# COUNCIL REGULATION (EEC) No 571/89

## of 2 March 1989

## amending Regulation (EEC) No 805/68 on the common organization of the market in beef and veal repealing Regulation (EEC) No 1302/73 and extending Regulation (EEC) No 4132/88

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 6 of Council Regulation (EEC) No 805/68 of 27 June 1968 on the common organization of the market in beef and veal (4), as last amended by Regulation (EEC) No 4132/88 (5), provided for public buying in as the main instrument for support of the market in beef and veal; whereas Article 6a of the said Regulation provided for a temporary scheme for a period from 6 April 1987 to 2 April 1989, the aim of which was to reduce recourse to intervention and to restore to that facility its original function as a safety net; whereas, however, these arrangements have failed to curb the quantities sent to intervention, mainly because buying in is an automatic facility and because the buying-in price calculation procedures have entailed heavy sales to the agencies at prices exceeding the market price; whereas the long-term outlook does not rule out that risk in the future; whereas the efforts already made to restore order on this market by further restricting sales to intervention must therefore be pursued;

Whereas, accordingly, while the conditions governing activation of intervention related to market price levels in the Community and in the Member States should be retained, with adaptation of the thresholds, this scheme should not also allow control of the quantities bought in on the basis of an annual overall quantity not to be exceeded except in cases of abnormal market situations, and its operation should be subject to an assessment of the need to ensure reasonable support of the market on the basis, in particular, of seasonal changes in production; whereas, for this purpose, a system of buying in by tendering procedures, under which prices and quantities would be determined on the basis of the tenders received, is appropriate;

Whereas, for beef and veal, prices and production conditions vary widely from one Member State to another; whereas, as a result, a facility may be needed whereby these prices and quantities can be fixed by a Member State or a region of a Member State;

Whereas alteration of the intervention arrangements will necessitate maintenance beyond 2 April 1989 of the special premium scheme provided for in Article 4a of Regulation (EEC) No 805/68, which has proved an effective method of support for farmers' incomes, and its extension to the Member States operating, until that date, the calf premium and the variable slaughter premium;

Whereas, further, in order to compensate for the effect of adaptation of the intervention arrangements, the amount of the special premium and the number of animals eligible, per holding, for the said special premium should be increased;

Whereas alteration of the intervention arrangements will also necessitate the repeal of Council Regulation (EEC) No 1302/73 of 15 May 1973 laying down general rules for intervention on the market in beef and veal (6), as last amended by Regulation (EEC) No 427/77 (7);

Whereas, for technical and administrative reasons, the new intervention and premium arrangements can be applied only from 3 April 1989; whereas, therefore, application of the arrangements at present in force should be extended, by amending Regulation (EEC) No 4132/88, until 2 April 1989,

HAS ADOPTED THIS REGULATION:

*Article 1*

Regulation (EEC) No 805/68 is hereby amended as follows:

1. in Article 4a:

— paragraphs 1 and 2 are replaced by the following:

'1. Beef and veal producers may qualify for a special premium. It shall be granted at the producers' request for male animals at least nine months old which are fattened on their holdings.

(1) OJ No C 300, 25. 11. 1988, p. 12.
(2) Opinion delivered on 17 February 1989 (not yet published in the Official Journal).
(3) Opinion delivered on 15 December 1988 (not yet published in the Official Journal).
(4) OJ No L 148, 28. 6. 1968, p. 24.
(5) OJ No L 362, 30. 12. 1988, p. 4.
(6) OJ No L 132, 19. 5. 1973, p. 3.
(7) OJ No L 61, 5. 3. 1977, p. 16.

The premium shall be limited to 90 animals per calendar year and per holding; the amount of the premium shall be set at ECU 40 per animal.

The premium shall be granted once only for each animal. It shall be paid to the producer or passed on to the producer.

2. The Council, acting on a proposal from the Commission by qualified majority, shall adopt general rules concerning the special premium, and in particular the definition of the producers eligible for the premium and the conditions governing the granting thereof,'

— paragraph 3 is deleted and paragraph 4 becomes paragraph 3;

2. Article 6 is replaced by the following:

*'Article 6*

1. Where the conditions laid down in paragraph 2 are met, buying in by intervention agencies in one or more Member States or in a region of a Member State of one or more categories, qualities or quality groups, to be determined, of fresh or chilled meat falling within CN codes 0201 10 and 0201 20 11 to 0201 20 59 and originating in the Community may be organized under tender procedures arranged with a view to ensuring reasonable support of the market, having regard to seasonal developments as regards slaughterings. The total quantity bought in under such arrangements shall not exceed 220 000 tonnes per year for the entire Community.

