

COUNCIL REGULATION (EEC) No 1601/92

of 15 June 1992

concerning specific measures for the Canary Islands with regard to certain agricultural products

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Articles 28, 42 and 43 thereof,

Having regard to the proposal from the Commission ⁽¹⁾,

Having regard to the opinion of the European Parliament ⁽²⁾,

Having regard to the opinion of the Economic and Social Committee ⁽³⁾,

Whereas Council Regulation (EEC) No 1911/91 of 26 June 1991 on the application of the provisions of Community law to the Canary Islands ⁽⁴⁾ integrates the Canary Islands into the Community's customs territory and into the common policies; whereas, under Articles 2 and 10 of the abovementioned Regulation, application of the common agricultural policy is subject to the entry into force of specific supply arrangements; whereas such application must also be accompanied by specific measures concerning agricultural production;

Whereas Council Decision 91/314/EEC of 26 June 1991 setting up a programme of options specific to the remote and insular nature of the Canary Islands (Poseican) ⁽⁵⁾ outlines the options to be implemented to take account of the specific problems and constraints faced by the Islands;

Whereas the exceptional geographical situation of the Canary Islands in relation to the sources of supply of products used as inputs for the everyday consumption or manufacture of certain essential foodstuffs in the Islands imposes costs which constitute a severe handicap to the sectors concerned; whereas this natural handicap can be

remedied by exemption from levies and/or customs duties on the products in question imported directly from third countries;

Whereas, to maintain the competitiveness of the above products of Community origin in the Islands, both in order to achieve effectively the Poseican objective of reducing prices by promoting competition between sources of supply and to prevent disruption of traditional trade flows, provision should be made for the supply to this region of products originating in the rest of the Community, on terms equivalent for the end user to exemption from the levy and/or customs duties of products originating in third countries, based on the prices applied to exports to third countries; whereas in certain cases it will be necessary to provide for an import certificate system;

Whereas the quantities of products benefiting from the specific supply arrangements must be determined within the framework of periodic forecast supply balances, which may be adjusted during the year on the basis of the essential requirements of the local market and taking account of local production and traditional trade flows;

Whereas the economic effects of the arrangements in question should have an impact on the level of production costs and reduce prices up to the end user stage; whereas appropriate measures should therefore be provided for, in order to monitor such impact;

Whereas, to avoid any deflection of trade, products covered by the specific supply arrangements may not be redispached to other parts of the Community or re-exported to third countries; whereas, however, an exception to this principle should be made for products traditionally processed in the Canary Islands and redispached or re-exported, within the limits of usual trade flows;

⁽¹⁾ OJ No C 145, 6. 6. 1992, p. 13.

⁽²⁾ Opinion delivered on 9 June 1992 (not yet published in the Official Journal).

⁽³⁾ Opinion delivered on 27 May 1992 (not yet published in the Official Journal).

⁽⁴⁾ OJ No L 171, 29. 6. 1991, p. 1. Regulation as amended by Regulation (EEC) No 284/92 (OJ No L 314, 7. 2. 1992, p. 3).

⁽⁵⁾ OJ No L 171, 29. 6. 1991, p. 5.

Whereas the specific conditions of agriculture in the Canary Islands require special attention and whereas measures to accompany the entry into force of the common agricultural policy are necessary in this regard, both for stockfarming and animal products and for crop products;

Whereas, to promote the development of traditional stockfarming in the Canaries, assistance should be given for genetic improvement through the purchase of pure-bred breeding animals and supplementary premiums should be granted for the fattening of adult male bovine animals, for the maintenance of suckler herds and for sheepmeat and goatmeat production, and the consumption of locally produced fresh milk products should be promoted; whereas, pending the development of local stockfarming, provision should be made, on a temporary and degressive basis so as not to compromise the abovementioned objective, for the supply of male animals for fattening, within the limits of local consumption requirements, as periodically assessed;

Whereas, in the fruit, vegetables, plants and floricultural sector, measures should be taken to increase production and to improve farm productivity and product quality; whereas measures should also be taken to improve the marketing of the Islands' tropical products;

Whereas, in order to help support local production with a view to satisfying consumer habits in the Islands, provision should be made for specific aid for potato-growing, within the limits of the areas under cultivation on entry into force of this Regulation and, during a transitional period, for degressive restrictions on imports of this product during the sensitive period when local production is placed on the market;

