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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)

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► <u>M1</u> Council Regulation (EC) No 1782/2003 of 29 September 2003	L 270	1	21.10.2003
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THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Articles 36, 37 and Article 299(2) thereof,

Having regard to the proposal from the Commission,

Having regard to the Opinion of the European Parliament ⁽¹⁾,

Whereas:

- (1) By Decision 89/687/EEC ⁽²⁾, the Council adopted a programme of options specific to the remote and insular nature of the French overseas departments (Poseidom) in accordance with the Community's policy of assistance for the outermost regions. The purpose of the programme is to facilitate the economic and social development of those regions and enable them to benefit from the advantages of the single market of which they are an integral part despite the objective factors leaving them geographically and economically isolated. The programme calls for the CAP to be applied in those regions and provides for special measures to be adopted. In particular, it provides for measures to improve the conditions in which agricultural products are produced and marketed in those departments and to mitigate the effects of their exceptional geographical situation and constraints as since recognised in Article 299(2) of the Treaty.
- (2) The particular geographical situation of the French overseas departments (FOD) imposes additional transport costs in supplying essential products, for processing and as agricultural inputs. In addition, objective factors arising as a result of insularity and extreme remoteness impose further constraints on operators and producers in the FOD that severely handicap their activities. This is true particularly in the case of the supply of cereals, which are by and large not produced and cannot be produced on a large scale in the FOD, rendering them dependent on external sources of supply. These handicaps can be alleviated by lowering the price of these essential products. It is therefore appropriate to introduce specific supply arrangements with a view to ensuring supply to the FOD from local production and to mitigating the additional costs of the remoteness, insularity and outermost location of the FOD.
- (3) To that end, notwithstanding Article 23 of the Treaty, imports of the products concerned from third countries should be exempt from the applicable import duties.
- (4) In order to achieve the goal of lowering prices in the FOD and mitigating the additional costs of their remoteness, insularity and outermost location while maintaining the competitiveness of Community products, aid should be granted for the supply of products of Community origin to the FOD. Such aid should take account of the additional cost of transport to the FOD and the prices applied to exports to third countries and, in the case of agricultural inputs and products intended for processing, the additional costs of insularity and outermost location.
- (5) Since the quantities covered by the specific supply arrangements are limited to the supply requirements of the FOD, those arrange-

⁽¹⁾ Opinion delivered on 14 June 2001 (not yet published in this Official Journal).

⁽²⁾ OJ L 399, 30.12.1989, p. 39.

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ments do not impair the proper functioning of the internal market. In addition, the economic advantages of the specific supply arrangements should not provoke deflections of trade in the products concerned. Re-dispatching or re-exportation of those products from the FOD should therefore be prohibited. However, trade flows between the FOD are not covered by this prohibition. Nor does it apply, where processing is concerned, subject to certain conditions, to exports to third countries to promote regional trade or to traditional consignments to the rest of the Community.

- (6) The economic advantages of the specific supply arrangements should reduce production costs and be passed on to the end user. They should therefore be granted only on condition that they are actually passed on, and monitoring must be carried out to that end.
- (7) In the light of recent agricultural developments in French Guiana, Regulation (EEC) No 3763/91 ⁽¹⁾ introduced a measure to develop rice cultivation. That measure expired at the end of the 1996 marketing year, and since the Member State concerned has not asked for it to be extended, that measure should be abolished. A measure has been introduced to dispose of and market part of the local production of rice in Guadeloupe, Martinique and the rest of the Community. Since not all of the local production can be consumed in the region, and since lack of facilities and local conditions make storage in the region scarcely feasible, this measure, which is vital to maintain balance in the local production sector, should continue on the terms laid down in the current rules.
- (8) Traditional livestock farming activities should be supported in order to meet local consumption needs of the FOD. To that end, derogations are needed from some of the provisions of the common market organisations which restrict production, to take account of the development and particular conditions of local production, which are quite different from those in the rest of the Community. This objective may also be pursued indirectly by financing genetic improvement programmes involving the purchase of pure-bred breeding animals, by purchasing commercial breeds more suited to local conditions, by supplementing the suckler cow premium and the slaughter premium and, where appropriate, by making it possible to import from third countries male bovine animals intended for fattening under certain conditions, as well as by derogating from the import conditions for animals and foodstuffs of animal origin.
- (9) Improvements need to be made to the poor conditions for supplying fresh milk products to local markets in the FOD, which at present come mainly from imports; this aim can be achieved on the one hand by continuing aid to develop cow's milk production within the limits of local consumption requirements as periodically evaluated under a supply balance, and on the other hand by ceasing to apply the arrangements for an additional levy on cow's milk producers laid down in Regulation (EEC) No 3950/92 ⁽²⁾; the poor supply conditions typical of the outermost regions, which are completely different from those prevailing in the rest of the Community, and the need for a local production development incentive justify this derogation.

⁽¹⁾ Council Regulation (EEC) No 3763/91 of 16 December 1991 introducing specific measures in respect of certain agricultural products for the benefit of the French overseas departments (OJ L 356, 24.12.1991, p. 1). Regulation last amended by Regulation (EC) No 2826/2000 (OJ L 328, 23.12.2000, p. 2).

