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REGULATION (EEC) No 1696/71 OF THE COUNCIL
of 26 July 1971
on the common organisation of the market in hops

(OJ L 175, 4.8.1971, p. 1)

Amended by:

		Official Journal		
		No	page	date
►**M1**	Council Regulation (EEC) No 1170/77 of 17 May 1977	L 137	7	3.6.1977
►**M2**	Council Regulation (EEC) No 235/79 of 5 February 1979	L 34	4	9.2.1979
►**M3**	Council Regulation (EEC) No 3332/85 of 26 November 1985	L 318	1	29.11.1985
►**M4**	Council Regulation (EEC) No 3768/85 of 20 December 1985	L 362	8	31.12.1985
►**M5**	Council Regulation (EEC) No 3800/85 of 20 December 1985	L 367	32	31.12.1985
►**M6**	Commission Regulation (EEC) No 3998/87 of 23 December 1987	L 377	40	31.12.1987
►**M7**	Council Regulation (EEC) No 3808/89 of 12 December 1989	L 371	1	20.12.1989
►**M8**	Council Regulation (EEC) No 2780/90 of 24 September 1990	L 265	1	28.9.1990
►**M9**	Council Regulation (EEC) No 3577/90 of 4 December 1990	L 353	23	17.12.1990
►**M10**	Council Regulation (EEC) No 3124/92 of 26 October 1992	L 313	1	30.10.1992
►**M11**	Council Regulation (EC) No 3290/94 of 22 December 1994	L 349	105	31.12.1994
►**M12**	Council Regulation (EC) No 1554/97 of 22 July 1997	L 208	1	2.8.1997
►**M13**	Council Regulation (EC) No 1257/1999 of 17 May 1999	L 160	80	26.6.1999
►**M14**	Council Regulation (EC) No 191/2000 of 24 January 2000	L 23	4	28.1.2000
►**M15**	Council Regulation (EC) No 1514/2001 of 23 July 2001	L 201	8	26.7.2001

Amended by:

►**A1**	Act of Accession of Denmark, Ireland and the United Kingdom of Great Britain and Northern Ireland (*)	L 73	14	27.3.1972
	(adapted by Council Decision of 1 January 1973)	L 2	1	1.1.1973
►**A2**	Act of Accession of Greece	L 291	17	19.11.1979
►**A3**	Act of Accession of Austria, Sweden and Finland	C 241	21	29.8.1994
	(adapted by Council Decision 95/1/EC, Euratom, ECSC)	L 1	1	1.1.1995

Corrected by:

►**C1** Corrigendum, OJ L 230, 21.8.1997, p. 19 (1554/97)

NB: This consolidated version contains references to the European unit of account and/or the ecu, which from 1 January 1999 should be understood as references to the euro — Council Regulation (EEC) No 3308/80 (OJ L 345, 20.12.1980, p. 1) and Council Regulation (EC) No 1103/97 (OJ L 162, 19.6.1997, p. 1).

(*) This Act was never published in English.

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THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Articles 42, 43, 113 and 235 thereof;

Having regard to the proposal from the Commission;

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

Having regard to the Opinion of the Economic and Social Committee;

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

Whereas Community production of hops is of especial interest for the economy of certain regions of the Community; whereas, for certain farmers in these regions, hop production represents a major part of their income;

Whereas, since vegetable saps and extracts of hops are not listed in Annex II to the Treaty, they are excluded from application of the provisions therein concerning agriculture, whilst hops are subject thereto; whereas, however, since the products in question are broadly speaking interchangeable, this situation is liable to prejudice the effect of the common agricultural policy in hops; whereas measures adopted for hops in respect of trade with third countries pursuant to Article 113 and the marketing rules adopted for hops pursuant to Article 235 should be extended to vegetable saps and extracts of hops;

Whereas international trade has traditionally held great importance for producers and users of hops within the Community; whereas in the main the best return on Community production has up to now been obtained through its competitiveness on the world market and through flexible adjustment of quality and quantity of production to marketing outlets; whereas the common organisation of the markets should not make any basic changes in this situation but should contribute by appropriate measures to the improvement of the quality of the products and protect the producers from any lowering of their present standards of living;

Whereas a quality policy should be followed throughout the Community by implementing provisions concerning certification of the designation of origin together with rules prohibiting, as a general rule, the marketing of products for which the certificate has not been issued or, in the case of imported products, those which do not comply with equivalent minimum quality characteristics; whereas provision should be made for the definition of a standard quality constituting a basis for reference in commercial transactions and ensuring satisfactory alignment of the market;

Whereas adequate information is needed about the present state of the market within the Community and the prospects for its development; whereas, in this respect, the fact that a large part of the output is marketed under contracts concluded before the harvest and even for several years may facilitate forward planning for the development of the market; whereas provision should therefore be made for the registration of all contracts to supply hops produced within the Community; whereas, however, this information should be kept secret in order to assure the persons concerned that it will be used entirely for statistical purposes and in order thus to obtain entirely objective information;

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[1] OJ No C 66, 1.7.1971, p. 28.