Whereas, with the same objectives in mind, intervention measures under the market organization for wine and grubbing premiums should not be applied and aid should be granted for vines producing quality wines *psr* which meet the requirements laid down in the Community rules;

Whereas, to contribute to maintaining local cereal production, the co-responsibility levy payable by cereal producers should not be applied in the Canary Islands;

Whereas the creation and promotion of a graphic symbol can also facilitate the marketing of specific quality products;

Whereas, in view of the animal health status of the region, it must be possible to grant a temporary derogation from the requirements of Council Directive 72/462/EEC of 12 December 1972 on health and veterinary inspection problems upon importation of bovine animals and swine, fresh meat or meat products from third countries ⁽¹⁾;

⁽¹⁾ OJ No L 302, 31. 12. 1972, p. 28. Directive as last amended by Directive 91/497/EEC (OJ No L 268, 24. 9. 1991, p. 69).

Whereas farms in the Canary Islands present major structural weaknesses from which specific difficulties derive; whereas a derogation is therefore necessary from the rules which restrict or prohibit the grant of certain forms of structural aid;

Whereas certain structural measures essential for the development of agriculture in the Islands are financed under Community support frameworks to promote the development and structural adjustment of regions whose development is lagging behind (Objective 1) pursuant to Article 130a and 130c of the Treaty; whereas the Commission has, moreover, approved an initiative (Regis) to encourage the economic development of the remotest regions, providing for the diversification of agricultural production, the upgrading of traditional products and measures to reduce the risks associated with natural disasters;

Whereas banana cultivation is of fundamental importance to the economy of the Canary Islands; whereas all the problems relating to banana production are the subject of an in-depth Community study and appropriate measures will be taken on conclusion of the study,

HAS ADOPTED THIS REGULATION:

Article 1

This Regulation lays down specific measures to remedy, in respect of certain agricultural products, the difficulties caused by the remote and insular nature of the Canary Islands.

TITLE I

SPECIFIC SUPPLY MEASURES

Article 2

For each marketing year, a forecast supply balance for the Canary Islands shall be established, in accordance with the procedure provided for in Article 3 (4), for the agricultural products necessary for human consumption and processing in the Islands listed in the Annex. This balance may be revised during the year on the basis of trends in the Islands' requirements. A separate forecast may be made to assess the requirements of the processing and packaging industries regarding products for the local market or traditionally dispatched to the rest of the Community.

Article 3

1. Levies and/or customs duties shall not apply to direct imports into the Canary Islands from third countries of products covered by the specific supply arrangements, within the limit of the quantities determined in the supply balance.

2. To ensure coverage of the requirements referred to in Article 2 in terms of quantity, price and quality, with a view to ensuring that the proportion of products supplied by the Community is preserved, supplies to the Canary Islands shall also be effected through the mobilization of Community products held in intervention storage or available on the Community market, on terms equivalent, for the end user, to the advantage resulting from exemption from import duties on imports of products from third countries.

The terms of supply shall be fixed with reference to the costs of various sources of supply and the prices applied to exports to third countries.

3. The arrangements provided for in this Article shall be implemented in such a way as to take account, in particular, of:

- the specific requirements of the Canary Islands and, in the case of products intended for processing, the specific quality requirements,
- traditional trade flows with the rest of the Community
- possibilities for supply by neighbouring developing countries.

4. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 26 of Council Regulation (EEC) No 2727/75 of 29 October 1975 on the common organization of the market in cereals⁽¹⁾ or the corresponding Articles of the Regulations on the common organization of the markets in the sectors concerned. They shall comprise in particular the determination of the quantities of products covered by the specific supply arrangements and the provisions designed to ensure that the advantages are actually passed on, as referred to in Article 6, to the end user, and, as the need arises, an import certificate system.

Article 4

1. Aid shall be granted for the supply to the Canary Islands of the following products of Community origin:

- (a) pure-bred breeding animals of the bovine species falling within CN code 0102 10 00;
- (b) pure-bred breeding swine falling within CN code 0103 10 00;
- (c) pure-bred breeding rabbits falling within CN code ex 0106 00 10;
- (d) multiplier or breeding chicks falling within CN code ex 0105 11 00;
- (e) hatching eggs, other, for the production of multiplier or breeding chicks falling within CN code ex 0407 00 19.

2. The aid terms shall take account of the requirements of the Canary Islands with regard to the start-up of production, in particular for those breeds most suited to conditions in the Islands. The aid shall be paid for the delivery of animals which fulfil the requirements specified under Community rules.