⁽²⁾ Council Regulation (EEC) No 3950/92 of 28 December 1992 establishing an additional levy in the milk and milk products sector (OJ L 405, 31.12.1992 p. 1. Regulation as last amended by Commission Regulation (EEC) No 1256/1999 (OJ L 160, 26.6.1999, p. 73).

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- (10) The Community is contributing funds to regional programmes to support the production and marketing of local products in the livestock and milk products sectors in Martinique and Réunion as a temporary measure from 1996—2000. The level of local self-sufficiency in those sectors is still low. Community support can be mobilised effectively only if the local production structures are able to implement strategies tailored to the local context for economic development, spatial organisation of production and increasing the professionalism of producers. This assistance should be continued as a temporary measure to help the production of a modern, high quality sector to pick up speed. The principle of extending this support to French Guiana and Guadeloupe has been accepted, on condition that local inter-branch organisations are set up.
- (11) In the fruit, vegetables, plants and floricultural sector, measures have been introduced to improve farm productivity and product quality, structure the production and distribution chains, develop local processed products and maintain certain traditional production (vanilla, essential oils, etc.), with a view to supporting the local marketing, processing and export sales of those products. These measures have helped to start improving the ability of local products to compete with products from elsewhere on high-growth markets, to satisfy the requirements of consumers and new distribution channels and to establish these upgraded products on the Community market, and should therefore be continued.
- (12) Regulation (EEC) No 525/77⁽¹⁾ established a system of production aid for tinned pineapple which has been applied only in Martinique. Given the specific features of the scheme and the production region, in the interests of legislative and administrative harmonisation, the scheme should be included in this Regulation and Regulation (EEC) No 525/77 should be repealed. If pineapple production is to have a future, all those engaged in the sector must be mobilised. Pineapple production is particularly important in Martinique, for both economic and social reasons. Pineapples are expensive to produce and products processed from them face competition from third countries. Support should continue to be granted for processing and to ensure the survival of small farms, ensure a regular supply to the processing industry and reinforce the role of producer organisations while opening the way in the medium term to improved profitability and, if appropriate, the marketing of fresh produce.
- (13) The sugar-cane sector is vital to the economy of the FOD. The FOD continue to face serious handicaps (remoteness, insularity, outermost location, difficult mountainous terrain, small and widely dispersed farms, few factories, high local transport costs, difficult access because of poor roads) which push up costs. Sugar-cane production also faces specific handicaps in comparison with the production of sugarbeet in mainland Europe, particularly regarding the harvesting of cane. To ensure that the sector develops properly and to alleviate these difficulties, measures are needed to offset partially the additional costs of transporting cane from fields to reception centres.
- (14) Rum is a product of great economic importance for the FOD, and market outlets are vital. The gradual abolition of certain benefits currently accorded to rum production would have a serious impact on the earnings of the producers. The measures to support the cultivation of sugar cane and its direct processing into agricultural rum and sugar syrup should be continued because these measures are helping to ensure continued deliveries of cane to distilleries, which can thus plan and

⁽¹⁾ Council Regulation (EEC) No 525/77 of 14 March 1977 establishing a system of production aid for tinned pineapple (OJ L 73, 21.3.1977, p. 46). Regulation as last amended by Regulation (EEC) No 1699/85 (OJ L 163, 22.6.1985, p. 12).

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rationalise investments in their production facilities, and because they help improve the incomes of cane growers and encourage them to improve their production methods to ensure higher yields and deliver better quality cane.

- (15) Agricultural producers in the FOD should be encouraged to supply quality products and the marketing of these should be assisted, in this respect, using the Community's graphic symbol might help achieve this purpose.
- (16) The plant health of agricultural crops in the FOD is subject to particular problems associated with the climate and the inadequacy of the control measures hitherto applied there. Programmes should be implemented to combat harmful organisms, including by organic methods. The Community's financial contribution towards such programmes should be specified.
- (17) Regulation (EC) No 1257/1999 ⁽¹⁾ lays down rural development measures that may be granted Community support and sets out the conditions for obtaining such support.
- (18) This Regulation seeks to remedy the handicaps due to the remote and insular nature of the FOD and to improve the conditions under which their agricultural products are produced and marketed.
- (19) The structures of certain agricultural holdings or processing and marketing enterprises located in the FOD show serious shortcomings and are beset with specific difficulties. Provision should accordingly be made for derogations for certain types of investments from the provisions limiting or preventing the grant of some structural aid provided for in Regulation (EC) No 1257/1999.
- (20) Article 29(3) of Regulation (EC) No 1257/1999 restricts the grant of forestry support to forests and wooded areas belonging to private owners and municipalities and associations thereof. The great majority of forests and wooded areas located in the FOD belong to public authorities other than municipalities. Under these circumstances, the conditions laid down in the said Article should be made more flexible.
- (21) The Community financial contribution for three of the accompanying measures referred to in Article 35(1) of Regulation (EC) No 1257/1999 may amount in the outermost regions to up to 85 % of the total eligible cost. On the other hand, in accordance with the third indent of the second subparagraph of Article 47(2) of Regulation (EC) No 1257/1999, the Community financial contribution for agri-environmental measures, which constitutes the fourth accompanying measure, is to be limited to 75 % for all areas covered by Objective 1. In view of the importance attributed to agri-environment within the context of rural development, the rate of the Community financial contribution should be harmonised for all accompanying measures in the outermost regions.
- (22) Pursuant to Article 14 of Regulation (EC) No 1260/1999 ⁽²⁾, each plan, Community support framework, operational programme and single programming document is to cover a period of seven years, and the programming period is to begin on 1 January 2000. In the interests of cohesiveness and to avoid discrimination between beneficiaries of the same programme, the derogations provided for in this Regulation should, exceptionally, be applicable to the whole programming period.

