

Council Regulation (EC) No 1234/2007 of 22 October 2007 establishing a common organisation of agricultural markets and on specific provisions for certain agricultural products (Single CMO Regulation) (repealed)

PART II

INTERNAL MARKET

TITLE I

MARKET INTERVENTION

CHAPTER III

**Systems of production limitation**

*Section I*

**General provisions**

[<sup>F1</sup>[<sup>F2</sup>Article 55]

**Quota systems and production potential**

- 1 A quota system shall apply to the following products:
    - a milk and other milk products within the meaning of points (a) and (b) of Article 65;
    - b sugar, isoglucose and inulin syrup;
    - c potato starch which may benefit from Community aid.
  - 2 As regards the quota systems referred to in points (a) and (b) of paragraph 1 of this Article, if a producer exceeds the relevant quota and, with regard to sugar, does not make use of the surplus quantities as provided for in Article 61, a surplus levy shall be payable on such quantities, subject to the conditions set out in Sections II and III.
- [<sup>F3</sup>2a In relation to the wine sector, rules concerning production potential as regards unlawful plantings, transitional planting rights as well as a grubbing-up scheme shall apply in accordance with the provisions set out in Section IVa.]]

---

**Textual Amendments**

- F1** Substituted by Council Regulation (EC) No 72/2009 of 19 January 2009 on modifications to the Common Agricultural Policy by amending Regulations (EC) No 247/2006, (EC) No 320/2006, (EC) No 1405/2006, (EC) No 1234/2007, (EC) No 3/2008 and (EC) No 479/2008 and repealing Regulations (EEC) No 1883/78, (EEC) No 1254/89, (EEC) No 2247/89, (EEC) No 2055/93, (EC) No 1868/94, (EC) No 2596/97, (EC) No 1182/2005 and (EC) No 315/2007.

*Status: Point in time view as at 01/08/2009.*

*Changes to legislation: There are outstanding changes not yet made to Council Regulation (EC) No 1234/2007 (repealed). Any changes that have already been made to the legislation appear in the content and are referenced with annotations. (See end of Document for details)*

- F2** Substituted by Council Regulation (EC) No 491/2009 of 25 May 2009 amending Regulation (EC) No 1234/2007 establishing a common organisation of agricultural markets and on specific provisions for certain agricultural products (Single CMO Regulation).
- F3** Inserted by Council Regulation (EC) No 491/2009 of 25 May 2009 amending Regulation (EC) No 1234/2007 establishing a common organisation of agricultural markets and on specific provisions for certain agricultural products (Single CMO Regulation).

## Section II

### Sugar

#### Subsection I

#### **Quota allocation and management**

##### Article 56

#### **Quota allocation**

1 The quotas for the production of sugar, isoglucose and inulin syrup at national or regional level are fixed in Annex VI.

2 Member States shall allocate a quota to each undertaking producing sugar, isoglucose or inulin syrup established in its territory and approved in accordance with Article 57.

For each undertaking, the allocated quota shall be equal to the quota under Regulation (EC) No 318/2006 which was allocated to the undertaking for the marketing year 2007/2008.

3 In case of allocation of a quota to a sugar undertaking having more than one production unit, the Member States shall adopt the measures they consider necessary in order to take due account of the interests of sugar beet and cane growers.

##### Article 57

#### **Approved undertakings**

1 On request, Member States shall grant an approval to an undertaking producing sugar, isoglucose or inulin syrup or to an undertaking that processes these products into a product included in the list referred to in Article 62(2) provided that the undertaking:

- a proves its professional production capacities;
- b agrees to provide any information and to be subject to controls related to this Regulation;
- c is not subject to suspension or withdrawal of the approval.

2 The approved undertakings shall provide the Member State in whose territory the harvest of beet, cane or the refining takes place, with the following information:

- a the quantities of beet or cane for which a delivery contract has been concluded, as well as the corresponding estimated yields of beet or cane, and sugar per hectare;
- b data regarding provisional and actual sugar beet, sugar cane and raw sugar deliveries, and regarding sugar production and statements of sugar stocks;

---

*Status: Point in time view as at 01/08/2009.*

*Changes to legislation: There are outstanding changes not yet made to Council Regulation (EC) No 1234/2007 (repealed). Any changes that have already been made to the legislation appear in the content and are referenced with annotations. (See end of Document for details)*

---

- c quantities of white sugar sold and corresponding prices and conditions.

### *Article 58*

#### **Additional and supplementary isoglucose quota**

1 In the marketing year 2008/2009 an additional isoglucose quota of 100 000 tonnes shall be added to the quota of the preceding marketing year. This increase shall not concern Bulgaria and Romania.

In the marketing year 2008/2009 an additional isoglucose quota of 11 045 tonnes for Bulgaria and of 1 966 tonnes for Romania shall be added to the quota of the preceding marketing year.

Member States shall allocate the additional quotas to undertakings, proportionately to the isoglucose quotas that have been allocated in accordance with Article 56(2).

2 Italy, Lithuania and Sweden may allocate, upon request by any undertaking established on their respective territories, a supplementary isoglucose quota in the marketing years 2008/2009 and 2009/2010. The maximum supplementary quotas are fixed per Member State in Annex VII.

3 A one-off amount of EUR 730 shall be levied on the quotas that have been allocated to undertakings in accordance with paragraph 2. It shall be collected per tonne of supplementary quota allocated.

### *[<sup>F4</sup>Article 59*

#### **Quota management**

1 The Commission shall adjust the quotas set out in Annex VI by 30 April 2008 for the 2008/2009 marketing year and by 28 February 2009 and 2010 respectively for the 2009/2010 and 2010/2011 marketing years. The adjustments shall result from the application of paragraph 2 of this Article and Article 58 of this Regulation, and of Articles 3 and 4a(4) of Regulation (EC) No 320/2006.

