

Proposal for a Council Regulation (EEC) introducing specific measures for the smaller Aegean islands concerning certain agricultural products

(93/C 56/03)

COM(92) 569 final

(Submitted by the Commission on 24 December 1992)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

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

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament,

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

Whereas the Rhodes European Council of 2 and 3 December 1988 acknowledges the specific socio-economic problems experienced by certain island regions in the Community; whereas measures should be implemented in order to respond to these specific problems;

Whereas the exceptional geographical situation of the Aegean islands in relation to the sources of supply of certain food sectors and the agricultural sector essential for everyday consumption or agricultural production on the Aegean islands imposes costs which constitute a severe handicap to the sectors concerned; whereas this natural handicap can be remedied by the introduction of specific supply arrangements for certain basic products;

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; whereas, in view of the measures adopted to encourage the development of local production, these arrangements should be applied in the fruit and vegetable sector over a period of two years and on a reducing basis;

Whereas the arrangements in question are intended to reduce production costs and consumer prices; whereas their actual impact should therefore be monitored;

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 a suitable and effective management and control system should be established for the implementation of the arrangements;

Whereas the specific conditions of agriculture on the Aegean islands require special attention; whereas measures are necessary both for stockfarming and animal products and for crop products;

Whereas, to promote the development of traditional stockfarming on the islands, supplementary premiums should be granted for the fattening of male bovine animals and for the maintenance of suckler cows and private storage aid should be granted for cheeses traditionally manufactured on the islands;

Whereas measures should also be taken to support the production of ware potatoes;

Whereas measures should be taken in the fruit and vegetables sector to support and increase production and improve farm productivity and product quality;

Whereas, in order to help support traditional viticulture on the islands, aid should be granted for vines producing quality wines *psr* and regional wines which meet the requirements laid down in Community rules and form part of a quality improvement programme;

Whereas, in order to help support traditional olive growing on the islands, to maintain production potential and to preserve the countryside and natural environment, a per hectare aid should be granted so that olive groves are kept in a way that guarantees regular production;

Whereas bee-keeping is a sector linked to maintaining the important and fragile flora of the Aegean islands while at the same time providing the inhabitants with extra income; whereas, therefore, that traditional activity should be supported through the grant of an aid helping to reduce the high production costs; whereas that aid should be granted as part of the initiatives to improve the marketing conditions for honey to be carried out by associations of producers; whereas, in anticipation of such associations being set up, a limited amount of aid should be allocated to all honey producers for a restricted period;

Whereas farms on the Aegean islands present major structural weaknesses from which specific difficulties derive; whereas a number of derogations 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 on the Aegean 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 Articles 130a and 130c of the Treaty;

Whereas the problems experienced by the Aegean islands are accentuated by the lack of size of the islands; whereas, in order to direct the priorities and guarantee the effectiveness of the measures foreseen these should only be applied to islands with populations not exceeding 100 000 inhabitants, known as the smaller islands,

HAS ADOPTED THIS REGULATION:

Article 1

This Regulation lays down specific measures to remedy, in respect of certain agricultural products and means of agricultural production, the difficulties caused by the remote and insular nature of the smaller Aegean islands.

For the purposes of this Regulation 'smaller islands' are any islands in the Aegean Sea whose permanent population does not exceed 100 000 inhabitants.

TITLE I

Specific supply arrangements

Article 2

For each calendar year forecast supply balances shall be established for the agricultural products necessary for human consumption and for the basic means required for agricultural production listed in the Annex hereto. These balances may be revised during the year on the basis of trends in the islands' requirements.

Article 3

1. Under the arrangements referred to in this Title, aids shall be granted for the supply to the islands of the products listed in the Annex hereto, taking particular account of the specific needs of the islands and, where the products are food, the precise quality requirements. The supply arrangements shall be implemented in such a way

as not to obstruct the potential development of local products.

2. The aid shall be fixed as a lump-sum for each group of islands on the basis of marketing costs calculated from the ports of mainland Greece from which normal supplies are despatched.

Aid for fruit and vegetables shall only be paid for the years 1993 and 94. The aid for 1994 shall be fixed at 50% of the amount applicable to 1993.

