

COMMISSION REGULATION (EC) No 2184/2005

of 23 December 2005

amending Regulations (EC) No 796/2004 and (EC) No 1973/2004 laying down detailed rules for the application of Council Regulation (EC) No 1782/2003 establishing common rules for direct support schemes under the common agricultural policy and establishing certain support schemes for farmers

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council 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 and amending Regulations (EEC) No 2019/93, (EC) No 1452/2001, (EC) No 1453/2001, (EC) No 1454/2001, (EC) No 1868/94, (EC) No 1251/1999, (EC) No 1254/1999, (EC) No 1673/2000, (EEC) No 2358/71 and (EC) No 2529/2001⁽¹⁾, and in particular of Article 7(1), 24(1), 145(c), (l), (m), (n), (p), (r), thereof,

Whereas:

- (1) Following the introduction of the support schemes for cotton, olive oil and tobacco into the single payment scheme, Commission Regulation (EC) No 796/2004 of 21 April 2004 laying down detailed rules for the implementation of cross-compliance, modulation and the integrated administration and control system provided for in Council Regulation (EC) No 1782/2003 establishing common rules for direct support schemes under the common agricultural policy and establishing certain support schemes for farmers⁽²⁾ needs to be amended in several respects, in particular with regard to the application procedure and the control measures to be carried out with regard to those aid schemes. Moreover, the provisions of that Regulation need to be clarified with regard to certain aspects.
- (2) There is a need to clarify the concept of the term 'agricultural parcel' for the purpose of the application of Regulation (EC) No 796/2004 as referring to a continuous area of land on which a single crop group is cultivated by a single farmer. Such definition read in conjunction with Article 49(3) of that Regulation should make it clear, however, that crops of different crop groups may be cultivated on the same continuous area of land where the different aid schemes so allow. In such cases the same area would have to be taken into account as several agricultural parcels.
- (3) Due to the particularities of olive parcels, there is a need to provide for a particular definition in that respect.
- (4) In accordance with Article 66(2) of Regulation (EC) No 796/2004, the non-respect of various cross-compliance obligations, all falling within the same area of cross-compliance within the meaning of Article 2(31) of that Regulation, are to be considered as one non-compliance when fixing the respective sanctions. It should be clarified that the non-respect of the obligations for individual farmers in the context of the maintenance of land under permanent pasture referred to in Article 4 of that Regulation fall within the same area of cross-compliance as the respect of the 'good agricultural and environmental condition'. The respective definitions should be adapted accordingly.
- (5) Any specific information relating to the production of cotton, olive oil and tobacco should be requested as part of the single application.
- (6) Farmers are furnished with pre-printed application forms and graphic material. Whilst farmers should indicate the correct size of the area if the pre-printed material is incorrect, this would be very difficult in respect of the size of the area resulting from changes of the positioning of olive trees. In that respect the obligation of the farmer to indicate any changes regarding the positioning of the olive trees should suffice to give the competent authority the necessary information to re-calculate the exact resulting size of the area.
- (7) In accordance with Article 14(2) of Regulation (EC) No 796/2004, the Member States may derogate from certain provisions concerning the single application during the first year of application of the single payment scheme. That derogation should also apply whenever new elements are introduced into the single application scheme.
- (8) The cross-checks to be carried out on the single application should be extended to certain particular checks with regard to various conditions to be respected by the farmer when applying for the crop specific payment for cotton.

⁽¹⁾ OJ L 270, 21.10.2003, p. 1. Regulation as last amended by Commission Regulation (EC) No 118/2005 (OJ L 24, 27.1.2005, p. 15).

⁽²⁾ OJ L 141, 30.4.2004, p. 18. Regulation as last amended by Regulation (EC) No 1954/2005 (OJ L 314, 30.11.2005, p. 10).

