

COMMISSION OF THE EUROPEAN COMMUNITIES

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Brussels, 3 January 1978

GUIDELINES

concerning the development of the Mediterranean
regions of the Community, together with certain
measures relating to agriculture

(Communication from the Commission to the Council)

VOLUME II

proposal for
COUNCIL REGULATION (EEC) No /77
of

amending Regulation No 136/66/EEC on the establishment of a common organization of the market in oils and fats

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

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

Having regard to the proposal from the Commission,

Having regard to the Opinion of the European Parliament¹,

Having regard to the Opinion of the Economic and Social Committee²,

Whereas the purpose of the organization of the market in olive oil is to maintain the level of consumption of that product in the Community, having regard to the competition from other vegetable oils and to ensure that producers receive a fair income for the quantity of olive oil actually produced;

Whereas experience has shown that the system of aid for producers is not consistent with the abovementioned objectives; whereas the existing system provides for several control measures which, by reason of their complexity and the considerable number of producers concerned, are difficult to apply and lead to considerable delays in the payment of aid;

Whereas in recent years consumption of olive oil in the Community has decreased substantially as a result of the difference in price trends between olive oil and competing oils; whereas the present system of aid does not appear to be suitable for encouraging consumption of olive oil and whereas it could, moreover, create other problems at production level;

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Whereas, therefore, a new system should be introduced, providing for the grant of marketing aid to ensure that olive oil is sold at prices which are competitive with the prices of seed oils; whereas that aid must make up the difference between the price paid to the producer and the actual selling price on the Community market;

Whereas, since the abovementioned aid will be restricted to the quantities sold on the Community market, provision must be made for granting aid to producers at a fixed rate to compensate for the restriction of marketing aid to the said quantities; whereas such production aid could encourage the planting of olive trees and thus risk causing structural surpluses; whereas, therefore, aid should be granted only in respect of oil produced from trees existing on the date on which the new system enters into force;

Whereas, to assist in achieving a balance between supply and demand, it may be appropriate to take measures to improve the quality of production and to promote sales; whereas it should be laid down that the costs incurred as a result of such measures should be borne by the trade categories benefiting therefrom;

Whereas the production target price and the system of aid for producers can achieve their aims only if the price at which the producer sells his oil on the market is as close as possible to the production target price minus the abovementioned aid; whereas stabilizing mechanisms should therefore be provided within the Community;

Whereas the desired stability may be obtained by enabling producers or producer groups to offer olive oil to the competent agencies of the Member States; whereas such possibility should be restricted to the abovementioned trade categories so as to prevent imported oil and oil in respect of which marketing aid has been paid from being offered for intervention;

Whereas, to promote the harmonious sale of Community production, the system of monthly increases should be relaxed; whereas, to the same end, provision should be made for the adoption of special intervention measures at the end of the marketing year;

Whereas Council Regulation No 136/66/EEC of 22 September 1966 on the establishment of a common organization of the market in oils and fats³, as last amended by Regulation (EEC) No 2560/77⁴, laid down that a levy was to be charged on imports of refined olive oil, the variable component of which was to be derived from the levy applicable to the quantity of unrefined olive oil necessary for its production; whereas experience has shown that the trend on the world market in refined oils may not be in line with the market trend for unrefined oils; whereas such divergence could lead to disturbances of the Community market; whereas to remedy this situation provision should be made for the possibility of fixing a levy which takes account of the situation of the market in refined oil;

Whereas the possibility of fixing a special levy for refined oil renders the system of compensatory amounts in respect of such oil unnecessary;

Whereas, as regards trade with non-member countries, Council Regulation (EEC) No 2843/76 of 23 November 1976 laying down special measures in particular for the determination of the offers of olive oil on the world market⁵ derogated from the system of fixing the levy on the basis of the cif price by providing for the levy to be determined by means of a tendering procedure;

Whereas the difficulties in assessing the true market situation, which were the reason for the adoption of this special system, are liable to recur in the future; whereas, therefore, provision should be made for the possibility of again having recourse to this system, after suspension of the original system for fixing the levies;

Whereas the volume of international trade in olives and oilcake and other residues is very small compared with trade in olive oils; whereas, to simplify administration, the system of tendering for the levy should be restricted to imports of olive oil; whereas, to the same end, provision should be made for the possibility of exempting from the application of the said system imports of olive oil having no effect on

³OJ No 172, 30.9.1966, p. 3025/66.

⁴OJ No L 303, 28.11.1977, p. 1.

⁵OJ No L 327, 26.11.1976, p. 4.

international trade in that product;

Whereas the formation of producer groups in the olive oil sector may contribute to the proper functioning of the system of production aid, in particular to the involvement of producers in certain aspects of administering the said system; whereas, to enable recognized groups to achieve that objective, one of the conditions for recognition should be the obligation for the group to undertake certain operations connected with the application of the system;

Whereas, having regard to the characteristics of the market in olive oil and the special tasks entrusted to the groups, additional measures should be laid down to facilitate the formation and operation of such organizations;

Whereas, to ensure greater market stability, provision should be made for the possibility of producer groups concluding storage contracts under certain conditions,

HAS ADOPTED THIS REGULATION:

Article 1

Articles 1, 2 and 3 of Title I of Regulation No 136/66/EEC are replaced by the following Articles.

Article 1

1. A common organization of the market in oil seeds, oleaginous fruit, vegetable oils and fats, and oils and fats of fish or marine mammals shall be established.

2. This Regulation shall cover the following products:

CCT heading No	Description of goods
a) 12.01 B	Oil seeds and oleaginous fruit, whole or broken Other
b) 12.02 15.04 15.07 B, C, D 15.12 15.13 15.17 B II 23.04 B	Flours or meals of oil seeds or oleaginous fruit, non defatted (excluding mustard flour) Fats and oils, of fish and marine mammals, whether or not refined Fixed vegetable oils, fluid or solid, refined or purified, excluding olive oil Animal or vegetable oils and fats, wholly or partly hydrogenated, or solidified or hardened by any other process, whether or not refined, but not further prepared Margarine, imitation lard and other prepared edible fats Residues resulting from the treatment of fatty substances or animal or vegetable waxes, excluding those containing oil having the characteristics of olive oil Oilcake and other residues (except dregs) resulting from the extraction of vegetable oils, excluding oilcake and other residues resulting from the extraction of olive oil
c) 15.07 A	Olive oil
d) 07.01 N 07.02 A	Olives, fresh or chilled Olives (whether or not cooked), preserved by freezing

07.03 A	Olives provisionally preserved in brine, in sulphur water or in other preservative solutions, but not specially prepared for immediate consumption
ex 07.04 B	Dried, dehydrated or evaporated olives, whole, cut, sliced, broken or in powder, but not further prepared
15.17 B I	Residues resulting from the treatment of fatty substances or animal or vegetable waxes, containing oil having the characteristics of olive oil
23.04 A	Oilcake and other residues resulting from the extraction of olive oil

Article 2

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

2. Save as otherwise provided in this Regulation or by the Council acting by a qualified majority on a proposal from the Commission, the following shall be prohibited in trade with non-member countries:

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

The restriction of the import or export licences provided for in Article 17 to a specific category of those entitled to receive them shall be one of the measures considered as having effect equivalent to a quantitative restriction.

3. Where the products listed in Article 1(2)(a) and (b) are imported from non-member countries in such quantities and under such conditions as might prejudice or threaten to prejudice seriously the interests of Community producers of those products, a compensatory amount may be charged on imports.

A compensatory amount may also be charged on imports of the products listed in Article 1(2)(a) and (b) where, as a result of direct or indirect subsidies or premiums granted in respect of those products by one or more non-member countries, or as a result of equivalent measures, actual offers of those products do not correspond to the prices which would prevail in the absence of such measures or practices and where such situation is causing or threatening to cause serious prejudice to Community production of the products concerned.

The introduction of such compensatory amounts shall respect the international commitments entered into by the Member States and the Community. The amounts shall be fixed in accordance with rules adopted by the Council, acting by a qualified majority on a proposal from the Commission.

Article 2

Articles 4 to 20 of Title II of Regulation 136/66/EEC are replaced by the following Articles:

Article 4

1. The following shall be fixed each year for the Community:
 - before 1 August for the marketing year beginning the following year, a production target price and an intervention price for olive oil;
 - before 1 October for the following marketing year, a market target price and a threshold price for olive oil.

However, where

- the prices of competing products during the marketing year show a trend different from that taken into account when the market target price and the threshold price for olive oil were fixed, and
- the level of the latter prices is liable to have a considerable effect on consumption of olive oil,

the Council, acting by a qualified majority on a proposal from the Commission, may decide to alter the market target price and the threshold price in the course of the marketing year. Such alteration may be made only once per marketing year.

2. The said prices shall be fixed at the wholesale stage for a standard quality of oil answering one of the descriptions in the Annex.