90% of the amount of the aid shall be financed by the Community and 10% by the Member State in question.

3. A condition for benefiting from the arrangements shall be that the advantages are actually passed on to the end-user.

4. 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.

5. Products covered by the specific supply arrangements and products processed therefrom shall not be eligible for refunds on exportation from the islands referred to in Article 1.

Article 4

Detailed rules for the application of this Title shall be adopted according to 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⁾, as last amended by Regulation (EEC) No 674/92⁽²⁾, or the corresponding Articles of the Regulations on the common organization of the markets in the sectors concerned.

They shall cover in particular:

- determination of the quantities of products covered by the specific supply arrangements,
- the amounts of the aid,
- the provisions to ensure effective monitoring and that the advantages are actually passed on to the end user.

TITLE II

Measures to support local products

Article 5

The aids provided for under this Title shall be granted for the support of traditional activities, improvement of the

⁽¹⁾ OJ No L 281, 1. 11. 1975, p. 1.

⁽²⁾ OJ No L 73, 19. 3. 1992, p. 7.

quality of and development of local products in accordance with the requirements of the markets on the islands in question and for the revitalization of certain agricultural activities which are a traditional and natural vocation on the islands in question.

Article 6

1. The following aids shall be granted in the stockfarming sector:

- fattening aid for male bovine animals which shall represent a supplement of ECU 40 per head to the special premium provided for in Article 4a of Council Regulation (EEC) No 805/68 of 27 June 1968 on the common organization of the market in beef and veal⁽¹⁾. The supplement may be granted in respect of an animal of a minimum weight to be determined in accordance with the procedure provided for in paragraph 3,
- a supplement to the premium for maintaining suckler cows provided for in Council Regulation (EEC) No 1357/80⁽²⁾, which 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 up to a maximum of 40 head per holding.

2. Aid shall be granted for the private storage of traditionally manufactured cheeses:

- Feta, at least two months old,
- Graviera, at least three months old,
- Ladotyri, at least three months old,
- Kefalograviera, at least three months old.

The amount of the aid shall be fixed in accordance with the procedure referred to in paragraph 3.

3. The Commission shall adopt detailed rules for the application of this Article, including control provisions, in accordance with the procedure laid down in Article 30 of Council Regulation (EEC) No 804/68 of 27 June 1968 on the common organization of the market in milk and milk products⁽³⁾, or that laid down in Article 27 of Regulation (EEC) No 805/68, as the case may be.

Article 7

1. Aid per hectare shall be granted to producers and producer groups and organizations recognized pursuant to

⁽¹⁾ OJ No L 148, 28. 6. 1968, p. 24. Regulation as last amended by Regulation (EEC) No 674/92 (OJ No L 73, 19. 3. 1992, p. 7).

⁽²⁾ 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).

⁽³⁾ 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).

Article 13 of Council Regulation (EEC) No 1035/72 of 18 May 1972 on the common organization to the market in fruit and vegetables⁽⁴⁾, and Regulation (EEC) No 1360/78⁽⁵⁾ respectively which undertake a programme of initiatives, approved by the competent authorities, with a view of the development and diversification of production and/or the improvement of the quality of the fruit and vegetables listed in Chapters 7 and 8 of the combined nomenclature. The eligible initiatives shall seek in particular to develop production and product quality, particularly through varietal conversion and crop improvements. These initiatives shall form an integral part of programmes conducted over at least three years.

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

2. The amount of Community aid shall be a maximum ECU 500/ha if 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 measure shall not apply to the production of ware potatoes falling within CN codes 0701 90 51, 0701 90 59 and 0701 90 90 nor to the production of seed potatoes falling within CN code ex 0701 10 00 or the production of tomatoes falling within CN code 0702.

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

Article 8

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

⁽⁴⁾ 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).

⁽⁵⁾ OJ No L 166, 23. 6. 1978, p. 1. Regulation as last amended by Regulation (EEC) No 3808/89 (OJ No L 371, 20. 12. 1989, p. 1).

The aid shall be paid in respect of areas cultivated and harvested up to a maximum of 1 300 ha per year.

