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*(Acts whose publication is obligatory)*

# COUNCIL REGULATION No 1600/92

## of 15 June 1992

## concerning specific measures for the Azores and Madeira relating to certain agricultural products

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

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

Having regard to the Treaty of Accession of Spain and Portugal, and in particular Article 234 (3) 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 Council Decision 91/315/EEC of 26 June 1991 setting up a programme of options specific to the remote and insular nature of Madeira and the Azores (Poseima) (4) outlines the options to be implemented to take account of the specific problems and constraints faced by these very remote regions;

Whereas the exceptional geographical situation of these regions in relation to the sources of supply of products used as inputs for the everyday consumption or manufacture of certain essential foodstuffs in the islands imposes costs which constitute a severe handicap to the sectors concerned; whereas this natural handicap can be remedied by exemption from levies and/or customs duties on the products in question imported directly from third countries;

Whereas, to maintain the competitiveness of the above products of Community origin in the islands, both in order to achieve the Poseima objective of reducing prices by promoting competition between sources of supply and to prevent disruption of traditional trade flows, provision should be made for the supply to these regions of products originating in the rest of the Community on terms equivalent for the end user to exemption from the levy and/or customs duties on products originating in third countries, based on the prices applied to exports to third countries; whereas it will be necessary, in certain cases, to provide for an import certificate system;

Whereas the quantities of products benefiting from the specific supply arrangements must be determined within the framework of periodic forecast supply balances, which may be adjusted during the year on the basis of the essential requirements of the local market and taking account of local production and traditional trade flows;

Whereas the arrangements in question are intended to reduce production costs and consumer prices; whereas their actual impact should therefore be monitored;

Whereas. to avoid any deflection of trade, products covered by the specific supply arrangements may not be redispatched to other parts of the Community or re-exported to third countries; whereas, however, an

(1) OJ No C 145, 6. 6. 1992, p. 1
(2) Opinion delivered on 9 June 1992 (not yet published in the Official Journal).
(3) Opinion delivered on 27 May 1992 (not yet published in the Official Journal).
(4) OJ No L 171, 29. 6. 1991, p. 10

exception to this principle should be made for products traditionally processed in the islands and redispatched or re-exported, within the limits of usual trade flows;

Whereas the specific conditions of agriculture in the Azores and Madeira require special attention and whereas measures are necessary both for stockfarming and animal products and for crop products;

Whereas, to promote the development of traditional stockfarming in the islands, assistance should be given for genetic improvement through the purchase of pure-bred breeding animals and supplementary premiums should be granted for the fattening of adult male bovine animals and for the maintenance of suckler herds, and the consumption of locally produced fresh milk products should be promoted; whereas, with regard to the Azores, the major role played, both economically and socially, especially for smaller producers, by milk production and stockfarmimg should be taken into account; whereas to ensure the maintenance of traditional economic activities in this production sector the abovementioned measures should be supplemented with aid for the maintenance of the dairy herd and private storage aid for cheeses traditionally manufactured in the region;

Whereas, in the friut, vegetables, plants and floricultural sector, measures should be taken to increase production and to improve farm productivity and product quality; whereas measures should also be taken to improve the marketing of tropical products from these regions;

Whereas, in order to help support local production and satisfy consumer habits, provision should be made for aid for certain crops and specific products;

Whereas, in the case of Madeira, such measures must, in particular, concern the production of potatoes for human consumption and sugar cane and the processing of sugar cane into sugar syrup and agricultural rum; whereas assistance should also be given to the manufacture of the island's liqueur wines using traditional methods by facilitating the purchase of concentrated must and vinous alcohol from the rest of the Community and by granting aid for the ageing of these wines;

Whereas, in the case of the Azores, such measures must, in particular, help to improve the conditions in which sugarbeet is produced and the competitiveness of local sugar manufacturing, within the limit of determined quantities; whereas they must also concern specific crops such as seed potatoes, endives and pineapple;

Whereas, with the same objectives in mind, intervention measures under the market organization for wine and grubbing premiums should not be applied in these regions and aid should be granted for vines producing quality wines psr which meet the requirements lais down in the Community rules;

Whereas, the creation and promotion of a graphic symbol can also facilitate the marketing of specific quality products;

Whereas the plant health of agricultural crops in these islands is subject to particular problems associated with the climate and the inadequacy of the control measures hitherto applied there; whereas programmes should be implemented to combat harmful organisms and the Community's financial contribution towards such programmes should be specified;

Whereas farms in the Azores and Madeira present major structural weaknesses from which specific difficulties derive; whereas a derogation is therefore necessary from the rules which restrict or prohibit the grant of certain forms of structural aid;