3. The olive oil marketing year shall begin on 1 November and end on 31 October of the following year.

4. The prices referred to in this Article and the standard quality for which they are fixed shall be adopted in accordance with the procedure laid down in Article 43(2) of the Treaty.

Article 5

1. Aid for the production of olive oil shall be introduced.

A single amount of aid to apply throughout the Community shall be fixed annually before 1 August for the marketing year commencing the following year, in accordance with the procedure laid down in Article 43(2) of the Treaty. The aid, which is designed to contribute towards the establishment of a fair income for producers, shall be fixed at a standard rate, taking account of the effect of the marketing aid referred to in Article 11 on a fraction of production only.

2. The aid shall be granted to growers on the basis of the number and production potential of the olive trees they cultivate and of their yields fixed at a standard rate. However, it shall be granted only in respect of olive trees existing on the date of entry into force of this Regulation.

3. Producer groups recognized pursuant to Regulation (EEC) No .../..... may assist in establishing the production potential and yields referred to in the preceding paragraph.

4. The Council, acting by a qualified majority on a proposal from the Commission, shall determine the rules for the application of this Article.

In accordance with the same procedure, the Council may decide to allocate a percentage to be determined of the production aid earmarked for all or some producers to the financing of the following:

- (a) regional measures to improve the quality of oil production;
- (b) the updating of the register of olive cultivation.

5. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 38.

Article 6

The production target price shall be fixed at a level which is fair to producers.

Article 7

The market target price shall be fixed at a level which will permit normal marketing of olive oil produced, account being taken of prices for competing products, and in particular of the probable trend of such prices during the marketing year, and the incidence of the monthly increases referred to in Article 10 on prices for olive oil.

Article 8

The intervention price shall be equal to the production target price minus the production aid referred to in Article 5 and an amount allowing for market fluctuations and for the transport of olive oil from production areas to consumption areas.

Article 9

The threshold price shall be fixed in such a way that the selling price for the imported product at a Community frontier crossing point shall be the same as the market target price. The frontier crossing point shall be determined in accordance with the procedure laid down in Article 38.

Article 10

To enable sales to be staggered, the market target price, the intervention price and the threshold price shall be increased each month for at least five months, beginning on 1 January, by an amount which shall be the same for all three prices.

The monthly increases, which shall be the same for each month, shall be fixed each year by the Council acting by a qualified majority on a proposal from the Commission, account being taken of average storage costs and interest charges in the Community.

Article 11

1. Where the production target price less the production aid is higher than the average price for olive oil at the main marketing centres in the Community,

marketing aid shall be granted in respect of olive oil produced in the Community. The aid shall be equal to the difference between the two amounts.

However, such aid may not be greater than the amount resulting from the difference between the production target price less the production aid and the market target price.

2. The Council, acting by a qualified majority on a proposal from the Commission, may decide to allocate a percentage to be determined of the marketing aid for publicity campaigns designed to keep consumption of olive oil in the Community at a certain level.

3. The Council, acting by a qualified majority on a proposal from the Commission, shall adopt rules for the application of this Article and in particular those relating to:

- the determination of the average price referred to in Paragraph 1,
- the verification of eligibility for aid; such verification shall in principle relate to both olive oil produced in the Community and olive oil imported from non-member countries.

4. The amount of the marketing aid and detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 38.

Article 12

1. The intervention agencies designated by the producer Member States shall buy in, in accordance with the rules adopted pursuant to paragraph 4, olive oil of Community origin which is offered to them by producers or producer groups and associations thereof recognized pursuant to Regulation (EEC) No .../... at intervention centres in production areas. The intervention agencies shall buy in at the intervention price. The buying-in price shall be adjusted by means of a scale of price increases and reductions where the description or quality of the oil offered to the intervention agency does not correspond to that for which the intervention price was fixed.

If, at the request of the intervention agency, oil is delivered to a place other than the centre indicated by the seller when the offer is made, the resulting change in transport costs to the seller shall be taken into account when payment is effected.

2. The intervention agencies shall sell the olive oil bought in by them within the Community on conditions such that the market is not disturbed.

3. The Council, acting by a qualified majority on a proposal from the Commission, shall adopt:

- (a) the conditions on which intervention may take place during the last three months of the marketing year,
- (b) the conditions on which the intervention agencies may put the oil bought in up for sale;
- (c) the criteria applicable to the determination of the intervention centres; the latter shall be determined in accordance with the procedure laid down in Article 38.

4. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 38.

Article 13

To mitigate the effects of harvest fluctuations on the balance between supply and demand and in this way to stabilize consumer prices, the Council acting by a qualified majority on a proposal from the Commission, may require intervention agencies to form a buffer stock of olive oil; it shall, in accordance with the same procedure, lay down the conditions governing the formation, management and disposal of the buffer stock.

Article 14

1. Where unrefined olive oil falling within subheading 15.07 A I of the Common Customs Tariff is imported from non-member countries and where the threshold price is higher than the cif price, a levy equal to the difference between these two parties shall be charged.

2. The cif price, calculated for the frontier crossing point referred to in Article 9, shall be determined on the basis of the most favourable purchasing possibilities on the world market, the prices being adjusted by reference to any differences from the description or quality for which the threshold price was fixed.

3. Where free quotations on the world market are not a determining factor for the offer price and where that price is lower than world market prices, a price determined on the basis of the offer price shall be substituted for the cif price in respect of the imports in question only.

4. The levy shall be fixed by the Commission. The criteria for determining the cif price and the price referred to in paragraph 3 and detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 38.

Article 15

1. A levy shall be charged on imports from non-member countries of olive oil falling within subheading 15.07 A II of the Common Customs Tariff. This levy shall be composed of a variable component corresponding to the levy applicable to the quantity of olive oil needed for production of the imported oil, which may be fixed at a standard rate, and a fixed component to protect the processing industry.

2. Where, for one or more origins, the offer prices on the world market for olive oil falling within subheading 15.07 A II of the Common Customs Tariff are not in line with the cif price referred to in Article 14, the latter shall be replaced for the calculation of the variable component of the levy by a price determined on the basis of the abovementioned offer prices.

3. Rules for the application of this Article shall be adopted by the Council acting in accordance with the voting procedure laid down in Article 43(2) of the Treaty on a proposal from the Commission.

Article 16

1. Where the real trend on the world market in unrefined olive oil cannot be determined from the offers on that market, the import levy on the products referred to in Articles 14 and 15 shall be fixed by tendering procedure.

2. The Commission shall periodically fix the rate of the minimum levy, having regard among other things to the rates of levy indicated by the tenderers. Any tenderer having indicated a rate of levy equal to or higher than the minimum rate shall be declared a successful tenderer and shall be obliged to import the quantity of the product specified in his application at the rate of levy indicated by him.

3. However, imports involving quantities which have no effect on the market situation shall not be subject to the abovementioned tendering procedure. In that case, the levy to be charged shall be the latest minimum levy fixed before importation.

4. Where the trend on the world market in unrefined olive oil varies according to the presentation of the oil, different minimum levies may be fixed for the presentations concerned.

5. The Council, acting by a qualified majority on a proposal from the Commission, shall adopt general rules for the application of this Article.

6. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 38.

Article 17

1. On imports from non-member countries of olives falling within subheadings 07.01 N II and 07.03 A II of the Common Customs Tariff, excluding those for purposes other than the production of oil, a levy derived from the levy applicable to olive oil pursuant to Article 14 and based on the oil content of the imported product shall be charged. However, the levy charged may not be less than an amount equal to 8% of the value of the imported product, such amount to be fixed at a standard rate.

2. On imports from non-member countries of products falling within subheadings 23.04 II and 15.17 A of the Common Customs Tariff, a levy derived from the levy applicable to olive oil and based on the oil content of the imported product shall be charged.

3. Where Article 17 is applied, a levy shall be charged on imports of the products referred to in the preceding paragraphs, taking account of the minimum levy applicable to the quantity of olive oil contained in those products. However, as regards the products referred to in paragraph 1, the provisions laid down in the last sentence of that paragraph shall apply.

4. The Commission shall periodically fix the levies referred to in this Article.

5. Detailed rules for the application of this Article, and in particular those concerning the determination of the oil content, which may be fixed at a standard rate, shall be adopted by the Council acting in accordance with the voting procedure laid down in Article 43(2) of the Treaty on a proposal from the Commission.

Article 18

1. Where Articles 14, 15 and 17(1) and (2) are applied, the levy applicable to an import shall be that in force on the day of importation.

However, as regards importation of the products listed in Article 1(2)(c), the levy may be fixed in advance, on application by the party concerned, in accordance with the conditions adopted by the Council acting in accordance with the voting procedure laid down in Article 43(2) of the Treaty on a proposal from the Commission.

2. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 38.

