses of adult bovine animals pursuant to Article 18(8);
- (e) as regards the milk and milk products sector:
 - (i) EUR 246,39 per 100 kg for butter;
 - (ii) EUR 169,80 per 100 kg for skimmed milk powder;
- (f) as regards pigmeat, EUR 1 509,39/tonne for pig carcasses of a standard quality defined in terms of weight and lean meat content as laid down in the Union scale for the classification of pig carcasses pursuant to Article 18(8) as follows:
 - (i) carcasses weighing from 60 to less than 120 kg: grade E;
 - (ii) carcasses weighing from 120 to 180 kg: grade R.

PART II

INTERNAL MARKET

TITLE I

MARKET INTERVENTION

CHAPTER I

Public intervention and aid for private storage

SECTION 1

GENERAL PROVISIONS ON PUBLIC INTERVENTION AND AID FOR PRIVATE STORAGE

Article 8

Scope

This Chapter lays down rules on market intervention concerning:

- (a) public intervention, where products are bought-in by the competent authorities of the Member States and stored by them until disposed of, and
- (b) granting of aid for the storage of products by private operators.

Article 9

Origin of eligible products

Products eligible for buying-in under public intervention or for the granting of aid for private storage shall originate in the Union. In addition, if they come from crops, those crops shall have been harvested in the Union and if they come from milk, that milk shall have been produced in the Union.

SECTION 2

PUBLIC INTERVENTION

Article 10

Products eligible for public intervention

Public intervention shall apply in respect of the following products subject to the conditions laid down in this Section and requirements and conditions to be determined by the Commission, by means of delegated and/or implementing acts, pursuant to Articles 18 and 19:

- (a) common wheat, barley and maize;
- (b) paddy rice;
- (c) fresh or chilled meat of the beef and veal sector falling within CN codes 0201 10 00 and 0201 20 20 to 0201 20 50;
- (d) butter produced directly and exclusively from pasteurised cream obtained directly and exclusively from cow's milk in an approved undertaking in the Union of a minimum butterfat content, by weight, of 82 % and a maximum water content, by weight, of 16 %;
- (e) skimmed milk powder of top quality made from cow's milk in an approved undertaking in the Union by the spray process, with a minimum protein-content of 34,0 % by weight of the fat free dry matter.

Article 11

Public intervention periods

Public intervention shall be available for:

- (a) common wheat, barley and maize, from 1 November to 31 May;
- (b) paddy rice, from 1 April to 31 July;
- (c) beef and veal, throughout the marketing year;
- (d) butter and skimmed milk powder, from 1 March to 31 August.

Article 12

Opening and closing of public intervention

1. During the periods referred to in Article 11, public intervention:

- (a) shall be open for common wheat, butter and skimmed milk powder;
 - (b) may be opened by the Commission, by means of implementing acts, for barley, maize, and paddy rice (including specific varieties or types of paddy rice), if the market situation so requires. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 162(2);
 - (c) may be opened for the beef and veal sector by the Commission, by means of other implementing acts, if the average market price over a representative period adopted pursuant to Article 19(a) in a Member State or in a region of a Member State recorded on the basis of the Union scale for the classification of carcasses as adopted pursuant to in Article 18(8) is below EUR 1 560/tonne.
2. The Commission may, by means of implementing acts, close public intervention for the beef and veal sector, where, over a representative period adopted pursuant to Article 19(a), the conditions provided for in point (c) of paragraph 1 are no longer fulfilled.

Article 13

Buying-in at a fixed price or tendering

1. Where public intervention is open pursuant to point (a) of Article 12(1), buying-in shall be carried out at a fixed price within the following limits for each period referred to in Article 11:
- (a) for common wheat, 3 million tonnes;
 - (b) for butter, 30 000 tonnes;
 - (c) for skimmed milk powder, 109 000 tonnes.
2. Where public intervention is open pursuant to Article 12(1), buying-in shall be carried out by way of a tendering procedure to determine the maximum buying-in price:
- (a) for common wheat, butter and skimmed milk powder beyond the limits referred to in paragraph 1,
 - (b) for barley, maize, paddy rice and beef and veal.

In special and duly justified circumstances, the Commission may, by means of implementing acts, restrict tendering procedures to a Member State or region of a Member State, or, subject to Article 14(2), determine the buying-in prices for public intervention per Member State or region of a Member State on the basis of recorded average market prices. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 162(2).

Article 14

Public intervention prices

1. Public intervention price shall mean:
 - (a) the price at which products shall be bought-in under public intervention where this is done at a fixed price, or
 - (b) the maximum price at which products eligible for public intervention may be bought-in where this is done by tendering.
2. The level of the public intervention price:
 - (a) for common wheat, barley, maize, paddy rice and skimmed milk powder shall be equal to the respective reference prices fixed in Article 7 in the case of buying-in at a fixed price and shall not exceed the respective reference prices in the case of buying-in by tendering;
 - (b) for butter shall be equal to 90 % of the reference price fixed in Article 7 in the case of buying-in at a fixed price and shall not exceed 90 % of the reference price in the case of buying-in by tendering;
 - (c) for beef and veal, shall not exceed the price referred to in point (c) of Article 12(1).
3. The public intervention prices referred to in paragraphs 1 and 2 shall be without prejudice to price increases or reductions for quality reasons for common wheat, barley, maize and paddy rice. Moreover, taking into account the need to ensure that production is orientated towards certain varieties of paddy rice, the Commission shall be empowered to adopt delegated acts in accordance with Article 160 to fix increases and reductions of the public intervention price.

Article 15

General principles on disposal from public intervention

Disposal of products bought in under public intervention shall take place in such a way as to:

- (a) avoid any disturbance of the market,
- (b) ensure equal access to goods and equal treatment of purchasers and
- (c) be in compliance with the commitments resulting from agreements concluded in accordance with Article 218 of the Treaty.

Products may be disposed of by making them available for the scheme for food distribution to the most deprived in the Union set out in Regulation (EU) No [...] if that scheme so provides. In that case, the accounting value of such products shall be at the level of the relevant fixed public intervention price referred to in Article 14(2).

SECTION 3

AID FOR PRIVATE STORAGE

Article 16

Products eligible

Aid for private storage may be granted in respect of the following products subject to the conditions set out in this Section and to requirements and conditions to be adopted by the Commission, by means of delegated and/or implementing acts, pursuant to Article 17 to 19:

- (a) white sugar;
- (b) olive oil;
- (c) flax fibre;
- (d) fresh or chilled meat of adult bovine animals;
- (e) butter produced from cream obtained directly and exclusively from cow's milk;
- (f) skimmed milk powder made from cow's milk;
- (g) pigmeat;
- (h) sheepmeat and goatmeat.

Article 17

Conditions for granting aid

1. The Commission shall be empowered to adopt delegated acts in accordance with Article 160, where necessary in order to provide for market transparency to lay down the conditions under which it may decide to grant private storage aid for the products listed in Article 16, taking into account average recorded Union market prices and the reference prices for the products concerned or the need to respond to a particularly difficult market situation or economic developments in the sector in one or more Member States.
2. The Commission may, by means of implementing acts, decide to grant private storage aid for the products listed in Article 16, taking into account the conditions referred to in paragraph 1 of this Article. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 162(2).
3. The Commission shall, by means of implementing acts fix the aid for private storage provided for in Article 16 in advance or by means of tendering procedures. Those

implementing acts shall be adopted in accordance with the examination procedure referred to in Article 162(2).

4. The Commission may, by means of implementing acts, restrict the granting of private storage aid or fix the private storage aid per Member State or region of a Member State on the basis of recorded average market prices. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 162(2).

SECTION 4

COMMON PROVISIONS ON PUBLIC INTERVENTION AND AID FOR PRIVATE STORAGE

Article 18

Delegated powers

1. The Commission shall be empowered to adopt delegated acts in accordance with Article 160 to provide for measures listed in paragraphs 2 to 9 of this Article.
2. Taking into account the specificities of the different sectors, the Commission may, by means of delegated acts, adopt the requirements and conditions to be met by products bought-in under public intervention and stored under the system of granting an aid for private storage, in addition to the requirements laid down in this Regulation. Those requirements and conditions shall aim at guaranteeing the eligibility and quality of the products bought-in and stored, with respect to quality groups, quality grades, categories, quantities, packaging, labelling, maximum ages, preservation, the stage of the products to which the public intervention price and the aid for private storage applies.
3. Taking into account the specificities of the cereals and paddy rice sectors, the Commission may, by means of delegated acts, adopt the price increases or reductions for quality reasons referred to in Article 14(3) as regards both buying-in and sales of common wheat, barley, maize and paddy rice.
4. Taking into account the specificities of the beef and veal sector, the Commission may, by means of delegated acts, adopt rules concerning the obligation for the paying agencies to have all the beef boned after the take-over and prior to the placing into storage.
5. Taking into account the diversity of situations relating to the storage of intervention stocks in the Union and ensuring adequate access to public intervention for operators, the Commission shall, by means of delegated acts, adopt:
 - (a) the requirements to be met by intervention storage places for the products to be bought-in under the system, rules on minimum storage capacity for the storage places and technical requirements for keeping products taken-over in good condition and for their disposal at the end of the storage period;

- (b) rules on sale of small quantities remaining in storage in the Member States, to be carried out under their responsibility, by applying the same procedures as those applied by the Union; and rules for direct sale of quantities which may no longer be repackaged or are deteriorated;
 - (c) rules on storage of products inside and outside the Member State responsible for them and for treatment of such products as regards customs duties and any other amounts to be granted or levied under the CAP.
- 6. Taking into account the need to ensure that aid for private storage has the desired effect on the market, the Commission, by means of delegated acts:
 - (a) shall adopt measures for reducing the amount of aid to be paid where the quantity stored is lower than the contracted quantity;
 - (b) may lay down conditions for granting of an advance payment.
- 7. Taking into account the rights and obligations of operators participating in public intervention or private storage, the Commission may, by means of delegated acts, adopt rules on:
 - (a) the use of tendering procedures guaranteeing equal access to goods and equal treatment of operators;
 - (b) eligibility of operators;
 - (c) the obligation to lodge a security guaranteeing the execution of operators' obligations.
- 8. Taking into account the need to standardise the presentation of the different products for the purposes of improving market transparency, price recording and the application of the market intervention arrangements in the form of public intervention and aid for private storage, the Commission may, by means of delegated acts, adopt Union scales for the classification of carcasses in the following sectors:
 - (a) beef and veal;
 - (b) pigmeat;
 - (c) sheepmeat and goatmeat.
- 9. Taking into account the need to ensure the accuracy and reliability of the classification of carcasses, the Commission may, by means of delegated acts, provide for the review of the application of classification of carcasses in Member States by a Union committee composed of experts from the Commission and experts appointed by the Member States. Those provisions may provide for the Union to bear the costs resulting from the review activity.

Article 19

Implementing powers in accordance with the examination procedure

The Commission shall, by means of implementing acts, adopt necessary measures aiming at reaching a uniform application of this Chapter throughout the Union. Those rules may, in particular, concern the following:

- (a) the representative periods, markets and market prices necessary for the application of this Chapter;
- (b) the procedures and conditions for the delivery of the products to be bought-in under public intervention, the transport costs to be borne by the offerer, the taking over of the products by paying agencies and the payment;
- (c) the different operations connected with the boning process for the beef and veal sector;
- (d) any authorisation of storage outside the territory of the Member State where the products have been bought-in and stored;
- (e) the conditions for the sale or disposal of products bought-in under public intervention, in particular, regarding selling prices, the conditions for removal from storage, the subsequent use or destination of products released, including procedures relating to products made available for use in the scheme for food distribution to the most deprived in the Union, including transfers between Member States;
- (f) the conclusion and the content of contracts between the competent authority of the Member State and the applicants;
- (g) the placing and keeping in private storage and removal from storage;
- (h) the duration of the private storage period and the conditions according to which such periods, once specified in the contracts, may be curtailed or extended;
- (i) the conditions according to which it may be decided that products covered by private storage contracts may be re-marketed or disposed of;
- (j) the rules relating to the procedures to be followed for buying-in at a fixed price or for granting the aid for private storage at a fixed price;
- (k) the use of tendering procedures, both for public intervention and for private storage, in particular concerning:
 - (i) the submission of offers or tenders, and the minimum quantity for an application or submission and
 - (ii) selection of offers ensuring that preference is given to those which are most favourable to the Union whilst permitting that the award of a contract shall not necessarily ensue.

Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 162(2).

Article 20

Other implementing powers

The Commission shall adopt implementing acts necessary in order to:

- (a) respect the intervention limits set out in Article 13(1); and
- (b) apply the tendering procedure referred to in Article 13(2) for common wheat, butter and skimmed milk powder beyond the quantities set out in Article 13(1).

CHAPTER II

Aid schemes

SECTION 1

SCHEMES TO IMPROVE ACCESS TO FOOD

SUBSECTION 1

SCHOOL FRUIT SCHEME

Article 21

Aid for the supply of fruit and vegetable, processed fruit and vegetable and banana products to children

1. Under conditions to be determined by the Commission by means of delegated and implementing acts pursuant to Articles 22 and 23, Union aid shall be granted for:
 - (a) the supply to children in educational establishments, including nurseries, other pre-school establishments, primary and secondary schools, of products of the fruit and vegetables, processed fruit and vegetables, and bananas sectors; and
 - (b) certain related costs linked to logistics and distribution, equipment, publicity, monitoring, evaluation and accompanying measures.
2. Member States wishing to participate in the scheme shall draw up, at national or regional level, a prior strategy for the implementation of the scheme. They shall also provide for the accompanying measures necessary to make the scheme effective.
3. When drawing up their strategies, Member States shall draw up a list of products of the fruit and vegetables, processed fruit and vegetables, and bananas sectors that will be eligible under their respective schemes. This list, however, shall not include products excluded by the measures adopted by the Commission by means of delegated acts pursuant to point (a) of Article 22(2). Member States shall choose their products on the basis of objective criteria which may include seasonality, availability of produce or environmental concerns. In this connection, Member States may give preference to products originating in the Union.
4. The Union aid referred to in paragraph 1 shall neither:
 - (a) exceed EUR 150 million per school year; nor

- (b) exceed 75 % of the costs of supply and related costs referred to in paragraph 1, or 90 % of such costs in less developed regions and in the outermost regions referred to in Article 349 of the Treaty; nor
 - (c) cover costs other than the costs of supply and related costs referred to in paragraph 1.
5. Union aid provided for in paragraph 1 shall not be used to replace funding for any existing national school fruit schemes or other school distribution schemes that include fruit. However, if a Member State already has a scheme in place that would be eligible for Union aid under this Article and intends to extend it or make it more effective, including as regards the target group of the scheme, its duration or eligible products, Union aid may be granted provided that the limits of point (b) of paragraph 4 are abided by as regards the proportion of Union aid to the total national contribution. In this case, the Member State shall indicate in its implementation strategy how it intends to extend its scheme or make it more effective.
 7. Member States may, in addition to Union aid, grant national aid in accordance with Article 152.
 8. The Union School Fruit Scheme shall be without prejudice to any separate national school fruit schemes which are compatible with Union law.
 9. The Union may also finance, under Article 6 of Regulation (EU) No [...] on the financing, management and monitoring of the common agricultural policy, information, monitoring and evaluation measures relating to the School Fruit Scheme, including raising public awareness of it, and related networking measures.

Article 22

Delegated powers

1. The Commission shall be empowered to adopt delegated acts in accordance with Article 160 to provide for measures listed in paragraphs 2 to 4 of this Article.
2. Taking into account the need to promote the healthy eating habits of children, the Commission may, by means of delegated acts, adopt rules on:
 - (a) the products that are ineligible for the scheme, taking into account nutritional aspects;
 - (b) the target group of the scheme;
 - (c) the national or regional strategies that Member States must draw up in order to benefit from the aid, including the accompanying measures;
 - (d) the approval and selection of aid applicants.
3. Taking into account the need to ensure the efficient and targeted use of European Funds, the Commission may by means of delegated acts, adopt rules on:

- (a) objective criteria for the allocation of aid between Member States, the indicative allocation of aid between Member States and the method for reallocating aid between Member States based on applications received;
 - (b) the costs eligible for aid, including the possibility of fixing an overall ceiling for such costs;
 - (c) monitoring and evaluation.
4. Taking into account the need to promote awareness of the scheme the Commission may, by means of delegated acts, require participating Member States to publicise the subsidising role of the scheme.

Article 23

Implementing powers in accordance with the examination procedure

The Commission may, by means of implementing acts, adopt all necessary measures related to this Subsection as regards, in particular:

- (a) the definitive allocation of aid between participating Member States within the appropriations available in the budget;
- (b) the aid applications and payments;
- (c) the methods of publicising, and networking measures in respect of, the scheme.

Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 162(2).

SUBSECTION 2

SCHOOL MILK SCHEME

Article 24

Supply of milk products to children

1. Union aid shall be granted for supplying to children in educational establishments certain products of the milk and milk products sector.
2. Member States, at national or regional level, wishing to participate in the scheme shall draw up a prior strategy for its implementation.
3. Member States may, in addition to Union aid, grant national aid in accordance with Article 152.
4. Measures on fixing the Union aid for all milk shall be taken by the Council in accordance with Article 43(3) of the Treaty.

5. The Union aid provided for in paragraph 1 shall be granted on a maximum quantity of 0,25 litre of milk equivalent per child and per school day.

Article 25

Delegated powers

1. The Commission shall be empowered to adopt delegated acts in accordance with Article 160 to provide for measures listed in paragraphs 2 to 4 of this Article.
2. Taking into account of the evolution in the dairy products consumption patterns and of the innovations and developments on the dairy products market, and taking into account nutritional aspects, the Commission shall, by means of delegated acts, determine the products that are eligible for the scheme and adopt rules on the national or regional strategies that Member States must draw up in order to benefit from the aid and the target group for the scheme.
3. Taking into account the need to ensure that the appropriate beneficiaries and applicants qualify for the aid, the Commission shall, by means of delegated acts, adopt the conditions for granting aid.

Taking into account the need to ensure that applicants respect their obligations, the Commission shall, by means of delegated acts, adopt measures on the lodging of a security guaranteeing the execution where an advance of aid is paid

4. Taking into account the need to promote awareness of the aid scheme, the Commission may, by means of delegated acts, require educational establishments to communicate the subsidising role of the scheme.

Article 26

Implementing powers in accordance with the examination procedure

The Commission may, by means of implementing acts, adopt all necessary measures as regards, in particular:

- (a) procedures to ensure the respect of the maximum quantity eligible for the aid;
- (b) approval of applicants, aid applications and payments;
- (c) the methods of publicising the scheme.

Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 162(2).

SECTION 2

AID IN THE OLIVE OIL AND TABLE OLIVES SECTOR

Article 27

Aid to operator organisations

1. The Union shall finance three-year work programmes to be drawn up by the operator organisations as defined in Article 109 in one or more of the following areas:
 - (a) the improvement of the environmental impacts of olive cultivation;
 - (b) the improvement of the production quality of olive oil and table olives;
 - (c) the traceability system, the certification and protection of the quality of olive oil and table olives, in particular the monitoring of the quality of olive oils sold to final consumers, under the authority of the national administrations.
2. The Union financing of the work programmes referred to in paragraph 1 shall be:
 - (a) EUR 11 098 000 per year for Greece;
 - (b) EUR 576 000 per year for France; and
 - (c) EUR 35 991 000 per year for Italy.
3. The maximum Union funding for the work programmes referred to in paragraph 1 shall be equal to the amounts withheld by the Member States. The maximum funding of the eligible cost shall be:
 - (a) 75 % for activities in the areas referred to in point (a) of paragraph 1;
 - (b) 75 % for fixed assets investments and 50 % for other activities in the area referred to in point (b) of paragraph 1;
 - (c) 75 % for the work programmes carried out in at least three third countries or non-producing Member States by approved operator organisations from at least two producer Member States in the areas referred to in point (c) of paragraph 1, and 50 % for the other activities in these areas.

Complementary financing shall be ensured by the Member State up to 50 % of the costs not covered by the Union funding.

Article 28

Delegated powers

1. Taking into account the need to ensure that aid provided for in Article 27 meets its objectives of improving the production quality of olive oil and table olives, the Commission shall be empowered to adopt delegated acts in accordance with Article 160, concerning:
 - (a) conditions for the approval of operator organisations for the purposes of the aid scheme, and for the suspension or withdrawal of such approval;
 - (b) measures eligible for Union financing;
 - (c) allocation of Union financing to particular measures;
 - (d) activities and costs that are not eligible for Union financing;
 - (e) selection and approval of work programmes.
2. Taking into account the need to ensure that operators respect their obligations, the Commission shall be empowered to adopt delegated acts in accordance with Article 160 to require the lodging of a security where an advance payment of aid is made.

Article 29

Implementing powers

The Commission may, by means of implementing acts, adopt measures concerning:

- (a) the implementation of work programmes and amendments to such programmes;
- (b) the payment of aid, including advance payments of aid.

Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 162(2).

SECTION 3

AID IN THE FRUIT AND VEGETABLES SECTOR

Article 30

Operational funds

1. Producer organisations in the fruit and vegetables sector may set up an operational fund. The fund shall be financed by:
 - (a) financial contributions of members or of the producer organisation itself;

- (b) Union financial assistance which may be granted to producer organisations, in accordance with the terms and conditions set out in delegated and implementing acts adopted by the Commission pursuant to Articles 35 and 36.
2. Operational funds shall be used only to finance operational programmes that have been submitted to and approved by Member States.

Article 31

Operational programmes

1. Operational programmes in the fruit and vegetables sector shall have at least two of the objectives referred to in Article 106(c) or the following objectives:
- (a) planning of production;
 - (b) improvement of product quality;
 - (c) boosting products' commercial value;
 - (d) promotion of the products, whether in a fresh or processed form;
 - (e) environmental measures and methods of production respecting the environment, including organic farming;
 - (f) crisis prevention and management.

Operational programmes shall be submitted to the Member States for their approval.

2. Crisis prevention and management referred to in point (f) of paragraph 1 shall be related to avoiding and dealing with crises on the fruit and vegetable markets and shall cover in this context:
- (a) market withdrawal;
 - (b) green harvesting or non-harvesting of fruit and vegetables;
 - (c) promotion and communication;
 - (d) training measures;
 - (e) harvest insurance;
 - (f) support for the administrative costs of setting up mutual funds.

Crisis prevention and management measures, including any repayment of capital and interest as referred to in the third subparagraph, shall not comprise more than one-third of the expenditure under the operational programme.

Producer organisations may take out loans on commercial terms for financing crisis prevention and management measures. In that case, the repayment of the capital and interest on those loans may form part of the operational programme and so may be

eligible for Union financial assistance under Article 32. Any specific action under crisis prevention and management shall be financed either by such loans, or directly, but not both.

3. Member States shall ensure that:
 - (a) operational programmes include two or more environmental actions; or
 - (b) at least 10 % of the expenditure under operational programmes covers environmental actions.

Environmental actions shall respect the requirements for agri-environment payments laid down in Article 29(3) of Regulation (EU) No [...] on support for rural development by the European Agricultural Fund for Rural Development (EAFRD).

Where at least 80 % of the producer members of a producer organisation are subject to one or more identical agri-environment commitments provided for in Article 29(3) of Regulation (EU) No [...] on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) then each one of those commitments shall count as an environmental action as referred to in point (a) of the first subparagraph.

Support for the environmental actions referred to in the first subparagraph shall cover additional costs and income foregone resulting from the action.

4. Member States shall ensure that investments which increase environmental pressure shall only be permitted in situations where effective safeguards to protect the environment from these pressures are in place.

Article 32

Union financial assistance

1. The Union financial assistance shall be equal to the amount of the financial contributions referred to in point (a) of Article 30(1) as actually paid and limited to 50 % of the actual expenditure incurred.
2. The Union financial assistance shall be limited to 4,1 % of the value of the marketed production of each producer organisation.

However, that percentage may be increased to 4,6 % of the value of the marketed production provided that the amount in excess of 4,1 % of the value of the marketed production is used solely for crisis prevention and management measures.

3. At the request of a producer organisation, the 50 % limit provided for in paragraph 1 shall be increased to 60 % for an operational programme or part of an operational programme where it meets at least one of the following conditions:
 - (a) it is submitted by several Union producer organisations operating in different Member States on transnational schemes;

- (b) it is submitted by one or more producer organisations engaged in schemes operated on an interbranch basis;
 - (c) it covers solely specific support for the production of organic products covered by Council Regulation (EC) No 834/2007²⁴;
 - (d) it is the first to be submitted by a recognised producer organisation which has merged with another recognised producer organisation;
 - (e) it is the first to be submitted by a recognised association of producer organisations;
 - (f) it is submitted by producer organisations in Member States where producer organisations market less than 20 % of fruit and vegetables production;
 - (g) it is submitted by a producer organisation in one of the outermost regions referred to in Article 349 of the Treaty;
 - (h) it covers solely specific support for actions to promote the consumption of fruit and vegetables targeted at children in educational establishments.
4. The 50 % limit provided for in paragraph 1 shall be increased to 100 % in the case of market withdrawals of fruit and vegetables which shall not exceed 5 % of the volume of marketed production of each producer organisation and which are disposed of by way of:
- (a) free distribution to charitable organisations and foundations, approved to that effect by the Member States, for use in their activities to assist persons whose right to public assistance is recognised in national law, in particular because they lack the necessary means of subsistence;
 - (b) free distribution to penal institutions, schools and public education institutions and to children's holiday camps as well as to hospitals and old people's homes designated by the Member States, which shall take all necessary steps to ensure that the quantities thus distributed are additional to the quantities normally bought in by such establishments.

Article 33

National financial assistance

1. In regions of Member States where the degree of organisation of producers in the fruit and vegetables sector is particularly low, the Commission may in accordance with the examination procedure referred to in Article 162(2), by means of implementing acts, authorise Member States, on their duly substantiated request, to pay producer organisations national financial assistance equal to a maximum of 80 % of the financial contributions referred to in point (a) of Article 30(1). This assistance shall be additional to the operational fund.

²⁴ OJ L 189, 20.7.2007, p. 1.

2. In regions of Member States where producer organisations, associations of producer organisations and the producer groups referred to in Article 28 of Regulation (EU) No [...] on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) market less than 15 % of the value of fruit and vegetable production and whose fruit and vegetable production represents at least 15 % of their total agricultural output, the national financial assistance referred to in paragraph 1 may be reimbursed by the Union at the request of the Member State concerned. The Commission shall, by means of implementing acts, decide on that reimbursement. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 162(2).

Article 34

National framework and national strategy for operational programmes

1. Member States shall establish a national framework for drawing up general conditions relating to the environmental actions referred to in Article 31(3). This framework shall provide in particular that such actions shall meet the appropriate requirements of Regulation (EU) No [...] on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) in particular those of its Article 6 on consistency .

Member States shall submit their proposed framework to the Commission which, by means of implementing acts, may require modifications within three months if it finds that the proposal would not contribute to the pursuit of the objectives set out in Article 191 of the Treaty and in the seventh Union environment action programme. Investments on individual holdings supported by operational programmes shall also respect those objectives.

2. Each Member State shall establish a national strategy for sustainable operational programmes in the fruit and vegetable market. Such a strategy shall include:
 - (a) an analysis of the situation in terms of strengths and weaknesses and the potential for development;
 - (b) justification of the priorities chosen;
 - (c) the objectives of operational programmes and instruments, and performance indicators;
 - (d) assessment of operational programmes;
 - (e) reporting obligations for producer organisations.

The national strategy shall also integrate the national framework referred to in paragraph 1.

3. Paragraphs 1 and 2 shall not apply to Member States which have no recognised producer organisations.

Article 35

Delegated powers

Taking into account the need to ensure an efficient, targeted and sustainable support of producer organisations in the fruit and vegetables sector, the Commission shall be empowered to adopt delegated acts in accordance with Article 160 establishing rules on:

- (a) operational funds and operational programmes, concerning :
 - (i) the estimated amounts, financing and use of operational funds;
 - (ii) the content, duration, approval and modification of operational programmes;
 - (iii) the eligibility of measures, actions or expenditure under an operational programme and respective complementary national rules;
 - (iv) the relationship between operational programmes and rural development programmes;
 - (v) operational programmes of associations of producer organisations;
- (b) the structure and content of a national framework and a national strategy;
- (c) Union financial assistance, concerning:
 - (i) the basis for the calculation of Union financial assistance, in particular the value of the marketed production of a producer organisation;
 - (ii) applicable reference periods for the calculation of aid;
 - (iii) reductions of financial assistance entitlements in case of late submission of aid applications;
 - (iv) the provision of advance payments and the lodging and forfeiture of securities in case of advance payments;
- (d) crisis prevention and management measures, concerning:
 - (i) the selection of crisis prevention and management measures;
 - (ii) the definition of market withdrawal;
 - (iii) destinations for withdrawn products;
 - (iv) the maximum support for market withdrawals;
 - (v) prior notifications in case of market withdrawals;
 - (vi) the calculation of the volume of marketed production in case of withdrawals;
 - (vii) the display of the European emblem on packages of products for free distribution;

- (viii) the conditions for the recipients of withdrawn products;
 - (ix) the definitions of green harvesting and non-harvesting;
 - (x) the conditions for the application of green harvesting and non-harvesting;
 - (xi) the objectives of harvest insurance;
 - (xii) the definition of adverse climatic event;
 - (xiii) the conditions for support for the administrative cost of setting up mutual funds;
- (e) national financial assistance, concerning :
- (i) the degree of organisation of producers;
 - (ii) modifications of operational programmes;
 - (iii) reductions of financial assistance entitlements in case of late submission of financial assistance applications;
 - (iv) the lodging, releasing and forfeiture of securities in case of advance payments;
 - (v) the maximum proportion of union reimbursement of the national financial assistance.

Article 36

Implementing powers in accordance with the examination procedure

The Commission may, by means of implementing acts, adopt measures concerning:

- (a) the management of operational funds;
- (b) the format of operational programmes;
- (c) aid applications and payments of aid, including advance and partial payments of aid;
- (d) loans to finance crisis prevention and management measures;
- (e) the respect for marketing standards in case of withdrawals;
- (f) transport, sorting and packaging costs in case of free distribution;
- (g) promotion, communication and training measures in case of crisis prevention and management;
- (h) the management of harvest insurance measures;
- (i) provisions on state aids for crisis prevention and management measures;

- (j) the authorisation to pay national financial assistance;
- (k) application for and payment of national financial assistance;
- (l) reimbursement of national financial assistance.

Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 162(2).

SECTION 4

SUPPORT PROGRAMMES IN THE WINE SECTOR

SUBSECTION 1

GENERAL PROVISIONS AND ELIGIBLE MEASURES

Article 37

Scope

This Section lays down the rules governing the attribution of Union funds to Member States and the use of those funds by Member States through five-year national support programmes ("support programmes") to finance specific support measures to assist the wine sector.

Article 38

Compatibility and consistency

1. Support programmes shall be compatible with Union law and consistent with the activities, policies and priorities of the Union.
2. Member States shall be responsible for support programmes and ensure that they are internally consistent and drawn up and implemented in an objective manner, taking into account the economic situation of the producers concerned and the need to avoid unjustified unequal treatment between producers.
3. No support shall be granted for:
 - (a) research projects and measures to support research projects without prejudice to points (d) and (e) of Article 43(3);
 - (b) measures contained in Member States' rural development programmes under Regulation (EU) No [...] on support for rural development by the European Agricultural Fund for Rural Development (EAFRD).

Article 39

Submission of support programmes

1. Each producer Member State listed in Annex IV shall submit to the Commission a draft five-year support programme containing at least one of the eligible measures provided in Article 40.
2. Support programmes shall become applicable three months after their submission to the Commission.

However, if the Commission, by means of an implementing act, establishes that the submitted support programme does not comply with the rules laid down in this Section, the Commission shall inform the Member State thereof. In that case, the Member State shall submit a revised support programme to the Commission. The revised support programme shall become applicable two months after its submission unless an incompatibility persists in which case this subparagraph shall apply.

3. Paragraph 2 shall apply *mutatis mutandis* to changes in respect of support programmes submitted by Member States.

Article 40

Eligible measures

Support programmes may contain only one or more of the following measures:

- (a) Single Payment Scheme support in accordance with Article 42;
- (b) promotion in accordance with Article 43;
- (c) restructuring and conversion of vineyards in accordance with Article 44;
- (d) green harvesting in accordance with Article 45;
- (e) mutual funds in accordance with Article 46;
- (f) harvest insurance in accordance with Article 47;
- (g) investments in accordance with Article 48;
- (h) by-product distillation in accordance with Article 49.

Article 41

General rules concerning support programmes

1. The available Union funds shall be allocated within the budgetary limits provided in Annex IV.

2. Union support shall only be granted for eligible expenditure incurred after the submission of the relevant support programme.
3. Member States shall not contribute to the costs of measures financed by the Union under the support programmes.

SUBSECTION 2

SPECIFIC SUPPORT MEASURES

Article 42

Single Payment Scheme and support to vine-growers

Support programmes may only include support to vine-growers in the form of allocation of payment entitlements decided by Member States by 1 December 2012 under Article 137 of Regulation (EU) No [COM(2010)799] and under the conditions set out in that Article.

Article 43

Promotion in third-countries

1. Support under this Article shall cover information or promotion measures concerning Union wines in third countries, thereby improving their competitiveness in those countries.
2. The measures referred to in paragraph 1 shall apply to wines with a protected designation of origin or a protected geographical indication or wines with an indication of the wine grape variety.
3. The measures referred to in paragraph 1 may consist only of:
 - (a) public relations, promotion or advertisement measures, in particular highlighting the advantages of the Union products, especially in terms of quality, food safety or environmental friendliness;
 - (b) participation at events, fairs or exhibitions of international importance;
 - (c) information campaigns, in particular on the Union systems covering designations of origin, geographical indications and organic production;
 - (d) studies of new markets, necessary for the expansion of market outlets;
 - (e) studies to evaluate the results of the information and promotion measures.
4. The Union contribution to promotion activities referred to in paragraph 1 shall not exceed 50 % of the eligible expenditure.

Article 44

Restructuring and conversion of vineyards

1. The objective of measures relating to the restructuring and conversion of vineyards shall be to increase the competitiveness of wine producers.
2. The restructuring and conversion of vineyards shall be supported if Member States submit the inventory of their production potential in accordance with Article 102(3).
3. Support for the restructuring and conversion of vineyards may only cover one or more of the following activities:
 - (a) varietal conversion, including by means of grafting-on;
 - (b) relocation of vineyards;
 - (c) improvements to vineyard management techniques.

The normal renewal of vineyards which have come to the end of their natural life shall not be supported.

4. Support for the restructuring and conversion of vineyards may only take the following forms:
 - (a) compensation to producers for the loss of revenue due to the implementation of the measure;
 - (b) contribution to the costs of restructuring and conversion.
5. Compensation to producers for the loss of revenue referred to in point (a) of paragraph 4 may cover up to 100 % of the relevant loss and take one of the following forms:
 - (a) notwithstanding Subsection II of Section V of Chapter III of Title I of Part II of Regulation (EU) No [COM(2010)799] setting out the transitional planting right regime, the permission for old and new vines to coexist until the end of the transitional regime for a maximum period which shall not exceed three years;
 - (b) financial compensation.
6. The Union contribution to the actual costs of the restructuring and conversion of vineyards shall not exceed 50 %. In less developed regions the Union contribution to the costs of restructuring and conversion shall not exceed 75 %.

Article 45

Green harvesting

1. For the purposes of this Article, green harvesting shall mean the total destruction or removal of grape bunches while still in their immature stage, thereby reducing the yield of the relevant area to zero.
2. Support for green harvesting shall contribute to restoring the balance of supply and demand in the Union wine market in order to prevent market crises.
3. Support for green harvesting may be granted as compensation in the form of a flat rate payment per hectare to be determined by the Member State concerned.

The payment shall not exceed 50 % of the sum of the direct costs of the destruction or removal of grape bunches and the loss of revenue related to such destruction or removal.

4. The Member States concerned shall establish a system based on objective criteria to ensure that the green harvesting measure does not lead to compensation of individual wine producers in excess of the ceiling referred to in the second subparagraph of paragraph 3.

Article 46

Mutual funds

1. Support for the setting up of mutual funds shall provide assistance to producers seeking to insure themselves against market fluctuations.
2. Support for the setting up of mutual funds may be granted in the form of temporary and degressive aid to cover the administrative costs of the funds.