2 Taking into account the results of the restructuring scheme provided for in Regulation (EC) No 320/2006, the Commission shall decide by 28 February 2010 the common percentage needed to reduce the existing quotas for sugar and isoglucose per Member State or region with a view to avoiding market imbalances in the marketing years from the 2010/2011 marketing year. The Member States shall adjust the quota of each undertaking accordingly.

By way of derogation from the first subparagraph of this paragraph, for Member States for which the national quota has been reduced as a result of renunciations of quota in accordance with Articles 3 and 4a(4) of Regulation (EC) No 320/2006, the Commission shall fix the percentage by way of application of Annex VIIa to this Regulation. Such Member States shall adjust, for each undertaking in their territory holding a quota, the percentage in accordance with Annex VIIb to this Regulation.

The first and second subparagraphs of this paragraph shall not apply to the outermost regions referred to in Article 299(2) of the Treaty.]

*Status: Point in time view as at 01/08/2009.*

*Changes to legislation: There are outstanding changes not yet made to Council Regulation (EC) No 1234/2007 (repealed). Any changes that have already been made to the legislation appear in the content and are referenced with annotations. (See end of Document for details)*

#### Textual Amendments

- F4** Substituted by Council Regulation (EC) No 361/2008 of 14 April 2008 amending Regulation (EC) No 1234/2007 establishing a common organisation of agricultural markets and on specific provisions for certain agricultural products (Single CMO Regulation).

*[<sup>F4</sup>Article 60]*

### National quota reallocation and reduction of quotas

<sup>F41</sup> A Member State may reduce the sugar or isoglucose quota allocated to an undertaking established on its territory by up to 10 % for the marketing year 2008/2009 and following, whilst respecting the freedom of undertakings to participate in the mechanisms established by Regulation (EC) No 320/2006. In doing so, the Member States shall apply objective and non discriminatory criteria.]

2 Member States may transfer quotas between undertakings in accordance with the rules laid down in Annex VIII and taking into consideration the interests of each of the parties concerned, particularly sugar beet and cane growers.

3 The quantities reduced pursuant to paragraphs 1 and 2 shall be allocated by the Member State in question to one or more undertakings on its territory, whether or not holding a quota.

<sup>F54</sup> By way of derogation from paragraph 3 of this Article, where Article 4a of Regulation (EC) No 320/2006 is applied, Member States shall adjust the sugar quota allocated to the undertaking concerned by applying the reduction defined under paragraph 4 of that Article, within the limit of the percentage fixed in paragraph 1 of this Article.]

#### Textual Amendments

- F4** Substituted by Council Regulation (EC) No 361/2008 of 14 April 2008 amending Regulation (EC) No 1234/2007 establishing a common organisation of agricultural markets and on specific provisions for certain agricultural products (Single CMO Regulation).
- F5** Inserted by Council Regulation (EC) No 361/2008 of 14 April 2008 amending Regulation (EC) No 1234/2007 establishing a common organisation of agricultural markets and on specific provisions for certain agricultural products (Single CMO Regulation).

*Subsection II*

### *Quota Overrun*

*Article 61*

#### **Scope**

The sugar, isoglucose or inulin syrup produced during a marketing year in excess of the quota referred to in Article 56 may be:

- (a) used for the processing of certain products as referred to in Article 62;

---

*Status: Point in time view as at 01/08/2009.*

*Changes to legislation: There are outstanding changes not yet made to Council Regulation (EC) No 1234/2007 (repealed). Any changes that have already been made to the legislation appear in the content and are referenced with annotations. (See end of Document for details)*

---

- (b) carried forward to the quota production of the next marketing year, in accordance with Article 63;
- (c) used for the specific supply regime for the outermost regions, in accordance with Title II of Council Regulation (EC) No 247/2006<sup>(1)</sup>; or
- (d) exported within the quantitative limit fixed by the Commission respecting the commitments resulting from agreements concluded in accordance with Article 300 of the Treaty.

Other quantities shall be subject to the surplus levy referred to in Article 64.

### Article 62

#### Industrial sugar

1 Industrial sugar, industrial isoglucose or industrial inulin syrup shall be reserved for the production of one of the products referred to in paragraph 2 when:

- a it has been subject to a delivery contract concluded before the end of the marketing year between a producer and a user which have both been granted approval in accordance with Article 57; and
- b it has been delivered to the user by 30 November of the following marketing year at the latest.

2 The Commission shall draw up a list of products for the production of which industrial sugar, industrial isoglucose or industrial inulin syrup is used.

The list shall in particular include:

- a bioethanol, alcohol, rum, live yeast and quantities of syrups for spreading and those to be processed into *Rinse appelstroop*;
- b certain industrial products without sugar content but the processing of which uses sugar, isoglucose or inulin syrup;
- c certain products of the chemical or pharmaceutical industry which contain sugar, isoglucose or inulin syrup.

### Article 63

#### Carry forward of surplus sugar

1 Each undertaking may decide to carry forward all or part of its production in excess of its sugar quota, its isoglucose quota or its inulin syrup quota to be treated as part of the next marketing year's production. Without prejudice to paragraph 3, that decision shall be irrevocable.

2 Undertakings which take the decision referred to in paragraph 1 shall:

- a inform the Member State concerned before a date to be determined by that Member State:
  - between 1 February and 30 June of the current marketing year for quantities of cane sugar being carried forward,
  - between 1 February and 15 April of the current marketing year for other quantities of sugar or inulin syrup being carried forward;
- b undertake to store such quantities at their own expense until the end of the current marketing year.

---

*Status: Point in time view as at 01/08/2009.*

*Changes to legislation: There are outstanding changes not yet made to Council Regulation (EC) No 1234/2007 (repealed). Any changes that have already been made to the legislation appear in the content and are referenced with annotations. (See end of Document for details)*

---

3 If an undertaking's definitive production in the marketing year concerned was less than the estimate made when the decision in accordance with paragraph 1 was taken, the quantity carried forward may be adjusted retroactively by 31 October of the following marketing year at the latest.

4 The quantities carried forward shall be deemed to be the first quantities produced under the quota of the following marketing year.

