

COUNCIL REGULATION (EC) No 1254/1999

of 17 May 1999

on the common organisation of the market in beef and veal

THE COUNCIL OF THE EUROPEAN UNION,

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⁽¹⁾,

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

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

Having regard to the opinion of the Committee of the Regions⁽⁴⁾,

Having regard to the opinion of the Court of Auditors⁽⁵⁾,

(1) Whereas the operation and development of the common market in agricultural products should be accompanied by the establishment of a common agricultural policy to include in particular a common organisation of agricultural markets which may take various forms depending on the product;

(2) Whereas the aim of the common agricultural policy is to attain the objectives set out in Article 33 of the Treaty; whereas, in the beef and veal sector, in order to stabilise markets and to ensure a fair standard of living for the agricultural community, provision should be made for internal market measures comprising, in particular, direct payments to beef producers, private storage aid and a public storage scheme;

(3) Whereas, in order to rebalance meat consumption in the Community to the benefit of the beef sector and to improve the

competitiveness of these products on the international markets, the level of market support should be gradually reduced; whereas, given the consequences for producers, the level of income aid provided for under the common market organisation should be adapted and reshaped; whereas, to that end, it is appropriate to establish a comprehensive scheme of direct payments for producers; whereas the amounts of these payments should develop in parallel with the gradual reduction of market support;

(4) Whereas, given the variety of stockfarming enterprises, direct payments should include a special premium for producers of bulls and steers, a premium for maintaining suckler cow herds and a slaughter premium available for all types of bovine animals including dairy cows and calves; whereas the granting of the premiums should not be reflected by an increase in overall production; whereas, to that end, the number of male bovine animals and suckler cows eligible for special and suckler cow premiums should be limited by applying respectively regional and individual ceilings and, in the case of the special premium, a headage limit per holding which Member States should have the power to modulate in the light of their specific situation; whereas, as regards the slaughter premium, national ceilings should be established on the basis of historic production figures;

(5) Whereas the conditions of steer production usually differ from those of bull production; whereas it is therefore justified to set the special premium for steers at a different level per animal than for bulls; whereas, however, the special premium for steers should be split into two payments for specific age brackets;

(6) Whereas slaughtering too great a number of steers during the slaughtering season in Member States where this type of production is particularly important, could disturb the stability of the market and, in particular, lead to a fall in market prices; whereas to encourage the slaughter of steers outside the annual 'off grass' period, an additional premium should be granted, subject to certain conditions, in addition to the special premium for animals slaughtered out of season during the first 23 weeks of the year;

(1) OJ C 170, 4.6.1998, p. 13.

(2) Opinion delivered on 6 May 1999 (not yet published in the Official Journal).

(3) OJ C 407, 28.12.1998, p. 196.

(4) OJ C 93, 6.4.1999, p. 1.

(5) OJ C 401, 22.12.1998, p. 3.

- (7) Whereas, in order to give more flexibility to producers, eligibility for suckler cow premium should be extended to heifers meeting the same breeding requirements as suckler cows; whereas, however, the number of eligible heifers in suckler cow herds should be limited to the normal ratio of replacement; whereas Member States where more than 60 % of the animals eligible to suckler cow premium are kept in mountain areas, should be authorised to manage the premium separately for suckler cows and heifers and, as regards heifers, to operate a separate national premium ceiling within the above ratio;
- (8) Whereas the suckler cow premium should in principle be restricted to producers who do not supply milk to dairies under the additional levy scheme provided for by Council Regulation (EEC) No 3950/92 of 28 December 1992 establishing an additional levy in the milk and milk products sector⁽¹⁾; whereas, however, income support may also be needed in the case of holdings with a dairy herd and a suckler cow herd; whereas suckler cow premium should therefore also be granted for small and medium-sized mixed holdings with a total individual milk reference quantity of not more than 120 000 kilograms; whereas, given the variety of production structures in the Community, Member States should have the power to change or waive this quantitative limitation on the basis of objective criteria;
- (9) Whereas, as regards the suckler cow premium, it is appropriate to maintain individual ceilings for producers; whereas some of the premium rights conferred by the individual ceilings have not been used in the past; whereas these unused rights would be likely to encourage production and increase expenditure, in particular, as a consequence of heifers becoming fully eligible for suckler cow premium; whereas to avoid such an effect, the total number of suckler cow premium rights of each Member State should be fixed on the basis of the premium payments actually made in respect of historical reference years, increased by a certain margin for maintaining the national reserve; whereas Member States should take the necessary measures to ensure the respect of their national ceilings; whereas, if necessary, they should adjust the individual ceilings of their producers without compensation according to certain objective criteria; whereas these criteria should ensure, in particular, equal treatment of the producers concerned and the protection of legitimate expectations;
- (10) Whereas a producer's level of production may vary because of changes in stock or production capacity; whereas it is therefore advisable to provide for the possibility of transferring suckler cow premium rights acquired in respect of individual ceilings to other producers, under certain conditions, either together with the holding or without retaining the link between premium rights and land farmed;
- (11) Whereas new producers and existing producers whose individual ceilings do not correspond, for various reasons, to changed circumstances of their suckler cow herds should not be excluded from rights to premium; whereas provision should therefore be made to operate national reserves to be stocked and administered in accordance with Community criteria; whereas, for the same reason, it is appropriate to subject the transfer of rights to premium without the transfer of the associated holding to rules whereby part of the rights transferred shall be withdrawn without compensatory payment and allocated to that national reserve;
- (12) Whereas it is opportune to allow Member States to establish a link between sensitive zones or localities and the production of suckler cows so as to ensure the maintenance of such production especially in areas where there is no other alternative;
- (13) Whereas, given the trend towards intensification of beef and veal production, premiums for stockfarming should be limited with regard to the forage capacity of each holding in relation to the numbers and species of animals held; whereas, to avoid excessively intensive types of production, the grant of such premiums should be subject to compliance with a maximum stocking density on the holding; whereas, however, the situation of small producers should be taken into consideration;
- (14) Whereas, to strengthen incentives to extensify production with a view to improving their effectiveness in relation to environmental objectives, an additional amount should be granted to producers who comply with severe and genuine stocking density requirements; whereas, to avoid a major change in the global level of support and ensure reasonable control of expenditure, provision should be made for adjusting the additional amount, if necessary;
- ⁽¹⁾ OJ L 405, 31.12.1992, p. 1. Regulation as last amended by Regulation (EC) 1256/1999 (See page 73 of this Official Journal).

- (15) Whereas the conditions for beef production and the income situation of producers varies significantly in different production areas of the Community; whereas a Community-wide scheme with uniform payments to all producers would be too rigid to respond adequately to the structural and natural disparities and the diverse needs resulting therefrom; whereas, therefore, it is appropriate to provide for a flexible framework of additional Community payments to be determined and made by Member States within fixed global amounts and in accordance with certain common criteria; whereas the global amounts should be allocated to the Member States on the basis of their share in Community beef production; whereas the common criteria are intended, *inter alia*, to prevent additional payments from producing discriminatory effects and to take full account of the relevant multilateral commitments of the Community; whereas, in particular, it is essential that Member States be obliged to use their discretionary powers exclusively on the basis of objective criteria, to pay full regard to the concept of equal treatment and to avoid market and competition distortions; whereas it is appropriate to provide for the forms that additional payments may take; whereas these forms should be headage payments for certain categories of bovine animals and area payments;
- (16) Whereas, as regards additional headage payments, certain quantitative limits are required to ensure a reasonable level of production control; whereas, moreover, the concept of applying stocking density requirements should be followed by Member States;
- (17) Whereas additional area payments should only be granted for permanent pasture which does not benefit from other Community market support measures; whereas area payments should be applied within the limits of regional base areas of permanent pasture which should be established by Member States according to historical reference data; whereas the maximum amount of area payments which may be granted per hectare, including additional area payments under the common market organisation for milk and milk products, should be comparable to the average support per hectare under the support system for producers of certain arable crops;
- (18) Whereas direct payments should be subject to compliance by the keepers of the animals concerned with the relevant Community rules on identification and registration of bovine animals;
- whereas, in order to achieve the desired economic impact, direct payments must be granted within certain time limits;
- (19) Whereas the use of certain substances in beef production is prohibited under Community law; whereas appropriate penalties should apply where the relevant provisions are not respected;
- (20) Whereas under the price and income support arrangements provided for in this Regulation, the existing public intervention in the form of buying-in by intervention agencies and public storage is no longer indispensable to balance the market but would cause considerable expenditure; whereas it should, therefore, be phased out gradually; whereas, however, in order to contribute to stabilising the market prices around the basic price which represents the desired market support level aid for private storage should be provided for; whereas, to that end, the Commission should be authorised to decide the grant of private storage aid when the market price falls below 103 % of the basic price; whereas, moreover, a 'safety net' intervention scheme should be established with a view to support the beef and veal market in Member States or regions of Member States where market prices fall short of a critical price level; whereas provision should be made for the private storage aid and the intervention scheme to be implemented on the basis of the grading scale laid down in Council Regulation (EEC) No 1208/81 of 28 April 1981 determining the Community scale for the classification of carcasses of adult bovine animals⁽¹⁾;
- (21) Whereas the creation of a single Community market for beef and veal involves the introduction of a single trading system at the external frontiers of the Community; whereas a trading system including import duties and export refunds, in addition to the internal market measures, should, in principle, stabilise the Community market; whereas the trading system should be based on the undertakings accepted under the Uruguay Round of multilateral trade negotiations;
- (22) Whereas, in order to monitor the volume of trade in beef with third countries, provision should be made for a system of import and export licences for certain products, which
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- ⁽¹⁾ OJ L 123, 7.5.1981, p. 3. Regulation as last amended by Regulation (EEC) No 1026/91 (OJ L 106, 26.4.1991, p. 2).