⁽¹⁾ 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 (OJ L 160, 26.6.1999, p. 80).

⁽²⁾ Council Regulation (EC) No 1260/1999 of 21 June 1999 laying down general provisions on the Structural Funds (OJ L 161, 26.6.1999, p. 1).

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- (23) A derogation may be granted from the Commission's consistent policy of not authorising State operating aid for the production, processing and marketing of agricultural products covered by Annex I to the Treaty in order to mitigate the specific constraints on farming in the FOD as a result of their remoteness, insularity and outermost location, small area, mountainous terrain and climate and their economic dependency on a small number of products.
- (24) Provision should be made for the possibility of adopting transitional rules in order to facilitate the move from the system laid down in amended Regulation (EEC) No 3763/91, and from the system laid down in Council Regulation (EEC) No 525/77, to the new system laid down in this Regulation and, in the event of extensions to the existing measures, to ensure the necessary continuity.
- (25) The measures necessary for the implementation of this Regulation should be adopted in accordance with Council Decision 1999/468/EC of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred on the Commission ⁽¹⁾,

HAS ADOPTED THIS REGULATION:

Article 1

This Regulation lays down specific measures to remedy the difficulties caused by the remoteness, outermost location and insular nature of the French overseas departments (FOD) in respect of certain agricultural products.

TITLE I

SPECIFIC SUPPLY ARRANGEMENTS

Article 2

1. Specific supply arrangements are hereby introduced for the agricultural products listed in Annex I to this Regulation, which are essential for human consumption, for processing and as agricultural inputs in the FOD.
2. A forecast supply balance shall be drawn up stating the quantity of the agricultural products listed in Annex I needed to meet supply requirements each year. A separate forecast balance shall be drawn up for the requirements of industries processing and packaging products intended for the local market, for export under certain conditions to third countries or for traditional consignment to the rest of the Community.

Article 3

1. No duties shall apply to direct imports into the FOD of products covered by the specific supply arrangements from third countries, within the limit of the quantities determined in the supply balance.
2. To ensure coverage of the requirements established in accordance with Article 2 in terms of quantity, price and quality, while taking care to maintain the Community's share in supplies, aid shall be granted to supply the FOD with Community products held in public intervention storage or available on the Community market.

Such aid shall be fixed to take account of the additional cost of transport to the FOD and the prices applied to exports to third countries and, in the case of agricultural inputs and products intended for processing, the additional costs of insularity and outermost location.

⁽¹⁾ OJ L 184, 17.7.1999, p. 23.

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3. In implementing the specific supply arrangements, account shall be taken, in particular, of the following:

- the specific requirements of the FOD and, in the case of products intended for processing and agricultural inputs, the specific quality requirements,
- trade flows with the rest of the Community,
- the economic aspect of the proposed aid.

4. Entitlement under the specific supply arrangements shall be subject to the condition that the economic advantage derived either from exemption from import duties or from aid in the case of supply from the rest of the Community is actually passed on to the end user.

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5. Products covered by the specific supply arrangements may be re-exported to third countries or re-dispatched to the rest of the Community only on the conditions laid down by the Commission under the procedure referred to in Article 23(2). These conditions shall include in particular reimbursement of the aid received under the specific supply arrangements for the products referred to in paragraph 2 or payment of import duties on the products referred to in paragraph 1. This restriction shall not apply to trade flows between the FOD.

The restriction referred to in the first subparagraph shall not apply to products which are processed in the FOD and contain raw materials covered by the special supply arrangements, where those products:

- (a) are exported in the context of traditional exports or regional trade from the FOD to third countries, or
- (b) are dispatched in the context of traditional consignments from the FOD to the rest of the Community.

No export refund shall be granted for the products referred to in the second subparagraph.

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6. Detailed rules for applying this Title shall be adopted in accordance with the procedure referred to in Article 23(2). These shall include, in particular:

- the fixing of aid for supply from the rest of the Community,
- provisions to ensure that the advantages granted are actually passed on to the end user,
- introduction if necessary of a system of import or delivery licences.

The Commission shall draw up supply balances in accordance with Article 23(2). It may revise those balances, and the list of products in Annex I, in accordance with the same procedure, in the light of changes in FOD requirements.

Article 4

Within the limit of an annual quantity of 8 000 tonnes, the levy set in implementation of Articles 10 and 11 of Regulation (EC) No 1766/92 ⁽¹⁾ shall not be applied to the import into Réunion of wheat bran covered by CN code 2302 30 originating in the ACP States.

⁽¹⁾ Council Regulation (EEC) No 1766/92 of 30 June 1992 on the common organisation of the market in cereals (OJ L 181, 1.7.1992, p. 21). Regulation as last amended by Regulation (EC) No 1666/2000 (OJ L 193, 29.7.2000, p. 1).