5 Sugar stored in accordance with this Article during a marketing year may not be subject to any other storage measures provided for in Articles 13, 32 or 52.

#### *Article 64*

#### **Surplus levy**

1 A surplus levy shall be levied on quantities of:

- a surplus sugar, surplus isoglucose and surplus inulin syrup produced during any marketing year, except for quantities carried forward to the quota production of the following marketing year and stored in accordance with Article 63 or quantities referred to in points (c) and (d) of Article 61;
- b industrial sugar, industrial isoglucose and industrial inulin syrup for which no proof has been supplied, by a date to be determined by the Commission, that it has been processed into one of the products referred to in Article 62(2);
- [<sup>F4</sup>c sugar and isoglucose withdrawn from the market in accordance with Articles 52 and 52a and for which the obligations provided for in Article 52(3) are not met.]

2 The surplus levy shall be fixed by the Commission at a sufficiently high level in order to avoid the accumulation of quantities referred to in paragraph 1.

3 The surplus levy referred to in paragraph 1 shall be charged by the Member State to the undertakings on its territory according to the quantities of production referred to in paragraph 1 that have been established for those undertakings for the marketing year concerned.

#### **Textual Amendments**

- F4** Substituted by [Council Regulation \(EC\) No 361/2008 of 14 April 2008 amending Regulation \(EC\) No 1234/2007 establishing a common organisation of agricultural markets and on specific provisions for certain agricultural products \(Single CMO Regulation\)](#).

---

*Status: Point in time view as at 01/08/2009.*

*Changes to legislation: There are outstanding changes not yet made to Council Regulation (EC) No 1234/2007 (repealed). Any changes that have already been made to the legislation appear in the content and are referenced with annotations. (See end of Document for details)*

---

### *Section III*

#### **Milk**

##### *Subsection I*

#### **General provisions**

##### *Article 65*

#### **Definitions**

For the purposes of this Section:

- (a) 'milk' shall mean the produce of the milking of one or more cows;
- (b) 'other milk products' means any milk product other than milk, in particular skimmed milk, cream, butter, yoghurt and cheese; when relevant, these shall be converted into 'milk equivalents' by applying coefficients to be fixed by the Commission;
- (c) 'producer' means a farmer with a holding located within the geographical territory of a Member State, who produces and markets milk or who is preparing to do so in the very near future;
- (d) 'holding' means a holding as defined in Article 2 of Regulation (EC) No 1782/2003;
- (e) 'purchaser' means undertakings or groups which buy milk from producers:
  - to subject it to collecting, packing, storing, chilling or processing, including under contract,
  - to sell it to one or more undertakings treating or processing milk or other milk products.

However, any group of purchasers in the same geographical area which carries out the administrative and accounting operations necessary for the payment of the surplus levy on behalf of its members shall be regarded as a purchaser. For the purposes of the first sentence of this subparagraph, Greece shall be considered a single geographical area and it may deem an official body to be a group of purchasers;

- (f) 'delivery' means any delivery of milk, not including any other milk products, by a producer to a purchaser, whether the transport is carried out by the producer, a purchaser, an undertaking processing or treating such products or a third party;
- (g) 'direct sale' means any sale or transfer of milk by a producer directly to consumers, as well as any sale or transfer of other milk products by a producer. The Commission may, while respecting the definition of 'delivery' given in point (f), adjust the definition of 'direct sale' in order to ensure, in particular, that no quantity of marketed milk or other milk products is excluded from the quota arrangements;
- (h) 'marketing' means deliveries of milk or direct sales of milk or other milk products;
- (i) 'individual quota' means a producer's quota at 1 April of any twelve-month period;
- (j) 'national quota' means the quota referred to in Article 66, fixed for each Member State;

---

*Status: Point in time view as at 01/08/2009.*

*Changes to legislation: There are outstanding changes not yet made to Council Regulation (EC) No 1234/2007 (repealed). Any changes that have already been made to the legislation appear in the content and are referenced with annotations. (See end of Document for details)*

---

- (k) ‘available quota’ means the quota available to producers on 31 March of the twelve-month period for which the surplus levy is calculated, taking account of all transfers, sales, conversions and temporary re-allocations provided for in this Regulation which have taken place during that twelve-month period.

## *Subsection II*

### ***Quota allocation and management***

#### *Article 66*

#### **National quotas**

1 The national quotas for the production of milk and other milk products marketed during seven consecutive periods of twelve months commencing on 1 April 2008 (hereinafter referred to as ‘twelve-month periods’) are fixed in point 1 of Annex IX.

2 The quotas referred to in paragraph 1 shall be divided between producers in accordance with Article 67, distinguishing between deliveries and direct sales. Any overrun of the national quotas shall be determined nationally in each Member State, in accordance with this Section and making a distinction between deliveries and direct sales.

3 The national quotas set out in point 1 of Annex IX shall be fixed without prejudice to possible review in the light of the general market situation and particular conditions existing in certain Member States.

4 For Bulgaria and Romania a special restructuring reserve shall be established as set out in point 2 of Annex IX. This reserve shall be released as from 1 April 2009 to the extent that the on-farm consumption of milk and milk products in each of these countries has decreased since 2002.

The decision on releasing the reserve and its distribution to the deliveries and direct sales quota shall be taken by the Commission on the basis of a report to be submitted by Bulgaria and Romania to the Commission by 31 December 2008. This report shall detail the results and trends of the actual restructuring process in each country's dairy sector, and in particular the shift from production for on-farm consumption to production for the market.

5 For Bulgaria, the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Romania, Slovenia and Slovakia the national quotas shall include all milk or milk equivalent delivered to a purchaser or sold directly, irrespective of whether it is produced or marketed under a transitional measure applicable in those countries.

#### *Article 67*

#### **Individual quotas**

1 The producers' individual quota or quotas at 1 April 2008 shall be equal to their individual reference quantity or quantities at 31 March 2008 without prejudice to transfers, sales and conversions of quota that take effect on 1 April 2008.