Article 47

Harvest insurance

1. Support for harvest insurance shall contribute to safeguarding producers' incomes where these are affected by natural disasters, adverse climatic events, diseases or pest infestations.
2. Support for harvest insurance may be granted in the form of a Union financial contribution which shall not exceed:
 - (a) 80 % of the cost of the insurance premiums paid for by producers for insurance against losses resulting from adverse climatic events which can be assimilated to natural disasters;
 - (b) 50 % of the cost of the insurance premiums paid for by producers for insurance against:

- (i) losses referred to in point (a) and against other losses caused by adverse climatic events;
 - (ii) losses caused by animals, plant diseases or pest infestations.
3. Support for harvest insurance may be granted if the insurance payments concerned do not compensate producers for more than 100 % of the income loss suffered, taking into account any compensation the producers may have obtained from other support schemes related to the insured risk.
4. Support for harvest insurance shall not distort competition in the insurance market.

Article 48

Investments

1. Support may be granted for tangible or intangible investments in processing facilities, winery infrastructure and marketing of wine which improve the overall performance of the enterprise and concern one or more of the following:
 - (a) the production or marketing of grapevine products referred to in Part II of Annex VI;
 - (b) the development of new products, processes and technologies concerning the products referred to in Part II of Annex VI.
2. Support under paragraph 1 at its maximum rate shall apply only to micro, small and medium-sized enterprises within the meaning of Commission Recommendation 2003/361/EC of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises²⁵.

By way of derogation from the first subparagraph, the maximum rate may apply to all enterprises for the outermost regions referred to in Article 349 of the Treaty and the smaller Aegean islands as defined in Article 1(2) of Regulation (EC) No 1405/2006²⁶. For enterprises not covered by Article 2(1) of Title I of the Annex to Recommendation 2003/361/EC with less than 750 employees or with a turnover of less than EUR 200 million, the maximum aid intensity shall be halved.

Support shall not be granted to enterprises in difficulty within the meaning of the Community guidelines on State aid for rescuing and restructuring firms in difficulty²⁷.

3. The eligible expenditure shall exclude the non-eligible costs referred to in paragraph 3 of Article 59 of Regulation (EU) No [COM(2011)615].
4. The following maximum aid rates concerning the eligible investment costs shall apply to the Union contribution:

²⁵ OJ L 124, 20.5.2003, p. 36.

²⁶ OJ L 265, 25.9.2006, p. 1.

²⁷ OJ C 244, 1.10.2004, p. 2.

- (a) 50 % in less developed regions;
 - (b) 40 % in regions other than less developed regions;
 - (c) 75 % in the outermost regions referred to in Article 349 of the Treaty;
 - (d) 65 % in the smaller Aegean islands as defined in Article 1(2) of Regulation (EC) No 1405/2006.
5. Article 61 of Regulation (EU) No [COM(2011)615] shall apply *mutatis mutandis* to support referred to in paragraph 1 of this Article.

Article 49

By-product distillation

1. Support may be granted for the voluntary or obligatory distillation of by-products of wine making which has been carried out in accordance with the conditions laid down in Section D of Part II of Annex VII.

The amount of aid shall be fixed per % volume and per hectolitre of alcohol produced. No aid shall be paid for the volume of alcohol contained in the by-products to be distilled which exceeds 10 % in relation to the volume of alcohol contained in the wine produced.

2. The maximum applicable aid levels shall be based on collection and processing costs and fixed by the Commission by means of implementing acts pursuant to Article 51.
3. The alcohol resulting from the supported distillation referred to in paragraph 1 shall be used exclusively for industrial or energy purposes to avoid distortion of competition.

SUBSECTION 3

PROCEDURAL PROVISIONS

Article 50

Delegated powers

Taking into account the need to ensure that support programmes meet their objectives and that there is a targeted use of European Funds, the Commission shall be empowered to adopt delegated acts in accordance with Article 160, establishing rules:

- (a) on the responsibility for expenditure between the date of receipt of the support programmes, and modifications to support programmes and their date of applicability;

- (b) on eligibility criteria of support measures, the type of expenditure and operations eligible for support, measures ineligible for support and the maximum level of support per measure;
- (c) on changes to support programmes after they have become applicable;
- (d) on requirements and thresholds for advance payments, including the requirement for a security where an advance payment is made;
- (e) containing general provisions and definitions for the purposes of this Section;
- (f) to avoid misuse of the support measures and double funding of projects;
- (g) under which producers shall withdraw the by-products of winemaking and exceptions from this obligation to avoid additional administrative burden and rules for the voluntary certification of distillers;
- (h) laying down requirements for the Member States for the implementation of the support measures, as well as restrictions to ensure consistency with the scope of the support measures;
- (j) regarding payments to beneficiaries and payments through insurance intermediaries in the case of support for harvest insurance provided for in Article 47.

Article 51

Implementing powers in accordance with the examination procedure

The Commission may, by means of implementing acts, adopt measures concerning:

- (a) the submission of the support programmes, the corresponding financial planning and revision of support programmes;
- (b) application and selection procedures;
- (c) evaluation of the supported actions;
- (d) the calculation and payment of aid for green harvesting and by-product distillation;
- (e) requirements on financial management of the support measures by the Member States;
- (f) rules on coherence of measures.

Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 162(2).

SECTION 5

AID IN THE APICULTURE SECTOR

Article 52

National programmes and financing

1. Member States may draw up national programmes for the apiculture sector covering a period of three years.
2. The Union contribution to the apiculture programmes shall not exceed 50 % of the expenditure borne by Member States.
3. To be eligible for the Union contribution provided for in paragraph 2, Member States shall carry out a study of the production and marketing structure in the beekeeping sector in their territory.

Article 53

Delegated powers

Taking into account the need to ensure a targeted use of Union funds for apiculture, the Commission shall be empowered to adopt delegated acts in accordance with Article 160 on:

- (a) the measures which may be included in apiculture programmes,
- (b) rules for drawing up and the content of national programmes and the studies referred to in Article 52(3); and
- (c) the conditions for the allocation of the Union's financial contribution to each participating Member State based on *inter alia* total number of hives in the Union.

Article 54

Implementing powers in accordance with the examination procedure

The Commission may, by means of implementing acts:

- (a) adopt rules to ensure that measures financed under the apiculture programmes are not simultaneously subject to payments under another Union scheme, and for the reallocation of unused funds;
- (b) approve the apiculture programmes submitted by Member States, including the allocation of the Union's financial contribution.

Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 162(2).

TITLE II
**RULES CONCERNING MARKETING AND PRODUCER
ORGANISATIONS**

CHAPTER I

Rules concerning marketing

SECTION 1

MARKETING STANDARDS

SUBSECTION 1

INTRODUCTORY PROVISIONS

Article 55

Scope

Without prejudice to any other provisions applicable to agricultural products, as well as the provisions adopted in the veterinary, phytosanitary and food sectors to ensure that products comply with hygiene and health standards and to protect animal, plant and human health, this Section lays down the rules concerning the general marketing standard and marketing standards by sector and/or product for agricultural products.

SUBSECTION 2

GENERAL MARKETING STANDARD

Article 56

Conformity with the general marketing standard

1. For the purposes of this Regulation a product complies with the "general marketing standard" if it is of sound, fair and marketable quality.

2. Where no marketing standards as referred to in Subsection 3 and in Council Directives 2000/36/EC²⁸, 2001/112/EC²⁹, 2001/113/EC³⁰, 2001/114/EC³¹, 2001/110/EC³², 2001/111/EC³³, have been established, agricultural products which are ready for sale or delivery to the final consumer in retail as defined in point 7 of Article 3 of Regulation (EC) No 178/2002 may only be marketed if they conform to the general marketing standard.
3. A product shall be considered as conforming to the general marketing standard where the product intended to be marketed is in conformity with an applicable standard adopted by any of the international organisations listed in Annex V.

Article 57

Delegated powers

Taking into account the need to address changes in the market situation, and the specificity of each sector, the Commission shall be empowered to adopt delegated acts in accordance with Article 160 to adopt, modify and derogate from the requirements concerning general marketing standard referred to in Article 56(1), and rules on conformity referred to in Article 56(3).

SUBSECTION 3

MARKETING STANDARDS BY SECTORS OR PRODUCTS

Article 58

General principle

The products for which marketing standards by sectors or products have been laid down may be marketed in the Union only in accordance with such standards.

Article 59

Establishment and content

1. Taking into account the expectations of consumers and the need to improve the economic conditions for the production and marketing of agricultural products as well as their quality, the Commission shall be empowered to adopt delegated acts in accordance with Article 160 on marketing standards referred to in Article 55, at all

²⁸ OJ L 197, 3.8.2000, p. 19.

²⁹ OJ L 10, 12.1.2002, p. 58.

³⁰ OJ L 10, 12.1.2002, p. 67.

³¹ OJ L 15, 17.1.2002, p. 19.

³² OJ L 10, 12.1.2002, p. 47.

³³ OJ L 10, 12.1.2002, p. 53.

stages of the marketing, as well as derogations and exemptions from such standards to adapt to the constantly changing market conditions, to the evolving consumer demands, to developments in relevant international standards and avoid creating obstacles to product innovation.

2. The marketing standards referred to in paragraph 1 may cover :
- (a) the definition, designation and/or sales descriptions other than those set out in this Regulation and lists of carcasses and parts thereof to which Annex VI applies;
 - (b) classification criteria such as grading into classes, weight, sizing, age and category;
 - (c) the plant variety or animal race or the commercial type;
 - (d) the presentation, sales descriptions, labelling linked to obligatory marketing standards, packaging, rules to be applied in relation to packing centres, marking, wrapping, year of harvesting and use of specific terms;
 - (e) criteria such as appearance, consistency, conformation, product characteristics;
 - (f) specific substances used in production, or components or constituents, including their quantitative content, purity and identification;
 - (g) the type of farming and production method including oenological practices and related administrative rules, and operating circuit;
 - (h) coupage of must and wine including definitions thereof, blending and restrictions thereof;
 - (i) the conservation method and temperature;
 - (j) the place of farming and/or origin;
 - (k) the frequency of collection, delivery, preservation and handling;
 - (l) the identification or registration of the producer and/or the industrial facilities in which the product has been prepared or processed;
 - (m) the percentage of water content;
 - (n) restrictions as regards the use of certain substances and/or practices;
 - (o) specific use;
 - (p) commercial documents, accompanying documents and registers to be kept;
 - (q) storage, transport;
 - (r) the certification procedure;

- (s) the conditions governing the disposal, the holding, circulation and use of products not in conformity with the marketing standards adopted pursuant to paragraph 1 and/or with the definitions, designations and sales descriptions as referred to in Article 60, as well as the disposal of by-products;
 - (t) time limits.
3. The marketing standards by sectors or products adopted pursuant to paragraph 1 shall be established without prejudice to Title IV of Regulation (EU) No [COM(2010)733] on agricultural product quality schemes, and shall take into account:
- (a) the specificities of the product concerned;
 - (b) the need to ensure the conditions for a smooth placing of the products on the market;
 - (c) the interest of consumers to receive adequate and transparent product information, including the place of farming to be determined on a case by case approach at the appropriate geographical level;
 - (d) the methods used for determining physical, chemical and organoleptic characteristics of the products;
 - (e) the standard recommendations adopted by international bodies.

Article 60

Definitions, designations and sales descriptions for certain sectors and products

1. The definitions, designations and sales descriptions provided for in Annex VI shall apply to the following sectors or products:
- (a) olive oil and table olives;
 - (b) wine;
 - (c) beef and veal;
 - (d) milk and milk products intended for human consumption;
 - (e) poultrymeat;
 - (f) spreadable fats intended for human consumption.
2. Definitions, designations or sales descriptions provided for in Annex VI may be used in the Union only for the marketing of a product which complies with the corresponding requirements laid down in that Annex.
3. Taking into account the need to adapt to evolving consumer demands, and technical progress and to avoid creating obstacles to product innovation, the Commission shall be empowered to adopt delegated acts in accordance with Article 160 on

modifications, derogations or exemptions to the definitions and sales descriptions provided for in Annex VI.

Article 61

Tolerance

Taking into account the specificity of each sector, the Commission shall be empowered to adopt delegated acts in accordance with Article 160 on tolerance for each standard beyond which the entire batch of products shall be considered as not respecting that standard.

Article 62

Oenological practices and methods of analyses

1. Only oenological practices authorised in accordance with Annex VII and provided for in point (g) of Article 59(2) and in paragraphs 2 and 3 of Article 65 shall be used in the production and conservation of the products listed in Part II of Annex VI in the Union.

The first subparagraph shall not apply to:

- (a) grape juice and concentrated grape juice;
- (b) grape must and concentrated grape must intended for the preparation of grape juice.

Authorised oenological practices shall only be used for the purposes of ensuring proper vinification, proper preservation or proper refinement of the product.

Products listed in Part II of Annex VI shall be produced in the Union in accordance with the rules laid down in Annex VII.

Products listed in Part II of Annex VI shall not be marketed in the Union where:

- (a) they have undergone unauthorised Union oenological practices or
- (b) they have undergone unauthorised national oenological practices or
- (c) they do not comply with the rules laid down in Annex VII.

2. When authorising oenological practices for wine as referred to in point (g) of Article 59(2), the Commission shall:

- (a) base itself on the oenological practices and methods of analyses recommended and published by the OIV as well as on the results of experimental use of as yet unauthorised oenological practices;
- (b) take into account the protection of human health;

- (c) take into account the possible risk of consumers being misled due to their expectations and perceptions, having regard to the availability and feasibility of informational means to exclude such risks;
 - (d) allow the preservation of the natural and essential characteristics of the wine and not cause a substantial change in the composition of the product concerned;
 - (e) ensure an acceptable minimum level of environmental care;
 - (f) respect the general rules concerning oenological practices and the rules laid down in Annex VII.
3. The Commission shall, where necessary, adopt methods referred to in point (d) of Article 59(3) for products listed in Part II of Annex VI by means of implementing acts. Those methods shall be based on any relevant methods recommended and published by the OIV, unless they would be ineffective or inappropriate in view of the legitimate objective pursued. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 162(2).

Pending the adoption of such rules, the methods to be used shall be those allowed by the Member State concerned.

Article 63

Wine grape varieties

1. Products listed in Part II of Annex VI and produced in the Union shall be made from wine grape varieties classifiable according to paragraph 2 of this Article.
2. Subject to paragraph 3, Member States shall classify which wine grape varieties may be planted, replanted or grafted on their territories for the purpose of wine production.

Only wine grape varieties meeting the following conditions may be classified by Member States:

- (a) the variety concerned belongs to the species *Vitis vinifera* or comes from a cross between the species *Vitis vinifera* and other species of the genus *Vitis*;
- (b) the variety is not one of the following: Noah, Othello, Isabelle, Jacquez, Clinton and Herbemont.

Where a wine grape variety is deleted from the classification referred to in the first subparagraph, grubbing-up of this variety shall take place within 15 years of its deletion.

3. Member States whose wine production does not exceed 50 000 hectolitres per wine year, calculated on the basis of the average production during the last five wine years, shall be exempted from the classification obligation referred to in the first subparagraph of paragraph 2.

However, also in the Member States referred to in the first subparagraph, only wine grape varieties complying with the second subparagraph of paragraph 2 may be planted, replanted or grafted for the purpose of wine production.

4. By way of derogation from the first and third subparagraphs of paragraph 2 and the second subparagraph of paragraph 3, the planting, replanting or grafting of the following wine grape varieties shall be allowed by the Member States for scientific research and experimental purposes:
 - (a) wine grape varieties which are not classified as far as Member States referred to in paragraph 3 are concerned;
 - (b) wine grape varieties which do not comply with the second subparagraph of paragraph 2 as far as Member States referred to in paragraph 3 are concerned.
5. Areas planted with wine grape varieties for the purpose of wine production planted in breach of paragraphs 2 to 4 shall be grubbed up.

However, there shall be no obligation to grub up such areas where the relevant production is intended exclusively for consumption by the wine-producers' households.

Article 64

Specific use of wine not conforming to the categories listed in Part II of Annex VI

Except for bottled wine for which there is evidence that bottling was performed before 1 September 1971, wine produced from wine grape varieties listed in the classifications drawn up in accordance with the first subparagraph of Article 63(2) but not conforming to one of the categories laid down in Part II of Annex VI, shall be used only for consumption by individual wine-producers' households, for the production of wine vinegar or for distillation.

Article 65

National rules for certain products and sectors

1. Notwithstanding the provisions of Article 59(1), Member States may adopt or maintain national rules laying down different quality levels for spreadable fats. Such rules shall allow those quality levels to be assessed on the basis of criteria relating in particular to the raw materials used, the organoleptic characteristics of the products and their physical and microbiological stability.

Member States making use of the option provided for in the first subparagraph shall ensure that other Member States' products complying with the criteria laid down by those national rules may, in a non-discriminatory way, use terms which state that those criteria are complied with.
2. Member States may limit or prohibit the use of certain oenological practices and provide for more stringent rules for wines authorised under Union law produced in their territory with a view to reinforcing the preservation of the essential

characteristics of wines with a protected designation of origin or a protected geographical indication and of sparkling wines and liqueur wines.

3. Member States may allow the experimental use of unauthorised oenological practices in accordance with the conditions specified by the Commission, by means of delegated acts adopted pursuant to paragraph 4.
4. Taking into account the need to ensure the correct and transparent application, the Commission shall be empowered to adopt delegated acts in accordance with Article 160 specifying the conditions for the application of paragraphs 1, 2 and 3 of this Article as well as the conditions for the holding, circulation and use of the products obtained from the experimental practices referred to in paragraph 3 of this Article.

SUBSECTION 4

MARKETING STANDARDS RELATED TO IMPORT AND EXPORT

Article 66

General provisions

Taking into account the specificities in trade between the Union and certain third countries and the special character of some agricultural products, the Commission shall be empowered to adopt delegated acts in accordance with Article 160 to define the conditions under which imported products are considered to have an equivalent level of compliance with the Union marketing standards and conditions allowing derogation from Article 58 and determine the rules concerning the application of the marketing standards to products exported from the Union.

Article 67

Special provisions for the imports of wine

1. Save as otherwise provided for in agreements concluded pursuant to Article 218 of the Treaty, the provisions concerning designation of origin and geographical indications and labelling of wine set out in Section 2 of this Chapter and in the definitions, designations and sales descriptions referred to in Article 60 of this Regulation, shall apply to products imported into the Union and falling under CN codes 2009 61, 2009 69 and 2204.
2. Save as otherwise provided for in agreements concluded pursuant to Article 218 of the Treaty, products referred to in paragraph 1 of this Article shall be produced in accordance with oenological practices recommended and published by the OIV or authorised by the Union pursuant to this Regulation.
3. The import of the products referred to in paragraph 1 shall be subject to the presentation of:

- (a) a certificate evincing compliance with the provisions referred to in paragraphs 1 and 2, drawn up by a competent body, included on a list to be made public by the Commission, in the product's country of origin;
- (b) an analysis report drawn up by a body or department designated by the product's country of origin, in so far as the product is intended for direct human consumption.

SUBSECTION 5

COMMON PROVISIONS

Article 68

Implementing powers in accordance with the examination procedure

The Commission may, by means of implementing acts, adopt the necessary measures related to this Section and in particular:

- (a) for the implementation of the general marketing standard;
- (b) for the implementation of the definitions and sales descriptions provided for in Annex VI;
- (c) for drawing up the list of milk and milk products referred to in the second paragraph of point 5 of Part III of Annex VI and spreadable fats referred to in point (a) of the sixth paragraph of Part VI of Annex VI, on the basis of indicative lists of products which Member States regard as corresponding in their territory to those provisions and which Member States shall send to the Commission;
- (d) for the implementation of the marketing standards by sector or product, including the detailed rules for the taking of samples and the methods of analysis for determining the composition of products;
- (e) for determining whether products have undergone processes contrary to the authorised oenological practices;
- (f) for fixing of the tolerance level;
- (g) for the implementation of Article 66.

Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 162(2).

SECTION 2

DESIGNATIONS OF ORIGIN, GEOGRAPHICAL INDICATIONS AND TRADITIONAL TERMS IN THE WINE SECTOR

SUBSECTION 1

INTRODUCTORY PROVISIONS

Article 69

Scope

1. Rules on designations of origin, geographical indications and traditional terms laid down in this Section shall apply to the products referred to in points 1, 3 to 6, 8, 9, 11, 15 and 16 of Part II of Annex VI.
2. The rules referred to in paragraph 1 shall be based on:
 - (a) protecting of legitimate interests of consumers and producers;
 - (b) ensuring the smooth operation of the internal market in the products concerned; and
 - (c) promoting the production of quality products, whilst allowing national quality policy measures.

SUBSECTION 2

DESIGNATIONS OF ORIGIN AND GEOGRAPHICAL INDICATIONS

Article 70

Definitions

1. For the purposes of this Section, the following definitions shall apply:
 - (a) "a designation of origin" shall mean the name of a region, a specific place or, in exceptional and duly justifiable cases, a country used to describe a product referred to in Article 69(1) complying with the following requirements:
 - (i) the quality and characteristics of the product are essentially or exclusively due to a particular geographical environment with its inherent natural and human factors;

- (ii) the grapes from which the product is produced come exclusively from that geographical area;
 - (iii) the production takes place in that geographical area; and
 - (iv) the product is obtained from vine varieties belonging to *Vitis vinifera*;
 - (b) "a geographical indication" shall mean an indication referring to a region, a specific place or, in exceptional and duly justifiable cases, a country, used to describe a product referred to in Article 69(1) complying with the following requirements:
 - (i) it possesses a specific quality, reputation or other characteristics attributable to that geographical origin;
 - (ii) at least 85 % of the grapes used for its production come exclusively from that geographical area;
 - (iii) its production takes place in that geographical area; and
 - (iv) it is obtained from vine varieties belonging to *Vitis vinifera* or a cross between the *Vitis vinifera* species and other species of the genus *Vitis*.
2. Certain traditionally used names shall constitute a designation of origin where they:
- (a) designate a wine;
 - (b) refer to a geographical name;
 - (c) meet the requirements referred to in points (i) to (iv) of paragraph 1(a); and
 - (d) undergo the procedure conferring protection on designations of origin and geographical indications laid down in this Subsection.
3. Designations of origin and geographical indications, including those relating to geographical areas in third countries, shall be eligible for protection in the Union in accordance with the rules laid down in this Subsection.

Article 71

Applications for protection

1. Applications for protection of names as designations of origin or geographical indications shall include a technical file containing:
- (a) the name to be protected;
 - (b) the name and address of the applicant;
 - (c) a product specification as referred to in paragraph 2; and

- (d) a single document summarising the product specification referred to in paragraph 2.
2. The product specification shall enable interested parties to verify the relevant conditions of production of the designation of origin or geographical indication.
3. Where the application for protection concerns a geographical area in a third country, in addition to the elements provided for in paragraphs 1 and 2, it shall contain a proof that the name concerned is protected in its country of origin.

Article 72

Applicants

1. Any interested group of producers, or in exceptional and duly justifiable cases a single producer, may apply for the protection of a designation of origin or geographical indication. Other interested parties may participate in the application.
2. Producers may apply for protection only for wines which they produce.
3. In the case of a name designating a trans-border geographical area or a traditional name connected to a trans-border geographical area, a joint application may be submitted.

Article 73

Preliminary national procedure

1. Applications for protection of a designation of origin or a geographical indication as referred to in Article 71 for wines originating in the Union shall be subject to a preliminary national procedure.
2. If the Member State considers that the designation of origin or geographical indication does not meet the requirements or is incompatible with Union law, it shall reject the application.
3. If the Member State considers that the requirements are met, it shall carry out a national procedure which ensures adequate publication of the product specification at least on the Internet.

Article 74

Scrutiny by the Commission

1. The Commission shall make public the date of submission of the application for protection of the designation of origin or geographical indication.
2. The Commission shall examine whether the applications for protection as referred to in Article 71 meet the conditions laid down in this Subsection.

3. Where the Commission considers that the conditions laid down in this Subsection are met, it shall, by means of implementing acts, decide to publish in the *Official Journal of the European Union* the single document referred to in point (d) of Article 71(1) and the reference to the publication of the product specification made in the course of the preliminary national procedure.
4. Where the Commission considers that the conditions laid down in this Subsection are not met, it shall, by means of an implementing act, decide to reject the application.

Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 162(2).

Article 75

Objection procedure

Within two months from the date of the publication of the single document as referred to in point (d) of Article 71(1), any Member State or third country, or any natural or legal person having a legitimate interest, resident or established in a Member State other than that applying for the protection or in a third country, may object to the proposed protection by submitting to the Commission a duly substantiated statement concerning the conditions of eligibility as laid down in this Subsection.

In case of natural or legal persons resident or established in third countries, such statement shall be submitted, either directly or via the authorities of the third country concerned, within the two months time limit referred to in the first paragraph.

Article 76

Decision on protection

On the basis of the information available to the Commission upon the completion of the objection procedure referred to in Article 75, the Commission shall, by means of an implementing act, decide either to confer protection on the designation of origin or geographical indication which meets the conditions laid down in this Subsection and is compatible with Union law, or to reject the application where those conditions are not satisfied.

Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 162(2).

Article 77

Homonyms

1. A name, for which an application is submitted, and which is wholly or partially homonymous with that of a name already registered under this Regulation, shall be

registered with due regard for local and traditional usage and for any risk of confusion.

A homonymous name which misleads the consumer into believing that products come from another territory shall not be registered even if the name is accurate as far as the actual territory, region or place of origin of those products is concerned.

The use of a registered homonymous name shall be subject to there being a sufficient distinction in practice between the homonym registered subsequently and the name already in the register, having regard to the need to treat the producers concerned in an equitable manner and the need not to mislead the consumer.

2. Paragraph 1 shall apply *mutatis mutandis* if a name, for which an application is submitted, is wholly or partially homonymous with a geographical indication protected under the legislation of Member States.
3. Where the name of a wine grape variety contains or consists of a protected designation of origin or a protected geographical indication, that name shall not be used for the purposes of labelling agricultural products. The Commission may by means of delegated acts adopted in accordance with Article 160 decide otherwise, taking into account the existing labelling practices.
4. The protection of designations of origin and geographical indications of products covered by Article 70 shall be without prejudice to protected geographical indications applying to spirit drinks as defined in Article 2 of Regulation (EC) No 110/2008 of the European Parliament and of the Council³⁴.

Article 78

Grounds for refusal of protection

1. A name that has become generic shall not be protected as a designation of origin or a geographical indication.

For the purposes of this Section, a “name that has become generic” shall mean the name of a wine which, although it relates to the place or the region where this product was originally produced or marketed, has become the common name of a wine in the Union.

To establish whether or not a name has become generic, the relevant factors shall be taken into account, in particular:

- (a) the existing situation in the Union, notably in areas of consumption;
- (b) the relevant Union or national legislation.

³⁴ OJ L 39, 13.2.2008, p. 16.

2. A name shall not be protected as a designation of origin or geographical indication where, in the light of a trade mark's reputation and renown, protection could mislead the consumer as to the true identity of the wine.

Article 79

Relationship with trade marks

1. Where a designation of origin or a geographical indication is protected under this Regulation, the registration of a trade mark the use of which falls under Article 80(2) and relating to a product falling under one of the categories listed in Part II of Annex VI shall be refused if the application for registration of the trade mark is submitted after the date of submission of the application for protection of the designation of origin or geographical indication to the Commission and the designation of origin or geographical indication is subsequently protected.

Trade marks registered in breach of the first subparagraph shall be invalidated.

2. Without prejudice to Article 78(2), a trade mark the use of which falls under Article 80(2), which has been applied for, registered or established by use, if that possibility is provided for by the legislation concerned, in the territory of the Union before the date on which the application for protection of the designation of origin or geographical indication is submitted to the Commission, may continue to be used and renewed notwithstanding the protection of a designation of origin or geographical indication, provided that no grounds for the trade mark's invalidity or revocation exist under Directive 2008/95/EC of the European Parliament and of the Council of 22 October 2008 to approximate the laws of the Member States relating to trade marks³⁵ or by Council Regulation (EC) No 207/2009 of 26 February 2009 on the Community trade mark³⁶.

In such cases the use of the designation of origin or geographical indication shall be permitted alongside the relevant trade marks.

Article 80

Protection

1. A protected designation of origin and a protected geographical indication may be used by any operator marketing a wine which has been produced in conformity with the corresponding product specification.
2. A protected designation of origin and a protected geographical indication and the wine using that protected name in conformity with the product specifications shall be protected against:
 - (a) any direct or indirect commercial use of that protected name:

³⁵ OJ L 299, 8.11.2008, p. 25.

³⁶ OJ L 78, 24.3.2009, p. 1.

- (i) by comparable products not complying with the product specification of the protected name; or
 - (ii) in so far as such use exploits the reputation of a designation of origin or a geographical indication;
 - (b) any misuse, imitation or evocation, even if the true origin of the product or service is indicated or if the protected name is translated, transcribed or transliterated or accompanied by an expression such as “style”, “type”, “method”, “as produced in”, “imitation”, “flavour”, “like” or similar;
 - (c) any other false or misleading indication as to the provenance, origin, nature or essential qualities of the product, on the inner or outer packaging, advertising material or documents relating to the wine product concerned, and the packing of the product in a container liable to convey a false impression as to its origin;
 - (d) any other practice liable to mislead the consumer as to the true origin of the product.
3. Protected designations of origin and protected geographical indications shall not become generic in the Union within the meaning of Article 78(1).

Article 81

Register

The Commission shall establish and maintain an electronic register of protected designations of origin and protected geographical indications for wine which shall be publicly accessible. Designations of origin and geographical indications pertaining to products of third countries that are protected in the Union pursuant to an international agreement to which the Union is a contracting party may be entered in the Register. Unless specifically identified in that agreement as protected designations of origin within the meaning of this Regulation, such names shall be entered in the register as protected geographical indications.

Article 82

Amendments to product specifications

An applicant satisfying the conditions laid down pursuant to point (b) of Article 86(4) may apply for approval of an amendment to the product specification of a protected designation of origin or a protected geographical indication, in particular to take account of developments in scientific and technical knowledge or to redefine the geographical area concerned. Applications shall describe and give reasons for the amendments requested.

Article 83

Cancellation

The Commission may, on its own initiative or on a duly substantiated request by a Member State, a third country or a natural or legal person having a legitimate interest, by means of an implementing act, decide to cancel the protection of a designation of origin or a geographical indication if compliance with the corresponding product specification is no longer ensured.

Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 162(2).

Article 84

Existing protected wine names

1. Wine names, which are protected in accordance with Articles 51 and 54 of Council Regulation (EC) No 1493/1999³⁷ and Article 28 of Commission Regulation (EC) No 753/2002³⁸, shall automatically be protected under this Regulation. The Commission shall list them in the register provided for in Article 81 of this Regulation.
2. The Commission shall take the corresponding formal step of removing wine names to which Article 191(3) of Regulation (EU) No [COM(2010)799] applies from the register provided for in Article 81 by means of implementing acts .
3. Article 83 shall not apply to existing protected wine names referred to in paragraph 1 of this Article.

Until 31 December 2014 the Commission may, on its own initiative, by means of implementing acts, decide to cancel protection of existing protected wine names referred to in paragraph 1 of this Article if they do not meet the conditions laid down in Article 70.

Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 162(2).

Article 85

Fees

Member States may charge fees to cover their costs, including those incurred in examining the applications for protection, statements of objections, applications for amendments and requests for cancellations under this Subsection.

³⁷ OJ L 179, 14.7.1999, p. 1.

³⁸ OJ L 118, 4.5.2002, p. 1.

Article 86

Delegated powers

1. The Commission shall be empowered to adopt delegated acts in accordance with Article 160 to provide for measures listed in paragraphs 2 to 5 of this Article.
2. Taking into account of the specificities of the production in the demarcated geographical area, the Commission may, by means of delegated acts, adopt:
 - (a) the principles for the demarcation of the geographical area, and
 - (b) the definitions, restrictions and derogations concerning the production in the demarcated geographical area.
3. Taking into account the need to ensure product quality and traceability, the Commission may, by means of delegated acts, provide for the conditions under which product specifications may include additional requirements.
4. Taking into account the need to ensure the legitimate rights and interests of producers or operators, the Commission may, by means of delegated acts, adopt rules on:
 - (a) the elements of the product specification;
 - (b) the type of applicant that may apply for the protection of a designation of origin or geographical indication;
 - (c) the conditions to be followed in respect of an application for the protection of a designation of origin or geographical indication, preliminary national procedures, scrutiny by the Commission, objection procedure, and procedures for amendment, cancellation and conversion of protected designations of origin or protected geographical indications;
 - (d) the conditions applicable to trans-border applications;
 - (e) the conditions for applications concerning geographical areas in a third country;
 - (f) the date from which a protection or an amendment of a protection shall apply;
 - (g) the conditions related to amendments to product specifications.
5. Taking into account the need to ensure an adequate protection, the Commission may, by means of delegated acts, adopt restrictions regarding the protected name.
6. Taking into account the need to ensure that economic operators and competent authorities are not prejudiced by the application of this Subsection as regards wine names which have been granted protection prior to 1 August 2009 or for which an application for protection has been made prior to that date, the Commission may, by means of delegated acts, adopt transitional provisions concerning:

- (a) wine names recognised by Member States as designations of origin or geographical indications by 1 August 2009 and wine names for which an application for protection has been made prior to that date;
- (b) preliminary national procedure;
- (c) wines placed on the market or labelled before a specific date; and
- (d) amendments to the product specifications.

Article 87

Implementing powers

1. The Commission may, by means of implementing acts, adopt necessary measures concerning:
 - (a) the information to be provided in the product specification with regard to the link between the geographical area and the final product;
 - (b) the making of decisions on protection or rejection available to the public;
 - (c) the establishment and the maintenance of the register referred to in Article 81;
 - (d) the conversion from protected designation of origin to protected geographical indication;
 - (e) the submission of trans-border applications.

Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 162(2).

2. The Commission may, by means of implementing acts, adopt necessary measures concerning the procedure for the examination of applications for protection or for the approval of an amendment of a designation of origin or a geographical indication, as well as the procedure, for requests for objection, cancellation, or conversion, and the submission of information related to existing protected wine names, in particular with respect to:
 - (a) models for documents and the transmission format;
 - (b) time limits;
 - (c) the details of the facts, evidence and supporting documents to be submitted in support of an application or a request.

Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 162(2).

Article 88

Other implementing powers

Where an objection is deemed inadmissible, the Commission shall, by means of implementing acts, decide to reject it as inadmissible.

SUBSECTION 3

TRADITIONAL TERMS

Article 89

Definition

“A traditional term” shall mean a term traditionally used in Member States for the products referred to in Article 69(1) to designate:

- (a) that the product has a protected designation of origin or a protected geographical indication under Union or national law; or
- (b) the production or ageing method or the quality, colour, type of place, or a particular event linked to the history of the product with a protected designation of origin or a protected geographical indication.

Article 90

Protection

1. A protected traditional term may only be used for a product which has been produced in conformity with the definition referred to in Article 89.

Traditional terms shall be protected against unlawful use.

Member States shall take the steps necessary to stop the unlawful use of protected traditional terms.

2. Traditional terms shall not become generic in the Union.

Article 91

Delegated powers

1. The Commission shall be empowered to adopt delegated acts in accordance with Article 160 to provide for measures listed in paragraphs 2 to 4 of this Article.

2. Taking into account the need to ensure an adequate protection, the Commission may, by means of delegated acts, adopt provisions regarding the language and the spelling of the term to be protected.
3. Taking into account the need to ensure the legitimate rights and interests of producers or operators, the Commission may, by means of delegated acts, establish the following:
 - (a) the applicants that may apply for the protection of a traditional term;
 - (b) the conditions of validity of an application for recognition of a traditional term;
 - (c) the grounds for objecting to a proposed recognition of a traditional term;
 - (d) the scope of the protection, the relationship with trade marks, protected traditional terms, protected designations of origin or geographical indications, homonyms, or certain wine grape names;
 - (e) the grounds for cancellation of a traditional term;
 - (f) the date of submission of an application or a request;
 - (g) the procedures to be followed in respect of an application for the protection of a traditional term, including scrutiny by the Commission, objection procedures and the procedures on cancellation and modification.
4. Taking into account the specificities in trade between the Union and certain third countries, the Commission may, by means of delegated acts, adopt the conditions under which traditional terms may be used on products from third countries and provide for derogations from Article 89.