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Whereas, in order to stabilise markets and to ensure a fair standard of living for the agricultural community and reasonable prices for supplies to consumers, centralisation of the supply and the joint adaptation by growers of their produce to the requirements of the market should be encouraged;

Whereas to this end the grouping of growers in bodies which require their members to comply with common rules is likely to further the achievement of the objectives of Article 39 of the Treaty; whereas these objectives may be pursued, in particular, not only by the grouping of growers within producer groups but also by the formation of unions of these groups;

Whereas in order to avoid any discrimination between producers and to ensure the unity and effectiveness of any action undertaken, conditions should be fixed, for the whole of the Community, with which producers' groups and unions of groups must comply in order to be recognised by the Member States; whereas in order to obtain effective centralisation of supply it is necessary in particular that the groups and unions should be of an economically viable size and that the entire output of member producers of groups should be marketed either directly by the group or by the union or by the producers, according to common rules;

Whereas provision should be made for measures calculated to facilitate the setting up and functioning of these groups; whereas, to this end, Member States should be allowed to grant them aid to be financed in part by the Community; whereas, however, the amount of such aid should be limited and should be designated as temporary and degressive so that the financial responsibility of the producers will progressively increase;

Whereas some Community hop gardens need to be adapted in respect both of the varieties produced and of the possibility of rationalising cultivation and harvesting operations; whereas, for a certain number of years, conversion of the hop gardens to different varieties and their reorganisation should be facilitated by granting specific aid to producers' groups undertaking such activities;

Whereas, in order to ensure a fair standard of living for producers, a system of aid should be provided; whereas the Commission must present a report to the Council annually after marketing the harvest so that it may be decided whether such aid should be fixed; whereas the aid may be granted if examination of this report reveals that the average return per hectare has been insufficient taking into account the present state and foreseeable trend of the market;

Whereas the proposed measures must enable a system of importation to be provided for which includes no measures other than the implementation of the Common Customs Tariff; whereas that tariff applies automatically under the Treaty from 1 January 1970;

Whereas these measures make it possible to waive all quantitative restriction at the external frontiers of the Community; whereas this procedure may, however, in exceptional cases, be found to be ineffective; whereas, in such cases, in order not to leave the Community market defenceless against disturbances liable to arise therefrom once previously existing obstacles to imports have been abolished, the Community must be empowered to take all necessary measures quickly;

Whereas, in internal Community trade, the levying of any customs duty or charges having an equivalent effect and the application of any quantitative restriction or any measure having an equivalent effect are automatically prohibited from 1 January 1970 under the provisions of the Treaty; whereas, finally, in the absence of minimum prices on 31 December 1969, recourse to Article 44 of the Treaty is automatically excluded from 1 January 1970;

Whereas the effectiveness of all the measures governing the common organisation of the market in hops would be prejudiced by the granting of certain aids on the part of the Member States; whereas the provisions of the Treaty enabling aids granted by the Member States to be evaluated and aids which are incompatible with the common market to be prohibited should be applied to the market in hops; whereas,

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however, provision should be made for a temporary system for national aid granted for contracts lasting several years made before the entry into force of the common organisation of the market;

Whereas the Community should be made financially responsible for expenditure incurred by the Member States as a result of obligations arising from the implementation of this Regulation, in accordance with the provisions of the regulations on the financing of the common agricultural policy;

Whereas the transition from the system in force in the Member States to that set up by this Regulation must be carried out under the best possible conditions; whereas, for this reason, temporary measures may prove to be necessary;

Whereas the common organisation of the market in hops must take account, at the same time and in an appropriate manner, of the objectives laid down in Articles 39 and 110 of the Treaty;

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

HAS ADOPTED THIS REGULATION:

Article 1

▼M6

1. A common organization of the market in hops shall be established, covering the following products:

CN code	Description of goods
1210	Hop cones, fresh or dried, whether or not ground, powdered or in the form of pellets; lupulin

