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**COUNCIL REGULATION (EC) No 2529/2001
of 19 December 2001
on the common organisation of the market in sheepmeat and goatmeat**

(OJ L 341, 22.12.2001, p. 3)

Amended by:

	Official Journal		
	No	page	date
► <u>A1</u> Act concerning the conditions of accession of the Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Hungary, the Republic of Malta, the Republic of Poland, the Republic of Slovenia and the Slovak Republic and the adjustments to the Treaties on which the European Union is founded	L 236	33	23.9.2003



**COUNCIL REGULATION (EC) No 2529/2001
of 19 December 2001**

on the common organisation of the market in sheepmeat and goatmeat

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Articles 36 and 37 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:

- (1) The provisions concerning the common organisation of the market in sheepmeat and goatmeat have been established in a number of regulations. For reasons of clarity these regulations should be repealed and replaced by a new Regulation. Council Regulations (EEC) No 2644/80 of 14 October 1980 laying down general rules for intervention with regard to the sheepmeat and goatmeat sector ⁽⁴⁾, (EEC) No 3901/89 of 12 December 1989 defining lambs fattened as heavy carcasses ⁽⁵⁾, (EEC) No 1323/90 of 14 May 1990 instituting specific aid for sheep and goat farming in certain less-favoured areas of the Community ⁽⁶⁾, (EEC) No 3493/90 of 27 November 1990 laying down general rules for the granting of premiums to sheepmeat and goatmeat producers ⁽⁷⁾, (EEC) No 338/91 of 5 February 1991 determining the Community standard quality of fresh or chilled sheep carcasses ⁽⁸⁾ and Council Regulation (EC) No 2467/98 of 3 November 1998 on the common organisation of the market in sheepmeat and goatmeat ⁽⁹⁾ are replaced by new arrangements in this Regulation and should therefore be repealed.
- (2) A common organisation of the agricultural markets may take various forms depending on the product.
- (3) In order to attain the objectives set out in Article 33 of the Treaty, in particular market stability and a fair standard of living for the agricultural community concerned, it is necessary to provide for certain arrangements facilitating adjustment of supply to market requirements. Provision should be made for internal market measures comprising, in particular, a premium to sheepmeat and goatmeat producers and a private storage scheme.
- (4) The amount of the premium to be granted to producers must take account of the different specialisations of production systems in the Community. The premium for she-goats should be granted to producers in specific areas where goat rearing is mainly directed

⁽¹⁾ OJ C 213 E, 31.7.2001, p. 275.

⁽²⁾ Opinion delivered on 25 October 2001 (not yet published in the Official Journal).

⁽³⁾ Opinion delivered on 17 October 2001 (not yet published in the Official Journal).

⁽⁴⁾ OJ L 275, 18.10.1980, p. 8.

⁽⁵⁾ OJ L 375, 23.12.1989, p. 4. Regulation as amended by Regulation (EC) No 1266/95 (OJ L 123, 3.6.1995, p. 3).

⁽⁶⁾ OJ L 132, 23.5.1990, p. 17. Regulation as last amended by Regulation (EC) No 193/98 (OJ L 20, 27.1.1998, p. 18).

⁽⁷⁾ OJ L 337, 4.12.1990, p. 7. Regulation as last amended by Regulation (EC) No 2825/2000 (OJ L 328, 23.12.2000, p. 1).

⁽⁸⁾ OJ L 41, 14.2.1991, p. 1. Regulation as last amended by Regulation (EC) No 2536/97 (L 347, 18.12.1997, p. 6).

⁽⁹⁾ OJ L 312, 20.11.1998, p.1. Regulation amended by Regulation (EC) No 1669/2000 (OJ L 193, 29.7.2000, p. 8).

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towards the production of goatmeat and goat and sheep rearing techniques are similar in nature.

