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(Acts whose publication is obligatory)

COUNCIL REGULATION (EEC) No 3013/89

of 25 September 1989

on the common organization of the market in sheepmeat and goatmeat

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Articles 42 and 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 the operation and development of the common market in agricultural products must be accompanied by the establishment of a common agricultural policy involving common organization of the agricultural markets; whereas the form of such organization may vary from one product to another;

Whereas the arrangements introduced by Council Regulation (EEC) No 1837/80 of 27 June 1980 on the common organization of the market in sheepmeat and goatmeat ⁽⁴⁾, as last amended by Regulation (EEC) No 1115/88 ⁽⁵⁾, must be reviewed with a view to the full establishment of a single market;

Whereas in order to attain the objectives set out in Article 39 of the Treaty, in particular market stability and a fair standard of living for the agricultural community concerned, it is necessary to retain certain arrangements facilitating adjustment of supply to market requirements; whereas, in particular, Community sheepmeat and goatmeat producers should continue to be granted a premium to compensate for loss of income and intervention measures should be continued;

Whereas the amount of the premium to be granted to producers, determined on the basis of a Community

single income loss, must take account of the different specializations of production systems in the Community; whereas, in order to limit any increase in the budget cost in this sector, provision should be made for limiting the full rate of the premium to 1 000 animals per producer in the less-favoured areas within the meaning of Directive 75/268/EEC ⁽⁶⁾ and to 500 animals per producer in other areas; whereas, above these figures, the premium will continue to be paid at the reduced level of 50 %;

Whereas, as regards intervention measures, provision should be made for them to take the form of private storage aid, which least affects normal marketing of products;

Whereas the purpose of the abovementioned premium is to ensure a fair return for producers; whereas, however, in view of the possibilities for disposal on the Community market and the Community's international commitments, production of sheepmeat and goatmeat should no longer be encouraged once the Community flock exceeds a certain level established in the light of the market situation; whereas to that end provision should be made for reducing the degree of guarantee afforded by the measures in question; whereas the maximum guaranteed level should be fixed at that which obtained for ewes on 31 December 1987 in the regions concerned and provision should be made for its eventual revision;

Whereas provision should be made for the fixing of a basic price at which intervention measures will come into operation and which will protect the Community market against price fluctuations on the world market for certain products in the sector;

Whereas the creation of a single Community market in sheepmeat and goatmeat involves the introduction of a single set of arrangements applying to trade across the Community's external frontiers; whereas arrangements whereby import levies on certain products replace the customs duty should, in combination with the

⁽¹⁾ OJ No C 319, 12. 12. 1988, p. 36.

⁽²⁾ OJ No C 120, 16. 5. 1989, p. 196.

⁽³⁾ OJ No C 56, 6. 3. 1989, p. 41.

⁽⁴⁾ OJ No L 183, 16. 7. 1980, p. 1.

⁽⁵⁾ OJ No L 110, 29. 4. 1988, p. 36.

⁽⁶⁾ OJ No L 128, 19. 5. 1975, p. 1.

intervention arrangements, serve to stabilize the Community market by preventing fluctuations in world market prices, when these are lower than the basic price, from disturbing prices ruling within the Community ;

Whereas, for the purposes of application of the levy arrangements, free-at-Community-frontier offer prices should be fixed on the basis of quotations recorded on the most representative markets of third countries and a special levy should be fixed for the products in question if the offer prices from one or more third countries are abnormally low ;

Whereas, for products falling within CN code 0204, for which the rate of duty is bound under GATT, the levies must be limited to the amount so bound or to that resulting from voluntary restraint agreements ;

Whereas, so that the trend in imports and exports can be followed, provision should be made for a system of import and export licences involving the provision of security as a guarantee that importation or exportation will be effected ;

Whereas provision should be made for granting a refund on exports to third countries equal to the difference between prices within the Community and on the world market ;

Whereas, in addition to the system described above, provision should be made for prohibiting in whole or in part, when the situation on the market so requires, the use of inward or outward processing arrangements ;

Whereas the customs duty and levy arrangements make it possible to dispense with all other protective measures at the external frontiers of the Community ; whereas, however, the mechanism of common prices, customs duties and levies may, in exceptional circumstances, prove defective ; whereas in such cases, so as not to leave the Community market without defence against disturbances that may consequently arise, the import barriers that previously existed having been removed, the Community should be able to take all necessary measures without delay ;

Whereas restrictions on free movement resulting from the application of measures intended to prevent the spread of animal diseases may cause difficulties on the market of one or more Member States ; whereas provision should be made for the introduction of exceptional market support measures in order to remedy such situations ;

Whereas, in order to facilitate implementation of the proposed measures, a procedure should be provided for

establishing close cooperation between the Member States and the Commission within a management committee ;

