

This document is meant purely as a documentation tool and the institutions do not assume any liability for its contents

**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 No L 356, 24. 12. 1991, p. 1)

Amended by:

	Official Journal		
	No	page	date
Commission Regulation (EEC) No 3714/92 of 22 December 1992	L 378	23	23. 12. 1992
Council Regulation (EC) No 3290/94 of 22 December 1994	L 349	105	31. 12. 1994
Commission Regulation (EC) No 1802/95 of 25 July 1995	L 174	27	26. 7. 1995
Commission Regulation (EC) No 2417/95 of 13 October 1995	L 248	39	14. 10. 1995
Council Regulation (EC) No 2598/95 of 30 October 1995	L 267	1	9. 11. 1995

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

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 43 thereof,

Having regard to the proposal from the Commission ⁽¹⁾,

Having regard to the opinion of the European Parliament ⁽²⁾,

Having regard to the opinion of the Economic and Social Committee ⁽³⁾.

Whereas, by Decision 89/687/EEC ⁽⁴⁾, 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 remoter regions; whereas the programme provides for measures to improve the conditions under which the agricultural products of the departments are produced and marketed;

Whereas the exceptional geographical situation of the French overseas departments, hereafter referred to as the FOD, in relation to the sources of supply of products used as inputs for the manufacture of certain essential foodstuffs imposes costs which constitute a severe handicap to the sectors concerned; whereas this is true particularly in the case of the supply of cereals, which are not and cannot be produced in the said departments, rendering them dependent on external sources of supply; whereas this natural handicap can be remedied by arranging for supplies on more favourable terms; whereas this may be achieved by exemption from the levy on cereals imported into the said departments;

Whereas, in the interests of regional cooperation, preference should be given to imports into the FOD of cereals from the overseas countries and territories, the African, Caribbean and Pacific States, hereafter referred to as 'ACP States' and other developing countries; whereas, however, in the event of difficulty, the levy exemption arrangements may also, exceptionally, be applied to imports of cereals from other third countries;

⁽¹⁾ OJ No C 149, 8. 6. 1991, p. 6.

⁽²⁾ OJ No C 326, 13. 12. 1991 (SIC! 16. 12. 1991, p. 288).

⁽³⁾ Opinion delivered on 30 October 1991 (not yet published in the Official Journal). (SIC! OJ No C 14, 20. 1. 1992, p. 22).

⁽⁴⁾ OJ No L 399, 30. 12. 1989, p. 39.

Whereas, to maintain the competitiveness of cereals of Community origin on the supply of the FOD, both in order to achieve the Poseidom objective of reducing prices by promoting competition between sources of supply and to prevent disruption of traditional trade flows, provision should be made for the sale to those departments, on terms equivalent to exemption from the levy, based on the prices applied to exports to third countries, of products bought into intervention and, where appropriate, cereals available on the Community market;

Whereas, taking into account their objective, the import arrangements introduced for the FOD should reduce production costs and consumer prices; whereas their actual impact should therefore be monitored;

Whereas traditional livestock farming activities should be supported in order to meet local consumption needs; whereas this objective may be pursued indirectly through the financing of genetic improvement programmes involving the purchase of pure-bred breeding animals, through the grant of a supplementary premium for the fattening of adult male bovine animals for meat production, through aid to promote consumption of fresh milk products and through measures concerning the supply of male bovine animals for fattening;

Whereas undertaking made in the course of negotiations with the ACP States concerning the importation into Réunion of wheat bran from the ACP States should be implemented;

Whereas in French Guiana, in the light of recent agricultural developments, specific measures should be taken to promote livestock production and rice cultivation;

Whereas provision should be made for a Community financial contribution towards the eradication of diseases specific to the FOD; whereas, in the light of the exceptional animal health situation in those departments, provision should also be made for derogations from 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 ⁽¹⁾;

⁽¹⁾ OJ No L 302, 31. 12. 1972, p. 28. Directive as last amended by Directive 91/497/EEC (OJ No L 268, 24. 9. 1991, p. 69).

