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**COMMISSION REGULATION (EC) No 2342/1999
of 28 October 1999**

**laying down detailed rules for the application of Council Regulation (EC) No 1254/1999 on the
common organisation of the market in beef and veal as regards premium schemes**

(OJ L 281, 4.11.1999, p. 30)

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| ► <u>M1</u> Commission Regulation (EC) No 1042/2000 of 18 May 2000 | L 118 | 4 | 19.5.2000 |
| ► <u>M2</u> Commission Regulation (EC) No 1900/2000 of 7 September 2000 | L 228 | 25 | 8.9.2000 |
| ► <u>M3</u> Commission Regulation (EC) No 2733/2000 of 14 December 2000 | L 316 | 44 | 15.12.2000 |
| ► <u>M4</u> Commission Regulation (EC) No 192/2001 of 30 January 2001 | L 29 | 27 | 31.1.2001 |
| ► <u>M5</u> Commission Regulation (EC) No 1458/2001 of 17 July 2001 | L 194 | 4 | 18.7.2001 |
| ► <u>M6</u> Commission Regulation (EC) No 2088/2001 of 25 October 2001 | L 282 | 39 | 26.10.2001 |
| ► <u>M7</u> Commission Regulation (EC) No 169/2002 of 30 January 2002 | L 30 | 21 | 31.1.2002 |
| ► <u>M8</u> Commission Regulation (EC) No 1830/2002 of 14 October 2002 | L 277 | 15 | 15.10.2002 |
| ► <u>M9</u> Commission Regulation (EC) No 2381/2002 of 30 December 2002 | L 358 | 119 | 31.12.2002 |



**COMMISSION REGULATION (EC) No 2342/1999
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laying down detailed rules for the application of Council Regulation (EC) No 1254/1999 on the common organisation of the market in beef and veal as regards premium schemes

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 1254/1999 of 17 May 1999 on the common organisation of the market in beef and veal⁽¹⁾, and in particular Articles 4(8), 5(5), 6(7), 7(5), 8(4), 9(4), 10(3), 11(5), 12(3), 13(5), 20, 23(3) and 50 thereof,

Whereas:

- (1) Regulation (EC) No 1254/1999 set up a new system of premiums to replace the system set out in Council Regulation (EEC) No 805/68⁽²⁾. In order to take account of the new arrangements, it is necessary to amend Commission Regulation (EEC) No 3886/92 of 23 December 1992 laying down detailed rules for the application of the premium schemes provided for in Council Regulation (EEC) No 805/68 on the common organisation of the market in beef and repealing Regulations (EEC) No 1244/82 and (EEC) No 714/89⁽³⁾, as last amended by Regulation (EC) No 1410/1999⁽⁴⁾ and, on the occasion of the amendment, Regulation (EEC) No 3886/92 should be recast, in the interests of clarity;
- (2) the premium and other payment schemes referred to in Articles 3 to 25 of Regulation (EC) No 1254/1999 should fall within the scope of Council Regulation (EEC) No 3508/92 of 27 November 1992 establishing an integrated administration and control system for certain Community aid schemes⁽⁵⁾ (hereinafter referred to as 'the integrated system'), as last amended by Regulation (EC) No 1036/1999⁽⁶⁾. As a result, this Regulation should be restricted to the horizontal regulation of outstanding matters within the framework of the said integrated system;
- (3) the objectives of the regional ceiling and of the stocking density dictate that the special premium may no longer be applied for in respect of the same age bracket for those animals affected by application of these two measures. For the purposes of the deseasonalisation premium, these animals should be deemed to have qualified for the special premium;
- (4) Article 4(3)(b) of Regulation (EC) No 1254/1999 lays down that each male bovine animal should be covered, until slaughter or until export, by an animal passport within the meaning of Council Regulation (EC) No 820/97 of 21 April 1997 establishing a system for the identification and registration of bovine animals and regarding the labelling of beef and beef products⁽⁷⁾ or an equivalent administrative document. Provision should be made for the administrative document to be drawn up and issued at national level. In order to take account of particular administrative and control conditions in the Member States, different forms of administrative document should be allowed;
- (5) Article 4(3) of Regulation (EC) No 1254/1999 lays down a retention period as a condition for granting the special premium. It is therefore necessary to define and quantify that period;

⁽¹⁾ OJ L 160, 26.6.1999, p. 21.

⁽²⁾ OJ L 148, 28.6.1968, p. 24.

⁽³⁾ OJ L 391, 31.12.1992, p. 20.

⁽⁴⁾ OJ L 164, 30.6.1999, p. 53.

⁽⁵⁾ OJ L 355, 5.12.1992, p. 1.

⁽⁶⁾ OJ L 127, 21.5.1999, p. 4.

⁽⁷⁾ OJ L 117, 7.5.1997, p. 1.

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- (6) the arrangements for granting the special premium at the time of slaughter should be consistent with the arrangements for granting the slaughter premium. The types of documents which are to accompany the animal until slaughter, dispatch or export should be specified. In order to take account of the specific features of the form of granting at the time of slaughter, the age conditions for steers and the method of presentation of the carcass for adult bovine animals should be laid down;
- (7) the conditions for granting the deseasonalisation premium should be laid down, in accordance with the arrangements for granting the slaughter premium. The task of determining, on the basis of available information, which Member States meet the conditions for applying this premium scheme should be performed by a Commission decision;
- (8) the concept of suckler cow should be defined in accordance with Article 6(7) of Regulation (EC) No 1254/1999. In this respect, the same breeds should be kept as those under the previous scheme. Moreover, the administrative rules which applied under the old scheme may in their essentials continue to be applied, in particular as regards the average milk yield and the additional national premium;
- (9) with a view to implementing the system of individual ceilings, the rules governing the determination of those ceilings and their communication to the producers should be laid down. In order to strengthen the regulating effect which that system will have on the market, provision should be made for premium rights not used by their holder during a specific period to revert to the national reserve. Appropriate measures should also be taken to ensure that rights granted free of charge from the national reserve are used by the beneficiaries solely for the intended purposes;
- (10) the mobilisation of these rights should be encouraged, as should their allocation to producers who will benefit from them. To this end, a minimum percentage of use of rights to the premium should be fixed. This percentage needs to be sufficient to avoid underutilisation of the rights available in certain Member States, which might give rise to problems for priority producers applying for rights through the national reserve. Member States should therefore be authorised to raise the minimum percentage of use of rights, which should not, however, exceed 90 %;
- (11) Articles 22 and 23 of Council Regulation (EC) No 1257/1999 of 17 May 1999 on support for rural development from the European Agricultural Guidance and Guarantee Fund (EAGGF) and amending and repealing certain regulations⁽¹⁾ establish extensification programmes. Provision should be made for the suspension, during the entire period of participation in the above programmes, of the use of rights to the suckler cow premium released in this way. The use of the rights released should, however, be authorised by way of exception to meet the needs for rights to the premium as part of other agri-environmental measures. One of the objectives of the early retirement scheme laid down by Article 10 of that Regulation is to encourage the replacement of elderly farmers by farmers able to improve the economic viability of the remaining agricultural holdings. There is reason to fear that certain farmers will not take part in the early retirement programmes if this is likely to lead, in the long term, to the loss of their suckler cow premium rights. Member States should therefore be able to provide for an extension of the total duration of temporary leasing on the basis of those programmes;
- (12) the uniform implementation of the provisions relating to the transfer and temporary leasing of rights entails the laying-down of certain administrative rules. In order to avoid excessive

⁽¹⁾ OJ L 160, 26.6.1999, p. 80.

