REGULATION (EEC) No 1353/73 OF THE COUNCIL

of 15 May 1973

introducing a premium system for the conversion of dairy cow herds to meat production and a development premium for the specialized raising of cattle for meat 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 Council Regulation (EEC) No 805/68 [1] of 27 June 1968 on the common organization of the market in beef and veal, as last amended by Regulation (EEC) No 187/73 [2], and in particular Article 2 thereof;

Having regard to the proposal from the Commission;

Having regard to the Opinion of the European Parliament;

Whereas the present situation on the Community beef and veal market is marked by a substantial deficit;

Whereas, however, it is possible to increase the meat production potential in certain Community categories of bovine animals;

Whereas this trend is at present encouraged by the favourable development of market prices for beef and veal; whereas, moreover, the guide prices in this sector for the 1973/74 marketing year have been fixed at a sufficiently high level to encourage agricultural producers to increase appreciably the production potential of these animals;

Whereas the present situation in the milk and milk products sector is marked by substantial and increasing surpluses; whereas it therefore seems justified to grant a premium for the conversion of dairy cow herds to meat production to farmers, who, although they do not dispose of their cows, give up, for a period of four years, all marketing of milk and milk products;

Whereas it is necessary to restrict the granting of this premium to farmers who already have sufficient means of production to ensure that the conversion to meat production will not involve any appreciable reduction in their income; whereas, however, account should be taken of the existence within the Community of certain regions in which small dairy cow herds predominate and in which agricultural production may be directed towards products other than milk;

Whereas the amount of this premium must be fixed at such level that it may be considered as compensation for temporary loss of income from the marketing of the products in question;

Whereas, however, where in one or more regions of a Member State the raising of cattle is difficult and consequently the price paid to the producer for milk is clearly higher than the target price, it may prove expedient to authorize that Member State not to implement the provisions concerning the conversion premium in the regions concerned, and, in this case, to make provision for the possibility of granting in these regions a development premium for the specialized raising of cattle for meat production;

Whereas all the proposed measures envisaged are of importance to the Community and are designed to attain the objectives defined by Article 39 (1) (a) of the Treaty, including the structural changes necessary for the common market to function properly; whereas they therefore constitute a joint action within the meaning of Article 6 of Council Regulation (EEC) No 729/70 [3] of 21 April 1970 on the financing of the Common Agricultural Policy, as last amended by the Act [4] concerning the Conditions of Accession and the Adjustments to the Treaties;

Whereas half the expenditure incurred by the granting of these premiums should be financed at Community level;

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(1) OJ No L 148, 28. 6. 1968, p. 24.
(2) OJ No L 25, 30. 1. 1973, p. 23.
(3) OJ No L 94, 29. 4. 1970, p. 13.
(4) OJ No L 73, 27. 3. 1972, p. 14.

HAS ADOPTED THIS REGULATION:

TITLE I

Premium for the conversion of dairy cow herds to meat production and development premium for the specialized raising of cattle for meat production

Article 1

Producers may, upon application submitted either individually or jointly through a producers' association to which they belong, receive a premium for the conversion of dairy cow herds to meat production.

Article 2

1. In order to be eligible for the premium, each producer must show evidence to the satisfaction of the competent authority that at a reference date established by each Member State he kept at least 11 dairy cows.

2. Notwithstanding the provisions of paragraph 1, the Member States are authorized:

(a) to fix in certain regions a minimum threshold figure exceeding 11 but not greater than 15 dairy cows;

(b) to grant the premium to those producers keeping a number of dairy cows less than 11 but higher than 4 in regions where at least 50 % of the dairy cows are kept in herds of less than 11 dairy cows.

Article 3

1. The grant of the premium shall in particular be conditional upon a written undertaking from the producer:

(a) to give up, for a period of four years, all sales of milk and milk products coming from the holding farmed on the date of submission of the application; this period shall start not later than at the end of the sixth month following that in which the competent authorities approved the application;

(b) to keep, during the period referred to in (a), a number of units of adult bovine animals on the holding farmed on the date of submission of the application which is equal to or higher than the number kept on that same holding on the reference date.