includes the lodging of a security to guarantee that the transactions for which such licences are granted are effected;

- (23) Whereas in order to prevent or counteract adverse effects on the Community market which could result from imports of certain agricultural products, imports of one or more such products should be subject to payment of an additional import duty, if certain conditions are fulfilled;
- (24) Whereas it is appropriate, under certain conditions, to confer on the Commission the power to open and administer tariff quotas resulting from international agreements concluded in accordance with the Treaty or from other acts of the Council;
- (25) Whereas provisions for granting a refund on exports to third countries, based on the difference between prices within the Community and on the world market, and falling within the WTO Agreement on Agriculture⁽¹⁾, should serve to safeguard Community participation in international trade in beef and veal; whereas these refunds should be subject to limits in terms of quantity and value;
- (26) Whereas compliance with the limits in terms of value should be ensured at the time when refunds are fixed through the monitoring of payments under the rules relating to the European Agricultural Guidance and Guarantee Fund; whereas monitoring can be facilitated by the compulsory advance fixing of refunds, while allowing the possibility, in the case of differentiated refunds, of changing the specified destination within a geographical area to which a single refund rate applies; whereas, in the case of a change of destination, the refund applicable to the actual destination should be paid, with a ceiling of the amount applicable to the destination fixed in advance;
- (27) Whereas ensuring compliance with the quantity limits calls for the introduction of a reliable and effective system of monitoring; whereas, to that end, the granting of refunds should be made subject to an export licence; whereas refunds should be granted up to the limits available, depending on the particular situation of each product concerned; whereas exceptions to that rule should only be permitted in the case of food-aid operations, which are exempt from any limit; whereas monitoring of the quantities exported with refunds during the marketing years as referred to in the WTO Agreement on Agriculture should be carried out on the basis of export licences issued for each marketing year;
- (28) Whereas, in addition to the system described above, and to the extent necessary for its proper working, provision should be made for regulating or, when the situation on the market so requires, prohibiting the use of inward-processing arrangements;
- (29) Whereas the customs duty system makes it possible to dispense with all other protective measures at the external frontiers of the Community; whereas, however, the internal market and duty mechanism could, in exceptional circumstances, prove defective; whereas, in such cases, so as not to leave the Community market without defence against disturbances which may arise therefrom, the Community should be able to take all necessary measures without delay; whereas those measures should be in accordance with the obligations derived from the relevant WTO agreements;
- (30) Whereas, in order to ensure proper application of the instruments provided for in this Regulation, the Commission should be fully informed about the development of prices on the common market for beef and veal; whereas, therefore, provision should be made for a system for recording the prices of bovine animals and meat of such animals;
- (31) Whereas it is appropriate to provide for measures to be taken when a substantial rise or fall in prices disturbs or threatens to disturb the Community market; whereas these measures may also include *ad hoc* intervention buying-in;
- (32) Whereas restrictions on free movement resulting from the application of measures intended to prevent the spread of animal diseases could cause difficulties on the market of one or more Member States; whereas provision should be made for the introduction of exceptional market support measures in order to remedy such situations;
- (33) Whereas the establishment of a single market based on common prices would be jeopardised by the granting of certain aids; whereas, therefore, the provisions of the Treaty which allow the assessment of aids granted by Member States and the prohibition of those which are incompatible with the common market should apply in the common market organisation for beef and veal;

⁽¹⁾ OJ L 336, 23.12.1994, p. 22.

- (34) Whereas it is necessary that, as the common market in beef and veal develops, the Member States and the Commission should keep each other supplied with the information necessary for applying this Regulation;
- (35) Whereas, in order to facilitate implementation of the proposed measures, a procedure should be provided for establishing close cooperation between Member States and the Commission within a Management Committee;
- (36) Whereas expenditure incurred by the Member States as a result of the obligations arising out of the application of this Regulation should be financed by the Community in accordance with Council Regulation (EC) No 1258/1999 of 17 May 1999 on the financing of the common agricultural policy⁽¹⁾;
- (37) Whereas the common organisation of the market in beef and veal should take appropriate account, at the same time, of the objectives set out in Articles 33 and 131 of the Treaty;
- (38) Whereas the common organisation of the market in beef and veal laid down in Council Regulation (EEC) No 805/68⁽²⁾ has been amended several times; whereas, by reason of their number, their complexity and their dispersal among several Official Journals, these texts are difficult to use

and thus lack the clarity which should be an essential feature of all legislation; whereas, under these circumstances, they should be consolidated in a new regulation and the aforementioned Regulation (EEC) No 805/68 should be repealed; whereas Council Regulations (EEC) No 98/69 of 16 January 1969 laying down general rules for the disposal of frozen beef and veal by intervention agencies⁽³⁾, (EEC) No 989/68 of 15 July 1968 laying down general rules for granting private storage aid for beef and veal⁽⁴⁾ and (EEC) No 1892/87 of 2 July 1987 on the recording of market prices in the beef and veal sector⁽⁵⁾, the legal base of which was Regulation (EEC) No 805/68, are replaced by new arrangements in this Regulation and should therefore be repealed;

- (39) Whereas the change from the arrangements in Regulation (EEC) No 805/68 to those in this Regulation could give rise to difficulties which are not dealt with in this Regulation; whereas, in order to deal with that eventuality, provision should be made for the Commission to adopt the necessary transitional measures; whereas the Commission should also be authorised to solve specific practical problems,

HAS ADOPTED THIS REGULATION:

Article 1

1. The common organisation of the market in beef and veal shall comprise an internal market and trade with third countries system and cover the following products:

CN code	Description of goods
(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 90 41	Thick skirt and thin skirt, salted, in brine, dried or smoked

⁽¹⁾ See page 103 of this Official Journal.

⁽²⁾ OJ L 148, 28.6.1968, p. 24. Regulation as last amended by Regulation (EC) No 1633/98 (OJ L 210, 28.7.1998, p. 17).

⁽³⁾ OJ L 14, 21.1.1969, p. 2.

⁽⁴⁾ OJ L 169, 18.7.1968, p. 10. Regulation as amended by Regulation (EEC) No 428/77 (OJ L 61, 5.3.1977, p. 17).

⁽⁵⁾ OJ L 182, 3.7.1987, p. 29.

CN code	Description of goods
0210 90 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	Live bovine pure-bred animals
0206 10 91	Edible offal of bovine animals excluding thick skirt and thin skirt, fresh or chilled, other than for the manufacture of pharmaceutical products
0206 10 99	
0206 21 00	
0206 22 90	Edible offal of bovine animals excluding thick skirt and thin skirt, frozen, other than for the manufacture of pharmaceutical products
0206 29 99	
0210 90 49	
ex 1502 00 90	Fats of bovine animals, raw or rendered, whether or not pressed or solvent-extracted
1602 50 31 to 1602 50 80	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

2. For the purposes of this Regulation:

- (a) 'bovine animals' shall mean live animals of the domestic bovine species falling within CN codes ex 0102 10, 0102 90 05 to 0102 90 79;
- (b) 'adult bovine animals' shall mean bovine animals the live weight of which is more than 300 kilograms.

TITLE I

INTERNAL MARKET

Article 2

In order to encourage action by trade and joint trade organisations to facilitate the adjustment of supply to market requirements, the following Community measures may be taken in respect of the products listed in Article 1:

(a) measures to improve stock breeding;

(b) measures to promote better organisation of production, processing and marketing;

(c) measures to improve quality;

(d) measures to permit the establishment of short- and long-term forecasts on the basis of the means of production used;

(e) measures to facilitate the recording of market price trends.

General rules concerning these measures shall be adopted by the Council in accordance with the procedure laid down in Article 37(2) of the Treaty.

CHAPTER 1

DIRECT PAYMENTS

Article 3

For the purposes of this chapter:

- (a) *producer* shall mean an individual farmer, whether a natural or a legal person or group of natural or legal persons, irrespective of the legal status conferred by national law on such a group or its members, whose holding is located in Community territory and who is engaged in rearing bovine animals,
- (b) *holding* shall mean all the production units managed by the producer and located in the territory of a single Member State,
- (c) *region* shall mean a Member State or a region within a Member State, at the option of the Member State concerned,
- (d) *bull* shall mean an uncastrated male bovine animal,
- (e) *steer* shall mean a castrated male bovine animal,
- (f) *suckler cow* shall mean a cow belonging to a meat breed or born of a cross with a meat breed, and belonging to a herd intended for rearing calves for meat production,
- (g) *heifer* shall mean a female bovine animal from the age of eight months which has not yet calved.