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- administrative work, Member States should be permitted to fix a minimum number of rights which may be transferred or leased. Such rules should also prevent infringement of the undertaking provided for in Article 8(1) of Regulation (EC) No 1254/1999 to surrender, each time that rights are transferred without transfer of the holding, a certain percentage of such transferred rights to the national reserve. Moreover, provision should be made for this temporary leasing to be limited in time so as to avoid abuse of the transfer rules;
- (13) provision should be made to allow flexibility in meeting the administrative deadline for the transfer of rights where the producer can prove that he has inherited rights from a deceased producer;
 - (14) the special case where a producer uses only publicly or collectively owned land for grazing and transfers all his rights to another farmer, thus ceasing production, should be deemed equivalent to the transfer of a holding;
 - (15) application of an administrative system of transfers in which all transfers of rights without transfer of the holdings and temporary leasing of rights are conducted solely via the national reserve necessitates the establishment of a legal framework designed to preserve economic consistency with the system of direct transfers between producers. Objective criteria should be established for the determination of the sum to be paid by the national reserve to the producer who has transferred his rights and the sum to be paid by the producer who receives equivalent rights from the national reserve;
 - (16) Article 10 of Regulation (EC) No 1254/1999 lays down, for Member States complying with the conditions in that Article, a special optional scheme to manage the granting of the suckler-cow premium for heifers. The task of determining, on the basis of available information, which Member States meet the conditions for applying this special scheme should be performed by a Commission decision. The special arrangements for granting the premium should be specified. In accordance with the overall objective of the suckler-cow premium, this premium should be paid to farmers whose herd of heifers is intended to restock cow herds and not for the production of heifers for slaughter. To this end Member States should lay down criteria, which may include in particular an age limit and/or breed requirements;
 - (17) the method for calculating the stocking density should be determined. In order to simplify practical application of the stocking density, a date should be laid down for taking the milk reference quantity into consideration;
 - (18) the extensification payment should be conditional on compliance with one, or at most two, stocking densities, at the Member State's choice. The stocking density for the extensification payment scheme should include all bovine animals aged six months and over present on the holding. Special rules are therefore required for counting animals and for the producer's statement of participation in the scheme. Management of this scheme may be greatly facilitated by using the computerised database referred to in Regulation (EC) No 820/97. Provision should therefore be made for using that database, on condition that it offers, to the satisfaction of the Member State, adequate assurances as to the accuracy of the data it contains for the purposes of the extensification payment scheme;
 - (19) there is a risk that some producers may comply artificially with the average stocking rates required for the grant of the extensification payment, owing in particular to abnormally low stocking rates during part of the year. Steps should be taken to ensure that the extensification payment is not granted to such producers. To this end it should be specified, for the sake of clarification, that this situation falls within the scope of Article 7 of Council Regulation (EC) No 1259/1999 of 17 May 1999 establishing common

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- rules for direct support schemes under the common agricultural policy⁽¹⁾ and that Member States should therefore take all the necessary measures to apply that Article within the framework of the extensification payment scheme;
- (20) for the purposes of simplification in respect of the most extensive stockfarming enterprises, it would appear desirable to provide for an optional simplified scheme for the grant of the extensification payment;
 - (21) Article 13(4) of Regulation (EC) No 1254/1999 lays down, for Member States complying with the conditions in that Article, a special scheme for granting the extensification payment to dairy cows. The procedure for determining, on the basis of available information, which Member States meet the conditions for applying this special scheme should be laid down. The special arrangements for granting the premium should be specified. For the sake of consistency with the general extensification payment scheme, and in order to establish the precise number of dairy cows eligible for the payment, a minimum retention period should be laid down for dairy cows;
 - (22) the application of certain provisions of Regulation (EEC, Euratom) No 1182/71 of the Council of 3 June 1971 determining the rules applicable to periods, dates and time limits⁽²⁾ would artificially extend retention periods which are expressed in terms of months by one or more days. Specific provisions should therefore be laid down on this matter;
 - (23) applications should normally be submitted in respect of the slaughter premium. In the interests of simplification, the 'live-stock' aid application provided for in the integrated system should be taken to represent such an application, provided that it contains all the elements needed to justify payment of the premium and that the animal is slaughtered in the same Member State or in another Member State, or exported;
 - (24) pursuant to Regulation (EC) No 820/97, Member States should have a fully operational computerised database from 31 December 1999. It should be possible to use that database to facilitate the management of the slaughter premium, on condition that the Member State considers that the database offers adequate assurances as to the accuracy of the data it contains for the purposes of the payment of premiums;
 - (25) the slaughter premium for calves is conditional on a maximum weight limit. A standard type of carcase presentation should therefore be laid down, to which this maximum weight applies;
 - (26) Article 11(1) of Regulation (EC) No 1254/1999 lays down a retention period as a condition for granting the slaughter premium. It is therefore necessary to define and quantify that period;
 - (27) detailed information on the national rules on, and implementation of, the additional payments must be forwarded to the Commission;
 - (28) to ensure that farmers receive payments as quickly as possible, provision should be made for granting advances. However, in view of the application of the national or regional ceilings, steps should be taken to ensure that the advance does not exceed the definitive payment. Provision should therefore be made to allow Member States to reduce the percentage of the advance for the premium schemes subject to those ceilings;
 - (29) Regulation (EC) No 1254/1999 lays down penalties for the illegal use or holding of substances or products not authorised by the relevant veterinary legislation. In the case of repeated infringements, determination of the duration of penalties should

⁽¹⁾ OJ L 160, 26.6.1999, p. 113.

⁽²⁾ OJ L 124, 8.6.1971, p. 1.

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be left to the Member States, which are better placed to judge the true gravity of the offence committed;

- (30) the special premium and suckler cow premium schemes are based on the calendar year as the period of reference. It is necessary to fix the date determining the elements to be taken into consideration for the application of the said schemes. In order to ensure sound and consistent administration, the date of the submission of applications should, as a general rule, be chosen. However, with respect to the special premium paid on slaughter, special rules must be laid down in order to avoid carry-overs from one year to the next with a view to obtaining a higher premium. As regards the slaughter premium, the date of slaughter or of export is a better indication of whether the operations concerned have actually been carried out;
- (31) the exchange rate on the date of the operative event for the aids, premiums and amounts referred to in Article 5 of Council Regulation (EC) No 2799/98 of 15 December 1998 establishing agrimonetary arrangements for the euro⁽¹⁾ is defined as the rate on a given day. The rate applicable on the date of the operative event should be fixed in such a way as to ensure in principle that such aids, premiums and amounts do not undergo any sharp fluctuations on conversion into national currency due to the exchange rate on a single date. To this end, the best solution appears to be an average of the exchange rates applicable during the month preceding the allocation year, calculated *pro rata temporis*;
- (32) for the purposes of monitoring the measures taken under the reform of the premium schemes in the beef and veal sector, the Commission needs to be fully informed of the implementing measures taken by the Member States and the quantitative results of the application of the said schemes. Provision should therefore be made for the Member States to be subject to certain notification obligations. To facilitate the transmission and analysis of the data, a consistent format for submitting that data should be laid down;
- (33) in order to facilitate the change to the new scheme, transitional provisions are needed for the notification rules and the obligation to mark and identify animals;
- (34) the measures provided for in this Regulation are in accordance with the opinion of the Management Committee for Beef and Veal,

HAS ADOPTED THIS REGULATION:

Article 1

This Regulation lays down the detailed rules for the application of the premium schemes and other payment schemes laid down in Articles 3 to 25 of Regulation (EC) No 1254/1999.

⁽¹⁾ OJ L 349, 24.12.1998, p. 1.



CHAPTER I

SPECIAL PREMIUM

(Article 4 of Regulation (EC) No 1254/1999)

Section 1

General arrangements

Article 2

Applications

1. In addition to the requirements introduced as part of the integrated system of management and control provided for in Regulation (EEC) No 3508/92 (hereinafter referred to as 'the integrated system'), each 'livestock' aid application as referred to in Article 6(8) thereof (hereinafter referred to as 'application') shall contain:

- (a) a breakdown of the number of animals by age bracket;
- (b) a reference to the passports or administrative documents accompanying the animals which are the subject of the application.

2. Applications may be submitted in respect only of animals which on the date of commencement of the retention period are:

- (a) in the case of bulls, not less than seven months old,
or
- (b) in the case of steers, not less than seven months nor more than 19 months old in the case of the first age bracket, or at least 20 months old in the case of the second age bracket.

Article 3

Grant of premium

Animals which have not qualified for the premium either on account of the application of the proportional reduction referred to in Article 4(4) of Regulation (EC) No 1254/1999 or of application of the stocking density referred to in Article 12 of that Regulation may no longer be the subject of an application for the same age bracket and shall be considered to have been the subject of payment of the premium.

Article 4

Passports and administrative documents

1. Where, under the conditions laid down in Article 6 of Regulation (EC) No 820/97, the passport is not available, it shall be replaced by a national administrative document as provided for in Article 4(3)(b) of Regulation (EC) No 1254/1999.

2. The competent authorities of the Member State shall ensure that such passports or administrative documents ensure that only one premium is granted per animal and per age bracket.

Member States shall assist one another, as necessary, to this end.

3. Member States may provide that the national administrative document shall take the form of:

- (a) a document accompanying each individual animal;
- (b) a comprehensive list, held by the producer, containing all the information required for the administrative document, on condition that the animals concerned remain, from the date on which the first application is made, with the same producer until they are placed on the market for the purpose of being slaughtered;
- (c) a comprehensive list, held by the central authorities, containing all the information required for the administrative document, on condition that the Member State or region of a Member State availing itself of this possibility carries out on-the-spot checks on all the

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animals covered by an application, checks the movements of those animals and makes a distinctive mark on each animal checked which the producers shall be required to permit;

- (d) a comprehensive list, held by the central authorities, containing all the information required for the administrative document, on condition that the Member State takes the measures necessary to ensure that the premium is not granted twice for the same age bracket and provides information as to the premium status of each animal immediately upon request.

Member States which decide to avail themselves of one or more of these possibilities shall notify the Commission thereof in due time and forward to it the relevant implementing provisions.

