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REGULATION No 123/67/EEC OF THE COUNCIL

of 13 June 1967

on the common organisation of the market in poultrymeat

THE COUNCIL OF THE EUROPEAN ECONOMIC COMMUNITY,

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

Having regard to the proposal from the Commission;

Having regard to the Opinion of the European Parliament[1];

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

Whereas Regulation No 22[2] provided that the common organisation of the market in poultrymeat should be established progressively from 1962; whereas the main feature of the market organisation thus established is a system of levies to be applied in trade between Member States and with third countries, calculated with particular reference to prices for feed grain;

Whereas the introduction on 1 July 1967 of a single price system for cereals within the Community leads to the establishment of a single market in poultrymeat on that date;

Whereas the aim of the common agricultural policy is to attain the objectives set out in Article 39 of the Treaty; whereas, in the poultrymeat sector, in order to stabilise markets and to ensure a fair standard of living for the agricultural community concerned, provision should be made for measures to facilitate the adjustment of supply to market requirements;

Whereas the creation of a single market for poultrymeat involves the introduction of a single trading system at the external frontiers of the Community, this system to include levies and export refunds;

Whereas to achieve this aim it should as a general rule be sufficient to introduce, in respect of imports from third Countries, levies which take account of the incidence on feeding costs of the difference between prices for feed grain within the Community and on the world market, and of the need to protect the Community processing industry;

Whereas it is necessary to avoid disturbances on the Community market caused by offers made on the world market at abnormally low prices; whereas to this end sluice-gate prices should be fixed and levies should be increased by an additional amount when free-at-frontier offer prices are lower than these prices;

Whereas provision for granting a refund on exports to third countries equal to the difference between prices within the Community and on the world market would serve to safeguard Community participation in international trade in poultrymeat;

Whereas, in addition to the system described above, and to the extent necessary for its proper working, provision should be made for regulating or, when the situation on the market so requires, prohibiting the use of 'inward processing arrangements';

Whereas the levy system makes it possible to dispense with all other protective measures at the external frontiers of the Community; whereas, however, the levy machinery may, in exceptional circumstances, prove defective; whereas, in such cases, so as not to leave the Community market without defence against disturbances which may arise therefrom after the import barriers which existed priviously have been removed, the Community should be enabled to take all necessary measures without delay;

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[1] OJ No 103, 2.6.1967, p. 2084/67.
[2] OJ No 30, 20.4.1962, p. 959/62.

Whereas the establishment of a single market in poultrymeat involves the removal at the internal frontiers of the Community of all obstacles to the free movement of the goods in question;

Whereas the establishment of a single market would be jeopardised by the granting of certain aids; whereas, therefore, the provisions of the Treaty which allow the assessment of aids granted by Member States and the prohibition of those which are incompatible with the common market should be made to apply to poultrymeat;

Whereas the transition from the system provided in Regulation No 22 to that established by this Regulation should be effected as smoothly as possible; whereas products marketed during the first weeks following the date on which this Regulation begins to apply will have been obtained from cereals purchased at the national prices ruling in the producing country before that date and differing from the common prices; whereas, therefore, the production costs of such products will still be influenced by differences between the national prices for cereals ruling before that date, and between these prices and the common prices; whereas differences in production costs may lead to certain disturbances in trade between Member States and with third countries; whereas, in order to avoid such disturbances, provision should be made for intra-Community levies and supplementary levies in respect of third countries on imports of the products in question for a certain transitional period; whereas, moreover, other transitional measures may prove necessary to facilitate the transition from the system provided in Regulation No 22 to the system established by this Regulation;

Whereas the common organisation of the market in poultrymeat must take appropriate account, at the same time, of the objectives set out in Articles 39 and 110 of the Treaty;

Whereas, in order to facilitate implementation of the proposed measures, a procedure should be provided for establishing close co-operation between Member States and the Commission within a Management Committee;

HAS ADOPTED THIS REGULATION:

Article 1

1. The common organisation of the market in poultrymeat shall cover the following products:

	CCT heading No	Description of goods
(a)	01.05	Live poultry, that is to say, fowls, ducks, geese, turkeys and guinea fowls
(b)	02.02	Dead poultry (that is to say, fowls, ducks, geese, turkeys and guinea fowls) and edible offals thereof (except liver), fresh, chilled or frozen
(c)	02.03	Poultry liver, fresh, chilled, frozen, salted or in brine
(d)	ex 02.05	Unrendered poultry fat, fresh, chilled, frozen, salted, in brine, dried or smoked
(e)	15.01 B	Rendered poultry fat
(f)	ex 16.02 B I	Other prepared or preserved poultrymeat or poultry offal