---

*Status: Point in time view as at 01/08/2009.*

*Changes to legislation: There are outstanding changes not yet made to Council Regulation (EC) No 1234/2007 (repealed). Any changes that have already been made to the legislation appear in the content and are referenced with annotations. (See end of Document for details)*

---

2 Producers may have either one or two individual quotas, one for deliveries and the other for direct sales. A producer's quantities may be converted from one quota to the other only by the competent authority of the Member State, at the duly justified request of the producer.

3 Where a producer has two quotas, his contribution to any surplus levy due shall be calculated separately for each.

4 The part of the Finnish national quota allocated to the deliveries referred to in Article 66 may be increased by the Commission to compensate Finnish SLOM producers up to 200 000 tonnes. This reserve, to be allocated in accordance with Community legislation, must be used exclusively on behalf of producers whose right to take up production again has been affected as a result of accession.

5 Individual quotas shall be modified, where appropriate, for each of the twelve-month periods concerned, so that, for each Member State, the sum of the individual quotas for the deliveries and that for the direct sales does not exceed the corresponding part of the national quota adapted in accordance with Article 69, taking account of any reductions made for allocation to the national reserve as provided for in Article 71.

#### *Article 68*

### **Allocation of quotas from the national reserve**

Member States shall adopt rules allowing for allocation to producers of all or part of the quotas from the national reserve provided for in Article 71 on the basis of objective criteria to be notified to the Commission.

#### *Article 69*

### **Management of quotas**

1 The Commission shall adapt, for each Member State and for each period, before the end of that period, the division between 'deliveries' and 'direct sales' of national quotas, in the light of the conversions requested by producers, between individual quotas for deliveries and for direct sales.

2 Member States shall each year forward to the Commission, by dates and according to rules to be fixed by the Commission in accordance with Article 192(2), the information necessary to:

- a make the adaptation referred to in paragraph 1 of this Article;
- b calculate the surplus levy to be paid by them.

#### *Article 70*

### **Fat content**

1 Each producer shall be assigned a reference fat content, to be applied to the individual quota for deliveries allocated to that producer.

2 For the quotas allocated to producers on 31 March 2008 in accordance with Article 67(1), the reference fat content referred to in paragraph 1 shall be the same as the reference fat content applied to that quota at that date.

---

*Status: Point in time view as at 01/08/2009.*

*Changes to legislation: There are outstanding changes not yet made to Council Regulation (EC) No 1234/2007 (repealed). Any changes that have already been made to the legislation appear in the content and are referenced with annotations. (See end of Document for details)*

---

3 The reference fat content shall be altered during the conversion referred to in Article 67(2) and where quotas are acquired, transferred or temporarily transferred in accordance with rules to be established by the Commission.

4 For new producers having an individual quota for deliveries allocated entirely from the national reserve, the fat content shall be fixed in accordance with rules to be established by the Commission.

5 The individual reference fat content referred to in paragraph 1 shall be adjusted, where appropriate, upon the entry into force of this Regulation and thereafter, at the beginning of each twelve-month period as necessary, so that, for each Member State, the weighted average of the individual representative fat contents does not exceed by more than 0,1 gram per kg the reference fat content set in Annex X.

For Romania the reference fat content set in Annex X shall be reviewed on the basis of the figures for the full year 2004 and, if necessary, adjusted by the Commission.

#### *Article 71*

#### **National reserve**

1 Each Member State shall set up a national reserve as part of the national quotas fixed in Annex IX, in particular with a view to making the allocations provided for in Article 68. The national reserve shall be replenished, as appropriate, by withdrawing some quantities as provided for in , retaining part of transfers as provided for in Article 76, or by making an across-the-board reduction in all individual quotas. The quotas in question shall retain their original purpose, i.e. deliveries or direct sales.

2 Any additional quota allocated to a Member State shall automatically be placed in the national reserve and divided into deliveries and direct sales according to foreseeable needs.

3 The quotas placed in the national reserve shall not have a reference fat content.

#### *Article 72*

#### **Cases of inactivity**

1 When a natural or legal person holding individual quotas no longer meets the conditions referred to in point (c) of Article 65 during a twelve-month period, the corresponding quantities shall revert to the national reserve no later than 1 April of the following calendar year, unless that person becomes once again a producer within the meaning of point (c) of Article 65 before that date.

Where that person becomes once again a producer not later than the end of the second twelve-month period following withdrawal, all or part of the individual quota which had been withdrawn shall revert to that person no later than 1 April following the date of application.

2 Where producers do not market a quantity equal to at least [<sup>F</sup>185 %] of their individual quota during at least one twelve-month period, Member States may decide whether and on what conditions all or part of the unused quota shall revert to the national reserve.

Member States may determine on what conditions a quota shall be re-allocated to the producer concerned should he resume marketing.

*Status: Point in time view as at 01/08/2009.*

*Changes to legislation: There are outstanding changes not yet made to Council Regulation (EC) No 1234/2007 (repealed). Any changes that have already been made to the legislation appear in the content and are referenced with annotations. (See end of Document for details)*

3 Paragraphs 1 and 2 shall not apply in cases of *force majeure* and in duly justified cases temporarily affecting the production capacity of the producers concerned and recognised by the competent authority.

#### Textual Amendments

- F1** Substituted by Council Regulation (EC) No 72/2009 of 19 January 2009 on modifications to the Common Agricultural Policy by amending Regulations (EC) No 247/2006, (EC) No 320/2006, (EC) No 1405/2006, (EC) No 1234/2007, (EC) No 3/2008 and (EC) No 479/2008 and repealing Regulations (EEC) No 1883/78, (EEC) No 1254/89, (EEC) No 2247/89, (EEC) No 2055/93, (EC) No 1868/94, (EC) No 2596/97, (EC) No 1182/2005 and (EC) No 315/2007.

### Article 73

#### Temporary transfers

1 By the end of each twelve-month period, Member States shall authorise, for the period concerned, any temporary transfers of part of individual quotas which the producers who are entitled thereto do not intend to use.