Article 19

1. Imports into the Community of the products referred to in Article 1(2)(c) and Article 17 shall be conditional on the presentation of an import licence. Exports of olive oil from the Community shall be subject to the presentation of an export licence.

Where the levy or refund is fixed in advance, the advance fixing shall be noted on the licence which serves as a supporting document for such advance fixing.

2. A licence shall be issued by Member States to any applicant, irrespective of his place of establishment in the Community. However, where Article 16(1) and (2) is applied, Member States shall issue import licences in respect of olive oil only to tenderers who have indicated a rate of levy equal to or higher than the minimum levy. The import or export licence shall be valid throughout the Community.

The issue of such licences shall be subject to the provision of a security guaranteeing the undertaking to import or export during the period of validity of the licence; such security shall be forfeit in whole or in part if the operation is not effected within that time limit or is effected only partially.

3. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 38. They shall lay down the duration of validity of the licences and may specify a time limit for their issue.

Article 20

1. Where olive oil is exported to non-member countries,
 - the difference between Community prices and world prices may be covered by a refund where the former are higher than the latter;
 - a levy to cover the difference between world and Community prices may be charged where the former are higher than the latter.

2. The Council, acting by a qualified majority on a proposal from the Commission, shall adopt general rules governing the measures provided for in this Article and in particular those concerning the grant of the refund, the charging of the export levy, the fixing of their amounts and, where appropriate, the advance fixing of the refund.

3. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 38.

Article 20a

Olive oil used in the manufacture of preserved fish and vegetables shall benefit from a system of production refunds or full or partial suspension of the import levy.

Rules for the application of this Regulation shall be adopted by the Council acting by a qualified majority on a proposal from the Commission.

Article 20b

1. Where the Community market in olive oil experiences or is threatened with serious disturbances by reason of:
 - imports from non-member countries of products listed in Article 1(2) (c), (d) and (e), in particular where the intervention agencies would have to buy in substantial quantities of olive oil under Article 12(1), or
 - exports of olive oil to non-member countries, in particular where the market price for olive oil might exceed or threaten to exceed substantially the level of the market target price, or where it has been decided to dispose of the buffer stock,appropriate measures may be applied until such disturbance or threat of disturbance has ceased.

2. The Council, acting by a qualified majority on a proposal from the Commission, shall determine the nature of the measures which may be adopted and shall adopt rules for the application of this Article.

Article 20c

In the olive oil sector, the producer groups provided for by Council Regulation (EEC) No /77 of , in order to be recognized, must, in addition to satisfying the conditions laid down by the said Regulation, be empowered to:

- verify their members' production potential;
- submit a single application for all their producer members;
- receive the aid and distribute to each of their members his share in proportion to the number of olive trees cultivated.

Article 20d

1. By way of derogation from Article 10(1) of Council Regulation (EEC) No of and without prejudice to the duration and minimum amounts of the aid provided for therein, for a period of five years from the entry into force of this Regulation Member States shall grant aid to producer groups to encourage their formation and facilitate their work, subject to the following conditions:

- (a) aid shall be granted for five years from the date of their recognition, and
- (b) the amounts shall be as follows for the first, second, third, fourth, and fifth years respectively:
 - equal to at least 5%, 4%, 3%, 2% and 1% of the value of the production to which recognition and marketing relate;
 - under no circumstances in excess of 80%, 60%, 40%, 20% and 10% of the actual costs of setting up and operating the group.

2. Where prices on the Community market are close to the intervention price during a period to be determined, it may be decided in accordance with the procedure laid down in Article 38 that producer groups may conclude storage contracts in respect of the olive oil which they market.

3. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 38.

Article 3

Article 42 a of Regulation n° 136/66/EEC is replaced by the following:
 "The Common Customs Tariff annexed to Regulation (EEC) nr 950/68 is modified as follows:

Heading number	Description	Rate of duty	
		Autonomous % or levy (L)	Conventional
1	2	3	4
07.01	N olives		
	II others	7 (L)	-
07.03	A olives		
	II others	8 (L)	-
23.04	A. Oil-cake and other residues resulting from the notiaction of olive oil		-
	I containing 3% or less by weight of olive oil	Free	
	II containing more than 3% by weight of olive oil	Free(L)	

Article 4

This Regulation is applicable from 1 November 1978

This Regulation shall be binding in its entirety and directly applicable in all member states.

Done at

For the Council
 The president

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PROPOSAL FOR A COUNCIL REGULATION

amending Regulation (EEC) No 2517/69 laying down certain
measures for reorganizing Community fruit production

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

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

Having regard to the proposal from the Commission,

Having regard to the Opinion of the European Parliament,

Whereas under Article 4 of Council Regulation (EEC) No 2517/69 of
9 December 1969 laying down certain measures for reorganizing
Community fruit production¹, as last amended by Regulation (EEC)
No 794/76², all national aid intended to encourage directly or
indirectly the planting or replanting of apple, pear or peach orchards
is forbidden;

Whereas it would nevertheless be useful to encourage the conversion of
orchards to varieties which are better suited to regional production
conditions and to consumer demand; whereas, to that end, it would
be appropriate to lift the ban on national aid for the replanting
of apple, pear and peach orchards,

HAS ADOPTED THIS REGULATION:

¹OJ No L 318, 18.12.1969, p. 15.
²OJ No L 93, 8.4.1976, p. 3.

Article 1

Article 4 of Regulation (EEC) No 2517/69 is amended to read as follows:

"Article 4

Subject to Article 92(2) of the Treaty, all aid which may be granted by a Member State or through State resources in any form whatsoever and intended to encourage directly or indirectly the planting or enlargement of apple, pear or peach orchards shall be forbidden."

Article 2

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

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

Done at Brussels,

For the Council

The President

PROPOSAL FOR A COUNCIL REGULATION

of

amending Regulation (EEC) No 1035/72 on the
common organization of the market in fruit and
vegetables

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

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

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament,

Whereas, so that there may be fuller information as to quantities
produced and quantities coming on to the market, producers who are
members of producer organizations should be required to provide such
information when requested by their organization;

Whereas Article 14 of Council Regulation (EEC) No 1035/72 of
18 May 1972¹ on the common organization of the market in fruit and
vegetables, as last amended by Regulation (EEC) No 1034/77², makes
provision for measures to encourage the formation and operation of
these organizations;

¹OJ No L 118, 20.5.1972, p. 1.

²OJ No L 125, 19.5.1977, p. 1.

Whereas experience has shown that these measures have not been fully successful in encouraging the formation of producer organizations in certain regions of the Community; whereas additional measures should therefore be provided for a limited period;

Whereas in order to ensure more effective support and better stability of the market in products intended for prolonged storage, while avoiding high storage costs, the producer organizations should be authorized in certain circumstances to undertake preventive withdrawals at the beginning of the marketing year;

Whereas in order to encourage action by producers' organizations to adapt supplies more closely to market requirements, these organizations should be authorized to withdraw products which, while complying with the quality standards, do not comply with the marketing rules which they have adopted;

Whereas the action taken by producers' organizations is such as to further the objectives of the common organization of the market in the sector concerned; whereas producers' organizations will not be able to maintain their efforts toward these objectives if these efforts are jeopardized by other producers who will benefit from them without participating in them; whereas it is therefore necessary, in order to facilitate the stabilization of the market, to allow member states to extend to all producers in a given region the rules adopted by the organization or association of the said region for its members;

Whereas such an extension cannot be permitted if it is established that the organization or association in question does not act in conformity with the general principles of the treaty, in particular with the provisions concerning competition; whereas, however, it is necessary, in view of the importance of the tasks of these organizations to avoid giving a retro-active effect to this provision;

Whereas the application of the system described above would involve expense for the organization or association whose rules are thus extended; whereas it is therefore appropriate to require that producers who are not members contribute to defraying these expenses; whereas it also seems appropriate to require these producers to contribute to defraying the expenditure on sales promotion measures undertaken by the organization or association in question;

Whereas Community preference would be better served if reference prices were adjusted to take account of changes in production costs;

Whereas Article 24(4) of Regulation (EEC) No 1035/72 provides for the possibility, in certain circumstances and for certain products, of adopting the prices of Community products for calculating the entry price for imported products which is to be compared with the reference price;

Whereas experience has shown that it is impossible to verify with sufficient rapidity whether one of the conditions has been fulfilled; whereas therefore there is a danger that the provisions of Article 24(4) will not be applied in time; whereas to avoid this danger, those provisions should be amended while at the same time taking due account of international undertakings;

HAS ADOPTED THIS REGULATION:

Article 1

The following indent is added to Article 13 of Regulation (EEC) 1035/72 after the second subparagraph

"- of providing the information requested by the organization on harvests and supplies".