SECTION 1

Premiums

Subsection 1

Special premium

Article 4

1. A producer holding male bovine animals on his holding may qualify, on application, for a special premium. It shall be granted in the form of an annual premium per calendar year and per holding within the limits of regional ceilings for not more than 90 animals for each of the age brackets referred to in paragraph 2.

2. The special premium shall be granted no more than:

- (a) once in the life of each bull from the age of nine months, or
- (b) twice in the life of each steer:
 - the first time at the age of nine months,
 - the second time after it has reached the age of 21 months.

3. To qualify for the special premium:

- (a) any animal covered by an application shall be held by the producer for fattening for a period to be determined,
- (b) each animal shall be covered until slaughter or until export by an animal passport referred to in Article 6 of Council Regulation (EC) No 820/97 of 21 April 1997 establishing a system for the identification and registration of bovine animals and regarding the labelling of beef and beef products⁽¹⁾ containing all relevant information on its premium status or, if not available, an equivalent administrative document.

4. When in a given region the total number of bulls from the age of nine months and of steers from nine months to 20 months of age, for which an application has been made and which satisfy the conditions for granting the special premium exceeds the regional ceiling referred to in Annex I, the number of all eligible animals under paragraph 2(a) and (b) per producer for the year in question shall be reduced proportionately.

Within the meaning of this Article, 'regional ceiling' shall mean the number of animals entitled to benefit, in a region and per calendar year, from the special premium.

5. By way of derogation from paragraphs 1 and 4, Member States may:

- on the basis of objective criteria, which they determine, change or waive the headage limit of 90 animals per holding and age bracket and,
- where exercising this power, decide to apply paragraph 4 in such a way as to reach the level of reductions required to comply with the applicable regional ceiling, without applying such reductions to small producers who, in respect of the year in question, did not submit special premium

⁽¹⁾ OJ L 117, 7.5.1997, p. 1.

applications for more than a minimum number of animals determined by the Member State concerned.

6. Member States may decide to grant the special premium at the time of slaughter. In this case, for bulls the age criterion referred to in paragraph 2(a) shall be replaced by a minimum carcase weight of 185 kilograms.

The premium shall be paid or passed back to the producers.

The United Kingdom shall be authorised to apply in Northern Ireland a system for granting the special premium which differs from that applied in the remainder of its territory.

7. The amount of the premium shall be set at:

(a) per eligible bull:

- EUR 160 for the calendar year 2000,
- EUR 185 for the calendar year 2001,
- EUR 210 for the calendar year 2002 and the subsequent calendar years;

(b) per eligible steer and age bracket:

- EUR 122 for the calendar year 2000,
- EUR 136 for the calendar year 2001,
- EUR 150 for the calendar year 2002 and the subsequent calendar years.

8. Detailed rules for the application of this Article shall be adopted by the Commission in accordance with the procedure laid down in Article 43.

Subsection 2

Deseasonalisation premium

Article 5

1. Where, in a Member State the number of steers:

- (a) slaughtered in a given year exceeds 60 % of total annual slaughterings of male bovine animals, and
- (b) slaughtered during the period 1 September to 30 November in a given year exceeds 35 % of total annual slaughterings of steers,

producers may qualify, on application, for an additional premium to the special premium (deseasonalisation premium). However, if both triggering rates referred to above are reached in Ireland or in Northern Ireland, the premium shall apply in Ireland and in Northern Ireland.

For the purpose of applying this Article in the United Kingdom, Northern Ireland shall be regarded as a separate entity.

2. The amount of this premium shall be set at:

- EUR 72,45 per animal slaughtered during the first 15 weeks in a given year,
- EUR 54,34 per animal slaughtered during the 16th and 17th weeks in a given year,
- EUR 36,23 per animal slaughtered during the 18th to the 21st week in a given year, and
- EUR 18,11 per animal slaughtered during the 22nd and 23rd weeks in a given year.

3. Where the rate referred to in paragraph 1(b) is not achieved, taking into account the penultimate sentence of paragraph 1, Member States whose producers have previously received the deseasonalisation premium may decide to grant this premium at the rate of 60 % of the amounts set in paragraph 2.

In such case, the Member State concerned:

- (a) may decide to grant this premium for the first two or three of the periods in question only,
- (b) shall ensure the measure is financially neutral in respect of the same budget year by accordingly reducing:
 - the amount of the second age bracket of the special premium applicable to steers granted in that Member State, and/or
 - the additional payments to be made under section 2,

and shall inform the Commission of the reduction measure applied.

For the purpose of applying this measure, Ireland and Northern Ireland shall be regarded as one entity for the calculation of the rate referred to in paragraph 1(a) and consequently for qualification for the premium.

4. In order to establish whether the percentages referred to in this Article have been exceeded, account

shall be taken of slaughterings carried out during the second year preceding that in which the animal qualifying for the premium was slaughtered.

5. Detailed rules for the application of this Article shall be adopted by the Commission in accordance with the procedure laid down in Article 43.

Subsection 3

Suckler cow premium

Article 6

1. A producer keeping suckler cows on his holding may qualify, on application, for a premium for maintaining suckler cows (suckler cow premium). It shall be granted in the form of an annual premium per calendar year and per producer within the limits of individual ceilings.

2. The suckler cow premium shall be granted to any producer:

- (a) not supplying milk or milk products from his farm for 12 months from the day on which the application is lodged.

The supply of milk or milk products directly from the holding to the consumer shall not, however, prevent grant of the premium,

- (b) supplying milk or milk products whose total individual reference quantity as referred to in Article 4 of Regulation (EEC) No 3950/92 does not exceed 120 000 kilograms. However, Member States may decide on the basis of objective criteria, which they determine, to change or waive this quantitative limit,

provided that he keeps, for at least six consecutive months from the day on which the application is lodged a number of suckler cows at least equal to 80 % and of heifers at most equal to 20 % of the number for which the premium was requested.

For the purposes of determining the number of eligible animals under points (a) and (b) of the first subparagraph, whether cows belong to a suckler herd or to a dairy herd shall be established on the basis of the beneficiary's individual reference quantity as defined in Article 16(3) of Council Regulation (EC) No 1255/1999 of 17 May 1999 on the common organisation of the market in milk and milk products⁽¹⁾ and the average milk yield.

3. The producers' entitlement to the premium shall be limited by the application of an individual ceiling as defined in Article 7.

4. Per eligible animal, the amount of the premium shall be set at:

— EUR 163 for the calendar year 2000,

— EUR 182 for the calendar year 2001,

— EUR 200 for the calendar year 2002 and the subsequent calendar years.

5. Member States may grant an additional national suckler cow premium, up to a maximum of EUR 50 per animal, provided that no discrimination is caused between stockfarmers in the Member State concerned.

In respect of holdings located in a region as defined in Articles 3 and 6 of Council Regulation (EC) No 1251/1999 of 21 June 1999 laying down general provisions on the Structural Funds⁽²⁾, the first EUR 24,15 per animal of this additional premium shall be financed by the Guarantee Section of the European Guidance and Guarantee Fund (EAGGF).

In respect of holdings located throughout the territory of a Member State if in the Member State concerned the cattle population has a high proportion of suckler cows, representing at least 30 % of the total number of cows, and if at least 30 % of male bovine animals slaughtered belong to conformation classes S and E, the Guarantee Section of EAGGF shall finance the additional premium in total. Any overshoot of these percentages is established on the basis of the average of the two years preceding that for which the premium is granted.

6. For the purposes of this Article, only heifers belonging to a meat breed or born of a cross with a meat breed and belonging to a herd intended for rearing calves for meat production shall be taken into account.

7. Detailed rules for the application of this Article and, in particular, those relating to the definition of the concept of suckler cow referred to in Article 3, shall be adopted and the average milk yield shall be determined by the Commission in accordance with the procedure laid down in Article 43.

Article 7

1. On 1 January 2000, the individual ceiling of each producer shall be equal to the number of suckler cow premium rights (premium rights) which he held on 31 December 1999 in accordance with the relevant Community rules and, where appropriate, adjusted according to paragraph 3.

⁽¹⁾ See page 48 of this Official Journal.

⁽²⁾ OJ L 160, 26.6.1999, p. 1.

2. Member States shall take the necessary steps to ensure that, from 1 January 2000, the sum of premium rights on their territory does not exceed the national ceilings set out in Annex II and that the national reserves referred to in Article 9 may be set up.

3. Where the adjustment referred to in paragraph 2 requires a reduction of individual ceilings held by producers, it shall be carried out without compensatory payment and decided on the basis of objective criteria, including, in particular:

- the rate at which producers have used their individual ceilings during the three reference years prior to the year 2000,
- the implementation of an investment or extensification programme in the beef and veal sector,
- particular natural circumstances or the application of penalties, resulting in a non-payment or a reduced payment of the premium for at least one reference year,
- additional exceptional circumstances having the effect that the payments made for at least one reference year do not correspond to the actual situation as established during the previous years.