TITLE II

MEASURES TO ASSIST LOCAL PRODUCTS

CHAPTER I

RICE*Article 5*

1. Community aid shall be granted for the conclusion of annual contracts concerning the disposal and marketing in Guadeloupe, Martinique and the rest of the Community of rice harvested in French Guiana, within the limit of an annual volume of 12 000 tonnes of wholly milled rice equivalent. As regards disposal and marketing in the rest of the Community, aid shall be granted for a maximum of 4 000 tonnes.

The contracts shall be concluded between producers in French Guiana and natural or legal persons established in Guadeloupe, Martinique or the rest of the Community.

The amount of the aid shall be 10 % of the value of the marketed produce sold in Guadeloupe, Martinique or the rest of the Community, for merchandise delivered at the first port of unloading. This percentage shall be raised to 13 % where the contractor for the producers is a group or association of producers.

The aid shall be paid to the purchaser who markets the products under the annual contracts.

2. Detailed rules for applying this Article shall be adopted in accordance with the procedure referred to in Article 23(2). In accordance with the same procedure the Commission may review the annual volume limit of 12 000 tonnes referred to in the first subparagraph of paragraph 1.

CHAPTER II

LIVESTOCK AND MILK PRODUCTS*Article 6*

1. In the livestock sector, aid shall be granted for the supply to the FOD of pure-bred animals, animals of commercial breeds and livestock products, originating in the Community.

2. The terms for granting aid shall be laid down taking account, in particular, of the supply requirements of the FOD for starting up production and genetic improvement of livestock and the need for the breeds best suited to local conditions. The aid shall be paid for the delivery of goods which fulfil the requirements specified in Community rules.

3. The following shall be taken into account when aid is being fixed:

- the conditions and in particular the costs of supply to the FOD resulting from their geographical situation,
- the price of products on the Community market and on the world market,
- whether or not duties are charged on imports from third countries,
- the economic aspect of the proposed aid.

4. Article 3(4) and (5) shall apply to goods qualifying for aid under paragraph 1 of this Article.

5. The list of products, the level of the aid referred to in paragraph 1 and the detailed rules for applying this Article shall be adopted in accordance with the procedure referred to in Article 23(2).

▼B*Article 7*

1. Until the local numbers of young male bovines reach a level sufficient to ensure the development of local beef production, and within the limit referred to in Article 9, the possibility shall be introduced of importing, without applying the customs duties referred to in Article 30 of Regulation (EC) No 1254/1999 ⁽¹⁾, bovine animals from third countries for on-site fattening and consumption in the FOD.

Article 3(4) and (5) shall apply to animals qualifying for the exemption referred to in the first subparagraph of this paragraph.

2. The numbers of animals qualifying for the exemption referred to in paragraph 1 shall be determined when the need to import is justified, taking account of the development of local production. These numbers, and detailed rules for applying this Article, including in particular the minimum duration of the fattening period, shall be fixed in accordance with the procedure referred to in Article 23(2). Priority for such animals shall be given to producers holding animals for fattening at least 50 % of which are of local origin.

Article 8

In Directive 72/462/EEC ⁽²⁾, the following Article shall be inserted:

'Article 31a

Notwithstanding Article 13 of Directive 91/496/EEC ^(*) and Article 18 of Directive 97/78/EC ^(**), the Commission may, according to the procedure laid down in Article 29 of this Directive, derogate from its provisions with regard to imports into French overseas departments.

When the decisions referred to in the first paragraph are adopted, the rules applicable following importation shall be determined according to the same procedure.

^(*) Council Directive 91/496/EEC of 15 July 1991 laying down the principles governing the organisation of veterinary checks on animals entering the Community from third countries and amending Directives 89/662/EEC, 90/425/EEC and 90/675/EEC (OJ L 268, 24.9.1991, p. 56). Directive as last amended by Directive 96/43/EC (OJ L 162, 1.7.1996, p. 1).

^(**) Council Directive 97/78/EC of 18 December 1997 laying down the principles governing the organisation of veterinary checks on products entering the Community from third countries (OJ L 24, 30.1.1998, p. 9).'

▼M1*Article 9*

1. In case of application of the exclusion provided for in Article 70 of Regulation (EC) No 1782/2003 of 29 September 2003 establishing common rules for direct support schemes under the common agricultural policy and establishing certain support schemes for farmers ⁽³⁾, France shall present to the Commission programmes to assist traditional activities connected with beef and veal, as well as sheep and goat production and measures to improve product quality, within the limits of the consumption needs of the French Overseas Departments.

The programmes shall be prepared and implemented by the competent authorities designated by the Member State.

2. The Community shall finance the programmes up to an annual amount equal to the sum of premiums actually paid in 2003 pursuant

⁽¹⁾ Council Regulation (EC) No 1254/1999 of 17 May 1999 on the common organisation of the market in beef and veal (OJ L 160, 26.6.1999, p. 21).

⁽²⁾ Council Directive 72/462/EEC of 12 December 1972 on health and veterinary inspection problems upon importation of bovine animals and swine and fresh meat from third countries (OJ L 302, 31.12.1972, p. 28). Directive as last amended by Directive 97/79/EC (OJ L 24, 30.1.1998, p. 31).

⁽³⁾ OJ L 270, 21.10.2003, p. 1.