For the purposes of point (c), Great Britain and Northern Ireland alone shall be considered to be regions of a Member State.

*Article 5***Retention period**

The duration of the retention period shall be two months, starting on the day following that on which the application is submitted.

However, Member States may provide that other starting dates may be set by the producer on condition that they do not fall more than two months after the day on which the application is submitted.

*Article 6***Regional ceiling**

1. Where the application of the proportional reduction gives a number of eligible animals which is less than a whole number, there shall be granted in respect of the decimal part a corresponding fraction of the unit amount of the premium. For this purpose, account shall be taken of the first decimal place only.

2. Where Member States decide to introduce different regions or modify the existing regions within their territory, within the meaning of Article 3(c) of Regulation (EC) No 1254/1999, they shall inform the Commission of their decision before 1 January of the year concerned, giving a definition of the region and the ceiling set. Any subsequent change shall be notified to the Commission before 1 January of the year concerned.

*Article 7***Limits on the number of animals per holding**

1. Where Member States decide to change the limit of 90 head of cattle per holding and per age bracket or to derogate from it, they shall inform the Commission before 1 January of the calendar year concerned.

Where, moreover, Member States fix a minimum number of animals per holding, below which the proportional reduction will not be applied, they shall inform the Commission before 1 January of the calendar year concerned.

2. Any subsequent change in the application of paragraph 1 shall be notified to the Commission before 1 January of the year concerned.

Section 2

*Grant of the premium at the time of slaughter**Article 8***Form of granting**

1. Member States may grant the special premium at the time of slaughter, in the case of bulls for the single age bracket, and in the

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case of steers for the first or second age bracket or by combining the granting of the premiums for the two age brackets.

2. Member States which decide to apply the system provided for in paragraph 1 shall provide that the premium is also to be granted when eligible animals are being dispatched to another Member State or being exported to a third country.

3. Where the system referred to in paragraphs 1 and 2 is applied, the grant of the premium shall be subject to compliance with the provisions in this section and of Articles 34 and 35(1) and (2) applied *mutatis mutandis*.

4. As well as containing the information referred to in Article 35(1), aid applications shall indicate whether the animal is a bull or a steer, and shall be accompanied by a document containing the details required for the purposes of Article 4(2). This document shall be, at the choice of the Member State:

(a) the passport or a copy of the passport where the type used consists of several copies;

or

(b) a copy of the passport where the type of passport used consists of one copy only which must be returned to the competent authority for the purposes of Article 6 of Regulation (EC) No 820/97; in this case the Member State shall take steps to ensure that the information contained in the copy corresponds to the original;

or

(c) the national administrative document where the passport is not available, under the conditions laid down in Article 6 of Regulation (EC) No 820/97.

However, Member States may suspend the application of the national administrative document. In that case they shall take the measures necessary to ensure that the premium is not granted twice for the same age bracket for animals which have been the subject of intra-Community trade.

In the case of Member States having a computerised database as referred to in Article 3(b) of Regulation (EC) No 820/97 which contains, to the satisfaction of the Member State, the information necessary to ensure that one premium only is granted for each animal and each age bracket, the aid application need not be accompanied by the document referred to in the first subparagraph.

In addition, and by way of derogation from the first subparagraph, where Member States apply the option referred to in the first subparagraph of Article 35(2), they shall take the measures necessary to ensure that the producer can determine the animals for which he is requesting a special premium.

5. In the case of bulls, proof of slaughter shall specify the carcass weight.

6. Where the animal is dispatched, proof of dispatch shall be provided by means of a statement by the consignor indicating the Member State of destination of the animal.

In this case, aid applications shall include:

(a) the name and address of the consignor (or an equivalent code);

(b) the identity number of the animal;

(c) a statement that the animal is not less than nine months old.

Aid applications shall be submitted before the animal leaves the territory of the Member State concerned and proof of dispatch shall be submitted within three months of the animals leaving the territory of the Member State concerned.

▼B*Article 9***Details of the grant system**

1. ►M1 Notwithstanding Article 5, the premium shall be paid to producers who have kept animals for a minimum retention period of two months ending less than one month before slaughter or consignment or ending less than two months before export. ◀

In the case of steers, payment of the premium is subject to the following rules:

- (a) the premium in respect of the first age bracket shall be paid only if the producer has kept the animal for a period of not less than two months between the time when the animal was not less than seven months old and the time when it was less than 22 months old;
- (b) the premium in respect of the second age bracket may be paid only if the producer has kept the animal aged not less than 20 months for a period of not less than two months;
- (c) the premiums in respect of the two age brackets may be paid together only if the producer has kept the animal for not less than four consecutive months in compliance with the age requirements laid down in points (a) and (b);
- (d) the premium in respect of the second age bracket only may be paid if the animal was dispatched from another Member State when it had reached 19 months.

2. In the context of calculating the stocking density referred to in Article 12 of Regulation (EC) No 1254/1999, each animal which is the subject of a combined application for the two age brackets shall be taken into consideration twice.

3. The carcase weight shall be established on the basis of a carcase which meets the requirements set out in Article 2 of Council Regulation (EEC) No 1208/81⁽¹⁾.

Where the carcase presentation differs from this definition, the corrective factors shown in the Annex to Commission Regulation (EEC) No 563/82⁽²⁾ shall apply.

Where slaughter takes place in a slaughterhouse which is not subject to the application of the Community grading scale for carcasses of adult bovine animals, Member States may permit the weight to be established on the basis of the live weight of the slaughtered animal. In such cases the carcase weight shall be considered to be equal to or greater than 185 kilograms if the live weight of the slaughtered animal was equal to or greater than 340 kilograms.

*Article 10***Notification**

Member States shall notify the Commission before the start of the calendar year concerned of their decision to apply the system of granting premiums referred to in this section and the relevant procedures.

⁽¹⁾ OJ L 123, 7.5.1981, p. 3.

⁽²⁾ OJ L 67, 11.3.1982, p. 23.



CHAPTER II

DESEASONALISATION PREMIUM

(Article 5 of Regulation (EC) No 1254/1999)

Article 11

Application of the premium

The Commission shall decide, by 1 August at the latest of each calendar year, in which Member States the deseasonalisation premium may be granted for the following calendar year.

Member States shall inform the Commission by 1 January of the calendar year in which the premium is granted should they decide to apply Article 5(3) of Regulation (EC) No 1254/1999.

Article 12

Entitlement to the premium

1. The premium may be granted in respect only of steers which have already received the special premium, or are considered to have received the special premium pursuant to Article 3, in a Member State applying the deseasonalisation premium and which are slaughtered in a Member State applying the deseasonalisation premium.

2. The premium may be granted only to the producer who last held the animal prior to slaughter.

Article 13

Applications

1. The producer shall submit an application to the competent authority of the Member State in whose territory the holding is situated.

2. The application shall be drawn up in accordance with Articles 8(4) and 35, applied *mutatis mutandis*.

Member States shall take the measures necessary to verify that the special premium has been granted and shall carry out regular, unannounced checks on the accuracy of the certificates referred to in Article 35.

CHAPTER III

SUCKLER COW PREMIUM

(Articles 6 to 10 of Regulation (EC) No 1254/1999)

Section 1

General arrangements

Article 14

Cows belonging to a meat breed

Cows belonging to the bovine breeds set out in Annex I to this Regulation shall not be considered to be cows belonging to a meat breed as referred to in Articles 3(f) and 10(2) of Regulation (EC) No 1254/1999.

Article 15

Maximum individual reference quantity

1. Where Member States decide to change the maximum individual reference quantity of 120 000 kilograms referred to in Article 6(2)(b) of Regulation (EC) No 1254/1999 or to derogate from it, they shall inform the Commission before 1 January of the calendar year concerned.

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2. Any subsequent change in the application of paragraph 1 shall be notified to the Commission before 1 January of the year concerned.

*Article 16***Retention period**

The six-month retention period referred to in Article 6(2) of Regulation (EC) No 1254/1999 shall start on the day following that on which the application is submitted.

*Article 17***Applications**

1. In addition to the requirements introduced as part of the integrated system, where an application is made for the premium pursuant to Article 6(2)(b) of Regulation (EC) No 1254/1999, the 'livestock' aid application or, at the choice of the Member State, the 'area' aid application referred to in Article 6(1) of Regulation (EC) No 3508/92 (hereinafter referred to as 'application') shall contain:

- (a) a statement setting out the individual reference quantity of milk ►**M1** available ◀ to the producer on 31 March preceding the beginning of the 12-month period of application of the additional levy scheme starting in the calendar year concerned; where this quantity is unknown on the date on which the application is submitted, it shall be notified to the competent authority at the earliest opportunity; and
- (b) an undertaking by the producer not to increase his individual reference quantity above the quantitative limit laid down in Article 6(2)(b) of Regulation (EC) No 1254/1999 during the 12-month period starting on the date on which the application is submitted.