- (9) A frequent error when performing the cross-checks is a minor over-declaration of the total agricultural area within a reference parcel. For reasons of simplification, where a reference parcel is subject to an aid application of two or more farmers applying for aid under the same aid scheme and where the overall area declared exceeds the agricultural area with a difference which falls within the tolerance defined pursuant to Article 30(1) of Regulation (EC) No 796/2004, Member States should be authorised to provide for a proportional reduction of the areas concerned. However, in certain situations, the farmers concerned should be entitled to appeal against such decisions.
- (10) In order to guarantee effective controls on the tobacco aid scheme provided for in Chapter 10c of Title IV of Regulation (EC) No 1782/2003, a particular control sample should be provided for on-the-spot checks.
- (11) Experience shows that certain adaptations may be made to the minimum sample to be selected for on-the-spot checks of farmers applying for aid for nuts provided for in Chapter 4 of Title IV of Regulation (EC) No 1782/2003.
- (12) As regards payments of tobacco aid under Chapter 10c of Title IV of Regulation (EC) No 1782/2003, there is a need to provide for a particular control sample for the selection of first processors to be checked on-the-spot during first processing and market preparation.
- (13) Since not only farmers are subject to the sampling provisions of Regulation (EC) No 796/2004, Article 27 of that Regulation should be adapted accordingly.
- (14) The elements to be taken into account for the risk analysis when selecting control samples for on-the-spot checks should be extended for the purposes of the new aid schemes to be controlled under Regulation (EC) No 796/2004.
- (15) The control report to be prepared after each on-the-spot check should provide the relevant information regarding olive trees.
- (16) Given the particularities of the aid schemes for cotton, olive oil and tobacco in accordance with Chapters 10a, 10b and 10c of Title IV of Regulation (EC) No 1782/2003, special control provisions should be established.
- (17) Following the introduction of approved inter-branch organisations in the context of the production of cotton, specific conditions for the on-the-spot checks should be laid down.
- (18) In accordance with of Article 110k(a) and (c) of Regulation (EC) No 1782/2003, the granting of the tobacco aid is subject to the condition that the raw tobacco comes from a specified production area and is delivered on the basis of a cultivation contract. Aid for tobacco production may be paid only after a check on deliveries to guarantee that the operations concerned have actually been carried out. In several Member States checks are carried out at the place to which tobacco is delivered rather than that where it is processed. In order to prevent irregularities the checks to be carried out at those places and conditions for the transfer of the raw tobacco should be specified.
- (19) For the purpose of guaranteeing effective checks during first processing and market preparation, the raw tobacco should be placed under supervision when the farmer delivers it to the first-processing undertaking. For that reason, the tobacco from both the Community and third countries should remain under supervision until first processing and market preparation have taken place.
- (20) As regards both the basis of calculation in respect of areas declared and reductions and exclusions, special provisions are necessary to take into account the particularities of aid applications under the aid schemes for tobacco and cotton.
- (21) Special provisions are needed as regards additional payments to be granted in the case of the optional implementation for specific types of farming and quality production.
- (22) Aid schemes which are not established under Titles III or IV of Regulation (EC) No 1782/2003 but which are listed in Annex I to that Regulation also form part of the direct payment schemes. Cross-compliance is therefore also relevant, and applications for aid under such aid schemes should also be subject to sampling.
- (23) Given the particularities of the aid schemes for cotton and tobacco provided for in Chapters 10a and 10c of Title IV of Regulation (EC) No 1782/2003, special penalties should be established.
- (24) Experience gained shows that a clarification and specifications of the information to be communicated to the Commission is needed.

(25) Article 171ae of Commission Regulation (EC) No 1973/2004 of 29 October 2004 laying down detailed rules for the application of Council Regulation (EC) No 1782/2003 as regards the support schemes provided for in Titles IV and IVa of that Regulation and the use of land set aside for the production of raw materials⁽¹⁾ establishes the procedure for the approval of inter-branch organisations of farmers producing cotton referred to in Article 110d of Regulation (EC) No 1782/2003. Provisions should be made in case an approved inter-branch organisation does no longer fulfil the relevant criteria.

(26) Regulations (EC) No 796/2004 and (EC) No 1973/2004 should therefore be amended accordingly.

(27) The measures provided for in this Regulation are in accordance with the opinion of the Management Committee for Direct Payments,

HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EC) No 796/2004 is amended as follows:

1. Article 2 is amended as follows:

(a) the following points are inserted after point (1):

‘(1a) “Agricultural parcel”: shall mean a continuous area of land on which a single crop group is cultivated by a single farmer;

(1b) “Olive parcel” shall mean an agricultural parcel with olive trees, as defined in point 1(a) of Annex XXIV to Commission Regulation (EC) No 1973/2004 (*);

(*) OJ L 345, 20.11.2004, p. 1.’;

(b) point (31) is replaced by the following:

‘(31) “Areas of cross-compliance” shall mean the different areas of statutory management requirements within the meaning of Article 4(1) of Regulation (EC) No 1782/2003 and the good agricultural and environmental condition in accordance with Article 5 of that Regulation;’

(c) point (33) is replaced by the following:

⁽¹⁾ OJ L 345, 20.11.2004, p. 1. Regulation as last amended by Regulation (EC) No 2182/2005 (See p. 31 of this Official Journal).