2. The amount of the annual aid shall be ECU 500/ha.

3. Detailed rules for the application of this Article, including control provisions, 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 ⁽¹⁾.

Article 9

1. A flat-rate aid per hectare shall be granted for the continued cultivation of vines for the production of quality wines psr and regional wines as designated in accordance with Article 2 (3) (i) of Council Regulation (EEC) No 2392/89 ⁽²⁾ and published by virtue of Article 11 (1) of Commission Regulation (EEC) No 3201/90 ⁽³⁾.

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 or regional wines produced and belonging to the recommended or authorized categories referred to in Article 13 of Council Regulation (EEC) No 822/87 ⁽⁴⁾; 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 ⁽⁵⁾ and of Article 4 (3) of Regulation (EEC) No 2392/89.

2. The aid shall amount to ECU 400/ha. From a date to be determined, the aid shall be granted exclusively to producer groups or organizations initiating a measure to improve the quality of the wines produced in accordance with a programme approved by the competent authorities; the programme shall include in particular the means for improving vinification, storage and distribution conditions.

3. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 83 of Regulation (EEC) No 822/87. They shall

⁽¹⁾ 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).

⁽²⁾ OJ No L 232, 9. 8. 1989, p. 13.

⁽³⁾ OJ No L 309, 8. 11. 1990, p. 1.

⁽⁴⁾ OJ No L 84, 27. 3. 1987, p. 1.

⁽⁵⁾ 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).

concern in particular the condition for applying the programme referred to in paragraph 2 and the control provisions.

Article 10

1. A flat-rate aid per hectare shall be granted for the maintenance of olive groves in traditional olive-growing zones, provided that the olive groves are kept and maintained in good production conditions.

The amount of the aid shall be ECU 80/ha.

2. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 11 of Council Regulation No 136/66/EEC ⁽⁶⁾. In particular they shall fix the minimum area and planting density of the olive grove subject to the aid, the conditions for proper maintenance of production and the control provisions.

Article 11

1. Aid shall be granted for the production of quality honey specific to the Aegean islands, containing a large proportion of thyme honey.

The aid shall be paid to groups of honey producers recognized in accordance with Regulation (EEC) No 1360/78 according to the number of registered production hives, which undertake to implement annual programmes of initiatives designed to improve the conditions under which quality honey is marketed and promoted.

The amount of the aid shall be fixed at ECU 10 per registered production hive per year.

2. For a transitional period of a maximum two years with a view to the establishment and recognition of the groups referred to in paragraph 1, the aid shall be paid to any bee-keeper keeping at least 10 hives in production. For this particular case, the amount of the aid shall be fixed at ECU 7 per registered production hive.

3. The aid referred to in paragraphs 1 and 2 shall be granted for a maximum 50 000 and 100 000 per year respectively.

4. Prior to the sixth month of the fifth year of application the Commission shall present to the Council a report on the application of this Article accompanied, where necessary, by appropriate proposals.

5. Detailed rules for the application of this Article, including control provisions where necessary, shall be adopted 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 ⁽⁷⁾.

⁽⁶⁾ OJ No L 172, 30. 9. 1966, p. 3025/66.

⁽⁷⁾ OJ No L 282, 1. 11. 1975, p. 49. Regulation as last amended by Regulation (EEC) No 1235/92 (OJ No L 128, 11. 5. 1989, p. 29).

TITLE III

Derogations applicable to structural measures

Article 12

1. Notwithstanding Articles 5, 6, 7, 10 and 19 of Council Regulation (EEC) No 2328/91 of 15 July 1991 on improving the efficiency of agricultural structures ⁽¹⁾, investment aid for agricultural holdings on the Aegean islands in question shall be granted on the following conditions:

- (a) notwithstanding Article 5 (1) (a), the investment aid scheme provided for in Articles 5 to 9 of the abovementioned Regulation may be applied on the Aegean islands in question 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 the equivalent of more than one man-work unit (MWU), provided that the envisaged investments do not exceed ECU 40 000. With the exception of local specialities all the food production must be restricted to local consumption;
- (b) the authorization concerning the keeping of simplified accounts provided for in Article 5 (1) (d) shall apply;
- (c) pig production on family holdings shall not be subject to the conditions laid down in Article 6 (4), except for the condition referred to in the last subparagraph of that paragraph, provided that the production is intended to satisfy consumption requirements on the island in question;
- (d) with regard to eggs and poultry production, the prohibition referred to in Article 6 (6) shall not apply to family farms;
- (e) notwithstanding Article 7 (2) (a) and (b), the maximum value of the investment aid shall be 55% whether the investment is in fixed assets or not.