3. The aid shall be determined having regard to the following factors:

- (a) the conditions of supply to the Canary Islands resulting from their geographical situation;
- (b) the price of animals or products on the Community market and on the world market;
- (c) whether or not customs duties and/or levies are charged on imports from third countries;
- (d) the economic aspect of the aid envisaged.

4. The amounts of aid, the quantity of products receiving aid each year and the detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 27 of Council Regulation (EEC) No 805/68 of 27 June 1968 on the common organization of the market in beef and veal⁽²⁾ or the corresponding articles in the Regulation on the common organization of the markets concerned.

In the case of products covered by Council Regulation (EEC) No 827/68 of 28 June 1968 on the common organization of the market in certain products listed in Annex II to the Treaty⁽³⁾, these measures shall be adopted in accordance with the procedure referred to in the first subparagraph.

⁽¹⁾ OJ No L 281, 1. 11. 1975, p. 1. Regulation as last amended by Regulation (EEC) No 674/92 (OJ No L 73, 19. 3. 1992, p. 7).

⁽²⁾ OJ No L 148, 28. 6. 1968, p. 24. Regulation as last amended by Regulation (EEC) No 1628/91 (OJ No L 150, 15. 6. 1991, p. 16).

⁽³⁾ OJ No L 151, 30. 6. 1968, p. 16. Regulation as last amended by Regulation (EEC) No 789/89 (OJ No L 85, 30. 3. 1989, p. 3).

Article 5

1. During the marketing years for beef and veal 1992/93 to 1995/96:

- (a) the customs duties and/or levies referred to in Article 9 of Regulation (EEC) No 805/68 shall not be applied to direct imports, for fattening purposes, of bovine animals from third countries for consumption in the Islands;
- (b) aid shall be granted for the supply, on equivalent terms, of animals as referred to in (a) originating in the rest of the Community.

2. The number of animals concerned by the measures referred to in paragraph 1 shall be based on a periodic supply balance and determined progressively to take account of the development of local production. The number of animals and the amount of the aid referred to in paragraph 1 (b), as well as the detailed rules for the application of this Article, shall be determined in accordance with the procedure laid down in Article 27 of Regulation (EEC) No 805/68.

3. Not later than six months before the end of the 1995/96 marketing year, the Commission shall submit to the Council an assessment of the measures provided for in this Article, together with any appropriate proposals.

Article 6

1. Customs duties shall not be applied to direct imports into the Canary Islands of raw and semi-manufactured tobacco falling respectively within:

- CN-code 2401,
- and subheadings:
 - ex 2402 10 00 cigars (wrapped or not),
 - ex 2403 10 00 cigarette rag (finished mixture of tobacco for the manufacture of cigarettes, cigarillos, cheroots and cigars),
 - ex 2403 91 00 'homogenized' or 'reconstituted' tobacco, whether or not put up in sheets or strip,
 - ex 2403 99 90 expanded tobacco,
 - ex 2403 99 90 outer coverings for cigars presented on supports, in reels for the manufacture of tobacco (1).

(1) Monitoring arrangements for this end-use are laid down in the relevant Community provisions.

2. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 17 of Council Regulation (EEC) No 727/70 of 21 April 1970 on the common organization of the market in raw tobacco (2).

Article 7

1. Application of the supply arrangements provided for in Articles 2 and 3 shall be subject to the advantage derived from exemption from the levy and/or customs duty or, in the case of supply from the rest of the Community, from the Community aid being actually passed on to the end user.

2. Detailed rules for the application of this Article shall be adopted in accordance with the procedure referred to in Article 3 (4).

Article 8

The products covered by the specific supply arrangements provided for in this Title may not be re-exported to third countries or redispached to the rest of the Community.

Where the products in question are processed in the Islands, the aforesaid prohibition shall not apply to traditional exports or shipments to the rest of the Community.

Detailed rules for the application of this Article shall be adopted, if necessary, in accordance with the procedure referred to in Article 4 (4).

Article 9

Products covered by the specific supply arrangements provided for in this Title and products processed therefrom shall not be eligible for refunds on exportation from the Canary Islands.