Whereas 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; whereas programmes should be implemented to combat harmful organisms; whereas the Community's financial contribution towards such programmes should be specified;

Whereas, in the fruit, vegetables, plants and floricultural sector, measures should be taken to improve farm productivity and product quality; whereas measures should also be taken to improve product marketing;

Whereas rum is a product of great economic importance for the FOD; whereas the gradual abolition of certain benefits currently accorded in respect of rum production would have a serious impact on the earnings of the producers; whereas support measures should therefore be taken in respect of the cultivation of sugar cane and its processing into rum;

Whereas agricultural producers in the FOD should be encouraged to supply quality products and the marketing of these should be assisted; whereas the creation of a graphic symbol and the promotion of such products, in their natural or processed form, could facilitate their marketing;

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

Whereas certain structural measures essential for the development of agriculture in the FOD are financed under the Community support frameworks to promote the development and structural adjustment of regions whose development is lagging behind (Objective 1) pursuant to Articles 130a and 130c of the Treaty; whereas the Commission has approved an initiative (Regis) to encourage the economic development of the most remote regions, providing for the diversification of agricultural production, the upgrading of traditional products and measures to reduce the risks associated with natural disasters; whereas additional provision should be made, above and beyond the Community support frameworks and the Regis and Leader Community initiatives, for structural measures related to agricultural development in the FOD;

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

HAS ADOPTED THIS REGULATION:

<i>Article 1</i>	3763/91
This Regulation lays down specific measures to remedy, in respect of certain agricultural products, the difficulties caused by the remote and insular nature of the French overseas departments (FOD).	
TITLE I	
Measures to promote supplies to the FOD, to encourage livestock farming there and to develop rice cultivation in French Guiana	2598/95
<i>Article 2</i>	3763/91
1. Each year, a forecast supply balance shall be established for the agricultural products necessary for human consumption and processing referred to in this Article and in the Annex. This balance may be revised during the year on the basis of trends in the FOD's requirements.	2598/95
2. <u>The import duties provided for in the Common Customs Tariff</u> shall not apply, in respect of the quantities referred to in paragraph 1, to direct imports into the FOD:	3763/91 – 3290/94
(a) of cereals for animal feed originating in developing countries;	
(b) of cereals for human consumption originating in the overseas countries and territories or in the ACP States.	
In the event of exceptional cereals supply difficulties in the FOD, <u>(exemption from) import duty</u> may be extended:	3290/94
(a) to cereals for animal feed originating in other third countries;	
(b) to cereals for human consumption originating in developing countries.	
3. Without prejudice to the application of paragraph 2 and Article 3 (1) to cereal products, duties shall not apply to imports into the FOD of the products listed in the Annex which are covered by the specific supply arrangements, if they originate in developing countries, within the limit of the quantities determined in the supply balance referred to in paragraph 1.	2598/95
In the event of exceptional supply difficulties, however, exemption from duty may be extended to products originating in other third countries.	

4. To ensure coverage of the requirements established in accordance with paragraph 1 in terms of quantity, price and quality, supplies to the FOD shall also be effected by mobilizing Community products held in public intervention storage or available on the Community market, on terms equivalent, for the end user, to the advantage resulting from exemption from import duties on imports of products from third countries.

2598/95

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

5. Entitlement under the supply arrangements provided for in this Article and in Article 3 (1) shall be subject to the conditions that the economic advantage derived either from exemption from the import duty or from Community aid in the case of supply from the rest of the Community is actually passed on to the end user.

6. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 23 of Regulation (EEC) No 1766/92 ⁽¹⁾ or the corresponding Articles of the other Regulation on the common organization of the markets in question. They shall cover in particular:

- the establishment of the balances, and any amendments thereto,
- the amount of aid granted for supply from the rest of the Community,
- the application, where appropriate, of the second subparagraph of paragraphs 2 and 3,
- the measures to ensure that the advantages are actually passed on to the end user and to ensure, insofar as is necessary, an import licensing system.

Article 3

3763/91

1. As from 1 July 1994 and until such time as the corresponding manufacturing plants in the department of French Guiana actually commence production, the products falling within CN codes 2309 90 31, 2309 90 33, 2309 90 41, 2309 90 43, 2309 90 51 and 2309 90 53 which are used there for animal feed shall be covered by the supply arrangements under the conditions laid down in this paragraph and in Article 2 (1), (3), (4), (5) and (6).

2598/95

⁽¹⁾ OJ No L 181, 1. 7. 1992, p. 21. Regulation as last amended by Regulation (EC) No 1866/94 (OJ No L 197, 30. 7. 1994, p. 1).