- (5) Provision should also be made for the payment of a supplementary premium to producers in areas where sheep and goat production constitutes a traditional activity or contributes significantly to the rural economy. The granting of the supplementary premium should be limited to producers whose holdings have at least 50 % of their area used for agriculture situated in less-favoured areas, as defined pursuant to Council Regulation (EC) No 1257/1999 of 27 May 1999 on support for rural development from the European Agricultural Guidance and Guarantee Fund (EAGGF) and amending and appealing certain regulations ⁽¹⁾.
- (6) It is opportune for administrative purposes that the earliest date for the payment of the premiums should coincide with the beginning of the budgetary year. In order to achieve the desired economic impact, premiums must be granted within certain time limits.
- (7) It is necessary to provide for the possibility to change the amounts of the premiums in the light of developments in production, productivity and the markets.
- (8) In order to avoid encouraging production and increased expenditure it is appropriate to maintain individual ceilings for producers. The total number of premium rights of each Member State should be fixed on the basis of levels already established.
- (9) New producers and existing producers whose individual ceilings do not correspond, for various reasons, to the changed circumstances of their flocks should not be excluded from entitlement to the premium. Provision should therefore be made to operate national reserves to be stocked and administered in accordance with Community criteria. For the same reason, the transfer of rights to premium without the transfer of the associated holding should be subject to rules whereby part of the rights transferred is withdrawn without compensatory payment and is allocated to that national reserve.
- (10) In order to permit producers to reduce their production for a limited period, Member States should be enabled to provide the option of a temporary transfer of premium rights.
- (11) A link should be established between sensitive zones or localities and the production of sheep and goats so as to ensure the maintenance of such production, especially in areas where such production is important for the local economy.
- (12) The conditions for sheep and goat production and the income situation of producers varies significantly in different production areas of the Community. Therefore, it is appropriate to provide for a flexible framework of additional Community payments for Member States to be determined and made within fixed global amounts and in accordance with certain common criteria in order to respond adequately to the structural and natural disparities and the diverse needs of the sector. The global amounts should be allocated to the Member States on the basis of their share of premia paid. The common criteria are intended, *inter alia*, to prevent additional payments from producing discriminatory effects and to take full account of the relevant multilateral commitments of the Community. In particular, it is essential that Member States be obliged to act exclusively on the basis of objective criteria, to pay full regard to the concept of equal treatment and to avoid market and competition distortions.
- (13) Intervention measures take the form of private storage aid, which least affects normal marketing of products. In order to ensure proper application of such aid, the Commission should be fully

⁽¹⁾ OJ L 160, 26.6.1999, p. 80.

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informed about the development of prices on the common market for sheep and goatmeat.

- (14) As a general rule, whenever certain market price criteria are met the decision to grant private storage aid should be taken in the context of a tendering procedure. However, private storage aid could be made more effective if the amount of the aid is fixed in advance, where urgent recourse to private storage proves necessary in the light of a particularly difficult market situation in one or more quotation areas. It is therefore necessary to authorise the Commission to carry out advance fixing of the aid where such a market situation has arisen, even if the market price criteria in question have not been met.
- (15) Trade arrangements, in combination with price arrangements, premiums and intervention arrangements and containing a system of import duties, should serve to stabilise the Community market.
- (16) The competent authorities should be placed in a position to follow trade developments constantly in order to appraise market developments and, when necessary, the possible application of measures provided for in this Regulation. To that end, provision should be made for issuing import licences and, where appropriate, the corresponding export licences providing a guarantee to ensure the fulfilment of dealings for which the licences are sought.
- (17) In order to prevent or counteract adverse effects on the market in the Community due to the importation of certain agricultural products, the importation of one or more of these products must be subject to additional import duties if certain conditions are fulfilled.
- (18) It is appropriate, under certain conditions, to empower the Commission to open and administer tariff quotas resulting from international agreements concluded in accordance with the Treaty or resulting from other acts of the Council.
- (19) In addition to the system described above, provision should be made to the extent necessary for its proper working, for prohibiting in whole or in part, the use of inward or outward processing arrangements, when the situation on the market so requires.
- (20) The customs duty arrangements make it possible to dispense with all other protective measures at the external frontiers of the Community. However, the mechanism of common prices and customs duties may, in exceptional circumstances, prove inadequate. In such cases, in order to avoid leaving the Community market without protection against consequential disturbances following the removal of import barriers, the Community should be able to take all necessary measures without delay. These measures must be in conformity with the Community's obligations, including its international obligations.
- (21) Measures may also have to be taken when a substantial rise or fall in price disturbs or threatens to disturb the Community market.
- (22) 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. Exceptional market support measures may have to be introduced in order to remedy such situations.
- (23) The proper working of a single market based on common prices would be jeopardised by the granting of certain aids. Therefore, the provisions of the Treaty governing State aid should apply to sheepmeat and goatmeat.
- (24) The measures necessary for the implementation of this Regulation should be adopted in accordance with Council Decision 1999/468/EC of 28 June 1999 laying down the procedures for