Article 2

The following paragraphs 4 and 5 are added to Article 14 of Regulation (EEC) No 1035/72:

"4. By way of derogation to paragraph 1, Member States may grant aid to producers' organizations, in respect of the five years following the date on which they are established, to encourage their formation and to facilitate their operation, provided that the activity of these organizations is shown to be of a lasting and effective nature. The amount of such aid shall not be less, for the first, second, third, fourth and fifth years, than 2.5%, 2%, 1.5%, 1%, 0.5% respectively, nor more than 5%, 4%, 3%, 2% and 1% respectively, of the value of production marketed under the auspices of the producers' organization and may not exceed 90%, 80%, 70%, 60% and 50% respectively of the actual cost of formation and operation of the producers' organization.

In respect of each year the value of this production shall be calculated on the basis of:

- members' average marketed production during the three calendar years immediately preceding the year in which they became members,
- average producer prices obtained by these producers over the same period.

The aid referred to above shall be granted to producers' organizations which are established during the five years beginning 1 October 1977. The aid shall be paid during the seven years following the date of establishment.

5. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 33".

Article 3

The following subparagraph is inserted after the first subparagraph of Article 15(1) of Regulation (EEC) No 1035/72:

"If marketing rules aimed at limiting the volume of the supply of products listed in Annex II are applied, the producers' organizations may decide not to put on sale products which, while conforming to the quality standards, do not comply with the marketing rules referred to above. In that case the producers' organizations or the appropriate associations of such organizations shall grant an indemnity to members for the quantities that remain unsold calculated on the basis of the withdrawal price".

Article 4

The following Article 15a is added to Regulation (EEC) No 1035/72:

"Article 15a

1. As regards apples and pears

- when, for a period to be determined, the prices referred to in Article 17 remain between the buying-in price and 80% of the basic price and
- after an examination of the market situation in accordance with Article 34,

the Member States may authorize producers' organizations to withdraw during the first month of the marketing year a proportion of the products which comply with the minimum quality standards.

When a producers' organization makes use of this authorization it shall grant an indemnity to members calculated on the basis of the withdrawal price referred to in Article 15 in respect of the quantities withdrawn.

2. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 33.

Article 5

In the first subparagraph of Article 18(1) of Regulation (EEC) No 1035/72 the words "and of Article 15a" are added after the words "of Article 15".

Article 6

The following Article 15b is added to Regulation (EEC) No 1035/72:

"Article 15b

1. In cases where

- a producers' organization or
- an association of producers' organizations which has adopted the same rules,

operating in a specific economic area, is considered representative of production and producers in that area, the Member State concerned may make it obligatory for producers established in the area who are not members of one of the organizations referred to above to comply with:

- (a) the rules on provision of production information referred to in the last indent of Article 13,
- (b) the production rules referred to in the penultimate indent of Article 13,
- (c) the marketing rules referred to in the penultimate indent of Article 13,
- (d) for products listed in Annex II, the rules adopted by the organization or association with regard to the withdrawal price, provided that this price does not exceed the price referred to in Article 18(1)(a)

provided that these rules have been in application for at least one year.

2. For the purposes of this Article an "economic area" shall be a region consisting of adjacent or neighbouring production areas in which production and marketing conditions are uniform.

3. The Member States shall notify the Commission of the rules which they intend to make obligatory for all producers in a specific economic area.

The rules referred to in paragraph 1(c) may not be made obligatory until one month after such notification.

4. The Commission

- (a) may decide that the rules notified cannot be made obligatory or
- (b) may cancel the extension of the rules decided upon by the Member State,

in particular if it finds, pursuant to Article 2 of Regulation No 26, that, Article 85(1) is applicable to the agreement, decision or practice by which the rules in question are adopted or applied. In that case the Commission's decision taken with regard to that agreement, decision or practice shall only apply from the date on which it so finds.

5. The Member States shall take all appropriate measures
- to ensure that the rules referred to above are complied with,
 - to sanction infringements to those rules.

They shall inform the Commission immediately of such measures.

6. If the provisions of paragraph 1 are applied, the Member State concerned may decide that non-member producers shall pay to the organization or association all or part of the membership fee paid by members if this is intended to cover:

- expenditure incurred in the application of the system referred to in paragraph 1
- expenditure incurred on sales promotion measures undertaken by the organization or association which are of benefit to all producers in the area.

7. The list of economic areas, the criteria for determining what is representative of the area as referred to in paragraph 1 and other detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 33."

Article 7

The second indent of the first subparagraph of Article 23(2) of Regulation (EEC) No 1035/72 is amended as follows:

"- taking into account the trend in production costs."

Article 8

Article 24(4) of Regulation (EEC) No 1035/72 is amended as follows:

"4. With regard to tomatoes, peaches and table grapes the prices of Community products shall also be adopted for calculating the entry price where, for a given product and a given origin, they are lower than the price of the imported product calculated in accordance with the provisions of paragraph 3.

The price of Community products shall be equal to the arithmetical mean of the daily market prices on the representative producer markets referred to in Article 17, plus the cost of packaging and transport taken for calculating the reference prices.

In cases where, for a given market, the prices for the Community products relate to products obtained by a method of cultivation different from that assumed in the fixing of the reference prices, these prices shall be adjusted, after addition of packaging and transport costs, by coefficients provided for the calculation of the entry price for this type of product in the Regulations fixing reference prices.

When the condition for the application of the first subparagraph is fulfilled, the entry price for the origin in question shall be equal to the arithmetical mean of the price of the imported product calculated in accordance with the provisions of paragraph 3 and the price of the Community product calculated in accordance with the provisions of this paragraph".

Article 9

This Regulation shall enter into force on 1 February 1978.

The provisions of Articles 7 and 8 shall apply, for each product, from the start of the 1978/79 marketing year.

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

Done at Brussels,

For the Council

The President

28

PROPOSAL FOR A COUNCIL REGULATION

amending Regulation (EEC) No 516/77 of 14 March 1977 on the common organization of the market in products processed from fruit and vegetables

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

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

Having regard to the proposal from the Commission,

Having regard to the Opinion of the European Parliament¹,

Whereas the producer prices of certain products processed from fruit and vegetables which are of particular importance in the Mediterranean regions of the Community are considerably higher there than in non-member countries; whereas Community products should therefore be made more competitive by adopting measures to enable them to be sold at prices which compete with those charged by the major non-member producing countries;

Whereas, to this end, a system of production aid should be introduced, enabling the products in question to be manufactured at a price lower than that which would result from the payment of a remunerative price to producers of the fresh products; whereas this system should be linked to a system of contracts providing both for regular supplies to the processing industries and a minimum price to be paid by processors to producers;

Whereas, because of the abundant supply of raw materials and the elasticity of processing capacity, the granting of aid for the production of processed fruit and vegetables risks encouraging such production to expand considerably from year to year; whereas, in order to avoid any difficulties in the sale of processed products as a result, it should be made possible to limit the granting of aid to a part of production only;

Whereas, since the system referred to above would also apply to tomato concentrates, the minimum import price system for this product should be abolished;

Whereas the expenditure incurred by Member States as a result of the obligations arising from the application of this Regulation is chargeable to the Community, in accordance with Article 3 of Council Regulation (EEC) No 729/70 of 21 April 1970 on the financing of the common agricultural policy¹, as last amended by Regulation (EEC) No 2788/72²;

Whereas the development of trade in products for which an aid system is introduced should be closely followed; whereas all such products should therefore be subject to the system of import licences,

HAS ADOPTED THIS REGULATION:

¹OJ No L 94, 28.4.1970, p. 13.

²OJ No L 295, 30.12.1972, p. 1.

Article 1

The following Article 2a is added to Regulation (EEC) No 516/77:

"Article 2a

The marketing years for:

- tomato concentrates and peeled tomatoes falling within subheading 20.02 C and peaches and apricots, prepared or preserved, falling within subheading 20.06 B of the Common Customs Tariff, shall extend from 1 July to 30 June;
- prunes falling within subheading 08.12 C of the Common Customs Tariff, shall extend from 1 August to 31 July.

For the other products the marketing years shall be determined, where necessary, in accordance with the procedure laid down in Article 20".

Article 2

The following Articles 3a, 3b and 3c are added to Regulation (EEC) No 516/77:

- "Article 3a 1. For the period starting at the beginning of the 1978/1979 campaign, and ending at the end of the 1982/1983 campaign, a system of production aid shall be introduced for products as specified in Annex Ia obtained from fruit and vegetables harvested in the Community.

The Council, acting by a qualified majority on a proposal from the Commission, may amend Annex Ia taking into account the production and marketing conditions for the products concerned.

2. This system shall be based on contracts linking Community producers and processors. These contracts, concluded for a minimum period to be determined, must specify the quantities of raw material to which they relate, the timetable for deliveries to processors and the price to be paid to producers. On their conclusion the contracts shall be forwarded to the competent authorities of the Member States concerned, which shall be responsible for controlling the quality and quantity of deliveries to processors.