Member States may regulate transfer operations according to the categories of producers or milk production structures concerned, may limit them to the level of the purchaser or within regions, authorise complete transfers in the cases referred to in (3) and determine to what extent the transferor can repeat transfer operations.

2 Any Member State may decide not to implement paragraph 1 on the basis of one or both of the following criteria:

- a the need to facilitate structural changes and adjustments;
- b overriding administrative needs.

### Article 74

#### Transfers of quotas together with land

1 Individual quotas shall be transferred with the holding to the producers taking it over when it is sold, leased, transferred by actual or anticipated inheritance or any other means involving comparable legal effects for the producers, in accordance with detailed rules to be determined by the Member States, taking account of the areas used for dairy production or other objective criteria and, where applicable, of any agreement between the parties. The part of the quota which, where applicable, has not been transferred with the holding shall be added to the national reserve.

2 Where quotas have been or are transferred in accordance with paragraph 1 by means of rural leases or by other means involving comparable legal effects, Member States may decide, on the basis of objective criteria and with the aim of ensuring that quotas are attributed solely to producers, that the quota shall not be transferred with the holding.

3 Where land is transferred to the public authorities and/or for use in the public interest, or where the transfer is carried out for non-agricultural purposes, Member States shall ensure that the necessary measures are taken to protect the legitimate interests of the parties, and in particular, that producers giving up such land are in a position to continue milk production if they so wish.

---

*Status: Point in time view as at 01/08/2009.*

*Changes to legislation: There are outstanding changes not yet made to Council Regulation (EC) No 1234/2007 (repealed). Any changes that have already been made to the legislation appear in the content and are referenced with annotations. (See end of Document for details)*

---

4 Where there is no agreement between the parties, in the case of tenancies due to expire without any possibility of renewal on similar terms, or in situations involving comparable legal effects, the individual quotas in question shall be transferred in whole or in part to the producer taking them over, in accordance with provisions adopted by the Member States, taking account of the legitimate interests of the parties.

#### Article 75

### Special transfer measures

1 With a view to successfully restructuring milk production or improving the environment, Member States may, in accordance with detailed rules which they shall lay down, taking account of the legitimate interests of the parties concerned:

- a grant compensation in one or more annual instalments to producers who undertake to abandon permanently all or part of their milk production and place the individual quotas thus released in the national reserve;
- b determine on the basis of objective criteria the conditions on which producers may obtain, in return for payment, at the beginning of a twelve-month period, the re-allocation by the competent authority or a body designated by that authority of individual quotas released definitively at the end of the preceding twelve-month period by other producers in return for compensation in one or more annual instalments equal to the abovementioned payment;
- c centralise and supervise transfers of quotas without land;
- d provide, in the case of land transferred with a view to improving the environment, for the individual quota concerned to be allocated to a producer giving up the land but wishing to continue milk production;
- e determine, on the basis of objective criteria, the regions or collection areas within which the permanent transfer of quotas without transfer of the corresponding land is authorised, with the aim of improving the structure of milk production;
- f authorise, upon application by a producer to the competent authority or a body designated by that authority, the definitive transfer of quotas without transfer of the corresponding land, or vice versa, with the aim of improving the structure of milk production at the level of the holding or to allow for extensification of production.

2 Paragraph 1 may be implemented at national level, at the appropriate territorial level or in specified collection areas.

#### Article 76

### Retention of quotas

1 In the case of transfers as referred to in Articles 74 and 75 Member States may, on the basis of objective criteria, retain part of the individual quotas for their national reserve.

2 Where quotas have been or are transferred in accordance with Articles 74 and 75 with or without the corresponding land by means of rural leases or by other means involving comparable legal effects, Member States may decide, on the basis of objective criteria and with the aim of ensuring that quotas are attributed solely to producers, whether and under which conditions all or part of the transferred quota shall revert to the national reserve.

---

*Status: Point in time view as at 01/08/2009.*

*Changes to legislation: There are outstanding changes not yet made to Council Regulation (EC) No 1234/2007 (repealed). Any changes that have already been made to the legislation appear in the content and are referenced with annotations. (See end of Document for details)*

---

## Article 77

### Aid for the acquisition of quotas

No financial assistance linked directly to the acquisition of quotas may be granted by any public authority for the sale, transfer or allocation of quotas under this Section.

## Subsection III

### Quota overrun

## Article 78

### Surplus levy

1 A surplus levy shall be payable on milk and other milk products marketed in excess of the national quota as established in accordance with Subsection II.

The levy shall be set, per 100 kilograms of milk, at EUR 27,83.

[<sup>F6</sup>However, for the twelve-month periods starting on 1 April 2009 and 1 April 2010, the surplus levy for milk delivered in excess of 106 % of the national quota for deliveries applicable for the twelve-month period starting on 1 April 2008 shall be set at 150 % of the levy referred to in the second subparagraph.]

2 Member States shall be liable to the Community for the surplus levy resulting from overruns of the national quota, determined nationally and separately for deliveries and direct sales, and between 16 October and 30 November following the twelve-month period concerned, shall pay 99 % of the amount due to the EAGF.

3 If the surplus levy provided for in paragraph 1 has not been paid before the due date and after consultation of the Committee of the Agricultural Funds, the Commission shall deduct a sum equivalent to the unpaid surplus levy from the monthly payments within the meaning of Articles 14 and 15(2) of Regulation (EC) No 1290/2005. Before taking its decision, the Commission shall warn the Member State concerned, which shall make its position known within one week. Article 14 of Council Regulation (EC) No 2040/2000<sup>(2)</sup> shall not apply.

4 The Commission shall determine the arrangements for the implementation of this Article.

---

#### Textual Amendments

**F6** Inserted by Council Regulation (EC) No 72/2009 of 19 January 2009 on modifications to the Common Agricultural Policy by amending Regulations (EC) No 247/2006, (EC) No 320/2006, (EC) No 1405/2006, (EC) No 1234/2007, (EC) No 3/2008 and (EC) No 479/2008 and repealing Regulations (EEC) No 1883/78, (EEC) No 1254/89, (EEC) No 2247/89, (EEC) No 2055/93, (EC) No 1868/94, (EC) No 2596/97, (EC) No 1182/2005 and (EC) No 315/2007.