Article 92

Implementing powers in accordance with the examination procedure

1. The Commission may, by means of implementing acts, adopt necessary measures concerning the procedure for the examination of applications for protection or for the approval of a modification of a traditional term, as well as the procedure for requests for objection or cancellation, in particular with respect to:
 - (a) models for documents and the transmission format;
 - (b) time limits;
 - (c) the details of the facts, evidence and supporting documents to be submitted in support of the application or request;
 - (d) detailed rules on making protected traditional terms available to the public.

2. The Commission shall, by means of implementing acts, decide to accept or reject an application for protection of a traditional term or a request for a modification of the protected term or the cancellation of the protection of a traditional term.
3. The Commission shall, by means of implementing acts, provide for the protection of traditional terms for which the application for protection has been accepted, in particular by classifying them in accordance with Article 89 and by publishing a definition and/or the conditions of use.
4. The implementing acts referred to in paragraphs 1 to 3 of this Article shall be adopted in accordance with the examination procedure referred to in Article 162(2).

Article 93

Other implementing powers

Where an objection is deemed inadmissible, the Commission shall, by means of implementing acts, decide to reject it as inadmissible.

SECTION 3

LABELLING AND PRESENTATION IN THE WINE SECTOR

Article 94

Definition

For the purposes of this Section:

- (a) "labelling" shall mean any words, particulars, trade marks, brand name, pictorial matter or symbol placed on any packaging, document, notice, label, ring or collar accompanying or referring to a given product;
- (b) "presentation" shall mean any information conveyed to consumers by virtue of the packaging of the product concerned, including the form and type of bottles.

Article 95

Applicability of horizontal rules

Save as otherwise provided for in this Regulation, Directive 2008/95/EC, Council Directive 89/396/EEC³⁹, Directive 2000/13/EC of the European Parliament and of the Council⁴⁰ and

³⁹ OJ L 186, 30.6.1989, p. 21.

⁴⁰ OJ L 109, 6.5.2000, p. 29.

Directive 2007/45/EC of the European Parliament and of the Council⁴¹ shall apply to the labelling and presentation.

Article 96

Compulsory particulars

1. Labelling and presentation of the products referred to in points 1 to 11, 13, 15 and 16 of Part II of Annex VI marketed in the Union or for export shall contain the following compulsory particulars:
 - (a) the designation for the category of the grapevine product in accordance with Part II of Annex VI;
 - (b) for wines with a protected designation of origin or a protected geographical indication:
 - (i) the term “protected designation of origin” or “protected geographical indication”; and
 - (ii) the name of the protected designation of origin or the protected geographical indication;
 - (c) the actual alcoholic strength by volume;
 - (d) an indication of provenance;
 - (e) an indication of the bottler or, in the case of sparkling wine, aerated sparkling wine, quality sparkling wine or quality aromatic sparkling wine, the name of the producer or vendor;
 - (f) an indication of the importer in the case of imported wines; and
 - (g) in the case of sparkling wine, aerated sparkling wine, quality sparkling wine or quality aromatic sparkling wine, an indication of the sugar content.
2. By way of derogation from point (a) of paragraph 1, the reference to the category of the grapevine product may be omitted for wines whose labels include the name of a protected designation of origin or a protected geographical indication.
3. By way of derogation from point (b) of paragraph 1, the reference to the terms “protected designation of origin” or “protected geographical indication” may be omitted in the following cases:
 - (a) where a traditional term as referred to Article 89(a) is displayed on the label;
 - (b) in exceptional and duly justified circumstances to be determined by the Commission by means of delegated acts adopted in accordance with Article

⁴¹ OJ L 247, 21.9.2007, p. 17.

160 taking into account the need to ensure compliance with existing labelling practices.

Article 97

Optional particulars

1. Labelling and presentation of the products referred to in points 1 to 11, 13, 15 and 16 of Part II of Annex VI may in particular contain the following optional particulars:
 - (a) the vintage year;
 - (b) the name of one or more wine grape varieties;
 - (c) in the case of wines other than those referred to in point (g) of Article 96(1), terms indicating the sugar content;
 - (d) for wines with a protected designation of origin or a protected geographical indication, traditional terms as referred to in point (b) of Article 89;
 - (e) the Union symbol indicating the protected designation of origin or the protected geographical indication;
 - (f) terms referring to certain production methods;
 - (g) for wines bearing a protected designation of origin or a protected geographical indication, the name of another geographical unit that is smaller or larger than the area underlying the designation of origin or geographical indication.
2. Without prejudice to Article 77(3), as regards the use of particulars referred to in points (a) and (b) of paragraph 1 of this Article for wines without a protected designation of origin or a protected geographical indication:
 - (a) Member States shall introduce laws, regulations or administrative provisions to ensure certification, approval and verification procedures so as to guarantee the veracity of the information concerned;
 - (b) Member States may, on the basis of non-discriminatory and objective criteria and with due regard to loyal competition, for wine produced from wine grape varieties on their territory, draw up lists of excluded wine grape varieties, in particular if:
 - (i) there is a risk of confusion for consumers as to the true origin of the wine due to the fact that the wine grape variety forms an integral part of an existing protected designation of origin or a protected geographical indication;
 - (ii) checks would not be cost effective due to the fact that the given wine grape variety represents a very small part of the Member State vineyard;

- (c) mixtures of wines from different Member States shall not give rise to labelling of the wine grape variety unless the Member States concerned agree otherwise and ensure the feasibility of the relevant certification, approval and verification procedures.

Article 98

Languages

1. The compulsory and optional particulars referred to in Articles 96 and 97 shall, where expressed in words, appear in one or more official language of the Union.
2. Notwithstanding paragraph 1, the name of a protected designation of origin or a protected geographical indication or a traditional term as referred to in Article 89(b) shall appear on the label in the language or languages for which the protection applies.

In the case of a protected designation of origin or a protected geographical indication or a national specific designation using a non-Latin alphabet, the name may also appear in one or more official languages of the Union.

Article 99

Delegated powers

1. The Commission shall be empowered to adopt delegated acts in accordance with Article 160 to provide for measures listed in paragraphs 2 to 6 of this Article.
2. Taking into account the need to ensure the conformity with horizontal rules related to labelling and presentation, and to consider the specificities of the wine sector, the Commission may, by means of delegated acts, adopt definitions, rules and restrictions on:
 - (a) the presentation and use of labelling particulars other than those provided for in this Section;
 - (b) compulsory particulars concerning:
 - (i) terms to be used to formulate the compulsory particulars and their conditions of use;
 - (ii) terms referring to a holding and the conditions for their use;
 - (iii) provisions allowing the producing Member States to establish additional rules relating to compulsory particulars;
 - (iv) provisions allowing further derogations in addition to those referred to in Article 96(2) as regards the omission of the reference to the category of the grapevine product; and

- (v) provisions on the use of languages;
 - (c) optional particulars concerning:
 - (i) terms to be used to formulate the optional particulars and their conditions of use;
 - (ii) provisions allowing the producing Member States to establish additional rules relating to optional particulars;
 - (d) the presentation concerning:
 - (i) the conditions of use of certain bottle shapes, and a list of certain specific bottle shapes;
 - (ii) the conditions of use of "sparkling wine"-type bottles and closures;
 - (iii) provisions allowing the producing Member States to establish additional rules relating to presentation;
 - (iv) provisions on the use of languages.
3. Taking into account the need to ensure the efficiency of the certification, approval and verification procedures provided for in this Section, the Commission may, by means of delegated acts, adopt the necessary measures.
 4. Taking into account the need to ensure the legitimate interests of operators, the Commission may, by means of delegated acts, adopt rules as regards temporary labelling and presentation of wines bearing a designation of origin or a geographical indication, where that designation of origin or geographical indication meets the necessary requirements.
 5. Taking into account the need to ensure that economic operators are not prejudiced, the Commission may, by means of delegated acts, adopt transitional provisions as regards wine placed on the market and labelled before 1 August 2009.
 6. Taking into account the need to take account of the specificities in trade between the Union and certain third countries, the Commission may, by means of delegated acts, adopt derogations from this Section as regards trade between the Union and certain third countries.

Article 100

Implementing powers in accordance with the examination procedure

The Commission may, by means of implementing acts, adopt necessary measures concerning procedures and technical criteria. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 162(2).

CHAPTER II

SPECIFIC PROVISIONS FOR INDIVIDUAL SECTORS

SECTION 1

SUGAR

Article 101

Sugar sector agreements

1. The terms for buying sugar beet and sugar cane, including pre-sowing delivery agreements, shall be governed by written agreements within the trade concluded between Union growers of sugar beet and sugar cane and Union sugar undertakings.
2. Taking into account the specificities of the sugar sector, the Commission shall be empowered to adopt delegated acts in accordance with Article 160 on the conditions of the agreements referred to in paragraph 1 of this Article.

SECTION 2

WINE

Article 102

Vineyard register and inventory

1. Member States shall maintain a vineyard register which shall contain updated information on the production potential.
2. Member States in which the total area planted with vines of wine grape varieties classified according to Article 63(2) is less than 500 hectares shall not be subject to the obligation laid down in paragraph 1 of this Article.
3. Member States, which provide for restructuring and conversion of vineyards in their support programmes in accordance with Article 44, shall, on the basis of the vineyard register, submit to the Commission by 1 March each year an updated inventory of their production potential.
4. Taking into account the need to facilitate the monitoring and the verification of the production potential by Member States, the Commission shall be empowered to adopt delegated acts in accordance with Article 160 concerning rules on the scope and content of the vineyard register and exemptions.

5. After 1 January 2016, the Commission may, by means of an implementing act, decide that paragraphs 1 to 3 of this Article no longer apply. That implementing act shall be adopted in accordance with the examination procedure referred to in Article 162(2).

Article 103

Accompanying documents and register

1. The products of the wine sector shall be put into circulation in the Union with an officially authorised accompanying document.
2. Natural or legal persons or groups of persons who hold products covered by the wine sector in the exercise of their trade, in particular producers, bottlers and processors, as well as merchants, shall keep inwards and outwards registers in respect of those products.
3. Taking into account the need to facilitate the transport of wine products and verification thereof by Member States, the Commission shall be empowered to adopt delegated acts in accordance with Article 160 on:
 - (a) rules on the accompanying document and its use;
 - (b) the conditions under which an accompanying document is to be regarded as certifying protected designations of origin or geographical indications;
 - (c) an obligation to keep a register and its use;
 - (d) who shall keep a register and exemptions from the obligation to keep a register;
 - (e) the operations to be included in the register.
4. The Commission may, by means of implementing acts, adopt:
 - (a) rules on the composition of the register, the products to be contained therein, deadlines for entries in registers and the closures of registers;
 - (b) measures requiring Member States to determine the maximum acceptable percentages for losses;
 - (c) general and transitional provisions for the keeping of registers;
 - (d) rules determining how long accompanying documents and registers shall be kept.

Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 162(2).

SECTION 3

MILK AND MILK PRODUCTS

Article 104

Contractual relations in the milk and milk products sector

1. If a Member State decides that every delivery of raw milk by a farmer to a processor of raw milk must be covered by a written contract between the parties, such contract shall fulfil the conditions laid down in paragraph 2.

In the case described in the first subparagraph, the Member State concerned shall also decide that if the delivery of raw milk is made through one or more collectors, each stage of the delivery must be covered by such a contract between the parties. To this end, a "collector" means an undertaking which transports raw milk from a farmer or another collector to a processor of raw milk or another collector, where the ownership of the raw milk is transferred in each case.

2. The contract shall:
 - (a) be concluded in advance of the delivery,
 - (b) be made in writing, and
 - (c) include, in particular, the following elements:
 - (i) the price payable for the delivery, which shall:
 - be static and be set out in the contract, and/or
 - vary only on factors which are set out in the contract, in particular the development of the market situation based on market indicators, the volume delivered and the quality or composition of the raw milk delivered,
 - (ii) the volume which may and/or shall be delivered and the timing of deliveries, and
 - (iii) the duration of the contract, which may include an indefinite duration with termination clauses.
3. By way of derogation from paragraph 1, a contract shall not be required where raw milk is delivered by a farmer to a processor of raw milk where the processor is a co-operative of which the farmer is a member if its statutes contain provisions having similar effects as those set out in points (a), (b) and (c) of paragraph 2.
4. All elements of contracts for the delivery of raw milk concluded by farmers, collectors or processors of raw milk, including those elements referred to in paragraph 2(c), shall be freely negotiated between the parties.

5. In order to guarantee a uniform application of this Article, the Commission may, by means of implementing acts, adopt necessary measures. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 162(2).

Article 105

Contractual negotiations in the milk and milk products sector

1. Contracts for the delivery of raw milk by a farmer to a processor of raw milk, or to a collector within the meaning of the second subparagraph of Article 104(1), may be negotiated by a producer organisation in the milk and milk products sector which is recognised under Article 106, on behalf of its farmer members for part or all of their joint production.
2. The negotiation by the producer organisation may take place:
 - (a) whether or not there is a transfer of ownership of the raw milk by the farmers to the producer organisation,
 - (b) whether or not the price negotiated is the same as regards the joint production of some or all of the farmer members,
 - (c) provided that the total volume of raw milk covered by such negotiations by a particular producer organisation does not exceed:
 - (i) 3.5% of total Union production, and
 - (ii) 33% of the total national production of any particular Member State covered by such negotiations by that producer organisation, and
 - (iii) 33% of the total combined national production of all the Member States covered by such negotiations by that producer organisation,
 - (d) provided the farmers concerned are not members of any other producer organisation which also negotiates such contracts on their behalf, and
 - (e) provided that the producer organisation notifies the competent authorities of the Member State or Member States in which it operates.
3. For the purposes of this Article, references to producer organisations shall also cover associations of such producer organisations. Taking into account the need to ensure that these associations may be appropriately monitored, the Commission shall be empowered to adopt delegated acts in accordance with Article 160 concerning the conditions for recognition of such associations.
4. By way of derogation from paragraph 2(c)(ii) and (iii), even where the threshold of 33% is not exceeded, the competition authority referred to in the second subparagraph may decide in an individual case that the negotiation by the producer organisation may not take place if it considers that this is necessary in order to prevent

competition being excluded or in order to avoid serious prejudice to SME processors of raw milk in its territory.

The decision referred to in the first subparagraph shall be taken by the Commission, by way of an implementing act, adopted in accordance with the advisory procedure referred to in Article 14 of Regulation (EC) No 1/2003 for negotiations covering the production of more than one Member State. In other cases it shall be taken by the national competition authority of the Member State the production of which is covered by the negotiations.

The decisions referred to in the first and second subparagraphs shall not apply earlier than the date of their notification to the undertakings concerned.

5. For the purposes of this Article:
- (a) a "national competition authority" shall be the authority referred to in Article 5 of Regulation (EC) No 1/2003;
 - (b) a "SME" shall mean a micro, small or medium-sized enterprise within the meaning of Commission Recommendation 2003/361/EC.

CHAPTER III

Producer organisations and associations, interbranch organisations, operator organisations

SECTION 1

DEFINITION AND RECOGNITION

Article 106

Producer organisations

Member States shall recognise, on request, producer organisations, which:

- (a) are constituted by producers in any of the sectors listed in Article 1(2);
- (b) are formed on the initiative of the producers;
- (c) pursue a specific aim which may include at least one of the following objectives:
 - (i) ensuring that production is planned and adjusted to demand, particularly in terms of quality and quantity;
 - (ii) concentration of supply and the placing on the market of the products produced by its members;

- (iii) optimising production costs and stabilising producer prices;
 - (iv) carrying out research into sustainable production methods and market developments;
 - (v) promoting and providing technical assistance for the use of environmentally sound cultivation practices and production techniques;
 - (vi) the management of by-products and of waste in particular to protect the quality of water, soil and landscape and preserving or encouraging biodiversity; and
 - (vii) contributing to a sustainable use of natural resources and to climate change mitigation;
- (d) do not hold a dominant position on a given market unless this is necessary in pursuance of the objectives of Article 39 of the Treaty.

Article 107

Associations of producer organisations

Member States shall recognise, on request, associations of producer organisations in any of the sectors listed in Article 1(2) which are formed on the initiative of recognised producer organisations.

Subject to the rules adopted pursuant to Article 114(1), associations of producer organisations may carry out any of the activities or functions of producer organisations.

Article 108

Interbranch organisations

1. Member States shall recognise, on request, interbranch organisations in any of the sectors listed in Article 1(2) which:
 - (a) are constituted of representatives of economic activities linked to the production of, trade in, and/or processing of products in one or more sectors;
 - (b) are formed on the initiative of all or some of the organisations or associations which constitute them;
 - (c) pursue a specific aim, which may include at least one of the following objectives:
 - (i) improving knowledge and the transparency of production and the market, including by publication of statistical data on the prices, volumes and duration of contracts which have been previously concluded, and by providing analyses of potential future market developments at regional or national level;

- (ii) helping to better coordinate the way the products are placed on the market, in particular by means of research and market studies;
- (iii) drawing up standard forms of contract compatible with Union rules;
- (iv) exploiting to a fuller extent the potential of the products;
- (v) providing the information and carrying out the research necessary to rationalise, improve and adjust production towards products more suited to market requirements and consumer tastes and expectations, in particular with regard to product quality, including the particular characteristics of products with a protected designation of origin or a protected geographical indication, and protection of the environment;
- (vi) seeking ways of restricting the use of animal-health or plant protection products and other inputs and ensuring product quality and soil and water conservation;
- (vii) developing methods and instruments for improving product quality at all stages of production and marketing;
- (viii) exploiting the potential of organic farming and protecting and promoting such farming as well as designations of origin, quality labels and geographical indications;
- (ix) promoting and carrying out research into integrated, sustainable production or other environmentally sound production methods;
- (x) encouraging healthy consumption of the products and informing about the harm linked to hazardous consumption patterns;
- (xi) carrying out promotion actions, especially in third countries.

2. For interbranch organisations in the olive oil and table olive and tobacco sectors, the specific aim referred to in point (c) of paragraph 1 may also include at least one of the following objectives:

- (a) concentrating and co-ordinating supply and marketing of the produce of the members;
- (b) adapting production and processing jointly to the requirements of the market and improving the product;
- (c) promoting the rationalisation and improvement of production and processing.

Article 109

Operator organisations

For the purposes of this Regulation, operator organisations in the olive oil and table olives sector shall comprise recognised producer organisations, recognised interbranch organisations or recognised organisations of other operators or their associations.

SECTION 2

EXTENSION OF RULES AND COMPULSORY CONTRIBUTIONS

Article 110

Extension of rules

1. In cases where a recognised producer organisation, a recognised association of producer organisations or a recognised interbranch organisation operating in a specific economic area or economic areas of a Member State is considered to be representative of the production of or trade in or processing of a given product, the Member State concerned may, at the request of that organisation, make binding for a limited period of time some of the agreements, decisions or concerted practices agreed on within that organisation on other operators acting in the economic area or areas in question, whether individuals or groups and not belonging to the organisation or association.
2. An “economic area” shall mean a geographical zone made up of adjoining or neighbouring production regions in which production and marketing conditions are homogeneous.
3. An organisation or association shall be deemed representative where, in the economic area or areas concerned of a Member State:
 - (a) it accounts for, as a proportion of the volume of production or of trade in or of processing of the product or products concerned:
 - (i) for producer organisations in the fruit and vegetables sector, at least 60%, or
 - (ii) in other cases, at least two thirds, and
 - (b) it accounts for, in the case of producer organisations, more than 50% of the producers concerned.

Where the request for extension of its rules to other operators covers more than one economic area, the organisation or association shall demonstrate the minimum level of representativeness as defined in the first subparagraph for each of the branches it groups in each of the economic areas concerned.

4. The rules for which extension to other operators may be requested as provided in paragraph 1 shall have one of the following aims:
- (a) production and market reporting;
 - (b) stricter production rules than those laid down in Union or national rules;
 - (c) drawing up of standard contracts which are compatible with Union rules;
 - (d) rules on marketing;
 - (e) rules on protecting the environment;
 - (f) measures to promote and exploit the potential of products;
 - (g) measures to protect organic farming as well as designations of origin, quality labels and geographical indications;
 - (h) research to add value to the products, in particular through new uses which do not pose a threat to public health;
 - (i) studies to improve the quality of products;
 - (j) research, in particular into methods of cultivation permitting reduced use of plant protection or animal health products and guaranteeing conservation of the soil and the environment;
 - (k) definition of minimum qualities and definition of minimum standards of packing and presentation;
 - (l) use of certified seed and monitoring of product quality.

Those rules shall not cause any damage to other operators in the Member State concerned or the Union and shall not have any of the effects listed in Article 145(2) or be otherwise incompatible with Union or national rules in force.

Article 111

Financial contributions of non-members

Where rules of a recognised producer organisation, a recognised association of producer organisations or a recognised interbranch organisation are extended under Article 110 and the activities covered by those rules are in the general economic interest of persons whose activities relate to the products concerned, the Member State which has granted recognition may decide that individuals or groups which are not members of the organisation but which benefit from those activities shall pay the organisation all or part of the financial contributions paid by its members to the extent that such contributions are intended to cover costs directly incurred as a result of pursuing the activities in question.

SECTION 3

ADJUSTMENT OF SUPPLY

Article 112

Measures to facilitate the adjustment of supply to market requirements

Taking into account the need to encourage action by the organisations referred to in Articles 106 to 108 to facilitate the adjustment of supply to market requirements, with the exception of action relating to withdrawal from the market, the Commission shall be empowered to adopt delegated acts in accordance with Article 160, concerning the live plants, beef and veal, pigmeat, sheepmeat and goatmeat, eggs and poultrymeat sectors on measures:

- (a) to improve quality;
- (b) to promote better organisation of production, processing and marketing;
- (c) to facilitate the recording of market price trends;
- (d) to permit the establishment of short and long-term forecasts on the basis of the means of production used.

Article 113

Marketing rules to improve and stabilise the operation of the common market in wines

In order to improve and stabilise the operation of the common market in wines, including the grapes, musts and wines from which they derive, producer Member States may lay down marketing rules to regulate supply, particularly by way of decisions taken by the interbranch organisations recognised under Article 108.

Such rules shall be proportionate to the objective pursued and shall not:

- (a) relate to any transaction after the first marketing of the produce concerned;
- (b) allow for price fixing, including where prices are set for guidance or recommendation;
- (c) render unavailable an excessive proportion of the vintage that would otherwise be available;
- (d) provide scope for refusing to issue the national and Union certificates required for the circulation and marketing of wines where such marketing is in accordance with those rules.

SECTION 4

PROCEDURAL RULES

Article 114

Delegated powers

Taking into account the need to ensure that the objectives and responsibilities of producer organisations, operator organisations in the olive oil and table olives sector and interbranch organisations are clearly defined so as to contribute to the effectiveness of the actions of such organisations, the Commission shall be empowered to adopt delegated acts in accordance with Article 160 regarding producer organisations, associations of producer organisations, interbranch organisations and operator organisations on the following:

- (a) the specific aims which may, shall or shall not be pursued by such organisations and associations, including derogations from those laid down in Articles 106 to 109,
- (b) the rules of association, the recognition, structure, legal personality, membership, size, accountability and activities of such organisations and associations, the requirement referred to in point (d) of Article 106 for recognition of a producer organisation that it does not hold a dominant position on a given market unless this is necessary in pursuance of the objectives of Article 39 of the Treaty, the effects deriving from recognition, the withdrawal of recognition, and mergers;
- (c) transnational organisations and associations including the rules referred to in points (a) and (b) of this Article;
- (d) outsourcing of activities and the provision of technical means by organisations or associations;
- (e) the minimum volume or value of marketable production of organisations and associations;
- (f) the extension of certain rules of the organisations provided for in Article 110 to non-members and the compulsory payment of subscriptions by non-members referred to in Article 111, including a list of the stricter production rules which may be extended under point (b) of the first subparagraph of Article 110(4), further requirements as regards representativeness, the economic areas concerned, including Commission scrutiny of their definition, minimum periods during which the rules shall apply before their extension, the persons or organisations to whom the rules or contributions may be applied, and the circumstances in which the Commission may require that the extension of rules or compulsory contributions shall be refused or withdrawn.

Article 115

Implementing powers in accordance with the examination procedure

The Commission may, by means of implementing acts, adopt the necessary measures concerning this Chapter, in particular on the procedures and technical conditions as regards the implementation of the measures referred to in Articles 110 and 112. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 162(2).

Article 116

Other implementing powers

The Commission may, by means of implementing acts, adopt individual decisions regarding:

- (a) the recognition of organisations carrying out activities in more than one Member State, pursuant to the rules adopted under Article 114(c);
- (b) the refusal of or repeal of recognition of interbranch organisations, repeal of the extension of rules or compulsory contributions, approval of, or decisions on the amendment of economic areas notified by Member States pursuant to the rules adopted under Article 114(f).

PART III

TRADE WITH THIRD COUNTRIES

CHAPTER I

Import and export licences

Article 117

General rules

1. Without prejudice to cases where import or export licences are required in accordance with this Regulation, the import for release into free circulation or the export of one or more agricultural products into or from the Union may be made subject to the presentation of a licence, taking into account the need for licences for the management of the markets concerned and, in particular, for monitoring trade in the products concerned.
2. Licences shall be issued by Member States to any applicant, irrespective of their place of establishment in the Union, unless an act adopted in accordance with Article 43(2) of the Treaty provides otherwise, and without prejudice to measures adopted for the application of this Chapter.
3. Licences shall be valid throughout the Union.

Article 118

Delegated powers

1. Taking into account the evolution of trade and market developments, the needs of the markets concerned and the monitoring of imports of the products concerned, the Commission shall be empowered to adopt in accordance with Article 160 delegated acts, to determine:
 - (a) the list of agricultural products subject to the presentation of an import or export licence;
 - (b) the cases and situations where the presentation of an import or export licence is not required, based on, in particular the customs status of the products concerned, the trade arrangements to be respected, the purposes of operations, the legal status of the applicant and the quantities involved.
2. Taking into account the need to define the main elements of the licence system, the Commission shall be empowered to adopt delegated acts in accordance with Article 160 to:

- (a) define the rights and obligations deriving from the licence, its legal effects, a tolerance as regards the respect of the obligation to import or export, and the indication of the origin and provenance where that is compulsory;
- (b) provide that the issue of an import licence or the release into free circulation shall be subject to the presentation of a document issued by a third country or an entity certifying *inter alia* the origin, the authenticity and the quality characteristics of the products;
- (c) establish the rules applicable to the transfer of the licence or restrictions on that transmissibility;
- (d) establish the rules necessary for the reliability and the efficiency of the licence system and the situations where a specific administrative assistance between Member States is needed to prevent or deal with cases of fraud and irregularities;
- (e) determine the cases and situations where the lodging of a security guaranteeing that the products are imported or exported within the period of validity of the licence is or is not required.

Article 119

Implementing powers in accordance with the examination procedure

The Commission shall, by means of implementing acts, adopt necessary measures concerning this Section, including rules on:

- (a) the submission of applications and the issuing of licences and their use;
- (b) the period of validity of the licence and the amount of security to be submitted;
- (c) the proof that the requirements for the use of licences have been fulfilled;
- (d) the issue of replacement licences and duplicate licences;
- (e) the treatment of licences by Member States and the exchange of information needed for the management of the system.

Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 162(2).

Article 120

other implementing powers

The Commission may, by means of implementing acts:

- (a) limit the quantities for which licences may be issued;
- (b) reject the quantities applied for; and

(c) suspend the submission of applications in order to manage the market where large quantities are applied for.

CHAPTER II

IMPORT DUTIES

Article 121

Implementation of international agreements

The Commission shall, by means of implementing acts, adopt measures to implement international agreements concluded under Article 218 of the Treaty or any other act adopted in accordance with Article 43(2) of the Treaty or the Common Customs Tariff as regards the calculation of import duties for agricultural products. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 162(2).

Article 122

Entry price system for certain products of the fruit and vegetables, processed fruit and vegetables and wine sectors

1. For the application of the Common Customs Tariff duty rate for products of the fruit and vegetables and processed fruit and vegetables sectors and for grape juice and musts, the entry price of a consignment shall be equal to its customs value calculated in accordance with the provisions of Regulation (EC) No 2913/1992 of 12 October 1992 establishing the Community Customs Code⁴² (the Customs Code) and Regulation (EC) No 2454/93 of 2 July 1993 laying down provisions for the implementation of Council Regulation (EEC) No 2913/92 establishing the Community Customs Code⁴³ (CCIP).
2. For the purposes of application of Article 248 of CCIP, the checks to be carried out by the customs authorities to determine whether a security should be lodged shall include a check of the customs value against the unit value for the products concerned as referred to in point (c) of Article 30(2) of the Customs Code.
3. Taking into account the need to ensure the efficiency of the system, the Commission shall be empowered to adopt delegated acts in accordance with Article 160 to provide that the checks carried out by the customs authorities referred to in paragraph 2 of this Article shall, in addition to, or as an alternative to, the check of the customs value against the unit value, include a check of the customs value against another value.

The Commission shall, by means of implementing acts, adopt rules for the calculation of the other value referred to in the first subparagraph of this paragraph.

⁴² OJ L 302, 19.10.1992, p. 10.

⁴³ OJ L 253, 11.10.1993, p. 1.

Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 162(2).

Article 123

Additional import duties

1. The Commission may, by means of implementing acts, determine the products of the cereals, rice, sugar, fruit and vegetables, processed fruit and vegetables, beef and veal, milk and milk products, pig meat, sheep meat and goat meat, eggs, poultry and bananas sectors, as well as of grape juice and grape must, to which, when imported subject to the rate of duty laid down in the Common Customs Tariff, an additional import duty shall apply in order to prevent or counteract adverse effects on the Union market which may result from those imports, if:
 - (a) the imports are made at a price below the level notified by the Union to the WTO (the trigger price); or
 - (b) the volume of imports in any year exceeds a certain level (the trigger volume).

The trigger volume shall be based on market access opportunities defined as imports as a percentage of the corresponding domestic consumption during the three previous years.

Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 162(2).

2. Additional import duties shall not be imposed where the imports are unlikely to disturb the Union market, or where the effects would be disproportionate to the intended objective.
3. For the purposes of point (a) of paragraph 1, import prices shall be determined on the basis of the c.i.f. import prices of the consignment under consideration.

C.i.f. import prices shall be checked against the representative prices for the product on the world market or on the Union import market for that product.
4. The Commission may, by means of implementing acts, adopt the necessary measures for the application of this Article. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 162(2).

Article 124

Other implementing powers

The Commission may, by means of implementing acts:

- (a) fix the level of the applied import duty in accordance with the rules set out in an international agreement concluded under Article 218 of the Treaty, the Common Customs Tariff and those adopted pursuant to Article 121 of this Regulation;

- (b) fix the representative prices and trigger volumes for the purposes of applying additional import duties in the framework of the rules adopted pursuant to the first sub-paragraph of Article 123(1).

CHAPTER III

TARIFF QUOTA MANAGEMENT AND SPECIAL TREATMENT OF IMPORTS BY THIRD COUNTRIES

Article 125

Tariff quotas

1. Tariff quotas for the import of agricultural products for release into free circulation in the Union (or a part thereof), or tariff quotas for imports of Union agricultural products into third countries which are to be partly or fully administered by the Union, resulting from agreements concluded in accordance with Article 218 of the Treaty or any other act adopted in accordance with Article 43(2) of the Treaty shall be opened and/or administered by the Commission by means of delegated and implementing acts pursuant to Articles 126 to 128.
2. Tariff quotas shall be administered in a manner which avoids any discrimination between the operators concerned, by applying one of the following methods or a combination of them or another appropriate method:
 - (a) a method based on the chronological order of the submission of applications ('first come, first served' principle);
 - (b) a method of distribution in proportion to the quantities requested when the applications were submitted (the 'simultaneous examination method');
 - (c) a method based on taking traditional trade patterns into account (using the 'traditional/newcomers method').
3. The method of administration adopted shall:
 - (a) for import tariff quotas give due weight to the supply requirements of the Union market and the need to safeguard the equilibrium of that market, or
 - (b) for export tariff quotas, permit the full use of the possibilities available under the quota concerned.

Article 126

Delegated powers

1. Taking into account the need to ensure fair access for the quantities available and an equal treatment of operators within the import tariff quota, the Commission shall be empowered to adopt delegated acts in accordance with Article 160 to:
 - (a) determine the conditions and eligibility requirements that an operator has to fulfil to submit an application within the import tariff quota; the provisions concerned may require a minimum experience in trade with third countries and assimilated territories, or in processing activity, expressed in a minimum quantity and period of time in a given market sector; those provisions may include specific rules to suit the needs and practices in force in a certain sector and the uses and needs of the processing industries;
 - (b) adopt provisions relating to the transfer of rights between operators and when necessary the limitations to transfer within the management of the import tariff quota;
 - (c) make the participation in the import tariff quota subject to the lodging of a security;
 - (d) adopt all the necessary provisions for any particular specificities, requirements or restrictions applicable to the tariff quota as set out in the international agreement or other act referred to in Article 125(1).
2. Taking into account the need to ensure that exported products may benefit from a special treatment on importation into a third country under certain conditions, in accordance with agreements concluded by the Union in accordance with Article 218 of the Treaty, the Commission shall be empowered to adopt delegated acts in accordance with Article 160 of this Regulation requiring the competent authorities of the Member States to issue, on request and after appropriate checks, a document certifying that the conditions are met for products that, if exported, may benefit from a special treatment on importation into a third country if certain conditions are respected.

Article 127

Implementing powers in accordance with the examination procedure

1. The Commission may, by means of implementing acts, lay down:
 - (a) the annual tariff quotas, if necessary suitably phased over the year and shall determine the method of administration to be used;
 - (b) rules for the application of the specific provisions laid down in the agreement or act adopting the import or export regime, in particular, on:
 - (i) guarantees covering the nature, provenance and origin of the product;

- (ii) recognition of the document used for verifying the guarantees referred to in point (i);
 - (iii) the presentation of a document issued by the exporting country;
 - (iv) destination and use of the products;
- (c) the period of validity of the licences or of the authorisations;
 - (d) the amounts of the security;
 - (e) the use of licences, and, when necessary, specific rules relating to, in particular, the conditions under which applications for import shall be submitted and authorisation granted within the tariff quota;
 - (f) necessary measures related to the document referred to in Article 126(2).

Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 162(2).

Article 128

Other implementing powers

1. The Commission shall, by means of implementing acts, adopt provisions to manage the process guaranteeing that the quantities available within the tariff quota are not exceeded, in particular by fixing an allocation coefficient to each application when the available quantities are reached, rejecting pending applications and when necessary to suspend the submission of applications.
2. The Commission may, by means of implementing acts, adopt provisions for the reallocation of the unused quantities.

CHAPTER IV

SPECIAL IMPORT PROVISIONS FOR CERTAIN PRODUCTS

Article 129

Imports of hemp

1. The following products may be imported into the Union if the following conditions are met:
 - (a) raw true hemp falling within CN code 5302 10 00 meeting the conditions laid down in Articles 25(3) and 28(h) of Regulation (EU) No [...] establishing rules for direct payment to farmers under support schemes within the framework of the common agricultural policy;

- (b) seeds of varieties of hemp falling within CN code ex 1207 99 15 for sowing accompanied by proof that the tetrahydrocannabinol level of the variety concerned does not exceed that fixed in accordance with Articles 25(3) and 28(h) of Regulation (EU) No [...] establishing rules for direct payment to farmers under support schemes within the framework of the common agricultural policy;
 - (c) hemp seeds other than for sowing, falling within CN code 1207 99 91 imported only by importers authorised by the Member State in order to ensure that such seeds are not intended for sowing.
2. This Article shall apply without prejudice to more restrictive rules adopted by Member States in compliance with the Treaty and the obligations under the WTO Agreement on Agriculture.

Article 130

Derogations for imported products and special security in the wine sector

Derogations from point 5 of Section B or Section C of Part II of Annex VII for imported products may be adopted in accordance with Article 43(2) of the Treaty, pursuant to the international obligations of the Union.

In the case of derogations from point 5 of Section B of Part II of Annex VII importers shall lodge a security for those products with the designated customs authorities at the time of release into free circulation. The security shall be released on the presentation of proof by the importer, to the satisfaction of the customs authorities of the Member State of release into free circulation, that:

- (a) the products have not benefited from the derogations or,
- (b) if they have benefited from the derogations, the products have not been vinified, or if they have been vinified, the resulting products have been appropriately labelled.

The Commission may, by means of implementing acts, lay down rules to ensure the uniform application of this Article, including on the amounts of the security and appropriate labelling. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 162(2).