3. For deliveries made under such contracts a minimum price shall be fixed which processors must pay to producers. This price shall be calculated for the first time on the basis of:

- (a) the average of the prices paid by processors for the raw material during the marketing year preceding that for which the minimum price is fixed;
- (b) the average trend of the basic and buying-in prices referred to in Article 16 of Regulation (EEC) No 1035/72¹.

It shall be calculated on subsequent occasions having regard to:

- (a) the minimum price in force during the previous marketing year;
- (b) the average trend of the basic and buying-in prices referred to in Article 16 of Regulation (EEC) No 1035/72¹.

4. The minimum price shall be fixed before the beginning of each marketing year.

¹OJ No L 118, 20.5.1972, p. 1.

5. The Council, acting by a qualified majority on a proposal from the Commission, may decide to limit the granting of the production aid to a specified quantity, taking account of average production in the three years preceding the marketing year for which the aid is fixed.

Article 3b

1. The amount of the aid shall be so fixed as to make up the difference between the prices of Community products and those of products from non-member countries.

2. The prices of Community products shall be established having regard to:

- (a) the minimum price referred to in Article 3a;
- (b) the processing costs.

3. The prices of products from non-member countries shall be determined having regard to:

- (a) the free-at-frontier prices on import to the Community;
- (b) the prices obtaining in international trade.

However, when the aid is fixed for the first time for tomato concentrates the criterion specified in (a) shall not be applied.

4. Member States shall grant the production aid to processors who have concluded contracts in accordance with Article 3a.

5. The aid shall be paid on application by the interested parties as soon as the control authorities of the Member State of processing have established that the products covered by contracts have been processed.

6. The amount of the aid shall be fixed before the beginning of each marketing year.

Article 3c

Detailed rules for the application of Articles 3a and 3b shall be adopted in accordance with the procedure laid down in Article 20. The amount of the aid and the minimum price shall be fixed in accordance with the same procedure."

Article 3

The following is added to Article 4(2) of Regulation (EEC) No 516/77:

"- in the case of products eligible for aid, the price of the raw material in non-member countries used in calculating this aid."

Article 4

The following is added to Article 10(2) of Regulation (EEC) No 516/77:

"- in the case of products subject to a system of floor prices, the lodging of an additional security intended to ensure that the free-at-frontier price of the products to be imported under the licence plus the customs duty payable thereon will be at least equal to the floor price. The security shall be forfeit in proportion to any quantities imported at a price lower than the floor price; however, the lodging of such additional security shall not be required in respect of products originating in non-member countries which give an undertaking, which they are in a position to fulfil, that the price charged will not be below the floor price and that all deflection of trade will be avoided."

Article 5

Annex IV to Regulation (EEC) No 516/77 is amended to read as follows:

CCT heading No	Description
ex 20.02 C	Tomato concentrates
ex 20.02 C	Peeled tomatoes
ex 20.06 B	Peaches
ex 20.07 B	Tomato juice
20.02 A	Mushrooms
ex 20.06 B	Pears
ex 20.06 B	Apricots
08.12 C	Prunes
ex 20.02 G	Peas
ex 20.02 G	Beans in pod
ex 08.10 A	Raspberries
ex 08.11	
ex 20.03	
ex 20.05	
ex 20.06 B II)	

Article 6

The following Annex Ia is inserted in Regulation (EEC) No 516/77:

CCT heading No	Description
ex 20.02 C	Tomato concentrates
ex 20.02 C	Peeled tomatoes
ex 20.06 B	Peaches
ex 20.06 B	Apricots
ex 08.12 C	Prunes

Article 7

The following Article 4a is added to Regulation (EEC) No 516/77:

"Article 4a

1. Where the floor price system is applied, and by way of derogation from Article 2 of Regulation No 129, the rate to be used for converting the floor price shall be the special rate referred to in paragraphs 2 and 3.

2. For Member States' currencies which are maintained at any given moment within a maximum spread of 2.25%, the special rate shall be the conversion rate based on the central rate.

3. For currencies other than those referred to in paragraph 2, the special rate shall be fixed with effect from 1 January and 1 July of each year.

It shall be equal to the conversion rate for the European monetary unit of account based on the average rate taken into consideration for calculating the monetary compensatory amounts applicable, as regards the special rate taking effect on:

- (a) 1 January: on 15 December of the previous year;
- (b) 1 July: on 15 June of the current year.

4. The conversion rates referred to in paragraphs 2 and 3 shall be fixed by the Commission."

Article 8

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

Article 3 of Regulation (EEC) is hereby repealed with effect from 1 July 1983

This Regulation shall be binding in its entirety and directly applicable in all member states.

Done at

For the Council

7/6

Proposal
for a
COUNCIL DIRECTIVE

relative to the Programme for the acceleration and qualitative guidance of collective group irrigation works in the Mezzogiorno

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

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

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

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

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

Whereas Article 39(2) (a) of the Treaty provides that account should be taken of the social structure of agriculture and the structural and natural disparities between agricultural regions in determining the common agricultural policy;

Whereas to achieve the objectives of the common agricultural policy set out in Article 39(1)(a) and (b), measures appropriate to the production conditions of least-favoured agricultural areas should be adopted at Community level;

Whereas certain Mediterranean regions of the Community are in an unfavourable situation as regards agricultural incomes and suffer from under-employment not only in agriculture but also in general;

Whereas these problems are particularly evident in the regions of the Mezzogiorno;

Whereas the active agricultural population constitutes an important section of the total active population in these regions;

Whereas action should be concentrated on basic aspects of the structural development of these regions which have quick and lasting effects on agricultural incomes;

(1) OJ No C

(2) OJ No C

(3) OJ No C

Whereas agricultural production in the Mezzogiorno is seriously affected by the very unbalanced water supply situation, in that the capacity of reservoirs and main channels is much greater than that of the irrigation network;

Whereas, by means of Community aid, it is essential to accelerate the provision of such irrigation networks;

Whereas the conditions and limits laid down in Articles 13 and 19 of Council Directive of 17 April 1972 on the modernization of farms(1) (Directive No. 72/159/EEC) are not well suited, as regards irrigation, to the special structural situation of the Mezzogiorno regions;

Whereas the opportunity should be taken to reorientate agricultural production in the irrigated areas of these regions;

Whereas at the same time the number of farm development plans within the meaning of Article 4 of Directive No. 72/159/EEC should be increased by providing the farmers concerned with qualified assistance;

Whereas these objectives should be furthered by way of a multi-purpose measure covering the irrigated areas in the Mezzogiorno and constituting a special programme extending over several years;

Whereas it follows from the foregoing that the measures referred to above constitute a common measure within the meaning of Article 6 of Council Regulation (EEC) No. 727/70 of 21 April 1970 on the financing of the common agricultural policy(2);

Whereas it should be for the Commission, after receiving the opinion of the Standing Committee on Agricultural Structures, to approve a programme put forward by the Italian Republic,

HAS ADOPTED THIS DIRECTIVE:

(1) OJ No L 96 of 23.4.1972, p. 1

(2) OJ No L 94 of 28.4.1970, p. 13

Article 1

With a view to increasing agricultural incomes in the Mezzogiorno and improving basic agricultural structures thus contributing to the modernization of farms, a common measure within the meaning of Article 6(1) of Regulation (EEC) No 729/70 shall be introduced to be implemented by the Italian Republic, for the purpose of accelerating collective irrigation operations and introducing development plans within the meaning of Articles 2 and 4 of Directive No 72/159/EEC in the irrigated areas, while reorientating production to market requirements.

Article 2

1. The conditions and limits in Articles 13(2) and 19(2) and (3) of Directive No 72/159/EEC shall not apply to collective irrigation operations forming the object of this common measure.
2. The Community's financial contribution shall be used only in the framework of a programme applying to irrigation areas in the Mezzogiorno. Such a programme shall be put forward to the Commission by the Italian Republic.
3. The financial aspects of the programme shall be examined and approved after consultation with the EAGGF Committee in accordance with the procedure laid down in Article (18)(2) and (3) of Directive No 72/159/EEC.