However, point (b) shall not apply if the Member State has abolished the quantitative limit.

2. Applications shall be submitted within an overall period of six months during a calendar year, to be determined by the Member State.

Member States may provide for separate periods for submitting applications within this overall period.

▼M8**▼B***Article 18***Average milk yield**

The average milk yield shall be calculated on the basis of the average yields set out in Annex II. However, for this calculation, Member States may use a document recognised by them certifying the producer's dairy herd's average yield.

*Article 19***Additional national premium**

1. An additional national premium may be granted only to a producer who, in respect of the same calendar year, receives the suckler cow premium.

It shall be granted only within the limit of the number of animals qualifying for this premium, if appropriate after application of the proportional reduction laid down in the third subparagraph of Article 10(1) of Regulation (EC) No 1254/1999.

2. Member States may lay down additional conditions for the grant of the additional premium. They shall inform the Commission thereof in good time before these conditions are brought into effect.

3. The Commission shall decide by 1 August at the latest of each calendar year which Member States fulfil the conditions laid down in

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the third subparagraph of Article 6(5) of Regulation (EC) No 1254/1999.

Section 2

*Ceilings, reserves, transfers**Article 20***Individual ceiling**

1. Member States shall determine an individual ceiling per producer under the conditions laid down in Article 7(1), (2) and (3) of Regulation (EC) No 1254/1999.
2. Each producer shall be informed of the amount of his individual ceiling as soon as possible and at the latest one week before the start of the period for submitting applications in respect of 2000.

*Article 21***Notification**

1. Member States shall notify the Commission by 1 March 2000 at the latest of the procedures used to implement the reduction of individual ceilings in accordance with Article 7(3) of Regulation (EC) No 1254/1999, as well as the total number of rights granted to producers and the number of rights allocated to the reserve.
2. Member States shall notify the Commission by 1 March 2000 at the latest of the method of calculating the reduction in accordance with the second subparagraph of Article 8(1) of Regulation (EC) No 1254/1999 and where applicable of the measures taken under Article 8(2)(a) and, before 1 January each year, of any amendments.
3. Using the table set out in Annex IV, Member States shall notify the Commission at the latest by 1 March, provisionally, and by 31 July, definitively, for each calendar year of:
 - (a) the number of premium rights returned without compensatory payment to the national reserve following transfers of rights without transfers of holdings during the preceding calendar year;
 - (b) the number of unused premium rights as referred to in Article 23(2) transferred to the national reserve during the preceding calendar year,
 - (c) the number of rights granted under Article 9(3) of Regulation (EC) No 1254/1999 during the preceding calendar year.

*Article 22***Rights obtained free of charge**

Except in duly justified exceptional cases, where a producer has obtained premium rights free of charge from the national reserve he shall not be authorised to transfer and/or temporarily lease his rights during the three following calendar years

*Article 23***Use of rights**

1. A producer holding rights may make use of them by availing himself of those rights and/or leasing those rights to another producer.
2. Where a producer has not made use of at least the minimum percentage of his rights, fixed in accordance with paragraph 4, during each calendar year, the part not used shall be transferred to the national reserve, except:
 - in the case of a producer holding a maximum of seven premium rights, where this producer has not made use of the minimum percentage of his rights, fixed in accordance with paragraph 4, during each of two consecutive calendar years, the part not used

▼B

- during the last calendar year shall be transferred to the national reserve,
- in the case of a producer participating in an extensification programme recognised by the Commission,
 - in the case of a producer participating in an early retirement scheme recognised by the Commission in which the transfer and/or temporary leasing of rights is not obligatory,
- or
- in exceptional and duly justified cases.

3. Temporary leasing shall be only in respect of whole calendar years and shall involve at least the minimum number of animals provided for in Article 24(1). At the end of each period of temporary leasing, which may not exceed three consecutive years, a producer shall, except in the event of a transfer of rights, recover all his rights for himself, for at least two consecutive calendar years. If the producer does not avail himself of at least the minimum percentage of his rights, fixed in accordance with paragraph 4, during each of the two years, the Member State shall, except in exceptional and duly justified cases, withdraw and return annually to the national reserve that part of the rights not used by the producer.

However, in the case of producers participating in early retirement schemes recognised by the Commission, Member States may provide for the total duration of the temporary leasing on the basis of such schemes to be increased.

Producers who have undertaken to participate in an extensification programme in accordance with the measure referred to in Article 2(1)(c) of Council Regulation (EEC) No 2078/92⁽¹⁾ or in an extensification programme in accordance with Articles 22 and 23 of Regulation (EC) No 1257/1999 shall not be authorised to temporarily lease and/or to transfer their rights throughout the period of that participation. However, this provision shall not apply in cases where the programme permits the transfer and/or temporary leasing of rights to producers whose participation in the measures other than those referred to in this subparagraph requires the acquisition of rights.

4. The minimum percentage of use of rights to the premium shall be 70 %.

However, the Member States may raise this percentage to 90 %.

The Member States shall inform the Commission in advance of the percentage that they intend to apply.

Article 24

Transfer of rights and temporary leasing

1. Member States may lay down, on the basis of their production structures, a minimum number of premium rights which may be the subject of a partial transfer not involving the transfer of a holding. This minimum may not exceed five premium rights.

2. Transfers of premium rights and temporary leasing of such rights shall be effective only after they have been notified jointly to the competent authorities of the Member State by the producer transferring and/or leasing the rights and by the producer receiving the rights.

Such notification shall take place within a deadline set by the Member State and not later than the date on which the producer receiving the rights submits his premium application, except in those cases where the transfer of rights takes effect through an inheritance. In that case, the producer who receives the rights shall be in a position to furnish appropriate legal documents to prove that he or she is the beneficiary of the deceased producer.

⁽¹⁾ OJ L 215, 30.7.1992, p. 85.

▼B*Article 25***Change of individual ceiling**

In the case of transfers or temporary leasing of premium rights, Member States shall set the new individual ceiling and shall notify the producers concerned of the number of premium rights to which they are entitled not later than 60 days from the last day of the period during which the producer submitted his application.

The first paragraph shall not apply in the case where the transfer takes effect through an inheritance.

*Article 26***Producers who do not own the land that they farm**

Producers farming only public land or collectively owned land who decide to discontinue the farming of such land and to transfer all their rights to another producer shall be treated in the same way as producers selling or transferring their holdings. In all other cases such producers shall be treated in the same way as producers transferring their premium rights only.

*Article 27***Transfer through the national reserve**

Where Member States provide that the transfer of rights without transfer of the holding is to take place through the national reserve in accordance with Article 8(2)(b) of Regulation (EC) No 1254/1999, they shall apply national provisions analogous to those set out in Articles 23 to 26. In addition, in this event:

- Member States may provide that temporary leasing is to take place through the national reserve;
- when premium rights are transferred, or temporarily leased in cases where the first indent is applied, transfers to the reserve shall be effective only after they have been notified by the competent authorities of the Member State to the producer transferring and/or leasing the rights, and transfers from the reserve to another producer shall be effective only after they have been notified to that producer by these authorities.

In addition, such provisions must ensure that a payment will be made by the Member State for that part of the rights other than the part referred to in the second subparagraph of Article 8(1) of Regulation (EC) No 1254/1999 corresponding to that which would have resulted from a direct transfer between producers, account being taken in particular of the trend of production in the Member State concerned. This payment shall be equal to the payment which will be claimed from producers receiving equivalent rights from the national reserve.

*Article 28***Partial rights**

1. Where calculations to be made pursuant to the provisions of this Section produce numbers which are not whole numbers, only the first decimal place shall be taken into account.
2. Where application of the provisions of this Section results in partial premium rights, either for producers or the national reserve, these partial rights shall be added up.
3. Where a producer holds a partial right, this partial right shall only confer entitlement to the corresponding fraction of the unit amount of the premium and, where applicable, of the additional national premium referred to in Article 19 and of the extensification payment referred to in Article 32.

▼B*Article 29***Special scheme for heifers**

1. The Commission shall decide, by 1 November 1999 at the latest, which Member States meet the conditions laid down in Article 10(1) of Regulation (EC) No 1254/1999.

The Member States concerned shall inform the Commission, before 1 January 2000, whether or not they intend to apply the scheme laid down in Article 10 of Regulation (EC) No 1254/1999 (hereinafter referred to as 'the special scheme') and where applicable shall communicate the specific national ceiling that they have determined. Any subsequent modification shall be notified to the Commission before 1 January of the year concerned.

2. Member States applying the special scheme shall lay down criteria to ensure that the premium is paid to farmers whose herd of heifers is intended to restock cow herds. These criteria may include in particular an age limit and/or breed requirements.

Member States shall inform the Commission before 1 January of the year concerned of the criteria adopted. Any subsequent modification shall be notified to the Commission before 1 January of the year concerned.

