COUNCIL REGULATION (EC) No 2222/96

of 18 November 1996

amending Regulation (EEC) No 805/68 on the common organization of the market in beef and veal

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European 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),

Whereas the market in beef and veal has been seriously disturbed, mainly as a result of consumer fears concerning bovine spongiform encephalopathy (BSE); whereas this situation has led to a sudden, continuing deterioration on the market, entailing a sharp fall in consumption, a collapse in prices paid to producers and public intervention buying in; whereas forecasts show that, despite the battery of measures adopted by the Community in this area, consumption is unlikely to return to previous levels in the near future; whereas measures should therefore be taken to restore balance on the market while safeguarding the operational practicability of the support arrangements for the beef industry; whereas, to that end, production must be brought more closely into line with consumption;

Whereas, in adopting Regulation (EC) No 1997/96 (3), the Council has already taken certain urgent measures relating in particular to increasing the maximum quantity to be bought into intervention until mid November 1996; whereas, since this Regulation only partially exhausts the Commission proposal, the Council has stated that it will act at a later date on the other parts of the said proposal, including possible further increases in the maximum quantity;

Whereas the special premium for male bovine animals referred to in Article 4b of Regulation (EEC) No 805/68 (4) may currently be granted twice, by age bracket, in the life of each animal; whereas the granting of a second premium for bulls over 22 months old is an incentive to the rearing of particularly heavy animals; whereas, in order to remedy that situation, the second payment should be discontinued; whereas this measure must be accompanied by an increase in the premium paid once only to avoid penalizing producers economically;

Whereas in some Member States there are herds of bulls bred in regions where traditional extensive production is practised; whereas, in order to enable this type of production to adapt to the new situation, the Member States concerned must be authorized to continue on a transitional basis to grant the second premium during 1997 and 1998, while limiting the number of animals thus eligible and setting the amount of the second premium so that the sum of the two premiums received is equivalent to the sum of the two premiums which may be granted for castrated animals;

Whereas the total number of animals qualifying for the special premium each calendar year depends on the regional ceilings fixed in Article 4b (3) and (3a) of Regulation (EEC) No 805/68; whereas, in line with past experience, the number of animals covered by premium applications in certain Member States is substantially below those ceilings while in others it is significantly above them; whereas, in order to adjust the ceilings to actual production, they should be redefined on the basis of actual applications; whereas, with a view to reducing the total quantity produced, the adjusted ceiling should be further reduced by 5 %, except in those Member States where applications exceeded the ceiling by more than 5 %; whereas the regional ceiling set for Spain should also be adjusted in terms of the specific develoments noted there;

Whereas temporary withdrawal of rights to the suckler cow premium may help to control production; whereas, to that end, the Commission should be authorized to take the necessary measures relating to rights unused by producers which revert to the national reserve;

Whereas, in order to encourage extensive production, Article 4h of Regulation (EEC) No 805/68 provides for the granting of an additional amount on top of the special premium and the suckler cow premium where the stocking density observed on the holding is less than 1,4 LU per hectare of forage area; whereas, in order to enhance the effectiveness of this measure from the viewpoint of both extensification and production control, provision should be made for a higher amount to be paid where the stocking density observed is below 1 LU per hectare;

(1) OJ No C 300, 10. 10. 1996, p. 16.
(2) OJ No C 320, 28. 10. 1996.
(3) Council Regulation (EC) No 1997/96 of 14 October 1996 amending Regulation (EEC) No 805/68 on the common organization of the market in beef and veal (OJ No L 267, 19. 10. 1996, p. 1).
(4) OJ No L 148, 28. 6. 1968, p. 24. Regulation as last amended by Regulation (EC) No 1997/96 (OJ No L 267, 19. 10. 1996, p. 1).

Whereas improvement of the market in beef and veal requires a reduction in the number of finished animals offered on the market with greater encouragement for withdrawal and/or marketing of young, light animals; whereas, for that purpose the effects of the processing premium referred to in Article 4i of Regulation (EEC) No 805/68 on the level of production must be improved; whereas the scope of the premium should be extended to cover all male calves, while its application by the Member States must continue to be optional; whereas, furthermore, in order to ensure that the premium amounts may be adjusted to the needs of the scheme as appropriate, the Commission should be responsible for setting the amounts;

Whereas the introduction of an early marketing premium for calves may also help to restore some balance to the market; whereas, in order to ensure that such a premium is properly geared to the production conditions in the Member States it is necessary to define the eligibility of calves in the Member States in terms of the statistically-determined average carcase weight of calves slaughtered in each Member State; whereas such an average weight may vary within a given Member State; whereas it is necessary therefore to make provision for the Commission to authorize regionalized application of the premium; whereas, in order to avoid deflections of trade, a retention period is necessary; whereas, for the same reasons as in the case of the processing premium, setting the amount of the premium should be the Commission's responsibility;