CHAPTER V

SAFEGUARD AND INWARD PROCESSING

Article 131

Safeguard measures

1. Safeguard measures against imports into the Union shall be taken by the Commission, subject to paragraph 3 of this Article, in accordance with Council

Regulations (EC) No 260/2009 of 26 February 2009 on the common rules for imports⁴⁴ and (EC) No 625/2009 of 7 July 2009 on common rules for imports from certain third countries⁴⁵.

2. Save as otherwise provided for pursuant to any other act of the European Parliament and the Council and any other act of the Council, safeguard measures against imports into the Union provided for in international agreements concluded in accordance with Article 218 of the Treaty shall be taken by the Commission in accordance with paragraph 3 of this Article.
3. The Commission may, by means of implementing acts, take measures referred to in paragraphs 1 and 2 of this Article at the request of a Member State or on its own initiative. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 162(2).

Where the Commission receives a request from a Member State, it shall, by means of implementing acts, take a decision thereon within five working days following the receipt of the request. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 162(2).

On duly justified grounds of urgency, the Commission shall adopt immediately applicable implementing acts in accordance with the procedure referred to in Article 162(3).

The measures adopted shall be communicated to the Members States and shall take effect immediately.

4. The Commission may, by means of implementing acts, revoke or amend Union safeguard measures adopted pursuant to paragraph 3 of this Article. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 162(2).

On duly justified grounds of urgency, the Commission shall adopt immediately applicable implementing acts in accordance with the procedure referred to in Article 162(3).

Article 132

Suspension of processing and inward processing arrangements

1. Where the Union market is disturbed or is liable to be disturbed by processing or inward processing arrangements, the Commission may, by means of implementing acts, at the request of a Member State or on its own initiative, fully or partially suspend the use of processing or inward processing arrangements for the products of the cereals, rice, sugar, olive oil and table olives, fruit and vegetables, processed fruit and vegetables, wine, beef and veal, milk and milk products, pigmeat, sheepmeat and goatmeat, eggs, poultrymeat and agricultural ethyl alcohol sectors. Those

⁴⁴ OJ L 84, 31.3.2009, p. 1.

⁴⁵ OJ L 185, 17.7.2009, p. 1.

implementing acts shall be adopted in accordance with the examination procedure referred to in Article 162(2).

Where the Commission receives a request from a Member State, it shall, by means of implementing acts, take a decision thereon within five working days following the receipt of the request. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 162(2).

On duly justified grounds of urgency, the Commission shall adopt immediately applicable implementing acts in accordance with the procedure referred to in Article 162(3).

The measures adopted shall be communicated to the Members States and shall take effect immediately.

2. To the extent necessary for the proper functioning of the CMO, the use of inward processing arrangements for the products referred to in paragraph 1 may be fully or partially prohibited by the European Parliament and the Council, acting in accordance with the procedure laid down in Article 43(2) of the Treaty.

CHAPTER VI

EXPORT REFUNDS

Article 133

Scope

1. To the extent necessary to enable exports on the basis of world market quotations or prices and within the limits resulting from agreements concluded in accordance with Article 218 of the Treaty, the difference between those quotations or prices and prices in the Union may be covered by export refunds for:
 - (a) the products of the following sectors to be exported without further processing:
 - (i) cereals;
 - (ii) rice;
 - (iii) sugar, with regard to the products listed in points (b) to (d) and (g) of Part III of Annex I;
 - (iv) beef and veal;
 - (v) milk and milk products;
 - (vi) pigmeat;
 - (vii) eggs;
 - (viii) poultrymeat;
 - (b) the products listed in points (i) to (iii), (v) and (vii) of point (a) of this paragraph to be exported in the form of processed goods in accordance with Council Regulation (EC) No 1216/2009 of 30 November 2009 laying down the trade arrangements applicable to certain goods resulting from the processing of agricultural products⁴⁶, and in the form of the products containing sugar listed in point (b) of Part X of Annex I.
2. Export refunds on products exported in the form of processed goods shall not be higher than those applicable to the same products exported without further processing.
3. The Commission shall, by means of implementing acts, adopt necessary measures for the application of this Article. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 162(2).

⁴⁶ OJ L 328, 15.12.2009, p. 10.

Article 134

Export refund distribution

The quantities which may be exported with an export refund shall be allocated by the method which:

- (a) is most suited to the nature of the product and the situation on the relevant market, allowing the most efficient use of the resources available, taking into account the efficiency and structure of Union exports and their impact on the market balance without creating discrimination between the operators concerned and in particular between large and small operators;
- (b) is least cumbersome administratively for operators, taking into account the administrative requirements.

Article 135

Export refund fixation

1. The same export refunds shall apply to the same products in the whole Union. They may vary according to destination, especially where the world market situation, the specific requirements of certain markets, or obligations resulting from agreements concluded in accordance with Article 218 of the Treaty make this necessary.
2. Measures on the fixing of refunds shall be taken by the Council in accordance with Article 43(3) of the Treaty.

Article 136

Granting of export refund

1. Refunds on products listed in point (a) of Article 133(1) exported as such without further processing shall only be granted on application and on presentation of an export licence.
2. The refund applicable to products listed in point (a) of Article 133(1) shall be the one applicable on the day of application for the licence or the one resulting from the tendering procedure concerned and, in the case of a differentiated refund, the refund applicable on the same day:
 - (a) for the destination indicated on the licence; or
 - (b) for the actual destination if it differs from the destination indicated on the licence, in which case the amount applicable shall not exceed the amount applicable to the destination indicated on the licence.

The Commission may, by means of implementing acts, take appropriate measures to prevent abuse of the flexibility provided for in this paragraph. These measures may, in particular, relate to the procedure for submitting applications.

3. Taking into account the need to ensure equality of access to export refunds for exporters of products listed in Annex I to the Treaty, and of products processed thereof, the Commission shall be empowered to adopt delegated acts in accordance with Article 160 of this regulation to apply paragraphs 1 and 2 of this Article to products referred to in point (b) of Article 133(1) of this Regulation.

The Commission may, by means of implementing acts, adopt necessary measures for the application of this paragraph. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 162(2).

4. The refund shall be paid upon submission of proof that:
 - (a) the products have exited the customs territory of the Union in accordance with the export procedure referred to in Article 161 of the Customs Code;
 - (b) in the case of a differentiated refund, the products have been imported into the destination indicated on the licence or another destination for which a refund was fixed, without prejudice to point (b) of paragraph 2.

Article 137

Export refunds for live animals in the beef and veal sector

1. With regard to products of the beef and veal sector, the granting and the payment of the refund for exports of live animals shall be subject to compliance with the animal welfare requirements established in the Union legislation and, in particular, the protection of animals during transport.
2. Taking into account the need to encourage exporters to respect animal welfare conditions and to enable the competent authorities to verify correct expenditure of export refunds where that is conditional on respect for animal welfare requirements, the Commission shall be empowered to adopt delegated acts in accordance with Article 160 on the respect of animal welfare requirements outside the customs territory of the Union, including the use of independent third parties.
3. The Commission may, by means of implementing acts, adopt necessary measures for the application of this Article. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 162(2).

Article 138

Export limits

The volume commitments resulting from the agreements concluded in accordance with Article 218 of the Treaty shall be respected on the basis of export licences issued for the reference periods applying to the products concerned.

The Commission may adopt implementing acts necessary to respect the volume commitments, including ceasing or limiting the issue of export licences when such commitments are or can be exceeded. With regard to compliance with the obligations under

the WTO Agreement on Agriculture, the ending of a reference period shall not affect the validity of export licences.

Article 139

Delegated powers

1. The Commission shall be empowered to adopt delegated acts in accordance with Article 160 to provide for measures listed in paragraphs 2 to 6 of this Article.
2. Taking into account the need to ensure that operators respect their obligations when participating in tendering procedures, the Commission shall, by means of delegated acts, designate the primary requirement for release of licence securities for tendered export refunds.
3. Taking into account the need to minimise the administrative burden for operators and authorities, the Commission may, by means of delegated acts, set thresholds below which the obligation to issue or present an export licence may not be required, designate destinations or operations where an exemption for the obligation to present an export licence may be justified and permit export licences to be granted ex-post in justified situations.
4. Taking into account the need to adhere to practical situations justifying full or partial eligibility to export refunds and to help operators bridge the period between the application and the final payment of the export refund, the Commission may, by means of delegated acts, adopt measures concerning:
 - (a) another date for the refund;
 - (b) the consequences for the payment of the export refund when the product code or destination mentioned in a licence is not in conformity with the actual product or destination;
 - (c) advance payment of export refunds including the conditions for the lodging and release of a security;
 - (d) checks and proof when doubts on the real destination of products exist and the opportunity for re-importation into the customs territory of the Union;
 - (e) destinations treated as exports from the Union, and inclusion of destinations within the customs territory of the Union eligible for export refunds.
5. Taking into account the need to ensure that products benefiting from export refunds are exported from the customs territory of the Union and to avoid their return to that territory, and to minimise the administrative burden for operators in generating and submitting proof that refund products reached a country of destination for differentiated refunds, the Commission may, by means of delegated acts, adopt measures concerning:
 - (a) the time limit by which the exit from the customs territory of the Union must be finalised, including the time for temporary re-entry;

- (b) the processing that products benefiting from export refunds may undergo during that period;
 - (c) the proof of having reached a destination for differentiated refunds;
 - (d) the refund thresholds and conditions under which exporters may be exempted from such proof;
 - (e) conditions for approval of proof of reaching a destination for differentiated refunds by independent third parties.
6. Taking into account the specificities of the different sectors the Commission may, by means of delegated acts, adopt specific requirements and conditions for operators and of the products eligible for an export refund, the definition and characteristics of the products, and the establishment of coefficients for the purposes of calculating export refunds.

Article 140

Implementing powers in accordance with the examination procedure

The Commission shall by means of implementing acts, adopt necessary measures for the application of this Section, in particular:

- (a) on the redistribution of exportable quantities which have not been allocated or utilised;
- (b) on products referred to in point (b) of Article 133(1).

Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 162(2).

Article 141

Other implementing powers

The Commission may, by means of implementing acts, fix coefficients adjusting export refunds in accordance with the rules adopted pursuant to Article 139(6).

CHAPTER VII

OUTWARD PROCESSING

Article 142

Suspension of outward processing arrangements

1. Where the Union market is disturbed or could be disturbed by outward processing arrangements, the Commission may, by means of implementing acts, on a request from a Member State or on its own initiative, fully or partially suspend the use of outward processing arrangements for the products of the cereals, rice, fruit and vegetables, processed fruit and vegetables, wine, beef and veal, pigmeat, sheepmeat and goatmeat and poultrymeat sectors. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 162(2).

Where the Commission receives a request from a Member State, it shall, by means of implementing acts, take a decision thereon within five working days following receipt of the request. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 162(2).

On duly justified grounds of urgency, the Commission shall adopt immediately applicable implementing acts in accordance with the procedure referred to in Article 162(3).

The measures adopted shall be communicated to the Members States and shall take effect immediately.

2. To the extent necessary for the proper functioning of the CMO, the use of outward processing arrangements for the products listed in paragraph 1 may be fully or partially prohibited by the European Parliament and the Council, acting in accordance with the procedure laid down in Article 43(2) of the Treaty.

PART IV

COMPETITION RULES

CHAPTER I

Rules applying to undertakings

Article 143

Application of Articles 101 to 106 of the Treaty

Save as otherwise provided for in this Regulation, Articles 101 to 106 of the Treaty and implementation provisions thereof shall, subject to Articles 144 to 146 of this Regulation, apply to all agreements, decisions and practices referred to in Article 101(1) and Article 102 of the Treaty which relate to the production of, or trade in, agricultural products.

Article 144

Exceptions for the objectives of the CAP and farmers and their associations

1. Article 101(1) of the Treaty shall not apply to the agreements, decisions and practices referred to in Article 143 of this Regulation necessary for the attainment of the objectives set out in Article 39 of the Treaty.

In particular, Article 101(1) of the Treaty shall not apply to agreements, decisions and practices of farmers, farmers' associations, or associations of such associations, or producer organisations recognised under Article 106 of this Regulation, or associations of producer organisations recognised under Article 107 of this Regulation, which concern the production or sale of agricultural products or the use of joint facilities for the storage, treatment or processing of agricultural products, and under which there is no obligation to charge identical prices, unless competition is thereby excluded or the objectives of Article 39 of the Treaty are jeopardised.

2. After consulting the Member States and hearing the undertakings or associations of undertakings concerned and any other natural or legal person that it considers appropriate, the Commission shall have sole power, subject to review by the Court of Justice, to determine, by adopting, by means of implementing acts, a Decision which shall be published, which agreements, decisions and practices fulfil the conditions specified in paragraph 1.

The Commission shall undertake such determination either on its own initiative or at the request of a competent authority of a Member State or of an interested undertaking or association of undertakings.

3. The publication of the Decision referred to in the first subparagraph of paragraph 2 shall state the names of the parties and the main content of the decision. It shall have regard to the legitimate interest of undertakings in the protection of their business secrets.

Article 145

Agreements and concerted practices of recognised interbranch organisations

1. Article 101(1) of the Treaty shall not apply to the agreements, decisions and concerted practices of interbranch organisations recognised under Article 108 of this Regulation with the object of carrying out the activities listed in point (c) of Article 108(1) of this Regulation, and for the olive oil and table olive and tobacco sectors, Article 108(2) of this Regulation.
2. Paragraph 1 shall apply only provided that:
 - (a) the agreements, decisions and concerted practices have been notified to the Commission;
 - (b) within two months of receipt of all the details required the Commission, by means of implementing acts, has not found that the agreements, decisions or concerted practices are incompatible with Union rules.
3. The agreements, decisions and concerted practices may not be put into effect before the lapse of the period referred to in paragraph 2(b).
4. Agreements, decisions and concerted practices shall in any case be declared incompatible with Union rules if they:
 - (a) may lead to the partitioning of markets within the Union in any form;
 - (b) may affect the sound operation of the market organisation;
 - (c) may create distortions of competition which are not essential to achieving the objectives of the CAP pursued by the interbranch organisation activity;
 - (d) entail the fixing of prices or the fixing of quotas;
 - (e) may create discrimination or eliminate competition in respect of a substantial proportion of the products in question.
5. If, following expiry of the two-month period referred to in paragraph 2(b), the Commission finds that the conditions for applying paragraph 1 have not been met, it shall, by means of implementing acts, take a Decision declaring that Article 101(1) of the Treaty applies to the agreement, decision or concerted practice in question.

That Commission Decision shall not apply earlier than the date of its notification to the interbranch organisation concerned, unless that interbranch organisation has given incorrect information or abused the exemption provided for in paragraph 1.

6. In the case of multiannual agreements, the notification for the first year shall be valid for the subsequent years of the agreement. However, in that event, the Commission may, on its own initiative or at the request of another Member State, issue a finding of incompatibility at any time.

CHAPTER II

State aid rules

Article 146

Application of Articles 107 to 109 of the Treaty

1. Subject to paragraph 2, Articles 107 to 109 of the Treaty shall apply to the production of, and trade in, agricultural products.
2. Articles 107 to 109 of the Treaty shall not apply to payments made by Member States pursuant to and in conformity with:
 - (a) the measures provided for in this Regulation which are partly or wholly financed by the Union, or
 - (b) the provisions of Articles 147 to 153 of this Regulation.

Article 147

National payments related to wine support programmes

By way of derogation from Article 41(3), Member States may grant national payments in accordance with the Union rules on State aid for the measures referred to in Articles 43, 47 and 48.

The maximum aid rate as laid down in the relevant Union rules on state aid shall apply to the global public financing, including both Union and national funds.

Article 148

National payments for reindeer in Finland and Sweden

Subject to an authorisation by the Commission, by means of implementing acts, national payments for the production and marketing of reindeer and reindeer products (CN ex 0208 and ex 0210) may be made by Finland and Sweden insofar as they do not entail any increase in traditional levels of production.

Article 149

National payments for the sugar sector in Finland

Finland may make national payments of up to EUR 350 per hectare per marketing year to sugar beet growers.

Article 150

National payments for apiculture

Member States may make national payments for the protection of apiaries disadvantaged by structural or natural conditions or under economic development programmes, except for those allocated for production or trade.

Article 151

National payments for distillation of wine in cases of crisis

1. Member States may make national payments to wine producers for the voluntary or mandatory distillation of wine in justified cases of crisis.
2. The payments referred to in paragraph 1 shall be proportionate and allow that crisis to be addressed.
3. The overall amount of payments available in a Member State in any given year for such payments shall not exceed 15 % of the globally available funds per Member State for that year as laid down in Annex IV.
4. Member States wishing to make use of the national payments referred to in paragraph 1 shall submit a duly substantiated notification to the Commission. The Commission shall, by means of implementing acts, decide whether the measure is approved and whether the payments may be made.
5. The alcohol resulting from distillation referred to in paragraph 1 shall be used exclusively for industrial or energy purposes so as to avoid distortion of competition.
6. The Commission may, by means of implementing acts, adopt necessary measures for the application this Article. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 162(2).

Article 152

National payments for distribution of products to children

Member States may, in addition to Union aid provided for in Articles 21 and 24, make national payments for supplying the products to children in educational establishments or for the related costs referred to in Article 21(1).

Member States may finance those payments by means of a levy on the sector concerned or by any other contribution from the private sector.

Member States may, in addition to Union aid provided for in Article 21, make national payments for financing accompanying measures necessary to make the Union scheme for the supply of fruit and vegetable, processed fruit and vegetable and banana products effective, as provided for in Article 21(2).

Article 153

National payments for nuts

1. Member States may make national payments, up to a maximum of EUR 120,75 per hectare per year, to farmers producing the following products:
 - (a) almonds falling within CN codes 0802 11 and 0802 12;
 - (b) hazelnuts or filberts falling within CN codes 0802 21 and 0802 22;
 - (c) walnuts falling within CN codes 0802 31 and 0802 32;
 - (d) pistachios falling within CN code 0802 50;
 - (e) locust beans falling within CN code 1212 99 30.

2. The national payments may be paid only for a maximum area of:

Member State	Maximum area (ha)
Belgium	100
Bulgaria	11 984
Germany	1 500
Greece	41 100
Spain	568 200
France	17 300
Italy	130 100
Cyprus	5100
Luxembourg	100
Hungary	2 900
Netherlands	100
Poland	4 200
Portugal	41 300
Romania	1 645
Slovenia	300
Slovakia	3 100

United Kingdom	100
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3. Member States may make the granting of national payments conditional on farmers being members of a producer organisation recognised under Article 106.

PART V

GENERAL PROVISIONS

CHAPTER I

Exceptional measures

SECTION 1

MARKET DISTURBANCE

Article 154

Measures against market disturbance

1. Taking into account the need to react efficiently and effectively against threats of market disturbance caused by significant price rises or falls on internal or external markets or any other factors affecting the market, the Commission shall be empowered to adopt delegated acts in accordance with Article 160 to take the necessary measures for the sector concerned, respecting any obligations resulting from agreements concluded in accordance with Article 218 of the Treaty.

Where in the cases of threats of market disturbances referred to in the first subparagraph, imperative grounds of urgency so require, the procedure provided for in Article 161 of this Regulation shall apply to delegated acts adopted pursuant to this paragraph.

Such measures may to the extent and for the time necessary extend or modify the scope, duration or other aspects of other measures provided for under this Regulation, or suspend import duties in whole or in part including for certain quantities or periods as necessary.

2. The measures referred to in paragraph 1 shall not apply to products listed in Section 2 of Part XXIV of Annex I.
3. The Commission may, by means of implementing acts, adopt necessary rules for the application of paragraph 1 of this Article. Those rules may, in particular, concern procedures and technical criteria. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 162(2).

SECTION 2

MARKET SUPPORT MEASURES RELATED TO ANIMAL DISEASES AND LOSS OF CONSUMER CONFIDENCE DUE TO PUBLIC, ANIMAL OR PLANT HEALTH RISKS

Article 155

Measures concerning animal diseases and loss of consumer confidence due to public, animal or plant health risks

1. The Commission may, by means of implementing acts, adopt exceptional support measures:
 - (a) for the affected market in order to take account of restrictions on intra-Union and third-country trade which may result from the application of measures for combating the spread of diseases in animals, and
 - (b) in order to take account of serious market disturbances directly attributed to a loss in consumer confidence due to public, animal or plant health risks.

Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 162(2).

2. The measures provided for in paragraph 1 shall apply to the following sectors:
 - (a) beef and veal;
 - (b) milk and milk products;
 - (c) pigmeat;
 - (d) sheepmeat and goatmeat;
 - (e) eggs;
 - (f) poultrymeat.

The measures provided for in point (b) of paragraph 1 related to a loss in consumer confidence due to public or plant health risks shall also apply to all other agricultural products except those listed in Section 2 of Part XXIV of Annex I.

3. The measures provided for in paragraph 1 shall be taken at the request of the Member State concerned.
4. The measures provided for in point (a) of paragraph 1 may be taken only if the Member State concerned has taken health and veterinary measures quickly to stamp out the disease, and only to the extent and for the duration strictly necessary to support the market concerned.
5. The Union shall provide part-financing equivalent to 50 % of the expenditure borne by Member States for the measures provided for in paragraph 1.

However, with regard to the beef and veal, milk and milk products, pigmeat and sheepmeat and goatmeat sectors, the Union shall provide part-financing equivalent to 60 % of such expenditure when combating foot-and-mouth disease.

6. Member States shall ensure that, where producers contribute to the expenditure borne by Member States, this does not result in distortion of competition between producers in different Member States.

SECTION 3

SPECIFIC PROBLEMS

Article 156

Measures to resolve specific problems

1. The Commission shall, by means of implementing acts, adopt necessary and justifiable emergency measures to resolve specific problems. Those measures may derogate from the provisions of this Regulation only to an extent that is strictly necessary and for a period that is strictly necessary. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 162(2).
2. To resolve specific problems, on duly justified grounds of urgency, the Commission shall adopt immediately applicable implementing acts in accordance with the procedure referred to in Article 162(3).

CHAPTER II

Communications and reporting

Article 157

Communication requirements

1. For the purposes of applying this Regulation, monitoring, analysing and managing the market in agricultural products, ensuring market transparency, the proper functioning of CAP measures, of checking, controlling, monitoring, evaluating and auditing CAP measures, implementing international agreements, including notification requirements under those agreements, the Commission may in accordance with the procedure referred to in paragraph 2 adopt the necessary measures regarding communications to be made by undertakings, Member States and/or third countries. In so doing it shall take into account the data needs and synergies between potential data sources.

The information obtained may be transmitted or made available to international organisations, the competent authorities of third countries and may be made public, subject to the protection of personal data and the legitimate interest of undertakings in the protection of their business secrets, including prices.

2. Taking into account the need to make notifications referred to in paragraph 1 fast, efficient, accurate, and cost effective, the Commission shall be empowered to adopt delegated acts in accordance with Article 160 laying down:
 - (a) the nature and type of the information to be notified;
 - (b) the methods of notification;
 - (c) the rules related to the access rights to the information or information systems made available;
 - (d) the conditions and means of publication of the information.
3. The Commission shall, by means of implementing acts, adopt:
 - (a) rules on providing the information necessary for the application of this Article;
 - (b) arrangements for the management of the information to be notified, as well as rules on content, form, timing, frequency and deadlines of the notifications;
 - (c) arrangements for transmitting or making information and documents available to the Member States, international organisations, the competent authorities in third countries, or the public, subject to the protection of personal data and the legitimate interest of undertakings in the protection of their business secrets.

Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 162(2).

Article 158

Reporting obligation of the Commission

The Commission shall present a report to the European Parliament and to the Council:

- (a) every three years after 2013 on the implementation of the measures concerning the apiculture sector as set out in Articles 52 to 54;
- (b) by 30 June 2014 and also by 31 December 2018 on the development of the market situation in the milk and milk products sector and in particular on the operation of Articles 104 to 107 and 145 in that sector covering, in particular, potential incentives to encourage farmers to enter into joint production agreements together with any appropriate proposals.

CHAPTER III

Reserve for crises in the agricultural sector

Article 159

Use of the Reserve

Funds transferred from the Reserve for crises in the agricultural sector under the conditions and procedure referred to in paragraph 14 of the Interinstitutional Agreement between the European Parliament, the Council and the Commission on cooperation in budgetary matters and on sound financial management⁴⁷ shall be made available for the measures to which this Regulation applies for the year or years for which the additional support is required and which are implemented in circumstances that go beyond normal market developments.

In particular, funds shall be transferred for any expenditure under:

- (a) Chapter I of Title I of Part II,
- (b) Chapter VI of Part III, and
- (c) Chapter I of this Part.

The Commission may, by means of implementing acts, and by way of derogation from the second paragraph of this Article, decide that transfers of funds shall not be made for certain expenditure referred to in point (b) of that paragraph if such expenditure is part of normal market management. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 162(2).

⁴⁷ OJ L [...], [...], p. [...].

PART VI

DELEGATIONS OF POWER, IMPLEMENTING PROVISIONS, TRANSITIONAL AND FINAL RULES

CHAPTER I

Delegations of power and implementing provisions

Article 160

Exercise of the delegation

1. The powers to adopt the delegated acts shall be conferred on the Commission subject to the conditions laid down in this Article.
2. The delegations of power referred to in this Regulation shall be conferred on the Commission for an indeterminate period of time from the entry into force of this Regulation.
3. The delegation of powers referred to in this Regulation may be revoked at any time by the European Parliament or by the Council. A decision of revocation shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the *Official Journal of the European Union* or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.
4. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.
5. A delegated act adopted pursuant to this Regulation shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of 2 months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by 2 months at the initiative of the European Parliament or the Council.

Article 161

Urgency procedure

1. Delegated acts adopted under this Article shall enter into force without delay and shall apply as long as no objection is expressed in accordance with paragraph 2. The

notification of a delegated act adopted under this Article to the European Parliament and to the Council shall state the reasons for the use of the urgency procedure.

2. Either the European Parliament or the Council may object to a delegated act adopted under this Article in accordance with the procedure referred to in Article 160(5). In such a case, the Commission shall repeal the act without delay following the notification of the decision to object by the European Parliament or the Council.

Article 162

Committee procedure

1. The Commission shall be assisted by a Committee for the Common Organisation of the Agricultural Markets. That Committee shall be a committee within the meaning of Regulation (EU) No 182/2011.
2. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.
3. Where reference is made to this paragraph, Article 8 of Regulation (EU) No 182/2011, in conjunction with Article 5 thereof, shall apply.

CHAPTER II

Transitional and final provisions

Article 163

Repeals

1. Regulation (EU) No [COM(2010)799] is repealed.
However, the following provisions of Regulation (EU) No [COM(2010)799] shall continue to apply:
 - (a) as regards the sugar sector, Title I of Part II, Articles 248, 260 to 262 and Part II of Annex III until the end of the 2014/2015 marketing year for sugar on 30 September 2015;
 - (b) the provisions related to the system of milk production limitation set out in Chapter III of Title I of Part II, until 31 March 2015;
 - (c) as regards the wine sector:
 - (i) Articles 82 to 87 as regards areas referred to in Article 82(2) which have not yet been grubbed up and as regards areas referred to in Article 83(1) which have not been regularised until such areas are grubbed up or regularised,

- (ii) the transitional planting right regime set out in Subsection II of Section V of Chapter III of Title I of Part II, until 31 December 2015, or, to the extent necessary in order to give effect to any decision taken by Member States under Article 89(5), until 31 December 2018;
 - (d) Article 291(2) until 31 March 2014;
 - (e) the first and second paragraph of Article 293 until the end of the 2013/2014 marketing year for sugar;
 - (f) Article 294 until 31 December 2017;
 - (g) Article 326.
2. References to Regulation (EU) No [COM(2010)799] shall be construed as references to this Regulation and to Regulation (EU) No [...] on the financing, management and monitoring of the common agricultural policy and be read in accordance with the correlation tables set out in Annex VIII to this Regulation.
 3. Council Regulations (EC) No 234/79, (EC) No 1601/96 and (EC) No 1037/2001 are repealed.

Article 164

Transitional rules

Taking into account the need to ensure the smooth transition from the arrangements provided for in Regulation (EU) No [COM(2010)799] to those laid down in this Regulation, the Commission shall be empowered to adopt delegated acts in accordance with Article 160 concerning measures necessary to protect the acquired rights and legitimate expectations of undertakings.

Article 165

Entry into force and application

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

It shall apply from 1 January 2014.

However, Articles 7, 16 and 101 and Annex III, as regards the sugar sector, shall only apply after the end of the 2014/2015 marketing year for sugar on 1 October 2015.

2. As regards the milk and milk products sector, Articles 104 and 105 shall apply until 30 June 2020.

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

Done at Brussels,

For the European Parliament
The President

For the Council
The President

ANNEX I

LIST OF PRODUCTS REFERRED TO IN ARTICLE 1(2)

Part I: Cereals

The cereals sector shall cover the products listed in the following table:

CN code	Description
(a) 0709 90 60	Sweetcorn, fresh or chilled
0712 90 19	Dried sweetcorn, whole, cut, sliced, broken or in powder, but not further prepared, other than hybrid for sowing
1001 90 91	Common wheat and meslin seed
1001 90 99	Spelt, common wheat and meslin other than for sowing
1002 00 00	Rye
1003 00	Barley
1004 00 00	Oats
1005 10 90	Maize (corn) seed other than hybrid
1005 90 00	Maize other than seed
1007 00 90	Grain sorghum, other than hybrids for sowing
1008	Buckwheat, millet and canary seed; other cereals
(b) 1001 10 00	Durum wheat
(c) 1101 00	Wheat or meslin flour
1102 10 00	Rye flour
1103 11	Groats and meal of wheat
1107	Malt, whether or not roasted
(d) 0714	Manioc, arrowroot, salep, Jerusalem artichokes, sweet potatoes and similar roots and tubers with high starch or inulin content, fresh, chilled, frozen or dried, whether or not sliced or in the form of pellets; sago pith
ex 1102	Cereal flours other than of wheat or meslin:
1102 20	– Maize (corn) flour
1102 90	– Other:
1102 90 10	– – Barley flour
1102 90 30	– – Oat flour
1102 90 90	– – Other
ex 1103	Cereal groats, meal and pellets with the exception of groats and meal of wheat (subheading 1103 11), groats and meal of rice (subheading 1103 19 50) and pellets of rice (subheading 1103 20 50)
ex 1104	Cereal grains otherwise worked (for example, hulled, rolled, flaked, pearled, sliced or kibbled), except rice of heading 1006 and flaked rice of subheading 1104 19 91; germ of cereals, whole, rolled, flaked or ground
1106 20	Flour, meal and powder of sago or of roots or tubers of heading 0714
ex 1108	Starches; inulin:
	– Starches:
1108 11 00	– – Wheat starch
1108 12 00	– – Maize (corn) starch
1108 13 00	– – Potato starch
1108 14 00	– – Manioc (cassava) starch
ex 1108 19	– – Other starches:
1108 19 90	– – – Other

CN code	Description
1702	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:
ex 1702 30	– Glucose and glucose syrup, not containing fructose or containing in the dry state less than 20 % by weight of fructose:
	– – Other:
ex 1702 30 50	– – – In the form of white crystalline powder, whether or not agglomerated, containing in the dry state less than 99 % by weight of glucose
ex 1702 30 90	– – – Other, containing in the dry state less than 99 % by weight of glucose
ex 1702 40	– Glucose and glucose syrup, containing in the dry state at least 20 % but less than 50 % by weight of fructose, excluding invert sugar:
1702 40 90	– – Other
ex 1702 90	– Other, including invert sugar and other sugar and sugar syrup blends containing in the dry state 50 % by weight of fructose:
1702 90 50	– – Maltodextrine and maltodextrine syrup
	– – Caramel:
	– – – Other:
1702 90 75	– – – – In the form of powder, whether or not agglomerated
1702 90 79	– – – – Other
2106	Food preparations not elsewhere specified or included:
ex 2106 90	– Other
	– – Flavoured or coloured sugar syrups:
	– – – Other
2106 90 55	– – – – Glucose syrup and maltodextrine syrup
ex 2302	Bran, sharps and other residues, whether or not in the form of pellets, derived from the sifting, milling or other working of cereals
ex 2303	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:
2303 10	– Residues of starch manufacture and similar residues
2303 30 00	– Brewing or distilling dregs and waste
ex 2306	Oilcake and other solid residues, whether or not ground or in the form of pellets, resulting from the extraction of vegetable fats or oils, other than those of headings 2304 and 2305:
	– Other
2306 90 05	– – Of maize (corn) germ
ex 2308 00	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:
2308 00 40	– Acorns and horse-chestnuts; pomace or marc of fruit, other than grapes
2309	Preparations of a kind used in animal feeding:
ex 2309 10	– Dog or cat food, put up for retail sale:
2309 10 11	– – Containing starch, glucose, glucose syrup, maltodextrine or maltodextrine syrup of subheadings
2309 10 13	1702 30 50, 1702 30 90, 1702 40 90, 1702 90 50 and 2106 90 55 or milk products
2309 10 31	
2309 10 33	
2309 10 51	
2309 10 53	

CN code	Description
ex 2309 90	– Other:
2309 90 20	– – Products referred to in additional note 5 to chapter 23 of the Combined Nomenclature
	– – Other, including premixes:
2309 90 31	– – – Containing starch, glucose, glucose syrup, maltodextrine or maltodextrine syrup of subheadings
2309 90 33	1702 30 50, 1702 30 90, 1702 40 90, 1702 90 50 and 2106 90 55 or milk products:
2309 90 41	
2309 90 43	
2309 90 51	
2309 90 53	

(¹) For the purposes of this subheading 'milk products' means products falling within headings 0401 to 0406 as well as subheadings 1702 11 00, 1702 19 00 and 2106 90 51.