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to Regulation (EC) No 1254/1999 ⁽¹⁾, to this Regulation and to Regulation (EC) No 2529/2001 ⁽²⁾ for producers established in the French Overseas Departments.

The Commission shall increase such amount in order to take into consideration the development of the local production. However, the annual amount shall in no case be higher than the sum of the ceilings applicable in 2003 for beef premiums pursuant to Regulation (EC) No 1452/2001 multiplied by the base and complementary premiums and payments applicable in 2003 and the sum of all premiums rights held by producers established in the French Overseas Departments at the date of 30 June 2003 pursuant to Regulation (EC) No 2529/2001 and the pertinent proportion of the national reserve multiplied by the premiums and payments applicable in 2003.

3. The Commission shall adopt the implementing arrangements, approve and modify the programmes as well as fix and increase the amount provided for in paragraph 2, first subparagraph of this Article, in accordance with the procedure referred to in Article 144(2) of Regulation (EC) No 1782/2003. The Commission may, in accordance with the same procedure, revise the limit set forth in paragraph 2, second subparagraph.

4. Before 15 April every year, French authorities shall present a report on the implementation of the programmes.

▼ **B***Article 10*

1. Aid shall be granted to increase the production of cow's milk, within the limit of the local requirements in the FOD of milk products for human consumption, such requirements being determined each marketing year in a supply balance. The quantities of milk used for the manufacture of skimmed milk intended for animal feed shall not be eligible for aid.

The aid shall be granted to producers and producer groups for the quantities delivered to dairies. It shall be paid through the dairies.

The aid shall amount to EUR 8,45 per 100 kg of whole milk.

Aid shall be paid each year within the limits of a maximum quantity of 40 000 tonnes of milk.

2. The additional levy scheme applicable to producers of cow's milk provided for in Regulation (EEC) No 3950/92 shall not apply in the FOD.

3. The Commission shall adopt detailed rules for applying this Article and the balance referred to in paragraph 1 thereof in accordance with the procedure referred to in Article 23(2).

The Commission may review the maximum quantity referred to in the fourth subparagraph of paragraph 1 in accordance with the same procedure.

Article 11

1. In the period 2001—2006, aid shall be granted to implement in both Martinique and Réunion comprehensive programmes to support the production and marketing of local produce in the livestock and milk products sectors. For 2001, aid shall be granted for annual transition programmes. The duration of the comprehensive programmes shall be five years during the period 2002—2006.

These programme may include measures to encourage improved quality and hygiene, marketing, sector structuring, the rationalisation of production and marketing structures, local communication relating to

⁽¹⁾ OJ L 160, 26.6.1999, p. 21. Regulation as last amended by Regulation (EC) No 806/2003 (OJ L 122, 16.5.2003, p. 1).

⁽²⁾ OJ L 341, 22.12.2001, p. 3.

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quality products and the provision of technical assistance. The programmes may not include the grant of aid in addition to the premiums paid under Articles 9 and 10.

The programmes shall be prepared and implemented by the competent authorities designated by the Member State, working in close collaboration with the existing inter-branch organisations recognised as most representative in the sectors concerned.

2. Detailed rules for applying this Article shall be adopted in accordance with the procedure set out in Article 23(2). Draft programmes, to run for no more than five years, shall be presented to the Commission by the competent authorities. The Commission shall approve them in accordance with the procedure referred to in Article 23(2). In accordance with the same procedure, the Commission may extend the scope of this Article to cover the departments of Guadeloupe and French Guiana, provided inter-branch organisations are established in those departments.

3. Each year the French authorities shall present a report on implementation of the programmes. Before the end of 2005, the Commission shall submit to the European Parliament and to the Council an evaluation report on the application of the measure referred to in this Article, accompanied if applicable by appropriate proposals.

CHAPTER III

FRUIT, VEGETABLES, PLANTS AND FLOWERS*Article 12*

1. Aid shall be granted in respect of the fruits, vegetables, flowers and live plants listed in Chapters 6, 7 and 8 of the Combined Nomenclature, the peppers and fruits of the genus *Capsicum* and of the genus *Pimenta* falling within CN code 0904 and the spices falling within CN code 0910 harvested in the FOD and intended to supply their domestic market. In Martinique and Guadeloupe the aid shall not be granted for bananas other than plantains falling within CN code 0803 00 11.

The aid shall be granted for products which conform to common standards fixed by Community legislation or, where no such standards exist, to specifications written into the supply contracts.

Grant of the aid shall be subject to the conclusion of supply contracts lasting one or more years between individual producers or producer groups, or producer organisations as referred to in Articles 11, 13 and 14 of Regulation (EC) No 2200/96 ⁽¹⁾ and distributors, restaurants and the like or local authorities.

The aid shall be paid out to the abovementioned individual producers, producer groups or producer organisations within the limits of annual quantities established for each product category.

The amount of the aid shall be fixed on a flat-rate basis for each of the product categories to be determined, based on the average value of the products covered. The amount of aid shall be differentiated according to whether or not the beneficiary is one of the producer organisations referred to in Articles 11, 13 and 14 of Regulation (EC) No 2200/96.

2. Aid amounting to EUR 6,04 per kilogram shall be paid out for the production of green vanilla falling within CN code ex 0905 00 00 and used to produce dried (black) vanilla or vanilla extracts.