Article 3

The programme referred to in Article 2 includes the following information:

(a) in respect of collective irrigation works:

- (i) the number of hectares to be provided with irrigation networks (reti irrigue) on completion of the programme, including associated drainage, using existing reservoirs and main channels;

- (ii) the location of and timetable for the above work;
 - (iii) the estimated average cost per hectare of agricultural area irrigated as in (i);
- (b) with respect to the reorientation of production in the irrigated areas:
- (i) in the existing or newly irrigated areas in the Mezzogiorno, measures to study the best orientation of production, account being taken both of the natural production conditions and of market requirements;
 - (ii) measures to ensure that the Community financial contribution to investments in the processing and marketing of agricultural products, provided for under Council Regulation (EEC) No 355/77 of 15 February 1977 on common measures to improve the conditions under which agricultural products are processed and marketed⁽¹⁾ is applied as a first priority to production from the irrigated areas, account being taken of the abovementioned studies;
 - (iii) in the new areas, where the work referred to under (a) has not yet been done, the measures to ensure that the irrigation of vines for wine-making is excluded and that fodder crops (maize, barley, lucerne, clover, field beans, sorghum, soya bean, fodder beet, etc.) are encouraged, for example by significant differences in the price of water;
- (c) with respect to the modernisation of farms:
- (i) in existing or new irrigation areas the number of advisory officers who will be appointed to assist farmers to modernize their farms within the meaning of Articles 2 and 4 of Directive No 72/159/EEC and to advise them on the orientation of their production;

(1) OJ No L 51 of 23.2.1977, p. 1

half at least of the advisory officers must have completed university studies in agriculture or economics and have at least three years professional experience;

- (ii) estimated expenditure to cover the annual remuneration and operating expenses of an advisory officer.
- (d) documented estimates of public expenditure in the Mezzogiorno in the fields referred to under (a), (i) and (c)(i) allowing to estimate the complementary nature of Community participation.

Article 4

1. The following expenditure incurred by the Italian Republic under the programme referred to in Article 2 shall be eligible for aid from the EAGGF, Guidance Section:
 - public hydraulic works, referred to in Article 3(1)(a) and not yet started, up to a maximum of 200 000 irrigated hectares;
 - remuneration and operating expenses of newly appointed advisory officers, as referred to under (c) of the same paragraph.
2. The EAGGF, Guidance Section, shall reimburse to the Italian Republic 50% of the eligible expenditure referred to in the first indent of the preceding paragraph and 65% of the eligible expenditure referred to in the second indent of that paragraph. However, the amount of eligible expenditure referred to in the first indent of the preceding paragraph may not exceed 3 000 u.a. per irrigated hectare, and the amount of expenditure referred to in the second indent of that paragraph shall be assessed at a flat rate of 12 000 u.a. per advisory officer.

Article 5

1. The duration of the measure shall be five years.
2. The total estimated EAGGF share of the cost of the common measure shall be 260 million u.a. for the entire period.

Article 6

When the special programme referred to in Article 2(3) is approved, the Commission shall, in agreement with the Italian Republic, determine the manner in which it shall be kept informed of the progress of the programme. The Italian Republic shall at the same time designate, as necessary, the organization responsible for technical execution of the programme.

Article 7

1. Requests for reimbursement shall relate to expenditure incurred by the Italian Republic during one calendar year and shall be presented to the Commission before 1 July of the following year.
2. Aid from the Fund shall be decided upon in accordance with Article 7(1) of Regulation (EEC) No 729/70
3. The Commission may agree to make advance payments equal in amount to those granted for the special programme by the Italian Republic.
4. Detailed rules for the application of this Article shall be adopted according to the procedure provided for in Article 13 of Regulation (EEC) No 729/70.

Article 8

This Directive is addressed to the Italian Republic.

Done at

For the Council

Proposal for a Council Directive on the programme
to accelerate the restructuring and conversion of
vineyards in the Languedoc-Roussillon region

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

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

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

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

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

Whereas, Article 39 (2) (a) of the Treaty provides that account should be taken of the social structure of agriculture and the structural and natural disparities between agricultural regions in determining the common agricultural policy;

Whereas to achieve the objectives of the common agricultural policy set out in Article 39 (1) (a) and (b) measures appropriate to the situation of specific least-favoured agricultural areas should be adopted at Community level;

Whereas certain Mediterranean regions of the Community are in an unfavourable situation as regards agricultural incomes and suffer from underemployment not only in agriculture but also in general;

Whereas the region of Languedoc-Roussillon is one of those regions;

Whereas the active agricultural population constitutes an important section of the total active population in these regions;

Whereas action should be concentrated on basic aspects of the structural development of regional agriculture which have lasting effects on agricultural incomes;

Whereas in the Languedoc-Roussillon region, agriculture represents an exceptionally high proportion of all economic activity and whereas the percentage of farms engaged in viticulture is even more significant;

Whereas some of the wine-growing farms of the region should be encouraged to improve the quality of their production and there should be collective action to improve the basic structures of the areas under vines;

(1) O.J. No. C
(2) O.J. No. C
(3) O.J. No. C

Whereas there should be incentives for the conversion of areas under vines in locations whose suitability for wine-growing is not well established and which could be made suitable for other crops especially by collective measures to irrigate the areas previously planted with vines;

Whereas it is essential to speed up the irrigation operations referred to above by means of Community aid;

Whereas it is desirable to encourage producers to convert areas under vines referred to above by means of a special aid of progressively diminishing type to encourage producers to convert areas under vines without delay;

Whereas the conditions and limits laid down in Articles 13 and 19 of Council Directive of 17 April 1972 on the modernization of farms⁽¹⁾ (Directive 72/159/EEC) are not well-suited as regards irrigation, to the special structural situation of the Languedoc-Roussillon;

Whereas these objectives should be furthered by way of a multi-purpose measure covering all the areas needing to be restructured and all the areas previously planted with vines needing to be irrigated in this region and constituting a special programme extending over several years;

Whereas it follows from the foregoing that the measures referred to constitute a common measure within the meaning of Article 6 of Council Regulation (EEC) No 729/70 of 21 April 1970 on the financing of the common agricultural policy;⁽²⁾

Whereas it should be for the Commission, after receiving the opinion of the Standing Committee on Agricultural Structures, to approve a programme put forward by the French Republic,

HAS ADOPTED THIS DIRECTIVE :

(1) O.J. No. L 96 of 23.4.72, p.1

(2) O.J. No. L 94 of 28.4.70, p.13

Article 1

With a view to increasing agricultural incomes in the Languedoc-Roussillon region and improving the basic structures of the areas under vines, thus contributing to the modernization of farms, a common measure within the meaning of Article 6 (1) of Regulation (EEC) No 729/70 shall be introduced, to be implemented by the French Republic, for the purpose of accelerating the restructuring of parts of this wine-growing area and of converting other parts of it.

Article 2

1. The conditions and limits of Articles 13 (2) and 19 (2) and (3) of Directive No 72/159/EEC shall not apply to collective irrigation operations forming the object of this common measure.
2. The Community's financial contribution can be used only in the framework of a programme applying to all the areas needing to be restructured and all the areas previously under vines needing to be converted in the Languedoc-Roussillon region. Such a programme shall be presented to the Commission by the French Republic.
3. The financial aspects of the programme shall be examined and approved after consultation with the EAGGF Committee in accordance with the procedure laid down in Article 8 (2) and (3) of Directive No. 72/159/EEC.

Article 3

1. The programme referred to in Article 2 includes the following information:
 - (a) in respect of operations to restructure areas under vines:
 - (i) The number of hectares under vines which are to be restructured under the programme;
 - (ii) location of the areas to be restructured and timetable for the work;
 - (iii) criteria concerning the suitability of these areas for the production of quality table wine;

- (iv) nature of collective constraints designed to ensure that the restructuring operations are effective;
 - (v) measures for the replanting of vineyards, with indication of the recommended varieties used, as laid down in Community rules;
 - (vi) minimum conditions for improving basic structures, in particular by re-parcelling and by standardizing the direction and spacing of the vine rows;
 - (vii) provisions ensuring that vineyards can only be created through replantings. For the purpose of this decision replanting means the creation of a vineyard after the grubbing of vines not less than four years previously on an equivalent area within each area to be restructured;
 - (viii) provisions ensuring that restructuring operations will not involve an extension of wine-growing areas;
 - (ix) nature and amount of the aid envisaged; estimate of the cost of this programme;
- (b) in respect of operations to convert vineyards:
- (i) the number of hectares previously under vines and no longer used for wine-growing and the number which after conversion are to be irrigated under the programme;
 - (ii) location of these areas and a timetable of the work, particularly as regards the sequence of grubbing operations and of irrigation operations;
 - (iii) evidence that wine-growing is not well established in these areas for conversion and that they are suitable for other crops;
 - (iv) any incentives provided for the conversion of the areas referred to above, in the form of a single special grant; the amount of this grant will decrease each year;

(v) the nature and amount of public expenditure on irrigation operations and of the aid envisaged; an estimate of the cost of this programme;

(c) the arrangements which will be made so that the Community's financial contribution towards investments relating to the processing and marketing of agricultural products, as provided for in Council Regulation (EEC) No. 355/77/EEC of 15 February 1977 on common measures to improve the conditions under which agricultural products are processed and marketed⁽¹⁾, may be used in the first instance to promote improvements in the quality of wine production in the Languedoc-Roussillon region and to promote crops produced in conversion areas;

(d) documented estimates of public expenditure in the Languedoc-Roussillon region in the fields referred to under (a) and (b) showing the complementary nature of Community participation.