Part II: Rice

The rice sector shall cover the products listed in the following table:

CN code	Description
(a) 1006 10 21 to 1006 10 98	Rice in the husk (paddy or rough), other than for sowing
1006 20	Husked (brown) rice
1006 30	Semi-milled or wholly milled rice, whether or not polished or glazed
(b) 1006 40 00	Broken rice
(c) 1102 90 50	Rice flour
1103 19 50	Rice groats and meal
1103 20 50	Pellets of rice
1104 19 91	Flaked grains of rice
ex 1104 19 99	Rolled grains of rice
1108 19 10	Rice starch

Part III: Sugar

The sugar sector shall cover the products listed in the following table:

	CN code	Description
(a)	1212 91	Sugar beet
	1212 99 20	Sugar cane
(b)	1701	Cane or beet sugar and chemically pure sucrose, in solid form
(c)	1702 20	Maple sugar and maple syrup
	1702 60 95 and 1702 90 95	Other sugars in solid form and sugar syrups, not containing added flavouring or colouring matter, but not including lactose, glucose, maltodextrine and isoglucose
	1702 90 71	Caramel containing 50 % or more by weight of sucrose in the dry matter
	2106 90 59	Flavoured or coloured sugar syrups, other than isoglucose, lactose, glucose and maltodextrine syrups
(d)	1702 30 10	Isoglucose
	1702 40 10	
	1702 60 10	
	1702 90 30	
(e)	1702 60 80	Inulin syrup
	1702 90 80	
(f)	1703	Molasses resulting from the extraction or refining of sugar
(g)	2106 90 30	Flavoured or coloured isoglucose syrups
(h)	2303 20	Beet pulp, bagasse and other waste of sugar manufacture

Part IV: Dried fodder

The dried fodder sector shall cover the products listed in the following table:

	CN code	Description
(a)	ex 1214 10 00	– Meal and pellets of lucerne artificially heat-dried
		– Meal and pellets of lucerne otherwise dried and ground
	ex 1214 90 90	– Lucerne, sainfoin, clover, lupins, vetches and similar fodder products, artificially heat-dried, except hay and fodder kale and products containing hay
		– Lucerne, sainfoin, clover, lupins, vetches, honey lotus, chickling pea and birdsfoot, otherwise dried and ground
(b)	ex 2309 90 99	– Protein concentrates obtained from lucerne juice and grass juice
		– Dehydrated products obtained exclusively from solid residues and juice resulting from preparation of the abovementioned concentrates

Part V: Seeds

The seeds sector shall cover the products listed in the following table

CN code	Description
0712 90 11	Sweetcorn hybrids: – for sowing
0713 10 10	Peas (<i>Pisum sativum</i>): – for sowing
ex 0713 20 00	Chickpeas (garbanzos): – for sowing
ex 0713 31 00	Beans of the species <i>Vigna mungo</i> (L.) Hepper or <i>Vigna radiata</i> (L.) Wilczek: – for sowing
ex 0713 32 00	Small red (Adzuki) beans (<i>Phaseolus</i> or <i>Vigna angularis</i>): – for sowing
0713 33 10	Kidney beans, including white pea beans (<i>Phaseolus vulgaris</i>): – for sowing
ex 0713 39 00	Other beans: – for sowing
ex 0713 40 00	Lentils: – for sowing
ex 0713 50 00	Broad beans (<i>Vicia faba</i> var. <i>major</i>) and horse beans (<i>Vicia faba</i> var. <i>equina</i> , <i>Vicia faba</i> var. <i>minor</i>): – for sowing
ex 0713 90 00	Other dried leguminous vegetables: – for sowing
1001 90 10	Spelt: – for sowing
ex 1005 10	Hybrid maize (corn) seed
1006 10 10	Rice in the husk (paddy or rough): – for sowing
1007 00 10	Grain sorghum hybrids: – for sowing
1201 00 10	Soya beans, whether or not broken: – for sowing
1202 10 10	Groundnuts, not roasted or otherwise cooked, in shell: – for sowing
1204 00 10	Linseed, whether or not broken: – for sowing
ex 1205 10 10 and 1205 90 00	Rape or colza seeds, whether or not broken: – for sowing
1206 00 10	Sunflower seeds, whether or not broken: – for sowing
ex 1207	Other oil seeds and oleaginous fruits, whether or not broken: – for sowing
1209	Seeds, fruit and spores, of a kind used: – for sowing

Part VI: Hops

The hops sector shall cover the products listed in the following table

CN code	Description
1210	Hop cones, fresh or dried, whether or not ground, powdered or in the form of pellets; lupulin
1302 13 00	Vegetable saps and extracts of hops

Part VII: Olive oil and table olives

The olive oil and table olives sector shall cover the products listed in the following table:

CN code	Description
(a) 1509	Olive oil and its fractions, whether or not refined, but not chemically modified
1510 00	Other oils and their fractions, obtained solely from olives, whether or not refined, but not chemically modified, including blends of these oils or fractions with oils or fractions of heading 1509
(b) 0709 90 31	Olives, fresh or chilled, for uses other than the production of oil
0709 90 39	Other olives, fresh or chilled
0710 80 10	Olives (uncooked or cooked by steaming or boiling water), frozen
0711 20	Olives 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
ex 0712 90 90	Olives dried, whole, cut, sliced, broken or in powder, but not further prepared
2001 90 65	Olives prepared or preserved by vinegar or acetic acid
ex 2004 90 30	Olives prepared or preserved otherwise than by vinegar or acetic acid, frozen
2005 70 00	Olives prepared or preserved otherwise than by vinegar or acetic acid, not frozen
(c) 1522 00 31	Residues resulting from the treatment of fatty substances or animal or vegetable waxes containing oil having the characteristics of olive oil
1522 00 39	
2306 90 11	Oil-cake and other residues resulting from the extractions of olive oil
2306 90 19	

Part VIII: Flax and hemp

The flax and hemp sector shall cover the products listed in the following table:

CN code	Description
5301	Flax, raw or processed but not spun; flax tow and waste (including yarn waste and garnetted stock)
5302	True hemp (<i>Cannabis sativa</i> L.) raw or processed but not spun; tow and waste of true hemp (including yarn waste and garnetted stock)

Part IX: Fruit and vegetables

The fruit and vegetables sector shall cover the products listed in the following table:

CN code	Description
0702 00 00	Tomatoes, fresh or chilled
0703	Onions, shallots, garlic, leeks and other alliaceous vegetables, fresh or chilled
0704	Cabbages, cauliflowers, kohlrabi, kale and similar edible brassicas, fresh or chilled
0705	Lettuce (<i>Lactuca sativa</i>) and chicory (<i>Cichorium</i> spp.), fresh or chilled
0706	Carrots, turnips, salad beetroot, salsify, celeriac, radishes and similar edible roots, fresh or chilled
0707 00	Cucumbers and gherkins, fresh or chilled
0708	Leguminous vegetables, shelled or unshelled, fresh or chilled
ex 0709	Other vegetables, fresh or chilled, excluding vegetables of subheadings 0709 60 91, 0709 60 95, 0709 60 99, 0709 90 31, 0709 90 39 and 0709 90 60
ex 0802	Other nuts, fresh or dried, whether or not shelled or peeled, excluding areca (or betel) and cola nuts falling within subheading 0802 90 20
0803 00 11	Fresh plantains
ex 0803 00 90	Dried plantains
0804 20 10	Figs, fresh
0804 30 00	Pineapples
0804 40 00	Avocados
0804 50 00	Guavas, mangos and mangosteens
0805	Citrus fruit, fresh or dried
0806 10 10	Fresh table grapes
0807	Melons (including watermelons) and papaws (papayas), fresh
0808	Apples, pears and quinces, fresh
0809	Apricots, cherries, peaches (including nectarines), plums and sloes, fresh
0810	Other fruit, fresh
0813 50 31 0813 50 39	Mixtures exclusively of nuts of headings 0801 and 0802
0910 20	Saffron
ex 0910 99	Thyme, fresh or chilled
ex 1211 90 85	Basil, melissa, mint, <i>origanum vulgare</i> (oregano/wild marjoram), rosemary, sage, fresh or chilled
1212 99 30	Locust beans

Part X: Processed fruit and vegetable products

The processed fruit and vegetable sector shall cover the products listed in the following table:

CN Code	Description
(a) ex 0710	Vegetables (uncooked or cooked by steaming or boiling in water) frozen, excluding sweetcorn of subheading 0710 40 00, olives of subheading 0710 80 10 and fruits of the genus <i>Capsicum</i> or of the genus <i>Pimenta</i> of subheading 0710 80 59
ex 0711	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, excluding olives of subheading 0711 20, fruits of the genus <i>Capsicum</i> or of the genus <i>Pimenta</i> of subheading 0711 90 10 and sweetcorn of subheading 0711 90 30
ex 0712	Dried vegetables, whole, cut, sliced, broken or in powder, but not further prepared, excluding potatoes dehydrated by artificial heat-drying and unfit for human consumption falling within subheading ex 0712 90 05, sweetcorn falling within the subheadings 0712 90 11 and 0712 90 19 and olives falling within subheading ex 0712 90 90
0804 20 90	Dried figs

	0806 20 ex 0811	Dried grapes Fruit and nuts, uncooked or cooked by steaming or boiling in water, frozen, not containing added sugar or other sweetening matter, excluding frozen bananas falling within subheading ex 0811 90 95
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CN Code	Description
ex 0812	Fruit and nuts, 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, excluding bananas provisionally preserved falling within subheading ex 0812 90 98
ex 0813	Fruit, dried, other than that of headings 0801 to 0806; mixtures of nuts or dried fruits of this chapter excluding mixtures exclusively of nuts of headings 0801 and 0802 falling within subheadings 0813 50 31 and 0813 50 39
0814 00 00	Peel of citrus fruit or melons (including watermelons), fresh, frozen, dried or provisionally preserved in brine, in sulphur water or in other preservative solutions
0904 20 10	Dried sweet peppers, neither crushed nor ground
(b) ex 0811	Fruit and nuts, uncooked or cooked by steaming or boiling in water, frozen, containing added sugar or other sweetening matter
ex 1302 20	Pectic substances and pectinates
ex 2001	Vegetables, fruit, nuts and other edible parts of plants, prepared or preserved by vinegar or acetic acid, excluding: <ul style="list-style-type: none"> - fruit of the genus <i>Capsicum</i> other than sweet peppers or pimentos of subheading 2001 90 20 - sweetcorn (<i>Zea mays</i> var. <i>saccharata</i>) of subheading 2001 90 30 - yams, sweet potatoes and similar edible parts of plants containing 5 % or more by weight of starch of subheading 2001 90 40 - palm hearts of subheading 2001 90 60 - olives of subheading 2001 90 65 - vine leaves, hop shoots and other similar edible parts of plants falling within subheading ex 2001 90 97
2002	Tomatoes prepared or preserved otherwise than by vinegar or acetic acid
2003	Mushrooms and truffles, prepared or preserved otherwise than by vinegar or acetic acid
ex 2004	Other vegetables prepared or preserved otherwise than by vinegar or acetic acid, frozen, other than the products of heading 2006, excluding sweetcorn (<i>Zea mays</i> var. <i>saccharata</i>) of subheading 2004 90 10, olives of subheading ex 2004 90 30 and potatoes prepared or preserved in the form of flour, meal or flakes of subheading 2004 10 91
ex 2005	Other vegetables prepared or preserved otherwise than by vinegar or acetic acid, not frozen, other than products of heading 2006 excluding olives of subheading 2005 70 00, sweetcorn (<i>Zea mays</i> var. <i>saccharata</i>) of subheading 2005 80 00 and fruit of the genus <i>Capsicum</i> , other than sweet peppers or pimentos of subheading 2005 99 10 and potatoes prepared or preserved in the form of flour, meal or flakes of subheading 2005 20 10
ex 2006 00	Fruit, nuts, fruit-peel and other parts of plants, preserved by sugar (drained, glacé or crystallised), excluding bananas preserved by sugar falling within headings ex 2006 00 38 and ex 2006 00 99
ex 2007	Jams, fruit jellies, marmalades, fruit or nut purée and fruit or nut pastes, being cooked preparations, whether or not containing added sugar or other sweetening matter, excluding: <ul style="list-style-type: none"> - homogenised preparations of bananas of subheading ex 2007 10 - jams, jellies, marmalades, purée or pastes of bananas of subheadings ex 2007 99 39, ex 2007 99 50 and ex 2007 99 97
ex 2008	Fruit, 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, excluding: <ul style="list-style-type: none"> - peanut butter of subheading 2008 11 10 - palm hearts of subheading 2008 91 00 - maize of subheading 2008 99 85 - yams, sweet potatoes and similar edible parts of plants, containing 5 % or more by weight of starch of subheading 2008 99 91 - vine leaves, hop shoots and other similar edible parts of plants falling within subheading ex 2008 99 99 - mixtures of banana otherwise prepared or preserved of subheadings ex 2008 92 59, ex 2008 92 78, ex 2008 92 93 and ex 2008 92 98 - bananas otherwise prepared or preserved of subheadings ex 2008 99 49, ex 2008 99 67 and ex 2008 99 99
ex 2009	Fruit juices (excluding grape juice and grape must of subheadings 2009 61 and 2009 69 and banana juice of subheading ex 2009 80) and vegetable juices, unfermented and not containing added spirit, whether or not containing added sugar or other sweetening matter

Part XI: Bananas

The bananas sector shall cover the products listed in the following table:

CN codes	Description
0803 00 19	Fresh bananas, excluding plantains
ex 0803 00 90	Dried bananas, excluding plantains
ex 0812 90 98	Bananas provisionally preserved
ex 0813 50 99	Mixtures containing dried bananas
1106 30 10	Flour, meal and powder of bananas
ex 2006 00 99	Bananas preserved by sugar
ex 2007 10 99	Homogenised preparations of bananas
ex 2007 99 39 ex 2007 99 50 ex 2007 99 97	Jams, jellies, marmalades, purées and pastes of bananas
ex 2008 92 59 ex 2008 92 78 ex 2008 92 93 ex 2008 92 98	Mixtures containing bananas otherwise prepared or preserved, not containing added spirit
ex 2008 99 49 ex 2008 99 67 ex 2008 99 99	Bananas otherwise prepared or preserved
ex 2009 80 35 ex 2009 80 38 ex 2009 80 79 ex 2009 80 86 ex 2009 80 89 ex 2009 80 99	Banana juice

Part XII: Wine

The wine sector shall cover the products listed in the following table:

CN code	Description
(a) 2009 61 2009 69 2204 30 92 2204 30 94 2204 30 96 2204 30 98	Grape juice (including grape must) Other grape musts, other than those in fermentation or with fermentation arrested otherwise than by the addition of alcohol
(b) ex 2204	Wine of fresh grapes, including fortified wines; grape must other than that of heading 2009, excluding other grape must of subheadings 2204 30 92, 2204 30 94, 2204 30 96 and 2204 30 98
(c) 0806 10 90 2209 00 11 2209 00 19	Fresh grapes other than table grapes Wine vinegar
(d) 2206 00 10 2307 00 11 2307 00 19 2308 00 11 2308 00 19	Piquette Wine lees Grape marc

Part XIII: Live trees and other plants, bulbs, roots and the like, cut flowers and ornamental foliage

The live plants sector shall cover all the products falling within Chapter 6 of the Combined Nomenclature.

Part XIV: Tobacco

The tobacco sector shall cover raw or non-manufactured tobacco and tobacco refuse falling within CN code 2401.

Part XV: Beef and veal

The beef and veal sector shall cover the products listed in the following table:

	CN code	Description
(a)	0102 90 05 to 0102 90 79	Live animals of the domestic bovine species, other than pure-bred breeding animals
	0201	Meat of bovine animals, fresh or chilled
	0202	Meat of bovine animals, frozen
	0206 10 95	Thick skirt and thin skirt, fresh or chilled
	0206 29 91	Thick skirt and thin skirt, frozen
	0210 20	Meat of bovine animals, salted, in brine, dried or smoked
	0210 99 51	Thick skirt and thin skirt, salted, in brine, dried or smoked
	0210 99 90	Edible flours and meals of meat or meat offal
	1602 50 10	Other prepared or preserved meat or meat offal of bovine animals, uncooked; mixtures of cooked meat or offal and uncooked meat or offal
	1602 90 61	Other prepared or preserved meat containing bovine meat or offal, uncooked; mixtures of cooked meat or offal and uncooked meat or offal
	(b)	0102 10
0206 10 98		Edible offal of bovine animals excluding thick skirt and thin skirt, fresh or chilled, other than for the manufacture of pharmaceutical products
0206 21 00 0206 22 00 0206 29 99		Edible offal of bovine animals excluding thick skirt and thin skirt, frozen, other than for the manufacture of pharmaceutical products
0210 9959		Edible meat offal of bovine animals, salted, in brine, dried or smoked, other than thick skirt and thin skirt
ex 1502 00 90		Fats of bovine animals other than those of heading 1503
1602 50 31 and 1602 50 95		Other prepared or preserved meat or meat offal, of bovine animals, other than uncooked meat or meat offal and mixtures of cooked meat or offal and uncooked meat or offal
1602 90 69		Other prepared or preserved meat containing bovine meat or offal other than uncooked, and mixtures of cooked meat or offal and uncooked meat or offal.

Part XVI: Milk and milk products

The milk and milk products sector shall cover the products listed in the following table:

	CN code	Description
(a)	0401	Milk and cream, not concentrated nor containing added sugar or other sweetening matter
(b)	0402	Milk and cream, concentrated or containing added sugar or other sweetening matter
(c)	0403 10 11 to 0403 10 39 0403 9011 to 0403 90 69	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 not flavoured nor containing added fruit, nuts or cocoa
(d)	0404	Whey, whether or not concentrated or containing added sugar or other sweetening matter; products consisting of natural milk constituents, whether or not containing added sugar or other sweetening matter, not elsewhere specified or included
(e)	ex 0405	Butter and other fats and oils derived from milk; dairy spreads of a fat content of more than 75 % but less than 80 %
(f)	0406	Cheese and curd
(g)	1702 19 00	Lactose and lactose syrup not containing added flavouring or colouring matter, containing by weight less than 99 % lactose, expressed as anhydrous lactose, calculated on the dry matter
(h)	2106 90 51	Flavoured or coloured lactose syrup
(i)	ex 2309	Preparations of a kind used in animal feeding: – Preparations and feedingstuffs containing products to which this Regulation applies, directly or by virtue of Regulation (EC) No 1667/2006, except preparations and feedingstuffs falling under Part I of this Annex.

Part XVII: Pigmeat

The pigmeat sector shall cover the products listed in the following table:

	CN code	Description
(a)	ex 0103	Live swine, of domestic species, other than pure-bred breeding animals
(b)	ex 0203	Meat of domestic swine, fresh, chilled, or frozen
	ex 0206	Edible offal of domestic swine, other than for the manufacture of pharmaceutical products, fresh, chilled or frozen
	ex 0209 00	Pig fat, free of lean meat, not rendered or otherwise extracted, fresh, chilled, frozen, salted, in brine, dried or smoked
	ex 0210	Meat and edible meat offal of domestic swine, salted, in brine, dried or smoked
	1501 00 11 1501 00 19	Pig fat (including lard)
(c)	1601 00	Sausages and similar products, of meat, meat offal or blood; food preparations based on these products
	1602 10 00	Homogenised preparations of meat, meat offal or blood
	1602 20 90	Preparations or preserves of liver of any animal, other than goose or duck
	1602 41 10 1602 42 10 1602 49 11 to 1602 49 50	Other preparations and preserves containing meat or offal of domestic swine
	1602 90 10	Preparations of blood of any animal
	1602 90 51	Other preparations or preserves containing meat or meat offal of domestic swine
	1902 20 30	Stuffed pasta, whether or not cooked or otherwise prepared, containing more than 20 % by weight of sausages and the like, of meat and meat offal of any kind, including fats of any kind or origin

Part XVIII: Sheepmeat and goatmeat

The sheepmeat and goatmeat sector shall cover the products listed in the following table:

	CN code	Description
(a)	0104 10 30	Lambs (up to one year old)
	0104 10 80	Live sheep other than pure-bred breeding animals and lambs
	0104 20 90	Live goats other than pure-bred breeding animals
	0204	Meat of sheep or goats, fresh, chilled or frozen
	0210 99 21	Meat of sheep and goats, with bone in, salted, in brine, dried or smoked
	0210 99 29	Meat of sheep and goats, boneless, salted, in brine, dried or smoked
(b)	0104 10 10	Live sheep — pure-bred breeding animals
	0104 20 10	Live goats — pure-bred breeding animals
	0206 80 99	Edible offal of sheep and goats, fresh or chilled, other than for the manufacture of pharmaceutical products
	0206 90 99	Edible offal of sheep and goats, frozen, other than for the manufacture of pharmaceutical products
ex	0210 99 60	Edible offal of sheep and goats, salted, in brine, dried or smoked
	1502 00 90	Fats of sheep or goats, other than those of 1503
	(c)	1602 90 72
1602 90 74		mixtures of cooked and uncooked meat or offal
(d)	1602 90 76	Other prepared or preserved meat or meat offal of sheep or goats, other than uncooked or mixtures
	1602 90 78	of cooked and uncooked meat or offal

Part XIX: Eggs

The eggs sector shall cover the products listed in the following table:

	CN code	Description
(a)	0407 00 11	Poultry eggs, in shell, fresh, preserved or cooked
	0407 00 19	
	0407 00 30	
(b)	0408 11 80	Bird's eggs, not in shell, and egg yolks, fresh, dried, cooked by steaming or by boiling in water, moulded, frozen or otherwise preserved, whether or not containing added sugar or other sweetening matter, other than unfit for human consumption
	0408 19 81	
	0408 19 89	
	0408 91 80	
	0408 99 80	

Part XX: Poultrymeat

The poultrymeat sector shall cover the products listed in the following table:

CN code	Description	
(a) 0105	Live poultry, that is to say, fowls of the species <i>Gallus domesticus</i> , ducks, geese, turkeys and guinea fowls	
(b) ex 0207	Meat and edible offal, of the poultry of heading 0105 fresh, chilled or frozen, excluding livers falling within point (c)	
(c) 0207 13 91	Poultry livers, fresh, chilled or frozen	
0207 14 91		
0207 26 91		
0207 27 91		
0207 34		
0207 35 91		
0207 36 81		
0207 36 85		
0207 36 89		
0210 99 71		Poultry livers, salted, in brine, dried or smoked
0210 99 79		
(d) 0209 00 90		Poultry fat, not rendered or otherwise extracted, fresh, chilled, frozen, salted, in brine, dried or smoked
(e) 1501 00 90		Poultry fat
(f) 1602 20 10		Goose or duck livers, otherwise prepared or preserved
1602 31	Meat or meat offal of poultry of heading 0105, otherwise prepared or preserved	
1602 32		
1602 39		

Part XXI: Ethyl alcohol of agricultural origin

1. The ethyl alcohol sector shall cover the products listed in the following table:

CN code	Description
ex 2207 10 00	Undenatured ethyl alcohol of an alcoholic strength by volume of 80 % vol. or higher obtained from the agricultural products listed in Annex I to the Treaty
ex 2207 20 00	Ethyl alcohol and other spirits, denatured, of any strength, obtained from the agricultural products listed in Annex I to the Treaty
ex 2208 90 91 and ex 2208 90 99	Undenatured ethyl alcohol of an alcoholic strength by volume of less than 80 % vol. obtained from the agricultural products listed in Annex I to the Treaty

2. The ethyl alcohol sector shall also cover products based on ethyl alcohol of agricultural origin falling within CN code 2208 put up in containers of more than two litres and presenting all the characteristics of ethyl alcohol as described in point 1.

Part XXII: Apiculture products

The apiculture sector shall cover the products listed in the following table:

CN code	Description
0409 00 00	Natural honey
ex 0410 00 00	Royal jelly and propolis, edible
ex 0511 99 85	Royal jelly and propolis, non-edible
ex 1212 99 70	Pollen
ex 1521 90	Beeswax

Part XXIII: Silkworms

The silkworm sector shall cover silkworms falling within CN code ex 0106 90 00 and silkworm eggs falling within CN code ex 0511 99 85.

Part XXIV: Other products

As regards other products, this shall mean all products referred to in Article 1(1), other than those listed in Parts I to XXIII, including those listed in the following Sections 1 and 2.

Section 1

CN code	Description
ex 0101	Live horses, asses, mules and hinnies:
0101 10	– Pure-bred breeding animals:
0101 10 10	– – Horses ^(a)
0101 10 90	– – Other
0101 90	– Other:
	– – Horses:
0101 90 19	– – – Other than for slaughter
0101 90 30	– – – Asses
0101 90 90	– – – Mules and hinnies
ex 0102	Live bovine animals:
ex 0102 90	– Other than pure-bred breeding animals:
0102 90 90	– – Other than domestic species
ex 0103	Live swine:
0103 10 00	– Pure-bred breeding animals ^(b)
	– Other:
ex 0103 91	– – Weighing less than 50 kg:
0103 91 90	– – – Other than domestic species
ex 0103 92	– – Weighing 50 kg or more

CN code	Description
0103 92 90	– – Other than domestic species
0106	Other live animals
ex 0203	Meat of swine, fresh, chilled or frozen:
	– Fresh or chilled:
ex 0203 11	– – Carcasses and half-carcasses:
0203 11 90	– – – Other than of domestic swine
ex 0203 12	– – Hams, shoulders and cuts thereof, with bone in:
0203 12 90	– – – Other than of domestic swine
ex 0203 19	– – Other:
0203 19 90	– – – Other than of domestic swine
	– Frozen:
ex 0203 21	– – Carcasses and half-carcasses:
0203 21 90	– – – Other than of domestic swine
ex 0203 22	– – Hams, shoulders and cuts thereof, with bone in:
0203 22 90	– – – Other than of domestic swine
ex 0203 29	– – Other:
0203 29 90	– – – Other than of domestic swine
ex 0205 00	Meat of asses, mules or hinnies, fresh, chilled or frozen
ex 0206	Edible offal of bovine animals, swine, sheep, goats, horses, asses, mules or hinnies, fresh, chilled or frozen:
ex 0206 10	– Of bovine animals, fresh or chilled
0206 10 10	– – For the manufacture of pharmaceutical products (°)
	– Of bovine animals, frozen:
ex 0206 22 00	– – Livers:
	– – – For the manufacture of pharmaceutical products (°)
ex 0206 29	– – Other:
0206 29 10	– – – For the manufacture of pharmaceutical products (°)
ex 0206 30 00	– Of swine, fresh or chilled:
	– – For the manufacture of pharmaceutical products (°)
	– – Other:
	– – – other than of domestic swine
	– Of swine, frozen:
ex 0206 41 00	– – Livers:
	– – – For the manufacture of pharmaceutical products (°)
	– – – Other:
	– – – – other than of domestic swine
ex 0206 49 00	– – Other:
	– – – Of domestic swine:
	– – – – For the manufacture of pharmaceutical products (°)
	– – – Other
ex 0206 80	– Other, fresh or chilled:
0206 80 10	– – For the manufacture of pharmaceutical products (°)
	– – Other:
0206 80 91	– – – Of horses, asses, mules and hinnies
ex 0206 90	– Other, frozen:
0206 90 10	– – For the manufacture of pharmaceutical products (°)
	– – Other:
0206 90 91	– – – Of horses, asses, mules and hinnies
0208	Other meat and edible meat offal, fresh, chilled or frozen

CN code	Description
ex 0210	Meat and edible meat offal, salted, in brine, dried or smoked; edible flours and meals of meat or meat offal:
	– Meat of swine:
ex 0210 11	– – Hams, shoulders and cuts thereof, with bone in:
0210 11 90	– – – Other than of domestic swine
ex 0210 12	– – Bellies (streaky) and cuts thereof:
0210 12 90	– – – Other than of domestic swine
ex 0210 19	– – Other:
0210 19 90	– – – Other than of domestic swine
	– Other, including edible flours and meals of meat or meat offal:
0210 91 00	– – Of primates
0210 92 00	– – Of whales, dolphins and porpoises (mammals of the order <i>Cetacea</i>); of manatees and dugongs (mammals of the order <i>Sirenia</i>)
0210 93 00	– – Of reptiles (including snakes and turtles)
ex 0210 99	– – Other:
	– – – Meat:
0210 99 31	– – – – Of reindeer
0210 99 39	– – – – Other
	– – – Offal:
	– – – – Other than of domestic swine, bovine animals, sheep and goats
0210 99 80	– – – – – Other than poultry livers
ex 0407 00	Birds' eggs, in shell, fresh, preserved or cooked:
0407 00 90	– Other than of poultry
ex 0408	Birds' eggs, not in shell, and egg yolks, fresh, dried, cooked by steaming or by boiling in water, moulded, frozen or otherwise preserved, whether or not containing added sugar or other sweetening matter:
	– Egg yolks:
ex 0408 11	– – Dried:
0408 11 20	– – – Unfit for human consumption ^(d)
ex 0408 19	– – Other:
0408 19 20	– – – Unfit for human consumption ^(d)
	– Other:
ex 0408 91	– – Dried:
0408 91 20	– – – Unfit for human consumption ^(d)
ex 0408 99	– – Other:
0408 99 20	– – – Unfit for human consumption ^(d)
0410 00 00	Edible products of animal origin, not elsewhere specified or included
0504 00 00	Guts, bladders and stomachs of animals (other than fish), whole and pieces thereof, fresh, chilled, frozen, salted, in brine, dried or smoked
ex 0511	Animal products not elsewhere specified or included; dead animals of Chapter 1 or 3, unfit for human consumption:
0511 10 00	– Bovine semen
	– Other:
ex 0511 99	– – Other:
0511 99 85	– – – Other
ex 0709	Other vegetables, fresh or chilled:
ex 0709 60	– Fruits of the genus <i>Capsicum</i> or of the genus <i>Pimenta</i> :
	– – Other:
0709 60 91	– – – – Of the genus <i>Capsicum</i> , for the manufacture of capsaicin or capsaicin oleoresin dyes ^(e)
0709 60 95	– – – – For the industrial manufacture of essential oils or resinoids ^(e)
0709 60 99	– – – – Other

CN code	Description
ex 0710	Vegetables (uncooked or cooked by steaming or boiling in water), frozen:
ex 0710 80	– Other vegetables:
0710 80 59	– – Fruits of the genus <i>Capsicum</i> or of the genus <i>Pimenta</i> :
ex 0711	– – – Other than sweet peppers
ex 0711 90	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:
0711 90 10	– Other vegetables; mixtures of vegetables:
ex 0713	– – Vegetables:
ex 0713 10	– – – Fruits of the genus <i>Capsicum</i> or of the genus <i>Pimenta</i> , excluding sweet peppers
0713 10 90	Dried leguminous vegetables, shelled, whether or not skinned or split:
ex 0713 20 00	– Peas (<i>Pisum sativum</i>):
ex 0713 31 00	– – Other than for sowing
ex 0713 32 00	– Chickpeas (garbanzos):
ex 0713 33	– – Other than for sowing
0713 33 90	– Beans (<i>Vigna</i> spp., <i>Phaseolus</i> spp.):
ex 0713 39 00	– – Beans of the species <i>Vigna mungo</i> (L) Hepper or <i>Vigna radiata</i> (L) Wilczek:
ex 0713 40 00	– – – Other than for sowing
ex 0713 50 00	– Small red (Adzuki) beans (<i>Phaseolus</i> or <i>Vigna angularis</i>):
ex 0713 90 00	– – – Other than for sowing
0801	– Kidney beans, including white pea beans (<i>Phaseolus vulgaris</i>):
ex 0802	– – – Other than for sowing
ex 0802 90 20	– – Other:
ex 0804	– – – Other than for sowing
0804 10 00	– Lentils:
0902	– – Other than for sowing
ex 0904	– Broad beans (<i>Vicia faba</i> var. <i>major</i>) and horse beans (<i>Vicia faba</i> var. <i>equina</i> and <i>Vicia faba</i> var. <i>minor</i>):
0905 00 00	– – Other than for sowing
0906	– Other:
0907 00 00	– – Other than for sowing
0908	Coconuts, Brazil nuts and cashew nuts, fresh or dried, whether or not shelled or peeled
0909	Other nuts, fresh or dried, whether or not shelled or peeled:
ex 0910	– Other:
ex 1106	– – Areca (or betel) and cola
1106 10 00	Dates, figs, pineapples, avocados, guavas, mangoes and mangosteens, fresh or dried:
ex 1106 30	– Dates
1106 30 90	Tea, whether or not flavoured
	Pepper of the genus <i>Piper</i> ; dried or crushed or ground fruits of the genus <i>Capsicum</i> or of the genus <i>Pimenta</i> , excluding sweet peppers falling within subheading 0904 20 10
	Vanilla
	Cinnamon and cinnamon-tree flowers
	Cloves (whole fruit, cloves and stems)
	Nutmeg, mace and cardamoms
	Seeds of anise, badian, fennel, coriander, cumin or caraway; juniper berries
	Ginger, turmeric (curcuma), bay leaves, curry and other spices excluding thyme and saffron
	Flour, meal and powder of the dried leguminous vegetables of heading 0713, of sago or of roots or tubers of heading 0714 or of the products of Chapter 8:
	– Of the dried leguminous vegetables of heading 0713
	– Of the products of Chapter 8:
	– – Other than bananas

CN code	Description
ex 1108	Starches; inulin:
1108 20 00	– Inulin
1201 00 90	Soya beans, whether or not broken, other than for sowing
1202 10 90	Groundnuts, not roasted or otherwise cooked, in shell, other than for sowing
1202 20 00	Ground-nuts, not roasted or otherwise cooked, shelled, whether or not broken
1203 00 00	Copra
1204 00 90	Linseed, whether or not broken, other than for sowing
1205 10 90 and ex 1205 90 00	Rape or colza seeds, whether or not broken, other than for sowing
1206 00 91	Sunflower seeds, whether or not broken, other than for sowing
1206 00 99	
1207 20 90	Cotton seeds, whether or not broken, other than for sowing
1207 40 90	Sesamum seeds, whether or not broken, other than for sowing
1207 50 90	Mustard seeds, whether or not broken, other than for sowing
1207 91 90	Poppy seeds, whether or not broken, other than for sowing
1207 99 91	Hemp seeds, whether or not broken, other than for sowing
ex 1207 99 97	Other oilseeds and oleaginous fruits, whether or not broken, other than for sowing
1208	Flours and meals of oil seeds or oleaginous fruits, other than those of mustard
ex 1211	Plants and parts of plants (including seeds and fruits) of a kind used primarily in perfumery, in pharmacy or for insecticidal, fungicidal or similar purposes, fresh or dried, whether or not cut, crushed or powdered excluding the products listed under CN code ex1211 90 85 in Part IX of this Annex;
ex 1212	Locust beans, seaweeds and other algae, sugar beet and sugar cane, fresh, chilled, frozen or dried, whether or not ground; fruit stones and kernels and other vegetable products (including unroasted chicory roots of the variety <i>Cichorium intybus sativum</i>) of a kind used primarily for human consumption, not elsewhere specified or included:
ex 1212 99	– – Other than sugar cane :
1212 99 41 and 1212 99 49	– – – Locust bean seeds
ex 1212 99 70	– – – Other, excluding chicory root
1213 00 00	Cereal straw and husks, unprepared, whether or not chopped, ground, pressed or in the form of pellets
ex 1214	Swedes, mangolds, fodder roots, hay, lucerne (alfalfa), clover, sainfoin, forage kale, lupines, vetches and similar forage products, whether or not in the form of pellets:
ex 1214 10 00	– Lucerne (alfalfa) meal and pellets, excluding of lucerne artificially heat-dried or of lucerne otherwise dried and ground
ex 1214 90	– Other:
1214 90 10	– – Mangolds, swedes and other fodder roots
ex 1214 90 90	– – Other, excluding:
	– Lucerne, sainfoin, clover, lupines, vetches and similar fodder products artificially heat-dried, except hay and fodder kale and products containing hay
	– Lucerne, sainfoin, clover, lupines, vetches, honey lotus, chickling pea and birdsfoot, otherwise dried and ground
ex 1502 00	Fats of bovine animals, sheep or goats, other than those of heading 1503:
ex 1502 00 10	– For industrial uses other than the manufacture of foodstuffs for human consumption, excluding fats obtained from bones and waste (°)
1503 00	Lard stearin, lard oil, oleostearin, oleo-oil and tallow oil, not emulsified or mixed or otherwise prepared
ex 1504	Fats and oils and their fractions, of fish or marine mammals, whether or not refined, but not chemically modified, excluding fish liver oils and the fractions of Headings 1504 10 and 1504 20
1507	Soya-bean oil and its fractions, whether or not refined, but not chemically modified
1508	Groundnut oil and its fractions, whether or not refined, but not chemically modified
1511	Palm oil and its fractions, whether or not refined, but not chemically modified
1512	Sunflower-seed, safflower or cotton-seed oil and fractions thereof, whether or not refined, but not chemically modified

CN code	Description
1513	Coconut (copra), palm kernel or babassu oil and fractions thereof, whether or not refined, but not chemically modified
1514	Rape, colza or mustard oil and fractions thereof, whether or not refined, but not chemically modified
ex 1515	Other fixed vegetable fats and oils (excluding jojoba oil of subheading ex 1515 90 11) and their fractions, whether or not refined, but not chemically modified
ex 1516	Animal or vegetable fats and oils and their fractions, partly or wholly hydrogenated, inter-esterified, re-esterified or elaidinised, whether or not refined, but not further prepared (excluding hydrogenated castor oil, so called 'opalwax' of subheading 1516 20 10)
ex 1517	Margarine; edible mixtures or preparations of animal or vegetable fats or oils or of fractions of different fats or oils of this chapter, other than edible fats or oils or their fractions of heading 1516, excluding subheadings 1517 10 10, 1517 90 10 and 1517 90 93
1518 00 31 1518 00 39	Fixed vegetable oils, fluid, mixed for technical or industrial uses other than the manufacture of foodstuffs for human consumption (°)
1522 00 91	Oil foots and dregs; soapstocks, resulting from the treatment of fatty substances or animal or vegetable waxes, excluding those containing oil having the characteristics of olive oil
1522 00 99	Other residues resulting from the treatment of fatty substances or animal or vegetable waxes, excluding those containing oil having the characteristics of olive oil
ex 1602	Other prepared or preserved meat, meat offal or blood:
	– Of swine:
ex 1602 41	– – Hams and cuts thereof:
1602 41 90	– – – Other than of domestic swine
ex 1602 42	– – Shoulders and cuts thereof:
1602 42 90	– – – Other than of domestic swine
ex 1602 49	– – Other, including mixtures:
1602 49 90	– – – Other than of domestic swine
ex 1602 90	– Other, including preparations of blood of any animal:
	– – Other than preparations of blood of any animal:
1602 90 31	– – – Of game or rabbit
	– – – Other:
	– – – – Other than containing the meat or meat offal of domestic swine:
	– – – – – Other than containing bovine meat or offal:
1602 90 99	– – – – – Other than of sheep or goats
ex 1603 00	Extracts and juices of meat
1801 00 00	Cocoa beans, whole or broken, raw or roasted
1802 00 00	Cocoa shells, husks, skins and other cocoa waste
ex 2001	Vegetables, fruit, nuts and other edible parts of plants, prepared or preserved by vinegar or acetic acid:
ex 2001 90	– Other:
2001 90 20	– – Fruits of the genus <i>Capsicum</i> other than sweet peppers or pimentos
ex 2005	Other vegetables prepared or preserved otherwise than by vinegar or acetic acid, not frozen, other than products of heading 2006:
ex 2005 99	– Other vegetables and mixtures of vegetables:
2005 99 10	– – Fruits of the genus <i>Capsicum</i> other than sweet peppers or pimentos
ex 2206	Other fermented beverages (for example, cider, perry, mead); mixtures of fermented beverages and mixtures of fermented beverages and non-alcoholic beverages, not elsewhere specified or included:
2206 00 31 to 2206 00 89	– Other than piquette
ex 2301	Flours, meals and pellets, of meat or meat offal, of fish or of crustaceans, molluscs or other aquatic invertebrates, unfit for human consumption; greaves:
2301 10 00	– Flours, meals and pellets, of meat or meat offal; greaves

CN code	Description
ex 2302	Bran, sharps and other residues, whether or not in the form of pellets, derived from the sifting, milling or other working of cereals or of leguminous plants:
2302 50 00	– Of leguminous plants
2304 00 00	Oilcake and other solid residues, whether or not ground or in the form of pellets, resulting from the extraction of soya-bean oil
2305 00 00	Oilcake and other solid residues, whether or not ground or in the form of pellets, resulting from the extraction of groundnut oil
ex 2306	Oilcake and other solid residues, whether or not ground or in the form of pellets, resulting from the extraction of vegetable fats or oils, other than those of heading 2304 or 2305 with the exception of CN subheading 2306 90 05 (oilcake and other solid residues resulting from the extraction of maize (corn) germ) and 2306 90 11 and 2306 90 19 (oilcake and other solid residues resulting from the extraction of olive oil)
ex 2307 00	Wine lees; argol:
2307 00 90	– Argol
ex 2308 00	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:
2308 00 90	– Other than grape marc, acorns and horse-chestnuts, pomace or marc of fruit, other than grapes
ex 2309	Preparations of a kind used in animal feeding:
ex 2309 10	– Dog or cat food, put up for retail sale:
2309 10 90	– – Other than containing starch, glucose, glucose syrup, maltodextrine or maltodextrine syrup of subheadings 1702 30 50, 1702 30 90, 1702 40 90, 1702 90 50 and 2106 90 55 or milk products
ex 2309 90	– Other:
2309 90 10	– – Other, including premixes:
	– – Fish or marine mammal solubles
ex 2309 90 91 to 2309 90 99	– – – Other than containing starch, glucose, glucose syrup, maltodextrine or maltodextrine syrup of subheadings 1702 30 50, 1702 30 90, 1702 40 90, 1702 90 50 and 2106 90 55 or milk products, excluding
	– Protein concentrates obtained from lucerne juice and grass juice
	– Dehydrated products obtained exclusively from solid residues and juice resulting from the preparation of the concentrates referred to in the first indent

^(a) Entry under this subheading is subject to the conditions laid down in the relevant Union provisions (see Council Directive 94/28/EC (OJ L 178, 12.7.1994, p. 66); Commission Regulation (EC) No 504/2008 (OJ L 149, 7.6.2008, p.3)).