3. Where the application of the proportional reduction referred to in the third subparagraph of Article 10(1) of Regulation (EC) No 1254/1999 gives a number of eligible animals which is less than a whole number, there shall be granted in respect of the decimal part a corresponding fraction of the unit amount of the premium and, where applicable, of the additional national premium referred to in Article 19 and of the extensification payment referred to in Article 32. For this purpose account shall be taken of the first decimal place only.

4. In Member States applying the special scheme, the requirement laid down in Article 6(2) of Regulation (EC) No 1254/1999 concerning the minimum number of animals to be held shall be met in full either by Buckler cows if the producer has lodged an application for Buckler cows or by heifers if the producer has lodged an application for heifers.

5. The provisions of Articles 20 to 28 shall not apply within this special scheme.

▼M6*Article 29a***Rounding-off of animal numbers**

If the calculation of the minimum and maximum number of heifers expressed as a percentage as laid down respectively in the first, second and third subparagraphs of Article 6(2) and in the fourth subparagraph of Article 10(1) of Regulation (EC) No 1254/1999 produces a result which is not a whole number, that number shall be rounded down to the nearest whole number if it is less than 0,5 and up to the nearest whole number if it is 0,5 or more.

▼M9

Notwithstanding the first paragraph, for the purposes of applying the arrangements provided for in Article 10 of Regulation (EC) No 1254/1999 in 2003, where a premium application involves a number equal to two animals the number of heifers that may benefit from the premium shall be fixed at one heifer.



CHAPTER IV

PROVISIONS COMMON TO THE SPECIAL PREMIUM AND THE
SUCKLER COW PREMIUM

Article 30

Applications

1. Member States may, for administrative reasons, provide that applications shall be for a minimum number of animals, providing that this number does not exceed three.
2. Without prejudice to Articles 17(2) and 32(7), Member States may determine the periods and dates for submission of premium applications and the number of applications that producers may submit per premium scheme and calendar year.

Article 31

Stocking density

1. For each producer who, in respect of the same calendar year, submits
 - the ‘area’ aid application referred to in Article 6(1) of Regulation (EEC) No 3508/92,
 - and
 - at least one application for a special premium or a suckler cow premium,

the competent authorities shall establish the number of LUs (livestock units) corresponding to the number of animals for which a special premium or suckler cow premium may be granted, taking account of the forage area of his holding.

2. In establishing the stocking density referred to in Article 12 of Regulation (EC) No 1254/1999, the following procedure shall apply:
 - (a) account shall be taken of the individual reference quantity of milk ►**MI** available ◀ to the producer on 31 March preceding the beginning of the period of 12 months of application of the additional levy scheme beginning in the calendar year concerned;
 - (b) the number of dairy cows needed to produce this reference quantity shall be calculated in accordance with Article 18 of this Regulation.
3. In determining the number of animals eligible for a premium:
 - (a) the number of hectares determined in accordance with the rules laid down in the integrated system shall be multiplied by the stocking density referred to in Article 12 of Regulation (EC) No 1254/1999;
 - (b) the number of LUs corresponding to the number of dairy cows needed to produce the reference quantity of milk ►**MI** available ◀ to the producer shall be deducted from the figure thus obtained;
 - (c) the number of LUs corresponding to the number of sheep and/or goats for which a premium application is submitted shall be deducted from the figure thus obtained.

The final figure thus obtained shall correspond to the maximum number of LUs for which the special premium and the Buckler cow premium may be granted.

4. The Member States shall inform each producer concerned of the stocking density established for him and of the resultant number of LUs for which a premium may be granted.



Article 32

Extensification payment

1. To qualify for the extensification payment, producers must indicate on the 'area' aid application that they wish to participate in the extensification payment scheme.
2. Animals which are considered to have received the special premium within the meaning of Article 3 shall not qualify for the extensification payment.
3. In order to check that the total number of animals calculated in accordance with Article 13(3)(a) of Regulation (EC) No 1254/1999 meets the stocking density requirements laid down in Article 13(2) of that Regulation, Member States shall determine each year at least five census dates for the animals and shall inform the Commission thereof.

Except in those cases where Member States decide that the census dates may be any day of the year;

- the census dates shall be distributed at random in such a way as to be representative of the entire year, being changed annually, and
- each census date shall be determined *a posteriori* and shall be notified to the producer at the earliest two weeks after it has been determined.

On these dates the animals shall be counted in accordance with one of the following methods, at the choice of the Member State:

- Member States shall ask each producer to declare, on the basis of his farm register, prior to a date to be determined by the Member State, the number of LUs or the number of animals of each of the two categories of male animals referred to in Annex III to Regulation (EC) No 1254/1999, or
- Member States with a computerised database as referred to in Article 3(b) of Regulation (EC) No 820/97 shall use that database to determine the number of LUs on condition that the database offers, to the satisfaction of the Member State, adequate assurances as to the accuracy of the data it contains for the purposes of the extensification payment scheme.

The number of LUs used to determine whether the producer is complying with the stocking density requirements laid down in Article 13(2) of Regulation (EC) No 1254/1999 shall be the arithmetic average of the numbers of LUs counted on the census dates plus the number of LUs corresponding to the sheep and goats for which premium applications have been submitted for the same calendar year.

However, where Member States decide that the census dates may be any day of the year, they may provide that the numbers referred to in (a) and (b) shall be calculated *pro rata temporis* for the period on which the animals are present on the holding.

Member States shall take the measures necessary to apply Article 7 of Regulation (EC) No 1259/1999 in the case of producers who, by means of abnormally low stocking rates during part of the year, artificially create the conditions required by Article 13 of Regulation (EC) No 1254/1999.

4. By way of derogation from paragraph 3, Member States may give producers the option of choosing a simplified scheme.

In that case, the producer must indicate on the 'area' aid application:

- (a) that he declares that he has complied each day with the maximum stocking density laid down in Article 13 of Regulation (EC) No 1254/1999 up to the date of his 'area' aid application, and
- (b) that he undertakes to comply each day with that stocking density between the date of his 'area' aid application and 31 December.

▼B

Where the Member State has chosen to apply the second subparagraph of Article 13(2) of Regulation (EC) No 1254/1999, the producer shall specify on his application which of the two maximum stocking densities he is observing. The producer may alter this choice at the latest before the announcement of an on-the-spot check on the number of his animals.

The producer may notify the competent authority of the cancellation of his undertaking at the latest before the announcement of an on-the-spot check on the number of his animals. In that case he shall not qualify for the extensification payment.

The declaration and undertaking referred to in this paragraph shall be subject to the control and penalty provisions provided for under the integrated system.

5. Member States shall notify the Commission by 1 January 2000 of the definition of 'pasture' used for the purposes of Article 13(3)(c) of Regulation (EC) No 1254/1999. Any subsequent change shall be notified to the Commission before 1 January of the year concerned.

6. The Commission shall decide, by 1 November 1999 at the latest, which Member States meet the conditions laid down in Article 13(4) of Regulation (EC) No 1254/1999.

For the purposes of that paragraph, 'producer in mountain area' means any producer:

- whose farm is situated in a mountain area,
- or
- at least 50 % of whose forage area is in a mountain area.

7. Without prejudice to paragraph 1, producers who wish to qualify for the extensification payment under paragraph 6 shall state on the 'livestock' aid application that they are applying for the extensification payment. They shall keep, for at least six consecutive months starting on the date on which the application is submitted, a number of dairy cows at least equal to the number of dairy cows for which the extensification payment has been applied for. This six-month retention period shall start on the day following that on which the application is submitted.

Applications shall be submitted within an overall period of six months during a calendar year, to be determined by the Member State.

Member States may provide for separate submission periods within this overall period.

8. The number of dairy cows for which the extensification payment is granted to a producer may not exceed either of the following two figures:

- (a) the number of dairy cows needed to produce the individual reference quantity of milk ►**M2** available ◀ to the producer on 31 March preceding the beginning of the 12-month period of application of the additional levy scheme beginning in the calendar year concerned; this number of cows shall be calculated using the average milk yield defined in Annex II;
- (b) the total number of cows on the holding, determined in accordance with paragraph 3, less the number of suckler cows corresponding to the individual ceiling.

9. Where Member States choose to apply, or to cease to apply, the option laid down in the second subparagraph of Article 13(2) of Regulation (EC) No 1254/1999, they shall inform the Commission of their decision before 1 January of the calendar year concerned.

10. For the purpose of calculating the stocking density pursuant to this Article, account shall be taken of the first two decimal places only.

▼M2

11. In the event that the competent veterinary authorities decide that no animal may leave the production unit except for the purpose of slaughter, the number of livestock units recorded on the holding shall

▼M2

be multiplied by the coefficient 0,8 for the purpose of applying this Article.

This measure shall be restricted to the period, plus 20 days, within which the abovementioned decision applies, provided that the producer has informed the competent authority, by writing within 10 working days of the decision, of the presence of the animals concerned and has taken all the measures necessary to prevent and/or limit the occurrence of the epizootic.

