COUNCIL REGULATION (EEC) No 729/89

of 20 March 1989

laying down general rules for the special arrangements applicable to small producers as part of the co-responsibility arrangements in the cereals sector

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 2727/75 of 29 October 1975 on the common organization of the market in cereals (1), as last amended by Regulation (EEC) No 166/89 (2), and in particular Article 4 thereof,

Having regard to the proposal from the Commission,

Whereas Regulation (EEC) No 2727/75 provides for the introduction of a basic co-responsibility levy and of an additional co-responsibility levy and for the exemption of small producers from those levies under conditions to be determined; whereas, in view of experience gained, a direct aid system for small producers of cereals may be considered a suitable means of offsetting the effect of such co-responsibility levies on their incomes;

Whereas, in order to keep the aid system within acceptable financial limits, provision should be made for it to apply within the framework of an overall amount determined on the basis of the total sum of the co-responsibility levies borne by producers marketing no more than 25 tonnes; whereas that sum may be estimated at ECU 220 million for the forthcoming three marketing years, without prejudice however to any changes in the factors used for the calculation; whereas that overall amount should be apportioned between the Member States on the basis of that criterion; whereas a ceiling for aid granted to each producer should alos be fixed;

Whereas objective Community criteria should be drawn up which may serve as a basis for the Member States to define small producers; whereas these criteria should enable differences existing in the Community as regards structures and yields to be taken into account; whereas, in order to ensure the proper application of this Regulation, the Commission should approve, on the basis of the objective criteria listed in Article 3, the envisaged national provisions,

HAS ADOPTED THIS REGULATION:

Article 1

The arrangements for exemption from the co-responsibility levies provided for in Articles 4 and 4b of Regulation (EEC) No 2727/75 for small producers shall be applied in the form of direct aid in accordance with this Regulation.

Article 2

1. The aid provided for in Article 1 shall be granted within the framework of an overall amount determined for the Community and apportioned between the Member States.

2. For the 1989/90, 1990/91 and 1991/92 marketing years, the overall amount shall be ECU 220 million. However, the Council, acting by a qualified majority on a proposal from the Commission, may alter that amount if the total estimated sum of the co-responsibility levies provided for in Articles 4 and 4b of Regulation (EEC) No 2727/75 applying to quantities of cereals sold by producers marketing no more than 25 tonnes results in a different figure.

3. The overall amount shall be reduced by the amount of the levy provided for in Article 4b of Regulation (EEC) No 2727/75 and reimbursed pursuant to paragraph 2 of that Article.

4. The overall amount shall be apportioned between the Member States in accordance with the procedure laid down in Article 26 of Regulation (EEC) No 2727/75, taking into account sales made by producers marketing no more than 25 tonnes.

Article 3

Member States shall define which farmers shall be deemed to be small producers, taking into account in particular the area devoted to cereals and/or the utilized agricultural area and/or the significance of cereals in the generation of farm income.

Article 4

The amount of the aid to be granted to small producers shall be established with reference to the co-responsibility levies borne by them.

That amount may be established on a flat-rate basis.

Member States may decide not to grant aid for amounts below a minimum which they shall determine.

In no case may the aid exceed, for any one producer, the equivalent of the levies for 25 tonnes of cereals.

Article 5

1. Member States experiencing particular difficulties of an administrative or technical nature in applying the aid provided for in Article 1 may apply that aid in the form of compensation for levies payable by small producers.

(1) OJ No L 281, 1. 11. 1975, p. 1.
(2) OJ No L 20, 25. 1. 1989, p. 16.

Such compensation shall be limited for each producer to the first 25 tonnes of cereals marketed.

The overall amount of such compensation for the Member State in question may in no case exceed the amount which would have been paid to it had this paragraphe not been applied.

2. Where this Article applies, the overall amount referred to in Article 2 (2) shall be reduced by the amount which would have been paid under the aid system provided for in this Regulation had this Article not been applied.

Article 6

For each Member State the amount of aid fixed for a marketing year pursuant to Article 2 (4) shall be converted into national currency at the agricultural rate in force on the first day of that marketing year.

Article 7

Member States shall communicate to the Commission, before 1 May 1989 :

— the provisions they envisage taking for apportionment of the aid between the small cereals producers. The Commission shall approve such provisions on the basis of the objective criteria referred to in Article 3,

— other national provisions adopted pursuant to this Regulation.

Article 8

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

It shall apply from the 1989/90 marketing year.

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

Done at Brussels, 20 March 1989.

For the Council

The President

C. ROMERO HERRERA