Whereas certain structural measures essential for the development of agriculture in these regions are financed under Community support frameworks to promote the development and structural adjustment of regions whose development is lagging behind (Objective 1) pursuant to Articles 130a and 130c of the Treaty; whereas the Commission has approved an initiative (Regis) to encourage the economic development of the remotest regions, providing for the diversification of agricultural production, the upgrading of traditional products and measures to reduce the risk associated with natural disasters;

Whereas banana cultivation is of fundamental importance to the economy of Madeira; whereas all the problems relating to banana production are the subject of a Community study under way and appropriate measures will be taken on conclusion of the study,

HAS ADOPTED THIS REGULATION:

*Article 1*

This Regulation lays down specific measures to remedy, in respect of certain agricultural products, the difficulties caused by the remote and insular nature of the Azores and Madeira.

TITLE I

SPECIFIC SUPPLY ARRANGEMENTS

*Article 2*

For each marketing year, forecast supply balances shall be established for the agricultural products necessary for human consumption and processing listed in Annex I for the Azores and Annex II for Madeira. These balances may be revised during the year on the basis of trends in the regions' requirements. Separate forecasts may be made to assess the requirements of the processing and packaging industries regarding products for the local market or traditionally dispatched to the rest of the Community.

*Article 3*

1. Levies and/or customs duties shall not apply to direct import into the Azores and Madeira from third countries of products covered by the specific supply arrangements, within the limit of the quantities determined in the supply balances.

2. To ensure coverage of the requirements referred to in Article 2 in terms of quantity, price and quality, with a view to ensure that the proportion of products supplied by the Community is preserved, supplies to these regions shall also be effected through the mobilization of Community products held in intervention storage or available on the Community market, on terms equivalent, for the end user, to the advantage resulting from exemption from import duties on imports of products from third countries.

The terms of supply shall be fixed reference to the costs various sources of supply and the prices applied to exports to third countries.

3. The arrangements provided for in this Article shall be implemented in such a way as to take account, without prejudice to paragraph 4, in particular, of:

— the specific requirements of the regions concerned and, in the case of products intended for processing, the specific quality requirements,

— traditional trade flows with the rest of the Community.

4. In the case of the supply of raw sugar to the Azores, requirements shall be assessed taking account of the development of local sugarbeet production. The quantities covered by the supply arrangements shall be determined in such a way that the total annual volume of sugar refined in the Azores does not exceed 10 000 tonnes.

Article 9 of Regulation (EEC) No 1785/81 shall not apply to the Azores with regard to raw sugar.

*Article 4*

1. Aid shall be granted for the supply to the Azores and Madeira of the following products of Community origin:

(a) pure-bred breeding animals of the bovine species falling within CN code 0102 10 00;

(b) pure-bred breeding swine falling within CN code 0103 10 00;

(c) pure-bred breeding sheep and goats falling within CN codes 0104 10 10 and 0104 20 10;

(d) multiplier or breeding chicks falling within CN code ex 0105 11 00;

(e) hatching eggs, other, for the production of multiplier or breeding chicks falling within CN code ex 0407 00 19.

2. The aid terms shall take account of the requirements of the Azores and Madeira with regard to the start-up of production, in particular for the breeds most suited to conditions in these regions.

The aid shall be paid for the delivery of animals and products which fulfil the requirements specified in Community rules.

3. The aid shall be determined having regard to the following factors:

(a) the conditions of supply to the Azores and Madeira resulting from their geographical situation;

(b) the price of animals and products on the Community market and on the world market;

(c) whether or not customs duties and/or levies are charged on imports from third countries;

(d) the economic aspect of the aid envisaged.

*Article 5*

1. During the 1992/93 to 1995/96 marketing years for beef and veal:

(a) the customs duties and/or levies referred to in Article 9 of Council Regulation (EEC) No 805/68 of 27 June 1968 on the common organization of the market in beef and veal [1] shall not be applied to direct imports,

[1] OJ No L 148, 28. 6. 1968, p. 24. Regulation as last amended by Regulation (EEC) No 1628/91 (OJ No L 150, 15. 6. 1991, p. 16).

for fattening purposes, of bovine animals from third countries for consumption in Madeira;

(b) aid shall be granted for the supply to Madeira, on equivalent terms, of animals as referred to in (a) originating in the rest of the Community.

2. The number of animals concerned by the measures referred to in this Article shall be based on a periodic supply balance and determined degressively to take account of the development of local production.

3. Not later than six months before the end of the 1995/96 marketing year, the Commission shall submit to the Council an assessment of the measures provided for in this Article, together with any appropriate proposals.