Whereas the common organization of the market in sheepmeat and goatmeat must take appropriate account of the objectives set out in both Article 39 and Article 110 of the Treaty ;

Whereas the establishment of a single market based on a common price system would be jeopardized by the granting of certain aids ; whereas, therefore, the provisions of the Treaty which allows the assessment of aid granted by Member States and the prohibition of that which is incompatible with the common market should be made to apply to sheepmeat and goatmeat ;

Whereas the transition from the arrangements established by Regulation (EEC) No 1837/80 to those introduced by this Regulation should be effected as smoothly as possible ; whereas, to that end, provision should be made for transitional measures continuing the arrangements previously applied in certain regions, in particular the variable premium and the specific provisions laid down in Article 5 (5) and (5a) of Regulation (EEC) No 1837/80 ; whereas, should the United Kingdom decide to maintain the variable premium for a transitional period, the guarantee limitation arrangements must be applied separately in Great Britain and in the rest of the Community ; whereas gradual alignment of all the arrangements applicable must lead to the existence of a single premium and the limitation of the guarantee by the 1993 marketing year at the latest ;

Whereas expenditure incurred by the Member States in carrying out obligations under this Regulation falls to the Community in accordance with Council Regulation (EEC) No 729/70 of 21 April 1970 on the financing of the common agricultural policy⁽¹⁾, as last amended by Regulation (EEC) No 2048/88⁽²⁾,

HAS ADOPTED THIS REGULATION :

Article 1

The common organization of the market in sheepmeat and goatmeat shall comprise both price and trading arrangements and cover the following products :

⁽¹⁾ OJ No L 94, 28. 4. 1970, p. 13.

⁽²⁾ OJ No L 185, 15. 7. 1988, p. 1.

CN code	Description
(a) 0104 10 90	Live sheep other than pure-bred breeding animals
0104 20 90	Live goats other than pure-bred breeding animals
0204	Meat of sheep or goats, fresh, chilled or frozen
0210 90 11	Meat of sheep and goats, with bone in, salted, in brine, dried or smoked
0210 90 19	Meat of sheep and goats, boneless, salted, in brine, or smoked
(b) 0104 10 10	Live sheep — pure-bred breeding animals
0104 20 10	Live goats — pure-bred breeding animals
0206 80 99	Edible offal of sheep and goats, fresh or chilled, other than for the manufacture of pharmaceutical products
0206 90 99	Edible offal of sheep and goats, frozen, other than for the manufacture of pharmaceutical products
0210 90 60	Edible offal of sheep and goats, salted, in brine, dried or smoked
1502 00 99	Fats of sheep or goats, raw or rendered, whether or not pressed or solvent-extracted
(c) 1602 90 71	Other prepared or preserved meat or offal of sheep or goats, uncooked ; mixtures of cooked and uncooked meat or offal
(d) 1602 90 79	Other prepared or preserved offal of sheep or goats

Article 2

In order to encourage action by trade and joint trade organizations to facilitate the adjustment of supply to market requirements, the following Community measures may be taken in respect of the products listed in Article 1 :

- (a) measures to improve sheep and goat farming ;
- (b) measures to promote better organization of production, processing and marketing ;
- (c) measures to improve quality ;
- (d) measures to permit the establishment of short- and long-term forecasts on the basis of the means of production used ;
- (e) measures to facilitate the recording of market price trends.

General rules concerning these measures shall be adopted in accordance with the procedure laid down in Article 43 (2) of the Treaty.

TITLE 1

Price, premium and intervention arrangements

Article 3

1. In accordance with the procedure laid down in Article 43 (2) of the Treaty, a basic price shall be fixed

annually, for the following marketing year, for fresh and chilled sheep carcasses.

2. When the basic price is fixed, account shall be taken in particular of :

- (a) the situation on the sheepmeat market during the current year ;
- (b) the prospects for the production and consumption of sheepmeat ;
- (c) sheepmeat production costs ;
- (d) the market situation in the other livestock product sectors, particularly the beef and veal sector ;
- (e) past experience.

The Council, acting by a qualified majority on a proposal from the Commission, shall fix seasonally adjusted basic prices to take account of the normal seasonal variations on the Community market in sheepmeat.

3. Save where a decision to the contrary is taken by the Council, acting by a qualified majority on a proposal from the Commission, the marketing year shall begin on the first Monday in January and shall end on the day preceding that day in the following year.

Article 4

1. A weekly average weighted price for the carcasses of sheep, fresh or chilled, on the representative Community markets shall be established on the basis of the prices recorded on the representative market or markets of each quotation area for the Community standard quality of fresh or chilled sheep carcasses, account being taken of the relative volume of total sheepmeat production in each quotation area.