Whereas production and consumer expectations vary considerably between Member States; whereas they should therefore be given a choice between the processing premium and the early marketing premium, but must be required to implement one or the other during the period 1 December 1996 to 30 November 1998;

Whereas after six months a check should be carried out on the early marketing scheme for calves and the processing premium scheme and on whether such schemes have been correctly implemented, with regard in particular to the effect achieved compared with the objective of reducing by about 1 000 000 the number of calves entering red meat production, to the distribution of adjustment efforts between the Member States and to possible distortions to trade;

Whereas there is likely to be an overrun in the ceilings fixed in Article 6 (1) of Regulation (EEC) No 805/68 as a result of the quantities which have had to be bought in since the onset of the BSE crisis; whereas, in order to prevent the application of the ceilings from triggering the 'safety net' arrangements provided for in Article 6 (4) of that Regulation, the ceilings for 1996 and 1997 should be raised to levels corresponding to the requirements of the market; whereas, in order to be able to respond more rapidly to market fluctuations, provision should be made for the Council, acting by a qualified majority on a proposal from the Commission, to amend the ceiling for intervention buying in;

Whereas the temporary buying in of light animals can also help to restore sound conditions on the market for beef and veal; whereas, to that end, special intervention arrangements should be introduced to apply to intervention in autumn 1997;

Whereas, in order to deal with the special situation stemming from German unification, Article 4k of Regulation (EEC) No 805/68 provides for a system of special regional ceilings for the new German *Länder* by way of derogation from the 90-animal limit and the provisions on regional and individual ceilings for the special and suckler cow premiums; whereas by the end of 1998 there will have been sufficient progress in the structuring of the beef industry in the new *Länder* for special measures no longer to be indispensable; whereas, however, certain adjustments should be made;

Whereas measures ensuring a transition from the old arrangements to those provided for in this Regulation may prove necessary even before the entry into force of the new arrangements,

HAS ADOPTED THIS REGULATION:

Article 1

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

1. in Article 4b:

(a) paragraph 2 shall be replaced by the following:

'2. The premium shall be granted no more than:

(a) once in the life of each uncastrated male bovine animal from 10 to 21 months old; or

(b) twice in the life of each castrated male bovine animal:

— the first time at the age of 10 months,

— the second time after it has reached the age of 22 months.

To qualify for the premium, any animal covered by an application must be held for fattening for a period to be determined.';

(b) in paragraph 3:

— the figure, for Germany, of '3 092 667' shall be replaced by '2 966 619' and the text in brackets shall be deleted,

— the following subparagraph shall be added:

'However, for 1997 and 1998, the following regional ceilings shall apply:

Belgium	235 149
Denmark	277 110
Germany	1 782 700
(including the specific regional ceiling for the special premium referred to in Article 4k (1) (a), applicable to the new *Länder*)	
Greece	140 130
Spain	603 674
France	1 754 732
Ireland	1 002 458
Italy	598 746
Luxembourg	18 962
Netherlands	157 932
Austria	423 400
Portugal	154 897
Finland	241 553
Sweden	226 328
United Kingdom	1 419 811.';

(c) the second sentence of the first subparagraph in paragraph 5 shall be replaced by the following sentence:

'In this case, for uncastrated male bovine animals the age criteria referred to in paragraph 2 (a) shall be replaced by a minimum weight of 200 kilogrammes.';

(d) the first subparagraph of paragraph 6 shall be replaced by the following:

'6. The premium per eligible animal shall be:

— ECU 108,7 per castrated male animal,

— ECU 135 per uncastrated male animal.';

(e) the following paragraph shall be inserted:

'7a. Notwithstanding paragraph 2 (a), Member States may choose to grant the premium for a second time in the life of each uncastrated male bovine animal, for a transitional period comprising the calendar years 1997 and 1998, up to a maximum of 3 % of the number of animals in their regional ceilings. In that case, the premium shall be granted only:

— after the animal concerned has reached the age of 22 months, and

— provided that it has been reared in a traditional extensive production region in the Member State concerned.

The second premium shall be ECU 81 per eligible animal.';

2. In Article 4f (4), the following indent shall be inserted after the first indent:

'— measures relating to individual rights not used in 1997 and 1998 which have been returned to the national reserve.';

3. Article 4h (1) shall be replaced by the following:

'1. Producers receiving the special premium and/or the suckler cow premium may qualify for an additional:

— ECU 36 per premium granted provided that the stocking density on their holdings during the calendar year is less than 1,4 LU per hectare, or

— ECU 52 per premium granted provided that the stocking density on their holdings during the calendar year is less than 1 LU per hectare.';

4. Article 4i shall be replaced by the following:

'*Article 4i*

1. Member States may decide that operators may qualify for a processing premium in respect of young male calves originating in the Community which are withdrawn from production before they are over 10 days old. However, the Member States may decide to grant the premium for such animals which are withdrawn from production before they are 20 days old provided they take the necessary measures to ensure that such animals are excluded from entering the human food chain.