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the exercise of implementing powers conferred on the Commission ⁽¹⁾.

- (25) Expenditure incurred by the Member States in carrying out obligations under this Regulation falls within the scope of Council Regulation (EC) No 1258/1999 of 17 May 1999 on the financing of the common agricultural policy ⁽²⁾.
- (26) There are concerns about the environmental impact of sheep and goat production in certain regions of the Community. The Commission should draw up a report on this subject on the basis of experience gained if necessary accompanied by proposals.
- (27) The change from the arrangements under Regulation (EC) No 2467/98 to those provided for in this Regulation could give rise to difficulties, which are not dealt with in this Regulation. In order to deal with such difficulties, the Commission should be enabled to adopt transitional measures. The Commission should also be authorised to solve specific practical problems,

HAS ADOPTED THIS REGULATION:

Article 1

The common organisation of the market in sheepmeat and goatmeat shall comprise an internal market system and trading system and cover the following products:

	<i>CN code</i>	<i>Description</i>
(a)	0104 10 30	Lambs (up to one year old)
	0104 10 80	Live sheep other than pure-bred breeding animals and lambs
	0104 20 90	Live goats other than pure-bred breeding animals
	0204	Meat of sheep or goats, fresh, chilled or frozen
	0210 99 21	Meat of sheep and goats, with bone in, salted, in brine, dried or smoked
	0210 99 29	Meat of sheep and goats, boneless, salted, in brine, dried 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 99 60	Edible offal of sheep and goats, salted, in brine, dried or smoked
	ex 1502 00 90	Fats of sheep or goats, other than those of 1503
(c)	1602 90 72	Other prepared or preserved meat or offal of sheep or goats, uncooked; mixtures of cooked and uncooked meat or offal
	1602 90 74	
(d)	1602 90 76	Other prepared or preserved meat or offal of sheep or goats, other than uncooked or mixtures
	1602 90 78	

⁽¹⁾ OJ L 184, 17.7.1999, p. 23.

⁽²⁾ OJ L 160, 26.6.1999, p. 103.



TITLE I
INTERNAL MARKET

Article 2

In order to encourage action by trade and joint trade organisations 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 organisation 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 37(2) of the Treaty.

CHAPTER I
DIRECT PAYMENTS

Article 3

For the purposes of this Title the following definitions shall apply:

- (a) 'producer' shall mean an individual farmer, whether a natural or a legal person or group of natural or legal persons, irrespective of the legal status conferred by national law on such a group or its members, whose holding is located in Community territory and who is engaged in rearing ovine or caprine animals;
- (b) 'holding' shall mean all production units managed by the producer and located within the territory of a single Member State;
- (c) 'ewe' shall mean any female of the ovine species having lambed at least once or aged at least one year;
- (d) 'she-goat' shall mean any female of the caprine species having kidded at least once or aged at least one year.

Section 1

Ewe and goat premium

Article 4

1. A producer keeping ewes on his holding may qualify, on application for a premium for maintaining ewes (ewe premium).

2. A producer keeping she-goats on his holding may qualify, on application for a premium for maintaining she-goats (goat premium). This premium shall be granted to producers in specific areas where the production meets the following two criteria:

- 1. goat rearing is mainly directed towards the production of goatmeat;
- 2. goat and sheep rearing techniques are similar in nature.

A list of such areas shall be established following the procedure referred to in Article 25(2).

3. The ewe premium and the goat premium shall be granted in the form of an annual payment per eligible animal per calendar year and per producer within the limits of individual ceilings. The minimum number of animals in respect of which an application for a premium is lodged shall be determined by the Member State. This minimum shall not be less than 10 or greater than 50.