2. For the purposes of this Regulation:

(a) 'live poultry' means live fowls, ducks, geese, turkeys and guinea fowls each weighing more than 185 grammes;

(b) 'chicks' means live fowls, ducks, geese, turkeys and guinea fowls each weighing not more than 185 grammes;

(c) 'slaughtered poultry' means dead fowls, ducks, geese, turkeys and guinea fowls, whole, with or without offal;

(d) 'derived products' means the following:

(1) products specified in paragraph 1 (a), exluding chicks;

(2) products specified in paragraph 1 (b), excluding slaughtered poultry and edible offals, known as 'poultry cuts';

(3) edible offals specified in paragraph 1 (b);

(4) products specified in paragraph 1 (c);

(5) products specified in paragraph 1 (d) and (e);

(6) products specified in paragraph 1 (f);

(e) a 'quarter' means a period of three months beginning 1 February, 1 May, 1 August or 1 November.

Article 2

1. In order to encourage action by trade and joint trade organisations to facilitate the adjustment of supply to market requirements, with the exception of action relating to withdrawal from the market, the following Community measures may be taken in respect of the products listed in Article 1 (1):

— measures to promote better organisation of production, processing and marketing;

— measures to improve quality;

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

— measures to facilitate the recording of market price trends.

General rules concerning these measures shall be adopted in accordance with the procedure laid down in Article 43 (2) of the Treaty.

2. Marketing standards:

— shall be adopted for one or more of the products listed in Article 1 (1) (b);

— may be adopted for the products listed in Article 1 (1) (a), (c), (d), (e) and (f).

These standards may relate in particular to grading by quality and weight, packaging, storage, transport, presentation and marking.

Standards, their scope and the general rules for their application 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 3

A levy, fixed in advance for each quarter in accordance with the procedure laid down in Article 17, shall be charged on imports into the Community of the products listed in Article 1 (1).

Article 4

1. The levy on slaughtered poultry shall be composed of:

(a) one component equal to the difference between prices within the Community and on the world market for the quantity of feed grain, varied according to kind of poultry, which is required for the production in the Community of one kilogramme of slaughtered poultry.

The prices for feed grain within the Community shall be determined once a year for a period of twelve months beginning 1 August, on the basis of the threshold prices for such grain and the monthly increase thereof.

The prices for feed grain on the world market shall be determined quarterly on the basis of the prices for such grain for the six months preceding the quarter during which the said component is calculated.

However, when the levies applicable from 1 November, 1 February and 1 May are being fixed, trends in world market prices for feed grain shall be taken into account only if at the time a new sluice-gate price is being fixed.

(b) one component equal to 7% of the average of the sluice-gate prices ruling for the four quarters preceding 1 May of each year.

This component shall be calculated once a year for a period of twelve months beginning 1 August.

2. The levy on chicks shall be calculated in the same way as the levy on slaughtered poultry. However, the quantity of feed grain to be used shall be that required for the production in the Community of one chick; the sluice-gate price shall be that applicable to chicks.

3. The Council, acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission, shall:

— determine the quantity of feed grain, varied according to kind of poultry, which is required for the production of one kilogramme of slaughtered poultry and the quantity of feed grain required for the production of one chick, and the percentages of the various feed grains included in these quantities;

— adopt rules for the application of this Article.

Article 5

1. As regards the products listed in Article 1 (2) (d), the levy shall be derived from the levy on slaughtered poultry, on the basis of the weight ratio of these various products to slaughtered poultry and, where necessary, of the average ratio between their market values.

2. By way of derogation from the provisions of paragraph 1, for products falling within Common Customs Tariff headings Nos 02.03, 15.01 B and ex 16.02 B I, in respect of which the rate of duty has

been bound within GATT, the levies shall be limited to the amount resulting from that binding.

3. The coefficients expressing the ratios mentioned in paragraph 1 shall be fixed in accordance with the procedure laid down in Article 17. The information used in fixing the coefficients shall be reconsidered at least once a year.

Article 6

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

The Council, acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission, shall adopt general rules for the application of this Article.

Article 7

1. Sluice-gate prices shall be fixed in advance for each quarter in accordance with the procedure laid down in Article 17.

2. The sluice-gate price for slaughtered poultry shall be composed of:

(a) an amount equal to the price on the world market for the quantity of feed grain, varied according to kind of poultry, which is required for the production in third countries of one kilogramme of slaughtered poultry;

(b) a standard amount representing other feeding costs and overhead costs of production and marketing, varied according to kind of poultry.

The price for the quantity of feed grain on the world market shall be determined quarterly on the basis of the prices for such grain for the six months preceding the quarter during which the sluice-gate price is fixed.