▼M4

12. In the period between 15 October 2000 and ►M5 15 May 2001 ◀ inclusive, for the purposes of applying this Article the number of LUs recorded on the holding shall be multiplied by a coefficient of 0,8.

This measure shall apply if it can be demonstrated to the satisfaction of the Member State that, because of the exceptional market situation, the animals are being kept longer on the holding than is normally the case.

▼B*Article 33***Determination of retention periods**

The last day of the retention periods referred to in Articles 5, 9(1), 16, 32(7) and 37 shall be the day, whether a working day or not, preceding the day which bears the same number as the starting day for the period.

CHAPTER V

SLAUGHTER PREMIUM

(Article 11 of Regulation (EC) No 1254/1999)

*Article 34***Statement of participation**

Member States may provide that in order to qualify for the premium for a given calendar year each producer shall, before or at the same time as making the first application for that calendar year, submit a statement of participation.

However, where the producer makes no changes to the statement of participation, the Member State may accept that the previous statement remains valid.

*Article 35***Applications**

1. 'Livestock' aid applications shall include the information needed for payment of the slaughter premium, in particular the date of birth of the animal in the case of animals born after 1 January 1998.

'Livestock' aid applications shall be submitted within a period to be determined by the Member State which may not exceed six months following slaughter of the animal or, where the animal is exported, after the date on which it leaves Community customs territory, and shall expire no later than the end of February of the following year except in exceptional cases to be decided by the Member State concerned where animals are dispatched or exported. ►M1 Without prejudice to the time limit fixed above, the Member States may set periods and dates for the submission of aid applications and may determine the number of applications that each producer may submit per calendar year. ◀ ►M2 For 2000, Member States may decide in respect of animals slaughtered or exported during the first quarter that the time limit set for the submission of aid applications is to be extended until 30 September 2000 at the latest. ◀

Member States may permit applications to be submitted through a person other than the producer. In such cases the application shall

▼B

bear the name and address of the producer who is liable to qualify for the premium.

In addition to the requirements introduced as part of the integrated system, each application shall contain:

- (a) in cases where the grant is made at the time of slaughter, a certificate from the slaughterhouse or any document produced or endorsed by the slaughterhouse containing at least the same information, showing:
 - (i) the name and address of the slaughterhouse (or an equivalent code);
 - (ii) the date of slaughter and the identity and slaughter numbers of the animal;
 - (iii) in the case of calves, the carcase weight (save where Article 36(4) applies);
- (b) in cases where the animal is exported to a third country:
 - (i) the name and address of the exporter (or an equivalent code),
 - (ii) the identity number of the animal,
 - (iii) the export declaration stating the age of the animal for animals born after 1 January 1998 and, in the case of calves, save where Article 36(4) applies, the live weight, which may not exceed 290 kilograms;
 - (iv) proof that the animal has left Community customs territory, shown in the same manner as for an export refund.

However, Member States may provide that the information referred to in (a) and (b) shall be forwarded via a body or bodies approved by the Member State, which may use information technology.

Member States shall carry out regular, unannounced checks on the accuracy of the certificates or documents issued and, where appropriate, the information referred to in the fifth subparagraph.

2. By way of derogation from paragraph 1, Member States with a computerised database as referred to in Article 3(b) of Regulation (EC) No 820/97 may provide that information on the slaughter of animals forwarded to the competent authority by slaughterhouses shall be regarded as applications for slaughter premiums on behalf of the producers, on condition that the database offers, to the satisfaction of the Member State, adequate assurances as to the accuracy of the data it contains for the purposes of the slaughter-premium scheme and, where applicable, the payment on slaughter of the special premium and/or the additional payments if these are paid on slaughter, and/or the deseasonalisation premium.

However, Member States may provide that applications shall be submitted. In such a case they may determine the type of information that shall accompany the application.

Member States choosing to apply this paragraph shall inform the Commission thereof before 1 January 2000. They shall inform the Commission of any subsequent change before it is implemented.

Member States shall ensure that the data made available to the paying agency includes all the information needed to pay the premium, in particular:

- (a) the types and quantities of animals as referred to in Article 11(1) of Regulation (EC) No 1254/1999 slaughtered during the year concerned;
- (b) information regarding compliance with the age limits and carcase weight of the animals referred to in that Article and with the retention period referred to in Article 37;
- (c) where applicable, the information needed to pay the special premium at the time of slaughter and/or the additional payments if these are paid on slaughter, and/or the deseasonalisation premium.

3. For animals which have been the subject of intra-Community trade after the retention period indicated in Article 37, even if the

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Member State where slaughter was carried out chose to apply the derogation laid down in paragraph 2, the slaughterhouse shall issue the document referred to in point (a) of the fourth subparagraph of paragraph 1.

However, where their data transfer systems are compatible, two Member States may agree to apply the system described in paragraph 2.

Member States shall assist one another to ensure effective controls on the authenticity of documents submitted and/or the accuracy of the data exchanged. To that end the Member State where payment is made shall forward regularly to the Member State where slaughter takes place a summary, grouped by slaughterhouse, of the slaughter certificates (or information in place thereof] received from the latter Member State.

*Article 36***Weight and presentation of carcasses**

1. For the purposes of Article 11(1)(b) of Regulation (EC) No 1254/1999, veal carcasses shall be presented after skinning, evisceration and bleeding, without the head or the feet but with the liver, kidneys and kidney fat.

2. The weight to be taken into consideration shall be the weight of the carcass after chilling, or the warm weight of the carcass established as soon as possible after slaughter, reduced by 2 %.

3. Where carcasses are presented without the liver, kidneys and/or kidney fat, their weight shall be increased by:

- (a) 3,5 kilograms for the liver;
- (b) 0,5 kilograms for the kidneys;
- (c) 3,5 kilograms for the kidney fat.

4. Member States may provide that where a calf is less than five months old at the time of slaughter or export, the weight requirement referred to in Article 11(1)(b) of Regulation (EC) No 1254/1999 shall be deemed to have been met.

Where the carcass weight cannot be established in the slaughterhouse, the above weight requirement shall be deemed to have been met if the live weight does not exceed 290 kilograms.

*Article 37***Premium beneficiary****▼M1**

1. The premium shall be paid to producers who have held the animals for a minimum retention period of two months ending less than one month before slaughter or ending less than two months before export.

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2. In the case of calves slaughtered before the age of three months, the retention period shall be one month.

*Article 38***National ceilings**

1. The national ceilings referred to in Article 11(1) and (3) of Regulation (EC) No 1254/1999 are shown in Annex III.

2. Where the application of the proportional reduction gives a number of eligible animals which is less than a whole number, there shall be granted in respect of the decimal part a corresponding fraction of the unit amount of the premium. For this purpose account shall be taken of the first decimal place only.

▼B

CHAPTER VI

ADDITIONAL PAYMENTS

(Articles 14 to 20 of Regulation (EC) No 1254/1999)

*Article 39***National arrangements**

The detailed information to be forwarded to the Commission under Article 18 of Regulation (EC) No 1254/1999 shall include the following:

1. headage payments (where applicable):
 - (a) indicative amounts per head for each category of animal, and grant arrangements;
 - (b) an indicative forecast of total expenditure for each category of animal (specifying whether these payments will be made in the form of a supplement to the slaughter premium) and of the number of animals concerned;
 - (c) specific stocking density requirements (save in the case of payments in the form of a supplement to the slaughter premium);
 - (d) the headage limit on male bovines per holding (where applicable),
 - (e) other information on the rules of application.

The categories of animal referred to in points (a) and (b) are: bulls, steers, suckler cows, dairy cows, heifers qualifying for the suckler cow premium, and other heifers, or any subgroup of animals determined by the Member State and included in those categories;

2. area payments (where necessary):
 - (a) calculation of regional base areas,
 - (b) indicative amounts per hectare;
 - (c) an indicative forecast of total expenditure and of the number of hectares concerned;
 - (d) other information on the rules of application.

*Article 40***Detailed report**

The detailed report to be forwarded to the Commission under Article 19 of Regulation (EC) No 1254/1999 shall include the same elements as those laid down in Article 39, updated and supplemented.

It shall also include:

- (a) a summary of the difficulties encountered in implementing the additional payments scheme;
- (b) an evaluation of the effectiveness of this scheme;
- (c) possibly some proposals on the future development of this scheme.

CHAPTER VII

GENERAL PROVISIONS*Article 41***Payment of advances**

1. On the basis of the results of administrative checks and on-the-spot checks, the competent authority shall pay to the producer, for the number of animals deemed to be eligible, an advance equal to 60 % of the special premium, the suckler cow premium and the slaughter premium.

▼ B

In the case of the special premium, the special scheme for heifers referred to in Article 29 and/or the slaughter premium, the advance percentage may be reduced by the Member States but may not be less than 40 %.