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4. Per ewe, the amount of the premium shall be EUR 21. However for producers marketing sheep's milk or products based on sheep's milk the premium per ewe shall be EUR 16,8.
5. Per she-goat the amount of the premium shall be EUR 16,8.
6. Detailed rules for the application of this Article shall be adopted in accordance with the procedure referred to in Article 25(2).

Section 2

Supplementary premium*Article 5*

1. A supplementary premium shall be paid to producers in areas where sheep and goat production constitutes a traditional activity or contributes significantly to the rural economy. Member States shall define these areas. In any event the supplementary premium shall only be granted to a producer whose holding has at least 50 % of its area used for agriculture situated in less-favoured areas defined pursuant to Regulation (EC) No 1257/1999.
2. The supplementary premium shall also be granted to a producer practising transhumance provided that:
 - (a) at least 90 % of the animals for which the premium is applied are grazed for at least 90 consecutive days in an eligible area established in accordance with paragraph 1, and
 - (b) the seat of the holding is situated in a well-defined geographical area for which it has been established by the Member State that transhumance is a traditional practice of sheep and/or goat rearing and that these animal movements are necessary owing to the absence of forage in sufficient quantity during the transhumance period.
3. The amount of the supplementary premium shall be set at EUR 7 per ewe and per she-goat. The supplementary premium shall be granted under the same conditions as those laid down for the grant of the ewe and goat premium.
4. Detailed rules for the application of this Article shall be adopted in accordance with the procedure referred to in Article 25(2).

Section 3

Common provisions*Article 6*

1. 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 referred to in Article 25(2).

Payments shall be made as soon as the inspections provided for in Council Regulation (EEC) No 3508/92 of 27 November 1992 establishing an integrated administration and control system for certain Community aid schemes⁽¹⁾ are carried out but not earlier than 16 October of the calendar year in respect of which they are applied for, and not later than 31 March of the following calendar year.

2. Once a Regulation providing for new rules on the identification and registration of sheep and goats becomes applicable, to qualify for the premium an animal shall be identified and registered in accordance with these rules.

⁽¹⁾ OJ L 355, 5.12.1992, p. 1. Regulation as last amended by Regulation (EC) No 495/2001 (OJ L 72, 14.3.2001, p. 6).

▼B*Article 7*

The amounts of the premiums may be changed in the light of developments in production, productivity and the markets, in accordance with the procedure laid down in Article 37(2) of the Treaty.

Section 4

Individual limits*Article 8*

1. On 1 January 2002 the individual ceiling per producer, subject to paragraphs 2 and 3, shall be equal to the number of premium rights which he held on 31 December 2001 in accordance with the relevant Community rules.

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2. Member States shall take the necessary measures to ensure that, from 1 January 2002, the sum of premium rights on their territory does not exceed the national ceilings set out in Annex I and that the national reserves referred to in Article 10 may be maintained. The Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovenia and Slovakia shall allocate individual ceilings to producers and shall set up the national reserves from the overall number of rights to the premium reserved for each of these Member States as set out in Annex I, no later than one year after the date of accession.

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3. Where the measures taken pursuant to paragraph 2 necessitate a reduction of individual ceilings held by producers, that reduction shall be carried out without compensatory payment and decided on the basis of objective criteria.

Those criteria shall include:

- (a) the rate at which producers have used their individual ceilings during the three reference years prior to the year 2001;
- (b) particular natural circumstances or the application of penalties, resulting in a non-payment or a reduced payment of the premium for at least one reference year;
- (c) additional exceptional circumstances having the effect that the payments made for at least one reference year do not correspond to the actual situation as established during the previous years.

4. Premium rights, which have been withdrawn pursuant to the measure taken pursuant to paragraph 2 shall be abolished.

5. Detailed rules for the application of this Article shall be adopted in accordance with the procedure referred to in Article 25(2).

Article 9

1. When a producer sells or otherwise transfers his holding, he may transfer all his premium rights to the person who takes over his holding.