TITLE II

MEASURES TO ASSIST LIVESTOCK PRODUCTS

Article 10

1. The aid provided for in paragraphs 2 and 3 shall be granted in support of traditional activities connected with beef and veal production and measures to improve product quality, within the limits of the consumption needs of the Islands as assessed in the context of a periodic supply balance. This balance shall also take account of breeding

(2) OJ No 94, 28. 4. 1970, p. 1. Regulation as last amended by Regulation (EEC) No 860/92 (OJ No L 91, 7. 4. 1992, p. 1.)

animals supplied pursuant to Article 4 and animals covered by the supply arrangements referred to in Article 5.

2. Fattening aid for male bovine animals shall represent a supplement of ECU 40 per head to the special premium provided for in Article 4a of Regulation (EEC) No 805/68. The supplement may be granted in respect of an animal of a minimum weight to be determined in accordance with the procedure laid down in Article 12 of this Regulation.

3. A supplement to the premium for maintaining suckler cows provided for in Regulation (EEC) No 1357/80⁽¹⁾ shall be paid to beef and veal producers. The amount of this supplement shall be ECU 40 per suckler cow held by the producer on the day on which the application is submitted.

Article 11

Aid shall be granted for the human consumption of locally produced fresh cows' milk products, within the limits of the consumption needs of the Islands as assessed periodically. The aid shall amount to ECU 7 per 100 kg of whole milk. The amount of the aid shall be adjusted in accordance with the procedure laid down in Article 12 in order to ensure the regular disposal of the aforementioned products on the local market. The aid shall be paid to the dairies. Payment shall be subject to the benefit therefrom being actually passed on to the consumer.

Article 12

The Commission shall determine the detailed rules for the application of Articles 10 and 11 of this Regulation in accordance with the procedure laid down in Article 30 of Regulation (EEC) No 804/68⁽²⁾ or in Article 27 of Regulation (EEC) No 805/68 as applicable.

Article 13

1. A supplement to the ewe premium payable pursuant to Article 5 (3) of Council Regulation (EEC) No 3013/89 of 25 September 1989 on the common organization of the market in sheepmeat and goatmeat⁽³⁾ shall be paid to the producers of light lambs referred to in Article 5 (3) of that Regulation.

The amount of the supplement shall be equal to the difference between the amounts of the premiums

determined pursuant to the said Article 5 (2) and (3) payable to producers of heavy lambs and light respectively, plus the difference between the amounts of the specific aid provided for under the 'rural society' measures referred to in the first and second indents of Article 1 (1) of Council Regulation (EEC) No 1323/90 of 14 May 1990 instituting specific aid for sheep and goat farming in certain less-favoured areas of the Community⁽⁴⁾.

2. The supplement determined in accordance with paragraph 1 shall also be paid to producers of goatmeat, without prejudice to payment of the premium provided for in Article 5 (5) of Regulation (EEC) No 3013/89.

3. Grant of the supplements referred to in paragraphs 1 and 2 shall be subject to the same conditions as those laid down for the grant of the premium to producers of sheepmeat and goatmeat pursuant to Article 5 of Regulation (EEC) No 3013/89.

4. Additional implementing rules shall, where necessary, be adopted in accordance with the procedure laid down in Article 30 of Regulation (EEC) No 3013/89.

Article 14

The words 'the autonomous region of the Canary Islands' shall be added for Spain to Annex I to Regulation (EEC) No 3013/89.

TITLE III

MEASURE TO ASSIST FRUIT AND VEGETABLE PRODUCTION

Article 15

1. Aid per hectare shall be granted to producers and producer groups and organizations which undertake a programme of initiatives, approved by the competent authorities, with a view to the development and diversification of production and/or the improvement of the quality of the fruit, vegetables, flowers and live plants listed in Chapters 6, 7, and 8 of the combined nomenclature and of plants falling within CN code 1211. These programmes must be directed in particular to the development of tropical production.

The eligible initiatives shall seek in particular to develop production and product quality, particularly through varietal conversion and cultural improvements. These initiatives shall form an integral part of programmes conducted over at least three years.

⁽¹⁾ OJ No L 140, 5. 6. 1980, p. 1. Regulation as last amended by Regulation (EEC) No 3577/90 (OJ No L 353, 17. 12. 1990, p. 23).

⁽²⁾ OJ No L 148, 28. 6. 1968, p. 13. Regulation as last amended by Regulation (EEC) No 816/92 (OJ No L 86, 1. 4. 1992, p. 83).

⁽³⁾ OJ No L 289, 7. 10. 1989, p. 1. Regulation as last amended by Regulation (EEC) No 1741/91 (OJ No L 163, 26. 6. 1991, p. 41).