*Article 6*

The accession compensatory amounts referred to in Article 240 of the Act of Accession of Spain and Portugal shall not apply, in the context of the specific supply arrangements introduced in this Title, to products from the rest of the Community and products directly imported from third countries.

*Article 7*

Application of the supply arrangements provided for in Articles 2 and 3 shall be subject to the advantage derived from exemption from the levy and/or customs duty or, in the case of supply from the rest of the Community, from the Community aid being actually passed on to the end user.

*Article 8*

The products covered by the specific supply arrangements provided for in this Title may not be re-exported to third countries or redispatched to the rest of the Community.

Where the products in question are processed in the Azores and Madeira, the aforesaid prohibition shall not apply to traditional exports or shipments to the rest of the Community.

*Article 9*

Products covered by the specific supply arrangements provided for in this Title and products processed therefrom shall not be eligible for refunds on exportation from the Azores and Madeira.

*Article 10*

The Commission shall adopt detailed rules for the application of this Title in accordance with the procedure laid down in Article 26 of Regulation (EEC) No 2727/75 of 29 October 1975 on the common organization of the market in cereals [1] or the corresponding Articles of the Regulations on the common organization of the markets in the sectors concerned. They shall cover in particular:

— the establishment of and, where applicable, amendments to, the periodic balances,

— the amount of aid granted for supply from the rest of the Community,

— the provisions to ensure, where necessary, that the advantages are actually passed on the end user, and, as required, on import certificate system.

In the case of products covered by Regulation (EEC) No 827/68 of 28 June 1968 on the common organization of the market in certain products listed in Annex II to the Treaty [2], these measures shall be adopted in accordance with the procedure laid down in Article 27 of Regulation (EEC) No 805/68.

## TITLE II

## MEASURES TO SUPPORT PRODUCTS OF THE AZORES AND MADEIRA

### Section 1

### Measures common to both regions

*Article 11*

1. Aid per hectare shall be granted to producers and producer groups and organizations which undertake a programme of initiatives, approved by the competent authorities, with a view to the development and diversification of production and/or the improvement of the quality of the fruit, vegetables, flowers and live plants listed in Chapters 6, 7, and 8 and the tea in Chapter 9 of the combined nomenclature. Such programmes shall, in particular, concern tropical products.

The eligible initiatives shall seek particular to develop production and product quality, particularly through varietal conversion and cultural improvements. These initiatives shall form an integral part of programmes conducted over at least three years.

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(1) OJ No L 281, 1. 11. 1975, p. 1. Regulation as last amended by Regulation (EEC) No 674/92 (OJ No 73, 19. 3. 1992, p. 7).

(2) OJ No L 151, 30. 6. 1968, p. 16. Regulation as last amended by Regulation (EEC) No 789/89 (OJ No L 85, 30. 3. 1989, p. 3).

The aid shall be granted for programmes covering a minimum area of 0,3 ha.

2. The amount of Community aid shall be at most ECU 500/ha. This amount shall be paid where the Member State provides official financing of at least ECU 300/ha and the contribution of the individual producer or group amounts to at least ECU 200/ha. If the contributions of the Member State and the producers are less than the amounts specified, the Community aid shall be reduced proportionately.

The aid shall be paid each year of execution of the programme, for a period not exceeding three years.

3. The aid shall be increased by ECU 100/ha where the programme of initiatives is submitted and carried out by a producer group or organization and where, for its implementation, recourse to technical assistance is envisaged. The additional aid shall be granted in respect of programmes involving a minimum area of 2 ha.

4. This measure shall not apply to the production in Madeira of potatoes for human consumption falling within CN codes 0701 90 51, 0701 90 59 and 0701 90 90 not to production in the Azores of seed potatoes falling within CN code ex 0701 10 00 or pineapples. In addition, this measure shall not apply to banana production in Madeira pending the conclusions relating to the treatment of all the problems connected with such production, in accordance with the objectives stated in point 13 of Annex V of Decision 91/315/EEC (Poseima).

5. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 33 of Council Regulation (EEC) No 1035/72 of 18 May 1972 on the common organization of the market in fruit and vegetables [1].

*Article 12*

1. Community aid shall be granted for the conclusion of annual contracts concerning the marketing of tropical products included in the products referred to in Article 11 (1) and harvested in these regions. This aid shall be paid up to a limit of a volume of trade of 3 000 tonnes per product per year for each of the two regions.

The contracts shall be concluded between individual producers or producer groups or associations and natural or legal persons established in the rest of the Community.

2. The amount of the aid shall be 10 % of the value of the production marketed, free at destination.

3. The aid shall be granted to purchasers who undertake to market the Azores of Madeira products under the contracts referred to in paragraph 1.