*Status: Point in time view as at 01/08/2009.*

*Changes to legislation: There are outstanding changes not yet made to Council Regulation (EC) No 1234/2007 (repealed). Any changes that have already been made to the legislation appear in the content and are referenced with annotations. (See end of Document for details)*

## Article 79

### Contribution of producers to the surplus levy due

The surplus levy shall be entirely allocated, in accordance with Articles 80 and 83, among the producers who have contributed to each of the overruns of the national quotas referred to in Article 66(2).

Without prejudice to Articles 80(3) and 83(1), producers shall be liable vis-à-vis the Member State for payment of their contribution to the surplus levy due, calculated in accordance with Articles 69, 70 and 80, for the mere fact of having overrun their available quotas.

## Article 80

### Surplus levy on deliveries

1 In order to draw up the definitive surplus levy statement, the quantities delivered by each producer shall be increased or reduced to reflect any difference between the real fat content and the reference fat content, using coefficients and on terms to be laid down by the Commission.

[<sup>F6</sup>At national level, the surplus levy shall be calculated on the basis of the sum of the deliveries, adjusted in accordance with the first subparagraph.]

<sup>F7</sup>2 .....

3 Each producer's contribution to payment of the surplus levy shall be established by decision of the Member State, after any unused part of the national quota allocated to deliveries has or has not been re-allocated, in proportion to the individual quotas of each producer or according to objective criteria to be set by the Member States:

- a either at national level on the basis of the amount by which each producer's quota has been exceeded;
- b or firstly at the level of the purchaser and thereafter at national level where appropriate.

[<sup>F6</sup>Where the third subparagraph of Article 78(1) applies, Member States, in establishing each producer's contribution to the amount of levy payable due to the application of the higher rate referred to in that subparagraph, shall ensure that this amount is contributed proportionately by the producers responsible according to objective criteria to be set by the Member State.]

#### Textual Amendments

- F6** Inserted by Council Regulation (EC) No 72/2009 of 19 January 2009 on modifications to the Common Agricultural Policy by amending Regulations (EC) No 247/2006, (EC) No 320/2006, (EC) No 1405/2006, (EC) No 1234/2007, (EC) No 3/2008 and (EC) No 479/2008 and repealing Regulations (EEC) No 1883/78, (EEC) No 1254/89, (EEC) No 2247/89, (EEC) No 2055/93, (EC) No 1868/94, (EC) No 2596/97, (EC) No 1182/2005 and (EC) No 315/2007.
- F7** Deleted by Council Regulation (EC) No 72/2009 of 19 January 2009 on modifications to the Common Agricultural Policy by amending Regulations (EC) No 247/2006, (EC) No 320/2006, (EC) No 1405/2006, (EC) No 1234/2007, (EC) No 3/2008 and (EC) No 479/2008 and repealing Regulations

---

*Status: Point in time view as at 01/08/2009.*

*Changes to legislation: There are outstanding changes not yet made to Council Regulation (EC) No 1234/2007 (repealed). Any changes that have already been made to the legislation appear in the content and are referenced with annotations. (See end of Document for details)*

---

(EEC) No 1883/78, (EEC) No 1254/89, (EEC) No 2247/89, (EEC) No 2055/93, (EC) No 1868/94, (EC) No 2596/97, (EC) No 1182/2005 and (EC) No 315/2007.

## Article 81

### Role of purchasers

1 Purchasers shall be responsible for collecting from producers contributions due from the latter by virtue of the surplus levy and shall pay to the competent body of the Member State, before a date and following a procedure to be laid down by the Commission, the amount of these contributions deducted from the price of the milk paid to the producers responsible for the overrun or, failing this, collected by any other appropriate means.

2 Where a purchaser fully or partially replaces one or more other purchasers, the individual quotas available to the producers shall be taken into account for the remainder of the twelve-month period in progress, after deduction of quantities already delivered and account being taken of their fat content. This paragraph shall also apply where a producer transfers from one purchaser to another.

3 Where, during the reference period, quantities delivered by a producer exceed that producer's available quota, the relevant Member State may decide that the purchaser shall deduct part of the price of the milk in any delivery by the producer concerned in excess of the quota, by way of an advance on the producer's contribution, in accordance with detailed rules laid down by the Member State. The Member State may make specific arrangements to enable purchasers to deduct this advance where producers deliver to several purchasers.

## Article 82

### Approval

Purchaser status shall be subject to prior approval by the Member State in accordance with criteria to be laid by the Commission.

The conditions to be fulfilled and information to be provided by producers in the case of direct sales shall be established by the Commission.

## Article 83

### Surplus levy on direct sales

1 In the case of direct sales, each producer's contribution to payment of the surplus levy shall be established by decision of the Member State, after any unused part of the national quota allocated to direct sales has or has not been re-allocated, at the appropriate territorial level or at national level.

2 Member States shall establish the basis of calculation of the producer's contribution to the surplus levy due on the total quantity of milk sold, transferred or used to manufacture the milk products sold or transferred by applying criteria fixed by the Commission.

3 No correction linked to fat content shall be taken into account for the purpose of drawing up the definitive surplus levy statement.

---

*Status: Point in time view as at 01/08/2009.*

*Changes to legislation: There are outstanding changes not yet made to Council Regulation (EC) No 1234/2007 (repealed). Any changes that have already been made to the legislation appear in the content and are referenced with annotations. (See end of Document for details)*

---

4 The Commission shall determine how and when the surplus levy must be paid to the Member State's competent body.

#### *Article 84*

#### **Amounts paid in excess or unpaid**

1 Where, in the case of deliveries or direct sales, the surplus levy is found to be payable and the contribution collected from producers is greater than that levy, the Member State may:

- a use partially or totally the excess to finance the measures in point (a) of Article 75(1), and/or
- b redistribute it partially or totally to producers who:
  - fall within priority categories established by the Member State on the basis of objective criteria and within the period to be laid down by the Commission, or
  - are affected by an exceptional situation resulting from a national rule unconnected with the quota system for milk and other milk products set up by this Chapter.