‘(33) “Standards”: shall mean the standards as defined by the Member States in accordance with Article 5 of Regulation (EC) No 1782/2003 and Annex IV thereto as well as the obligations in relation to permanent pasture as laid down in Article 4 of this Regulation;’

(d) point (35) is replaced by the following:

‘(35) “Non-compliance”: shall mean any non-compliance with the requirements and standards;’

2. Article 12 is amended as follows:

(a) in paragraph 1, point (e) is replaced by the following:

‘(e) where appropriate, the olive area expressed in olive GIS-ha, in accordance with points 2 and 3 of Annex XXIV to Regulation (EC) No 1973/2004;

(f) a statement by the farmer that he is aware of the conditions pertaining to the aid schemes in question.’;

(b) in paragraph 2, the second subparagraph is deleted;

(c) paragraph 3 is replaced by the following:

‘3. For the purpose of the identification of all agricultural parcels on the holding referred to in paragraph 1(d), the pre-printed forms distributed to the farmer in accordance with Article 22(2) of Regulation (EC) No 1782/2003 shall mention the maximum eligible area per reference parcel for the purposes of the single payment scheme. Moreover, the graphical material supplied to the farmer in accordance with that provision shall indicate the boundaries of the reference parcels and their unique identification and the farmer shall indicate the location of each agricultural parcel.

As regards olive parcels, the graphical material supplied to the farmer shall include for each olive parcel the number of eligible olive trees and their positioning in the parcel as well as the olive area expressed in olive GIS-ha in accordance with point 3 of Annex XXIV to Regulation (EC) No 1973/2004.

In the case of an application for aid for olive groves provided for in Chapter 10b of Title IV of Regulation (EC) No 1782/2003, the graphical material supplied to the farmer shall include for each olive parcel:

(a) the number of non eligible olive trees and their positioning in the parcel;

- (b) the olive area expressed in olive GIS-ha, in accordance with point 2 of Annex XXIV to Regulation (EC) No 1973/2004;
- (c) the category under which aid is claimed, as established in accordance with Article 110i(2) of Regulation (EC) No 1782/2003;
- (d) where appropriate, an indication that the parcel is covered by a programme approved by the Commission as referred to in Article 4 of Council Regulation (EC) No 1638/98 (*), and the number of olive trees concerned and their positioning in the parcel.

4. When submitting the application form, the farmer shall correct the pre-printed form referred to in paragraphs 2 and 3 if any amendments, in particular transfers of payment entitlements in accordance with Article 46 of Regulation (EC) No 1782/2003, have occurred or if any of the information contained in the pre-printed forms is incorrect.

If the correction relates to the size of the area, the farmer shall indicate the actual size of the area concerned. However, where the positioning of olive trees indicated in the graphical material is incorrect, the farmer shall not be obliged to indicate the resulting correct size of the area expressed in olive GIS-ha but shall only indicate the actual position of the trees.

(*) OJ L 210 28.7.1998, p 32.;

3. in Article 13, the following paragraphs are added:

'10. In the case of an application for the specific payment for cotton provided for in Chapter 10a of Title IV of Regulation (EC) No 1782/2003, the single application shall contain:

- (a) the name of the variety of cotton seed used;
- (b) where appropriate, the name and address of the approved inter-branch organisation of which the farmer is a member.

11. In the case of an application for the aid for olive groves provided for in Chapter 10b of Title IV of Regulation (EC) No 1782/2003, the single application shall, for each olive parcel, contain the number and the positioning in the parcel:

- (a) of the olive trees grubbed and replaced;
- (b) of the olive trees grubbed and not replaced;
- (c) of supplementary olive trees planted.