2. A producer may also transfer, in whole or in part, his rights to other producers without transferring his holding.

In the case of a transfer of rights without transfer of the holding, a part of the premium rights transferred, not exceeding 15 %, shall be surrendered, without compensation to the national reserve of the Member State where his holding is situated for redistribution free of charge.

Member States may acquire premium rights from producers who agree, on a voluntary basis, to surrender their rights, in whole or in part. In this case payments for the acquisition of such rights may be made to such producers either from national budgets or as provided for under Article 11(2), fifth indent.

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By way of derogation from paragraph 1 and in duly justified circumstances, Member States may provide that in the case of a sale or other transfer of the holding, the transfer of rights is carried out by the intermediary of the national reserve.

3. Member States may take the necessary measures to avoid premium rights being moved away from sensitive zones or regions where sheep production is especially important for the local economy.

4. Member States may authorise, before a date that they shall determine, temporary transfers of that part of the premium rights, which are not intended to be used by the producer who holds them.

5. Detailed rules for the application of this Article shall be adopted in accordance with the procedure referred to in Article 25(2).

These detailed rules may concern in particular:

- (a) provisions enabling Member States to resolve specific problems linked to the transfer of premium rights by producers who do not own the areas on which their holdings are situated, and
- (b) specific rules relating to the minimum number, which may form the subject of a partial transfer.

Article 10

1. Each Member State shall maintain a national reserve of premium rights.

2. Any premium rights withdrawn pursuant to Article 9(2) or other Community provisions shall be added to the national reserve.

3. Member States may allocate premium rights to producers, within the limits of their national reserves. When making the allocation they shall give precedence in particular to newcomers, young farmers or other priority producers.

4. Detailed rules for the application of this Article, in particular, rules concerning the withdrawal and reallocation of unused premium rights, shall be laid down in accordance with the procedure referred to in Article 25(2).

CHAPTER II

ADDITIONAL PAYMENTS

Article 11

1. Member States shall, on a yearly basis, make additional payments totalling the global amounts set out in Annex II.

Member States may decide to supplement the global amounts set out in Annex II by reducing the amounts of the payments referred to in Article 4. The reduction in the amounts, which may be applied on a regional basis, shall not exceed one euro.

The payments shall be made, on a yearly basis, according to objective criteria including, in particular, the relevant production structures and conditions, and in such a way as to ensure equal treatment between producers and to avoid market and competition distortions. Payments shall be made within the time limit provided for in Article 6. Moreover, such payments shall not be linked to fluctuations of market prices. They may be made on a regional basis.

2. Payments may include, in particular, the following:

- payments to producers engaged in specific types of production, in particular related to quality, which are important for the local economy or the protection of the environment;
- an increase in the premium set out in Article 4. The additional amounts may be subject to the application of stocking density requirements, to be determined by the Member State according to local conditions;

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- support for restructuring of producers' holdings or the development of producers' organisations;
 - area payments to producers, to be granted per hectare of forage area, which is available to a producer during the calendar year concerned and in respect of which no payments are claimed for the same year under the support system for producers of certain arable crops, under the aid system for dried fodder and under Community aid schemes for other permanent or horticultural crops;
 - payments to producers who surrender their rights on a voluntary basis pursuant to Article 9(2);
 - support for the improvement and rationalisation of processing and marketing of sheep and goatmeat.
3. Detailed rules for the application of this Article shall be adopted in accordance with the procedure referred to in Article 25(2).

▼A1*Article 11a*

The global amounts referred to in Article 11(1) shall be applied in accordance with the schedule of increments as set out in Article 1a of Council Regulation (EC) No 1259/1999.

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CHAPTER III

PRIVATE STORAGE*Article 12*

1. The Commission may decide to grant private storage aid when there is a particularly difficult market situation in one or more quotation areas. Quotation area shall mean:

- (a) Great Britain;
- (b) Northern Ireland;
- (c) every other Member State taken separately.

The aid shall be introduced in the framework of a tendering procedure.

However, it may be decided to grant aid in the framework of an advance fixing procedure where urgent recourse to private storage proves necessary.

2. Detailed rules for the application of this Article shall be adopted and the granting of aids for private storage shall be decided in accordance with the procedure referred to in Article 25(2).