2. For each quality or quality group that may be bought in, the tender procedures may be opened as provided in paragraph 7 whenever, in a Member State or in a region of a Member State, the following two conditions are both met for a period of two consecutive weeks:

— the average Community grading market price recorded on the basis of the Community scale for the carcases of adult bovine animals is less than 88 % of the intervention price,

— the average market price recorded on the basis of the said scale in the Member State or States or region of a Member State is less than 84 % of the intervention price.

The intervention price shall be set before the start of each marketing year in accordance with the procedure laid down in Article 43 (2) of the Treaty.

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

— where the maximum quantity referred to in paragraph 1 is reached,

— where, for two consecutive weeks, the two conditions referred to in paragraph 2 are no longer both met,

— where buying in is no longer appropriate in view of the criteria set out in paragraph 1.

4. Where the maximum quantity referred to in paragraph 1 is reached, tender procedures can be reopened according to the procedure laid down in paragraph 7 in the Member State or Member States or region of a Member State if one of the following two situations obtains:

— the conditions set out in paragraph 2 being met, exceptional circumstances are ascertained,

— for two consecutive weeks, the average Community market price and the average market price recorded on the basis of the Community grading scale for carcases of adult bovine animals fall short of 84 % and 80 % of the intervention price, respectively.

5. Intervention shall also be opened if, for a period of two consecutive weeks, one of the following two situations obtains:

— in at least three Member States or regions of a Member State representing overall 55 % or more of Community production of young uncastrated male animals less than two years old or castrated male animals, the price recorded for these categories on the basis of the Community grading scale for carcases of adult bovine animals falls short of 80 % of the intervention price; in this case, buying in shall take place for the categories concerned in the Member States or regions of a Member State where the price level is below this limit,

— the average Community market price recorded on the basis of the Community grading scale for carcases of adult bovine animals falls short of 78 % of the intervention price for a specific category; in this case, buying in shall take place for the categories concerned in the Member States or regions of a Member State where the price level is below 80 % of the intervention price.

For these purchases, any offers at or below 80 % of the intervention price shall be accepted. Quantities bought in these circumstances shall not be counted against the maximum quantity referred to in paragraph 1.

6. Without prejudice to paragraph 5, for each quality or quality group eligible for intervention, the buying-in prices and the quantities accepted for intervention shall be determined under tender procedures and may, in special circumstances, be fixed by a Member State or a region of a Member State on the basis of recorded average market prices. The tender procedures must ensure equality of access for all persons concerned. They shall be opened on the basis of specifications to be determined taking commercial structures into account where necessary.

7. Under the procedure provided for in Article 27:

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

— the opening or reopening of tender procedures and their suspension in the case referred to in the last indent of paragraph 3 shall be decided,

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

— the procedures implementing this Article, and in particular those designed to prevent market prices spiralling downward, shall be adopted,

— any transitional provisions necessary for the implemention of these arrangements shall be adopted.

The Commission shall decide on :

— opening intervention as referred to in paragraph 5 and suspending it where the condition laid down in that paragraph no longer applies,

— suspending buying in as referred to in the first and second indents of paragraph 3.'

*Article 2*

Regulation (EEC) No 1302/73 is hereby repealed.

*Article 3*

Before 1 April 1991 the Council shall review the maximum quantity laid down in Article 6 (1) of Regulation (EEC) No 805/68 in the light of experience and market prospects.

*Article 4*

This Regulation shall enter into force on the day of its publication in the *Official Journal of the European Communities*. Subject to the second subparagraph hereof, it shall apply from 3 April 1989. Article 1 (1) shall apply to requests for the special premium which are lodged as from that date.

In Article 1 of Regulation (EEC) No 4132/88, 2 April 1989 shall be substituted for 5 March 1989.

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

Done at Brussels, 2 March 1989.

*For the Council*

*The President*

J. L. SAENZ COSCULLUELA