4. Premium rights which have been withdrawn pursuant to the measure provided for in paragraph 2 shall be abolished.

5. Detailed rules for the application of this Article shall be adopted by the Commission in accordance with the procedure laid down in Article 43.

Article 8

1. Where a producer sells or otherwise transfers his holding, he may transfer all his suckler cow premium rights to the person taking over his holding. He may also transfer, in full or in part, his rights to other producers without transferring his holding.

In the case of transfer of premium rights without transfer of the holding a part of the transferred rights, which shall not exceed 15%, shall be returned without compensatory payment to the national reserve of the Member State where the holding is situated for redistribution free of charge.

2. The Member States:

- (a) shall take the necessary measures to prevent premium rights being transferred outside sensitive areas or regions where beef and veal production is particularly important for the local economy;

- (b) may provide either that the transfer of rights without transfer of the holding is carried out directly between producers or that it is carried out through the intermediary of the national reserve.

3. Member States may authorise, before a date to be determined, temporary transfers of part of the premium rights which are not intended to be used by the producer who holds them.

4. Detailed rules for the application of this Article shall be adopted by the Commission in accordance with the procedure laid down in Article 43.

These detailed rules may concern in particular:

- provisions enabling the Member States to resolve problems relating to the transfer of premium rights by producers who are not the owners of the land occupied by their holdings, and,
- specific rules relating to the minimum number which may form the subject of a partial transfer.

Article 9

1. Each Member State shall maintain a national reserve of suckler cow premium rights.

2. Any premium rights withdrawn pursuant to Article 8(1) or other Community provisions shall be added to the national reserve, without prejudice to Article 7(4).

3. The Member States shall use their national reserves for allocating, within the limits of those reserves, premium rights in particular to newcomers, young farmers and other priority producers.

4. Detailed rules for the application of this Article shall be adopted by the Commission in accordance with the procedure laid down in Article 43. These rules shall concern, in particular:

- the measures applicable where, in a Member State, the national reserve is not used,
- the measures relating to unused premium rights which have been returned to the national reserve.

Article 10

1. By way of derogation from Article 6(3), Member States where more than 60 % of suckler cows and heifers are kept in mountain areas within the meaning of Article 18 of Council Regulation (EC) No 1257/1999 of 17 May 1999 on support for rural development from the European Agricultural Guidance and Guarantee Fund (EAGGF) and amending and repealing certain Regulations⁽¹⁾ may decide to manage the granting of the suckler cow premium for heifers separately from that for suckler cows within the limits of a separate national ceiling to be set up by the Member State concerned.

Such separate national ceiling shall not exceed 20 % of the national ceiling of the Member State concerned set out in Annex II to this Regulation. That national ceiling shall be reduced by an amount equal to the separate national ceiling.

When in a Member State exercising the power under paragraph 1 the total number of heifers, for which an application has been made, and which satisfy the conditions for granting the suckler cow premium, exceeds the separate national ceiling, the number of eligible heifers per producer for the year in question shall be reduced proportionately.

2. For the purpose of this Article, only heifers belonging to a meat breed or born of a cross with a meat breed shall be taken into account.

3. Detailed rules for the application of this Article shall be adopted by the Commission in accordance with the procedure laid down in Article 43.

*Subsection 4***Slaughter premium***Article 11*

1. A producer keeping bovine animals on his holding may qualify, on application, for a slaughter premium. It shall be granted on slaughter of eligible animals or their export to a third country and within national ceilings to be determined.

The following shall be eligible for the slaughter premium:

(a) bulls, steers, cows and heifers from the age of eight months,

⁽¹⁾ See page 80 of this Official Journal.

(b) calves of more than one and less than seven months old and of carcase weight of less than 160 kilograms,

provided they have been held by the producer for a period to be determined.

2. The amount of the premium shall be set at:

(a) per eligible animal as specified under paragraph 1(a):

— EUR 27 for the calendar year 2000,

— EUR 53 for the calendar year 2001,

— EUR 80 for the calendar year 2002 and the subsequent calendar years;

(b) per eligible animal as specified under paragraph 1(b):

— EUR 17 for the calendar year 2000,

— EUR 33 for the calendar year 2001,

— EUR 50 for the calendar year 2002 and the subsequent calendar years.

3. The national ceilings referred to in paragraph 1 shall be established per Member State and separately for both groups of animals as specified in (a) and (b) thereof. Each ceiling shall be equal to the number of animals of each of these two groups which in 1995 were slaughtered in the Member State concerned to which are added those animals exported to third countries, according to Eurostat data or any other published official statistical information for that year accepted by the Commission.

4. When in a given Member State the total number of animals, for which an application has been made in respect of one of the two groups of animals specified in (a) or (b) of paragraph 1, and which satisfy the conditions for granting the slaughter premium exceeds the national ceiling laid down for that group, the number of all eligible animals under that group per producer for the year in question shall be reduced proportionately.

5. Detailed rules for the application of this Article shall be adopted by the Commission in accordance with the procedure laid down in Article 43.

Subsection 5

Stocking density

Article 12

1. 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. This stocking density shall be expressed in LU per unit of forage area of the holding used for the animals carried on it. However, a producer shall be exempt from the application of the stocking density if the number of animals held on his holding and to be taken into account for determining the stocking density is not more than 15 LU.

2. For determining the stocking density on the holding, account shall be taken of:

- (a) the male bovine animals, suckler cows and heifers, sheep and/or goats for which premium applications have been submitted, as well as the dairy cows needed to produce the total reference quantity of milk allocated to the producer. The number of animals shall be converted to LU by reference to the conversion table in Annex III,
- (b) the forage area, meaning the area of the holding available throughout the calendar year for rearing bovine animals and sheep and/or goats. The forage area shall not include:
 - buildings, woods, ponds, paths,
 - areas used for other crops eligible for Community aid or for permanent crops or horticultural crops, except permanent pasture for which area payments are granted pursuant to Article 17 of this Regulation and Article 19 of Regulation (EC) No 1255/1999,
 - areas qualifying for the support system laid down for the producers of certain arable crops, used for the aid scheme for dried fodder or subject to a national or Community set-aside scheme.

Forage area shall include areas in shared use and areas which are subject to mixed cultivation.

3. The Commission shall adopt detailed rules for the application of this Article in accordance with the procedure laid down in Article 43. These rules shall, in particular, concern those:

- relating to areas in shared use and to areas which are subject to mixed cultivation,

- enabling improper application of the stocking density to be prevented.

Subsection 6

Extensification payment

Article 13

1. Producers receiving the special premium and/or the suckler cow premium may qualify for an extensification payment.

2. The extensification payment shall be EUR 100 per special premium and suckler cow premium granted, provided that in respect of the calendar year concerned the stocking density on the holding concerned is less than or equal to 1,4 LU per hectare.

However, Member States may decide to grant the extensification payment as follows:

- (a) in respect of the calendar years 2000 and 2001, at an amount of EUR 33 for a stocking density of 1,6 LU per hectare or more and less than or equal to 2,0 LU per hectare, and at an amount of EUR 66 for a stocking density of less than 1,6 LU per hectare;
- (b) in respect of the calendar year 2002 and the subsequent years, at an amount of EUR 40 for a stocking density of 1,4 LU per hectare or more and less or equal to 1,8 LU per hectare, and at an amount of EUR 80 for a stocking density of less than 1,4 LU per hectare.

3. For the purposes of the application of paragraph 2:

- (a) by way of derogation from Article 12(2)(a), the stocking density of the holdings shall be determined by taking into account the male bovine animals, cows, and heifers present thereon during the calendar year concerned, as well as the sheep and/or goats for which premium applications have been submitted for the same calendar year. The number of animals shall be converted to LU by reference to the conversion table in Annex III.
- (b) without prejudice to the third indent of Article 12(2)(b), areas used for the production of arable crops as defined in Annex I of Council Regulation (EC) No 1251/1999 of 17 May 1999 establishing a support system for producers of certain arable crops⁽¹⁾ shall not be taken as 'forage area';

⁽¹⁾ See page 1 of this Official Journal.

(c) the forage area to be taken into account for the calculation of the stocking density shall consist of at least 50 % of pasture land. 'Pasture land' shall be defined by Member States. The definition shall include at least the criterion that pasture land shall be grassland which, following the local farming practices is recognised as being destined for grazing bovine animals and/or sheep. However, this shall not exclude the mixed use of pasture land during the same year (pasture, hay, grass silage).

4. Without prejudice to the stocking density requirements set out in paragraph 2, producers in Member States where more than 50 % of milk production takes place in mountain areas within the meaning of Article 18 of Regulation (EC) No 1257/1999 and whose holdings are located in such areas, may receive extensification payments as set out in paragraph 2 for the dairy cows kept thereon.

5. In accordance with the procedure laid down in Article 43 the Commission shall:

- adopt detailed rules for the application of this Article,
- if necessary, adjust the amounts set out in paragraph 2 taking account, in particular, of the number of animals qualifying for the payment for the preceding calendar year.