Quotation area shall mean, without prejudice to Article 24:

- Great Britain,
- Northern Ireland,
- every other Member State taken separately.

2. The Community quotation for the standard quality referred to in paragraph 1 shall be the most widespread production, on average throughout the Community, for flocks specialized in the production of sheepmeat which produce heavy lambs. It shall be instituted in all the Member States by 1 January 1991 at the latest.

The Council, acting by a qualified majority on a Commission proposal,

- shall determine the standard quality,
- shall lay down a definition of lambs which are fattened as heavy carcasses.

3. A producer of light lambs is to be understood as any sheep farmer marketing sheep's milk products based on sheep's milk. All other sheep farmers are to be understood as producers of heavy lambs.

4. Member States shall introduce, to the Commission's satisfaction and by the 1991 marketing year at the latest, a mechanism for differentiating between producers of heavy lambs and producers of light lambs.

5. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 30.

Article 5

1. To the extent necessary to offset an income loss by sheepmeat producers in the Community during a marketing year, a premium shall be granted.

To this end, a single income loss shall be determined which shall be deemed to be any difference, per 100 kilograms carcass weight, between the basic price referred to in Article 3 (1) and the arithmetic mean of the weekly market prices recorded in accordance with Article 4.

2. The premium payable per ewe to the producers of heavy lambs referred to in Article 4 (3) shall be obtained by multiplying the income loss referred to in paragraph 1 by a coefficient expressing for the Community as a whole the annual average production of meat from heavy lambs per ewe producing such lambs, expressed per 100 kilograms carcass weight.

3. The amount of the premium payable per ewe to the producers of light lambs referred to in Article 4 (3) shall be obtained by multiplying the income loss referred to in paragraph 1 by a coefficient representing 70 % of the coefficient determined in accordance with the provisions of paragraph 2.

4. Each producer shall receive the premium calculated for the category in which he is classified. However, a producer marketing sheep's milk or sheep's milk products will, if he can prove that at least 40 % of the lambs born on his holding have been fattened as heavy carcasses with a view to their slaughter, be able, at his request, to receive the premium for the heavy category, in proportion with the number of lambs born on his holding which are fattened as heavy carcasses.

5. To offset an income loss by goatmeat producers, a premium shall be granted:

- firstly, in the areas indicated in Annex I, and
- secondly, in the mountain and hill areas within the meaning of Article 3 (3) of Directive 75/268/EEC, other than the areas indicated in Annex I to this Regulation, provided that it is established following the procedure referred to in Article 30 that the production of those areas meets the following two criteria:

- (a) goat rearing is mainly directed towards the production of goatmeat;
- (b) goat and sheep rearing techniques are similar in nature.

The premium payable per she-goat shall be 70 % of the amount per ewe in accordance with paragraph 2.

6. Before the end of each half-year, the Commission shall — in accordance with the procedure laid down in Article 30 — assess the foreseeable income loss for the entire marketing year and the foreseeable amount of the premium.

On the basis of this estimated income loss, the Member States shall be authorized to pay all their producers a half-yearly advance payment of 30 % of the expected premium.

Member States may make provision for these two advance payments to take the form of a single payment to producers as of the end of the second half-year.

The amount of the final premium shall be determined without delay after the end of the marketing year in question and not later than 31 March where appropriate, any balance shall be paid.

Premiums shall be paid to recipient producers on the basis of the number of ewes and/or she-goats kept on their holding over a minimum period to be determined in accordance with the procedure laid down in Article 30.

7. Premiums for producers of sheepmeat and goatmeat referred to in this Regulation will be paid at the full rate within the limit of 1 000 animals per producer in the less-favoured areas within the meaning of Article 3 (3), (4) and (5) of Directive 75/268/EEC and within the limit of 500 animals per producer in other areas.

Outside the limits indicated in the first subparagraph, the premiums payable shall be fixed at 50 % of the amount to be calculated.

In the case of groups, associations or other forms of cooperation between producers, the limits indicated in the first subparagraph shall be applied individually to each of the member farmers.

8. The Council, acting by a qualified majority on a proposal from the Commission, shall adopt general rules for implementing this Article, and in particular shall define which producers may receive the premium and for which ewes, and in the areas specified in paragraph 5, for which goats.

The Council, by the same procedure :

- may extend the premium to certain mountain-breed ewes raised in precisely defined areas presenting particularly difficult production conditions that do not qualify as eligible ewes : in such cases the premium payable shall be 70 % of that for eligible ewes in accordance with paragraph 2,
- may specify that the premium is to be granted only to producers keeping a minimum number of ewes or, in the case of the areas specified in paragraph 5, a minimum number of ewes and/or she-goats.