4. Where the measures provided for in paragraph 1 are undertaken by joint ventures consituted, with the aim of marketing products harvested in the regions concerned, by producers or producer groups or associations in these regions and natural or legal persons established in the rest of the Community, and where the partners undertake to pool the knowledge and know-how required to achieve the objective of the joint venture over a minimum period of three years, the amount of the aid specified in paragraph 2 shall be increased to in 13 % of the value of the annual production marketed jointly.

5. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 33 of Council Regulation (EEC) No 1035/72.

*Article 13*

1. The Community shall contribute up to a maximum of ECU 100 000 towards the financing of an economic analysis and forward study of the fruit and vegetable processing industry in the two regions, with particular reference to tropical products.

The study shall produce an economic and technical assessment of the sector. It shall pay particular attention to supply data and processing costs and examine the conditions and scope for development and sales at regional and international level, having regard to competition on the world market.

2. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 22 of Council Regulation (EEC) No 426/86 of 24 February 1986, on the common organization of the market in products processed from fruit and vegetables [2].

Section 2

**Measures to support products of Madeira**

*Article 14*

1. The aid provided for in paragraphs 2 and 3 shall be granted in support of traditional activities connected with

(1) OJ No L 118, 20. 5. 1972, p. 1. Regulation as last amended by Regulation (EEC) No 1156/92 (OJ No L 122, 7. 5. 1992, p. 3).

(2) OJ No L 49, 27. 2. 1986, p. 1. Regulation as last amended by Regulation (EEC) No 1943/91 (OJ No L 175, 4. 7. 1991, p. 1).

beef and veal production and measures to improve product quality, within the limits of the consumption needs of the island as assessed in the context of a periodic supply balance. This balance shall also take account of breeding animals supplied pursuant to Article 4 and animals covered by the supply arrangements referred to in Article 5.

2. Fattening aid for male bovine animals shall represent a supplement of ECU 40 per head to the special premium provided for in Article 4a of Regulation (EEC) No 805/68. The supplement may be granted in respect of an animal of a minimum weight to be determined in accordance with the procedure referred to in paragraph 4.

3. A supplement to the premium for maintaining suckler cows provided for in Regulation (EEC) No 1357/80 [1] shall be paid to beef and veal producers. The amount of this supplement shall be ECU 40 per suckler cow held by the producer on the day on which the application is submitted.

4. Detailed rules for the application of this Article shall be adopted, as necessary, in accordance with the procedure laid down in Article 27 of Regulation (EEC) No 805/68.

*Article 15*

1. Aid shall be granted for the human consumption of locally produced fresh cows' milk products, within the limits of the consumption needs of the island as assessed periodically.

The aid shall to ECU 7 per 100 kg of whole milk. The amount of the aid shall be adjusted in accordance with the procedure laid down in paragraph 2 in order to ensure the regular disposal of the aforementioned products on the local market.

The aid shall be paid to the dairies. Payment shall be subject to the benefit therefrom being actually passed on to the consumer.

2. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 30 of Council Regulation (EEC) No 804/68 of 27 June 1968 on the common oragnization of the market in milk and milk products [2].

*Article 16*

1. Aid per hectare shall be granted annually for the cultivation of potatoes for human consumption falling within CN codes 0701 90 51, 0701 90 59 and 0701 90 90.

The aid shall be paid in respect of areas cultivated and harvested up to a maximum of 2 000 hectares per year.

2. The amount of the annual aid shall be ECU 500/ha.

3. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 11 of Council Regulation (EEC) No 2358/71 of 26 October 1971 on the common organization of the market in seeds [3].

*Article 17*

1. Aid at a flat rate per hectare shall be granted for sugar cane production within the framework of a restructuring plan submitted by the Portuguese authorities for the improvement of plantations.

2. The aid shall be paid to individual planters, planter groups or organizations. From the sixth year of application, the aid shall be paid exclusively to producer groups or organizations.

3. The Community shall finance the aid at the rate of 60 % of eligible expenditure where the official contribution of the Member State is at least 15 %. If the latter is less, the Community aid shall be reduced accordingly.

*Article 18*

1. Aid shall be granted for the direct processing of sugar cane into sugar syrup ('mel de cana') or agricultural rum as defined in Article 1 (4) (a) of Council Regulation (EEC) No 1576/89 of 29 May 1989 laying down general rules on the definition, description and presentation of spirit drinks [4].

The aid shall be paid as applicable to the sugar syrup manufacturer or to the distiller on condition that he has paid to the sugar cane producer a minimum price to be determined.