The aid shall be paid out up to an annual maximum quantity of 75 tonnes.

⁽¹⁾ Council Regulation (EC) No 2200/96 of 28 October 1996 on the common organisation of the market in fruit and vegetables (OJ L 297, 21.11.1996, p. 1). Regulation last amended by Commission Regulation (EC) No 2826/2000 (OJ L 328, 23.12.2000, p. 2).

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3. Aid amounting to EUR 44,68 per kilogram shall be paid out for the production of essential geranium and vetiver oils, falling within CN codes 3301 21 and 3301 26 respectively.

The aid shall be paid up to an annual maximum of 30 tonnes in the case of geranium oil and 5 tonnes in the case of vetiver oil.

4. Detailed rules for applying this Article shall be adopted in accordance with the procedure referred to in Article 23(2). The same procedure shall be used to fix the product categories and the amounts of aid referred to in paragraph 1 of this Article, and to review, where necessary, the maximum quantities referred to in paragraphs 2 and 3 thereof.

Article 13

1. Aid shall be granted for the production of processed fruits and vegetables obtained from products harvested in the FOD.

The production aid shall be paid to processors who have paid producers for their raw materials a price not less than the minimum price under contracts between producers or recognised producer organisations within the meaning of Regulation (EC) No 2200/96 and processors or their legally constituted organisations or associations. The Member State shall fix the minimum price for the raw materials on the basis of the production costs involved.

2. The amount of aid shall be fixed on a flat-rate basis for each of the product categories to be determined, by reference to the prices of the local raw materials used and the import prices for the same raw materials.

3. The aid shall be paid out within the limits of annual quantities established for each product category.

4. The list of processed products for which aid is granted and detailed rules for applying this Article shall be adopted in accordance with the procedure referred to in Article 23(2). The same procedure shall be used to fix the product categories and the amounts of aid referred to in paragraph 2 of this Article and the maximum quantities referred to in paragraph 3 thereof.

Article 14

1. The French authorities shall present a programme to the Commission to support the pineapple sector in Martinique.

This programme shall include incentives to improve the conditions in which pineapple is produced, marketed and processed, to restructure and improve the competitiveness of the sector, and to ensure the survival of small farms. Pineapple produced in Martinique shall not qualify for aid granted under Article 13.

2. The French authorities shall present draft programmes to the Commission, to run for no more than five years, accompanied by a report on the implementation of the previous programme. The Commission shall approve them in accordance with the procedure laid down in Article 23(2).

Article 15

1. Aid shall be granted for the conclusion of annual contracts concerning the disposal and marketing of the products specified in Article 12(1). This aid shall be paid up to a limit of a volume of trade of 3 000 tonnes per product per year and per department.

The contracts shall be concluded between individual producers or producer organisations as referred to in Articles 11, 13 and 14 of Regulation (EC) No 2200/96 and natural or legal persons established in the rest of the Community.

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

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

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

5. The aid provided for in this Article shall also be paid, on the terms laid down in paragraphs 1 to 4, in respect of:

- products processed from fruit or vegetables harvested in the FOD,
- essential geranium and vetiver oils falling within CN codes 3301 21 and 3301 26 respectively,
- dried (black) vanilla falling within CN code ex 0905 00 00 and vanilla extracts falling within CN code 3301 90 90,

for which annual disposal and marketing contracts have been concluded.

6. However, in respect of melons falling within CN code ex 0807 19 00 and pineapples falling within CN code ex 0804 30 00, aid may be granted in a department for a quantity exceeding 3 000 tonnes provided that the total volume eligible for aid for all the FOD is not exceeded.

7. Detailed rules for applying this Article shall be adopted in accordance with the procedure referred to in Article 23(2).

CHAPTER IV

SUGAR AND THE CANE-SUGAR-RUM SECTOR

Article 16

1. Aid for the transport of cane from the fields where it is harvested to the reception centres shall be granted to producers for whom the competent bodies to be determined by the Member State have drawn up a delivery note to the processing industry.

2. The amount of the aid shall be determined on the basis of distance and other objective criteria relating to transport. It may not exceed half of the transport costs per tonne fixed on a flat-rate basis by the French authorities in each department.

Article 17

1. Aid shall be granted for the direct processing of sugar cane produced in the FOD into sugar syrup or agricultural rum as defined in Article 1(4)(a)(2) of Regulation (EEC) No 1576/89 ⁽¹⁾.

The aid shall be paid to the manufacturer of sugar syrup or to the distiller on condition that they pay the sugar cane producer a minimum price, to be determined.

2. The aid shall be paid:

- in the case of sugar syrup, up to a limit of an annual quantity of 250 tonnes,

⁽¹⁾ Council Regulation (EEC) No 1576/89 of 29 May 1989 laying down general rules on the definition, description and presentation of spirit drinks (OJ L 160, 12.6.1989, p. 1). Regulation as last amended by Regulation (EC) No 3378/94 of the European Parliament and of the Council (OJ L 366, 31.12.1994, p. 1).

▼B

- in the case of agricultural rum, up to a limit of an overall quantity of 75 600 hectolitres of pure alcohol.