<p>The levies set pursuant to <u>Article 11 of Regulation (EEC) No 1766/92</u> shall not apply to direct imports into that department from developing countries and, in the case of exceptional difficulties, other third countries, within the limit of an overall quantity determined on the basis of the assessment.</p>	3763/91 – 2598/95
<p>To ensure coverage of French Guiana's requirements in terms of quantity, price and quality, animal feed manufactured from cereals processed in the rest of the Community shall be supplied on equivalent terms for the end user.</p>	
<p>Verification that the plants mentioned in the first subparagraph have commenced production and abolition of the supply arrangements as provided for in this paragraph shall be effected in accordance with the procedure laid down in Article 23 of Regulation (EEC) No 1766/92.</p>	2598/95
<p>2. During the marketing years from 1991/92 to 1995/96 flat-rate aid per hectare shall be granted for rice production in French Guiana. The amount of the aid shall be fixed with particular reference to soil preparation costs.</p>	3763/91
<p>3. 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.</p>	2598/95
<p>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.</p>	
<p>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. That percentage shall be raised to 13 % if the contractor for the producers is a producer group or association thereof.</p>	
<p>The aid shall be paid to the purchaser who markets the products under the annual contracts.</p>	
<p>4. Within the limit of an annual quantity of 8 000 tonnes, the levy fixed pursuant to <u>Articles 10 and 11 of Regulation (EEC) No 1766/92</u> shall not be applied to imports into Réunion of wheat bran falling within CN code 2302 30 from the ACP States.</p>	3763/91 2598/95

5. In accordance with the procedure laid down, as appropriate, in Article 23 of Regulation (EEC) No 1766/92 or Article 27 of Regulation (EEC) No 1418/76 ⁽¹⁾, the following shall be determined:

3763/91
2598/95

- the quantities covered by the arrangements provided for in paragraph 1 and the measures to ensure that the advantages granted are actually passed on to the end user,
- the amount of the aid per hectare for rice production,
- the other detailed rules for the application of this Article.

6. At least six months before the end of the periods referred to in paragraphs 1 and 2 the Commission shall submit to the Council an assessment of the implementation of the measures, together with any appropriate proposals.

Article 4

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

- (a) pure-bred breeding animals of the bovine species falling within CN code 0102 10 00;
- (b) pure-bred breeding swine falling within CN code 0103 10 00;
- (c) pure-bred breeding sheep and goats falling within CN codes 0104 10 10 and 0104 20 10;
- (d) pure-bred breeding horses falling within CN code 0101 11 00;
- (e) pure-bred breeding rabbits falling within CN code ex 0106 00 10;
- (f) multiplier or breeding chicks falling within CN code ex 0105 11;
- (g) hatching eggs, other, for the production of multiplier or breeding chicks falling within CN code 0407 00 19.

3714/92

2. The aid terms shall take account in particular of the supply requirements of the FOD with regard to the start-up of production. The aid shall be paid for the delivery of animals and products which fulfil the requirements specified under Community rules.

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

- (a) the conditions and in particular the costs of supply to the FOD resulting from their geographical situation;
- (b) the price of products on the Community market and on the world market;
- (c) whether or not customs duties and/or levies are charged on imports from third countries;

⁽¹⁾ OJ No L 166, 25. 6. 1975, p. 1. Regulation as last amended by Regulation (EEC) No 1806/89 (OJ No L 177, 24. 6. 1989, p. 1).

(d) the economic aspect of the aid envisaged.

3763/91

4. No refund shall be made in respect of exports from the FOD of the products referred to in paragraph 1.

5. The amounts of the aid referred to in paragraph 1 and the detailed rules for the application of this Article shall be determined in accordance with the procedure laid down, as appropriate, in Article 27 of Regulation (EEC) No 805/68 ⁽¹⁾, or the corresponding articles of the other Regulations on the common organizations of the markets in the sectors concerned.

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

Article 5

2598/95

1. The supplementary aid provided for in (a) and (b) below shall be granted in support of traditional activities connected with beef and veal production and measures to improve product quality, within the limits of the consumption needs of the FOD as assessed in the context of a periodic supply balance. The balance shall also take account of breeding animals supplied pursuant to Article 4 and animals covered by the supply arrangements provided for in Article 7.

(a) A supplement to the special premium for fattening male bovine animals provided for in Article 4b of Regulation (EEC) No 805/68 shall be paid to beef and veal producers. The amount of the supplement shall be ECU 48,30 per head.