2. The aid shall be granted for the production of a maximum annual quantity of 250 tonnes of sugar syrup and 2 500 hectolitres of agricultural rum with a strength of 71,8°.

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(1) OJ No L 140, 5. 6. 1980, p. 1. Regulation as last amended by Regulation (EEC) No 3577/90 (OJ No L 353, 17. 12. 1990, p. 23).

(2) OJ No L 148, 28. 6. 1968, p. 13. Regulation as last amended by Regulation (EEC) No 816/92 (OJ No L 86, 1. 4. 1992, p. 83).

(3) OJ No L 246, 5. 11. 1971, p. 1. Regulation as last amended by Regulation (EEC) No 1740/91 (OJ No L 163, 26. 6. 1991, p. 39).

(4) OJ No L 160, 12. 6. 1989, p. 1.

*Article 19*

The amount of the aid provided for in Articles 17 and 18, the minimum price to be paid to the producer and detailed rules for the application of the aforementioned Articles shall be adopted in accordance with the procedure laid down in Article 41 of Council Regulation (EEC) No 1785/81 of 30 June 1981 on the common organization of the markets in the sugar sector (1).

*Article 20*

Title III of Council Regulation (EEC) No 822/87 of 16 March 1987 on the common organization of the market in wine (2) and Council Regulation (EEC) No 1442/88 of 24 May 1988 on the granting, for the 1988/89 to 1995/96 wine years, of permanent abandonment premiums in respect of winegrowing areas (3) shall not apply to Madeira.

*Article 21*

1. The aid provided for in this Article shall be granted to assist the manufacture of Madeira liqueur wines within the limits of the requirements corresponding to traditional methods in the region.

2. Aid shall be granted for the purchase in the rest of the Community of concentrated rectified must for use in winemaking for the purpose of sweetening the liqueur wines in question.

The aid shall be determined having regard to the following factors:

(a) the conditions, in particular the cost, of supply to Madeira resulting from its geographical situation;

(b) the price of products on the Community market and on the world market;

(c) the economic aspects of the envisaged aid.

3. Aid shall be granted for the purchase from intervention agencies of vinous alcohol obtained by distillation pursuant to Articles 35 *et seq.* of Regulation (EEC) No 822/87.

The amount of the aid shall be determined by tendering procedure.

The terms adopted for this specific disposal shall be such that the market in alcohol and spirit drinks in the Community is not disturbed.

4. Exports from Madeira of must and vinous alcohol shall not be eligible for refunds.

5. Aid shall be granted for the ageing of Madeira liqueur wine up to a maximum annual quantity of 20 000 hectolitres. This aid shall be paid in respect of liqueur wines which age for not less than five years. It shall be paid for each lot for three marketing years.

The amount of the aid shall be ECU 0,020 per hectolitre per day.

*Article 22*

1. A flat-rate aid per hectare shall be granted for the continued cultivation of vines for the production of quality wines psr in the traditional production zones.

Aid shall be paid in respect of areas:

(a) planted to varieties included in the list of vine varieties suitable for the production of each of the quality wines psr produced and belonging to the recommended or authorized categories referred to in Article 13 of Regulation (EEC) No 822/87, and

(b) on which the yield per hectare is below a maximum limit fixed by the Member State, expressed in quantities of grapes, grape must or wine, subject to the conditions of Article 11 of Council Regulation (EEC) No 823/87 of 16 March 1987 laying down special provisions relating to quality wines produced in specified regions (4).

2. The aid shall amount to ECU 400 per hectare.

From the 1997/98 marketing year, the aid shall be paid exclusively to producer groups or organizations.

*Article 23*

Detailed rules for the application of Articles 21 and 22 shall be adopted in accordance with the procedure laid down in Article 83 of Regulation (EEC) No 822/87.

(1) OJ No L 177, 1. 7. 1981, p. 4. Regulation as last amended by Regulation (EEC) No 464/91 (OJ No L 54, 28. 2. 1991, p. 22).

(2) OJ No L 84, 27. 3. 1987, p. 1 Regulation as last amended by Regulation (EEC) No 1734/91 (OJ No L 163, 26. 6. 1991, p. 6).

(3) OJ No L 132, 28. 5. 1988, p. 3. Regulation as last amended by Regulation (EEC) No 833/92 (OJ No L 88, 3. 4. 1992, p. 16).

(4) OJ No L 84, 27. 3. 1987, p. 59. Regulation as last amended by Regulation (EEC) No 3896/91 (OJ No L 368, 31. 12. 1991, p. 3).