2. However, where cows are retained by the producer, the latter must in addition, in order to be eligible for the premium, show evidence to the satisfaction of the competent authority that he is building up his herd in such a way that, by the end of the third year at the latest following the date of approval of his application at least 80 % of the number of cows or heifers in calf kept on the farm referred to in paragraph 1 (b) shall consist either of females with characteristics of one of the recognized meat producing breeds or of females born as a result of cross-breeding with a bull listed in the herd book of one of those breeds or, failing that, presenting sufficient guarantees of its ability to transmit the essential characteristics of that breed to its progeny.

Article 4

The amount of the premium shall be 7·5 units of account per 100 litres of milk or milk products, expressed in milk equivalent, supplied by the producer during the twelve months preceding the reference date.

Article 5

Where it is found that in one or more regions of a Member State the average milk prices paid to producers in the 1972/73 milk year are higher than 125 % of the target price for milk for that same year, that Member State may be authorized not to implement the provisions of Articles 1 to 4 in the regions concerned.

Article 6

1. Those Member States which are authorized not to implement the provisions of Articles 1 to 4 in the regions referred to in Article 5 may grant in those regions a development premium for the specialized raising of cattle for meat production.

2. To be eligible for the premium, and depending upon whether the application is submitted by a producer or a producers' association:

(a) each producer must show evidence to the satisfaction of the competent authority that at a reference date established by each Member State he kept at least five cows or in-calf heifers of beef breeds;

(b) each producers' association must show evidence to the satisfaction of the competent authority that the number of cows or in-calf heifers of beef breeds kept at the reference date by all of the producers applying for the grant of a premium through the intermediary of that association, is not less than three times the number of those producers.

3. Furthermore, the grant of the premium shall be conditional upon the written undertaking on the part of the producer to keep for a period of four years at the holding farmed on the date of submission of the application a number of cows or in-calf heifers of beef breeds which is higher than the number kept on that same holding on the reference date, and in any case not less than 8 during the fourth year. This period shall start not later than at the end of the sixth month following the date on which the application was approved by the competent authorities.

Article 7

In respect of cows or in-calf heifers of beef breeds kept on the holding of the beneficiary over and above the number kept at the reference date referred to in Article 6 (3), the amount of the premium shall be 240 units of account per head.

TITLE II

General and financial provisions

Article 8

For the purposes of this Regulation:

1. 'Producer' shall mean:

   (a) an individual farmer, who is a natural or legal person, whose holding is situated in Community territory and who breeds bovine animals;

   (b) a group of natural or legal persons, which jointly uses means of agricultural production enabling them to rear bovine animals jointly in Community territory.

2. 'Producers' association' shall mean:

   an association of producers within the meaning of paragraph 1, set up in the territory of a single Member State for the purpose of applying common rules for the marketing of bovine animals reared by those producers.

3. 'Holding' shall mean:

   all the production units farmed by the producer and situated in the territory of a single Member State.

Article 9

1. The Member States shall be authorized, according to the terms defined below, to act as guarantors for the beneficiary of the system of premiums and, at his request, may guarantee a loan granted to him by a banking establishment approved for this purpose by the competent authorities.

2. The loan must be granted for the purpose of facilitating compliance with the undertakings referred to in Article 3 and Article 6.

Article 10

1. Where a producer, to whom the benefit of the premiums has been granted, belongs to a producers' association and that association submits an application for a premium, the amount to be granted to the association shall be reduced by the amount already granted to that producer.

2. Where the benefit of the premiums has been granted to a producers' association, applications made individually by members of the association on the date of submission of the application by the association shall not be accepted.

Article 11

Any person taking over a holding may undertake in writing to continue to fulfil the obligations entered into by his predecessor. In such case, the amounts already paid shall remain the property of the latter and the balance shall be paid to his successor.

Article 12

The Member States shall communicate to the Commission the list of the regions for which the authorizations provided for in Article 2 is requested, the characteristics of those regions, the measures proposed to achieve the objectives set out in the abovementioned paragraph and the administrative control procedures laid down.