Article 18

Detailed rules for applying this Chapter shall be adopted and the amount of aid and the minimum price referred to in Article 17(1) shall be fixed in accordance with the procedure referred to in Article 23(2).

CHAPTER V
GRAPHIC SYMBOL

Article 19

1. The conditions for using the graphic symbol introduced with a view to ensuring greater awareness and consumption of quality agricultural products, whether natural or processed, specific to the FOD as outermost regions, shall be proposed by the professional organisations. The French authorities shall forward such proposals, with their opinion, to the Commission for approval.

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

2. Detailed rules for applying this Article shall be adopted as necessary in accordance with the procedure referred to in Article 23(2).

TITLE III
PLANT-HEALTH MEASURES

Article 20

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

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

3. The financial participation of the Community and the amount of the aid shall be decided in accordance with the procedure laid down in Article 23(2). The measures eligible for Community financing shall be defined in accordance with the same procedure.

4. Such participation may cover up to 60 % of the eligible expenditure. Payment shall be made on the basis of documentation supplied by the French authorities. If necessary, investigations may be organised by the Commission and conducted on its behalf by experts as referred to in Article 21 of Directive 2000/29/EC ⁽¹⁾.

TITLE IV
STRUCTURAL DEROGATIONS

Article 21

1. Notwithstanding Article 7 of Regulation (EC) No 1257/1999 of 17 May 1999, the total value of the aid, expressed as a percentage of the volume of eligible investments, shall not exceed 75 % for investments intended in particular to encourage diversification, restructuring or a

⁽¹⁾ Council Directive 2000/29/EC of 8 May 2000 on protective measures against the introduction into the Community of organisms harmful to plants or plant products and against their spread within the Community (OJ L 169, 10.7.2000, p. 1). Directive as last amended by Commission Directive 2001/33/EC (OJ L 127, 9.5.2001, p. 42).

▼B

shift towards sustainable agriculture on agricultural holdings of small economic size to be defined in the programming complement referred to in Article 19(4) of Regulation (EC) No 1260/1999.

2. Notwithstanding Article 28(2) of Regulation (EC) No 1257/1999, the total value of the aid, expressed as a percentage of the volume of eligible investments, shall not exceed 65 % for investments in enterprises engaged in processing and marketing agricultural products consisting mainly of local produce in sectors to be defined in the programming complement referred to in Article 19(4) of Regulation (EC) No 1260/1999. The total value of the aid for small and medium-sized enterprises, under the same conditions, shall not exceed 75 %.

3. The restriction provided for in Article 29(3) of Regulation (EC) No 1257/1999 shall not apply to tropical forests and wooded areas located in the territory of the FOD.

4. Notwithstanding the third indent of the second subparagraph of Article 47(2) of Regulation (EC) No 1257/1999, the Community contribution to the agri-environmental measures provided for in Articles 22, 23 and 24 of that Regulation shall amount to 85 %.

5. A summary description of the measures planned under this Article shall be included in single programming documents for the FOD, as referred to in Article 19 of Regulation (EC) No 1260/1999.

TITLE V

GENERAL AND FINAL PROVISIONS*Article 22*

The measures necessary for the implementation of this Regulation shall be adopted in accordance with the management procedure referred to in Article 23(2).

Article 23

1. The Commission shall be assisted by the Management Committee for Cereals established by Article 22 of Regulation (EEC) No 1766/92, or by the management committees established by the other regulations on the common organisation of the market for the products concerned.

In the case of agricultural products covered by Regulation (EEC) No 827/68 ⁽¹⁾ and products not covered by a common organisation of the markets, the Commission shall be assisted by the Management Committee for Hops established by Article 20 of Regulation (EEC) No 1696/71 ⁽²⁾.

In the case of the graphic symbol and other cases provided for in this Regulation, the Commission shall be assisted by the Management Committee for Fresh Fruit and Vegetables established by Regulation (EC) No 2200/96.

For the purposes of implementing Title III, the Commission shall be assisted by the Standing Committee on Plant Health established by Decision 76/894/EEC ⁽³⁾.

For the purposes of implementing Title IV, the Commission shall be assisted by the Committee for the Development and Conversion of Regions and by the Committee on Agricultural Structures and Rural

⁽¹⁾ Regulation (EEC) No 827/68 of the Council of 28 June 1968 on the common organisation of the market in certain products listed in Annex II to the Treaty (OJ L 151, 30.6.1968, p. 16). Regulation as last amended by Commission Regulation (EC) No 3290/94 (OJ L 349, 31.12.1994, p. 105).

⁽²⁾ Council Regulation (EEC) No 1696/71 of 26 July 1971 on the common organisation of the market in hops (OJ L 175, 4.8.1971, p. 1). Regulation as last amended by Regulation (EC) No 191/2000 (OJ L 23, 28.1.2000, p. 4).

⁽³⁾ Council Decision 76/894/EEC of 23 November 1976 establishing a Standing Committee on Plant Health (OJ L 340, 9.12.1976, p. 25).

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Development, established by Article 48 and by Article 50 respectively of Regulation (EC) No 1260/1999.

2. Where reference is made to this paragraph, Articles 4 and 7 of Decision 1999/468/EC shall apply.

However, in the case of Title III, the procedure laid down in Article 18 of Directive 2000/29/EC shall apply.

The period provided for in Article 4(3) of Decision 1999/468/EC shall be one month.