2. The rules concerning marketing and trade with third countries shall also apply to the following products:

CN code	Description of goods
1302 13 00	Vegetable saps and extracts of hops

▼B

3. For the purpose of this Regulation,

(a) ‘hops’ means the dried inflorescenses, also known as cones, of the (female) climbing hop plant *(humulus lupulus)*; these inflorescenses, which are greenish yellow and of an ovoid shape, have a flower stalk and their longest dimension generally varies from 2 to 5 cm;

(b) ‘hop powder’ means the product obtained by milling the hops, containing all the natural elements thereof;

▼M10

(c) ‘hop powder with higher lupulin content’ means the product obtained by milling the hops mechanical removal of a part of the leaves, stalks, bracts and rachides;

(d) ‘extract of hops’ means the concentrated products obtained by the action of a solvent on the hops or on the hop powder;

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(e) ‘mixed hop products’ means a mixture of two or more of the products referred to above.

▼M1

4. Within the meaning of Article 12 (5):

(a) hops at the first stage of preparation are hops which have passed the first drying treatment, and are packed and ready for sale;

(b) areas in full production:

areas in full production from the third year of production.

▼B

TITLE I

Marketing

▼M1

Article 2

1. The products referred to in Article 1, harvested within the Community or prepared from hops harvested within the Community or imported from third countries shall be subject to a certification procedure.

2. The certificate may be issued only for products having the minimum quality characteristics appropriate to a specific stage of marketing. ►M10 In the case of the products referred to in Article 1 (3) (b) to (e) the certificate may only be issued if the alpha acid content of these products is not lower than that of the hops they have been prepared from. ◄

3. The certificate must show at least:

(a) the place(s) of production of the hops;

(b) the year(s) of harvesting;

(c) the variety or varieties.

4. The Council, acting by qualified majority on a proposal from the Commission, shall adopt, for each product, general rules for the application of this Article and the date from which it shall be applied.

5. Detailed rules for the application of this Article shall be adopted in accordance with the procedure provided for in Article 20.

▼B

Article 3

1. Where products referred to in Article 1 are subject to a certification procedure ►M1 ——— ◄, they may only be marketed or exported if the certificate has been issued.

2. Measures derogating from the provision laid down in paragraph 1 may be decided upon according to the procedure provided for in Article 20:

(a) in order to satisfy the trade requirements of certain third countries; or

(b) for products intended for special uses.

The measures provided for in the preceding subparagraph must:

— not prejudice the normal marketing of products for which the ►M1 ——— ◄ certificate has been issued,

— and be accompanied by guarantees intended to avoid any confusion with those products.

▼M1

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▼B

Article 5

1. The products referred to in Article 1 coming from third countries may be imported only if their quality standards are at least equivalent to the minimum limits for marketing adopted for like products, harvested within the Community, or their derivatives.

▼M1

2. The products referred to in Article 1 shall be considered as being of the standard referred to in paragraph 1 if they are accompanied by an attestation issued by the authorities of the country of origin and recognized as equivalent to the certificate referred to in Article 2. The equivalence of these attestations shall be verified ►M2 ——————— ◄ according to the procedure provided for in Article 20.

▼B

3. Rules for the application of this Article shall be adopted in accordance with the procedure provided for in Article 20.

TITLE II

Supply contracts

Article 6

1. Any contract to supply hops produced within the Community concluded between a producer or an association of producers and a buyer shall be registered by the bodies designated for that purpose by each producer Member State.

2. Contracts relating to the supply of specific quantities at agreed prices for a period covering one or more harvests and concluded before 1 August of the year of the first harvest concerned shall be known as 'contracts concluded in advance'. They shall be registered separately.

3. Member States shall periodically provide the Commission with statistical information on the registration of contracts.

4. The data on which registration is based may be used only for the purposes of this Regulation.

5. Rules for the application of this Article shall be adopted in accordance with the procedure provided for in Article 20.

TITLE III

Producer groups

▼M1

Article 7

1. For the purposes of this Regulation, 'producer group' means a group consisting exclusively or, when national legislation allows, mainly of hop producers formed on the initiative of the producers for the purpose of, in particular:

▼M12

(a) concentrating supply and stabilizing the market by marketing all the produce of the members or, if necessary, by purchasing hops at a higher price than that laid down in Article 7 (3) (b);

(b) adapting such production jointly to the requirements of the market and improving the product by converting to other varieties, by reorganizing hop gardens, by carrying out promotion, and by conducting research into production, marketing and integrated protection;

(c) promoting the rationalization and mechanization of cultivation and harvesting operations in order to render production more profitable and better protect the environment;

(d) deciding what varieties of hops may be grown by its members and adopting common rules on production;

(e) managing the aid system provided for in Article 12 by allocating the share of the aid to each member of the group in proportion to area cultivated, subject to the application of paragraph 5 of that Article;

▼M1

and recognized by a Member State under the provisions of paragraph 3.