2 Where it is established that no surplus levy is payable, any advances collected by purchasers or the Member State shall be reimbursed no later than the end of the following twelve-month period.

3 Where a purchaser does not meet the obligation to collect the producers' contribution to the surplus levy in accordance with Article 81, the Member State may collect unpaid amounts directly from the producer, without prejudice to any penalties it may impose upon the defaulting purchaser.

4 Where a producer or a purchaser fails to comply with the time limit for payment, interest on arrears to be fixed by the Commission shall be paid to the Member State.

[<sup>F6</sup>Section IIIa

#### **Potato starch quotas**

#### *Article 84a*

#### **Potato starch quotas**

1 The potato starch producing Member States shall be allocated quotas for the marketing year during which the quota scheme applies in accordance with Article 204(5) and Annex Xa.

2 Each producer Member State referred to in Annex Xa shall allocate its quota among potato starch manufacturers for use in the marketing years concerned on the basis of the subquotas allocated to each manufacturer in 2007/2008.

3 An undertaking producing potato starch shall not conclude cultivation contracts with potato producers for a quantity of potatoes which would produce a quantity of starch in excess of its quota as referred to in paragraph 2.

4 Any potato starch produced in excess of the quota as referred to in paragraph 2 shall be exported, as such, from the Community before 1 January following the end of the marketing year in question. No export refund shall be paid in respect of it.



*Status: Point in time view as at 01/08/2009.*

*Changes to legislation: There are outstanding changes not yet made to Council Regulation (EC) No 1234/2007 (repealed). Any changes that have already been made to the legislation appear in the content and are referenced with annotations. (See end of Document for details)*

5 Notwithstanding paragraph 4, an undertaking producing potato starch may, in any marketing year, in addition to its quota for that year, utilise no more than 5 % of its quota relating to the following marketing year. In such case, the quota for the following marketing year shall be reduced accordingly.

6 The provisions of this Section shall not apply to the production of potato starch by undertakings which are not subject to paragraph 2 of this Article and which purchase potatoes for which producers do not benefit from the payment provided for in Article 77 of Regulation (EC) No 73/2009 of 19 January 2009 establishing common rules for direct support schemes under the Common Agricultural Policy and establishing certain support schemes for farmers<sup>(9)</sup>.]

## *[<sup>F2</sup>Section IV*

### *Procedural rules concerning sugar, milk and potato starch quotas]*

#### *Article 85*

#### **Implementing rules**

[<sup>F2</sup>The Commission shall adopt detailed rules for the application of Sections I to IIIa which may relate, in particular, to:]

- (a) supplementary information to be submitted by approved undertakings referred to in Article 57 as well as the criteria for administrative penalties, suspensions and withdrawal of approval of the undertakings;
- (b) the establishment and the communications of the amounts referred to in Article 58 and the surplus levy referred to in Article 64;
- (c) derogations from the dates laid down in Article 63[<sup>F1</sup>];
- (d) [<sup>F6</sup>in respect of Section IIIa, mergers, changes of ownership and the commencement or cessation of trading of potato starch manufacturers.]

#### **Textual Amendments**

- F1** Substituted by Council Regulation (EC) No 72/2009 of 19 January 2009 on modifications to the Common Agricultural Policy by amending Regulations (EC) No 247/2006, (EC) No 320/2006, (EC) No 1405/2006, (EC) No 1234/2007, (EC) No 3/2008 and (EC) No 479/2008 and repealing Regulations (EEC) No 1883/78, (EEC) No 1254/89, (EEC) No 2247/89, (EEC) No 2055/93, (EC) No 1868/94, (EC) No 2596/97, (EC) No 1182/2005 and (EC) No 315/2007.
- F6** Inserted by Council Regulation (EC) No 72/2009 of 19 January 2009 on modifications to the Common Agricultural Policy by amending Regulations (EC) No 247/2006, (EC) No 320/2006, (EC) No 1405/2006, (EC) No 1234/2007, (EC) No 3/2008 and (EC) No 479/2008 and repealing Regulations (EEC) No 1883/78, (EEC) No 1254/89, (EEC) No 2247/89, (EEC) No 2055/93, (EC) No 1868/94, (EC) No 2596/97, (EC) No 1182/2005 and (EC) No 315/2007.

---

*Status: Point in time view as at 01/08/2009.*

*Changes to legislation: There are outstanding changes not yet made to Council Regulation (EC) No 1234/2007 (repealed). Any changes that have already been made to the legislation appear in the content and are referenced with annotations. (See end of Document for details)*

---

### *I<sup>F3</sup>Section IVa*

#### ***Production potential in the wine sector***

##### *Subsection I*

#### ***Unlawful plantings***

##### *Article 85a*

#### **Unlawful plantings planted after 31 August 1998**

1 Producers shall grub up at their own cost areas planted with vines without a corresponding planting right, where applicable, after 31 August 1998.

2 Pending grubbing-up in accordance with paragraph 1, grapes and products made from grapes from areas referred to in that paragraph may be put into circulation only for the purposes of distillation at the exclusive expense of the producer. The products resulting from distillation may not be used in the preparation of alcohol having an actual alcoholic strength by 80 % volume or less.

3 Without prejudice, where applicable, to earlier penalties imposed by Member States, Member States shall impose penalties on producers who have not complied with this grubbing-up obligation graduated according to the severity, extent and duration of the non-compliance.

4 The end of the transitional ban on new plantings on 31 December 2015, as provided for in Article 85g(1), shall not affect the obligations provided for in this Article.

##### *Article 85b*

#### **Obligatory regularisation of unlawful plantings planted before 1 September 1998**

1 Producers shall, against the payment of a fee and not later than 31 December 2009, regularise areas planted with vines without a corresponding planting right, where applicable, before 1 September 1998.