Section 2

Additional payments

Article 14

1. Member States shall, on a yearly basis, make additional payments to producers in their territory totalling the global amounts set out in Annex IV. Such payments shall be made according to objective criteria including, in particular, the relevant production structures and conditions, and in such a way as to ensure equal treatment between producers and to avoid market and competition distortions. Moreover, such payments shall not be linked to fluctuations of market prices.

2. Additional payments may be made in the form of headage payments (Article 15) and/or area payments (Article 17).

Article 15

1. Headage payments may be granted for:

- (a) male bovine animals,

(b) suckler cows,

(c) dairy cows,

(d) heifers.

2. Headage payments may be granted as supplementary amounts per slaughter premium unit as set out in Article 11, except for calves. In the other cases, the grant of headage payments shall be subject:

(a) to the special conditions set out in Article 16,

(b) to specific stocking density requirements to be established by Member States.

3. The specific stocking density requirements shall be established:

- on the basis of the forage area referred to in Article 12(2)(b), with the exception of areas for which area payments are granted in accordance with Article 17,
- taking account of, in particular, the environmental impact of the type of production concerned, the environmental sensitivity of the land used for rearing cattle and the measures which have been implemented with a view to stabilise or improve the environmental situation of this land.

Article 16

1. Headage payments for male bovine animals may be granted per calendar year for no more than a number of animals in a Member State:

- equal to the regional ceiling of the Member State concerned set out in Annex I or
- equal to the number of male bovine animals for which premiums were granted in 1997, or
- equal to the average number of slaughterings of male bovine animals during the years 1997, 1998 and 1999 deriving from Eurostat statistics for these years or any other published official statistical information for these years accepted by the Commission.

Member States may also provide for a headage limit of number of male bovine animals per holding to be determined by the Member State on a national or regional basis.

Only male bovine animals from the age of eight months shall be eligible. If headage payments are

made at the time of slaughter, Member States may decide to replace this condition by a minimum carcase weight of at least 180 kilograms.

2. Headage payments for suckler cows and heifers qualifying for suckler cow premium under Article 6(4) and Article 10 may only be granted as a supplementary amount per suckler cow premium unit as set out in Article 6(4).

3. Headage payments for dairy cows may only be granted as amount per tonne of reference quantity eligible for premium available on the holding to be established in accordance with Article 16(3) of Regulation (EC) No 1255/1999.

Article 15(2)(b) shall not apply.

4. Headage payments for heifers other than those referred to in paragraph 2 may be granted per Member State and calendar year for no more than a number of heifers equal to the average number of slaughterings of heifers during the years 1997, 1998 and 1999 deriving from Eurostat statistics for these years or any other published official statistical information for these years accepted by the Commission.

Article 17

1. Area payments shall be granted per hectare of permanent pasture:

- (a) which is available to a producer during the calendar year concerned,
- (b) which is not used to comply with the specific stocking density requirements referred to in Article 15(3), and
- (c) in respect of which no payments under the support system laid down for producers of certain arable crops, under the aid system for dried fodder and under Community aid schemes for other permanent or horticultural crops are claimed for the same year.

2. The area of permanent pasture in a region for which area payments may be granted shall not exceed the relevant regional base area.

Regional base areas shall be established by Member States as the average number of hectares of permanent pasture available for rearing bovine animals during the years 1995, 1996 and 1997.

3. The maximum area payment per hectare which may be granted, including area payments pursuant to Article 19 of Regulation (EC) No 1255/1999 shall not exceed:

- EUR 210 for the calendar year 2000,
- EUR 280 for the calendar year 2001,
- EUR 350 for the calendar year 2002 and the subsequent calendar years.

Article 18

Before 1 January 2000, Member States shall provide the Commission with detailed information on their national arrangements concerning the granting of additional payments. Any changes of these arrangements shall be communicated to the Commission not later than one month after their adoption.

Article 19

Before 1 April 2004, Member States shall submit to the Commission detailed reports on the implementation of this section.

Before 1 January 2005, the Commission shall evaluate the implementation of this section and examine the distribution of Community funds between Member States as provided for in Annex IV, taking account of, in particular, the development of the Member States shares in Community beef production. If necessary, the Commission shall make appropriate proposals to the Council.

Article 20

Detailed rules of application of this section shall be adopted by the Commission in accordance with the procedure laid down in Article 43.

SECTION 3

Common provisions

Article 21

To qualify for direct payments under this chapter, an animal shall be identified and registered in accordance with Regulation (EC) No 820/97.

Article 22

1. Direct payments under this chapter, except the deseasonalisation premium, shall be paid as soon as the inspections are carried out but not earlier than 16 October of the calendar year in respect of which they are applied for.

2. Save in duly justified exceptional cases:

- direct payments under this chapter shall be made not later than 30 June of the year following the calendar year in respect of which the payment is applied for,
- the deseasonalisation premium shall be paid as soon as the inspections are carried out and no later than 15 October of the calendar year in respect of which it is applied for.

Article 23

1. Where residues of substances prohibited under Council Directive 96/22/EC⁽¹⁾, or residues of substances authorised under the aforementioned act but used illegally, are detected pursuant to the relevant provisions of Directive 96/23/EC⁽²⁾, in an animal belonging to the bovine herd of a producer, or where a non-authorised substance or product, or a substance or product authorised under Council Directive 96/22/EC but held illegally is found on the producer's holding in any form, the producer shall be excluded, for the calendar year of that discovery, from receiving the amounts provided for under this section.

In the event of a repeated infringement, the length of the exclusion period may, according to the seriousness of the offence, be extended to five years as from the year in which the repeated infringement was discovered.

2. In the event of obstruction on the part of the owner or holder of the animals when inspections are being carried out and when the samples are being taken which are necessary for the application of national residue-monitoring plans or when the investigations and checks provided for under Directive 96/23/EC are being carried out, the penalties provided for in paragraph 1 shall apply.

⁽¹⁾ Council Directive 96/22/EC of 29 April 1996 concerning the prohibition on the use in stockfarming of certain substances having a hormonal or thyrostatic action and of β -agonists, and repealing Directives 81/602/EEC, 88/146/EEC and 88/299/EEC (OJ L 125, 23.5.1996, p. 3).

⁽²⁾ Council Directive 96/23/EC of 29 April 1996 on measures to monitor certain substances and residues thereof in live animals and animal products and repealing Directives 85/358/EEC and 86/469/EEC and Decisions 89/187/EEC and 91/664/EEC (OJ L 125, 23.5.1996, p. 10).

3. Detailed rules for the application of this Article shall be adopted by the Commission in accordance with the procedure laid down in Article 43.

Article 24

The amounts of the direct payments set out in sections 1 and 2 may be changed in the light of developments in production, productivity and the markets, according to the procedure laid down in Article 37(2) of the Treaty.

Article 25

The expenditure incurred in granting the direct payments provided for in this chapter shall be considered as intervention measures within the meaning of Article 2(2) of Regulation (EC) No 1258/1999.

CHAPTER 2

PRIVATE AND PUBLIC STORAGE

Article 26

1. From 1 July 2002, the granting of aids for private storage may be decided, when the average Community market price recorded, on the basis of the Community scale for the classification of carcasses of adult bovine animals provided for in Regulation (EEC) No 1208/81 (called hereinafter 'Community scale'), is, and is likely to remain, at less than 103 % of the basic price.

2. The basic price for carcasses of male bovine animals of grade R3 in the Community scale shall be set at EUR 2 224/t.

3. Private storage aid may be granted for fresh or chilled meat of adult bovine animals presented in the form of carcasses, half-carcasses, compensated quarters, forequarters or hindquarters, classified in accordance with the Community scale.

4. The Council, acting in accordance with the procedure laid down in Article 37(2) of the Treaty, may:

- change the basic price taking account, in particular, of the need to fix this price at a level which contributes towards stabilising market prices without, however, leading to the formation of structural surpluses in the Community,

- amend the list of products in paragraph 3 which may be the subject of private storage aid.

5. Detailed rules for the application of this Article shall be adopted and the granting of aids for private storage shall be decided by the Commission in accordance with the procedure laid down in Article 43.

Article 27

1. From 1 July 2002, public intervention shall be opened if, for a period of two consecutive weeks, the average market price in a Member State or in a region of a Member State recorded on the basis of the Community scale provided for in Regulation (EEC) No 1208/81 falls short of EUR 1 560/t; in this case, one or more categories, qualities or quality groups, to be determined, of fresh or chilled meat falling within CN codes 0201 10 00 and 0201 20 20 to 0201 20 50 originating in the Community may be bought in by intervention agencies.

2. For buying-in under paragraph 1, only eligible offers equal to or less than the average market price recorded in a Member State or a region of a Member State and increased by an amount to be determined on the basis of objective criteria may be accepted.

3. The buying-in prices and the quantities accepted for intervention shall be determined under tender procedures and may, in special circumstances, be fixed per Member State or per region of a Member State on the basis of recorded average market prices. The tender procedures shall ensure equality of access of all persons concerned. They shall be opened on the basis of specifications to be determined taking commercial structures into account, where necessary.