▼M12

1*a*. Producer groups may use up to 20 % of the aid for measures designed to attain the aims referred to in paragraph 1 (a) to (d).

▼M1

2. For the purposes of this Regulation, 'union' means a union of recognized producer groups pursuing the same objectives as these groups and recognized by a Member State under the provisions of paragraph 3.

3. Member States shall recognize the producer groups and unions thereof which request recognition and fulfil the following general conditions:

(a) apply common rules for production and placing on the market (first stage of marketing);

▼M12

(b) include an obligation in their statutes on producers who are members of groups and on recognized producer groups which are members of unions to:

— comply with the common rules on production and decisions on the varieties to be grown,

— market all their produce through the group or the union.

That obligation shall not apply, however, to products covered by sales contracts concluded by producers before they joined the group, provided that the latter is informed of and has approved such contracts.

However, where the producer group so authorizes and under the conditions it lays down, member producers may:

— replace the obligation to have all their production marketed by the producer group with marketing in accordance with common rules incorporated in the statutes to ensure that the producer group has the right to monitor selling prices, which it must approve, failure to do so requiring the group to take over the hops at a higher price;

— market, through the offices of another producer group designated by their own group, products which by virtue of their characteristics are not necessarily covered by the commercial activities of the latter;

▼M1

(c) provide proof of an economically viable activity;

(d) exclude throughout their field of activity any discrimination between Community producers or groups in respect of, in particular, their nationality or place of establishment;

(e) guarantee all producers who undertake to comply with the statutes, without discrimination, the right to belong to a group;

(f) include in their statutes provisions aimed at ensuring that the members of a group or union who wish to give up their membership may do so after a period of membership of at least three years and provided that they inform the group or union at least one year before they leave of their intention of doing so.

Those provisions shall apply without prejudice to the national laws or regulations designed to protect, in specific cases, the group or union or creditors thereof against the financial consequences which might arise from a member leaving, or to prevent a member from leaving during the budgetary year;

(g) have the legal personality or sufficient legal capacity to be subject, under the provisions of national legislation, to rights and obligations;

(h) include in their statutes the obligation to keep separate accounts for the activities in respect of which they have been recognized;

(i) do not hold a dominant position in the Community.

4. The authority competent to recognize producer groups and unions thereof shall be the Member State within whose territory the producer group or union has its registered office.

▼M1

5. Rules for the application of this Article, and in particular the management of the aid system laid down in paragraph 1 (e), the definition of 'placing on the market' for the purposes of paragraph 3 (a), and rules concerning the provisions laid down in paragraph 3 (f), shall be adopted in accordance with the procedure provided for in Article 20.

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TITLE IV

Aid to producers

▼M14

▼M1

Article 12

1. A system of aid shall be instituted for hops produced in the Community.

2. Aid may be granted to producers to enable a fair income to be realized.

▼M12

3. (a) In those Community regions in which recognized producer groups are able to ensure a fair income for their members and to achieve rational management of supply, the aid shall be granted to such producer groups alone.

(b) In the specific case where a producer is established in a Member State other than that of the group of which he is a member, the full amount of the aid shall be paid directly to that producer by the competent authorities of the Member State in which he is established.

(c) In the other regions, aid shall also be granted to individual producers.

▼M1

4. The Council, acting on a proposal from the Commission based on the information communicated to it by the Member States, shall adopt in good time by a qualified majority the list of the regions which are referred to in the first subparagraph of paragraph 3.

▼M12

5. ►M15 (a) The aid per hectare shall be the same for all groups of varieties. For a period of eight years from the 1996 harvest, it shall amount to EUR 480/ha. ◄

(b) Where the aid is granted to a recognized producer group in accordance with the first subparagraph of paragraph 3, the group shall be able to decide whether to pay the full aid each year, to its members in proportion to the area they cultivate or only a percentage of at least 80 % thereof, depending on whether there are still applications pending for varietal conversion or possibly other aims to be attained in accordance with ►C1 Article 7 (1) (a) - (d) ◄.

(c) Where the aid is granted to a recognized producer group and where that body does not market all the produce of its members, it shall each year withhold 20 % of the aid to producers to attain the aims referred to in (b).

