

## I

(Acts whose publication is obligatory)

**COUNCIL REGULATION (EC) No 1512/2001  
of 23 July 2001  
amending Regulation (EC) No 1254/1999 on the common organisation of the market in beef and veal**

THE COUNCIL OF THE EUROPEAN UNION,

should be possible for steers for which a first payment has been made as bulls.

Having regard to the Treaty establishing the European Community, and in particular Articles 36 and 37 thereof,

Having regard to the proposal from the Commission <sup>(1)</sup>,

Having regard to the opinion of the European Parliament <sup>(2)</sup>,

Having regard to the opinion of the Economic and Social Committee <sup>(3)</sup>,

Whereas:

- (1) The market for beef and veal has been seriously disrupted because consumers, concerned at the appearance of new cases of bovine spongiform encephalopathy (BSE), have lost confidence in, and turned away from, the sector's products. Demand has tumbled as a result of a sharp fall in consumption and exports and owing to a rise in the number of livestock held back on holdings. This is causing a serious deterioration of the market that is difficult to control. A number of measures that seek to regulate the market by reducing future production should accordingly be adopted.
- (2) The special premium for male bovine animals provided for in Article 4 of Council Regulation (EC) No 1254/1999 <sup>(4)</sup> is one of the main support instruments for beef/veal production. The premium is currently subject to a regional ceiling. If the number of animals that can qualify for the special premium were smaller, there would be less incentive to produce. A reduction of the regional ceiling, based on payments made in previous years, should therefore be introduced for a limited period. Moreover, to encourage producers to convert store cattle animals to steers, which are kept for a longer period on grassland, a second payment of the premium

- (3) The derogation enabling Member States to change or waive the headage limit of 90 animals per holding and age bracket which determines the granting of the special premium may produce an increase in the number of animals eligible for the premium on large production units. To reduce this incentive, the strict application of this headage limit should be envisaged by linking the possibility of changing or waiving it to the consideration of environmental and employment aspects in the framework of a rural development policy.

- (4) As beef/veal production depends mainly on the number of cows, future meat production can be reduced by cutting down the number of suckler cows. To do this, the effect — in terms of reducing production — achieved by including heifers among the animals eligible for the suckler-cow premium provided for in Article 6 of Regulation (EC) No 1254/1999 should be reinforced by setting a minimum percentage for heifers for a limited period, and increasing the maximum percentage of such animals. Taking account of the reduced herd size due to foot-and-mouth disease, this obligation would not be applicable in the United Kingdom in 2002 and limited in 2003. This involves corresponding adjustments to the separate national ceiling for heifers referred to in Article 10 of Regulation (EC) No 1254/1999. To simplify the management of the measure, producers applying for a small number of premia would be exempted from this condition. To achieve a reduction of production, the possibility of reallocating premium rights returned to the national reserve should also be suspended for a limited period. In order to take account of the reduction in the number of available suckler cows because of foot-and-mouth disease, the United Kingdom should be exempted from this measure in 2002.

<sup>(1)</sup> Proposal of 6 February 2001 (not yet published in the Official Journal).

<sup>(2)</sup> Opinion delivered on 16 May 2001 (not yet published in the Official Journal).

<sup>(3)</sup> Opinion delivered on 25 April 2001 (not yet published in the Official Journal).

<sup>(4)</sup> OJ L 160, 26.6.1999, p. 21.

- (5) The number of animals qualifying for the special premium and the suckler-cow premium is currently limited by the application of a stocking density of two livestock units (LU) per hectare pursuant to Article 12 of Regulation (EC) No 1254/1999. To reduce the number of animals on intensive holdings that qualify for those premiums, and so to encourage extensification, the stocking density should be progressively brought down to 1,9 LU in 2002 and 1,8 LU in 2003.
- (6) To deal with current production generated by the fall in consumption, the quantities that must be bought in are likely to lead to an overrun in the ceiling set in Article 47(2) of Regulation (EC) No 1254/1999. That ceiling should be replaced by a higher one for 2001 in order to prevent triggering the use of the 'safety net' system provided for in Article 47(5) of that Regulation.
- (7) The measures provided for in this Regulation seek to address the current situation on the market. Further measures could be required in the future depending on the way the situation develops,

HAS ADOPTED THIS REGULATION:

*Article 1*

Regulation (EC) No 1254/1999 is hereby amended as follows:

1. the following subparagraph shall be added to Article 4(2):

'However, for the year 2001, the second payment referred to in the second indent of point (b), may also be granted for bovine animals for which a first payment as referred to under point (a) has been made.'