^(b) Entry under this subheading is subject to conditions laid down in the relevant Union provisions (see Council Directive 88/661/EEC (OJ L 382, 31.12.1988, p. 36); Council Directive 94/28/EC (OJ L 178, 12.7.1994, p. 66); Commission Decision 96/510/EC (OJ L 210, 20.8.1996, p. 53)).

^(c) Entry under this subheading is subject to conditions laid down in the relevant Union provisions (see Articles 291 to 300 of Commission Regulation (EEC) No 2454/93 (OJ L 253, 11.10.1993, p. 1)).

^(d) Entry under this subheading is subject to conditions laid down in paragraph F of Section II of the preliminary provisions of the Combined Nomenclature.

Section 2

CN code	Description
0101 90 11	Live horses, for slaughter ^(a)
ex 0205 00	Meat of horses, fresh, chilled or frozen
0210 99 10	Horsemeat, salted in brine or dried
0511 99 10	Sinews or tendons; parings and similar wastes of raw hides or skins
0701	Potatoes, fresh or chilled
0901	Coffee, whether or not roasted or decaffeinated; coffee husks and skins; coffee substitutes containing coffee in any proportion
1105	Flour, meal, powder, flakes, granules and pellets of potatoes
ex 1212 99 70	Chicory roots
2209 00 91 and 2209 00 99	Vinegar and substitutes for vinegar obtained from acetic acid other than wine vinegar
4501	Natural cork, raw or simply prepared; waste cork; crushed, granulated or ground cork

^(a) Entry under this subheading is subject to conditions laid down in the relevant Union provisions (see Articles 291 to 300 of Commission Regulation (EEC) No 2454/93 (OJ L 253, 11.10.1993, p. 1)).

ANNEX II

DEFINITIONS REFERRED TO IN ARTICLE 3(1)

Part I: Definitions concerning the rice sector

I. The terms ‘paddy rice’, ‘husked rice’, ‘semi-milled rice’, ‘wholly milled rice’, ‘round grain rice’, ‘medium grain rice’, ‘long grain rice A or B’ and ‘broken rice’ shall be defined as follows:

1. (a) ‘Paddy rice’ means rice which has retained its husk after threshing.
- (b) ‘Husked rice’ means paddy rice from which only the husk has been removed. Examples of rice falling within this definition are those with the commercial descriptions ‘brown rice’, ‘cargo rice’, ‘loonzain’ and ‘riso sbramato’.
- (c) ‘Semi-milled rice’ means paddy rice from which the husk, part of the germ and the whole or part of the outer layers of the pericarp but not the inner layers have been removed.
- (d) ‘Wholly milled rice’ means paddy rice from which the husk, the whole of the outer and inner layers of the pericarp, the whole of the germ in the case of long grain or medium grain rice and at least part thereof in the case of round grain rice have been removed, but in which longitudinal white striations may remain on not more than 10 % of the grains.
2. (a) ‘Round grain rice’ means rice, the grains of which are of a length not exceeding 5,2 mm and of a length/width ratio of less than 2.
- (b) ‘Medium grain rice’ means rice, the grains of which are of a length exceeding 5,2 mm but not exceeding 6,0 mm and of a length/width ratio no greater than 3.
- (c) ‘Long grain rice’ means:
 - (i) long grain rice A, rice, the grains of which are of a length exceeding 6,0 mm and of which the length/width ratio is greater than 2 but less than 3;
 - (ii) long grain rice B, rice, the grains of which are of a length exceeding 6,0 mm and of which the length/width ratio is equal to or greater than 3.
- (d) ‘Measurements of the grains’ means grain measurements are taken on wholly milled rice by the following method:
 - (i) take a sample representative of the batch;
 - (ii) sieve the sample so as to retain only whole grains, including immature grains;

- (iii) carry out two measurements of 100 grains each and work out the average;
 - (iv) express the result in millimetres, rounded off to one decimal place.
 - 3. 'Broken rice' means grain fragments the length of which does not exceed three quarters of the average length of the whole grain.
- II. As regards grains and broken grains which are not of unimpaired quality, the following definitions shall apply:
- A. 'Whole grains' means grains from which only part of the end has been removed, irrespective of characteristics produced at each stage of milling.
 - B. 'Clipped grains' means grains from which the entire end has been removed.
 - C. 'Broken grains or fragments' means grains from which a part of the volume greater than the end has been removed; broken grains include:
 - large broken grains (pieces of grain of a length not less than half that of a grain, but not constituting a complete grain),
 - medium broken grains (pieces of grain of a length not less than a quarter of the length of a grain but which are smaller than the minimum size of 'large broken grains'),
 - fine broken grains (pieces of grain less than a quarter of the size of a grain but too large to pass through a sieve with a mesh of 1,4 mm),
 - fragments (small pieces or particles of grain which can pass through a sieve with a mesh of 1,4 mm); split grains (pieces produced by a longitudinal split in the grain) come under this definition.
 - D. 'Green grains' means grains which are not fully ripened.
 - E. 'Grains showing natural malformation' means grains showing a natural malformation whether or not of hereditary origin, as compared with the morphological characteristics typical of the variety.
 - F. 'Chalky grains' means grains at least three-quarters of the surface of which looks opaque and chalky.
 - G. 'Grains striated with red' means grains showing longitudinal red striations of differing intensity and shades, due to residues from the pericarp.
 - H. 'Spotted grains' means grains showing a well-defined small circle of dark colour of more or less regular shape; spotted grains also include those which show slight black striations on the surface only; the striations and spots must not show a yellow or dark aureole.
 - I. 'Stained grains' means grains which have undergone, on a small area of their surface, an obvious change in their natural colour; the stains may be of

different colours (blackish, reddish, brown); deep black striations are also to be regarded as stains. If the colour of the stains is sufficiently marked (black, pink, reddish-brown) to be immediately visible and if they cover an area not less than half that of the grain, the grains must be considered to be yellow grains.

- J. 'Yellow grains' means grains which have undergone, totally or partially, otherwise than by drying, a change in their natural colour and have taken on a lemon or orange-yellow tone.
- K. 'Amber grains' means grains which have undergone, otherwise than by drying, a slight uniform change in colour over the whole surface; this change alters the colour of the grains to a light amber-yellow.

Part II: Definitions concerning the hops sector

1. ‘hops’ means the dried inflorescences, also known as cones, of the (female) climbing hop plant (*Humulus lupulus*); these inflorescences, which are greenish yellow and of an ovoid shape, have a flower stalk and their longest dimension generally varies from 2 to 5 cm;
2. ‘hop powder’ means the product obtained by milling the hops, containing all the natural elements thereof;
3. ‘hop powder with higher lupulin content’ means the product obtained by milling the hops after mechanical removal of a part of the leaves, stalks, bracts and rachides;
4. ‘extract of hops’ means the concentrated products obtained by the action of a solvent on the hops or on the hop powder;
5. ‘mixed hop products’ means a mixture of two or more of the products referred to in points (1) to (4).

Part III: Definitions concerning the wine sector

Vine-related

1. “Grubbing-up” means the complete elimination of all vine stocks on an area planted with vines.
2. “Planting” means the definitive establishment of vine plants or parts of vine plants, whether or not grafted, with a view to producing grapes or to establishing a graft nursery.
3. “Grafting-on” means the grafting of a vine which has already been subject to a previous grafting.

Produce-related

4. “Fresh grapes” means the fruit of the vine used in making wine, ripe or even slightly raisined, which may be crushed or pressed by normal wine-cellar means and which may spontaneously produce alcoholic fermentation.
5. “Fresh grape must with fermentation arrested by the addition of alcohol” means a product which:
 - (a) has an actual alcoholic strength of not less than 12 % volume and not more than 15 % volume;
 - (b) is obtained by addition to unfermented grape must, which has a natural alcoholic strength of not less than 8,5 % volume and is exclusively derived from wine grape varieties classifiable according to Article 63(2):
 - (i) either of neutral alcohol of vinous origin, including alcohol obtained from the distillation of dried grapes, having an actual alcoholic strength of not less than 96 % volume;

- (ii) or of an unrectified product derived from the distillation of wine and having an actual alcoholic strength of not less than 52 % volume and not more than 80 % volume.

6. “Grape juice” means the unfermented but fermentable liquid product which:

- (a) is obtained by appropriate treatment rendering it fit for consumption as it is;
- (b) is obtained from fresh grapes or from grape must or by reconstitution. Where obtained by reconstitution, it shall be reconstituted from concentrated grape must or concentrated grape juice.

An actual alcoholic strength of the grape juice of not more than 1 % volume is permissible.

7. “Concentrated grape juice” means uncaramelised grape juice obtained by partial dehydration of grape juice carried out by any authorised method other than by direct heat in such a way that the figure indicated by a refractometer used in accordance with a method to be prescribed at a temperature of 20 °C is not less than 50,9 %.

An actual alcoholic strength of the concentrated grape juice of not more than 1 % volume is permissible.

8. “Wine lees” means the residue:

- (a) accumulating in vessels containing wine after fermentation, during storage or after authorised treatment;
- (b) obtained from filtering or centrifuging the product referred to in (a);
- (c) accumulating in vessels containing grape must during storage or after authorised treatment; or
- (d) obtained from filtering or centrifuging the product referred to in (c).

9. “Grape marc” means the residue from the pressing of fresh grapes, whether or not fermented.

10. “Piquette” means a product obtained by:

- (a) the fermentation of untreated grape marc macerated in water; or
- (b) leaching fermented grape marc with water.

11. “Wine fortified for distillation” means a product which:

- (a) has an actual alcoholic strength of not less than 18 % volume and not more than 24 % volume;
- (b) is obtained exclusively by the addition to wine containing no residual sugar of an unrectified product derived from the distillation of wine and having a maximum actual alcoholic strength of 86 % volume; or

- (c) has a maximum volatile acidity of 1,5 grams per litre, expressed as acetic acid.
12. “Cuvée” means:
- (a) the grape must;
 - (b) the wine; or
 - (c) the mixture of grape musts and/or wines with different characteristics, intended for the preparation of a specific type of sparkling wine.

Alcoholic strength

- 13. “Actual alcoholic strength by volume” means the number of volumes of pure alcohol contained at a temperature of 20 °C in 100 volumes of the product at that temperature.
- 14. “Potential alcoholic strength by volume” means the number of volumes of pure alcohol at a temperature of 20 °C capable of being produced by total fermentation of the sugars contained in 100 volumes of the product at that temperature.
- 15. “Total alcoholic strength by volume” means the sum of the actual and potential alcoholic strengths.
- 16. “Natural alcoholic strength by volume” means the total alcoholic strength by volume of a product before any enrichment.
- 17. “Actual alcoholic strength by mass” means the number of kilograms of pure alcohol contained in 100 kilograms of product.
- 18. “Potential alcoholic strength by mass” means the number of kilograms of pure alcohol capable of being produced by total fermentation of the sugars contained in 100 kilograms of product.
- 19. “Total alcoholic strength by mass” means the sum of the actual and potential alcoholic strength.

Part IV: Definitions concerning the beef and veal sector

- 1. ‘bovine animals’ means live animals of the domestic bovine species falling within CN codes ex 0102 10, 0102 90 05 to 0102 90 79;
- 2. ‘adult bovine animals’ means bovine animals aged 8 months or more.

Part V: Definitions concerning the milk and milk products sector

For the purpose of the implementation of the tariff quota for butter of New Zealand origin, the phrase ‘manufactured directly from milk or cream’ does not exclude butter manufactured from milk or cream, without the use of stored materials, in a single, self-contained and uninterrupted process which may involve the cream passing through a stage of concentrated milkfat and/or the fractionation of such milkfat.

Part VI: Definitions concerning the eggs sector

1. 'eggs in shell' means poultry eggs in shell, fresh, preserved, or cooked, other than eggs for hatching specified in 2.;
2. 'eggs for hatching' means poultry eggs for hatching;
3. 'whole products' means birds' eggs not in shell, whether or not containing added sugar or other sweetening matter suitable for human consumption;
4. 'separated products' means birds' egg yolks, whether or not containing added sugar or other sweetening matter suitable for human consumption.

Part VII: Definitions concerning the poultrymeat sector

1. 'live poultry' means live fowls, ducks, geese, turkeys and guinea fowls each weighing more than 185 grams;
2. 'chicks' means live fowls, ducks, geese, turkeys and guinea fowls, each weighing not more than 185 grams;
3. 'slaughtered poultry' means dead fowls of the species *gallus domesticus*, ducks, geese, turkeys and guinea fowls, whole, with or without offal;
4. 'derived products' means the following:
 - (a) products specified in point (a) of Part XX of Annex I;
 - (b) products specified in point (b) of Part XX of Annex I, excluding slaughtered poultry and edible offal, known as 'poultry cuts';
 - (c) edible offals specified in point (b) of Part XX of Annex I;
 - (d) products specified in point (c) of Part XX of Annex I;
 - (e) products specified in points (d) and (e) of Part XX of Annex I;
 - (f) products referred to in point (f) of Part XX of Annex I, other than those products falling within CN codes 1602 20 11 and 1602 20 19.

Part VIII: Definitions concerning the apiculture sector

1. 'Honey' means the natural sweet substance produced by *Apis mellifera* bees from the nectar of plants or from secretions of living parts of plants or excretions of plant-sucking insects on the living parts of plants, which the bees collect, transform by combining with specific substances of their own, deposit, dehydrate, store and leave in honeycombs to ripen and mature.

The main types of honey are as follows:

- (a) according to origin:
 - (i) blossom honey or nectar honey: honey obtained from the nectar of plants;
 - (ii) honeydew honey: honey obtained mainly from excretions of plant sucking insects (*Hemiptera*) on the living part of plants or secretions of living parts of plants;
- (b) according to mode of production and/or presentation:
 - (iii) comb honey: honey stored by bees in the cells of freshly built broodless combs or thin comb foundation sheets made solely of beeswax and sold in sealed whole combs or sections of such combs;
 - (iv) chunk honey or cut comb in honey: honey which contains one or more pieces of comb honey;
 - (v) drained honey: honey obtained by draining decapped broodless combs;
 - (vi) extracted honey: honey obtained by centrifuging decapped broodless combs;
 - (vii) pressed honey: honey obtained by pressing broodless combs with or without the application of moderate heat not exceeding 45 °C;
 - (viii) filtered honey: honey obtained by removing foreign inorganic or organic matter in such a way as to result in the significant removal of pollen.

'Baker's honey' means honey which is:

- (a) suitable for industrial uses or as an ingredient in other foodstuffs which are then processed and
- (b) may:
 - have a foreign taste or odour, or
 - have begun to ferment or have fermented, or
 - have been overheated.

2. 'Apiculture products' means honey, beeswax, royal jelly, propolis or pollen.

ANNEX III

STANDARD QUALITY OF RICE AND SUGAR AS REFERRED TO IN ARTICLE 7

A. Standard quality for paddy rice

Paddy rice of standard quality shall:

- (a) be of a sound and fair marketable quality, free of odour;
- (b) contain a moisture content of maximum 13 %;
- (c) have a yield of wholly milled rice 63 % by weight in whole grains (with a tolerance of 3 % of clipped grains) of which a percentage by weight of wholly milled rice grains which are not of unimpaired quality:

chalky grains of paddy rice under CN codes CN 1006 10 27 and CN 1006 10 98	1,5 %
chalky grains of paddy rice under CN codes other than CN 1006 10 27 and CN 1006 10 98:	2,0 %
grains striated with red	1,0 %
spotted grains	0,50 %
stained grains	0,25 %
yellow grains	0,02 %
amber grains	0,05 %

B. Standard qualities for sugar

I. Standard quality for sugar beet

Standard quality beet shall:

- (a) be of sound and fair merchantable quality;
- (b) have a sugar content of 16 % at the reception point.

II. Standard quality for white sugar

1. White sugar of the standard quality shall have the following characteristics:

- (a) be of sound, genuine and merchantable quality; dry, in homogeneous granulated crystals, free-flowing;
- (b) minimum polarisation: 99,7;
- (c) maximum moisture content: 0,06 %;
- (d) maximum invert sugar content: 0,04 %;

- (e) the number of points determined under point 2 shall not exceed a total of 22, nor:

15 for the ash content,

9 for the colour type, determined using the method of the Brunswick Institute of Agricultural Technology (hereinafter referred to as the Brunswick method),

6 for the colouring of the solution, determined using the method of the International Commission for Uniform Methods of Sugar Analysis (hereinafter referred to as the ICUMSA method).

2. One point shall correspond to:

- (a) 0,0018 % of ash content determined using the ICUMSA method at 28° Brix,
(b) 0,5 units of colour type determined using the Brunswick method,
(c) 7,5 units of colouring of the solution determined using the ICUMSA method.

3. The methods for determining the factors referred to in point 1 shall be those used for determining those factors under the intervention measures.

III. Standard quality for raw sugar

1. Raw sugar of the standard quality shall be sugar with a yield in white sugar of 92 %.
2. The yield of raw beet sugar shall be calculated by subtracting from the degree of polarisation of that sugar:
- (a) its percentage ash content multiplied by four;
(b) its percentage invert sugar content multiplied by two;
(c) the number 1.
3. The yield of raw cane sugar shall be calculated by subtracting 100 from the degree of polarisation of that sugar multiplied by two.

ANNEX IV

BUDGET FOR SUPPORT PROGRAMMES REFERRED TO IN ARTICLE 41(1)

in 1 000 EUR per budget year

BG	26 762
CZ	5 155
DE	38 895
EL	23 963
ES	353 081
FR	280 545
IT	336 997
CY	4 646
LT	45
LU	588
HU	29 103
MT	402
AT	13 688
PT	65 208
RO	42 100
SI	5 045
SK	5 085
UK	120

ANNEX V

INTERNATIONAL ORGANISATIONS REFERRED TO IN ARTICLE 56(3)

- Codex Alimentarius
- United Nations Economic Commission for Europe

ANNEX VI

DEFINITIONS, DESIGNATIONS AND SALES DESCRIPTION OF PRODUCTS REFERRED TO IN ARTICLE 60

For the purposes of this Annex, the sale description is the name under which a foodstuff is sold, within the meaning of Article 5(1) of Directive 2000/13/EC.

Part I. Meat of bovine animals aged less than 12 months

I. DEFINITION

For the purposes of this Part of this Annex, “meat” means all carcasses, meat on the bone or boned, and offal, whether or not cut, intended for human consumption, obtained from bovine animals aged less than 12 months, presented fresh, frozen or deep-frozen, whether or not wrapped or packed.

On slaughter, all bovine animals aged less than 12 months shall be classified by the operators, under the supervision of the competent authority, in one of the following two categories:

(A) Category V: bovine animals aged less than 8 months

Category identification letter: V;

(B) Category Z: bovine animals aged from 8 months to less than 12 months

Category identification letter: Z.

II. SALES DESCRIPTIONS

1. The meat of bovine animals aged less than 12 months shall only be marketed in the Member States under the following sales description(s) laid down for each Member State:

(A) For the meat of bovine animals aged less than 8 months (Category identification letter: V):

Country of marketing	Sales descriptions to be used
Belgium	veau, viande de veau/kalfsvlees/Kalbfleisch
Bulgaria	месо от малки телета
Czech Republic	Telecí
Denmark	Lyst kalvekød
Germany	Kalbfleisch
Estonia	Vasikaliha

Greece	μοσχάρι γάλακτος
Spain	Ternera blanca, carne de ternera blanca
France	veau, viande de veau
Ireland	Veal
Italy	vitello, carne di vitello
Cyprus	μοσχάρι γάλακτος
Latvia	Teļa gaļa
Lithuania	Veršiena
Luxembourg	veau, viande de veau/Kalbfleisch
Hungary	Borjúhús
Malta	Vitella
Netherlands	Kalfsvlees
Austria	Kalbfleisch
Poland	Ciełęcina
Portugal	Vitela
Romania	carne de vițel
Slovenia	Teletina
Slovakia	Teľacie mäso
Finland	vaalea vasikanliha/ljust kalvkött
Sweden	ljust kalvkött
United Kingdom	Veal

(B) For the meat of bovine animals aged from 8 months to less than 12 months
(Category identification letter: Z):

Country of marketing	Sales descriptions to be used
Belgium	jeune bovin, viande de jeune bovin/jongrundvlees/Jungrindfleisch
Bulgaria	Телешко месо
Czech Republic	hovězí maso z mladého skotu
Denmark	Kalvekød
Germany	Jungrindfleisch
Estonia	noorloomaliha

Greece	νεαρό μοσχάρι
Spain	Ternera, carne de ternera
France	jeune bovin, viande de jeune bovin
Ireland	rosé veal
Italy	vitellone, carne di vitellone
Cyprus	νεαρό μοσχάρι
Latvia	jaunlopa gaļa
Lithuania	Jautiena
Luxembourg	jeune bovin, viande de jeune bovin/Jungrindfleisch
Hungary	Növendék marha húsa
Malta	Vitellun
Netherlands	rosé kalfsvlees
Austria	Jungrindfleisch
Poland	młoda wołowina
Portugal	Vitelão
Romania	carne de tineret bovin
Slovenia	meso težjih telet
Slovakia	mäso z mladého dobytku
Finland	vasikanliha/kalvkött
Sweden	Kalvkött
United Kingdom	Beef

2. The sales descriptions referred to in point 1 may be supplemented by an indication of the name or designation of the pieces of meat or offal concerned.
3. The sales descriptions listed for category V in point A of the table set-out in point 1 and any new name derived from those sales descriptions shall only be used if the requirements of this Annex are met.

In particular, the terms “veau”, “teleci”, “Kalb”, “μοσχάρι”, “ternera”, “kalv”, “veal”, “vitello”, “vitella”, “kalf”, “vitela” and “teletina” shall not be used in a sales description or be indicated on the labelling of the meat of bovine animals aged more than 12 months.

4. The conditions referred to in 1 shall not apply to the meat of bovine animals for which a protected designation of origin or geographical indication has been registered in accordance with Regulation (EC) No 510/2006, before 29 June 2007.

Part II. Grapevine products

(1) Wine

Wine shall be the product obtained exclusively from the total or partial alcoholic fermentation of fresh grapes, whether or not crushed, or of grape must.

Wine shall:

- (a) have, whether or not following application of the processes specified in Section B of Part I of Annex VII, an actual alcoholic strength of not less than 8,5% volume provided that the wine derives exclusively from grapes harvested in wine-growing zones A and B referred to in the Appendix to this Annex, and of not less than 9 % volume in other wine-growing zones;
- (b) have, by way of derogation from the otherwise applicable minimum actual alcoholic strength, where it has a protected designation of origin or a protected geographical indication, whether or not following application of the processes specified in Section B of Part I of Annex VII, an actual alcoholic strength of not less than 4,5 % volume;
- (c) have a total alcoholic strength of not more than 15 % volume. However, by way of derogation:
 - the upper limit for the total alcoholic strength may reach up to 20 % volume for wines which have been produced without any enrichment from certain wine-growing areas of the Union, to be determined by the Commission by means of delegated acts pursuant to Article 59(1),
 - the upper limit for the total alcoholic strength may exceed 15 % volume for wines with a protected designation of origin which have been produced without enrichment;
- (d) have, subject to derogations which may be adopted by the Commission by means of delegated acts pursuant to Article 59(1), a total acidity content, expressed as tartaric acid, of not less than 3,5 grams per litre or 46,6 milliequivalents per litre.

“Retsina” shall be wine produced exclusively in the geographical territory of Greece using grape must treated with resin from the Aleppo pine. The use of Aleppo pine resin is permitted solely for the purpose of obtaining “Retsina” wine under the conditions laid down in Greece’s applicable provision.

By way of derogation from point (b) “Tokaji eszencia” and “Tokajská eszencia” are considered wine.

However, notwithstanding Article 60(2), Member States may allow the use of the term “wine” if:

- (a) it is accompanied by the name of a fruit in the form of a composite name to market products obtained by the fermentation of fruit other than grapes; or
- (b) it is part of a composite name.

Any confusion with products corresponding to the wine categories in this Annex shall be avoided.

(2) New wine still in fermentation

New wine still in fermentation shall be the product in which the alcoholic fermentation is not yet complete and which is not yet separated from its lees.

(3) Liqueur wine

Liqueur wine shall be the product:

- (a) which has an actual alcoholic strength of not less than 15 % volume and not more than 22 % volume;
- (b) which has a total alcoholic strength of not less than 17,5 % volume, except for certain liqueur wines with a designation of origin or with a geographical indication appearing on a list to be drawn up by the Commission by means of delegated acts pursuant to Article 59(1);
- (c) which is obtained from:
 - grape must in fermentation,
 - wine,
 - a combination of the above products, or
 - grape must or a mixture thereof with wine for certain liqueur wines with a protected designation of origin or a protected geographical indication, to be determined by the Commission by means of delegated acts pursuant to Article 59(1);
- (d) which has an initial natural alcoholic strength of not less than 12 % volume except for certain liqueur wines with a protected designation of origin or a protected geographical indication appearing on a list to be drawn up by the Commission by means of delegated acts pursuant to Article 59(1);
- (e) to which the following has been added:
 - (i) individually or in combination:
 - neutral alcohol of vine origin, including alcohol produced from the distillation of dried grapes, having an actual alcoholic strength of not less than 96 % volume,

- wine or dried grape distillate, having an actual alcoholic strength of not less than 52 % volume and not more than 86 % volume;
- (ii) together with one or more of the following products where appropriate:
- concentrated grape must,
 - a combination of one of the products referred to in point (e)(i) with a grape must referred to in the first and fourth indent of point (c);
- (f) to which, by way of derogation from point (e), has been added, in so far as certain liqueur wines with a protected designation of origin or a protected geographical indication are concerned which appear on a list to be drawn up by the Commission by means of delegated acts pursuant to Article 59(1):
- (i) either of products listed in point (e)(i) individually or in combination; or
- (ii) one or more of the following products:
- wine alcohol or dried grape alcohol with an actual alcoholic strength of not less than 95 % volume and not more than 96 % volume,
 - spirits distilled from wine or from grape marc, with an actual alcoholic strength of not less than 52 % volume and not more than 86 % volume,
 - spirits distilled from dried grapes, with an actual alcoholic strength of not less than 52 % volume and of less than 94,5 % volume; and
- (iii) one or more of the following products, where appropriate:
- partially fermented grape must obtained from raisined grapes,
 - concentrated grape must obtained by the action of direct heat, complying, with the exception of this operation, with the definition of concentrated grape must,
 - concentrated grape must,
 - a combination of one of the products listed in point (f)(ii) with a grape must referred to in the first and fourth indents of point (c).
- (4) Sparkling wine

Sparkling wine shall be the product:

- (a) which is obtained by first or second alcoholic fermentation:
 - from fresh grapes,
 - from grape must, or,
 - from wine;
- (b) which, when the container is opened, releases carbon dioxide derived exclusively from fermentation;
- (c) which has an excess pressure, due to carbon dioxide in solution, of not less than 3 bar when kept at a temperature of 20 °C in closed containers; and
- (d) for which the total alcoholic strength of the cuvées intended for their preparation shall not be less than 8,5 % volume.

(5) Quality sparkling wine

Quality sparkling wine shall be the product:

- (a) which is obtained by first or second alcoholic fermentation:
 - from fresh grapes,
 - from grape must, or
 - from wine;
- (b) which, when the container is opened, releases carbon dioxide derived exclusively from fermentation;
- (c) which has an excess pressure, due to carbon dioxide in solution, of not less than 3,5 bar when kept at a temperature of 20 °C in closed containers; and
- (d) for which the total alcoholic strength of the cuvées intended for their preparation shall not be less than 9 % volume.

(6) Quality aromatic sparkling wine

Quality aromatic sparkling wines shall be the quality sparkling wine:

- (a) which is obtained only by making use, when constituting the cuvée, of grape must or grape in fermentation which is derived from specific wine grape varieties on a list to be drawn up by the Commission by means of delegated acts pursuant to Article 59(1).

Quality aromatic sparkling wines traditionally produced using wines when constituting the cuvée, shall be determined by the Commission by means of delegated acts pursuant to in Article 59(1);

- (b) which has an excess pressure, due to carbon dioxide in solution, of not less than 3 bar when kept at a temperature of 20°C in closed containers;
- (c) of which the actual alcoholic strength may not be less than 6 % volume; and
- (d) of which the total alcoholic strength may not be less than 10 % volume.

(7) Aerated sparkling wine

Aerated sparkling wine shall be the product which:

- (a) is obtained from wine without a protected designation of origin or a protected geographical indication;
- (b) releases, when the container is opened, carbon dioxide derived wholly or partially from an addition of that gas; and
- (c) has an excess pressure, due to carbon dioxide in solution, of not less than 3 bar when kept at a temperature of 20 °C in closed containers.

(8) Semi-sparkling wine

Semi-sparkling wine shall be the product which:

- (a) is obtained from wine provided that such wine has a total alcoholic strength of not less than 9 % volume;
- (b) has an actual alcoholic strength of not less than 7 % volume;
- (c) has an excess pressure, due to endogenous carbon dioxide in solution of not less than 1 bar and not more than 2,5 bar when kept at a temperature of 20 °C in closed containers; and
- (d) is placed in containers of 60 litres or less.

(9) Aerated semi-sparkling wine

Aerated semi-sparkling wine shall be the product which:

- (a) is obtained from wine;
- (b) has an actual alcoholic strength of not less than 7 % volume and a total alcoholic strength of not less than 9 % volume;
- (c) has an excess pressure of not less than 1 bar and not more than 2,5 bar when kept at a temperature of 20 °C in closed containers due to carbon dioxide in solution which has been wholly or partially added; and

(d) is placed in containers of 60 litres or less.

(10) Grape must

Grape must shall be the liquid product obtained naturally or by physical processes from fresh grapes. An actual alcoholic strength of the grape must of not more than 1 % volume is permissible.

(11) Partially fermented grape must

Grape must in fermentation shall be the product obtained from the fermentation of grape must which has an actual alcoholic strength of more than 1 % volume but less than three fifths of its total alcoholic strength by volume.

(12) Partially fermented grape must extracted from raisined grapes

Grape must in fermentation extracted from raisined grapes shall be the product obtained from the partial fermentation of grape must obtained from raisined grapes, the total sugar content of which before fermentation is at least 272 grams per litre and the natural and actual alcoholic strength of which shall not be less than 8 % volume. However, certain wines, to be determined by the Commission by means of delegated acts pursuant to Article 59(1), that meet these requirements shall not be considered as grape must in fermentation extracted from raisined grapes.

(13) Concentrated grape must

Concentrated grape must shall be uncaramelised grape must which is obtained by partial dehydration of grape must carried out by any authorised method other than by direct heat in such a way that the figure indicated by a refractometer used in accordance with a method to be prescribed in accordance with the third sub-paragraph of Article 62(3) and Article 68(d) at a temperature of 20 °C is not less than 50,9 %.

An actual alcoholic strength of the concentrated grape must of not more than 1 % volume is permissible.

(14) Rectified concentrated grape must

Rectified concentrated grape must shall be the liquid uncaramelised product which:

- (a) is obtained by partial dehydration of grape must carried out by any authorised method other than direct heat in such a way that the figure indicated by a refractometer used in accordance with a method to be prescribed in accordance with the third sub-paragraph of Article 62(3) and Article 68(d) at a temperature of 20 °C is not less than 61,7 %;
- (b) has undergone authorised treatment for de-acidification and elimination of constituents other than sugar;
- (c) has the following characteristics:

- a pH of not more than 5 at 25 Brix,
- an optical density at 425 nm for a thickness of 1 cm of not more than 0,100 in grape must concentrated at 25 Brix,
- a sucrose content undetectable by a method of analysis to be defined,
- a Folin-Ciocalteu index of not more than 6,00 at 25 °Brix,
- a titratable acidity of not more than 15 milliequivalents per kilogram of total sugars,
- a sulphur dioxide content of not more than 25 milligrams per kilogram of total sugars,
- a total cation content of not more than 8 milliequivalents per kilogram of total sugars,
- a conductivity at 25 °Brix and 20 °C of not more than 120 micro-Siemens/cm,
- a hydroxymethylfurfural content of not more than 25 milligrams per kilogram of total sugars,
- presence of mesoinositol.

An actual alcoholic strength of the rectified concentrated grape must of not more than 1 % volume is permissible.

(15) Wine from raisined grapes

Wine from raisined grapes shall be the product which:

- (a) is produced without enrichment, from grapes left in the sun or shade for partial dehydration;
- (b) has a total alcoholic strength of at least 16 % volume and an actual alcoholic strength of at least 9 % volume; and
- (c) has a natural alcoholic strength of a least 16 % volume (or 272 grams sugar/litre).

(16) Wine of overripe grapes

Wine of overripe grapes shall be the product which:

- (a) is produced without enrichment;
- (b) has a natural alcoholic strength of more than 15 % volume; and
- (c) has a total alcoholic strength of not less than 15 % volume and an actual alcoholic strength of not less than 12 % volume.

Member States may prescribe a period of ageing for this product.

(17) Wine vinegar

Wine vinegar shall be vinegar which:

- (a) is obtained exclusively by acetous fermentation of wine; and
- (b) has a total acidity of not less than 60 grams per litre expressed as acetic acid.

Part III. Milk and milk products

1. The term 'milk' means exclusively the normal mammary secretion obtained from one or more milkings without either addition thereto or extraction therefrom.

However, the term 'milk' may be used:

- (a) for milk treated without altering its composition or for milk the fat content of which is standardised under Part IV of this Annex;
 - (b) in association with a word or words to designate the type, grade, origin and/or intended use of such milk or to describe the physical treatment or the modification in composition to which it has been subjected, provided that the modification is restricted to an addition and/or withdrawal of natural milk constituents.
2. For the purposes of this Part, 'milk products' means products derived exclusively from milk, on the understanding that substances necessary for their manufacture may be added provided that those substances are not used for the purpose of replacing, in whole or in part, any milk constituent.