Section 3

**Measures to support products of the Azores**

*Article 24*

1. The aid provided for by this Article shall be granted in support of traditional activities connected with beef and veal and milk production in the Azores.

2. A supplement to the special premium provided for in Article 4a of Regulation (EEC) No 805/68 shall be granted for the fattening of male bovine animals. The supplement may be granted in respect of an animal of a weight to be determined.

The supplement shall be ECU 40 per head.

3. A supplement to the premium for maintaining suckler cows provided for in Council Regulation (EEC) No 1357/80 shall be paid to beef and veal producers.

The amount of this supplement shall be ECU 40 per suckler cow held by the producer on the day on which the application is submitted.

4. A specific premium shall be granted for the maintenance of the dairy herd, up to a maximum of 78 000 head.

This premium shall be paid to the producer. It shall amount to ECU 80 per cow held by the producer on the day on which the application is submitted.

5. Aid shall be granted for the private storage of traditionally manufactued cheeses:

— St Jorge, at least three months old,

— Ilha, at least 45 days old.

The amount of the aid shall be fixed in accordance with the procedure referred to in paragraph 6.

6. Detailed rules for the application of this Article shall be adopted, as applicable, in accordance with the procedure laid down in Article 27 of Regulation (EEC) No 805/68 or that laid down in Article 30 of Regulation (EEC) No 804/68.

*Article 25*

1. Aid at a flat rate per hectare shall be granted for the development of sugarbeet production within the limit of an area corresponding to the production of 10 000 tonnes of white sugar per year.

The amount of the aid shall be ECU 500 per hectare sown and harvested.

2. Special aid shall be granted for the processing of sugarbeet harvested in the Azores into white sugar, within the limit of a total annual production of 10 000 tonnes of refined sugar.

The amount of the aid shall be ECU 10 per 100 kilograms of refined sugar. This amount may be adjusted in accordance with the procedure referred to in paragraph 3.

3. Detailed rules for the application off this Article shall be adopted in accordance with the procedure laid down in Article 41 of Regulation (EEC) No 1785/81.

*Article 26*

1. A supplement to the premium provided for in Article 3 of Council Regulation (EEC) No 727/70 of 21 April 1970 on the common organization of the market in raw tobacco [1] shall be granted for the collection of leaf tobacco of the Burley P. variety, up to a maximum of 250 tonnes. This premium shall be paid to purchasers as defined in the said Article.

The amount of the supplement shall be ECU 0,2 per kilogram of leaf tobacco.

In the absence of specific provisions adopted in accordance with the procedure provided for in paragraph 2 of this Article, the provisions adopted for the application of the premium scheme laid down in Regulation (EEC) No 727/70 shall apply to the supplementary premium.

2. Detailed rules for the application of this Article shall be adopted as necessary in accordance with the procedure laid down in Article 17 of Regulation (EEC) No 727/70.

*Article 27*

1. Aid shall be granted for the production of seed potatoes falling within CN code ex 0701 10 00 up to a maximum area of 200 hectares.

The amount of the aid shall be ECU 500 per hectare.

2. Aid shall be granted for the production of endives falling within CN code 1212 99 10 up to a maximum area of 400 hectares.

The amount of the aid shall be ECU 500 per hectare.

3. Aid shall be granted for the conclusion of annual contracts concerning the marketing of potatoes as referred to in paragraph 1, in the conditions laid down in Article 12.

(1) OJ No L 94, 28. 4. 1970, p. 1. Regulation as last amended by Regulation (EEC) No 860/92 (OJ No L 91, 7. 4. 1992, p. 1).

4. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 11 of Regulation (EEC) No 2358/71

*Article 28*

Title III of Regulation (EEC) No 822/77 and Regulation (EEC) No 1442/88 shall not apply to the Azores.

*Article 29*

1. A flat-rate aid per hectare shall be granted for the continued cultivation of vines for the production of quality vines psr in the traditional production zones.

Aid shall be paid in respect of areas which meet the conditions laid down in Article 22 (1).

2. The aid shall amount to ECU 400 per hectare.

From the 1997/98 marketing year, the aid shall be paid exclusively to producer groups or organizations.

3. Detailed rules for the application of this Article shall be adopted, as necessary, in accordance with the procedure laid down in Article 83 of Regulation (EEC) No 822/87.

*Article 30*

Aid shall be granted for the production of pineapples falling within CN code 0804 30 00, up to a maximum quantity of 2 000 tonnes per year.

The aid shall amount to ECU 1 per kilogram.

Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 33 of Regulation (EEC) No 1035/72.

TITLE III

GRAPHIC SYMBOL

*Article 31*

1. A graphic symbol shall be introduced with a view to ensuring greater awareness and consumption of quality processed and unprocessed agricultural products specific to the Azores and Madeira as remote regions.