⁽⁴⁾ OJ No L 132, 23. 5. 1990, p. 17. Regulation as last amended by Regulation (EEC) No 1743/91 (OJ No L 163, 26. 6. 1991, p. 44).

The aid shall be granted for programmes a minimum covering a minimum area of 0,3 ha.

2. The amount of Community aid shall be at most ECU 500/ha. This amount shall be paid where the Member State provides official financing of at least ECU 300/ha and the contribution of the individual producer or group amounts to at least ECU 200/ha. If the contributions of the Member State and the producers are less than the amounts specified, the Community aid shall be reduced proportionately.

The aid shall be paid each year of execution of the programme, for a period not exceeding three years.

3. The aid shall be increased by ECU 100/ha where the programme of initiatives is submitted and carried out by a producer group or organization and where, for its implementation, recourse to technical assistance is envisaged. The additional aid shall be granted in respect of programmes involving a minimum area of 2 ha.

4. This Article shall not apply to banana production pending the conclusion relating to the treatment of all the problems connected with such production, in accordance with point 9 of Decision 91/314/EEC. This Article shall not apply to the production of tomatoes nor to that of potatoes for human consumption falling within CN codes 0701 90 51, 0701 90 59 and 0701 90 90.

5. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 33 of Regulation (EEC) No 1035/72 ⁽¹⁾.

Article 16

1. Community aid shall be granted for the conclusion of annual contracts concerning the marketing of tropical products included in the products referred to in Article 15 and harvested in the Canary Islands.

This aid shall be paid up to a limit of a volume of trade of 10 000 tonnes per product per year.

The contracts shall be concluded between individual producers or producer groups or associations established in the islands and natural or legal persons established in the rest of the Community.

2. The amount of the aid shall be 10 % of the value of the production marketed, free at destination.

⁽¹⁾ OJ No L 118, 20. 5. 1972, p. 1. Regulation as last amended by Regulation (EEC) No 1156/92 (OJ No L 122, 7. 5. 1992, p. 3).

3. The aid shall be granted to purchases who undertake to market the Canary Islands' products under the contracts referred to in paragraph 1.

4. Where the measures provided for in paragraph 1 are undertaken by joint ventures constituted, with the aim of marketing products harvested in the Canaries, by producers groups or associations in the Islands and natural or legal persons established in the rest of the Community, and where the partners undertake to pool the knowledge and know-how required to achieve the objective of the joint venture over a minimum period of three years, the amount of the aid specified in paragraph 2 shall be increased to 13 % of the value of the annual production marketed jointly.

5. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 33 of Regulation (EEC) No 1035/72.

Article 17

1. The Community shall contribute up to a maximum of ECU 100 000 towards the financing of an economic analysis and forward study of the fruit and vegetable processing industry in the Canary Islands, with particular reference to tropical products.

The study shall produce an economic and technical assessment of the sector. It shall pay particular attention to supply data and processing costs and examine the conditions and scope for development and sales at regional and international level, having regard to competition on the world market.

2. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 22 of Regulation (EEC) No 426/86 ⁽²⁾.

Article 18

Title III of Council Regulation (EEC) No 822/87 of 16 March 1987 on the common organization of the market in wine ⁽³⁾ and Council Regulation (EEC) No 1442/88 of 24 May 1988 on the granting, for the 1988/89 to 1995/96 wine years, of permanent abandonment premiums in

⁽²⁾ OJ No L 49, 27. 2. 1986, p. 1. Regulation as last amended by Regulation (EEC) No 1943/91 (OJ No L 175, 4. 7. 1991, p. 1).

⁽³⁾ OJ No L 84, 27. 3. 1987, p. 1. Regulation as last amended by Regulation (EEC) No 1734/92 (OJ No L 163, 26. 6. 1991, p. 6).

respect of winegrowing areas⁽¹⁾ shall not apply to the Canary Islands.

Article 19

1. A flat-rate aid per hectare shall be granted for the continued cultivation of vines for the production of quality wines psr in the traditional production zones.

Aid shall be paid in respect of areas:

- (a) planted to varieties included in the list of vine varieties suitable for the production of each of the quality wines psr produced and belonging to the recommended or authorized categories referred to in Article 13 of Regulation (EEC) No 822/87; and
 - (b) on which the yield per hectare is below a maximum limit fixed by the Member State, expressed in quantities of grapes, grape must or wine, subject to the conditions of Article 11 of Council Regulation (EEC) No 823/87 of 16 March 1987 laying down special provisions relating to quality wines produced in specified regions⁽²⁾.
2. The aid shall amount to ECU 400 per hectare. From the beginning of the 1997/98 marketing year, the aid shall be paid exclusively to producer groups or organizations.
3. Detailed rules for the application of this Article shall be adopted, as necessary, in accordance with the procedure laid down in Article 83 of Regulation (EEC) No 822/87.