The following shall be reserved exclusively for milk products.

- (a) the following names used at all stages of marketing:
 - (i) whey,
 - (ii) cream,
 - (iii) butter,
 - (iv) buttermilk,
 - (v) butteroil,
 - (vi) caseins,
 - (vii) anhydrous milkfat (AMF),
 - (viii) cheese,

- (ix) yogurt,
 - (x) kephir,
 - (xi) koumiss,
 - (xii) viili/fil,
 - (xiii) smetana,
 - (xiv) fil;
- (b) names within the meaning of Article 5 of Directive 2000/13/EC actually used for milk products.
3. The term ‘milk’ and the designations used for milk products may also be used in association with a word or words to designate composite products of which no part takes or is intended to take the place of any milk constituent and of which milk or a milk product is an essential part either in terms of quantity or for characterisation of the product.
4. The origin of milk and milk products to be defined by the Commission shall be stated if it is not bovine.
5. The designations referred to in points 1, 2 and 3 of this Part may not be used for any product other than those referred to in that point.

However, this provision shall not apply to the designation of products the exact nature of which is clear from traditional usage and/or when the designations are clearly used to describe a characteristic quality of the product.

6. In respect of a product other than those described in points 1, 2 and 3 of this Part, no label, commercial document, publicity material or any form of advertising as defined in Article 2 of Council Directive 2006/114/EC⁴⁸ or any form of presentation, may be used which claims, implies or suggests that the product is a dairy product.

However, in respect of a product which contains milk or milk products, the designation ‘milk’ or the designations referred to in the second subparagraph of points 2 of this Part may be used only to describe the basic raw materials and to list the ingredients in accordance with Directive 2000/13/EC.

Part IV. Milk for human consumption falling within CN code 0401

I. Definitions

For the purposes of this Part:

- (a) ‘milk’ means the produce of the milking of one or more cows;

⁴⁸ OJ L 376, 27.12.2006, p. 21.

- (b) 'drinking milk' means the products referred to in point III intended for delivery without further processing to the consumer;
- (c) 'fat content' means the ratio by mass of parts of milk fat per hundred parts of milk in the milk concerned;
- (d) 'protein content' means the ratio by mass of parts of protein per hundred parts of milk in the milk concerned (obtained by multiplying by 6,38 the total nitrogen content of the milk expressed as a percentage by mass).

II. Delivery or sale to the final consumer

- (1) Only milk complying with the requirements laid down for drinking milk may be delivered or sold without processing to the final consumer, either directly or through the intermediary of restaurants, hospitals, canteens or other similar mass caterers.
- (2) The sales descriptions to be used for those products shall be those given in point III of this Part. Those descriptions shall be used only for the products referred to in that point, without prejudice to their use in composite descriptions.
- (3) Member States shall adopt measures to inform consumers of the nature and composition of the products concerned where the absence of such information is likely to cause confusion.

III. Drinking milk

- 1. The following products shall be considered as drinking milk:
 - (a) raw milk: milk which has not been heated above 40°C or subjected to treatment having equivalent effect;
 - (b) whole milk: heat-treated milk which, with respect to fat content, meets one of the following requirements:
 - (i) standardised whole milk: milk with a fat content of at least 3,50 % (m/m). However, Member States may provide for an additional category of whole milk with a fat content of 4,00 % (m/m) or above;
 - (ii) non-standardised whole milk: milk with a fat content that has not been altered since the milking stage either by the addition or removal of milk fats or by mixture with milk the natural fat content of which has been altered. However, the fat content may not be less than 3,50 % (m/m);
 - (c) semi-skimmed milk: heat-treated milk whose fat content has been reduced to at least 1,50 % (m/m) and at most 1,80 % (m/m);
 - (d) skimmed-milk: heat-treated milk whose fat content has been reduced to not more than 0,50 % (m/m).

Heat-treated milk not complying with the fat content requirements laid down in points (b), (c) and (d) of the first subparagraph shall be considered drinking milk provided that the fat content is clearly indicated with one decimal and easily readable on the packaging in form of "... % fat". Such milk shall not be described as whole milk, semi-skimmed milk or skimmed milk.

2. Without prejudice to point 1(b)(ii), only the following modifications shall be allowed:
 - (a) in order to meet the fat contents laid down for drinking milk, modification of the natural fat content by the removal or addition of cream or the addition of whole milk, semi-skimmed milk or skimmed milk;
 - (b) enrichment of milk with milk proteins, mineral salts or vitamins, in accordance with Regulation (EC) No 1925/2006 of the European Parliament and of the Council of 20 December 2006 on the addition of vitamins and minerals and of certain other substances to foods⁴⁹;
 - (c) reduction of the lactose content by conversion to glucose and galactose.

Modifications in the composition of milk referred to in points (b) and (c) shall be allowed only if they are indelibly indicated on the packing of the product so that it can be easily seen and read. However, such indication shall not remove the obligation as regards nutrition labelling laid down by Council Directive 90/496/EEC⁵⁰. Where proteins are added, the protein content of the enriched milk must be 3,8 % (m/m) or more.

However, Member States may limit or prohibit modifications to the composition of milk referred to in points (b) and (c).

3. Drinking milk shall:
 - (a) have a freezing point close to the average freezing point for raw milk recorded in the area of origin of the drinking milk collected;
 - (b) have a mass of not less than 1028 grams per litre for milk containing 3,5 % (m/m) of fat at a temperature of 20°C or the equivalent weight per litre for milk having a different fat content;
 - (c) contain a minimum of 2,9 % (m/m) of protein for milk containing 3,5 % (m/m) of fat or an equivalent concentration in the case of milk having a different fat content.

⁴⁹ OJ L 404, 30.12.2006, p. 26.

⁵⁰ OJ L 276, 6.10.1990, p. 40.

Part V. Products of the poultrymeat sector

I This Part of this Annex shall apply in relation to the marketing within the Union by way of business or trade, of certain types and presentations of poultrymeat, and poultrymeat or poultry offal preparations and products, of the following species

- Gallus domesticus,
- ducks,
- geese,
- turkeys,
- guinea fowls.

These provisions shall also apply to poultrymeat in brine falling within CN code 0210 99 39.

II Definitions

- (1) 'poultrymeat' means poultrymeat suitable for human consumption, which has not undergone any treatment other than cold treatment;
- (2) “fresh poultrymeat” means poultrymeat which has not been stiffened at any time by the cooling process prior to being kept at a temperature not below $-2\text{ }^{\circ}\text{C}$ and not higher than $+4\text{ }^{\circ}\text{C}$. However, Member States may lay down slightly different temperature requirements for the minimum length of time necessary for the cutting and handling of fresh poultrymeat performed in retail shops or in premises adjacent to sales points, where the cutting and handling are performed solely for the purpose of supplying the consumer directly on the spot;
- (3) “frozen poultrymeat” means poultrymeat which must be frozen as soon as possible within the constraints of normal slaughtering procedures and is to be kept at a temperature no higher than $-12\text{ }^{\circ}\text{C}$ at any time
- (4) 'quick-frozen poultrymeat' means poultrymeat which is to be kept at a temperature no higher than -18°C at any time within the tolerances as provided for in Council Directive 89/108/EEC⁵¹.
- (5) “poultrymeat preparation” means poultrymeat including poultrymeat that has been reduced to fragments, which has had foodstuffs, seasonings or additives added to it or which has undergone processes insufficient to modify the internal muscle fibre structure of the meat;
- (6) “fresh poultrymeat preparation” means a poultrymeat preparation for which fresh poultrymeat has been used.

⁵¹ OJ L 40, 11. 2. 1999, p. 34.

However, Member States may lay down slightly different temperature requirements to be applied for the minimum length of time necessary and only to the extent necessary to facilitate the cutting and handling performed in the factory during the production of fresh poultrymeat preparations;

- (7) “poultrymeat product” means a meat product as defined in point 7.1 of Annex I to Regulation (EC) No 853/2004 for which poultrymeat has been used.

Part VI. Spreadable fats

The products referred to in Article 60 may not be supplied or transferred without processing to the ultimate consumer either directly or through restaurants, hospitals, canteens or similar establishments, unless they meet the requirements set out in the Annex.

The sales descriptions of these products shall be those specified in this Part.

The sales descriptions below shall be reserved to the products defined therein with the following CN codes and having a fat content of at least 10% but less than 90% by weight:

- (a) milk fats falling within CN codes 0405 and ex2106;
- (b) fats falling within CN code ex1517;
- (c) fats composed of plant and/or animal products falling within CN codes ex 1517 and ex 2106.

The fat content excluding salt shall be at least two-thirds of the dry matter.

However, these sales descriptions shall only apply to products which remain solid at a temperature of 20°C, and which are suitable for use as spreads.

These definitions shall not apply to:

- (a) the designation of products the exact nature of which is clear from traditional usage and/or when the designations are clearly used to describe a characteristic quality of the product;
- (b) concentrated products (butter, margarine, blends) with a fat content of 90 % or more.

Fat group	Sales description	Product categories
Definitions		Additional description of the category with an indication of the % fat content by weight
<p>A. Milk fats</p> <p>Products in the form of a solid, malleable emulsion, principally of the water-in-oil type, derived exclusively from milk and/or certain milk products, for which the fat is the essential constituent of value. However, other substances necessary for their manufacture may be added, provided those substances are not used for the purpose of replacing, either in whole or in part, any milk constituents.</p>	<ol style="list-style-type: none"> 1. Butter 2. Three-quarter fat butter (*) 3. Half fat butter (**) 4. Dairy spread X % 	<p>The product with a milk-fat content of not less than 80 % but less than 90 %, a maximum water content of 16 % and a maximum dry non-fat milk-material content of 2 %.</p> <p>The product with a milk-fat content of not less than 60 % but not more than 62 %.</p> <p>The product with a milk-fat content of not less than 39 % but not more than 41 %.</p> <p>The product with the following milk-fat contents:</p> <ul style="list-style-type: none"> - less than 39 %, - more than 41 % but less than 60 %, - more than 62 % but less than 80 %.
<p>B. Fats</p> <p>Products in the form of a solid, malleable emulsion, principally of the water-in-oil type, derived from solid and/or liquid vegetable and/or animal fats suitable for human consumption, with a milk-fat content of not more than 3 % or the fat content.</p>	<ol style="list-style-type: none"> 1. Margarine 2. Three-quarter-fat margarine (***) 3. Half-fat margarine (****) 4. Fat spreads X % 	<p>The product obtained from vegetable and/or animal fats with a fat content of not less than 80 % but less than 90 %.</p> <p>The product obtained from vegetable and/or animal fats with a fat content of not less than 60 % but not more than 62 %.</p> <p>The product obtained from vegetable and/or animal fats with a fat content of not less than 39 % but not more than 41 %.</p> <p>The product obtained from vegetable and/or animal fats with the following fat contents:</p> <ul style="list-style-type: none"> - less than 39 %, - more than 41 % but less than 60 %, - more than 62 % but less than 80 %.

Fat group	Sales description	Product categories
Definitions		Additional description of the category with an indication of the % fat content by weight
<p>C. Fats composed of plant and/or animal products</p> <p>Products in the form of a solid, malleable emulsion principally of the water-in-oil type, derived from solid and/or liquid vegetable and/or animals fats suitable for human consumption, with a milk-fat content of between 10 % and 80 % of the fat content.</p>	<p>1. Blend</p> <p>2. Three-quarter-fat blend (*****)</p> <p>3. Half-fat blend (*****)</p> <p>4. Blended spread X %</p>	<p>The product obtained from a mixture of vegetable and/or animal fats with a fat content of not less than 80 % but less than 90 %.</p> <p>The product obtained from a mixture of vegetable and/or animal fats with a fat content of not less than 60 % but not more than 62 %.</p> <p>The product obtained from a mixture of vegetable and/or animal fats with a fat content of not less than 39 % but not more than 41 %.</p> <p>The product obtained from a mixture of vegetable and/or animal fats with the following fat contents:</p> <ul style="list-style-type: none"> - less than 39 %, - more than 41 % but less than 60 %, - more than 62 % but less than 80 %.

(*) corresponding to 'smør 60' in Danish.

(**) corresponding to 'smør 40' in Danish.

(***) corresponding to 'margarine 60' in Danish.

(****) corresponding to 'margarine 40' in Danish.

(*****) corresponding to 'blandingsprodukt 60' in Danish.

(*****) corresponding to 'blandingsprodukt 40' in Danish.

Note: The milk-fat component of the products listed in this Part may be modified only by physical processes.

Part VII. Descriptions and definitions of olive oil and olive pomace oils

The use of the descriptions and definitions of olive oils and olive pomace oils set out in this Part shall be compulsory as regards the marketing of the products concerned within the Union and, insofar as compatible with international compulsory rules, in trade with third countries.

Only oils referred to in points 1(a) and (b), 3 and 6 of this Part may be marketed at the retail stage.

(1) VIRGIN OLIVE OILS

Oils obtained from the fruit of the olive tree solely by mechanical or other physical means under conditions that do not lead to alterations in the oil, which have not undergone any treatment other than washing, decantation, centrifugation or filtration, to the exclusion of oils obtained using solvents or using adjuvants having a chemical or biochemical action, or by re-esterification process and any mixture with oils of other kinds.

Virgin olive oils are exclusively classified and described as follows:

(a) Extra virgin olive oil

Virgin olive oil having a maximum free acidity, in terms of oleic acid, of 0,8 g per 100 g, the other characteristics of which comply with those laid down for this category.

(b) Virgin olive oil

Virgin olive oil having a maximum free acidity, in terms of oleic acid, of 2 g per 100 g, the other characteristics of which comply with those laid down for this category.

(c) Lampante olive oil

Virgin olive oil having a free acidity, in terms of oleic acid, of more than 2 g per 100 g, and/or the other characteristics of which comply with those laid down for this category.

(2) REFINED OLIVE OIL

Olive oil obtained by refining virgin olive oil, having a free acidity content expressed as oleic acid, of not more than 0,3 g per 100 g, and the other characteristics of which comply with those laid down for this category.

(3) OLIVE OIL — COMPOSED OF REFINED OLIVE OILS AND VIRGIN OLIVE OILS

Olive oil obtained by blending refined olive oil and virgin olive oil other than lampante olive oil, having a free acidity content expressed as oleic acid, of not more than 1 g per 100 g, and the other characteristics of which comply with those laid down for this category.

(4) CRUDE OLIVE-POMACE OIL

Oil obtained from olive pomace by treatment with solvents or by physical means or oil corresponding to lampante olive oil, except for certain specified characteristics, excluding oil obtained by means of re-esterification and mixtures with other types of oils, and the other characteristics of which comply with those laid down for this category.

(5) REFINED OLIVE-POMACE OIL

Oil obtained by refining crude olive-pomace oil, having free acidity content expressed as oleic acid, of not more than 0,3 g per 100 g, and the other characteristics of which comply with those laid down for this category.

(6) OLIVE-POMACE OIL

Oil obtained by blending refined olive-pomace oil and virgin olive oil other than lampante olive oil, having a free acidity content expressed as oleic acid, of not more than 1 g per 100 g, and the other characteristics of which comply with those laid down for this category.

Appendix to Annex VI (referred to in Part II)

Wine growing zones

The wine-growing zones shall be the following:

(1) Wine-growing zone A comprises:

- (a) in Germany: the areas planted with vines other than those included in point 2(a);
- (b) in Luxembourg: the Luxembourg wine-growing region;
- (c) in Belgium, Denmark, Ireland, the Netherlands, Poland, Sweden and the United Kingdom: the wine-growing areas of these countries;
- (d) in the Czech Republic: the wine growing region of Čechy.

(2) Wine-growing zone B comprises:

- (a) in Germany, the areas planted with vines in the specified region Baden;
- (b) in France, the areas planted with vines in the departments not mentioned in this Annex and in the following departments:
 - in Alsace: Bas-Rhin, Haut-Rhin,
 - in Lorraine: Meurthe-et-Moselle, Meuse, Moselle, Vosges,
 - in Champagne: Aisne, Aube, Marne, Haute-Marne, Seine-et-Marne,

- in the Jura: Ain, Doubs, Jura, Haute-Saône,
 - in Savoie: Savoie, Haute-Savoie, Isère (commune de Chapareillan),
 - in the Val de Loire: Cher, Deux-Sèvres, Indre, Indre-et-Loire, Loir-et-Cher, Loire-Atlantique, Loiret, Maine-et-Loire, Sarthe, Vendée, Vienne, and the areas planted with vines in the arrondissement of Cosne-sur-Loire in the department of Nièvre;
- (c) in Austria, the Austrian wine-growing area;
- (d) in the Czech Republic, the wine-growing region of Morava and the areas planted with vines not included in point 1(d);
- (e) in Slovakia, the areas planted with vines in the following regions: Malokarpatská vinohradnícka oblasť, Južnoslovenská vinohradnícka oblasť, Nitrianska vinohradnícka oblasť, Stredoslovenská vinohradnícka oblasť, Východoslovenská vinohradnícka oblasť and the wine growing areas not included in point 3(f);
- (f) in Slovenia, the areas planted with vines in the following regions:
- in the Podravje region: Štajerska Slovenija, Prekmurje,
 - in the Posavje region: Bizeljsko Sremič, Dolenjska and Bela krajina, and the areas planted with vines in the regions not included in point 4(d);
- (g) in Romania, in the area of Podişul Transilvaniei.
- (3) Wine-growing zone C I comprises:
- (a) in France, areas planted with vines:
- in the following departments: Allier, Alpes-de-Haute-Provence, Hautes-Alpes, Alpes-Maritimes, Ariège, Aveyron, Cantal, Charente, Charente-Maritime, Corrèze, Côte-d'Or, Dordogne, Haute-Garonne, Gers, Gironde, Isère (with the exception of the commune of Chapareillan), Landes, Loire, Haute-Loire, Lot, Lot-et-Garonne, Lozère, Nièvre (except for the arrondissement of Cosne-sur-Loire), Puy-de-Dôme, Pyrénées-Atlantiques, Hautes-Pyrénées, Rhône, Saône-et-Loire, Tarn, Tarn-et-Garonne, Haute-Vienne, Yonne,
 - in the arrondissements of Valence and Die in the department of Drôme (except for the cantons of Dieulefit, Loriol, Marsanne and Montélimar),
 - in the arrondissement of Tournon, in the cantons of Antraigues, Burzet, Coucouron, Montpezat-sous-Bauzon, Privas, Saint-Etienne de Lugdarès, Saint-Pierre-ville, Valgorge and la Voulte-sur-Rhône of the department of Ardèche;
- (b) in Italy, areas planted with vines in the Valle d'Aosta region and in the provinces of Sondrio, Bolzano, Trento and Belluno;

- (c) in Spain, areas planted with vines in the provinces of A Coruña, Asturias, Cantabria, Guipúzcoa and Vizcaya;
 - (d) in Portugal, areas planted with vines in that part of the region of Norte which corresponds to the designated wine area of ‘Vinho Verde’ as well as the “Concelhos de Bombarral, Lourinhã, Mafra e Torres Vedras” (with the exception of ‘Freguesias da Carvoeira e Dois Portos’), belonging to the ‘Região vitícola da Extremadura’;
 - (e) in Hungary, all areas planted with vines,
 - (f) in Slovakia, areas planted with vines in the Tokajská vinohradnícka oblast,
 - (g) in Romania, areas planted with vines not included in point 2(g) or 4(f).
- (4) Wine-growing zone C II comprises:
- (a) in France, areas planted with vines:
 - in the following departments: Aude, Bouches-du-Rhône, Gard, Hérault, Pyrénées-Orientales (except for the cantons of Olette and Arles-sur-Tech), Vaucluse,
 - in the part of the department of Var bounded in the south by the northern limit of the communes of Evenos, Le Beausset, Solliès-Toucas, Cuers, Puget-Ville, Collobrières, La Garde-Freinet, Plan-de-la-Tour and Sainte-Maxime,
 - in the arrondissement of Nyons and the canton of Loriol-sur-Drôme in the department of Drôme,
 - in those parts of the department of Ardèche not listed in point 3(a);
 - (b) in Italy, areas planted with vines in the following regions: Abruzzo, Campania, Emilia-Romagna, Friuli-Venezia Giulia, Lazio, Liguria, Lombardy (except for the province of Sondrio), Marche, Molise, Piedmont, Tuscany, Umbria, Veneto (except for the province of Belluno), including the islands belonging to those regions, such as Elba and the other islands of the Tuscan archipelago, the Ponziane islands, Capri and Ischia;
 - (c) in Spain, areas planted with vines in the following provinces:
 - Lugo, Orense, Pontevedra,
 - Ávila (except for the communes which correspond to the designated wine ‘comarca’ of Cebreros), Burgos, León, Palencia, Salamanca, Segovia, Soria, Valladolid, Zamora,
 - La Rioja,
 - Álava,

- Navarra,
 - Huesca,
 - Barcelona, Girona, Lleida,
 - in that part of the province of Zaragoza which lies to the north of the river Ebro,
 - in those communes of the province of Tarragona included in the Penedés designation of origin,
 - in that part of the province of Tarragona which corresponds to the designated wine ‘comarca’ of Conca de Barberá;
- (d) in Slovenia, areas planted with vines in the following regions: Brda or Goriška Brda, Vipavska dolina or Vipava, Kras and Slovenska Istra;
- (e) in Bulgaria, areas planted with vines in the following regions: Dunavska Ravnina (Дунавска равнина), Chernomorski Rayon (Черноморски район), Rozova Dolina (Розова долина);
- (f) in Romania, areas planted with vines in the following regions:
Dealurile Buzăului, Dealu Mare, Severinului and Plaiurile Drâncei, Colinele Dobrogei, Terasele Dunării, the South wine region, including sands and other favourable regions.
- (5) Wine-growing zone C III (a) comprises:
- (a) in Greece, areas planted with vines in the following nomoi: Florina, Imathia, Kilkis, Grevena, Larisa, Ioannina, Levkas, Akhaia, Messinia, Arkadia, Korinthia, Iraklio, Khandia, Rethimni, Samos, Lasithi and the island of Thira (Santorini);
 - (b) in Cyprus, areas planted with vines located at altitudes exceeding 600 metres;
 - (c) in Bulgaria, areas planted with vines not included in point 4(e).
- (6) Wine-growing zone C III (b) comprises:
- (a) in France, areas planted with vines:
 - in the departments of Corsica,
 - in that part of the department of Var situated between the sea and a line bounded by the communes (which are themselves included) of Evenos, Le Beausset, Solliès-Toucas, Cuers, Puget-Ville, Collobrières, La Garde-Freinet, Plan-de-la-Tour and Sainte-Maxime,
 - in the cantons of Olette and Arles-sur-Tech in the department of Pyrénées-Orientales;

- (b) in Italy, areas planted with vines in the following regions: Calabria, Basilicata, Apulia, Sardinia and Sicily, including the islands belonging to those regions, such as Pantelleria and the Lipari, Egadi and Pelagian islands;
 - (c) in Greece, areas planted with vines not listed in point 5(a);
 - (d) in Spain: areas planted with vines not included in points 3(c) or 4(c);
 - (e) in Portugal, areas planted with vines in the regions not included in point 3(d);
 - (f) in Cyprus, areas planted with vines located at altitudes not exceeding 600 metres;
 - (g) in Malta, areas planted with vines.
- (7) The demarcation of the territories covered by the administrative units referred to in this Annex is that resulting from the national provisions in force on 15 December 1981 and, for Spain, from the national provisions in force on 1 March 1986 and, for Portugal, from the national provisions in force on 1 March 1998.

ANNEX VII

OENOLOGICAL PRACTICES REFERRED TO IN ARTICLE 62

Part I

Enrichment, acidification and de-acidification in certain wine-growing zones

A. Enrichment limits

1. Where climatic conditions have made it necessary in certain winegrowing zones of the Union, the Member States concerned may allow to supplement the natural alcoholic strength by volume of fresh grapes, grape must, grape must in fermentation, new wine still in fermentation and wine obtained from wine grape varieties classifiable according to Article 63.
2. The increase in natural alcoholic strength by volume shall be achieved by means of the oenological practices referred to in Section B and shall not exceed the following limits:
 - (a) 3 % volume in wine-growing zone A ;
 - (b) 2 % volume in wine-growing zone B ;
 - (c) 1,5 % volume in wine-growing zones C .
3. In years when climatic conditions have been exceptionally unfavourable, Member States may request that the limit(s) laid down in point 2 be raised by 0,5 %. In response to such a request, the Commission under the powers as referred to in Article 68 shall adopt the implementing act as soon as possible. The Commission shall endeavour to take a decision within four weeks after the request has been submitted.

B. Enrichment processes

1. The increase in natural alcoholic strength by volume provided for in Section A shall only be effected:
 - (a) in respect of fresh grapes, grape must in fermentation or new wine still in fermentation, by adding sucrose, concentrated grape must or rectified concentrated grape must;
 - (b) in respect of grape must, by adding sucrose, concentrated grape must or rectified concentrated grape must, or by partial concentration, including reverse osmosis;
 - (c) in respect of wine, by partial concentration through cooling.
2. The processes referred to in point 1 shall be mutually exclusive where wine or grape must is enriched with concentrated grape must or rectified concentrated grape must and an aid has been paid under Article 103y of Regulation (EC) No 1234/2007.
3. The addition of sucrose provided for in points 1(a) and (b) may only be performed by dry sugaring and only in the following areas:

- (a) wine-growing zone A;
- (b) wine-growing zone B;
- (c) wine-growing zone C,

with the exception of vineyards in Italy, Greece, Spain, Portugal, Cyprus and vineyards in the French departments under jurisdiction of the courts of appeal of:

- Aix-en-Provence,
- Nîmes,
- Montpellier,
- Toulouse,
- Agen,
- Pau,
- Bordeaux,
- Bastia.

However, enrichment by dry sugaring may be authorised by the national authorities as an exception in the abovementioned French departments. France shall notify the Commission and the other Member States forthwith of any such authorisations.

4. The addition of concentrated grape must or rectified concentrated grape must shall not have the effect of increasing the initial volume of fresh crushed grapes, grape must, grape must in fermentation or new wine still in fermentation by more than 11 % in wine-growing zone A, 8 % in wine-growing zone B and 6,5 % in wine-growing zone C.
5. The concentration of grape must or of wine subjected to the processes referred to in point 1:
 - (a) shall not have the effect of reducing the initial volume of these products by more than 20 %;
 - (b) shall, notwithstanding point (2)(c) of Section A, not increase the natural alcoholic strength of these products by more than 2 % volume.
6. The processes referred to in points 1 and 5 shall not raise the total alcoholic strength by volume of the fresh grapes, grape must, grape must in fermentation, new wine still in fermentation, or wine:
 - (a) in wine-growing zone A to more than 11,5 % volume;
 - (b) in wine-growing zone B to more than 12 % volume;

- (c) in wine-growing zone C I to more than 12,5 % volume;
 - (d) in wine-growing zone C II to more than 13 % volume; and
 - (e) in wine-growing zone C III to more than 13,5 % volume.
7. By way of derogation from point 6, Member States may:
- (a) in relation to red wine, raise the upper limit of total alcoholic strength by volume of the products referred to in point 6 to 12 % volume in wine-growing zone A and 12,5 % volume in winegrowing zone B;
 - (b) raise the total alcoholic strength by volume of the products referred to in point 6 for the production of wines with a designation of origin to a level to be determined by Member States.

C. Acidification and de-acidification

1. Fresh grapes, grape must, grape must in fermentation, new wine still in fermentation and wine may be subject to:
 - (a) de-acidification in wine-growing zones A, B and C I ;
 - (b) acidification and de-acidification in wine-growing zones C I, C II and C III (a), without prejudice to point 7 of this Section; or
 - (c) acidification in wine-growing zone C III (b).
2. Acidification of the products, other than wine, referred to in point 1 may be carried out only up to a limit of 1,50 g/l expressed as tartaric acid, or 20 milliequivalents per litre.
3. Acidification of wines may be carried out only up to a limit of 2,50 g/l expressed as tartaric acid, or 33,3 milliequivalents per litre.
4. De-acidification of wines may be carried out only up to a limit of 1 g/l expressed as tartaric acid, or 13,3 milliequivalents per litre.
5. Grape must intended for concentration may be partially de-acidified.
6. Notwithstanding point 1, in years when climatic conditions have been exceptional, Member States may authorise acidification of the products referred to in point 1 in wine-growing zones A and B, under the conditions referred to in points 2 and 3 of this Section.
7. Acidification and enrichment, except by way of derogation to be adopted by the Commission by means of delegated acts pursuant to Article 59(1), and acidification and de-acidification of one and the same product shall be mutually exclusive processes.

D. Processes

1. None of the processes referred to in Sections B and C, with the exception of the acidification and de-acidification of wines, shall be authorised unless carried out, under conditions to be determined by the Commission by means of delegated acts pursuant to Article 59(1), at the time when the fresh grapes, grape must, grape must in fermentation or new wine still in fermentation are being turned into wine or into any other wine sector beverage intended for direct human consumption other than sparkling wine or aerated sparkling wine in the wine-growing zone where the fresh grapes used were harvested.
2. The concentration of wines shall take place in the wine-growing zone where the fresh grapes used were harvested.
3. Acidification and de-acidification of wines shall take place only in the wine making undertaking and in the wine-growing zone where the grapes used to produce the wine in question were harvested.
4. Each of the processes referred to in points 1, 2 and 3 shall be notified to the competent authorities. The same shall apply in respect of the quantities of concentrated grape must rectified concentrated grape must or sucrose held in the exercise of their profession by natural or legal persons or groups of persons, in particular producers, bottlers, processors and merchants to be determined by the Commission by means of delegated acts pursuant to Article 59(1), at the same time and in the same place as fresh grapes, grape must, grape must in fermentation or wine in bulk. The notification of these quantities may, however, be replaced by entry in a goods inwards and stock utilisation register.
5. Each of the processes referred to in Sections B and C shall be recorded on the accompanying document, as provided for in Article 103, under cover of which the products having undergone the processes are put into circulation.
6. Those processes, subject to derogations justified by exceptional climatic conditions, shall not be carried out:
 - (a) in wine-growing zone C after 1 January;
 - (b) in wine-growing zones A and B after 16 March, andthey shall be carried out only for products of the grape harvest immediately preceding those dates.
7. Notwithstanding point 6, concentration by cooling and acidification and de-acidification of wines may be practised throughout the year.

Part II Restrictions

A. General

1. All authorised oenological practices shall exclude the addition of water, except where required on account of a specific technical necessity.

2. All authorised oenological practices shall exclude the addition of alcohol, except for practices related to obtaining fresh grape must with fermentation arrested by the addition of alcohol, liqueur wine, sparkling wine, wine fortified for distillation and semi-sparkling wine.
3. Wine fortified for distillation shall only be used for distillation.

B. Fresh grapes, grape must and grape juice

1. Fresh grape must in which fermentation is arrested by the addition of alcohol shall be used only during the stage of preparation of products which do not fall under CN codes 2204 10, 2204 21 and 2204 29. This is without prejudice to any stricter provisions which Member States may apply to the preparation in their territory of products which do not fall under CN codes 2204 10, 2204 21 and 2204 29.
2. Grape juice and concentrated grape juice shall not be made into wine or added to wine. They shall not undergo alcoholic fermentation in the territory of the Union.
3. The provisions of points 1 and 2 shall not apply to products intended for the production, in the United Kingdom, Ireland and Poland, of products falling within CN code 2206 00 for which Member States may allow the use of a composite name, including the sales designation 'wine'.
4. Grape must in fermentation extracted from raisined grapes shall be put on the market only for the manufacture of liqueur wines only in the wine-growing regions where this usage was traditional on 1 January 1985, and for the manufacture of wine of overripe grapes.
5. Fresh grapes, grape must, grape must in fermentation, concentrated grape must, rectified concentrated grape must, grape must with fermentation arrested by the addition of alcohol, grape juice, concentrated grape juice and wine, or mixtures of those products, originating in third countries, may not be turned into products referred to in this Annex or added to such products in the territory of the Union.

C. Blending of wines

Coupage of a wine originating in a third country with a Union wine and coupage between wines originating in third countries shall be prohibited in the Union.

D. By-products

1. The over-pressing of grapes shall be prohibited. Member States shall decide, taking account of local and technical conditions, the minimum quantity of alcohol that shall be contained in the marc and the lees after the pressing of grapes.

The quantity of alcohol contained in those by-products shall be decided by Member States at a level at least equal to 5 % in relation to the volume of alcohol contained in the wine produced.

2. Except for alcohol, spirits and piquette, wine or any other beverage intended for direct human consumption shall not be produced from wine lees or grape marc. The pouring of wine onto lees or grape marc or pressed aszú pulp shall be allowed under conditions to be determined by the Commission by means of delegated acts pursuant to Article 59(1) where this practice is traditionally used for the production of ‘Tokaji fordítás’ and ‘Tokaji máslás’ in Hungary and ‘Tokajský forditáš’ and ‘Tokajský mášlás’ in Slovakia.
3. The pressing of wine lees and the re-fermentation of grape marc for purposes other than distillation or production of piquette is prohibited. The filtering and centrifuging of wine lees shall not be considered as pressing where the products obtained are of sound, genuine and merchantable quality.
4. Piquette, where its production is authorised by the Member State concerned, shall be used only for distillation or for consumption in wine-producers’ households.
5. Without prejudice to the possibility for Member States to decide to require disposal of by-products by way of distillation, any natural or legal persons or groups of persons who hold by-products shall be required to dispose of them subject to conditions to be determined by the Commission by means of delegated acts pursuant to Article 59(1).

ANNEX VIII

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206	89(1)
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307	65(2)(c) and 104(b)
317	62
318	64, 66
319	63

LEGISLATIVE FINANCIAL STATEMENT

1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

1.1. Title of the proposal/initiative

- Proposal for a Regulation of the European Parliament and of the Council establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy;
- Proposal for a Regulation of the European Parliament and of the Council establishing a common organisation of the markets in agricultural products (Single CMO Regulation);
- Proposal for a Regulation of the European Parliament and of the Council on support for rural development by the European Agricultural Fund for Rural Development (EAFRD);
- Proposal for a Regulation of the European Parliament and of the Council on the financing, management and monitoring of the common agricultural policy;
- Proposal for a Regulation of the European Parliament and of the Council amending Council Regulation (EC) No 73/2009 as regards the application of direct payments to farmers in respect of the year 2013;
- Proposal for a Council Regulation determining measures on fixing certain aids and refunds related to the common organisation of the markets in agricultural products;
- Proposal for a Regulation of the European Parliament and of the Council amending Council Regulation (EC) No 1234/2007 as regards the regime of the single payment scheme and support to vine-growers.

1.2. Policy area(s) concerned in the ABM/ABB structure⁵²

Policy Area Title 05 of Heading 2

1.3. Nature of the proposal/initiative (Legislative framework for the CAP post 2013)

The proposal/initiative relates to **a new action**

The proposal/initiative relates to **a new action following a pilot project/preparatory action**⁵³

The proposal/initiative relates to **the extension of an existing action**

The proposal/initiative relates to **an action redirected towards a new action**

⁵² ABM: Activity-Based Management – ABB: Activity-Based Budgeting.
⁵³ As referred to in Article 49(6)(a) or (b) of the Financial Regulation.

1.4. Objectives

1.4.1. The Commission's multiannual strategic objective(s) targeted by the proposal/initiative

In order to promote resource efficiency with a view to smart, sustainable and inclusive growth for EU agriculture and rural development in line with the Europe 2020 Strategy, the objectives of the CAP are:

- Viable food production;
- Sustainable management of natural resources and climate action;
- Balanced territorial development.

1.4.2. Specific objective(s) and ABM/ABB activity(ies) concerned

Specific objectives for Policy area 05:

Specific objective No 1:

To provide environmental public goods

Specific objective No 2:

To compensate for production difficulties in areas with specific natural constraints

Specific objective No 3:

To pursue climate change mitigation and adaptation actions

Specific objective No 4:

To manage the EU budget (CAP) in accordance with high standards of financial management

Specific objective for ABB 05 02 - Interventions in agricultural markets:

Specific objective No 5:

To improve the competitiveness of the agricultural sector and enhance its value share in the food chain

Specific objective for ABB 05 03 - Direct aids:

Specific objective No 6:

To contribute to farm incomes and limit farm income variability

Specific objectives for ABB 05 04 – Rural development:

Specific objective No 7

To foster green growth through innovation

Specific objective No 8:

To support rural employment and maintain the social fabric of rural areas

Specific objective No 9

To improve the rural economy and promote diversification

Specific objective No 10

To allow for structural diversity in farming systems

1.4.3. Expected result(s) and impact

It is not possible to set quantitative targets for impact indicators at this stage. Although the policy can steer in a certain direction, the broad economic, environmental and social outcomes measured by such indicators would ultimately also depend on the impact from a range of external factors, which recent experience indicates have become significant and unpredictable. Further analysis is on-going, to be ready for the period post-2013.