12. In the case of an application for the tobacco aid provided for in Chapter 10c of Title IV of Regulation (EC) No 1782/2003, the single application shall contain:

- (a) a copy of the cultivation contract referred to in Article 110k(c) of Regulation (EC) No 1782/2003 or a reference to its registration number;
- (b) an indication of the tobacco variety grown on each agricultural parcel;
- (c) a copy of the supporting control certificate issued by the competent authority indicating the quantity of dried tobacco leaves which has been delivered to the first processor, expressed in kilogram.

Member States may provide that the information referred to in point (c) may be submitted separately by a later date which shall not be later than 15 May of the year following the harvest.;

4. in Article 14(2), the following subparagraph is added:

'The derogation provided for in the first subparagraph shall also apply with regard to the first year when new sectors are introduced to the single payment scheme and the payment entitlements are not yet definitely established for the farmers concerned by this introduction.;

5. Article 24 is amended as follows:

(a) in paragraph 1, the following points are added:

- (i) between the agricultural parcels as declared in the single application and the parcels authorised for cotton production by the Member State in accordance with Article 110b of Regulation (EC) No 1782/2003;
- (j) between the declarations of the farmers in the single application to be a member of an approved inter-branch organisation, the information under Article 13(10)(b) of this Regulation and the information transmitted by the approved inter-branch organisations concerned, to verify eligibility for the increase of the aid provided for in Article 110f(2) of Regulation (EC) No 1782/2003.;

(b) in paragraph 2, the following subparagraph is added:

'Where a reference parcel is subject to an aid application of two or more farmers under the same aid scheme and where the overall area declared exceeds the agricultural area with a difference which falls within the measurement tolerance defined in accordance with Article 30(1), Member States may provide for a proportional reduction of the areas concerned. In that case, farmers concerned may appeal against the decision of reduction on the grounds that any of the other farmers concerned over-declared their areas beyond that tolerance to his detriment.:'

6. in Article 26, paragraph 1 is amended as follows:

(a) point (c) is replaced by the following:

'(c) 5 % of all farmers applying for the tobacco aid provided for in Chapter 10c of Title IV of Regulation (EC) No 1782/2003;

(d) 10 % of all farmers applying for the aid for nuts provided for in Chapter 4 of Title IV of Regulation (EC) No 1782/2003, in the case where a Member State makes use of the possibility not to introduce, in accordance with Article 6(3) of this Regulation, an additional layer of GIS information;

with regard to all other Member States, in respect of year 2006, of at least 10 % of all farmers applying for the aid for nuts provided for in Chapter 4 of Title IV of Regulation (EC) No 1782/2003, where the additional layer of GIS information provided for in Article 6(3) of this Regulation does not offer the level of assurance and implementation necessary for the proper management of the aid scheme.:'

(b) the last subparagraph is replaced by the following:

'Where the control sample drawn under the first subparagraph already contains applicants for the aids referred to in points (a) to (d) of the second subparagraph, those applicants may be counted towards the control rates stipulated therein.:'

(c) in paragraph 2, the following points are added:

(f) as regards aid applications for the crop specific payment for cotton in accordance with Chapter 10a of Title IV of Regulation (EC) No 1782/2003, 20 % of the inter-branch organisations approved in accordance with Article 110d of that Regulation and of which farmers declare to be a member in their single applications;

(g) as regards applications for the tobacco aid in accordance with Chapter 10c of Title IV of Regulation (EC) No 1782/2003, 5 % of first processors as regards checks during first processing and market preparation.'

7. Article 27 is amended as follows:

(a) in paragraph 1, the first subparagraph is replaced by the following:

'Control samples for on-the-spot checks under this Regulation shall be selected by the competent authority on the basis of a risk analysis and representativeness of the aid applications submitted. The effectiveness of risk analysis parameters used in previous years shall be assessed on an annual basis.:'

(b) in paragraph 2, point (k) is replaced by the following:

'(k) in the case of applications for the tobacco aid provided for in Chapter 10c of Title IV of Regulation (EC) No 1782/2003, the quantities of raw tobacco, by variety, covered by cultivation contracts in relation to the areas declared as under tobacco;

(l) in the case of checks on first processing undertakings in the framework of applications for the tobacco aid provided for in Chapter 10c of Title IV of Regulation (EC) No 1782/2003, the different sizes of undertakings;

(m) other factors to be defined by the Member States.'