2. the following subparagraph shall be added to Article 4(4):

'However, for the years 2002 and 2003, the following regional ceilings shall apply:

Belgium	228 787
Denmark	221 688
Germany	1 536 113
Greece	141 606
Spain	643 525
France	1 734 779
Ireland	1 028 153
Italy	478 997
Luxembourg	18 922
Netherlands	126 346
Austria	338 720
Portugal	160 720
Finland	200 000
Sweden	233 481
United Kingdom	1 361 978

The existing footnotes to Annex I remain valid during this period. However, during this period, the maximum ceiling for the United Kingdom referred to in the last footnote is 1 461 978.'

3. the first indent of Article 4(5) shall be replaced by the following:

'— on the basis of objective criteria that are part of a rural development policy and only on the condition that they take into account environmental as well as employment aspects, change or waive the headage limit of 90 animals per holding and age bracket and;'

4. the following sentence shall be added to Article 4(7), point (b):

'However, for bovine animals referred to in the second subparagraph of paragraph 2, the amount of the premium shall be set at EUR 98.'

5. in the first subparagraph of Article 6(2), the figures '80 %' and '20 %' shall respectively be replaced by '60 %' and '40 %';

6. the following second, third and fourth subparagraphs shall be inserted in Article 6(2):

'However, for the years 2002 and 2003, the number of heifers to be kept shall be equal to at least 15 % of the total number of animals for which the premium is requested.

In the United Kingdom, the obligation to keep a minimum number of heifers is not applicable in 2002 and is limited to 5 % in 2003.

A producer applying for less than 14 suckler-cows premium shall be exempt from the application of the condition regarding the minimum number of heifers.'

7. the following subparagraph shall be added to Article 9(3):

'However, in 2002 and 2003, rights returned to the national reserve according to the second indent of paragraph 4 shall not be reallocated until 31 December 2003. For the United Kingdom, this rule is only applicable in 2003.'

8. the following third, fourth and fifth subparagraphs shall be inserted in Article 10(1):

'However, for the years 2002 and 2003, such separate national ceiling shall be at least 10 % and not exceed 40 % of the national ceiling of the Member State concerned set out in Annex II to this Regulation.

If, in 2002 and 2003, Member States decide to apply the possibility provided for in the first subparagraph, the suckler-cow premium shall be granted to any producer keeping a number of heifers equal to at least 5 % and at most 20 % of the total number of animals for which the premium is requested.

A producer applying for less than 14 suckler-cows premium shall be exempt from the application of the condition regarding the minimum number of heifers.'

9. the first sentence of Article 12(1) shall be replaced by the following:

'The total number of animals qualifying for the special premium and the suckler-cow premium shall be limited by the application of a stocking density on the holding of two livestock units (LU) per hectare and calendar year. The stocking density shall be 1,9 LU from 1 January 2002 and 1,8 LU from 1 January 2003.'

10. the second subparagraph of Article 47(2) shall be replaced by the following:

'Such buying-in may not cover more than 350 000 tonnes per year for the Community as a whole. However, for the year 2001, the maximum buying-in is fixed at 500 000 tonnes.'

*Article 2*

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

It shall apply from 1 January 2002. However, Article 1(1), (4) and (10) shall apply from the date of entry into force of this Regulation.

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

Done at Brussels, 23 July 2001.

*For the Council*

*The President*

A. NEYTS-UYTTEBROECK

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