9. The Commission, acting in accordance with the procedure laid down in Article 30 :

- shall fix as appropriate the premium payable per ewe to the producers specified in paragraphs 2 and 3 per mountain-breed female within the meaning of paragraph 8 and per she-goat in the areas specified in paragraph 5,
- shall fix for the duration of each marketing year the coefficients referred to in paragraph 2,
- shall adopt implementing rules for this Article covering, in particular, the submission of premium applications and payment of the premium.

10. Expenditure under the arrangements provided for in this Article shall be deemed to form part of intervention for the purpose of stabilizing agricultural markets.

Article 6

Intervention measures may take the form of private storage aid for carcasses of lambs and cuts thereof.

Article 7

1. Where :

- the price established in accordance with Article 4 on the one hand, and
- the market price in a quotation area referred to in Article 4 (1) on the other hand,

are lower than 90 % of the seasonally adjusted basic price referred to in Article 3 (2) and if they are likely to remain so, a decision may be taken to grant private storage aid as provided for in Article 6 to the quotation area concerned.

2. Where :

- the price established in accordance with Article 4 on the one hand,
- the market price in a quotation area on the other hand,

are lower than 85 % of the seasonally adjusted basic price and are likely to remain so, a decision may be taken to grant storage aid as provided for in Article 6 to the quotation area concerned ; in this instance a decision shall be taken solely within the framework of a tendering procedure.

3. Where the market price for a quotation area is lower than 70 % of the seasonally adjusted basic price for two consecutive weeks, the Commission shall decide to open a tendering procedure for the award of private storage aid in the quotation area concerned.

4. The Council, acting by a qualified majority on a proposal from the Commission, shall adopt general rules for the application of this Article.

5. The procedure laid down in Article 30 shall be used to determine :

- (a) the products and product qualities admitted for private storage ;
- (b) the initiation of the measures referred to in paragraphs 1, 2 and 3 ;
- (c) the private storage aid, the quantities accepted and termination of the period in respect of which aid may be granted ;
- (d) other rules for the implementation of this Article, in particular the circumstances in which the intervention measures will be applied.

Article 8

1. The maximum guaranteed level is hereby fixed at 63 400 000 head of ewes.

2. For each marketing year :

- if the estimate of ewe numbers for the marketing year exceeds the maximum guaranteed level for that year, the premium provided for in Article 5 shall be reduced for both ewes and she-goats by the effect on

the basis price of a coefficient representing a reduction of 1 % for each 1 % by which the maximum guaranteed level is extended,

— where the mechanism provided for in the first indent, applied to the actual ewe numbers recorded for the preceding marketing year, leads to a premium different from that calculated, the correction shall be made at the time of fixing the definitive premium for ewes for the marketing year in question or, failing that, shall be included in the calculation of the premium for the following marketing year.

3. Detailed rules for the application of this Article, and in particular the coefficient and the premium referred to in paragraph 2, shall be adopted in accordance with the procedure laid down in Article 30.

4. The Commission shall submit to the Council, before 31 December 1989, appropriate proposals dealing with arrangements for limiting guarantees.

The Council, acting in accordance with the procedure laid down in Article 43 of the Treaty, shall review the stabilizer mechanism provided for above by 31 December 1992.

TITLE II

Trade with third countries

Article 9

1. The Common Customs Tariff rates of duty shall apply to the products listed in Article 1 (b), (c) and (d).

2. The Common Customs Tariff rates of duty shall not apply to the products listed in Article 1 (a). An import levy shall be applicable to these products as provided for in this Regulation.

Article 10

Import levies shall be fixed each month by the Commission.

If necessary, the Commission may alter the levies in the intervening period.

Article 11

1. The levy on fresh or chilled carcasses as indicated in Annex II under CN codes 0204 10 00, 0204 21 00 and 0204 50 11 shall be equal to the difference between the

seasonally adjusted basic price and the free-at-Community-frontier offer price.

2. The free-at-Community-frontier offer price referred to in paragraph 1 shall be established on the basis of the purchasing possibilities most representative as regards quality and quantity recorded during a period to be determined prior to the fixing of the levy, account being taken in particular of:

- (a) the supply and demand situation for fresh or chilled sheepmeat;
- (b) world market prices for frozen sheepmeat of a category competitive with fresh or chilled sheepmeat; and
- (c) past experience.

If necessary, the free-at-frontier offer price shall be established on the basis of the most representative purchasing possibilities recorded for live sheep.

3. The levy on live-animals of CN codes 0104 10 90 and 0104 20 90 and on meat as indicated in Annex II under codes 0204 22 10, 0204 22 30, 0204 22 50, 0204 22 90, 0204 23 00, 0204 50 13, 0204 50 15, 0204 50 19, 0204 50 31, 0204 50 39, 0210 90 11 and 0210 90 19 shall be equal to the levy on the product referred to in paragraph 1 multiplied by a standard coefficient fixed for each of the products in question.