8. in Article 28(1), point (c) is replaced by the following:

'(c) the agricultural parcels checked, the agricultural parcels measured including, where applicable, the number of olive trees and their positioning in the parcel, the result of the measurements per measured agricultural parcel and the measuring methods used.'

9. in Article 30, paragraph 1 is replaced by the following:

‘1. Agricultural parcel areas shall be determined by any appropriate means defined by the competent authority which ensure measurement of a precision at least equivalent to that required for official measurements under the national rules. A measurement tolerance may be defined by the competent authority that shall not exceed:

- (a) for parcels of less than 0,1 ha, a buffer of 1,5 m applied to the perimeter of the agricultural parcel;
- (b) for other parcels, 5 % of the agricultural parcel area or a buffer of 1,5 m applied to the perimeter of the agricultural parcel. However, the maximum tolerance with regard to each agricultural parcel shall not, in absolute terms, exceed 1,0 ha.

The tolerance provided for in the first subparagraph shall not apply to olive parcels for which the area is expressed in olive GIS-ha in accordance with points 2 and 3 of Annex XXIV to Regulation (EC) No 1973/2004.’;

10. the following Article is inserted after Article 31:

‘Article 31a

On-the-spot checks on approved inter-branch organisations

On-the-spot checks on approved inter-branch organisations in the framework of applications for aid under the crop specific payment for cotton provided for in Chapter 10a of Title IV of Regulation (EC) No 1782/2003 shall verify the respect of the criteria for approval of those organisations, the list of their members and the scale referred to in Article 110e of that Regulation.’;

11. the following subsection is inserted in Section II of Chapter II of Title III:

‘Subsection IIB

On-the-spot checks related to the applications for tobacco aid

Article 33b

Checks of deliveries

1. With regard to applications for the aid for tobacco provided for in Chapter 10c of Title IV of Regulation (EC) No 1782/2003, all deliveries shall be checked. Each

delivery shall be authorised by the competent authority which shall be informed in advance so that it can determine the date of delivery. During a check, the competent authority shall verify that it has authorised the delivery in advance.

2. If delivery is made to an approved purchasing centre as provided for in Article 171ck(2) of Regulation (EC) No 1973/2004, unprocessed tobacco, once checked, may leave the purchasing centre solely for the purpose of being transferred to the processing plant. After the checks have been made, the tobacco shall be assembled in distinct quantities.

The transfer of those quantities to the processing plant shall be authorised in writing by the competent authority which shall be informed in advance so that it can accurately identify the means of transport used, the route, the time of departure and arrival and the quantities of tobacco transported in each separate instance.

3. When the tobacco reaches the processing plant, the competent control body shall verify that the separate quantities checked in the purchasing centres are those actually delivered, in particular by weighing them.

The competent authority may lay down any special conditions it deems necessary for checking the operations.

Article 33c

Placing under supervision and checks during first processing and market preparation

1. Member States shall take the appropriate measures to ensure that raw tobacco is placed under supervision at the moment when it is delivered from the farmer to the first-processing undertaking.

Placing under supervision shall ensure that raw tobacco cannot be released before the first processing and market preparation operations are completed and that no raw tobacco is submitted more than once for checking.

2. Checks during first processing and market preparation of the tobacco shall verify compliance with Article 171cb of Regulation (EC) No 1973/2004, in particular relating to the quantities of raw tobacco in each undertaking being checked, distinguishing between raw tobacco produced in the Community and raw tobacco originating in or coming from third countries. To that end, those checks shall include:

- (a) checks of the processing undertaking's stocks;

(b) checks when the tobacco leaves the place in which it was under supervision, having undergone first processing and market preparation;

(c) all additional control measures that Member States deem necessary, in particular to ensure that no premium is paid for raw tobacco originating in or coming from third countries.

3. Checks pursuant to this Article shall be undertaken in the place where the raw tobacco is processed. Within a time-limit to be determined by the Member State, the undertakings involved shall notify their competent bodies, in writing, of the places where processing will take place. To that end, Member States may specify the information to be provided by the first-processing undertakings to the competent bodies.