Article 20

1. Aid per hectare shall be granted annually for the cultivation of potatoes for human consumption falling within CN codes 0701 90 51, 0701 90 59 and 0701 90 90.

The aid shall be paid in respect of areas cultivated and harvested up to a maximum of 12 000 hectares per year.

- 2. The amount of the annual aid shall be ECU 500/ha.
- 3. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 11 of Council Regulation (EEC) No 2358/71 of 26 October 1971 on the common organization of the market in seeds⁽³⁾.

(1) OJ No L 132, 28. 5. 1988, p. 3. Regulation as last amended by Regulation (EEC) No L 833/92 (OJ No L 88, 3. 4. 1992, p. 16).

(2) OJ No L 84, 27. 3. 1987, p. 59. Regulation as last amended by Regulation (EEC) No 3896/91 (OJ No L 368, 31. 12. 1991, p. 3).

(3) OJ No L 246, 5. 11. 1971, p. 1. Regulation as last amended by Regulation (EEC) No 1740/91 (OJ No L 163, 26. 6. 1991, p. 39).

Article 21

Deliveries from third countries and from the rest of the Community to the Canary Islands of potatoes for human consumption falling within CN codes 0701 90 51, 0701 90 59 and 0701 90 90 shall be restricted during sensitive periods for the marketing of the Canary Islands' production. This restriction shall be implemented on a degressive basis for a period of ten marketing years.

The Commission shall determine, in accordance with the procedure laid down in Article 20 (3), the period of application of the quantitative restrictions and the volume of deliveries pursuant to this Article.

Article 22

From the beginning of the 1992/93 marketing year, the aid to olive oil consumption provided for in Article 11 of Council Regulation No 136/66/EEC of 22 September 1966 on the establishment of a common organization of the market in oils and fats⁽⁴⁾ applicable in the Community as constituted at 31 December 1985 shall be paid to undertakings in the Canary Islands packaging olive oil produced in the rest of the Community.

Detailed rules for the application of this Article shall be adopted, as necessary, in accordance with the procedure laid down in Article 38 of Regulation (EEC) No 136/66/EEC.

Article 23

Spain is hereby authorized to grant a regional aid for the production of tobacco to the Canary Islands as a supplement to the aid introduced by Regulation (EEC) No 727/70, on condition that the supplement cannot give rise to discrimination between producers in the Islands.

The maximum amount of the regional aid shall be equal to the difference between the aid paid to the Canaries prior to the application of the abovementioned Regulation and the Community premium. The regional aid shall be granted within the limit of the quantity traditionally produced in the Islands.

Article 24

1. Aid shall be granted for the production of quality honey specific to the Canary Islands, produced by the indigenous breed of 'black bees'.

The aid shall be paid to associations of beekeepers recognized by the competent authorities on the basis of the number of hives of black bees in production, up to a maximum of 5 000 hives.

(4) OJ No L 172, 30. 9. 1966, p. 3025/66. Regulation as last amended by Regulation (EEC) No 356/92 (OJ No L 39, 15. 2. 1992, p. 1).

The amount of the aid is hereby fixed at ECU 20 per hive in production and per marketing year. For the purpose of this Article, the marketing year shall commence on 1 July and end on 30 June.

2. Detailed rules for the application of this Article shall be adopted, as necessary, in accordance with the procedure laid down in Article 17 of Council Regulation (EEC) No 2771/75 of 29 October 1975 on the common organization of the market in eggs ⁽¹⁾.

Article 25

The co-responsibility levy introduced by Article 4 of Regulation (EEC) No 2727/75 shall not apply to the Canary Islands.

TITLE IV

GRAPHIC SYMBOL

Article 26

1. A graphic symbol shall be introduced with a view to ensuring greater awareness and consumption of quality processed agricultural products specific to the Canary Islands as remote regions.

2. The graphic symbols shall be chosen on the basis of an invitation to tender published by the Commission in the *Official Journal of the European Communities*.