(b) A supplement to the premium for maintaining suckler cows provided for in Article 4d of Regulation (EEC) No 805/68 shall be paid to beef and veal producers. The amount of the supplement shall be ECU 48,30 for each suckler cow held by the producer.

2. The provisions relating to:

(a) the regional ceiling laid down by Article 4b of Regulation (EEC) No 805/68 as regards the basic special premium;

(b) the individual ceiling for animals kept on the holding laid down in Article 4d of the aforementioned Regulation, as regards the basic suckler cow premium;

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

⁽²⁾ OJ No L 151, 30. 6. 1968, p. 16. Regulation as last amended by Regulation (EEC) No 789/89 (OJ No L 85, 30. 3. 1991, p. 3).

- (c) the stocking density in the case of animals kept on the farm, laid down in Article 4g of that Regulation, as regards the basic special premium and the basic suckler cow premium,

2598/95

shall not apply in the FOD in the case of the basic special premium, the basic suckler cow premium or the supplementary premiums referred to in paragraph 1 (a) and (b).

3. The basic and supplementary premiums referred to in paragraphs 1 and 2 shall be granted each year for a maximum of 10 000 male bovine animals and 35 000 suckler cows, respectively.

However, those ceilings and the balance referred to in paragraph 1 may be revised on the basis of trends in requirements, in accordance with the procedure laid down in Article 30 of Regulation (EEC) No 804/68 or Article 27 of Regulation (EEC) No 805/68.

Further conditions governing the grant of the supplementary premiums may be laid down using the same procedure.

4. The detailed rules to be adopted for implementing this Article:

(a) as regards the special premium for male bovine animals, shall provide for:

- the 'freezing', within the regional ceiling set in Article 4b (3) of Regulation (EEC) No 805/68, of the number of animals in respect of which the special premium was granted in the FOD,
- the granting of basic and supplementary premiums within the limit of 90 animals per age group, per calendar year and per holding;

(b) as regards the suckler cow premium, these detailed rules:

- shall include provisions to guarantee, to the extent necessary, the rights of producers to whom a premium has been granted under Article 4d (2) of Regulation (EEC) No 805/68,
- may provide for the establishment of a specific reserve for the FOD and special conditions for allocating or reallocating rights, taking into account the objectives pursued in the livestock farming sector; the size of the reserve shall be determined on the basis of the ceiling set in paragraph 3 and the number of premiums granted for the year 1994.

The detailed implementing rules may include additional conditions for granting further premiums.

5. Before the end of the third year of actual application of this Article, the Commission shall submit an assessment of the implementation of the specific provisions relating to livestock farming.

2598/95

Article 6

1. Aid shall be granted to increase the production of cow's milk, within the limits of local FOD human consumption of milk products determined in the context of a periodic annual 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 be ECU 8,45 per hundred kilograms of whole milk.

The balance may be revised during the year on the basis of trends in requirements, in accordance with the procedure laid down in Article 30 of Regulation (EEC) No 804/68.

Aid shall be paid each year within the limits of a maximum quantity of 20 000 tonnes of milk. That maximum quantity shall be reviewed by the Council, at the end of the third year of application of this measure, on a proposal from the Commission accompanied by an assessment report.

2. The additional levy scheme applicable to producers of cow's milk provided for in Council Regulation (EEC) No 3950/92 ⁽¹⁾ shall not apply in the FOD from 1 April 1994.

Article 7

During the period 1991/1992 to 1996/1997:

1. the import duties referred to in Article 9 of Regulation (EEC) No 805/68 and applying in the beef and veal sector shall not be applied to imports of bovine animals from third countries entering the FOD for fattening purposes and intended for consumption there;
2. aid shall be granted for the supply in the FOD, on equivalent terms, of animals as referred to in point 1 originating in the rest of the Community.

The number of animals concerned by the measures referred to in the first paragraph shall be based on the supply balance referred to in Article 5 and determined progressively to take account of the development of local production. The number of animals in question and the amount of the aid referred to in point 2 above shall be determined in accordance with the procedure laid down in Article 27 of Regulation (EEC) No 805/68.

Article 8

The products referred to in Articles 2, 3 (1), 4 and 7 may not be re-exported to third countries or redispached to the rest of the Community without prejudice to the patterns of trade existing between the FOD.

3763/91

⁽¹⁾ OJ No L 405, 31. 12. 1992, p. 1.

Under the same conditions, where the products in question are processed in the FOD, the aforesaid prohibition shall not apply to traditional exports or shipments to the rest of the Community.