However, when the sluice-gate price applicable from 1 November, 1 February and 1 May is being fixed, trends in world market prices for feed grain shall be taken into account only if the price of the quantity of feed grain shows a minimum variation from that used in calculating the sluice-gate price for the preceding quarter. The information used in fixing the standard amount mentioned in (b) shall be reconsidered at least once a year.

3. The sluice-gate price for chicks shall be calculated in the same way as the sluice-gate price for slaughtered poultry; however, the price for the quantity of feed grain on the world market shall be the price for the quantity required for the production in third countries of one chick and the standard amount shall be the amount representing other feeding costs and overhead costs of production and marketing in respect of one chick. The quantity of feed grain and the standard amount are not varied according to kind.

4. As regards the products listed in Article 1 (2) (d), the sluice-gate prices shall be derived from the sluice-gate price for slaughtered poultry on the basis of the coefficients fixed for such products under Article 5 (3).

5. The Council, acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission, shall adopt rules for the application of this Article.

Article 8

1. Where the free-at-frontier offer price for a product falls below the sluice-gate price, the levy on that product shall be increased by an additional amount equal to the difference between the sluice-gate price and the free-at-frontier offer price.

2. However, the levy shall not be increased by this additional amount as regards third countries which are prepared and in a position to guarantee that the price for imports into the Community of products originating in and coming from their territory will not be lower than the sluice-gate price for the product in question and that any deflection of trade will be avoided.

3. The free-at-frontier offer price shall be determined for all imports from all third countries.

However, if exports from one or more third countries are effected at abnormally low prices, lower than the prices ruling in other third countries, a second free-at-frontier offer price shall be determined for exports from these other countries.

4. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 17.

The additional amounts shall be fixed, where necessary, in accordance with the same procedure.

Article 9

1. To the extent necessary to enable the products listed in Article 1 (1) to be exported on the basis of prices for those products on the world market, the difference between those prices and prices within the Community may be covered by an export refund.

2. The refund shall be the same for the whole Community. It may be varied according to use or destination.

The refund shall be granted on application by the party concerned.

When the refund is being fixed particular account shall be taken of the need to establish a balance between the use of Community basic products in the manufacture of processed goods for export to third countries and the use of third country products brought in under inward processing arrangements.

The Council, acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission, shall adopt general rules for granting export refunds and criteria for fixing the amount of such refunds.

Refunds shall be fixed at regular intervals in accordance with the procedure laid down in Article 17. Where necessary the Commission may, at the request of a Member State or on its own initiative, alter the refunds in the intervening period.

3. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 17.

Article 10

1. To the extent necessary for the proper working of the common organisation of the market in poultrymeat, the Council, acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission, may prohibit, in whole or in part, the use of inward processing arrangements in respect of products listed in Article 1 (1) which are intended for the manufacture of products listed in that paragraph.

2. Community provisions to regulate the inward processing trade in the products listed in Article 1 (1) shall be adopted not later than 1 July 1968.

3. Rules to be applied until the provisions mentioned in paragraph 2 enter into force shall be adopted in accordance with the procedure referred to in paragraph 1; they shall apply in respect of:

(a) the rate of yield to be taken when determining the quantity of Article 1 (1) products used in the manufacture of processed goods for export;

(b) the determination, for the purpose of applying the levy, of the quantity of products used in the manufacture of processed goods put into free circulation.

4. For the purposes of this Article 'inward processing arrangements' means all those provisions determining the conditions under which products from third countries are used within the Community in the manufacture of goods for export and enjoy exemption from the levies applicable to them.

Article 11

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

2. Save as otherwise provided in this Regulation or where derogation therefrom is decided 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, the following shall be prohibited:

— the levying of any customs duty or charge having equivalent effect;

— the application of any quantitative restriction or measure having equivalent effect, subject to the provisions of the Protocol on the Grand Duchy of Luxembourg.

The restriction of import or export licences to a specified category of those entitled to receive them shall be one of the measures considered as having effect equivalent to a quantitative restriction.

Article 12

1. If by reason of imports or exports the Community market in one or more of the products listed in Article 1 (1) experiences or is threatened with serious disturbances which may endanger the objectives set out in Article 39 of the Treaty, appropriate measures may be applied in trade with third countries until such disturbance or threat of disturbance has ceased.

The Council, acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission, shall adopt detailed rules for the application of this paragraph and define the cases in which and the limits within which Member States may take protective measures.

2. If the situation mentioned in paragraph 1 arises, the Commission shall, at the request of a Member State or on its own initiative, decide upon the necessary measures; the measures shall be communicated

to the Member States and shall be immediately applicable. If the Commission receives a request from a Member State, it shall take a decision thereon within twenty-four hours following receipt of the request.