▼ M2

In addition, on the basis of administrative and on-the-spot checks, Member States may decide to pay producers an advance of a maximum 60 % on the amount of the additional payments referred to in Article 14 Regulation (EC) No 1254/1999.

The advance may not be paid before 16 October of the calendar year in respect of which the premium is applied for or the additional payment is granted.

▼ M8

However, as regards the calendar years 2000, 2001 and 2002, the advance on the special premium, the suckler cow premium, the slaughter premium and the additional payments may be paid at a rate of up to 80 % of the amount of those premiums or of those payments.

▼ M2

2. The definitive payment of the premium or the additional payment shall be an amount equal to the difference between the advance payment and the amount of the premium or the additional payment to which the producer is entitled.

▼ B*Article 42***Allocation year**

The date of submission of the application shall constitute the operative event for determining the year to which animals covered by the special premium, suckler cow premium, deseasonalisation premium and extensification payment schemes are allocated and the number of LUs to be used for calculating the stocking density.

▼ M8

However, if the special premium is granted in accordance with one of the options provided for in Article 8:

- where the animal was slaughtered or exported no later than 31 December, and
- where the premium application for that animal is submitted after that date,

the amount of the premium applicable shall be that in force on 31 December of the year in which slaughter or export took place.

▼ M4

Notwithstanding the preceding paragraphs and Article 35(1), where a special premium is granted under one of the options provided for in Article 8, if the animal is slaughtered between 1 January and 28 February 2001 and if the premium application for that animal is lodged no later than 15 March 2001 in respect of the 2000 calendar year, at the producer's request the allocation year shall be 2000 and the amount of the premium shall be that valid on 31 December 2000.

▼ B

As regards the slaughter premium, for the purposes of applying the rate of aid and calculating the proportional reduction in accordance with Article 38, the allocation year shall be the year of slaughter or export.

▼ M2*Article 43***Conversion into national currency**

Conversion into national currency of premium amounts, the extensification payment and the additional payments shall be carried out in accordance with the average, calculated *pro rata temporis*, of the exchange rates applicable in the month of December preceding the allocation year determined in accordance with Article 42. ► **M8** The

▼M2

average exchange rate shall be fixed by the Commission during the preceding month. ◀

▼B*Article 44***Penalties for the illegal use or holding of certain substances or products**

In the event of repeated infringements through the illegal use or holding of substances or products not authorised by the relevant Community regulations in the veterinary sector, Member States shall determine, in the light of the seriousness of the infringement, the length of the exclusion from the aid schemes pursuant to the second subparagraph of Article 23(1) of Regulation (EC) No 1254/1999.

▼M1*Article 44a***Determination of the individual reference quantity of milk**

Up to 31 December 2004, notwithstanding Articles 17(1)(a), ►M2 31(2)(a) and 32(8)(a) ◀, (a Member State may decide that) in the case of milk producers who release or take over all or part of individual reference quantities with effect on 31 March or 1 April respectively in accordance with Article 8(b) of Regulation (EEC) No 3950/92 or pursuant to national provisions adopted for the implementation of Article 7, Article 8(a), (d) and (e) or Article 8a of that Regulation, the date determining:

- the maximum individual reference quantity of milk available to qualify for the suckler-cow premium and the maximum number of suckler cows,
- grants of additional payments per head for dairy cows,

▼M2

- the number of dairy cows with a view to the granting of the extensification payment for dairy cows kept on holdings located in mountain areas, and

▼M1

- the stocking density,

shall be 1 April.

▼B*Article 45***National implementing measures**

Member States shall adopt all suitable measures necessary to ensure that this Regulation is applied properly. They shall inform the Commission thereof.

*Article 46***Notification**

1. From 1 July 2000 onwards, the Member States shall notify the Commission annually by 15 September at the latest (for information relating to the first six months of the current year) and 1 March (for information relating to the second six months of the previous year) of:

- (a) the number of male bovines in respect of which the special premium has been applied for, broken down by:
 - age bracket,
 - type of animal (bull or steer);
- (b) the number of cows in respect of which the suckler cow premium has been applied for, broken down according to the schemes referred to in Article 6(2)(a) and (b) of Regulation (EC) No 1254/1999;
- (c) the number of animals in respect of which the slaughter premium has been applied for, broken down by type of animal (adult bovine

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or calf) and indicating whether the animals were slaughtered or exported;

- (d) the number of animals for which the deseasonalisation premium was actually granted, broken down according to whether they benefited from the first or second tranche of the special premium, and the number of livestock producers corresponding to each of the two abovementioned age brackets.

2. From 2001 onwards, the Member States shall notify the Commission by 31 July at the latest in each year and for the preceding calendar year of:

- (a) the number of male bovines for which the special premium was actually granted, broken down by:

- age bracket,
- type of animal (bull or steer),

and indicating:

- the grant, where applicable, of the extensification payment (broken down according to the limits laid down in Article 13(2) of Regulation (EC) No 1254/1999), and the number of livestock producers concerned, shown separately in accordance with those limits,
- the number of animals broken down by age bracket for which the special premium was not granted in respect of the preceding calendar year due to the application of the regional ceiling;

- (b) the number of cows and heifers for which the suckler cow premium was actually granted, broken down according to the schemes referred to in Article 6(2)(a) and (b) of Regulation (EC) No 1254/1999, and indicating the grant, where applicable, of the extensification payment (broken down according to the limits laid down in Article 13(2) of that Regulation), as well as the number of producers concerned in the case of each scheme;

- (c) the number of dairy cows for which the extensification payment was actually granted;

- (d) the number of animals for which the premium was not granted in respect of the preceding calendar year due to application of the specific national ceiling for heifers;

- (e) where applicable, the grant of any national premium in addition to the suckler cow premium, indicating:

- the conditions for granting the premium,
- and
- the amount granted per animal;

- (f) the number of animals for which the premium not affected by stocking density was actually granted, and the number of producers concerned;

- (g) the number of animals for which the slaughter premium was actually granted, broken down by type of animal (adult bovine or calf) and indicating whether the aid was granted on slaughter or on export, as well as, for each of these subdivisions, the number of producers concerned.

3. The Member States shall notify the Commission annually by 31 July at the latest from 2001 of the number of animals, broken down by type of animal, in respect of which the slaughter premium has not been granted in respect of the preceding calendar year due to the application of national ceilings.

4. Member States shall communicate the details specified in this Article using the tables set out in Annex IV.



CHAPTER VIII

TRANSITIONAL AND FINAL PROVISIONS

*Article 47***Transitional provisions**

1. In accordance with Article 50 of Regulation (EC) No 1254/1999, in order to facilitate the transition from the provisions of Regulation (EEC) No 805/68 to Regulation (EC) No 1254/1999, notifications to the Commission in respect of 1999 shall be made in accordance with the same procedure as that laid down in Regulation (EEC) No 3886/92.
2. The requirement to identify and register animals laid down in Article 21 of Regulation (EC) No 1254/1999 shall apply, for animals born before 1 January 1998, in accordance with the procedure laid down in Council Directive 92/102/EEC ⁽¹⁾, save in the case of animals which are the subject of infra-Community trade.

*Article 48***Repeal**

Regulation (EEC) No 3886/92 is repealed with effect from 1 January 2000.

It shall remain applicable to applications submitted by 31 December 1999 at the latest.

References to the repealed Regulation shall be construed as references to this Regulation.

*Article 49***Entry into force**

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

It shall apply from 1 January 2000, except for the provisions relating to notifications or decisions laid down in Articles 10, 11, 15, 21(2), 23(4), 29(1) and (2), 32(5), (6) and (9), 35(2) and 39, which shall apply on entry into force of this Regulation.

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

⁽¹⁾ OJ L 355, 5.12.1992, p. 32.

*ANNEX I***LIST OF BOVINE BREEDS REFERRED TO IN ARTICLE 14**

- Angler Rotvieh (Angeln) — Rød dansk mælkerace (RMD)
- Ayrshire
- Armoricaïne
- Bretonne Pie-noire
- Fries-Hollands (FH), Française frisonne pie noire (FFPN), Friesian-Holstein, Holstein, Black and White Friesian, Red and White Friesian, Frisona española, Frisona Italiana, Zwartbonten van België/Pie noire de Belgique, Sortbroget dansk mælkerace (SDM), Deutsche Schwarzbunte, Schwarzbunte Milchrasse (SMR)
- Groninger Blaarkop
- Guernsey
- Jersey
- Malkeborthorn
- Reggiana
- Valdostana Nera
- Itäsuomenkarja
- Länsisuomenkarja
- Pohjoissuomenkarja.