▼M15

(d) The aid withheld may be accumulated for a maximum period of three years; at the end of that period all aid withheld must have been spent.

▼M12

(e) In the case referred to in paragraph 3 (b) of this Article, the producer in question must pay to the producer group of which he is a member an amount equivalent to the amount withheld in accordance with points (b) or (c) above.

▼M14

6. Where the market situation shows that there is a risk of creating structural surpluses or disturbance in the supply structure of the Community hop market, the Council acting on a proposal from the Commission in accordance with the procedure laid down in Article 37(2) of the Treaty, may adjust the amount of the aid set in paragraph 5 either:

(a) by granting the aid solely in respect of part of the area under hops registered for the year in question, adjusting the aid where the need arises; or

(b) by declaring ineligible for aid those areas under hops which are in their first and/or second year of production.

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▼M1

8. The arrangements for implementing this Article shall be adopted in accordance with the procedure laid down in Article 20.

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Article 13

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1. Subject to Article 12 (6), aid shall be granted for registered areas on which the crop has been harvested.

Member States shall designate the bodies which are competent to register, for each producer, the areas under hops, and which are responsible for control and maintenance of the register.

▼B

2. For the purposes of this Article, Member States may consider a recognised producer group as a single producer.

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 adopt general rules for the application of this Article.

4. Detailed rules for the application of this Article shall be laid down in accordance with the procedure provided for in Article 20.

▼M11

TITLE V

Trade with third countries

Article 14

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

Article 15

1. The general rules for the interpretation of the combined nomenclature and the special rules for its application shall apply to the classification of products covered by this Regulation.

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

— the levying of any charge having equivalent effect to a customs duty,

▼M11

— the application of any quantitative restriction or measure having equivalent effect.

*Article 15*a

1. If, by reason of imports or exports, the Community market in one or more of the products listed in Article 1 is affected by, or is threatened with, serious disturbance likely to jeopardize the achievement of the objective set out in Article 39 of the Treaty, appropriate measures may be applied in trade with third countries until such disturbance of threat of disturbance or disturbance has ceased.

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

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

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

4. This Article shall be applied having regard to the obligations arising from agreements concluded in accordance with Article 228 (2) of the Treaty.

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TITLE VI

General provision

▼M12

Article 16

Except where otherwise provided for in this Regulation, Articles 92, 93 and 94 of the Treaty shall apply to production of and trade in the products referred to in Article 1 (1).

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Article 16a

In cases where there is a danger of creating surpluses or of a disturbance in the supply structure of the market, the Council, acting by a qualified majority on a proposal from the Commission, may take appropriate measures to prevent market imbalance. Such measures may, for instance, take the form of action affecting:

— the production potential,

— the volume of supply,

— the marketing conditions.

▼M13

Article 17

1. The Regulations on the financing of the common agricultural policy shall apply to the market in the products referred to in Article 1(1) from the date of implementation of the arrangements laid down herein.

▼M14

▼M13

3. Member States shall pay the aid referred to in Article 12 to the producers between 16 October and 31 December of the marketing year in respect of which the aid is applied for.

4. The Commission shall, following the procedure laid down in Article 20, adopt rules for the application of this Article

▼M12

Article 18

The Member States and the Commission shall send each other such information as is necessary for the implementation of this Regulation. The procedure for forwarding, assessing and disseminating such information shall be adopted in accordance with the procedure laid down in Article 20.

On the basis of that information the Commission shall undertake to draw up an assessment of the sector for the Council of the European Union before ►M15 31 December 2003 ◄; that assessment may, if appropriate, be accompanied by proposals.

▼M15

Article 20

1. The Commission shall be assisted by a 'management committee for hops' (hereinafter referred to as 'the committee').

2. Where reference is made to this Article, Articles 4 and 7 of Decision 1999/468/EC shall apply.

The period laid down in Article 4(3) of Decision 1999/468/EC shall be set at one month.

3. The committee shall adopt its rules of procedure.

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Article 21

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

Article 22

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.

▼M1

Article 23

Should transitional measures be necessary to facilitate the transition to the system, as amended by Regulation (EEC) No 1170/77, in particular if the introduction of the amended system on the date laid down meets with substantial difficulties, such measures shall be adopted in accordance with the procedure laid down in Article 20. They shall remain applicable until 31 December 1980 at the latest.

Until this date the United Kingdom shall be authorized to pay producers the amount of production aid through the intermediary of a body it shall appoint.

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Article 24

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

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The provisions of Articles 11, 12 and 13 shall apply, for the first time, to the 1971 harvest.

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