3. The measures decided upon by the Commission may be referred to the Council by any Member State within three working days following the day on which they were communicated. The Council shall meet without delay. It may amend or repeal the measures in question in accordance with the voting procedure laid down in Article 43 (2) of the Treaty.

Article 13

1. The following shall be prohibited in the internal trade of the Community:

— the levying of any customs duty or charge having equivalent effect;

— any quantitative restriction or measure having equivalent effect, subject to the provisions of the Protocol on the Grand Duchy of Luxembourg;

— recourse to Article 44 of the Treaty.

2. Goods listed in Article 1 (1) which are manufactured or obtained from products to which Article 9 (2) and Article 10 (1) of the Treaty do not apply shall not be admitted to free circulation within the Community.

Article 14

Save as otherwise provided in this Regulation, Articles 92 to 94 of the Treaty shall apply to the production of and trade in the products listed in Article 1 (1).

Article 15

Member States and the Commission shall communicate to each other the information necessary for implementing this Regulation. Rules for the communication and distribution of such information shall be adopted in accordance with the procedure laid down in Article 17.

Article 16

1. A Management Committee for Poultrymeat and Eggs (hereinafter called the 'Committee') shall be established, consisting of representatives of Member States and presided over by a representative of the Commission.

2. Within the Committee the votes of Member States shall be weighted in accordance with Article 148 (2) of the Treaty. The Chairman shall not vote.

Article 17

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

2. The representative of the Commission shall submit a draft of the measures to be taken. The Committee shall deliver its Opinion on such measures within a time-limit to be set by the Chairman according to the urgency of the questions under consideration. An Opinion shall be adopted by a majority of twelve votes.

3. The Commission shall adopt measures which shall apply immediately. However, if these measures are not in accordance with the Opinion of the Committee, 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 in accordance with the voting procedure laid down in Article 43 (2) of the Treaty, may take a different decision within one month.

Article 18

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

Article 19

At the end of the transitional period, the Council, acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission, shall decide in the light of experience whether to retain or amend the provisions of Article 17.

Article 20

This Regulation shall be so applied that appropriate account is taken, at the same time, of the objectives set out in Articles 39 and 110 of the Treaty.

Article 21

The additional amount provided for in Article 8 shall be considered as a levy in relation to third countries within the meaning of Article 11 (4) of Council Regulation No 130/66/EEC[1] of 26 July 1966 on the financing of the common agricultural policy.

Article 22

Should Italy have recourse to the provisions of Article 23 of Council Regulation No 120/67/EEC[2] of 13 June 1967 on the common organisation of the market in cereals, the Council, acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission, shall take the necessary measures to avoid distortions of competition.

Article 23

1. In order to offset the differences in feeding costs between Member States resulting from differences between feed-grain prices existing before 1 July 1967, a levy on imports into one Member State from another Member State shall be charged during the period ending 13 August 1967 in respect of the products listed in Article 1 (1).

2. In order to offset the differences in feeding costs between third countries and Member States whose feed-grain prices are higher than the common prices, such differences resulting from differences in such prices existing before 1 July 1967, a supplementary levy, in addition to the levies set out in Articles 4 and 5 increased where appropriate in pursuance of Article 8, shall be charged during the period ending 13 August 1967 on imports from third countries of the products listed in Article 1 (1).

3. The Council, acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission, shall fix the amounts of the levies and supplementary levies provided in paragraphs 1 and 2.

Article 24

Should transitional measures be necessary to facilitate the transition from the system provided in Regulation No 22 to that established by this Regulation, in particular if the introduction of the new system on the date provided for would give rise to substantial difficulties in respect of certain products, such measures shall be adopted in accordance with the procedure laid down in Article 17. They shall be applicable until 31 December 1967 at the latest.

Article 25

The levy and the sluice-gate price shall be fixed for the first time for the period from 1 July to 31 October 1967.

Article 26

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

The system established by this Regulation shall apply from 1 July 1967, except for the measures provided for in Article 24 which may be made to apply from the date of entry into force of this Regulation.

Regulation No 22 and the provisions adopted in implementation thereof shall be repealed with effect from 1 July 1967, except for the provisions of Regulation No 3/63/EEC[3] and the provisions in force on that date fixing an additional amount or relating to the non-fixing of such an amount, to the extent that such provisions are compatible with this Regulation and the measures adopted in pursuance thereof. Such provisions shall remain in force until amended or repealed in accordance with the provisions of this Regulation and the measures adopted in pursuance thereof.

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

Done at Brussels, 13 June 1967.

For the Council

The President

Ch. HÉGER

[1] OJ No 165, 21.9.1966, p. 2965/66.

[2] OJ No 117, 19.6.1967, p. 2269/67.

[3] OJ No 14, 29.1.1963, p. 153/63.