4. The levy chargeable shall be that applicable on the day of import.

5. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 30.

Article 12

1. The levy on frozen meat as indicated in Annex II under CN codes 0204 30 00, 0204 41 00 and 0204 50 51 shall be equal to the difference between:

- (a) the basic price multiplied by a coefficient representing the relationship existing in the Community between the price of fresh meat of a category competitive with the frozen meat in question, presented in the same form, and the average price of fresh and chilled sheep carcasses; and
- (b) the free-at-Community-frontier offer price for the said frozen meat.

2. The free-at-Community-frontier offer price referred to in paragraph 1 (b) shall be established on the basis of the purchasing possibilities most representative as regards quality and quantity, recorded during a period to be determined prior to the fixing of the levy, account being taken in particular of:

- (a) the foreseeable trend of the market in frozen meat ;
- (b) the most representative prices on third-country markets for fresh or chilled meat of a category competitive with the frozen meat ;
- (c) past experience.

3. For the frozen meat as indicated in Annex II under CN codes 0204 42 10, 0204 42 30, 0204 42 50, 0204 42 90, 0204 43 00, 0204 50 53, 0204 50 55, 0204 50 59, 0204 50 71 and 0204 50 79 the levy shall be equal to the levy fixed for the product referred to in paragraph 1, multiplied by a standard coefficient fixed for each of the products in question.

4. The levy chargeable shall be that applicable on the day of importation.

5. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 30.

Article 13

1. A special levy may be fixed for products originating in or coming from one or more third countries if such exports are effected at abnormally low prices.

2. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 30.

Article 14

By way of derogation from Articles 11, 12 and 13 :

- (a) levies on products of CN codes 0104 10 90 and 0104 20 90 shall be limited to the amount resulting from voluntary restraint agreements ;
- (b) levies on products of CN code 0204 for which the rate of duty has been bound under the General Agreement on Tariffs and Trade (GATT) shall be limited to the amount resulting from such binding or to that resulting from voluntary trade agreements.

Article 15

1. The importation into the Community or exportation therefrom of any of the products listed in Article 1 (a), (c) and (d) shall be subject to the submission of an import or export licence issued by the Member States to any applicant who so requests, irrespective of the place of his establishment in the Community.

Such import or export licence shall be valid throughout the Community.

The issue of such licences shall be conditional on the provision of a security as a guarantee that importation or exportation will be effected during the period of validity of the licence. The security shall be wholly or partially forfeit if the operation is not carried out, or is only partially carried out, within that period.

2. Detailed rules for the application of this Article, which may in particular lay down a time limit for the issue of the licences, shall be adopted in accordance with the procedure laid down in Article 30.

Article 16

1. To the extent necessary to enable the products listed in Article 1 to be exported, the difference between the prices for those products on the world market and prices within the Community may be covered by an export refund.

2. The refund shall be the same for the whole Community. It may be varied according to end-use or destination.

The refund shall be granted on application.

3. The Council, acting by a qualified majority on a proposal from the Commission, shall adopt general rules for granting export refunds and for the advance fixing thereof.

4. Refunds shall be fixed at regular intervals in accordance with the procedure laid down in Article 30. Where necessary the Commission may, at the request of a Member State or on its own initiative, alter the refunds in the intervening period.

5. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 30.

Article 17

This Regulation shall be applied with due regard to the Community's obligations under international agreements.

Article 18

To the extent necessary for the proper working of the common organization of the market in sheepmeat, the Council, acting by a qualified majority on a proposal from the Commission, may prohibit, in whole or in part, the use of inward or outward processing arrangements in respect of the products listed in Article 1.

Article 19

1. The general rules for the interpretation of the Common Customs Tariff and the special rules for its application shall apply to the tariff classification of products covered by this Regulation ; the tariff nomenclature resulting from the application of this Regulation shall form part of the Common Customs Tariff.

The Council, acting by a qualified majority on a proposal from the Commission, may adjust this Regulation where such adjustment is carried out as a result of an amendment to the nomenclature of the Common Customs Tariff, and may amend the nomenclature used in this Regulation.

2. Unless otherwise provided in this Regulation or otherwise decided by the Council acting by a qualified majority on a proposal from the Commission, the following shall be prohibited in trade with third countries :

- the levying of any charges having effect equivalent to a customs duty,
- the application of any quantitative restriction or measure having equivalent effect.

Article 20

1. If, by reason of imports or exports, the Community market in one or more of the products listed in Article 1 experiences, or is threatened with, serious disturbance liable to imperil the objectives set out in Article 39 of the Treaty, appropriate measures may be applied in trade with third countries until such disturbance or threat of disturbance has ceased.