As regards the direct payments, Member States will have the possibility to decide, to a limited degree, on the implementation of certain components of the direct payment schemes.

For rural development, the expected results and impact will depend on the rural development programmes that Member States will submit to the Commission. Member States will be asked to set targets in their programmes.

1.4.4. Indicators of results and impact

The proposals provide for the establishment of a common monitoring and evaluation framework with a view to measuring the performance of the Common Agricultural Policy. That framework shall include all instruments related to the monitoring and evaluation of CAP measures and in particular of the direct payments, market measures, rural development measures and of the application of cross compliance.

The impact of these CAP measures shall be measured in relation to the following objectives:

- (a) viable food production, with a focus on agricultural income, agricultural productivity and price stability;
- (b) sustainable management of natural resources and climate action, with a focus on greenhouse gas emissions, biodiversity, soil and water;
- (c) balanced territorial development, with a focus on rural employment, growth and poverty in rural areas.

By means of implementing acts, the Commission shall define the set of indicators specific to these objectives and areas.

Moreover, as regards rural development, a reinforced common monitoring and evaluation system is proposed. That system aims (a) to demonstrate the progress and achievements of rural development policy and assess the impact, effectiveness, efficiency and relevance of rural development policy interventions, (b) to contribute to better targeted support for rural development, and (c) to support a common learning process related to monitoring and evaluation. The Commission will establish, by means of implementing act, a list of common indicators linked to the policy priorities.

1.5. Grounds for the proposal/initiative

1.5.1. Requirement(s) to be met in the short or long term

In order to meet the multi-annual strategic objectives of the CAP which are a direct translation of the Europe 2020 strategy for European rural areas and to fulfil the relevant requirements of the Treaty, the proposals aim to lay down the legislative framework for the Common Agricultural Policy for the period after 2013.

1.5.2. Added value of EU involvement

The future CAP will not only be a policy that caters for a small, albeit essential, part of the EU economy, but also a policy of strategic importance for food security, the environment and territorial balance. Thus, the CAP, as a truly common policy, makes the most efficient use of limited budgetary resources in maintaining a sustainable agriculture throughout the EU, addressing important cross-border issues such as climate change and reinforcing solidarity among Member States.

As mentioned in the Commission communication "A Budget for Europe 2020"⁵⁴, the CAP is a genuinely European policy. Instead of operating 27 separate agricultural policies and budgets, Member States pool resources to operate a single European policy with a single European budget. This naturally means that the CAP accounts for a significant proportion of the EU budget. However, this approach is both more efficient and economical than an uncoordinated national approach.

1.5.3. Lessons learned from similar experiences in the past

On the basis of the evaluation of the current policy framework, an extensive consultation with stakeholders as well as an analysis of future challenges and needs, a comprehensive impact assessment has been carried out. More details can be found in the impact assessment and the explanatory memorandum that are accompanying the legal proposals.

1.5.4. Coherence and possible synergy with other relevant instruments

The legislative proposals concerned by this financial statement should be seen in the broader context of the proposal for a single framework regulation with common rules for the common strategic framework funds (EAFRD, ERDF, ESF, Cohesion Fund and EMFF). That framework regulation will make an important contribution to reducing administrative burden,

⁵⁴ COM(2011)500 final of 29 June 2011.

to spending EU funds in an effective way, and to put simplification into practice. This also underpins the new concepts of the common strategic framework for all these funds and the upcoming Partnership Contracts which will also cover these funds.

The common strategic framework, which will be established, will translate the objectives and priorities of the Europe 2020 Strategy into priorities for the EAFRD together with the ERDF, ESF, Cohesion Fund and EMFF, which will ensure an integrated use of the funds to deliver common objectives.

The common strategic framework will also set out coordination mechanisms with other relevant Union policies and instruments.

Moreover, as regards the CAP, significant synergies and simplification effects will be obtained by harmonising and aligning the management and control rules for the first (EAGF) and second (EAFRD) pillar of the CAP. The strong link between the EAGF and the EAFRD should be maintained and the structures already in place in the Member States be sustained.

1.6. Duration and financial impact

Proposal/initiative of **limited duration (for the draft regulations on direct payment schemes, rural development and transitional regulations)**

- Proposal/initiative in effect from 01/01/2014 to 31/12/2020
- Financial impact for the period of the next multi-annual financial framework. For rural development, impact on payments to 2023.

Proposal/initiative of **unlimited duration (for the draft regulation on the single CMO and the horizontal regulation)**

- Implementation from 2014.

1.7. Management mode(s) envisaged⁵⁵

Centralised direct management by the Commission

Centralised indirect management with the delegation of implementation tasks to:

- executive agencies
- bodies set up by the Communities⁵⁶
- national public-sector bodies/bodies with public-service mission

⁵⁵ Details of management modes and references to the Financial Regulation may be found on the BudgWeb site: http://www.cc.cec/budg/man/budgmanag/budgmanag_en.html

⁵⁶ As referred to in Article 185 of the Financial Regulation.

- persons entrusted with the implementation of specific actions pursuant to Title V of the Treaty on European Union and identified in the relevant basic act within the meaning of Article 49 of the Financial Regulation
- x **Shared management** with the Member States
- Decentralised management** with third countries
- Joint management** with international organisations (*to be specified*)

Comments

No substantive change compared to the present situation, i.e. the bulk of expenditure concerned by the legislative proposals on the CAP reform will be managed by shared management with the Member States. However, a very minor part will continue to fall under centralised direct management by the Commission.

2. MANAGEMENT MEASURES

2.1. Monitoring and reporting rules

In terms of monitoring and evaluation of the CAP, the Commission will present a report to the European Parliament and the Council every 4 years, with the first report to be presented not later than end 2017.

This is complemented by specific provisions in all areas of the CAP, with various comprehensive reporting and notifications requirements to be specified in the implementing rules.

As regards rural development, rules are also provided for monitoring at programme level, which will be aligned with the other funds, and which will be coupled with ex ante, on-going and ex post evaluations.

2.2. Management and control system

2.2.1. Risk(s) identified

There are more than seven million beneficiaries of the CAP, receiving support under a large variety of different aid schemes, each of which having detailed and sometimes complex eligibility criteria.

The reduction in the error rate in the domain of the common agricultural policy can already be considered as a trend. Thus, most recently an error rate close to 2% confirms the overall positive assessment of previous years. It is the intention to continue the efforts in order to achieve an error rate below 2%.

2.2.2. Control method(s) envisaged

The legislative package, in particular the proposal for the regulation on the financing, management and monitoring of the common agricultural policy, envisages maintaining and reinforcing the current system established by Regulation (EC) No 1290/2005. It provides for a compulsory administrative structure at Member State level, centred around accredited paying agencies, which are responsible for carrying out controls at final beneficiary level in accordance with the principles set out under point 2.3. Every year, the head of each paying agency is required to provide a statement of assurance which covers the completeness, accuracy and veracity of the accounts, the proper functioning of the internal control systems and the legality and regularity of the underlying transactions. An independent audit body is required to provide an opinion on all these three elements.

The Commission will continue to audit agricultural expenditure, using a risk-based approach in order to ensure that its audits are targeted to the areas of highest risk. Where these audits reveal that expenditure has been incurred in breach of Union rules, it will exclude the amounts concerned from Union financing under the conformity clearance system.

As regards the cost of controls, a detailed analysis is provided in annex 8 to the impact assessment accompanying the legislative proposals.

2.3. Measures to prevent fraud and irregularities

The legislative package, in particular the proposal for the regulation on the financing, management and monitoring of the common agricultural policy, envisages maintaining and reinforcing the current detailed systems for controls and penalties to be applied by the paying agencies, with common basis features and special rules tailored to the specificities of each aid regime. The systems generally provide for exhaustive administrative controls of 100% of the aid applications, cross-checks with other databases where this is considered appropriate as well as pre-payment on-the-spot checks of a minimum number of transactions, depending on the risk associated with the regime in question. If these on-the-spot checks reveal a high number of irregularities, additional checks must be carried out. In this context, the by far most important system is the Integrated Administration and Control System (IACS), which in financial year 2010 covered around 80% of total expenditure under the EAGF and the EAFRD. For Member States with properly functioning control systems and low error rates, the Commission will be empowered to allow for a reduction of the number of on-the-spot checks.

The package further envisages that Member States shall prevent, detect and correct irregularities and fraud, impose effective, dissuasive and proportionate penalties as laid down in Union legislation or national law, and recover any irregular payments plus interests. It includes an automatic clearance mechanism for irregularity cases, which provides that if recovery has not taken place within four years of the date of the recovery request, or within eight years in the case of legal proceedings, the amounts not recovered shall be borne by the Member State concerned. This mechanism will be a strong incentive for Member States to recover irregular payments as quickly as possible.

3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

The amounts indicated in this financial statement are expressed in current prices and in commitments.

In addition to the changes resulting from the legislative proposals as listed in the accompanying tables below, the legislative proposals imply further changes which have no financial impact.

For any of the years in the period 2014-2020, the application of financial discipline cannot be excluded at this stage. However, this will not depend on the reform proposals as such, but on other factors, such as the execution of direct aids or future developments in the agricultural markets.

As concerns direct aids, the extended net ceilings for 2014 (calendar year 2013) included in the proposal regarding transition are higher than the amounts allocated to direct aids indicated in the accompanying tables. The purpose of this extension is to ensure a continuation of the existing legislation in a scenario in which all the other elements would remain unchanged, without prejudice to the possible need for applying the financial discipline mechanism.

The reform proposals contain provisions giving Member States a set degree of flexibility in relation to their allocation of direct aids respectively rural development. In case Member States decide to use that flexibility, this will have financial consequences within the given financial amounts, which cannot be quantified at this stage.

This financial statement does not take into account the possible use of the crises reserve. It should be underlined that the amounts taken into account for market-related expenditure are based on no public intervention buying-in and other measures related to a crisis situation in any sectors.

3.1. Heading(s) of the multiannual financial framework and expenditure budget line(s) affected

Table 1: Amounts for the CAP including complementary amounts foreseen in the MFF proposals and the CAP reform proposals

In million EUR (current prices)

Budget year	2013	2013 adjusted (1)	2014	2015	2016	2017	2018	2019	2020	TOTAL 2014-2020
Inside MFF										
Heading 2										
Direct aids and market-related expenditure (2) (3) (4)	44 939	45 304	44 830	45 054	45 299	45 519	45 508	45 497	45 485	317 193
Estimated assigned revenue	672	672	672	672	672	672	672	672	672	4 704
P1 Direct aids and market-related expenditure (with assigned revenue)	45 611	45 976	45 502	45 726	45 971	46 191	46 180	46 169	46 157	321 897
P2 Rural development (4)	14 817	14 451	14 451	14 451	14 451	14 451	14 451	14 451	14 451	101 157
Total	60 428	60 428	59 953	60 177	60 423	60 642	60 631	60 620	60 608	423 054
Heading 1										
CSF Agricultural research and innovation	N.A.	N.A.	682	696	710	724	738	753	768	5 072
Most deprived persons	N.A.	N.A.	379	387	394	402	410	418	427	2 818
Total	N.A.	N.A.	1 061	1 082	1 104	1 126	1 149	1 172	1 195	7 889
Heading 3										
Food safety	N.A.	N.A.	350	350	350	350	350	350	350	2 450
Outside MFF										
Reserve for agricultural crises	N.A.	N.A.	531	541	552	563	574	586	598	3 945
European Globalisation Fund (EGF)										
Of which maximum available for agriculture: (5)	N.A.	N.A.	379	387	394	402	410	418	427	2 818
TOTAL										
TOTAL Commission proposals (MFF + outside MFF) + assigned revenue	60 428	60 428	62 274	62 537	62 823	63 084	63 114	63 146	63 177	440 156
TOTAL MFF proposals (i.e. excluding Reserve and EGF) + assigned revenue	60 428	60 428	61 364	61 609	61 877	62 119	62 130	62 141	62 153	433 393

Notes:

- (1) Taking into account legislative changes already agreed, i.e. voluntary modulation for the UK and Article 136 "unspent amounts" will cease to apply by the end of 2013.
- (2) The amounts relate to the proposed annual ceiling for the first pillar. However, it should also be noted that it is proposed to move negative expenditure from accounting clearance (currently under budget item 05 07 01 06) to assigned revenue (under item 67 03). For details, see estimated revenue table on the page below.
- (3) The 2013 figures include the amounts for veterinary and phytosanitary measures as well as market measures for the fisheries sector.
- (4) The amounts in the table above are in line with those in the Commission communication "A Budget for Europe 2020" (COM(2011)500 final of 29 June 2011). However, it remains to be decided if the MFF will reflect the transfer that is proposed for the envelope of one Member State of the cotton national restructuring programme to rural development as from 2014, implying an adjustment (4 million EUR per year) of the amounts for respectively the EAGF sub-ceiling and for pillar 2. In the tables in the sections below, the amounts have been transferred, irrespective of them being reflected in the MFF.
- (5) In accordance with the Commission communication "A Budget for Europe 2020" (COM(2011)500 final), a total amount of up to 2.5 billion EUR in 2011 prices will be available under the European Globalisation Fund for providing additional support to farmers suffering from effects of globalisation. In the table above, the breakdown by year in current prices is only **indicative**. The proposal for the inter-institutional agreement between the European Parliament, the Council and the Commission on cooperation in budgetary matters and on sound financial management (COM(2011)403 final of 29 June 2011) sets out, for the EGF, an overall maximum annual amount of 429 million EUR in 2011 prices.

3.2. Estimated impact on expenditure

3.2.1. Summary of estimated impact on expenditure

Table 2: Estimated revenue as well as expenditure for Policy Area 05 within Heading 2

In million EUR (current prices)

Budget year	2013	2013 adjusted	2014	2015	2016	2017	2018	2019	2020	TOTAL 2014-2020
REVENUE										
123 – Sugar production charge (own resources)	123	123	123	123						246
67 03 - Assigned revenue	672	672	741	741	741	741	741	741	741	5 187
of which: ex 05 07 01 06 - Accounting clearance	0	0	69	69	69	69	69	69	69	483
Total	795	795	864	864	741	741	741	741	741	5 433
EXPENDITURE										
05 02 - Markets (1)	3 311	3 311	2 622	2 641	2 670	2 699	2 722	2 710	2 699	18 764
05 03 - Direct aids (before capping) (2)	42 170	42 535	42 876	43 081	43 297	43 488	43 454	43 454	43 454	303 105
05 03 – Direct aids (after capping)	42 170	42 535	42 876	42 917	43 125	43 303	43 269	43 269	43 269	302 027
05 04 - Rural development (before capping)	14 817	14 451	14 455	14 455	14 455	14 455	14 455	14 455	14 455	101 185
05 04 - Rural development (after capping)	14 817	14 451	14 455	14 619	14 627	14 640	14 641	14 641	14 641	102 263
05 07 01 06 - Accounting clearance	-69	-69	0	0	0	0	0	0	0	0
Total	60 229	60 229	59 953	60 177	60 423	60 642	60 631	60 620	60 608	423 054
NET BUDGET after assigned revenue			59 212	59 436	59 682	59 901	59 890	59 879	59 867	417 867

Notes:

- (1) For 2013, preliminary estimate based on Draft Budget 2012 taking into account legal adjustments already agreed for 2013 (e.g. wine ceiling, abolition of potato starch premium, dried fodder) as well as some foreseen developments. For all years, the estimates assume that there will be no additional financing need for support measures due to market disturbances or crises.
- (2) The 2013 amount includes an estimate of wine grubbing-up 2012.

Table 3: Calculation of the financial impact by budget chapter of the CAP reform proposals as regards revenue and CAP expenditure

In million EUR (current prices)

Budget year	2013	2013 adjusted								TOTAL 2014-2020
			2014	2015	2016	2017	2018	2019	2020	
REVENUE										
123 – Sugar production charge (own resources)	123	123	0	0	0	0	0	0	0	0
67 03 - Assigned revenue	672	672	69	69	69	69	69	69	69	483
of which: ex 05 07 01 06 - Accounting clearance	0	0	69	69	69	69	69	69	69	483
Total	795	795	69	483						
EXPENDITURE										
05 02 - Markets (1)	3 311	3 311	-689	-670	-641	-612	-589	-601	-612	-4 413
05 03 - Direct aids (before capping) (2)	42 170	42 535	-460	-492	-534	-577	-617	-617	-617	-3 913
05 03 - Direct aids – Estimated product of capping to be			0	-164	-172	-185	-186	-186	-186	-1 078
05 04 - Rural development (before capping)	14 817	14 451	4	4	4	4	4	4	4	28
05 04 - Rural development – Estimated product of capping to be			0	164	172	185	186	186	186	1 078
05 07 01 06 - Accounting clearance	-69	-69	69	69	69	69	69	69	69	483
Total	60 229	60 229	-1 076	-1 089	-1 102	-1 115	-1 133	-1 144	-1 156	-7 815
NET BUDGET after assigned revenue			-1 145	-1 158	-1 171	-1 184	-1 202	-1 213	-1 225	-8 298

Notes:

- (1) For 2013, preliminary estimate based on Draft Budget 2012 taking into account legal adjustments already agreed for 2013 (e.g. wine ceiling, abolition of potato starch premium, dried fodder) as well as some foreseen developments. For all years, the estimates assume that there will be no additional financing need for support measures due to market disturbances or crises.
- (2) The 2013 amount includes an estimate of wine grubbing-up 2012.

Table 4: Calculation of the financial impact of the CAP reform proposals as regards CAP market-related expenditure

In million EUR (current prices)

BUDGET YEAR		Legal base	Estimated needs	Changes to 2013							TOTAL 2014-2020	
			2013 (1)	2014	2015	2016	2017	2018	2019	2020		
Exceptional measures: streamlined and extended scope of legal base		Art. 154, 155, 156	pm	pm	pm	pm	pm	pm	pm	pm	pm	pm
Removal of intervention for durum wheat and sorghum		ex Art.10	pm	-	-	-	-	-	-	-	-	-
Food programmes for most deprived	(2)	Ex-Art. 27 of Reg 1234/2007	500.0	-500.0	-500.0	-500.0	-500.0	-500.0	-500.0	-500.0	-500.0	-3 500.0
Private storage (Flax fibre)		Art. 16	N.A.	pm	pm	pm	pm	pm	pm	pm	pm	Pm
Aid for cotton - Restructuring	(3)	ex Art. 5 of Reg. 637/2008	10.0	-4.0	-4.0	-4.0	-4.0	-4.0	-4.0	-4.0	-4.0	-28.0
Setting-up aid for F&V producer groups		ex Art. 117	30.0	0.0	0.0	0.0	-15.0	-15.0	-30.0	-30.0	-30.0	-90.0
School fruit scheme		Art. 21	90.0	60.0	60.0	60.0	60.0	60.0	60.0	60.0	60.0	420.0
Abolition hops PO		ex Art. 111	2.3	-2.3	-2.3	-2.3	-2.3	-2.3	-2.3	-2.3	-2.3	-15.9
Optional private storage for skimmed-milk powder		Art. 16	N.A.	pm	pm	pm	pm	pm	pm	pm	pm	pm
Abolition aid for use of skimmed milk/SMP as feedingstuff/casein and use of casein		ex Art. 101, 102	pm	-	-	-	-	-	-	-	-	-
Optional private storage for butter	(4)	Art. 16	14.0	[-1.0]	[-14.0]	[-14.0]	[-14.0]	[-14.0]	[-14.0]	[-14.0]	[-14.0]	[-85.0]
Abolition milk promotional levy		ex Art. 309	pm	-	-	-	-	-	-	-	-	-
TOTAL 05 02												
Net effect of reform proposals (5)				-446.3	-446.3	-446.3	-461.3	-461.3	-476.3	-476.3	-476.3	-3 213.9

Notes:

- (1) The 2013 needs are estimated based on the Commission's Draft Budget 2012, except for (a) the fruit & vegetables sectors where the needs are based on the financial statement of the respective reforms and (b) any legal changes already agreed.
- (2) The 2013 amount corresponds to Commission proposal COM(2010)486. As from 2014, the measure will be financed within Heading 1.
- (3) The envelope for the cotton restructuring programme for Greece (4 million EUR/year) will be transferred to rural development as from 2014. The envelope for Spain (6.1 million EUR/year) will go to the Single Payment Scheme as from 2018 (already decided).
- (4) Estimated effect in case of non-application of the measure.
- (5) In addition to expenditure within chapters 05 02 and 05 03, it is anticipated that direct expenditure within chapters 05 01, 05 07 and 05 08 will be financed by revenue that will be assigned to the EAGF.

Table 5: Calculation of the financial impact of the CAP reform proposals as regards direct aids

In million EUR (current prices)

BUDGET YEAR	Legal base	Estimated needs		Changes to 2013							TOTAL 2014-2020
		2013 (1)	2013 adjusted (2)	2014	2015	2016	2017	2018	2019	2020	
Direct aids		42 169.9	42 535.4	341.0	381.1	589.6	768.0	733.2	733.2	733.2	4 279.3
- Changes already decided:											
Phasing-in EU 12				875.0	1 133.9	1 392.8	1 651.6	1 651.6	1 651.6	1 651.6	10 008.1
Cotton restructuring				0.0	0.0	0.0	0.0	6.1	6.1	6.1	18.4
Health Check				-64.3	-64.3	-64.3	-90.0	-90.0	-90.0	-90.0	-552.8
Previous reforms				-9.9	-32.4	-32.4	-32.4	-32.4	-32.4	-32.4	-204.2
- Changes due to new CAP reform proposals				-459.8	-656.1	-706.5	-761.3	-802.2	-802.2	-802.2	-4 990.3
Of which: capping				0.0	-164.1	-172.1	-184.7	-185.6	-185.6	-185.6	-1 077.7
TOTAL 05 03											
Net effect of reform proposals				-459.8	-656.1	-706.5	-761.3	-802.2	-802.2	-802.2	-4 990.3
TOTAL EXPENDITURE		42 169.9	42 535.4	42 876.4	42 916.5	43 125.0	43 303.4	43 268.7	43 268.7	43 268.7	302 027.3

Notes:

- (1) The 2013 amount includes an estimate of wine grubbing-up 2012.
- (2) Taking into account legislative changes already agreed, i.e. voluntary modulation for the UK and Article 136 "unspent amounts" will cease to apply by the end of 2013.

Table 6: Components of direct aids

In million EUR (current prices)

BUDGET YEAR	2015	2016	2017	2018	2019	2020	TOTAL 2014-2020
Annex II	42 407.2	42 623.4	42 814.2	42 780.3	42 780.3	42 780.3	256 185.7
Payment for agricultural practices beneficial for the climate and environment (30%)	12 866.5	12 855.3	12 844.3	12 834.1	12 834.1	12 834.1	77 068.4
Maximum that can be allocated to the Payment for young farmers (2%)	857.8	857.0	856.3	855.6	855.6	855.6	5 137.9
Basic Payment Scheme, Payment for areas with Natural Constraints, Voluntary Coupled Support	28 682.9	28 911.1	29 113.6	29 090.6	29 090.6	29 090.6	173 979.4
Maximum that can be taken from the above lines to finance the Small Farmer Scheme (10%)	4 288.8	4 285.1	4 281.4	4 278.0	4 278.0	4 278.0	25 689.3
Wine transfers included in Annex II ⁵⁷	159.9	159.9	159.9	159.9	159.9	159.9	959.1
Capping	-164.1	-172.1	-184.7	-185.6	-185.6	-185.6	-1 077.7
Cotton	256.0	256.3	256.5	256.6	256.6	256.6	1 538.6
POSEI/Small Aegean Islands	417.4	417.4	417.4	417.4	417.4	417.4	2 504.4

⁵⁷ Direct aids for the period 2014-2020 include an estimate of the wine transfers to SPS based on the decisions taken by the Member States for 2013.

Table 7: Calculation of the financial impact of the CAP reform proposals as regards transitional measures for granting direct aids in 2014

In million EUR (current prices)

BUDGET YEAR	Legal base	Estimated needs		Changes to 2013
		2013 (1)	2013 adjusted	2014 (2)
Annex IV to Council Regulation (EC) No 73/2009		40 165.0	40 530.5	541.9
Phasing-in EU 10				616.1
Health Check				-64.3
Previous reforms				-9.9

TOTAL 05 03				
TOTAL EXPENDITURE		40 165.0	40 530.5	41 072.4

Notes:

- (1) The 2013 amount includes an estimate of wine grubbing-up 2012.
- (2) The extended net ceilings include an estimate of the wine transfers to SPS based on the decisions taken by the Member States for 2013.

Table 8: Calculation of the financial impact of the CAP reform proposals as regards rural development

In million EUR (current prices)

BUDGET YEAR		Legal base	Rural development allocation		Changes to 2013							TOTAL 2014-2020	
			2013	2013 adjusted (1)	2014	2015	2016	2017	2018	2019	2020		
Rural development programmes			14 788.9	14 423.4									
Aid for cotton - Restructuring	(2)				4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	28.0
Product of capping of direct aids						164.1	172.1	184.7	185.6	185.6	185.6	185.6	1 077.7
RD envelope excluding technical assistance	(3)				-8.5	-8.5	-8.5	-8.5	-8.5	-8.5	-8.5	-8.5	-59.4
Technical assistance	(3)		27.6	27.6	8.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	29.4
Prize for local innovative co-operation projects	(4)		N.A.	N.A.	0.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	30.0

TOTAL 05 04													
Net effect of reform proposals					4.0	168.1	176.1	188.7	189.6	189.6	189.6	189.6	1 105.7
TOTAL EXPENDITURE (before capping)			14 816.6	14 451.1	14 455.1	101 185.5							
TOTAL EXPENDITURE (after capping)			14 816.6	14 451.1	14 455.1	14 619.2	14 627.2	14 639.8	14 640.7	14 640.7	14 640.7	14 640.7	102 263.2

Notes:

- (1) Adjustments in line with the existing legislation only applicable until the end of financial year 2013.
- (2) The amounts in table 1 (section 3.1) are in line with those in the Commission communication "A Budget for Europe 2020" (COM(2011)500 final). However, it remains to be decided if the MFF will reflect the transfer that is proposed for the envelope of one Member State of the cotton national restructuring programme to rural development as from 2014, implying an adjustment (4 million EUR per year) of the amounts for respectively the EAGF sub-ceiling and for pillar 2. In table 8 above, the amounts have been transferred, irrespective of them being reflected in the MFF.
- (3) The 2013 amount for technical assistance was fixed based on the initial rural development envelope (transfers from pillar 1 not included).
Technical assistance for 2014-2020 is fixed at 0.25% of the total rural development envelope.
- (4) Covered by the amount available for technical assistance.

Heading of multiannual financial framework:	5	" Administrative expenditure "
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EUR million (to 3 decimal places)

Note: It is estimated that the legislative proposals will have no impact on appropriations of an administrative nature, i.e. it is the intention that the legislative framework can be implemented with the present level of human resources and administrative expenditure.

		Year 2014	Year 2015	Year 2016	Year 2017	Year 2018	Year 2019	Year 2020	TOTAL
DG: AGRI									
• Human resources		136.998	136.998	136.998	136.998	136.998	136.998	136.998	958.986
• Other administrative expenditure		9.704	9.704	9.704	9.704	9.704	9.704	9.704	67.928
TOTAL DG AGRI	Appropriations	146.702	146.702	146.702	146.702	146.702	146.702	146.702	1 026.914

TOTAL appropriations under HEADING 5 of the multiannual financial framework	(Total commitments = Total payments)	146.702	146.702	146.702	146.702	146.702	146.702	146.702	1 026.914
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EUR million (to 3 decimal places)

		Year N ⁵⁸	Year N+1	Year N+2	Year N+3	... enter as many years as necessary to show the duration of the impact (see point 1.6)	TOTAL

⁵⁸ Year N is the year in which implementation of the proposal/initiative starts.

TOTAL appropriations under HEADINGS 1 to 5 of the multiannual financial framework	Commitments								
	Payments								

3.2.2. *Estimated impact on operational appropriations*

- The proposal/initiative does not require the use of operational appropriations
- x The proposal/initiative requires the use of operational appropriations, as explained below:

Commitment appropriations in EUR million (to 3 decimal places)

Indicate objectives and outputs ↓			Year 2014	Year 2015	Year 2016	Year 2017	Year 2018	Year 2019	Year 2020	TOTAL									
	OUTPUTS																		
	Type of output	Average cost of the output	Number of outputs	Cost	Number of outputs	Cost	Number of outputs	Cost	Number of outputs	Cost	Number of outputs	Cost	Number of outputs	Cost	Number of outputs	Cost	Total number of outputs	Total cost	
SPECIFIC OBJECTIVE No 5: To improve the competitiveness of the agricultural sector and enhance its value share in the food chain																			
- Fruit & vegetables: Marketing through producer organisations (POs) ⁵⁹	Proportion of the value of production marketed through POs in value of		830.0		830.0		830.0		830.0		830.0		830.0		830.0		830.0		5 810.0

⁵⁹ Based on past execution and estimates in the 2012 Draft Budget. For the producer organisations in the fruit & vegetables sector, the amounts are in line with the reform of that sector and, as already indicated in the activity statements of the 2012 Draft Budget, outputs will only be known in late 2011.

	the total production																	
- Wine: National envelope – Restructuring ⁵⁹	Number of hectares		54 326	475.1	54 326	475.1	54 326	475.1	54 326	475.1	54 326	475.1	54 326	475.1	54 326	475.1		3 326.0
- Wine: National envelope – Investments ⁵⁹			1 147	178.9	1 147	178.9	1 147	178.9	1 147	178.9	1 147	178.9	1 147	178.9	1 147	178.9		1 252.6
- Wine: National envelope – By-product distillation ⁵⁹	Hecto-litres		700 000	98.1	700 000	98.1	700 000	98.1	700 000	98.1	700 000	98.1	700 000	98.1	700 000	98.1		686.4
- Wine: National envelope – Potable alcohol ⁵⁹	Number of hectares		32 754	14.2	32 754	14.2	32 754	14.2	32 754	14.2	32 754	14.2	32 754	14.2	32 754	14.2		14.2
- Wine: National envelope – Use of concentrated must ⁵⁹	Hecto-litres		9	37.4	9	37.4	9	37.4	9	37.4	9	37.4	9	37.4	9	37.4		261.8
- Wine: National envelope – promotion ⁵⁹				267.9		267.9		267.9		267.9		267.9		267.9		267.9		1 875.3
- Other				720.2		739.6		768.7		797.7		820.3		808.8		797.1		5 452.3
Sub-total for specific objective N°5				2 621.8		2 641.2		2 670.3		2 699.3		2 721.9		2 710.4		2 698.7		18 763.5

SPECIFIC OBJECTIVE No 6: To contribute to farm incomes and limit farm income variability																		
- Direct income support ⁶⁰	Number of hectares paid (in million)	161.014	42 876.4	161.014	43 080.6	161.014	43 297.1	161.014	43 488.1	161.014	43 454.3	161.014	43 454.3	161.014	43 454.3	161.014	43 454.3	303 105.0
Sub-total for specific objective N°6			42 876.4		43 080.6		43 297.1		43 488.1		43 454.3		43 454.3		43 454.3		43 454.3	303 105.0
TOTAL COST																		

Note: For specific objectives 1 to 4 and 7 to 10, the outputs are still to be determined (see section 1.4.2 above).

⁶⁰ Based on potentially eligible areas for 2009.

3.2.3. Estimated impact on appropriations of an administrative nature

3.2.3.1. Summary

- The proposal/initiative does not require the use of administrative appropriations
- x The proposal/initiative requires the use of administrative appropriations, as explained below:

EUR million (to 3 decimal places)

	Year 2014	Year 2015	Year 2016	Year 2017	Year 2018	Year 2019	Year 2020	TOTAL
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HEADING 5 of the multiannual financial framework								
Human resources ⁶¹	136.998	136.998	136.998	136.998	136.998	136.998	136.998	958.986
Other administrative expenditure	9.704	9.704	9.704	9.704	9.704	9.704	9.704	67.928
Subtotal HEADING 5 of the multiannual financial framework								

Outside HEADING 5 of the multiannual financial framework								
Human resources								
Other expenditure of an administrative nature								
Subtotal outside HEADING 5 of the multiannual financial framework								

TOTAL	146.702	1 026.914						
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⁶¹ Based on an average cost of 127 000 EUR for establishment plan post of officials and temporary agents.

3.2.3.2. Estimated requirements of human resources

- The proposal/initiative does not require the use of human resources
- x The proposal/initiative requires the use of human resources, as explained below:

Note: It is estimated that the legislative proposals will have no impact on appropriations of an administrative nature, i.e. it is the intention that the legislative framework can be implemented with the present level of human resources and administrative expenditure. The figures for the period 2014-2020 are based on the situation for 2011.

Estimate to be expressed in full amounts (or at most to one decimal place)

	Year 2014	Year 2015	Year 2016	Year 2017	Year 2018	Year 2019	Year 2020
• Establishment plan posts (officials and temporary agents)							
XX 01 01 01 (Headquarters and Commission's Representation Offices)	1 034	1 034	1 034	1 034	1 034	1 034	1 034
XX 01 01 02 (Delegations)	3	3	3	3	3	3	3
XX 01 05 01 (Indirect research)							
10 01 05 01 (Direct research)							
• External personnel (in Full Time Equivalent unit: FTE)⁶²							
XX 01 02 01 (CA, INT, SNE from the "global envelope")	78	78	78	78	78	78	78
XX 01 02 02 (CA, INT, JED, LA and SNE in the delegations)							
XX 01 04 yy	- at Headquarters						
	- in delegations						
XX 01 05 02 (CA, INT, SNE - Indirect research)							
10 01 05 02 (CA, INT, SNE - Direct research)							
Other budget lines (specify)							
TOTAL⁶³	1 115	1 115	1 115	1 115	1 115	1 115	1 115

XX is the policy area or budget title concerned.

The human resources required will be met by staff from the DG who are already assigned to management of the action and/or have been redeployed within the DG, together if necessary

⁶² CA= Contract Agent; INT= agency staff ("Intérimaire"); JED= "Jeune Expert en Délégation" (Young Experts in Delegations); LA= Local Agent; SNE= Seconded National Expert;

⁶³ This does not include the sub-ceiling on budget line 05.010404.

with any additional allocation which may be granted to the managing DG under the annual allocation procedure and in the light of budgetary constraints.

Description of tasks to be carried out:

Officials and temporary agents	
External personnel	

3.2.4. *Compatibility with the current multiannual financial framework*

- x Proposal/initiative is compatible with the **PROPOSALS FOR THE 2014-2020** multiannual financial framework.
- Proposal/initiative will entail reprogramming of the relevant heading in the multiannual financial framework.
- Proposal/initiative requires application of the flexibility instrument or revision of the multiannual financial framework.

3.2.5. *Third-party contributions*

- The proposal/initiative does not provide for co-financing by third parties
- X The proposal regarding rural development (EAFRD) provides for the co-financing estimated below:

Appropriations in EUR million (to 3 decimal places)

	Year 2014	Year 2015	Year 2016	Year 2017	Year 2018	Year 2019	Year 2020	Total
Specify the co-financing body	MS	MS						
TOTAL appropriations cofinanced ⁶⁴	To be determined	To be determined						

⁶⁴ This will be set out in the rural development programmes to be submitted by the Member States.

3.3. Estimated impact on revenue

- Proposal/initiative has no financial impact on revenue.
- Proposal/initiative has the following financial impact:
 - on own resources
 - on miscellaneous revenue

EUR million (to 3 decimal places)

Budget revenue line:	Appropriations available for the ongoing budget year	Impact of the proposal/initiative ⁶⁵						
		Year N	Year N+1	Year N+2	Year N+3	... insert as many columns as necessary in order to reflect the duration of the impact (see point 1.6)		

For miscellaneous assigned revenue, specify the budget expenditure line(s) affected.

See tables 2 and 3 in section 3.2.1.

⁶⁵ As regards traditional own resources (customs duties, sugar levies), the amounts indicated must be net amounts, i.e. gross amounts after deduction of 25% for collection costs.