2. The graphic symbol shall be chosen on the basis of an invitation to tender published by the Commission in the *Official Journal of the European Communities*.

3. The conditions of utilization of the symbol shall be proposed by the trade organizations. The competent authorities shall forward such proposals, with their opinion, to the Commission for approval.

The utilization of the symbol shall be monitored by an official authority or a body approved by the competent authorities.

4. The Community shall finance the production of the graphic symbol and its promotion.

5. Detailed rules for the application of this Article shall be adopted, as necessary, in accordance with the procedure laid down in Article 33 of Regulation (EEC) No 1035/72 or the corresponding Articles of other Regulations on the common organization of the markets.

TITLE IV

SPECIFIC MEASURES

Section 1

**Derogations applicable to structural measures**

*Article 32*

1. Notwithstanding Articles 5, 6, 7 and 12 of Council Regulation (EEC) No 2328/91 of 15 July 1991 on improving the efficiency of agricultural structures [1] investment aid for agricultural holdings in the Azoren and Madeira shall be granted on the following conditions:

(a) the authorization concerning the keeping of simplified accounts provided for in Article 5 (1) (d) of the said Regulation shall apply beyond 31 December 1991;

(b) pig production shall not be subject to the conditions laid down in Article 6 (4) of the said Regulation;

(c) with regard to eggs and poultry production, the prohibition referred to in Article 6 (6) of the said Regulation shall not apply to family farms in so far as their size is in proportion to the need to ensure balanced development in these region;

(d) notwithstanding Article 7 (1) of the said Regulation, expenditure relating to initial purchases of pigs and poultry may be eligible unter the system of investment aid referred to in Article 6 (1) of the said Regulation;

[1] OJ No 218, 6. 8. 1991, p. 1.

(e) with regard to property investment, the value of the aid referred to in Article 7 (2) of the said Regulation may apply to other types of investment;

(f) notwithstanding the fifth subparagraph of Article 7 (2) of the said Regulation, the maximum value of the investment aid shall continue to be increased by 10 % after 31 December 1991.

Points (b), (c) and (d) of the first subparagraph shall apply only in so far as livestock production is undertaken in a manner compatible with animal welfare and environmetal protection requirements and provided that production is for the domestic market of the regions.

2. Notwithstanding Article 17 of Regulation (EEC) No 2328/91, the compensatory allowance referred to in Article 19 of that Regulation may be granted in the Azores and Madeira for all crops, provided they are cultivated in a manner compatible with environmental protection requirements and subject to a maximum income per holding to be determined.

In addition, cows whose milk is intended for the domestic market of these regions may be taken into consideration for the calculation of the compensatory allowance in all areas thereof specified in Article 3 (4) and (5) of Council Directive 75/268/EEC of 28 April 1975 on mountain and hill farming and farming in certain less-favoured areas [1], up to a maximum of 20 livestock units.

3. Notwithstanding the second subparagraph of Article 18 (1) of Regulation (EEC) No 2328/91, the compensatory allowance may be granted to farmers in these regions with at least half a hectare of utilized agricultural area.

4. Notwithstanding Article 37 (2) of Regulation (EEC) No 2328/91, Portugal is hereby authorized not to apply to the Azores and Madeira the schemes provided for in Article 37 (1) beyond 31 December 1994.

5. The Commission, in accordance with the procedure laid down in Article 29 of Regulation (EEC) No 4253/88 [2];

(a) shall adopt the conditions for applying this Article;

(b) may authorize Portugal to apply, for the purposes of fixing the reference income within the meaning of Article 5 (3) of Regulation (EEC) No 2328/91, a correction coefficient to the gross average wage of non-agricultural workers, which may not, however, exceed 1,7;

(c) may authorize Portugal to apply Article 9 (1) to (4) of Regulation (EEC) No 2328/91 to group-operated holdings of which only two thirds of the members meet the condition referred to in Article 5 (1) (a) of that Regulation;

(d) may decide, on a reasoned request by the competent authorites:

— to modify the investment ceiling referred to in Article 8 of Regulation (EEC) No 2328/91,

— notwithstanding Article 12 (1) and the second indent of Article 13 of Regulation (EEC) No 866/90 [3] and the corresponding provisions of Council Regulation (EEC) No 867/90 of 29 March 1990 on improving the processing and marketing conditions for forestry products [4], to extend the coverage of these measures to essential imports from third countries, provided that the products processed and/or marketed are intended exclusiverly for the domestic market in the Azores and Madeira,

— notwithstanding Article 12 (2) of Regulation (EEC) No 866/90, to extend the coverage of these measure to agricultural rum falling within CN code 2208 40 and to liqueurs produced from subtropical fruits falling within CN code 2208 90 55 in Madeira and the Azores.