2. Appropriate measures shall be taken by the French Republic to ensure that no public works are carried out for the irrigation of vineyards in the Languedoc-Roussillon region.

Article 4

1. The following expenditure incurred by the French Republic under the programme referred to in Article 2 shall be eligible for aid from the EAGGF, Guidance Section:

- public expenditure on the restructuring of areas under vines as referred to in Article 3 (1) (a) at a flat rate of 2 600 u.a. per restructured hectare up to a maximum of 50 000 hectares;
- public hydraulic works, referred to in Article 3 (1) (b) and not yet started, up to a maximum of 25 000 ha;

(1) O.J. No. L 51 of 23 February 1977; p.1

- expenditure related to the special conversion grant referred to in Article 3 (1) (iv) not exceeding 2 000 u.a. per converted hectare and reduced each year by at least 8 %.

However, the expenditure incurred by the French Republic in the course of 1978 for the measures taken under Article 3 paragraph 1 a) not coming within the framework of the programme referred to in Article 2, may be reimbursed.

2. The EAGGF, Guidance Section, shall reimburse 50 % of the eligible expenditure to the French Republic. However, the amount of eligible expenditure referred to in the second indent of the preceding paragraph may not exceed 2 000 u.a. per hectare irrigated and previously planted with vines.

Article 5

1. The duration of the measure shall be five years.
2. The total estimated EAGGF share of the cost of the common measure shall be 103.5 million units of account for the entire period.

Article 6

When the special programme referred to in Article 2 (3) is approved, the Commission shall, in agreement with the French Republic, determine the manner in which it shall be kept informed of the progress of the programme. The French Republic shall at the same time designate, as necessary, the organizations responsible for technical execution of the programme.

Article 7

- 1. Requests for reimbursement shall relate to expenditure incurred by the French Republic during one calendar year and shall be presented to the Commission before 1 July of the following year.
- 2. Aid from the Fund shall be decided upon in accordance with Article 7 (1) of Regulation (EEC) No 729/70.
- 3. The Commission may agree to make advance payments equal in amount to those granted for the special programme by the French Republic.
- 4. Detailed rules for the application of this Article shall be adopted according to the procedure provided for in Article 13 of Regulation (EEC) No 729/70.

Article 8

This Directive is addressed to the French Republic.

Done at

For the Council

Proposed Council Regulation on
a common measure to improve
public facilities in certain
rural areas

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

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

Having regard to the proposal from the Commission,

Having regard to the Opinion of the European Parliament¹,

Having regard to the Opinion of the Economic and Social Committee²,

Whereas, by virtue of Article 39(2)(a) of the Treaty, the social structure of agriculture and the structural and natural disparities between agricultural regions must be taken into account in determining the common agricultural policy;

Whereas, in order to attain the objectives of the common agricultural policy set out in Article 39(1)(a) and (b), special measures must be taken, at Community level, to remedy the situation in those agricultural areas where production conditions are particularly difficult;

Whereas certain Mediterranean regions of the Community are in a particularly unfavourable situation owing to the absence of electricity and potable water supplies and the inadequacy of the farm road network;

Whereas the less-favoured agricultural regions of Italy and southern France and the whole of the Mezzogiorno are lacking in these facilities;

Whereas structural changes and agricultural reforms in these regions cannot be effective unless these facilities are improved;

¹ OJ No C

² OJ No C

Whereas the provision of electricity and potable water supplies and a proper farm road network should be encouraged by means of Community aid;

Whereas the projects must also, in order to qualify for Community financing, contribute to a lasting improvement in the public facilities available to agricultural holdings, have adequate economic justification and be coordinated with other measures for encouraging agriculture and with other measures for improving facilities;

Whereas criteria for aid from the Fund should be laid down, enabling priority projects to be identified;

Whereas, to ensure coordination between action by the Community and by the Member State, the projects to be financed by the Fund should be approved and part-financed by the Member State concerned;

Whereas, to secure observance by the recipients of the conditions on which aid is granted from the Fund, an effective control system should be set up and provision made for suspension, reduction or cancellation of aid from the Fund;

Whereas, in view of the special difficulties affecting these regions, the Community should provide aid from the Fund in the form of a capital subsidy not exceeding 50% of the total investment;

Whereas the measures referred to above accordingly constitute a common measure within the meaning of Article 6 of Council Regulation (EEC) No 729/70 of 21 April 1970 on the financing of the common agricultural policy¹;

Whereas aid from the Fund totalling 125 million units of account over five years should serve to improve the public facilities in these regions;

¹ OJ No L 94, 28.4.1970, p. 13.

Whereas a procedure for approval of the projects should be laid down providing close cooperation between the Member States and the Commission within the Standing Committee on Agricultural Structures, set up by Article 1 of the Council Decision of 4 December 1962 on the coordination of policies on the structure of agriculture ;
whereas consultation of the Fund Committee referred to in Article 11 of Regulation (EEC) No 729/70 should also be provided for;

HAS ADOPTED THIS REGULATION:

¹OJ No 136, 17.12.1962, p. 2892/62.

TITLE I - SPECIAL INCENTIVES FOR THE PROVISION OF PUBLIC FACILITIES

Article 1

In order to improve agricultural production and working conditions in certain rural areas, a common measure within the meaning of Article 6(1) of Council Regulation (EEC) No 729/70 is hereby set up for the improvement of public facilities.

Article 2

1. The common measure shall cover

- the provision of electricity and potable water supplies to villages or parts of villages whose inhabitants are mainly dependent on agriculture and to isolated farmsteads;
- the construction and improvement of farm roads and local roads which are mainly used for agriculture and forestry.

2. The common measure shall apply to

- less-favoured areas within the meaning of Council Directive No 75/268/EEC¹ on mountain and hill farming and farming in certain less-favoured areas in Italy and southern France, in the Midi-Pyrénées, Languedoc, Provence-Côte d'Azur areas and in the departments of Corsica, Pyrénées Atlantiques, Ardèche and Drôme;
- the other areas of the Mezzogiorno which are not less-favoured areas within the meaning of Directive No 75/268/EEC.

¹OJ No L 128, 19.5.1975, p.1.

Article 3

The Commission may, in accordance with the provisions of Titles II and III, make a contribution to the common measure by means of finance from the European Agricultural Guidance and Guarantee Fund for projects which correspond to the description in Article 2(1) and which comply with the conditions of Article 5.

Article 4

For the purposes of this Regulation, "project" means any substantial public, semi-public or private investment project which corresponds, in whole or in part, to the description in Article 2(1).

Article 5

1. The projects must

- (a) contribute to a lasting improvement in the facilities available to agricultural holdings;
- (b) be shown to be economically sound;
- (c) be coordinated with other measures for encouraging agriculture and for improving facilities.

2. Priority for aid shall be granted to projects

- which wholly or mainly serve to provide the first connection to the electricity or potable water network or with the construction of access roads to isolated farmsteads or hamlets;

- which complement other measures for the provision of facilities.

TITLE II - PROCEDURE FOR THE SCRUTINY OF PROJECTS

Article 6

1. Applications for aid from the Fund must be submitted through the Member State concerned before 1 May.

2. The Commission shall take decisions twice yearly on these requests for aid. The decisions shall be taken on 30 June and 31 December at the latest.

Decisions taken during the first half of a year shall be restricted to applications for aid submitted by 31 December of the previous year. Applications for aid submitted between 1 January and 30 April shall only be considered during the second half of the same year.

3. In order to qualify for aid from the Fund, projects must have been approved by the Member State on whose territory they are to be carried out.

4. Applications for aid must be supported by proof that the project fulfils the conditions laid down in Title I.

5. The information to be provided with applications and the form in which this is to be presented shall be laid down in accordance with the procedure laid down in Article 13, after consultation with the Fund Committee on the financial aspects.

Article 7

1. The Commission shall decide on the granting of aid from the Fund in accordance with the procedure laid down in Article 13, after consulting the Fund Committee on the financial aspects.

2. The Member State and the recipient of aid shall be notified of the Commission's decision.

Article 8

This Regulation shall not apply to projects for which Community aid is being provided under other common measures within the meaning of Article 6(1) of Regulation (EEC) No 729/70 or through the European Regional Development Fund.

TITLE III - FINANCIAL AND GENERAL PROVISIONS

Article 9

1. The period envisaged for carrying out the common measure is five years from 1 January 1978.
2. Before expiry of the period referred to in paragraph 1, this Regulation shall be reviewed by the Council, acting on a proposal from the Commission.
3. The estimated total cost to the Fund of the common measure, for the period from 1 January 1978 to 31 December 1982, shall be 125 million units of account, or an estimated cost of 25 million units of account per year.
4. Article 6(5) of Regulation (EEC) No 729/70 shall apply to this Regulation.