TITLE II

TRADE WITH THIRD COUNTRIES*Article 13*

1. Imports into the Community, or exports therefrom, of any of the products listed in Article 1 may be subject to presentation of an import or export licence.

Import and export licences shall be valid throughout the Community.

Licences shall be issued by the Member States to any applicant, irrespective of his place of establishment in the Community and without prejudice to measures taken for the application of Article 16.

The issuing of such licences may be subject to the lodging of a security guaranteeing that the products are imported or exported during the term of validity of the licence; except in cases of *force majeure*, the security shall be forfeited in whole or in part if import or export is not carried out, or is carried out only partially, within that period.

2. The list of products for which export licences are required, the term of validity of licences and other detailed rules for the application

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of this Article shall be adopted in accordance with the procedure referred to in Article 25(2).

Article 14

The rates of duty in the Common Customs Tariff shall apply to the products listed in Article 1.

Article 15

1. In order to prevent or counteract adverse effects on the market in the Community which may result from imports of certain products listed in Article 1, imports of one or more of such products at the rate of duty laid down in the Common Customs Tariff shall be subject to payment of an additional import duty if the conditions to be determined by the Commission pursuant to paragraph 4, are fulfilled, unless the imports are unlikely to disturb the Community market, or where the effects would be disproportionate to the intended objective.

2. Imports made at a price below the level notified by the Community to the World Trade Organisation ('trigger price') may be subject to an additional import duty.

If the volume of imports in any year in which the adverse effects referred to in paragraph 1 arise or are likely to arise exceeds a level based on market access opportunities defined as imports as a percentage of the corresponding domestic consumption during the three previous years ('trigger volume'), an additional import duty may be imposed.

3. The import prices to be taken into consideration for imposing an additional import duty pursuant to paragraph 2, first subparagraph, shall be determined on the basis of the cif import prices of the consignment under consideration.

Cif import prices shall be checked to that end against the representative prices for the product on the world market or on the Community import market for that product.

4. The Commission shall adopt detailed rules for the application of this Article in accordance with the procedure laid down in Article 25(2). Such rules shall specify in particular the products to which additional import duties may be applied.

Article 16

1. Tariff quotas for the products listed in Article 1 resulting from agreements concluded in accordance with Article 300 of the Treaty or from any other act of the Council shall be opened and administered in accordance with detailed rules adopted under the procedure laid down in Article 25(2).

2. Quotas shall be administered by applying one of the following methods or a combination of them:

- (a) method based on chronological order of the lodgement of applications ('first-come, first served' principle);
- (b) method of distribution in proportion to the quantities requested when the applications were lodged (using the 'simultaneous examination method');
- (c) method based on taking traditional trade patterns into account (using the 'traditional/new arrival method').

Other appropriate methods may be adopted. They must avoid any discrimination between the operators concerned.

3. The methods of administration adopted shall, where appropriate, give due weight to the supply requirements of the Community market and the need to safeguard the equilibrium of that market.

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4. The detailed rules referred to in paragraph 1 shall:
- (a) provide for annual quotas, suitably phased over the year, if necessary;
 - (b) determine the administrative method to be used;
 - (c) include, where appropriate, guarantees covering the nature, provenance and origin of the product and, where appropriate, the maintenance of traditional trade patterns;
 - (d) provide for recognition of the document used for verifying the guarantees referred to in (c); and
 - (e) establish the conditions under which import licences are issued and their term of validity.

Article 17

1. To the extent necessary for the proper working of the common organisation of the market in the products referred to in Article 1 of this Regulation, the Council, acting in accordance with the voting procedure laid down in Article 37(2) of the Treaty on a proposal from the Commission, may, in special cases, prohibit in whole or in part the use of inward processing arrangements in respect of products referred to in the said Article 1.

2. By way of derogation from paragraph 1, if the situation referred to in paragraph 1 arises with exceptional urgency and the Community market is disturbed or is liable to be disturbed by the inward or outward processing arrangements, the Commission shall, at the request of a Member State or on its own initiative, decide upon the necessary measures; the Council and the Member States shall be notified of such measures, which shall be valid for no more than six months and shall be immediately applicable. If the Commission receives a request from a Member State, it shall take a decision thereon within a week following receipt of the request.