The Council, acting by a qualified majority on a proposal from the Commission, shall adopt detailed rules for the application of this paragraph and define the cases in which the limits within which Member States may take protective measures.

2. If the situation referred to in paragraph 1 arises, the Commission shall, at the request of a Member State or on its own initiative, decide on the necessary measures, which shall be communicated to the Member States and shall be immediately applicable. If the Commission receives a request from a Member State, it shall take a decision thereon within 24 hours following receipt of the request.

3. Measures adopted by the Commission may be referred to the Council by any Member State within three working days following the day on which they were communicated. The Council shall meet without delay. It may, by a qualified majority, amend or repeal the measures in question.

TITLE III

Transitional provisions

Article 21

Until the end of the 1992 marketing year, the provisions of Title I shall be applicable, subject to those of the following Articles.

Article 22

1. The provisions of this Article shall be applicable to the 1990 marketing year.

2. The following regions are hereby defined :

- region 1 : Great Britain,
- region 2 : rest of the northern part of the Community,
- region 3 : Italy and Greece,
- region 4 : Spain and Portugal.

3. A price for fresh or chilled sheep carcasses on the representative Community markets shall be established on the basis of the prices recorded on the representative market or markets in each region or, as regards regions 2, 3 and 4 of each Member State, for the various categories of fresh or chilled sheep carcasses, account being taken of both the volume of each category and of the relative volume of sheep production in each region or, as regards regions 2, 3 and 4, in each Member State.

Moreover, a price for fresh or chilled sheep carcasses on the representative market of the area comprising Ireland and Northern Ireland shall be established, account being taken of the relative volume of production on each market.

4. The calculation of the income loss per region shall be deemed to be any difference, per 100 kilograms carcass weight, between the basic price referred to in Article 3 (1) and the arithmetic mean of the weekly market prices recorded for each region in accordance with paragraph 3.

5. Subject to the provisions of Article 24, the premium payable per ewe and per region shall be obtained by multiplying the income loss referred to in paragraph 4 by a coefficient expressing for each region the average annual production of lambmeat per ewe per 100 kilograms carcass weight established on the basis of the statistical data collected in the Commission.

Furthermore, with regard to the she-goats in the areas referred to in Article 5 (5) and the mountain-breed females specified in Article 5 (8), the premium payable shall be 80 % of the amount payable per ewe.

6. However, if a ewe premium is granted for region 2, at the request of the interested parties :

- a ewe premium equal to that payable in region 2 may be granted in region 3, instead of the premium payable in that region, to interested parties who show to the satisfaction of the competent authority that the lambs from the ewes that they hold will not be slaughtered before the age of two months,
- a she-goat premium equal to 80 % of the ewe premium payable in region 2 may be granted in the areas of region 3 indicated in Article 5 (5) instead of the premium payable in that region if the interested parties show to the satisfaction of the competent authority that the kids from the she-goats that they hold will not be slaughtered before the age of two months.

7. The ewe premium calculated for region 4 shall be increased by an amount representing half of the difference between the amount of the premium, calculated for that region and that paid in region 2, where the latter amount is higher.

8. If one or more Member States comprising regions 3 and 4 have introduced, from the 1990 marketing year, the measures provided for in Article 4 (4), that or those Member States shall receive, instead of the provisions in paragraphs 6 and 7:

- in respect of producers of heavy lambs, the premium paid in region 2,
- in respect of producers of light lambs, a premium corresponding to 70 % of the premium for producers of heavy lambs; this premium shall also apply to she-goats.

9. For the purpose of applying the private storage measures provided for in Article 7, market prices in the quotation area shall be established with reference to the provisions laid down in paragraph 3.

Article 23

1. The provisions of this Article shall be applicable for the 1991 and 1992 marketing years.

2. The following regions are hereby defined:

- region 1: Great Britain,
- region 2: rest of the Community.

3. If the provisions of Article 24 are applied, income loss shall be calculated for each of the regions in accordance with the method of calculation provided for in Article 5 (1).

4. Subject to the provisions of Article 24, the premium payable per ewe and per region to the producers of heavy lambs referred to in Article 4 (3) shall be calculated by multiplying the income loss by a coefficient expressing, for each region, the normal annual average production of heavy lambmeat per ewe producing such lambs, expressed in terms of 100 kilograms of carcase weight. The premium payable per ewe to producers of light lambs and the amount payable for she-goat and per rustic mountain breed female shall be 70 % of the amount payable per ewe to producers of heavy lambs.