Article 10

1. The aid from the Fund shall consist of capital subsidies granted in one or more instalments.

2. Of the total cost of the investment involved in each project:
- (a) the financial contribution of the beneficiary must be at least 10%;
 - (b) the financial contribution of the Member State on whose territory the project is to be carried out must be at least 20%;
 - (c) the subsidy granted by the Fund shall not exceed 50%.

Article 11

1. Natural or legal persons or groups of such persons on whom would in the last resort fall the cost of carrying out the project may qualify for a contribution from the Fund.

The aid from the Fund shall be paid by agencies designated for that purpose by the Member State concerned.

2. Throughout the period of application of this aid measure the authority or agency designated for the purpose by the Member State concerned shall send the Commission, on request, all supporting documents which may be needed to show that the financial or other conditions laid down for each project are fulfilled. The Commission may, if necessary, make inspection visits.

After consulting the Fund Committee on the financial aspects, the Commission may decide to suspend, reduce or cancel aid provided from the Fund, in accordance with the procedure laid down in Article 13:

- if the project is not carried out as planned or
- if some of the conditions laid down are not fulfilled or
- if the beneficiary, contrary to the information contained in his application and set out in the decision to grant aid, has neither begun the work within two years from the date of notification of that decision, nor furnished adequate assurances before the end of the said period, that the project will be carried out.

The decision shall be notified to the Member State concerned and to the beneficiary.

The Commission shall take steps to recover monies the payment of which was not, or has ceased to be, justified.

3. Without prejudice to Article 6(5) of the Financial Regulation of 25 May 1973¹, applicable to the General Budget of the European Communities, as last amended by the Financial Regulation of 21 December 1976², the appropriations released either as the result of a decision taken in accordance with the second subparagraph of paragraph 2 of this Article or through the beneficiary abandoning the project or reducing the scale of the investment on which the aid decision was based, may be used to finance other projects.

4. Appropriations which have been released in accordance with Article 22(3) of Council Regulation No 17/64/EEC of 5 February 1964 on the conditions for granting aid from the European Agricultural Guidance and Guarantee Fund³, as last amended by Regulation (EEC) No 3171/75⁴, and which were originally allocated to projects be carried out within the same geographical area as is covered by this Regulation, and being of the kinds referred to in Article 11(1)(a) and (b) of Regulation No 17/64/EEC, may be used, from the 1978 financial year, to finance projects submitted pursuant to this Regulation.

5. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 13 of Regulation (EEC) No 729/70.

Article 12

Applications submitted to the Commission for aid for projects which could not be granted for lack of funds may, if the applicants so agree, be carried forward to the following financial year by the Member States concerned.

¹ OJ No L 116, 1.5. 1973, p.1.
² OJ No L 362, 31.12.1976, p.52.
³ OJ No 34, 27.2.1964, p.586/64.
⁴ OJ No L 315, 5.12.1975, p.1.

Requests for carrying forward applications must be made to the Commission within thirty days from the date on which the Member State was notified of the decision taken in accordance with the procedure laid down in Article 13. An application for aid may, however, be carried forward once only.

Article 13

1. Where the procedure laid down in this Article is to be followed, the Chairman shall refer the matter to the Standing Committee on Agricultural Structures, either on his own initiative or at the request of the representative of a Member State.
2. The representative of the Commission shall submit a draft of the measures to be adopted. The Standing Committee on Agricultural Structures shall deliver its Opinion on the draft within a time limit set by the Chairman according to the urgency of the matter. An Opinion shall be delivered by a majority of forty-one votes, the Member States' votes being weighted as laid down in Article 148(2) of the Treaty. The Chairman shall not vote.
3. The Commission shall adopt measures which shall apply immediately. However, if these measures are not in accordance with the Opinion of the Standing Committee on Agricultural Structures, they shall forthwith be communicated by the Commission to the Council; in that event, the Commission may defer application of the measures which it has adopted for not more than one month from the date of such communication.

The Council, acting by a qualified majority, may take a different decision within one month.

Article 14

1. The first decisions on aid pursuant to this Regulation shall be chargeable against the 1978 financial year. They shall relate to applications submitted between the date of entry into force of this Regulation and 1 July 1978.

2. Following the entry into force of this Regulation, Regulation No 17/64/EEC, Part II, shall no longer apply in respect of the types of measure referred to in Article 11(1)(a) and (b) of that Regulation.

3. Projects of the types referred to in Article 2(1) and

- put forward pursuant to Regulation No 17/64/EEC before 21 December 1976 and carried forward from the 1977 financial year to the 1978 financial year;
- or put forward pursuant to Regulation No 17/64/EEC before 1 October 1977 for the 1978 financial year;
- or put forward pursuant to Regulation No 17/64/EEC, between 1 October 1977 and the date of entry into force of this Regulation;

may come within the scope of this Regulation under the conditions laid down therein.

Article 15

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

PROPOSAL FOR A COUNCIL REGULATION AMENDING CERTAIN RULES FOR THE IMPLEMENTATION, IN THE MEZZOGIORNO AND LANGUEDOC-ROUSSILLON, OF REGULATION No 355/77 ON COMMON MEASURES TO IMPROVE THE CONDITIONS UNDER WHICH AGRICULTURAL PRODUCTS ARE PROCESSED AND MARKETED

The Council of the European Communities,

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

Having regard to the proposal from the Commission¹,

Having regard to the Opinion of the European Parliament²,

Having regard to the Opinion of the Economic and Social Committee³,

Whereas the marketing and processing of agricultural products are inadequately organized and often inefficient in the Mezzogiorno and Languedoc-Roussillon regions; whereas the development of these activities and the improvement of the conditions under which they are carried on is of vital importance to the agricultural economy, and indeed to the general economy of these regions in which agriculture is still predominant; whereas such an improvement would serve not only to increase and rationalize outlets for agriculture but would also play an important part in directing and adjusting agricultural production in line with market requirements; whereas such improvement would facilitate attainment of the objectives sought by the other common measures peculiar to the regions under consideration (irrigation in the Mezzogiorno; conversion and restructuring of vineyards in Languedoc-Roussillon);

Whereas on account of the slow development of the economy in general and the difficulties of a financial nature, economic measures relating to the processing and marketing of agricultural products will not be stimulated in the said regions without a

particularly intensive effort;

Whereas the conditions laid down by Council Regulation No 355/77 of 15 February 1977 on common measures to improve the conditions under which agricultural products are processed and marketed¹, are conditions which were designed to apply to the Community as a whole and are not such as will enable the serious obstacles which all economic measures encounter in the said regions to be overcome;

Whereas therefore the conditions laid down in the said Regulation should be adjusted in order to correspond better to the situation in these regions; whereas, in particular, the granting of greater amounts of aid and a higher rate of contribution by the EAGGF Guidance Section are needed to provide adequate encouragement for economic activities in these regions;

Whereas the special efforts to be undertaken in the regions under consideration necessitate an increase in the estimated cost laid down by Regulation No 355/77;

HAS ADOPTED THIS REGULATION:

ARTICLE 1

The following sentence is added to Article 12(2) of Regulation No 355/77:

"This priority, however, shall apply only from 1 January 1980 to projects which, although they are not included in approved programmes, are to be carried out in the Mezzogiorno and Languedoc-Roussillon regions".

¹OJ No L 51, 23.2.1977.

ARTICLE 2

The following Article is added to Regulation No 355/77;

Article 17a

1. By way of derogation from the provisions of Article 17(2) with regard to projects carried out in the Mezzogiorno and Languedoc-Roussillon regions:

- (a) the financial contribution of the beneficiary must be at least 25%;
- (b) the aid granted by the Fund shall not exceed 50%¹.

2. By way of derogation from the provisions of Article 17(3) aid from the Fund for projects provided for in Article 12(1) carried out in the Mezzogiorno and Languedoc-Roussillon regions may not exceed the following percentages of the cost of the investment to which the project relates:

- 50% in the case of projects financed from the 1978 and 1979 budgets;
- 25% in the case of projects financed from the 1980 budget.

ARTICLE 3

Article 16(3) is amended as follows:

Article 16

3. The estimated cost of the common measure financed by the Fund for the period from 1 January 1978 to 31 December 1982 is 640 million u.a., i.e. an estimated cost of 122 million u.a. per year.

¹The Commission proposes here that the following sentence be added to declaration No 5 entered in the Council Minutes when Regulation No 355/77 (Doc. R/129/77 (Agri 27)(Fin 37) was adopted:

"However, with regard to the projects carried out in the Mezzogiorno and Languedoc-Roussillon regions the Council notes the Commission's intention to fix aid from the Fund at:

- 40% or more of the investment only where the contribution of the Member State concerned is 16% or more;
- a level not exceeding 2.5 times the contribution of the Member State concerned in the other cases".

ARTICLE 4

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

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

Done at

For the Council

The President