Products mentioned in the first paragraph which are covered by the specific supply arrangements and products processed therefrom shall not be eligible for refunds on exportation from the FOD.

2598/95

Detailed rules for the application of this Article shall be adopted as necessary, in accordance with the procedure laid down in Article 23 of Regulation (EEC) No 1766/92 or the corresponding Articles of the Regulations on the common organization of the markets in question.

Article 9

3763/91

The Commission, in accordance with the procedure laid down, as the case may be, in Article 30 of Regulation (EEC) No 804/68 or Article 27 of Regulation (EEC) No 805/68, shall adopt detailed rules for the application of Articles 5, 6 and 7 of this Regulation.

Article 9a

2598/95

1. In the five-year period 1996 to 2000 aid shall be granted annually to implement in both Martinique and Réunion a comprehensive programme to support the production and marketing of local produce in the livestock and milk products sectors.

The programme may include measures to encourage improved quality and hygiene, the marketing and promotion of quality products, the establishment of intermediate stages, rationalization of production and marketing structures and the provision of technical assistance. The programme may not include the granting of aid in addition to the premiums paid under Articles 5, 6 and 7.

The programme shall be prepared and carried out by the competent authorities designated by the Member State, working in close collaboration with the most representative inter-branch organizations existing on 1 July 1994 in the sectors concerned.

2. The competent authorities shall submit the draft annual programme each year to the Commission before 1 July and for the first year before 15 December 1995. It shall be approved in accordance with the procedure laid down in Article 27 of Regulation (EEC) No 805/68.

Six months before the end of the five-year period, the Commission shall send the European Parliament and Council an assessment of the way in which the measure provided for in this Article has been implemented, accompanied by appropriate proposals, where necessary.

2598/95

TITLE II

Veterinary and plant health measures

3763/91

Article 10

1. In Article 24 (1) of Council Decision 90/424/EEC of 26 June 1990 on expenditure in the veterinary field ⁽¹⁾, the following text is hereby added;

'or by the Commission in accordance with the procedure laid down in Article 41 with regard to the eradication of certain diseases specific to the French overseas departments.'

2. The following Article is hereby inserted in Directive 72/462/EEC:

'Article 31a

Without prejudice to Article 17 of Directive 90/675/EEC (*) or to Article 13 of Directive 91/496/EEC (**), the Commission may, in accordance with the procedure laid down in Article 29, derogate from this Directive with regard to imports into the French overseas departments.

When the decisions provided for in the preceding paragraph are taken, the rules applicable after importation shall be laid down in accordance with the same procedure.

(*) OJ No L 373, 31. 12. 1990, p. 1.

(**) OJ No L 268, 24. 9. 1991, p. 56.'

Article 11

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

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

⁽¹⁾ OJ No L 224, 18. 8. 1990, p. 19. Decision as last amended by Decision 91/133/EEC (OJ No L 66, 13. 3. 1991, p. 18).

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 16a of Directive 77/93/EEC ⁽¹⁾. The measures eligible for Community financing shall be defined in accordance with the same procedure.

3763/91

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 organized by the Commission and conducted on its behalf by experts as referred to in Article 19a of Directive 77/93/EEC.

TITLE III

Measures to develop the fruit, vegetables, plants and flowers sectors

Article 12

The fourth indent of Article 3 (2) of Council Regulation (EEC) No 1360/78 of 19 June 1978 on producer groups and associations thereof ⁽²⁾ is hereby replaced by the following:

‘— live bovine animals falling within CN code 0102; beef and veal carcasses or quarters falling within CN codes ex 0201 and ex 0202; live trees and other plants; bulbs, roots and the like; cut flowers and ornamental foliage falling within Chapter 6 of the combined nomenclature; fresh fruit and vegetables falling within Chapters 7 and 8 of the combined nomenclature and not covered by Regulation (EEC) No 1035/72; vanilla falling within CN code 0905 00 00; plants falling within CN code 1211, in the French overseas departments.’

Article 13

2598/95

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 intended to supply the FOD market exclusively. 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 which conform to specifications written into the supply contracts.

⁽¹⁾ OJ No L 26, 31. 1. 1977, p. 20. Directive as last amended by Directive 91/27/EEC (OJ No L 16, 22. 1. 1991, p. 29).

⁽²⁾ OJ No L 166, 23. 6. 1978, p. 1. Regulation as last amended by Regulation (EEC) No 3808/89 (OJ No L 371, 20. 12. 1989, p. 1).