4. Under the procedure provided for in Article 43:

- the products, categories, qualities or quality groups of products eligible for intervention shall be determined,

- the buying-in prices and the quantities accepted for intervention shall be fixed,

- the amount of the increase referred to in paragraph 2 shall be determined,

- the detailed rules for the application of this Article shall be adopted,

- any transitional provisions necessary for the implementation of these arrangements shall be adopted.

The Commission shall decide on:

- opening buying-in when during two consecutive weeks the condition referred to in paragraph 1 is met,
- closing buying-in when during at least one week the condition as referred to in paragraph 1 is no longer met.

Article 28

1. Disposal of the products bought in by the intervention agencies in accordance with the provisions of Articles 27 and 47 of this Regulation and of Articles 5 and 6 of Regulation (EEC) No 805/68 shall take place in such a way as to avoid any disturbance of the market and to ensure equal access to goods and equal treatment of purchasers.

2. Detailed rules for the application of this Article, in particular as regards selling prices, conditions for release from storage and, where appropriate, the processing of products bought-in by the intervention agencies, shall be adopted by the Commission in accordance with the procedure laid down in Article 43.

TITLE II

TRADE WITH THIRD COUNTRIES

Article 29

1. Imports into the Community of any of the products listed in Article 1(1)(a) shall be subject to presentation of an import licence.

Imports into the Community of any of the products listed in Article 1(1)(b) and exports from the

Community of products listed in Article 1(1)(a) and (b) may be subject to presentation of an import or export licence.

Licences shall be issued by the Member States to any applicant, irrespective of his place of establishment in the Community and without prejudice to measures taken for the application of Articles 32 and 33.

Import and export licences shall be valid throughout the Community. Such licences shall be issued subject to the lodging of a security guaranteeing that the products are imported or exported during the term of validity of the licence; except in cases of *force majeure*, the security shall be forfeited in whole or in part if import or export is not carried out, or is carried out only partially, within that period.

2. Detailed rules for the application of this Article shall be adopted by the Commission in accordance with the procedure laid down in Article 43. These rules may concern, in particular:

- (a) the term of validity of licences,
- (b) the list of products for which import or export licences are requested under paragraph 1 second subparagraph.

Article 30

Unless this Regulation provides otherwise, the rates of duty in the Common Customs Tariff shall apply to the products listed in Article 1.

Article 31

1. In order to prevent or counteract adverse effects on the market in the Community which may result from imports of certain products listed in Article 1, imports of one or more of such products at the rate of duty laid down in Article 30 shall be subject to payment of an additional import duty if the conditions set out in Article 5 of the Agreement on Agriculture concluded in accordance with Article 300 of the Treaty in the framework of the Uruguay Round of multilateral trade negotiations have been fulfilled unless the imports are unlikely to disturb the Community market, or where the effects would be disproportionate to the intended objective.

2. The trigger prices below which an additional duty may be imposed shall be those which are forwarded by the Community to the World Trade Organisation.

The trigger volumes to be exceeded in order to have the additional import duty imposed shall be determined particularly on the basis of imports into the Community in the three years preceding the year in which the adverse effects referred to in paragraph 1 arise or are likely to arise.

3. The import prices to be taken into consideration for imposing an additional import duty shall be determined on the basis of the cif import prices of the consignment under consideration.

Cif import prices shall be checked to that end against the representative prices for the product on the world market or on the Community import market for that product.

4. The Commission shall adopt detailed rules for the application of this Article in accordance with the procedure laid down in Article 43. Such detailed rules shall specify in particular:

- (a) the products to which additional import duties may be applied under the terms of Article 5 of the Agreement on Agriculture;
- (b) the other criteria necessary to ensure application of paragraph 1 in accordance with Article 5 of the Agreement on Agriculture.

Article 32

1. Tariff quotas for the products listed in Article 1 resulting from agreements concluded in accordance with Article 300 of the Treaty or from any other act of the Council shall be opened and administered by the Commission in accordance with detailed rules adopted under the procedure laid down in Article 43.

With regard to the import quota of 50 000 tonnes of frozen meat coming within CN codes 0202 20 30, 0202 30 and 0206 29 91 and intended for processing, the Council, acting on a proposal from the Commission by a qualified majority, may lay down that all or part of the quota shall cover equivalent quantities of quality meat, applying a conversion rate of 4,375.

2. Quotas shall be administered by applying one of the following methods or a combination of them:

- method based on chronological order of the lodging of applications ('first come, first served' principle),
- method of distribution in proportion to the quantities requested when the applications were lodged (using the 'simultaneous examination' method),
- method based on taking traditional trade patterns into account (using the 'traditional importers/new arrivals' method).

Other appropriate methods may be adopted.

They shall avoid any discrimination between the operators concerned.

3. The method of administration adopted shall, where appropriate, give due weight to the supply

requirements of the Community market and the need to safeguard the equilibrium of that market, while at the same time possibly drawing on methods which may have been applied in the past to quotas corresponding to those referred to in paragraph 1, without prejudice to the rights resulting from agreements concluded as part of the Uruguay Round trade negotiations.

4. The detailed rules referred to in paragraph 1 shall provide for annual quotas, if necessary, suitably phased over the year, and shall determine the administrative method to be used and, where appropriate, shall include:

- (a) guarantees covering the nature, provenance and origin of the product, and
- (b) recognition of the document used for verifying the guarantees referred to in (a), and
- (c) the conditions under which import licences are issued and their term of validity.

Article 33

1. To the extent necessary to enable the products listed in Article 1 to be exported on the basis of quotations or prices for those products on the world market and within the limits resulting from agreements concluded in accordance with Article 300 of the Treaty, the difference between those quotations or prices and prices in the Community may be covered by export refunds.

2. The method to be adopted for the allocation of the quantities which may be exported with a refund shall be the method which:

- (a) is most suited to the nature of the product and the situation on the market in question, allowing the most efficient possible use of the resources available, account being taken of the efficiency and structure of Community exports without, however, creating discrimination between large and small operators;
- (b) is least cumbersome administratively for operators, account being taken of administration requirements;
- (c) prevents any discrimination between the operators concerned.

3. Refunds shall be the same for the whole Community.

They may vary according to destination, where the world market situation or the specific requirements of certain markets make this necessary.

Refunds shall be fixed by the Commission in accordance with the procedure laid down in Article 43. Refunds may be fixed, in particular:

- (a) at regular intervals;
- (b) in addition and for limited quantities, by invitation to tender for products for which that procedure seems appropriate.

Except where fixed by tender, the list of products on which an export refund is granted and the amount of such refund shall be fixed at least once every three months. The amount of the refund may, however, remain at the same level for more than three months and may, where necessary, be adjusted in the intervening period by the Commission at the request of a Member State or on its own initiative.

4. The following shall be taken into account when refunds are being fixed:

- (a) the existing situation and the future trend with regard to:
 - prices and availabilities of beef and veal sector products on the Community market,
 - prices for beef and veal sector products on the world market,
- (b) the aims of the common organisation of the market in beef and veal, which are to ensure equilibrium and the natural development of prices and trade on this market;
- (c) the limits resulting from agreements concluded in accordance with Article 300 of the Treaty;
- (d) the need to avoid disturbances on the Community market;
- (e) the economic aspect of the proposed exports.

Account shall also be taken in particular of the need to establish a balance between the use of Community basic products in the manufacture of processed goods exported to third countries and the use of products from these countries admitted to inward-processing arrangements.

5. When prices within the Community listed in paragraph 1 are being determined the following shall be taken into account:

- prices ruling on the representative Community markets,
- prices ruling at export.

When prices in international trade listed in paragraph 1 are being determined account shall be taken of:

- prices ruling on third-country markets,
- the most favourable prices in third countries of destination for third-country imports,
- producer prices recorded in exporting third countries, account being taken, where appropriate, of subsidies granted by those countries,
- free-at-Community-frontier offer prices.

6. Refunds shall be granted only on application and on presentation of the relevant export licence.

7. The refund applicable to exports of products listed in Article 1 shall be that applicable on the day of application for the licence and, in the case of a differentiated refund, that 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 that case, the amount applicable may not exceed the amount applicable for the destination indicated on the licence.

Appropriate measures may be taken to prevent abuse of the flexibility provided for in this paragraph.

8. Paragraphs 6 and 7 may be waived in the case of products listed in Article 1 on which refunds are paid under food-aid operations, in accordance with the procedure laid down in Article 43.

9. The refund shall be paid on proof that:

- the products are of Community origin,
- the products have been exported from the Community, and
- in the case of a differentiated refund the products have reached the destination indicated on the

licence or another destination for which the refund was fixed, without prejudice to paragraph 3(b). Exceptions may be made to this rule in accordance with the procedure laid down in Article 43, provided conditions are laid down which offer equivalent guarantees.

Moreover, the payment of the refund for exports of live animals shall be subject to compliance with the provisions established in Community legislation concerning animal welfare and, in particular, the protection of animals during transport.