2. Member States may, until 30 November 1998, grant an early marketing premium for calves. The premium shall be granted on the slaughter, in a Member State, of each calf:

— of a weight of not more than the average slaughter weight of calves in the Member State concerned, less 15 %. The average slaughter weight per Member State shall be that deriving from Eurostat statistics for 1995 or any other official published statistical information for that year accepted by the Commission,

— held, immediately before slaughter, in the Member State of slaughter for a period to be determined.

3. During the period 1 December 1996 to 30 November 1998, each Member State must apply at least one of the two schemes referred to in paragraphs 1 and 2.

4. Save in duly justified exceptional cases, the premiums referred to in paragraphs 1 and 2 must be paid within five months of the date of submission of the application.

5. In accordance with the procedure laid down in Article 27, the Commission:

— shall adopt detailed rules for the application of this Article,

— shall determine the maximum calf slaughter weights referred to in paragrah 2 which are applicable in each Member State,

— shall set the processing premium at a level or, where appropriate, levels enabling a sufficient number of calves to be withdrawn from production in line with market requirements,

— shall set the early marketing premium at a level enabling a sufficient number of calves to be slaughtered in line with market requirements,

— may, at the request of a Member State, authorize the early marketing premium to be applied on a differentiated regional basis within a Member State, provided that the animals have been held immediately before slaughter in the slaughter area for a period to be determined,

— may suspend the granting of either or both of the premiums referred to in this Article.

6. The Commission shall check, six months after the entry into force of the schemes referred to in this Article, whether such schemes have achieved satisfactory results.

Should this not be the case, the Commission shall submit an appropriate proposal to the Council, on which the Council, acting by a qualified majority, shall decide taking into account, in particular, the distribution of adjustment efforts between the Member States and possible distortions to trade.';

5. in Article 4k (1):

(a) in point (a), the figures '660 323' and '180 000' shall be replaced by '235 316' and '306 048' respectively;

(b) point (b) shall be deleted;

6. as from 1 January 1999, Article 4k shall be replaced by the following:

'*Article 4k*

1. In the new German *Länder*:

(a) all the provisions relating to arrangements on premiums applicable to the rest of the Community shall apply subject to the provisions of this Article;

(b) Germany shall determine individual ceilings for rights to the suckler cow premium as provided for in Article 4d (2) on the basis of the number of animals for which the producer received the suckler cow premium in respect of 1998 and shall inform each producer thereof.

Where natural circumstances result in non-payment of the premium in respect of 1998 or in a reduction in the amount paid, the number of animals corresponding to payments during 1997 may be used.

Where the premium is not paid in respect of 1998 or the amount paid is reduced as a result of the application of penalties laid down to that end, the number of animals ascertained during the inspection which resulted in the penalties shall be used;

(c) following the introduction of individual ceilings, where the sum of the rights allocated to producers whose holdings are located in the new German *Länder* is less than the regional ceiling set previously for that territory, the balance of the rights shall be cancelled, with the exception of a number of rights from among the surplus which shall be added by Germany to the national reserve provided for in Article 4f (1) not exceeding 3 % of the sum of the ceilings allocated to those producers.

The new reserve thus established shall apply to the whole of Germany. The sum of the rights allocated to producers located in the new German *Länder*, plus the 3 % intended for the reserve, shall not under any circumstances exceed the regional ceiling allocated to that territory.

2. As and when the need arises, the Commission shall adopt detailed rules for the application of this Article in accordance with the procedure laid down in Article 27.';

7. The second subparagraph of Article 6 (1) shall be replaced by the following:

'Such buying in may not cover more than the following quantities, per year and for the Community as a whole:

— 550 000 tonnes for 1996,

— 500 000 tonnes for 1997,

— 350 000 tonnes as from 1998.

The Council may amend these quantities, acting by a qualified majority on a proposal from the Commission.';

8. Article 6a shall be replaced by the following:

'*Article 6a*

1. Notwithstanding Article 5 (2), where the market situation demands, certain kinds of fresh or chilled meat of lean male bovine animals originating in the Community may be bought in by intervention agencies in one or more Member States or in a region thereof under invitations to tender, from the first invitation to tender in September 1997 to the last invitation to tender in December 1997, as provided for in the detailed rules for the application of intervention in the beef and veal sector.

2. The quantities of meat bought in pursuant to paragraph 1 shall be taken into account for the purposes of applying the ceilings on buying in provided for in Article 6 (1).

3. The Commission shall adopt detailed rules for the application of this Article in accordance with the procedure laid down in Article 27.'

Article 2

As and when the need arises, the Commission shall adopt measures to ensure transition from the previous arrangements to those provided for in Regulation (EEC) No 805/68 in accordance with the procedure laid down in Article 27.

Article 3

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

— Article 1 (4) shall apply from 1 December 1996,
— Article 1 (1), (3), (5) and (8) shall apply from 1 January 1997,
— Article 1 (6) shall apply from 1 January 1999.

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

Done at Brussels, 18 November 1996.

For the Council

The President

I. YATES