2598/95

The grant of the aid shall be subject to the conclusion of supply contracts lasting one or more years between the individual producers or producer groups or associations recognized under Regulations (EEC) No 1035/72 ⁽¹⁾ or (EEC) No 1360/78 and distributors, restaurants and the like or local authorities.

The aid shall be paid out 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 so covered.

The amount shall be increased by 5 % in the case of contracts concluded by recognized producer organizations or groups, or associations thereof.

The aid shall be paid to the producers, producer groups or associations.

2. Aid amounting to ECU 6,04 per kilogram shall be paid out for the production of green vanilla falling within CN code ex 0905 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.

3. Aid amounting to ECU 44,68 per kilogram shall be paid out for the production of essential geranium and vetiver oils, falling within CN codes 3301 21 to 3301 90 90.

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 the application of this Article shall be adopted in accordance with the procedure laid down in Article 33 of Regulation (EEC) No 1035/72. The same procedure shall be used to fix the product categories and the amounts of aid referred to in paragraph 1, and the maximum quantities referred to in paragraph 3.

Article 14

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 recognized producer groups or associations thereof and processors or their legally constituted organizations or associations. The Member State shall fix the minimum price for the raw materials on the basis of the production costs involved.

⁽¹⁾ OJ No L 118, 20. 5. 1972, p. 1. Regulation as last amended by Regulation (EC) No 2753/94 (OJ No L 292, 12. 11. 1994, p. 3).

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. 2598/95
3. The aid shall be paid out within the limits of maximum annual quantities established for each product category.
4. The list of processed products for which aid is granted and detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 22 of Regulation (EEC) No 426/86 ⁽¹⁾. The same procedure shall be used to fix the product categories and the amounts of aid referred to in paragraph 2, and the maximum quantities referred to in paragraph 3.

Article 15

1. Community aid shall be granted for the conclusion of annual contracts concerning the disposal and marketing of the products specified in Article 13 (1) and harvested in the FOD. 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. 3763/91
- The contracts shall be concluded between individual producers or producer groups or associations and natural or legal persons established in the rest of the Community.
2. The amount of the aid shall be 10 % of the value of the production marketed, free at destination.
3. The aid shall be granted to purchasers who undertake to market the FOD 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.

⁽¹⁾ OJ No L 49, 27. 2. 1986, p. 1. Regulation as last amended by Regulation (EC) No 1490/94 (OJ No L 161, 29. 6. 1994, p. 13).

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:

2598/95

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

for which annual disposal and marketing contracts have been concluded.

However, in respect of melons falling within CN code ex 0807 10 90, 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.

Article 16

3763/91

Detailed rules for the application of this Title shall be adopted in accordance with the procedure laid down, as appropriate, in Article 33 of Regulation (EEC) No 1035/72 ⁽¹⁾ or Article 13 of Regulation (EEC) No 234/68 ⁽²⁾.

The rules for products not covered by the market organizations set up by the Regulations referred to in the first paragraph shall be adopted in accordance with the procedure laid down in Article 33 of Regulation (EEC) No 1035/72.

TITLE IV

Measures to promote sugar cane ~~sugar~~ rum production

Article 17

In so far as the French authorities submit a restructuring plan for the improvement of plantations and/or development of mechanization to strengthen the sugar cane — sugar — rum sector, aid at a flat rate per hectare shall be granted for sugar cane cultivation.

The aid shall be paid to individual planters, planter groups or associations.

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

⁽¹⁾ OJ No L 118, 20. 5. 1972, p. 1. Regulation as last amended by Regulation (EEC) No 1623/91 (OJ No L 150, 15. 6. 1991, p. 8).

⁽²⁾ OJ No L 55, 2. 3. 1968, p. 1. Regulation as last amended by Regulation (EEC) No 3991/87 (OJ No L 377, 31. 12. 1987, p. 19).

Article 18

2598/95

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 he pays the sugar cane producer a minimum price, to be determined.

2. The aid shall be paid:

- in the case of sugar syrup, up to the limit of an annual maximum quantity of 250 tonnes,
- in the case of agricultural rum, up to the limit of an overall quantity corresponding to the average quantity of agricultural rum sold during the three marketing years 1987/1988, 1988/1989 and 1989/1990.