5. However, until the end of the 1992 marketing year:

- Italy or Greece may, at their request, be authorized to apply the arrangements laid down in Article 22 (6),
- Spain or Portugal may, at their request, be authorized to apply the arrangements laid down in Article 22 (7).

If one or more of those Member States makes use of this possibility:

- the amount payable in region 2, which is taken into consideration, shall be that calculated for producers of heavy lambs,
- the data from those Member States shall not be taken into account for region 2 in calculating the loss of income and the technical coefficient valid for that region.

Article 24

1. The provisions of this Article shall be applicable for the 1990, 1991 and 1992 marketing years.

2. The United Kingdom may grant in Great Britain a premium for the slaughter of sheep provided that prices recorded on the representative markets of that region are below a 'guide level' corresponding to 85 % of the basic price referred to in Article 3 (2).

The guide level referred to in the first subparagraph shall be seasonally adjusted in the same way as the basic price.

3. Should the variable premium be applied, and for each week of a marketing year, the amount of the premium referred to in paragraph 2 shall be equal to a percentage of the difference between the seasonally adjusted guide level and the market price recorded in the region concerned.

That percentage shall be:

- 1990 marketing year: 75 %,
- 1991 marketing year: 55 %,
- 1992 marketing year: 40 %.

Before the beginning of the last two marketing years and at the request of the United Kingdom, the Commission may, in accordance with the procedure laid down in Article 30, authorize the said Member State to apply, without prejudice to paragraph 2, a reduction in the percentages provided for the said marketing years.

4. Should the United Kingdom make use of the provisions laid down in paragraphs 2 and 3, the determination of the amount of the ewe premium applicable in Great Britain shall intervene to reduce the income loss by the weighted average of the variable premiums actually granted.

This average, which shall be expressed per 100 kilograms carcase weight, shall be obtained by dividing the total amount of the premiums actually granted by the weight of the certified animals for which the variable premium may be granted on slaughter or, as appropriate, when they are first placed on the market.

If, after application of the provisions of paragraph 8, this reduction gives rise to an interruption in the progress towards a single ewe premium throughout the Community, the Commission, in accordance with the procedure laid down in Article 30, shall adjust the ewe premium to be granted in Great Britain; in this instance, in accordance with the same procedure, an amount corresponding to the adjustment will be deducted from the amount of the ewe premium to be granted in Great Britain for the following marketing year(s).

5. Should the premium referred to in paragraph 2 be paid, the Commission shall adopt the necessary measures to insure the levying on all the products indicated in Article 1 (a) and (c) leaving Great Britain of an amount equivalent to that of the premium actually paid.

6. In respect of the triggering of the private storage aid measures referred to in Article 7, the market prices recorded in Great Britain shall be increased by the impact of the variable premium.

7. However, as long as the United Kingdom has recourse to the provisions of this Article, an income loss and a coefficient expressing the average production of lambmeat per ewe shall be determined separately for the area comprising Ireland and Northern Ireland. This income loss shall be deemed to be the difference between the basic price and the arithmetic mean of the weekly market prices recorded in that area.

8. The income losses in Great Britain on the one hand (impact of the variable premium not deducted), in the Ireland — Northern Ireland area on the other hand and the coefficients referred to in Article 23 (4) and paragraph 7 of this Article shall be gradually merged into a single income loss and single coefficients in proportion to the actual dismantling of the variable slaughter premium during each marketing year.

9. The Commission shall, in accordance with the procedure laid down in Article 30, adopt detailed rules for the application of this Article. These may in particular include measures to prevent any disturbance to trade in livestock, meat or prepared products resulting from the application of the premium arrangement referred to in paragraph 2.

Expenditure incurred under the arrangements provided for in this Article shall be deemed to form part of intervention for the purpose of stabilizing agricultural markets.

Article 25

1. For as long as the United Kingdom has recourse to the provisions of Article 24, the maximum guaranteed level laid down in Article 8 shall be broken down as follows:

- 18 100 000 head for the Great Britain region,
- 45 300 000 head for the other regions.

2. Should Article 8 (2) be applied, the 'guide level' referred to in Article 24 on which the variable premium is to be calculated shall be reduced by the same percentage as that by which the basic price is reduced pursuant to the first indent of Article 8 (2).

3. Should the United Kingdom apply Article 24, Article 8 (2) and paragraph 2 of this Article shall apply separately to the Great Britain region on the one hand and to all the other regions on the other.

4. However, the reductions in the basic price made in respect of Great Britain on the one hand and the rest of the Community on the other shall gradually be merged into a single reduction in proportion to the actual dismantling of the variable slaughter premium during each marketing year.

TITLE IV

General provisions

Article 26

In order to take account of any restrictions on free movement which might result from the application of

measures to prevent the spread of animal diseases, exceptional measures to support any market affected by such restrictions may be taken under the procedure laid down in Article 30, but only to the extent that and for such period as is strictly necessary for the support of that market.