The measures mentioned in (c), (d) and (e) of this Article shall apply only in 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 on the islands in question.

2. With regard to the installation of young farmers, the condition provided for in the last indent of Article 10 (1) shall not apply.

3. Notwithstanding Article 19 (1) (b) (iii), the compensatory allowance referred to in Article 17 of that

⁽¹⁾ OJ No L 218, 6. 8. 1991, p. 1.

Regulation may be granted on the islands for all crops provided they are cultivated in a 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 in certain less-favoured areas ⁽²⁾, up to a maximum of 20 livestock units.

4. The Commission, in accordance with the procedure laid down in Article 29 of Council Regulation (EEC) No 4253/88 ⁽³⁾:

- (i) shall adopt the conditions for applying this Article;
- (ii) may decide, for the Aegean Islands on a reasoned request by the competent authorities, to derogate from the second indent of Article 17 (3) of that Regulation with a view to authorizing an increase in the rate of Community funding above the limit provided for investments in certain sectors of the processing and marketing of agricultural products intended to improve the standard of living of the inhabitants.

TITLE IV

Final provisions

Article 13

The measures provided for in Titles I and II of this Regulation shall constitute intervention measures designed to stabilize the agricultural markets within the meaning of Article 3 (1) of Council Regulation (EEC) No 729/70 ⁽⁴⁾.

Article 14

1. The Commission shall submit to the Council and to Parliament an annual report on the implementation of the measures provided for in this Regulation, accompanied where appropriate by proposals concerning any

⁽²⁾ OJ No L 128, 19. 5. 1975, p. 1. Regulation as last amended by Regulation (EEC) No 797/85 (OJ No L 93, 30. 3. 1985, p. 1).

⁽³⁾ OJ No L 374, 31. 12. 1988, p. 1.

⁽⁴⁾ OJ No L 94, 28. 4. 1970, p. 13. Regulation as last amended by Regulation (EEC) No 2048/88 (OJ No L 185, 15. 7. 1988, p. 1).

adjustment measures which may prove necessary in order to achieve the objectives of this Regulation.

2. At the end of the third year of application of the arrangements, the Commission shall submit to the Council and the Parliament a general report on the economic situation of the Aegean islands showing the impact of the measures taken pursuant to this Regulation.

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

Article 15

This Regulation shall enter into force on 1 January 1993.

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

ANNEX

LIST OF PRODUCTS COVERED BY THE SPECIFIC SUPPLY ARRANGEMENTS UNDER TITLE I FOR
THE SMALLER AEGEAN ISLANDS

Description	CN code
Milk products	
— Fresh milk	0401 20
— Yoghurt	0403 10
Sugar	1701 10
Wheat flour	1101 and 1102
Vegetables (For 1993 and 1994)	ex (0701 10 10, 0702 to 0709 90 90)
Fruit (For 1993 and 1994)	
— Citrus fruit (oranges, mandarins, clementines, lemons)	ex (0805 10 to 0805 90 00)
— Grapes	0806 10
— Apples	ex (0808 10 91 to 0808 10 99)
— Pears	ex (0808 20 31 to 0808 20 39)
— Apricots, cherries, peaches, plums	0809
— Strawberries	0810 10
— Melons, watermelons	ex (0807 10 to 0807 10 90)
— Figs	0804 20 10
Feedingstuffs	
Cereals	
— Wheat	1001
— Rye	1002
— Barley	1003
— Oats	1004
— Maize	1005
Lucerne and forage products	1214
Residues and waste from the food industries	2302 to 2308
Preparations of a kind used in animal feeding	2309 90