Article 19

3763/91

Detailed rules for the application of this Title shall be adopted, and the level of the aid and of the minimum price referred to in Article 18 (1) fixed, in accordance with the procedure laid down in Article 41 of Regulation (EEC) No 1785/81 ⁽²⁾.

When the decisions provided for in the first paragraph are taken, account shall be taken in particular of the production objectives in the context of the arrangements applicable to sugar and of the supply requirements of the FOD markets.

TITLE V

Measures concerning the creation of a graphic symbol*Article 20*

1. A graphic symbol shall be introduced with a view to ensuring greater awareness and consumption of quality agricultural products, whether natural or processed, specific to the FOD as remote regions.

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

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

⁽¹⁾ OJ No L 160, 12. 6. 1989, p. 1. Regulation as last amended by Regulation (EEC) No 3280/92 (OJ No L 327, 13. 11. 1992, p. 3).

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

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

3763/91

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

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

TITLE VI

Derogations applicable to structural measures

Article 21

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

- (a) pig production shall not be subject to the conditions specified in Article 6 (4) of Regulation (EEC) No 2328/91;
- (b) with regard to eggs and poultry production, the prohibition referred to in Article 6 (6) of that Regulation shall not apply to family farms in so far as their size is in proportion to the need to ensure balanced development in those departments;
- (c) with regard to property investment, the value of the aid referred to in Article 7 (2) of that Regulation may be applied to other types of investment;
- (d) notwithstanding Article 7 (1) of Regulation (EEC) No 2328/91, expenditure relating to initial stock purchases of pigs and poultry may be eligible under the system of investment aid specified in Article 6 (1) of that Regulation.

The measures mentioned in the first subparagraph under (a), (b) and (d) shall apply only in so far as livestock production is undertaken in a manner compatible with animal welfare and environment protection requirements and provided that the production is for the domestic market of the departments concerned.

⁽¹⁾ OJ No 218, 6. 8. 1991, p. 1.

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

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

3. The Commission, in accordance with the procedure laid down in Article 29 of Regulation (EEC) No 4253/88 ⁽²⁾:

- (i) shall adopt the conditions of application of this Article;
- (ii) may decide, on a reasoned request by the French authorities:
 - (a) to derogate from the investment ceiling referred to in Article 8 of Regulation (EEC) No 2328/91;
 - (b) to derogate from Article 12 (1) and the second indent of Article 13 of Council Regulation (EEC) No 866/90 of 29 March 1990 on improving the processing and marketing conditions for agricultural products ⁽³⁾ and from the corresponding provisions of Council Regulation (EEC) No 867/90 of 29 March 1990 on improving the processing and marketing conditions for forestry products ⁽⁴⁾ in order to extend the coverage of these measures to essential imports from third countries, provided that the products processed or marketed are intended exclusively for the domestic market in the FOD.

⁽¹⁾ OJ No L 128, 19. 5. 1975, p. 1. Directive as last amended by Regulation (EEC) No 797/85 (OJ No L 93, 30. 3. 1985, p. 1).

⁽²⁾ OJ No L 374, 31. 12. 1988, p. 1.

⁽³⁾ OJ No L 91, 6. 4. 1990, p. 1. Regulation as last amended by Regulation (EEC) No 3577/90 (OJ No L 353, 17. 12. 1990, p. 23).

⁽⁴⁾ OJ No L 91, 6. 4. 1990, p. 7.

TITLE VII

Final provisions

3763/91

Article 22

The measures provided for in this Regulation, excluding Articles 10, 11, 12 and 21, shall constitute aid designed to stabilize the agricultural markets within the meaning of Article 3 (1) of Regulation (EEC) No 729/91 ⁽¹⁾.

Article 22a

2598/95

The technical adjustments to this Regulation to take account of the amendments to the rules adopted by the Council shall be effected in accordance with the procedure laid down in Article 23 of Regulation (EEC) No 1766/92 or in the corresponding Articles of the other Regulations on the common organization of the markets in the sectors concerned or in Article 29 of Regulation (EEC) No 4253/88, whichever is appropriate.

Article 23

3763/91

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

2. At the end of the third year of application of the system the Commission shall submit to the Europa (SIC! European) Parliament and the Council a general report on the economic situation of the FOD showing the impact of the action taken pursuant to this Regulation.

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

Article 24

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

⁽¹⁾ OJ No L 94, 28. 4. 1970, p. 13.

ANNEX

2598/95

Products covered by the supply arrangements referred to in Article 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 14.