10. Without prejudice to paragraph 9 first indent, in the absence of a derogation granted in accordance with the procedure laid down in Article 43, no export refund shall be granted on products which are imported from third countries and re-exported to third countries.

11. Observance of the volume limits resulting from the agreements concluded in accordance with Article 300 of the Treaty shall be ensured on the basis of the export licences issued for the reference periods provided for therein which apply to the products concerned. With regard to compliance with the obligations arising in the framework of the Uruguay Round multilateral trade negotiations, the ending of a reference period shall not affect the validity of export licences.

12. Detailed rules for the application of this Article, including provisions on the redistribution of exportable quantities which have not been allocated or utilised, shall be adopted by the Commission in accordance with the procedure laid down in Article 43.

With regard to paragraph 9, last subparagraph, the detailed rules for the application may also include conditions concerning, in particular, imports into third countries.

Article 34

1. To the extent necessary for the proper working of the common organisation of the market in beef and veal, the Council, acting by a qualified majority, on a proposal from the Commission, may, in special cases, prohibit in whole or in part the use of inward or outward processing arrangements in respect of products listed in Article 1.

2. However, by way of derogation from paragraph 1, if the situation referred to in paragraph 1 arises with exceptional urgency and the Community market is disturbed or is liable to be disturbed by the inward- or outward-processing arrangements, the Commission shall, at the request of a Member State or on its own

initiative, decide on the necessary measures; the Council and the Member States shall be notified of such measures, which shall be valid for no more than six months and shall be immediately applicable. If the Commission receives a request from a Member State, it shall take a decision thereon within a week following receipt of the request.

3. Measures decided on by the Commission may be referred to the Council by any Member State within a week of the day on which they were notified. The Council, acting by a qualified majority, may confirm, amend or repeal the Commission decision. If the Council has not acted within three months, the Commission decision shall be deemed to have been repealed.

Article 35

1. The general rules for the interpretation of the Combined Nomenclature and the detailed rules for its application shall apply to the tariff classification of products covered by this Regulation; the tariff nomenclature resulting from the application of this Regulation shall be incorporated into the Common Customs Tariff.

2. Save as otherwise provided for in this Regulation or in provisions adopted pursuant thereto, the following shall be prohibited in trade with third countries:

- the levying of any charge having equivalent effect to a customs duty,
- the application of any quantitative restriction or measure having equivalent effect.

Article 36

1. If, by reason of imports or exports, the Community market in one or more of the products listed in Article 1 is affected by, or is threatened with, serious disturbance likely to jeopardise the achievement of the objectives set out in Article 33 of the Treaty, appropriate measures may be applied in trade with third countries until such disturbance or threat of disturbance has ceased.

The Council, acting by a qualified majority, on a proposal from the Commission, shall adopt general rules for the application of this paragraph and shall define the circumstances and limits within which Member States may adopt protective measures.

2. If the situation referred to in paragraph 1 arises, the Commission shall, at the request of a Member State or on its own initiative, decide on the necessary measures; the Member States shall be notified of such measures, which shall be immediately applicable. If the Commission receives a request from a Member State, it shall take a decision thereon within three working days following receipt of the request.

3. Measures decided on by the Commission may be referred to the Council by any Member State within three working days of the day on which they were notified. The Council shall meet without delay. It may, acting by a qualified majority, amend or repeal the measure in question within one month following the day on which it was referred to the Council.

4. This Article shall be applied having regard to the obligations arising from agreements concluded in accordance with Article 300(2) of the Treaty.

TITLE III

GENERAL PROVISIONS

Article 37

Member States shall record prices of bovine animals and of meat of bovine animals on the basis of rules to be established by the Commission in accordance with the procedure laid down in Article 43.

Article 38

1. When a substantial rise or fall in prices is recorded on the Community market and this situation is likely to continue, thereby disturbing or threatening to disturb the market, the necessary measures may be taken.

2. Detailed rules for the application of this Article shall be adopted by the Commission in accordance with the procedure laid down in Article 43.

Article 39

In order to take account of the restrictions on free circulation which may result from the application of measures for combating the spread of diseases in animals, exceptional measures of support for the market affected by those restrictions may be taken in accordance with the procedure laid down in Article 43. Those measures may only be taken in so far as, and

for as long as, is strictly necessary for the support of that market.

Article 40

Save as otherwise provided in this Regulation, Articles 87, 88 and 89 of the Treaty shall apply to the production of and trade in the products listed in Article 1.

Article 41

Member States and the Commission shall communicate to each other the information necessary for implementing this Regulation. The information to be communicated shall be determined in accordance with the procedure laid down in Article 43. Rules for the communication and distribution of such information shall be adopted in accordance with the same procedure.

Article 42

A Management Committee for Beef and Veal (hereinafter called 'the Committee') shall be established, composed of representatives of Member States and chaired by a representative of the Commission.

Article 43

1. Where the procedure laid down in this Article is to be followed, the chairman shall refer the matter to the Committee either on his own initiative or at the request of the representative of a Member State.

2. The representative of the Commission shall submit to the Committee a draft of the measures to be taken. The Committee shall deliver its opinion on the draft within a time limit which the chairman may lay down according to the urgency of the matter. The opinion shall be delivered by the majority laid down

in Article 205(2) of the Treaty in the case of decisions which the Council is required to adopt on a proposal from the Commission. The votes of the representatives of the Member States within the Committee shall be weighted in the manner set out in that Article. The Chairman shall not vote.

3. (a) The Commission shall adopt measures which shall apply immediately.

(b) However, if these measures are not in accordance with the opinion of the Committee, they shall be communicated by the Commission to the Council forthwith. In that event:

- the Commission may defer application of the measures which it has decided for a period of not more than one month from the date of such communication,
- the Council, acting by a qualified majority, may take a different decision within the time limit referred to in the preceding indent.

Article 44

The Committee may consider any other question referred to it by its chairman either on his own initiative or at the request of the representative of a Member State.

Article 45

Regulation (EC) No 1258/1999 and the provisions adopted in implementation thereof shall apply to the products listed in Article 1.

Article 46

This Regulation shall be so applied that appropriate account is taken, at the same time, of the objectives set out in Articles 33 and 131 of the Treaty.

TITLE IV

TRANSITIONAL AND FINAL PROVISIONS

Article 47

1. Until 30 June 2002, products as referred to in paragraph 2 in connection with Article 26(1), may be bought in by intervention agencies in accordance with the provisions laid down in this Article, to prevent or mitigate a substantial fall in prices.

2. Where the conditions laid down in paragraph 3 are met, buying in by intervention agencies in one or more Member States or in a region of a Member State of one or more categories, qualities or quality groups, to be determined, of fresh or chilled meat falling within CN codes 0201 10 00 and 0201 20 20 to 0201 20 50 originating in the Community may be

organised under tender procedures arranged with a view to ensuring reasonable support of the market, having regard to seasonal developments as regards slaughtering.

Such buying in may not cover more than 350 000 tonnes per year and for the Community as a whole.

The Council may amend this quantity, acting by a qualified majority on a proposal from the Commission.

3. For each quality or quality group that may be bought in, the tender procedures may be opened as provided in paragraph 8 whenever, in a Member State or in a region of a Member State, the following two conditions are both met for a period of two consecutive weeks:

- the average Community market price recorded on the basis of Community grading scale for the carcasses of adult bovine animals is less than 84 % of the intervention price,
- the average market price recorded on the basis of the said scale in the Member State or States or regions of a Member State is less than 80 % of the intervention price.

The intervention price shall be set at:

- EUR 3 475 per tonne for the period from 1 January until 30 June 2000,
- EUR 3 242 per tonne for the period from 1 July 2000 until 30 June 2001,
- EUR 3 013 per tonne for the period from 1 July 2001 until 30 June 2002.

4. Tender arrangements for one or more qualities or quality groups shall be suspended in any one of the following two situations:

- where, for two consecutive weeks, the two conditions referred to in paragraph 3 are no longer both met at the same time,
- where intervention buying-in is no longer appropriate in view of the criteria set out in paragraph 2.

5. Intervention shall also be opened if, for a period of two consecutive weeks, the average Community market price of young uncastrated male animals less than two years old or castrated male animals, recorded on the basis of the Community grading scale for carcasses of adult bovine animals, falls short of

78 % of the intervention price, and if in a Member State or regions of a Member State, the average market price of young uncastrated male animals less than two years old or castrated male animals, recorded on the basis of the Community grading scale for carcasses of adult bovine animals, falls short of 60 % of the intervention price; in this case, buying-in shall take place for the categories concerned in the Member States or regions of a Member State where the price level is below that limit.

For this buying-in, and without prejudice to paragraph 6, all offers shall be accepted.

The quantities bought in pursuant to this paragraph shall not be taken into account for the purposes of applying the buying-in ceiling referred to in paragraph 2.

6. Only offers equal to or less than the average market price recorded in a Member State or a region of a Member State and increased by an amount to be determined on the basis of objective criteria may be accepted under the buying-in systems referred to in paragraphs 2 and 5.