Article 27

Save as otherwise provided in this Regulation, Articles 92, 93 and 94 of the Treaty shall apply to the production of, and trade in, the products listed in Article 1 of this Regulation.

Article 28

Member States and the Commission shall communicate to each other the information necessary for implementing this Regulation.

Rules for the communication and distribution of such information shall be adopted in accordance with the procedure laid down in Article 30.

Article 29

1. A Management Committee for Sheep and Goats (hereinafter called 'the Committee') is hereby set up, consisting of representatives of the Member States with a representative of the Commission as chairman.

2. Within the Committee the votes of Member States shall be weighted in accordance with Article 148 (2) of the Treaty. The chairman shall not vote.

Article 30

1. Where the procedure laid down in this Article is to be followed, the chairman shall refer the matter to the Committee either on his own initiative or at the request of the representative of a Member State.

2. The Commission representative shall submit a draft of the measures to be taken. The Committee shall deliver its opinion on such measures within a time limit to be set by the chairman according to the urgency of the matter. Opinions shall be adopted by a majority of 54 votes.

3. The Commission shall adopt measures which shall apply immediately. However, if these measures are not in accordance with the opinion of the Committee, they shall forthwith be communicated by the Commission to the Council. In that event the Commission may, for not more than one month from the date of such communication, defer application of the measures which it has adopted.

The Council, acting by a qualified majority, may take a different decision within one month.

Article 31

The Committee may consider any other question referred to it by its chairman either on his own initiative or at the request of the representative of a Member State.

Article 32

This Regulation shall be so applied that appropriate account is taken of the objectives set out in both Article 39 and Article 110 of the Treaty.

Article 33

The Annexes may be amended by the Council, acting by a qualified majority on a proposal from the Commission.

Article 34

The transitional provisions required in order to bring into operation Article 24 (5) relating to trade with third countries shall be adopted in accordance with the procedure laid down in Article 30.

Article 35

1. Regulation (EEC) No 1837/80 is hereby repealed with the exception of the measures provided for in Article 5, paragraph 5a of which shall be extended; these measures shall remain applicable to the premiums granted for the 1989 marketing year.

2. References to the Regulation repealed by paragraph 1 shall be construed as references to this Regulation.

Article 36

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

It shall apply from 1 January 1990.

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

Done at Brussels, 25 September 1989.

For the Council

The President

H. NALLET

ANNEX I

1. FRANCE : Corsica.
2. GREECE : the whole country.
3. ITALY : Lazio, Abruzzo, Molise, Campania, Apulia, Basilicata, Calabria, Sicily and Sardinia.
4. SPAIN : the autonomous communities of Andalusia, Aragón, the Balearic Islands, Castile-La Mancha, Castile-Léon, Catalonia, Extremadura, Galicia (with the exception of the provinces of Corunna and Lugo), Madrid, Murcia, La Rioja and Valenciana.
5. PORTUGAL : the whole country, with the exception of the Azores and Madeira.

ANNEX II

CN code	Description
Section (a)	
	Meat of sheep and goats, fresh or chilled :
0204 10 00	— Carcases and half-carcases of lamb
0204 21 00	— Carcases and half-carcases of sheep other than those of lamb
0204 22 10	— Short forequarters of sheep
0204 22 30	— Chines and/or best ends of sheep
0204 22 50	— Legs of sheep
0204 22 90	— Other cuts with bone in of sheep
0204 23 00	— Boneless cuts of sheep
0204 50 10	— Carcases and half-carcases of goats
0204 50 13	— Short forequarters of goats
0204 50 15	— Chines and/or best ends of goats
0204 50 19	— Legs of goats
0204 50 31	— Other cuts with bone in of goats
0204 50 39	— Boneless cuts of goats
Section (b)	
	Meat of sheep and goats, salted, in brine, dried or smoked :
0210 90 11	— With bone in
0210 90 19	— Boneless
Section (c)	
	Meat of sheep and goats, frozen :
0204 30 00	— Carcases and half-carcases of lamb
0204 41 00	— Carcases and half-carcases of sheep, other than those of lamb
0204 42 10	— Short forequarters of sheep
0204 42 30	— Chines and/or best ends of sheep
0204 42 50	— Legs of sheep
0204 42 90	— Other cuts with bone in of sheep
0204 43 00	— Boneless cuts of sheep
0204 50 51	— Carcases and half-carcases of goats
0204 50 53	— Short forequarters of goats
0204 50 55	— Chines and/or best ends of goats
0204 50 59	— Legs of goats
0204 50 71	— Other cuts with bone in of goats
0204 50 79	— Boneless cuts of goats