3. The conditions of utilization of the symbol shall be proposed by the trade organizations. The competent authorities shall forward such proposals, with their opinion, to the Commission for approval.

The use of the symbol shall be monitored by an official authority or a body approved by the competent authorities.

4. The Community shall finance the production of the graphic symbol and its promotion.

5. Detailed rules for the application of this Article shall be adopted, as necessary, in accordance with the procedure laid down in Article 33 of Regulation (EEC) No 1035/72 or the corresponding Articles of other Regulations on the common organization of the markets.

⁽¹⁾ OJ No L 282, 1. 11. 1975, p. 49. Regulation as last amended by Regulation (EEC) No 1235/89 (OJ No L 128, 11. 5. 1989, p. 29).

TITLE V

SPECIFIC PROVISIONS

Section 1

Derogations applicable to structural measures

Article 27

1. By way of derogation from Articles 5, 6, 7 and 12 of Council Regulation (EEC) No 2328/91 of 15 July 1991 on improving the efficiency of agricultural structures ⁽²⁾, investment aid for agricultural holdings in the Canary Islands shall be granted on the following conditions:

- (a) by way of derogation from Article 5 (1) (a), the investment aid scheme provided for in Articles 5 to 9 of Regulation (EEC) No 2328/91 may be applied in the Islands to farmers who, while they do not practise farming as their main occupation, derive at least 25 % of their total income from farming carried out on the holding and whose holding does not require more than the equivalent of one MWU, provided that the envisaged investments do not exceed ECU 25 000;
- (b) the authorization concerning the keeping of simplified accounts provided for in Article 5 (1) (d) of the abovementioned Regulation shall apply beyond 31 December 1991;
- (c) pig production shall not be subject to the conditions laid down in Article 6 (4);
- (d) beef and veal production shall not be subject to the conditions laid down in Article 6 (5) of the abovementioned Regulation;
- (e) with regard to eggs and poultry production, the prohibition referred to in Article 6 (6) of the abovementioned Regulation shall not apply to family farms in so far as their size is in proportion to the need to ensure balanced development in the region;
- (f) by way of derogation from Article 7 (1) of the abovementioned Regulation, expenditure relating to initial purchases of live pigs may be eligible under the system of investment aid referred to in Article 6 (1) of the said Regulation;
- (g) by way of derogation from the fifth subparagraph of Article 7 (2) of the abovementioned Regulation the maximum value of the investment aid shall continue to be increased by 10 % after 31 December 1991;

⁽²⁾ OJ No L 218, 6. 8. 1991, p. 1.

Points (c), (d), (e) and (f) shall apply only so far as livestock production is undertaken in a manner compatible with animal welfare and environmental protection requirements and provided that production is for the domestic market of the islands.

2. By way of derogation from Article 17 of Regulation (EEC) No 2328/91, the compensatory allowance referred to in Article 19 of that Regulation may be granted in the Canary Islands for all crops, provided they are cultivated in manner compatible with environmental protection requirements and subject to a maximum income per holding to be determined.

In addition, cows whose milk is intended for the domestic market of the region may be taken into consideration for the calculation of the compensatory allowance in all areas of the region specified in Article 3 (4) and (5) of Council Directive 75/268/EEC of 28 April 1975 on mountain and hill farming and farming in certain less-favoured areas⁽¹⁾, up to a maximum of 20 livestock units.

3. By way of derogation from the second subparagraph of Article 18 (1) of Regulation (EEC) No 2328/91, the compensatory allowance may be granted to farmers in the region with less than one hectare of utilizable agricultural area.

4. By way of derogation from Article 24 of (EEC) Regulation No 2328/91, the maximal eligible amount of the annual premium per hectare referred to in Article 22 of that Regulation shall be fixed at ECU 600/ha.

5. By way of derogation from Article 37 (1) of Regulation (EEC) No 2328/91, Spain is hereby authorized not to apply the schemes provided for in Titles I and II of that Regulation in the Canary Islands.

6. The Commission, in accordance with the procedure laid down in Article 29 of that Regulation (EEC) No 4253/88⁽²⁾,

(a) shall adopt the conditions for applying this Article;

(b) may, on a reasoned request by the competent authorities,

— modify the investment ceiling referred to in Article 8 (1) of Regulation (EEC) No 2328/91,

⁽¹⁾ OJ No L 128, 19. 5. 1975, p. 1. Directive as last amended by Regulation (EEC) No 797/85 (OJ No L 93, 30. 3. 1985, p. 1).