7. For each quality or quality group eligible for intervention, the buying-in prices and the quantities accepted for intervention shall be determined under tender procedures and may, in special circumstances, be fixed per Member State or per region of a Member State on the basis of recorded average market prices. The tender procedures must ensure equality of access for all persons concerned. They shall be opened on the basis of specifications to be determined taking commercial structures into account, where necessary.

8. Under the procedure provided for in Article 43:

- the categories, qualities or quality groups of products eligible for intervention shall be determined,
- the opening or reopening of tender procedures and their suspension in the case referred to in the last indent of paragraph 4 shall be decided,
- the buying-in prices and the quantities accepted for intervention shall be fixed,
- the amount of the increase referred to in paragraph 6 shall be determined,
- the procedures implementing this Article, and in particular those designed to prevent market prices spiralling downward, shall be adopted,

- any transitional provisions necessary for the implementation of these arrangements shall be adopted.

The Commission shall decide on:

- opening intervention as referred to in paragraph 5 and suspending it where one or more conditions laid down in that paragraph no longer apply,
- suspending buying-in as referred to in the first indent of paragraph 4.

Article 48

1. Until 30 June 2002, the granting of aids for private storage for products as referred to in Article 26(3) may be decided.

2. Detailed rules of application with regard to private storage aid shall be adopted and the granting of aids for private storage shall be decided by the Commission in accordance with the procedure laid down in Article 43.

Article 49

1. Regulations (EEC) No 805/68, (EEC) No 989/68, (EEC) No 98/69 and (EEC) No 1892/87 are hereby repealed.

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

Done at Brussels, 17 May 1999.

2. References to Regulation (EEC) No 805/68 shall be construed as references to this Regulation and should be read in accordance with the correlation table in Annex V.

Article 50

The Commission shall adopt, in accordance with the procedure laid down in Article 43:

- the measures required to facilitate the transition from the arrangements provided in Regulation (EEC) No 805/68 to those established by this Regulation,
- the measures required to resolve specific practical problems. Such measures, if duly justified, may derogate from certain parts of this Regulation.

Article 51

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

It shall apply as from 1 January 2000, save for Article 18 which shall apply from the entry into force of this Regulation.

For the Council

The President

K.-H. FUNKE

ANNEX I

SPECIAL PREMIUM

Regional ceilings of the Member States referred to in Article 4(4)

Belgium	235 149
Denmark	277 110
Germany	1 782 700
Greece	143 134
Spain	713 999
France	1 754 732 ⁽¹⁾
Ireland	1 077 458
Italy	598 746
Luxembourg	18 962
Netherlands	157 932
Austria	423 400
Portugal	175 075 ⁽²⁾
Finland	250 000
Sweden	250 000
United Kingdom	1 419 811 ⁽³⁾

⁽¹⁾ Without prejudice to the specific rules laid down in Regulation (EEC) No 3763/91 of 16 December 1991 introducing specific measures in respect of certain agricultural products for the benefit of the French overseas departments (OJ L 356, 24.12.1991, p. 1). Regulation as last amended by Regulation (EC) No 2598/95 (OJ L 267, 9.11.1995, p. 1).

⁽²⁾ Excluding the extensification programme set out in Regulation (EC) No 1017/94 of 26 April 1994 concerning the conversion of land currently under arable crops to extensive livestock farming in Portugal (OJ L 112, 3.5.1994, p. 2). Regulation as amended by Regulation (EC) No 1461/95 (OJ L 144, 28.6.1995, p. 4).

⁽³⁾ This ceiling shall be temporarily increased by 100 000 to 1 519 811 until such time as live animals under six months of age may be exported.

ANNEX II

SUCKLER COW PREMIUM

National ceilings referred to in Article 7(2) applicable as from 1 January 2000

Belgium	394 253
Denmark	112 932
Germany	639 535
Greece	138 005
Spain	1 441 539
France ⁽¹⁾	3 779 866
Ireland	1 102 620
Italy	621 611
Luxembourg	18 537
Netherlands	63 236
Austria	325 000
Portugal ⁽²⁾	277 539
Finland	55 000
Sweden	155 000
United Kingdom	1 699 511

⁽¹⁾ Excluding the specific ceiling as provided for in Article 5(3) of Regulation (EEC) No 3763/91.

⁽²⁾ Excluding the specific reserve provided for in Article 2 of Regulation (EC) No 1017/94.

ANNEX III

Livestock unit (LU) conversion table referred to in Articles 12 and 13

Male bovine animals and heifers older than 24 months, suckler cows, dairy cows	1,0 LU
Male bovine animals and heifers from six months to 24 months	0,6 LU
Sheep	0,15 LU
Goats	0,15 LU

ANNEX IV

ADDITIONAL PAYMENTS

Global amounts referred to in Article 14

(expressed in millions of euro)

	2000	2001	2002 and subsequent years
Belgium	13,1	26,3	39,4
Denmark	3,9	7,9	11,8
Germany	29,5	58,9	88,4
Greece	1,3	2,5	3,8
Spain	11,0	22,1	33,1
France	31,1	62,3	93,4
Ireland	10,5	20,9	31,4
Italy	21,9	43,7	65,6
Luxembourg	1,1	2,3	3,4
Netherlands	8,4	16,9	25,3
Austria	4,0	8,0	12,0
Portugal	2,1	4,1	6,2
Finland	2,1	4,1	6,2
Sweden	3,1	6,1	9,2
United Kingdom	21,3	42,5	63,8

ANNEX V

CORRELATION TABLE

Regulation (EEC) No 805/68	This Regulation
Article 1	Article 1
Article 2	Article 2
Article 4	—
Article 4a first and second indent	Article 3(a) and (b)
Article 4b(1)	Article 4(1)
Article 4b(2) first subparagraph	Article 4(2)
Article 4b(2) second subparagraph	Article 4(3)(a)
Article 4b(3) point (a) of the third subparagraph	Article 3(c)
Article 4b(3a)	—
Article 4b(4)	—
Article 4b(5)	Article 4(6)
Article 4b(7a)	—
Article 4b(8)	Article 4(8)
Article 4c(1) second subparagraph	Article 5(4)
Article 4c(1) third subparagraph	Article 5(1) second subparagraph
Article 4c(2) second subparagraph	Article 5(2)
Article 4c(2) third subparagraph	Article 5(4)
Article 4c(3) third subparagraph	Article 5(3) third subparagraph
Article 4c(4)	Article 5(5)
Article 4d(1) first sentence	Article 6(1) first sentence
Article 4d(1a)	—
Article 4d(2) first sentence	Article 6(3)
Article 4d(3a)	—
Article 4d(5)	Article 6(2)(a)
Article 4d(6) first subparagraph	Article 6(2)(b) first sentence
Article 4d(6) second to fourth subparagraph	—
Article 4d(6) fifth subparagraph	Article 6(2) second subparagraph
Article 4d(8) second indent	Article 6(7)
Article 4e(1) first sentence of the first subparagraph	Article 8(1) first subparagraph
Article 4e(1) second sentence of the first subparagraph	Article 8(4) second indent of the second subparagraph
Article 4e(1) second subparagraph	Article 8(1) second subparagraph
Article 4e(2)	Article 8(2)
Article 4e(3)	Article 8(3)
Article 4e(4)	—
Article 4e(5)	Article 8(4) first subparagraph and first indent of the second subparagraph
Article 4f(4) first and second indents of the second subparagraph	Article 9(4) first and second subparagraphs

Regulation (EEC) No 805/68	This Regulation
Article 4g(3)	Article 12(2)
Article 4g(4a)	—
Article 4g(5)	Article 12(3)
Article 4i	—
Article 4j(1) to (3)	Article 23(1) to (3)
Article 4k	—
Article 4l	Article 25
Article 5	—
Article 6(1)	Article 47(2)
Article 6(2)	Article 47(3)
Article 6(3)	Article 47(4)
Article 6(4)	Article 47(5)
Article 6(5)	Article 47(6)
Article 6(6)	Article 47(7)
Article 6(7)	Article 47(8)
Article 6a	—
Article 7	—
Article 8	Article 48
Article 9	Article 29
Article 10	Article 30
Article 11	Article 31
Article 12(1) second subparagraph	Article 32(1) second subparagraph
Article 12(2) to (4)	Article 32(2) to (4)
Article 13(1) to (3)	Article 33(1) to (3)
Article 13(4) first and second subparagraphs	Article 33(4) first and second subparagraphs
Article 13(5) to (12)	Article 33(5) to (12)
Article 14	Article 34
Article 15	Article 35
Article 16	Article 36
Article 22	—
Article 22a(1)	Article 38(1)
Article 22a(2)	—
Article 22a(3)	Article 38(2)
Article 23	Article 39
Article 24	Article 40
Article 25	Article 41
Article 26(1)	Article 42
Article 26(2)	—
Article 27	Article 43
Article 28	Article 44
Article 29	—
Article 30	Article 45
Article 30a	—
Article 31	Article 46
Article 32	—
Article 33	—
Annex	—
Annex II	—