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ANNEX II

AVERAGE MILK YIELD REFERRED TO IN ARTICLE 18

| | <i>(kilograms)</i> |
|----------------|--------------------|
| Belgium | 5 450 |
| Denmark | 6 800 |
| Germany | 5 800 |
| Greece | 4 250 |
| Spain | 4 650 |
| France | 5 550 |
| Ireland | 4 100 |
| Italy | 5 150 |
| Luxembourg | 5 700 |
| Netherlands | 6 800 |
| Austria | 4 650 |
| Portugal | 5 100 |
| Finland | 6 400 |
| Sweden | 7 150 |
| United Kingdom | 5 900 |

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ANNEX III

National ceilings for the slaughter premium referred to in Article 38(1) applicable from 1 January 2002

| | Adult bovines | Calves |
|-------------------------|---------------|-----------|
| Belgium | 711 232 | 335 935 |
| Denmark | 711 589 | 54 700 |
| Germany | 4 357 713 | 652 132 |
| Greece | 235 060 | 80 324 |
| Spain ⁽¹⁾ | 1 982 216 | 25 629 |
| France ⁽²⁾ | 4 041 075 | 2 045 731 |
| Ireland | 1 776 668 | 0 |
| Italy | 3 426 835 | 1 321 236 |
| Luxembourg | 21 867 | 3 432 |
| Netherlands | 1 207 849 | 1 198 113 |
| Austria | 546 557 | 129 881 |
| Portugal ⁽³⁾ | 325 093 | 70 911 |
| Finland | 382 536 | 10 090 |
| Sweden | 502 063 | 29 933 |
| United Kingdom | 3 266 212 | 26 271 |

⁽¹⁾ Without prejudice to the special provisions laid down by Council Regulation (EC) No 1454/2001 of 28 June 2001 introducing specific measures for certain agricultural products for the Canary Islands and repealing Regulation (EEC) No 1601/92 (Poseican) (OJ L 198, 21.7.2001, p. 45).

⁽²⁾ Without prejudice to the special provisions laid down by Council Regulation (EC) No 1452/2001 of 28 June 2001 introducing specific measures for certain agricultural products for the French overseas departments, amending Directive 72/462/EEC and repealing Regulations (EEC) No 525/77 and (EEC) No 3763/91 (Poseidom) (OJ L 198, 21.7.2001, p. 11).

⁽³⁾ Without prejudice to the special provisions laid down by Council Regulation (EC) No 1453/2001 of 28 June 2001 introducing specific measures for certain agricultural products for the Azores and Madeira and repealing Regulation (EEC) No 1600/92 (Poseima) (OJ L 198, 21.7.2001, p. 26).

ANNEX IV

Table referred to in Articles 21(3) and 46

1. SPECIAL PREMIUM

Number of animals

| Regulation (EC) No 1254/1999 | Deadline for submission | Ref. | Information required | General scheme and slaughter scheme | | Slaughter scheme only | |
|--|-------------------------|------|--|---|--------------------|----------------------------|----------------------------|
| | | | | Single age bracket or first age bracket | Second age bracket | Both age brackets together | Both age brackets together |
| Article 46(1)(a) | 15 September | 1.1 | Number of animals applied for (January to June) | Bulls | Steers | Steers | Steers |
| | 1 March | 1.2 | Number of animals applied for (July to December) | | | | |
| Article 46(2)(a), first and second indents | 31 July | 1.3 | Number of animals accepted (full year) | | | | |
| Article 46(2)(a), fourth indent | 31 July | 1.4 | Number of animals not accepted on account of the application of the regional ceiling | | | | |

Number of producers

| Regulation (EC) No 2342/1999 | Deadline for submission | Ref. | Information required | General scheme and slaughter scheme | | | Slaughter scheme only |
|---------------------------------|-------------------------|------|-------------------------------------|--|-------------------------|----------------------------|-----------------------|
| | | | | Single age bracket or first age bracket only | Second age bracket only | Both age brackets together | |
| Article 46(2)(a), third indent | 31 July | 1.5 | Number of producers granted premium | | | | |



2. DESEASONALISATION PREMIUM

| Regulation (EC) No 2342/1999 | Deadline for submission | Ref. | Information required | Single age bracket or first age bracket | Second age bracket | Both age brackets together |
|---------------------------------|-------------------------|------|-------------------------------|--|--------------------|-------------------------------|
| Article 46(1)(d) | 15 September | 2.1 | Number of animals applied for | | | |
| | | 2.2 | Number of producers | | | |
| | 1 March | 2.3 | Number of animals accepted | | | |
| | | 2.4 | Number of producers | | | |

3. SUCKLER COW PREMIUM

| Regulation (EC) No 2342/1999 | Deadline for submission | Ref. | Information required | Pure suckler herds | Mixed herds |
|---------------------------------|-------------------------|------|--|--------------------|-------------|
| Article 46(1)(b) | 15 September | 3.1 | Number of animals applied for (January to June) | | |
| | 1 March | 3.2 | Number of animals applied for (July to December) | | |
| Article 46(2)(b) | 31 July | 3.3 | Number of cows accepted (full year) | | |
| | | 3.4 | Number of heifers accepted (full year) | | |
| | | 3.5 | Number of producers granted premium (full year) | | |
| | | | | Amount per head | |
| Article 46(2)(e) | 31 July | 3.6 | National premium | | |
| Article 46(2)(d) | 31 July | 3.7 | Number of animals not accepted on account of the application of the national ceiling for heifers | | |



4. EXTENSIFICATION PAYMENT

4.1. Application of the single stocking density (first subparagraph of Article 13(2) of Regulation (EC) No 1254/1999)

| Regulation (EC) No 2342/1999 | Deadline for submission | Ref. | Information required | Special premium | Suckler cow premium | Dairy cows | Total |
|-------------------------------|-------------------------|-------|-------------------------------------|-----------------|---------------------|------------|-------|
| Article 46(2)(a), (b) and (c) | 31 July | 4.1.1 | Number of animals accepted | | | | |
| | | 4.1.2 | Number of producers granted payment | | | | |

4.2. Application of the two stocking densities (second subparagraph of Article 13(2) of Regulation (EC) No 1254/1999)

| Regulation (EC) No 2342/1999 | Deadline for submission | Ref. | Information required | Special premium | | Suckler cow premium | | Dairy cows | | Total |
|-------------------------------|-------------------------|-------|-------------------------------------|-----------------|-------|---------------------|-------|------------|-------|-------|
| | | | | 1,4-1,8 | < 1,4 | 1,4-1,8 | < 1,4 | 1,4-1,8 | < 1,4 | |
| Article 46(2)(a), (b) and (c) | 31 July | 4.2.1 | Number of animals accepted | | | | | | | |
| | | 4.2.2 | Number of producers granted payment | | | | | | | |

5. PREMIUM EXEMPT FROM THE DENSITY FACTOR

| Regulation (EC) No 2340/1999 | Deadline for submission | Ref. | Information required | Animals | Producers |
|------------------------------|-------------------------|------|---|---------|-----------|
| Article 46(2)(f) | 31 July | 5 | Number of animals and producers in respect of which the premium exempt from the application of the density factor was granted | | |

6. SLAUGHTER PREMIUM

Number of animals

| Regulation (EC) No 2340/1999 | Deadline for submission | Ref. | Information required | Slaughter | | Export | |
|------------------------------|-------------------------|------|---|-----------|--------|--------|--------|
| | | | | Adults | Calves | Adults | Calves |
| Article 46(1)(c) | 15 September | 6.1 | Number of animals applied for (January to June) | | | | |

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| Regulation (EC) No 2342/1999 | Deadline for submission | Ref. | Information required | Slaughter | | Export | |
|---------------------------------|-------------------------|------|--|-----------|--------|--------|--------|
| | | | | Adults | Calves | Adults | Calves |
| | 1 March | 6.2 | Number of animals applied for (July to December) | | | | |
| Article 46(2)(g) | 31 July | 6.3 | Number of animals accepted (full year) | | | | |
| Article 46(3) | 31 July | 6.4 | Number of animals not accepted on account of the application of the national ceiling | | | | |

Number of producers

| Regulation (EC) No 2342/1999 | Deadline for submission | Ref. | Information required | Slaughter | | Export | |
|---------------------------------|-------------------------|------|-------------------------------------|-----------|--------|--------|--------|
| | | | | Adults | Calves | Adults | Calves |
| Article 46(2)(g) | 31 July | 6.5 | Number of producers granted premium | | | | |

7. SUCKLER COW QUOTA

| Regulation (EC) No 2342/1999 | Deadline for submission | Ref. | Balance of rights at start of year | Rights ceded to national reserve arising from | | Rights obtained from national reserve | Balance of rights at end of year |
|---------------------------------|-----------------------------------|------|------------------------------------|---|----------------------|---------------------------------------|----------------------------------|
| | | | | (a) Transfers without holding | (b) Insufficient use | | |
| Article 21(3) | 1 March (Provisional information) | 7.1 | | | | | |
| Article 21(3) | 31 July (Definitive information) | 7.2 | | | | | |