⁽²⁾ OJ No L 374, 31. 12. 1988, p. 1.

— by way of derogation from Article 12 (1) and the second indent of Article 13 of Regulation (EEC) No 866/90⁽³⁾ and from the corresponding provisions of Regulation (EEC) No 867/90 on improving the processing and marketing conditions for forestry products⁽⁴⁾ to extend the coverage of these measures to essential imports from third countries, provided that the products processed and/or marketed are intended exclusively for the domestic market in the Canary Islands.

Section 2

Veterinary measures

Article 28

1. The following Article is hereby inserted in Directive 72/462/EEC:

'Article 31b

Without prejudice to Article 17 of Directive 90/675/EEC⁽¹⁾, the Commission may, in accordance with the procedure laid down in Article 29, derogate until 31 December 1994 from certain provisions of Articles 4 and 17 with regard to imports of meat into the Canary Islands.

When the decisions provided for in the first subparagraph are taken, the rules applicable after importation shall be laid down in accordance with the same procedure.

(1) OJ No L 373, 31. 12. 1990, p. 1.'

2. In Annex I to Council Directive 90/675/EEC of 10 December 1990 laying down the principles the organization of veterinary checks on products entering the Community⁽⁵⁾ from third countries, point 4 shall be replaced by the following:

'4. The territory of Spain except Ceuta and Melilla.'

TITLE VI

GENERAL PROVISIONS

Article 29

The measures provided for in this Regulation, excluding Articles 23, 27 and 28, shall constitute intervention

⁽³⁾ OJ No L 91, 6. 4. 1990, p. 1. Regulation as last amended by Regulation (EEC) No 3577/90 (OJ No L 353, 17. 12. 1990, p. 23).

⁽⁴⁾ OJ No L 91, 6. 4. 1990, p. 1.

⁽⁵⁾ OJ No L 373, 31. 12. 1989, p. 1.

designed to stabilize the agricultural markets within the meaning of Article 3 (1) of Regulation (EEC) No 729/70 ⁽¹⁾.

Article 30

1. The Commission shall submit to the European Parliament and the Council an annual report on the implementation of the measures provided for in this Regulation, accompanied, where appropriate, by proposals concerning any adjustment measures which may prove necessary in order to achieve the objectives of the programme.

2. At the end of the third year of application of the scheme, the Commission shall submit to the European

Parliament and the Council a general report on the economic situation of the Canary Islands showing the impact of the measures taken pursuant to this Regulation.

In the light of the report's conclusions, the Commission shall submit wherever tis proves necessary, appropriate adjustments.

Article 31

This Regulation shall enter into force on 1 July 1992.

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

Done at Luxembourg, 15 June 1992.

For the Council

The President

João PINHEIRO

⁽¹⁾ OJ No L 94, 28. 4. 1970. Regulation as last amended by Regulation (EEC) No 2048/88 (OJ No 185, 15. 7. 1988, p. 1).

ANNEX

LIST OF PRODUCTS COVERED BY THE SPECIFIC SUPPLY ARRANGEMENTS PROVIDED FOR IN ARTICLE 3

Description of the products	CN-code
— <i>Cereals</i>	
— wheat	1001
— barley	1003
— oats	1004
— maize	1005
— meal and pellets	1103
— malt	1107
— <i>Hops</i>	1210
— <i>Rice</i>	1006
— <i>Vegetable oils</i>	ex 1507 to 1516
— <i>Sugar</i>	1701 1702 (excluding isoglucose)
— <i>Concentrated fruit juice</i> (raw materials)	2007 99 2008
— <i>Beef/veal</i>	
— fresh or chilled	0201
— frozen	0202
— <i>Pigmeat</i>	
— frozen	0203 21, 22, 29
— <i>Poultrymeat</i>	
— frozen	0207 21, 22, 41, 42, 43, 50
— <i>Dried eggs</i> (for the food industries)	0408
— <i>Table wines</i>	ex 2204
— <i>Seed potatoes</i>	0701 10 00
— <i>Milk products</i>	
— liquid milk	0401
— concentrated milk or powder	0402
— butter	0405
— cheese	0406 30 0406 90 23, 25, 27, 77, 79, 81, 89
— milk-based preparations	
— for children	2106 90 91
— without animal fats	1901 90 90
For the 1992/93 to 1995/96 marketing years	
— Fresh or chilled pigmeat	0203 11, 12, 19
— Processed meat products	1601 1602