## Section 2

### Plant health measures

*Article 33*

1. The competent authorities shall submit to the Commission programmes for the control of organisms harmful to plants or plant products. The programmes shall specify in particular the objectives to be achieved, the measures to be carried out, their duration and their cost. The programmes submitted pursuant to this Article shall not concern protective measures for bananas.

2. The Community shall contribute to the financing of such programmes on the basis of a technical analysis of the regional situation.

[1] OJ No L 128, 19. 5. 1975, p. 1. Directive as last amended by Regulation (EEC) No 797/85 (OJ No L 93, 30. 3. 1985, p. 1).
[2] OJ No L 374, 31. 12. 1988, p. 1.
[3] OJ No L 91, 6. 4. 1990, p. 1. Regulations as amended by Regulation (EEC) No 3577/90 (OJ No L 353, 17. 12. 1990, p. 23).
[4] OJ No L 91, 6. 4. 1990, p. 7.

3. The financial contribution of the Community and the amount of the aid shall be decided in accordance with the procedure laid down in Article 16a of Directive 77/93/EEC [1]. The measures eligible for Community financing shall be defined in accordance with the same procedure.

4. Such contribution may cover up to 75 % of the eligible expenditure. Payment shall be made on the basis of documentation supplied by the competend authorities. If necessary, investigations may be organized by the Commission and conducted on its behalf by experts as referred to in Article 19a of Directive 77/93/EEC.

TITEL V

GENERAL PROVISIONS

*Article 34*

The measures provided for in this Regulation, excluding Articles 32 and 33, shall constitute intervention designed to stabilize the agricultural markets within the meaning of Article 3 (1) of Regulation (EEC) No 729/70 [2].

*Article 35*

1. The Commission shall submit to the European Parliament and to the Council an annual report on the implementation of the measures provided for in this Regulation, accompanied where appropriate by proposals concerning any adjustment measures which may prove necessary in order to achieve the objectives of the programme.

2. At the end of the third year of application of the scheme, the Commission shall submit to the European Parliament and the Council a general report on the economic situation of the Azores and Madeira showing the impact of the measures taken pursuant to this Regulation.

In the light of the report's conclusions, the Commission shall submit, wherever this proves necessary, appropriate adjustments.

*Article 36*

This Regulation shall enter into force on 1 July 1992.

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

Done at Luxembourg, 15 June 1992.

*For the Council*

*The President*

João PINHEIRO

(1) OJ No L 26, 31. 1. 1977, p. 20. Directive as last amended by Directive 92/10/EEC (OJ No L 70, 17. 3. 1992, p. 27).

(2) OJ No L 94, 28. 4. 1970, p. 13. Regulation as last amended by Regulation (EEC) 2048/88 (OJ No L 185, 15. 7. 1988, p. 1).

*ANNEX I*

**LIST OF PRODUCTS COVERED BY THE SPECIFIC SUPPLY ARRANGEMENTS PROVIDED FOR IN ARTICLE 3 FOR THE AZORES REGION**

| Description of the products | CN-code |
|---|---|
| — *Cereals* | |
| — wheat | 1001 |
| — barley | 1003 |
| — maize | 1005 |
| — malt | 1107 |
| — *Rice* | 1006 |
| — *Raw sugarbeet* | 1701 12 10 |

*ANNEX II*

**LIST OF PRODUCTS COVERED BY THE SPECIFIC SUPPLY ARRANGEMENTS PROVIDED FOR IN ARTICLE 3 FOR THE MADEIRA REGION**

| Description of the products | CN-code |
|---|---|
| — *Cereals* | |
| — wheat | 1001 |
| — barley | 1003 |
| — maize | 1005 |
| — malt | 1107 |
| — *Hops* | 1210 |
| — *Rice* | 1006 |
| — *Vegetable oils* | ex 1507 to 1516 |
| — *Sugar* | 1701<br>1702 (with the exception of isoglucose) |
| — *Concentrated fruit juice* (raw materials) | 2007 99<br>2008 |
| — *Beef/veal* | |
| — fresh or chilled | 0201 |
| — frozen | 0202 |
| — *Pigmeat* | 0203 |
| — *Milk products* | |
| — liquid milk | 0401 |
| — milk powder | ex 0402 |
| — butter | 0405 |
| — cheese | 0406 |
| **For the 1992/93 to 1995/96 marketing years** | |
| — *Seed potatoes* | 0701 10 00 |