3. Measures decided on by the Commission may be referred to the Council by any Member State within a week of the day on which they were notified. The Council, acting by a qualified majority, may confirm, amend or repeal the Commission decision.

If the Council has not acted within three months, the Commission decision shall be deemed to have been repealed.

Article 18

1. The general rules for the interpretation of the Combined Nomenclature and the detailed rules for its application shall apply to the tariff classification of products referred to in Article 1. The tariff nomenclature resulting from the application of this Regulation shall be incorporated into the Common Custom Tariff.

2. Save as otherwise provided for in this Regulation or in provisions adopted pursuant thereto, the following shall be prohibited in trade with third countries:

- (a) the levying of any charge having equivalent effect to a customs duty;
- (b) the application of any quantitative restriction or measure having equivalent effect.

Article 19

1. If, by reason of an increase in imports or exports, the Community market in one or more of the products referred to in Article 1 of this Regulation is affected by, or is threatened with, serious disturbance likely to jeopardise the achievement of the objectives set out in Article 33 of the Treaty, appropriate measures may be applied in trade with third countries until such disturbance or threat of disturbance has ceased.

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The Council, acting by a qualified majority, on a proposal from the Commission, shall adopt general rules for the application of this paragraph and shall define the circumstances and limits within which Member States may adopt 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 upon the necessary measures. It shall notify the Member States of those measures, which shall apply immediately. If the Commission receives a request from a Member State, it shall take a decision thereon within three working days following receipt of the request.

3. Measures decided upon by the Commission may be referred to the Council by any Member State within three working days of the day on which they were notified. The Council shall meet without delay. It may, acting by a qualified majority, amend or annul the measure in question.

4. This Article shall be applied having regard to the Community's obligations, including its international obligations.

TITLE III

GENERAL PROVISIONS*Article 20*

Member States shall record prices of ovine animals and of meat of ovine animals on the basis of rules to be established by the Commission in accordance with the procedure referred to in Article 25(2).

Article 21

1. When a substantial rise or fall in prices is recorded on the Community market and this situation is likely to continue, thereby disturbing or threatening to disturb the market, the necessary measures may be taken in accordance with the procedure referred to in Article 25(2).

2. Detailed rules for the application of this Article shall be adopted by the Commission in accordance with the procedure referred to in Article 25(2).

Article 22

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 referred to in Article 25(2), but only to the extent that and for such period as is strictly necessary for the support of that market.

Article 23

Save as otherwise provided in this Regulation, Articles 87, 88 and 89 of the Treaty shall apply to the production of, and trade in, the products referred to in Article 1 of this Regulation.

Article 24

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 referred to in Article 25(2).

Article 25

1. The Commission shall be assisted by the Management Committee for Sheep and Goats composed of representatives of the Member States and chaired by the representative of the Commission.

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

The period laid down in Article 4(3) of Decision 1999/468/EC shall be set at one month.

3. The Committee shall adopt its rules of procedure.

Article 26

Measures which are both necessary and duly justified to resolve, in an emergency, practical and specific problems shall be adopted in accordance with the procedure referred to in Article 25(2).

Such measures may derogate from certain parts of this Regulation, but only to the extent that, and for such a period, as is strictly necessary.

Article 27

Regulation (EC) No 1258/1999 and the provisions adopted in implementation thereof shall apply to the expenditure incurred by the Member States in carrying out obligations under this Regulation.

Article 28

By 31 December 2005 at the latest, the Commission shall report to the European Parliament and the Council on the environmental consequences of sheep and goat farming in certain regions of the Community as well as on the impact of the premium regime and on the functioning of the additional payments system, taking into account the consequences of the improvement in the identification and registration of sheep and goat. If appropriate the report shall be accompanied by proposals. The report shall take account in particular of reports made by Member States on the implementation of measures provided for under Article 3 of Regulation (EC) No 1259/1999.

Article 29

Regulations (EEC) No 2644/80, (EEC) No 3901/89, (EEC) No 1323/90, (EEC) No 3493/90, (EEC) No 338/91, and (EC) No 2467/98 are hereby repealed.