The Commission shall examine, with regard to compatibility with this Regulation and taking account of the aims thereof, whether the conditions obtain for the financial participation of the Community.

Within two months following the communication, the Commission representative, having consulted the EAGGF Committee on the financial aspects, shall submit a draft decision on this subject to the Standing Committee on Agricultural Structures.

The Standing Committee on Agricultural Structures shall issue its Opinion within a time limit to be fixed by the Chairman according to the urgency of the matters submitted for examination. It shall decide by a majority of 41 votes, the votes of Member States being weighted as laid down in Article 148 (2) of the Treaty. The Chairman shall not vote.

The Commission shall adopt the Decision. However, if the Decision is not in accordance with the Opinion issued by the Committee, it shall immediately be communicated to the Council. In that event, the Commission may defer application of the Decision for a period not exceeding one month from the date of its communication.

The Council, voting as provided in Article 43 (2) of the Treaty, may adopt a different Decision within one month.

Article 13

The following shall be laid down in accordance with the procedure provided for in Article 27 of Regulation (EEC) No 805/68:

(a) the time limit for submitting applications for the granting of premiums referred to in Article 2 and Article 6;

(b) the period within which the reference dates referred to in Article 2 and Article 6 must fall;

(c) the conditions relating to recognition of breeds referred to in Article 3 (2) and Article 6;

(d) the detailed rules for checking that obligations arising from the grant of the premium are observed;

(e) the determination of the equivalences to be established for calculating the units of adult bovine animals;

(f) the conditions for continuing the entitlement to the premium in exceptional circumstances, in particular where the recipient ceases to work in agriculture;

(g) the determination of the regions referred to in Article 6;

(h) the detailed rules for granting the loan referred to in Article 9;

(i) the other detailed rules for implementing the preceding Articles.

Article 14

All the measures provided for in this Regulation, except those provided for in Article 9, shall constitute a joint action within the meaning of Article 6 (1) of Council Regulation (EEC) No 729/70.

Article 15

1. The total estimated cost of the joint action to be borne by the EAGGF is 60 million units of account.

2. The action referred to in paragraph 1 is intended to be completed by 31 December 1974.

Article 16

1. Expenditure incurred by Member States in connection with the action provided for in this Regulation shall be eligible for aid from the Guidance Section of the EAGGF.

2. The Guidance Section of the EAGGF shall refund to the Member States 50 % of the eligible expenditure.

3. Detailed rules for the application of paragraph 2 shall be adopted in accordance with the procedure laid down in Article 13 of Regulation (EEC) No 729/70.

Article 17

1. Requests for refunds shall be made in respect of expenditure incurred by the Member States in the course of each calendar year and shall be submitted to the Commission before 1 July of the following year.

2. The Commission shall take Decisions on such requests, either all at once or separately, in accordance with the procedure laid down in Article 7 (1) of Regulation (EEC) No 729/70.

Article 18

1. Notwithstanding Article 8 of Regulation (EEC) No 729/70, the Member States shall, in accordance with national laws, regulations or administrative provisions, take the measures necessary for the recovery of sums paid where, subject to Article 13 (f), the undertakings given under Article 3 and Article 6 are not observed.

They shall inform the Commission of the measures applied, and in particular shall notify it periodically of the position as regards administrative and judicial proceedings relating thereto.

2. Sums recovered shall be paid to the bodies or services which made the payments and deducted by them from expenditure financed by the Fund in proportion to the amount financed by the Community.

3. Where it is impossible to recover sums paid, the financial consequences shall be borne by the Community and the Member States in proportion to their financial participation.

4. Interest may be charged on sums to be recovered.

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 19

1. By 31 October of each year at the latest, the Commission shall submit to the Council, on the basis of information supplied by the Member States, a report on the application of the premiums system.

2. After examining this report, the Council, acting on a proposal from the Commission in accordance with the voting procedure laid down in Article 43 (2) of the Treaty, may decide before 31 December in each current year, in the light of experience and of economic trends in the sector in question, to maintain or to amend the premiums system.

Article 20

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, 15 May 1973.

For the Council

The President

A. LAVENS