4. Checks pursuant to this Article shall in all cases be unannounced.;

12. Article 38 is replaced by the following:

Article 38

Special provisions as regards additional payments

As regards the additional payment to be granted for specific types of farming or for quality production as provided for in Article 69 of Regulation (EC) No 1782/2003 and the additional payment provided for in Articles 119 and 133 of that Regulation, the Member States shall, where appropriate, apply the provisions of this Title. If this is not appropriate because of the structure of the scheme concerned, the Member States shall provide controls ensuring a control level equivalent to that laid down in this Title.;

13. in Article 44(1), the first subparagraph is replaced by the following:

'The competent control authority shall, with regard to the requirements or standards for which it is responsible, carry out checks on at least 1 % of all farmers submitting aid applications under support schemes for direct payments within the meaning of Article 2(d) of Regulation (EC) No 1782/2003 and for which the competent control authority in question is responsible.;

14. Article 50 is amended as follows:

(a) paragraph 1 is replaced by the following:

'1. In the case of applications for aid under area-related aid schemes, except for starch potato, seed and

tobacco as provided for in Chapters 6, 9 and 10c respectively of Title IV of Regulation (EC) No 1782/2003, if the area of a crop group determined is found to be greater than that declared in the aid application, the area declared shall be used for calculation of the aid.;

(b) paragraph 3 is replaced by the following:

'3. Without prejudice to reductions and exclusions in accordance with Articles 51 and 53, in the case of applications for aid under area-related aid schemes, except for starch potato, seed and tobacco as provided for in Chapters 6, 9 and 10c respectively of Title IV of Regulation (EC) No 1782/2003, if the area declared in a single application exceeds the area determined for that crop group, the aid shall be calculated on the basis of the area determined for that crop group.;

15. Article 51 is amended as follows:

(a) in paragraph 1, the first subparagraph is replaced by the following:

'If, in respect of a crop group, the area declared for the purposes of any area-related aid schemes, except those for starch potato, seed and tobacco as provided for in Chapters 6, 9 and 10c respectively of Title IV of Regulation (EC) No 1782/2003, exceeds the area determined in accordance with Article 50(3), (4) and (5) of this Regulation, the aid shall be calculated on the basis of the area determined reduced by twice the difference found if that difference is more than either 3 % or two hectares, but no more than 20 % of the area determined.;

(b) in paragraph 2, the first subparagraph is replaced by the following:

'If, in respect of the overall area determined covered by the single application, except for starch potato, seed and tobacco as provided for in Chapters 6, 9 and 10c respectively of Title IV of Regulation (EC) No 1782/2003, the area declared exceeds the area determined in accordance with Article 50(3), (4) and (5) of this Regulation by more than 30 %, the aid to which the farmer would have been entitled pursuant to Article 50(3), (4) and (5) of this Regulation shall be refused for the calendar year in question under those aid schemes.;

16. Article 52 is amended as follows:

(a) the title is replaced by the following:

'Article 52

Reductions in cases of irregularities concerning the size of the areas declared for the payment of aid for starch potato, seed and tobacco'

(b) paragraphs 1 and 2 are replaced by the following:

1. If it is found that the area actually cultivated with potatoes or tobacco is more than 10 % lower than the area declared for the payment of aid for starch potato or tobacco as provided for in Chapters 6 and 10c respectively of Title IV of Regulation (EC) No 1782/2003, the aid to be paid shall be reduced by twice the difference found.

2. If it is found that the area actually cultivated with seeds is more than 10 % higher than the area declared for the payment of seed aid as provided for in Chapter 9 of Title IV of Regulation (EC) No 1782/2003, the aid to be paid shall be reduced by twice the difference found.;

17. the following Articles are inserted after Article 54:

'Article 54a

Reductions and exclusions concerning tobacco aid applications

Without prejudice to any reductions and exclusions to be applied in accordance with Article 51 or 53, where it is found that tobacco was not replanted on the parcel indicated in the cultivation contract by 20 June of the year of harvest:

- (a) 50 % of the aid for the current harvest shall be refused, if replanting is carried out by 30 June at the latest;
- (b) entitlement to the aid for the current harvest shall be refused, if replanting is carried out after 30 June.

However, the reductions or exclusions referred to under points (a) and (b) of the first subparagraph shall not apply in cases where, in accordance with Article 171cd(4) of Regulation (EC) No 1973/2004, the farmer can give a justification for the delay to the satisfaction of the competent authority.