References to the repealed Regulations shall be construed as references to this Regulation and should be read in accordance with the correlation table in Annex III.

Article 30

The measures required to facilitate the transition from the arrangements provided for in the Regulations referred to in Article 29 to those established by this Regulation shall be adopted in accordance with the procedure referred to in Article 25(2).

Article 31

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

2. It shall apply as from 1 January 2002.

3. Regulations (EEC) No 2644/80, (EEC) No 3901/89, (EEC) No 1323/90, (EEC) No 3493/90, (EEC) No 338/91, and (EC) No 2467/98 shall continue to apply in relation to the 2001 marketing year.

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

▼ **A1***ANNEX I***INDIVIDUAL RIGHTS TO EWE AND GOAT PREMIUM**

Member State	Rights (x 1000)
Belgium	70
Czech Republic	66,733
Denmark	104
Germany	2 432
Estonia	48
Greece	11 023
Spain	19 580
France	7 842
Ireland	4 956
Italy	9 575
Cyprus	472,401
Latvia	18,437
Lithuania	17,304
Luxembourg	4
Hungary	1 146
Malta	8,485
Netherlands	930
Austria	206
Poland	335,88
Portugal ⁽¹⁾	2 690
Slovenia	84,909
Slovakia	305,756
Finland	80
Sweden	180
United Kingdom	19 492
Total	81 667,905

⁽¹⁾ Excluding the extensification programme set out in Council Regulation (EC) No 1017/94 of 26 April 1994 concerning the conversion of land currently under arable crops to extensive livestock farming in Portugal (OJ L 112, 3.5.1994, p. 2). Regulation as last amended by Regulation (EC) No 2582/2001 (OJ L 345, 29.12.2001, p. 5).

▼ **A1**

ANNEX II

GLOBAL AMOUNTS REFERRED TO IN ARTICLE 11

(expressed in thousands of euro)

Belgium	64
Czech Republic	71
Denmark	79
Germany	1 793
Estonia	51
Greece	8 767
Spain	18 827
France	7 083
Ireland	4 875
Italy	6 920
Cyprus	441
Latvia	19
Lithuania	18
Luxembourg	4
Hungary	1 212
Malta	9
Netherlands	743
Austria	185
Poland	355
Portugal	2 275
Slovenia	86
Slovakia	323
Finland	61
Sweden	162
United Kingdom	20 162



ANNEX III

CORRELATION TABLE

Regulation (EEC) No 1323/90	This Regulation
Article 1	Article 5
Regulation (EEC) No 3493/90	This Regulation
Article 1(1)	—
Article 1(2)	—
Article 1(3)	—
Article 1(4)	Article 3(a)
Article 1(5)	Article 3(b)
Article 2	Article 5
Article 3	—
Article 4	—
Regulation (EC) No 2467/98	This Regulation
Article 1	Article 1
Article 2	Article 2
Article 3	—
Article 4	Article 20
Article 5(1)	Article 4(1)
Article 5(2), 5(3)	Article 4(4)
Article 5(4)	—
Article 5(5)	Article 4(2)
Article 5(6)	Article 6
Article 5(7), 5(8), 5(9), 5(10)	—
Article 6(1), 6(2), 6(3)	—
Article 6(4)(a)	—
Article 6(4)(b)	Article 9(1), (2)
Article 6(4)(c)	Article 9(2), 9(3)
Article 6(4)(d)	Article 9(4)
Article 6(4)(e)	—
Article 6(4)(f)	Article 9(5)
Article 6(5)	—
Article 6(6)	—
Article 7	Article 10
Article 8	—
Article 9	—
Article 10	Article 8(2)
Article 11	—
Article 12	Article 12
Article 13	—
Article 14	Article 13
Article 15	Article 14
Article 16	Article 15
Article 17	Article 16
Article 18	Article 17
Article 19	Article 18
Article 20	Article 19

▼B

Regulation (EC) No 2467/98	This Regulation
Article 21	Article 22
Article 22	Article 23
Article 23	Article 24
Article 25	Article 25
Article 26	—
Article 27	—
Article 28	—