3. The Committees shall adopt their rules of procedure.

Article 24

For the agricultural products covered by Annex I to the Treaty establishing the European Community, to which Articles 87, 88 and 89 thereof apply, the Commission may authorise operating aid in the sectors producing, processing and marketing those products, with a view to mitigating the specific constraints on farming in the FOD as a result of their remoteness, insularity and outermost location.

Article 25

The measures provided for in this Regulation, except for Article 21, shall constitute intervention intended to stabilise the agricultural markets within the meaning of Article 2(2) of Regulation (EC) No 1258/1999 ⁽¹⁾.

Article 26

The Member States shall take the measures necessary to ensure compliance with this Regulation, in particular as regards controls and administrative penalties, and shall inform the Commission thereof.

The detailed rules for applying this Article shall be adopted by the procedure provided for in Article 23(2).

Article 27

1. France shall present an annual report to the Commission on the implementation of the measures provided for in this Regulation.

2. No later than at the end of the fifth year of application of the system, the Commission shall submit a general report to Parliament and the Council showing the impact of the action taken under this Regulation, accompanied if applicable by appropriate proposals.

Article 28

Regulation (EEC) No 3763/91 is hereby repealed. References to Regulation (EEC) No 3763/91 shall be construed as references to this Regulation and should be read in accordance with the correlation table in Annex II.

Regulation (EEC) No 525/77 is hereby repealed as from the 2002/2003 marketing year.

The Commission may, in accordance with the procedure laid down in Article 23(2), adopt the necessary transitional measures to ensure a smooth passage from the system in force during the year 2000 or the 2000/2001 marketing year to the system resulting from the measures introduced by this Regulation. In the case of an extension to the existing measures, it shall ensure the necessary continuity.

⁽¹⁾ Council Regulation (EC) No 1258/1999 of 17 May 1999 on the financing of the common agricultural policy (OJ L 160, 26.6.1999, p. 103).

▼B*Article 29*

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 the date of its entry into force. However,

- Article 10 shall apply as from 1 January 2001;
- Article 11 shall apply as from 1 January 2001;
- Article 16 shall apply to cane harvested as from the 2001/2002 marketing year inclusive;
- Article 21 shall apply as from 1 January 2000.

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

▼B*ANNEX I***Products eligible for the specific supply arrangements referred to in Articles 2 and 3:**

- Cereals and cereal products intended for human consumption and animal feed
- Hops
- Seed potatoes
- Vegetable oils for use in the processing industry
- Fruit pulps, purées and concentrated juices for processing, other than those qualifying for the aid provided for in Article 13
- Preparations for animal feed falling within CN codes 2309 90 31, 2309 90 33, 2309 90 41, 2309 90 43, 2309 90 51 and 2309 90 53 ⁽¹⁾.

⁽¹⁾ For French Guiana only, until the manufacturing facilities become operational; for imported products, eligibility for exemption from import duties shall be restricted to levies fixed under Article 11 of Regulation (EEC) No 1766/92.



ANNEX II

Correlation table

Regulation (EEC) No 3763/91	This Regulation
Article 1	Article 1
Article 2(1)	Article 2(1)
Article 2(2)	Article 2(2)
Article 2(3)	Article 3(1)
First subparagraph of Article 2(4)	Article 3(1)
Second subparagraph of Article 2(4)	First subparagraph of Article 3(2)
Article 2(5)	Second subparagraph of Article 3(2)
Article 2(6)	Article 3(4)
Article 3(1)	Article 3(3) and 3(6)
Article 3(2)	Annex I
Article 3(3)	Deleted
Article 3(4)	Article 5
Article 3(5)	Article 4
Article 3(6)	Article 3(6) and Article 5(2)
Article 4	Deleted
Article 5(1)	Article 6
Article 5(1)(a)	Article 9(1)
Article 5(1)(b)	Deleted
Article 5(2)(a)	Article 7(1)(a)
Article 5(2)(b)	Article 7(1)(b)
Article 5(2)(c)	Article 7(2)(a)
First subparagraph of Article 5(3)	Article 7(2)(b)
Second subparagraph of Article 5(3)	Article 7(2)(c)
Third subparagraph of Article 5(3)	Article 7(2)(d)
Article 5(4)	Article 7(3)
Article 5(5)	Article 7(4)
Article 6	Second subparagraph of Article 7(4)
Article 7	Article 7(4)
First paragraph of Article 8	Deleted
Second paragraph of Article 8	Article 10
Third paragraph of Article 8	Article 7
Fourth paragraph of Article 8	First subparagraph of Article 3(5)
Article 9	Second subparagraph of Article 3(5)
Article 9a	Third subparagraph of Article 3(5)
Article 10	Article 3(6)
Article 11	Deleted
Article 12	Deleted
Article 13	Article 11
Article 14	Article 8
Article 15	Article 20
Article 16	Deleted

▼B

Regulation (EEC) No 3763/91	This Regulation
Article 17	Article 16
Article 18	Article 17
Article 19	Article 18
Article 20	Article 19
Article 21	Article 21
	Article 24
Article 22	Article 25
Article 22a	Article 22 and 23
	Article 26
Article 23	Article 27
	Article 28
Article 24	Article 29
Annex	Annex I
	Annex II