Where it is found that the parcel on which the tobacco is grown is different from the parcel indicated in the cultivation contract, the aid to be paid to the farmer concerned for the current harvest shall be reduced by 5 %.

Article 54b

Reductions and exclusions concerning the crop specific payment for cotton

Without prejudice to any reductions and exclusions to be applied in accordance with Article 51 or 53, where it is found that the farmer does not respect the obligations resulting from Article 171af(1) and (2) of Regulation (EC) No 1973/2004, the farmer shall lose the right to the increase of the aid provided for in Article 110f(2) of Regulation (EC) No 1782/2003. Moreover, the aid for cotton per eligible hectare pursuant to Article 110c shall be reduced by the amount of the increase provided for in Article 110f(2) of Regulation (EC) No 1782/2003 for that farmer.;

18. Article 63 is replaced by the following:

'Article 63

Findings in relation to additional payment

As regards the additional payment to be granted for specific types of farming or for quality production as provided for in Article 69 of Regulation (EC) No 1782/2003 and the additional payment provided for in Articles 119 and 133 of that Regulation, the Member States shall provide for reductions and exclusions which shall, in substance, be equivalent to those provided for in this Title.;

19. in Article 64, the second paragraph is replaced by the following:

'Where, in the case referred to in Article 22 of Regulation (EC) No 1973/2004, the person concerned does not take up production by the deadline for the application, the individual reference quantity determined shall be deemed to be zero. In that case, the aid application of the person concerned for the year in question shall be refused. An amount equal to the amount covered by the refused application shall be off-set against aid payments under any of the aid schemes established in Titles III and IV of Regulation (EC) No 1782/2003 to which the person is entitled in the context of applications he lodges in the course of the calendar year following the calendar year of the finding.;

20. in Article 76, paragraph 1 is amended as follows:

(a) points (b) and (c) are replaced by the following:

- '(b) the number of applications as well as the total area, total number of animals and the total of quantities, broken down by individual aid scheme;

(c) the number of applications as well as the total area, the total number of animals and the total of quantities, covered by checks;

(b) the second subparagraph is replaced by the following:

'At the same time as the communication referred to in the first subparagraph in respect of animal premiums are sent to the Commission, Member States shall notify the total number of beneficiaries who received aid under aid schemes falling within the scope of the integrated system and the results of the checks relating to cross-compliance in accordance with Chapter III of Title III.'

Article 2

Article 171ae of Regulation (EC) No 1973/2004 is replaced by the following:

'Article 171ae

Authorisation of inter-branch organisations

1. Before 31 December each year, Member States shall authorise for the following year any inter-branch cotton-producing organisation that applies to plant cotton and which:

- (a) covers a total area of at least 10 000 ha as established by the Member State and meeting the authorisation criteria laid down in Article 171a, and which includes at least one ginning undertaking;
- (b) conducts clearly identified measure geared in particular towards:
 - improving the commercial value of the unginned cotton produced,
 - improving the quality of unginned cotton meeting the ginner's needs,
 - using environmentally-sensitive production methods;

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

Done at Brussels, 23 December 2005.

(c) has adopted internal operating rules, in particular on:

- membership conditions and fees, in accordance with national and Community rules and regulations;
- where appropriate, a scale differentiating the aid by parcel category, established in particular on the basis of the quality of the unginned cotton to be supplied.

However, for 2006, Member States shall authorise the inter-branch cotton-producing organisations by 28 February 2006.

2. Where it is found that an approved inter-branch organisation does not respect the criteria for approval provided for in paragraph 1, the Member State shall withdraw the approval unless the non-respect of the criteria concerned is remedied within a reasonable period of time. Where it is planned to withdraw the approval, the Member State shall notify that intention to the inter-branch organisation, together with the reasons for the withdrawal. The Member State shall allow the inter-branch organisation to submit its observations within a specified period. In case of withdrawal, the Member States shall provide for the application of appropriate sanctions.

Farmers who are members of an approved inter-branch organisation whose approval is withdrawn in accordance with the first subparagraph shall lose their right to the increase of the aid provided for in Article 110f(2) of Regulation (EC) No 1782/2003.'

Article 3

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

It shall apply to aid applications relating to years or premium periods starting as of 1 January 2006.

For the Commission

Mariann FISCHER BOEL

Member of the Commission