Without prejudice to any proceedings under clearance of accounts, the first subparagraph shall not apply to areas regularised on the basis of Article 2(3) of Regulation (EC) No 1493/1999.

2 The fee referred to in paragraph 1 shall be determined by Member States. It shall be equivalent to at least twice the average value of the corresponding planting right in the region concerned.

3 Pending regularisation under paragraph 1, grapes or products made from grapes from areas referred to in that paragraph may be put into circulation only for the purpose of distillation at the exclusive expense of the producer. The products may not be used in the preparation of alcohol having an actual alcoholic strength of 80 % volume or less.

4 Unlawful areas referred to in paragraph 1 which are not regularised in accordance with that paragraph by 31 December 2009 shall be grubbed up by the producers concerned at their own expense.

---

*Status: Point in time view as at 01/08/2009.*

*Changes to legislation: There are outstanding changes not yet made to Council Regulation (EC) No 1234/2007 (repealed). Any changes that have already been made to the legislation appear in the content and are referenced with annotations. (See end of Document for details)*

---

Member States shall impose penalties, graduated according to the severity, extent and duration of the non-compliance, on producers who do not comply with this grubbing-up obligation.

Pending the grubbing-up referred to in the first subparagraph, paragraph 3 shall apply *mutatis mutandis*.

5 The end of the transitional ban on new plantings on 31 December 2015, as provided for in Article 85g(1), shall not affect the obligations provided for in paragraphs 3 and 4.

### *Article 85c*

#### **Verification of non-circulation or distillation**

1 In relation to Article 85a(2) and Article 85b(3) and (4), Member States shall require proof of non-circulation of the products concerned or, where the products concerned are distilled, the submission of distillation contracts.

2 Member States shall verify non-circulation and distillation referred to in paragraph 1. They shall impose penalties in case of non-compliance.

3 Member States shall notify the Commission of the areas subject to distillation and the corresponding volumes of alcohol.

### *Article 85d*

#### **Accompanying measures**

Areas referred to in the first subparagraph of Article 85b(1), as long as they are not regularised and areas referred to in Article 85a(1) shall not benefit from any national or Community support measures.

### *Article 85e*

#### **Implementing measures**

Detailed rules for the implementation of this Subsection shall be adopted by the Commission.

Those rules may include:

- (a) details on the communication requirements of Member States, including possible reductions of the budget allocations referred to in Annex Xb in case of non-compliance;
- (b) details on the penalties to be imposed by Member States in case of non-compliance with the obligations laid down in Articles 85a, 85b and 85c.

---

*Status: Point in time view as at 01/08/2009.*

*Changes to legislation: There are outstanding changes not yet made to Council Regulation (EC) No 1234/2007 (repealed). Any changes that have already been made to the legislation appear in the content and are referenced with annotations. (See end of Document for details)*

---

## *Subsection II*

### **Transitional planting right regime**

#### *Article 85f*

##### **Duration**

This Subsection shall apply until 31 December 2015.

#### *Article 85g*

##### **Transitional prohibition on planting vines**

1 Without prejudice to Article 120a(1) to (6) and in particular paragraph 4 thereof, the planting of vines of wine grape varieties classifiable according to Article 120a(2) shall be prohibited.

2 Grafting-on of wine grape varieties classifiable according to Article 120a(2) to varieties other than wine grape varieties referred to in that Article shall also be prohibited.

3 Notwithstanding paragraphs 1 and 2, plantings and grafting-on as referred to in those paragraphs shall be allowed if covered by:

- a a new planting right, as provided for in Article 85h;
- b a replanting right, as provided for in Article 85i;
- c a planting right granted from a reserve, as provided for in Articles 85j and 85k.

4 The planting rights referred to in paragraph 3 shall be granted in hectares.

5 Member States may decide to maintain the prohibition referred to in paragraph 1 in their territory or parts of their territory until 31 December 2018 at the latest. In such cases the rules governing the transitional planting right regime as laid down in this Subsection, including this Article, shall apply accordingly in the given Member State.

#### *Article 85h*

##### **New planting rights**

1 Member States may grant new planting rights to producers in respect of areas:

- a intended for new plantings carried out under measures for land consolidation or measures concerning compulsory purchases in the public interest adopted under national law;

- b intended for experimental purposes;

- c intended for graft nurseries; or

- d whose wine or vine products are intended solely for the consumption by the wine-grower's household.

2 New planting rights granted shall be:

- a exercised by the producer to whom they are granted;

- b used before the end of the second wine year after the one in which they were granted;

- c used for the purposes for which they were granted.

---

*Status: Point in time view as at 01/08/2009.*

*Changes to legislation: There are outstanding changes not yet made to Council Regulation (EC) No 1234/2007 (repealed). Any changes that have already been made to the legislation appear in the content and are referenced with annotations. (See end of Document for details)*

---

### Article 85i

#### Replanting rights

1 Member States shall grant replanting rights to producers who have grubbed up an area planted with vines.

However, grubbed-up areas for which a grubbing-up premium is granted in accordance with Subsection III shall not generate replanting rights.

2 Member States may grant replanting rights to producers who undertake to grub up an area planted with vines. In such cases, the grubbing-up of the pledged area shall be carried out at the latest at the end of the third year after which new vines for which the replanting rights had been granted have been planted.

3 Replanting rights granted shall correspond to the equivalent of the grubbed-up area in terms of pure crop.

4 Replanting rights shall be exercised on the holding in respect of which they were granted. Member States may further stipulate that such replanting rights may be exercised only on the area where the grubbing-up was carried out.

5 By way of derogation from paragraph 4, Member States may decide that replanting rights may be transferred, in whole or in part, to another holding in the same Member State in the following cases:

- a part of the holding concerned is transferred to that other holding;
- b areas on that other holding are intended for:
  - (i) the production of wines with a protected designation of origin or a protected geographical indication; or
  - (ii) the cultivation of graft nurseries.

Member States shall ensure that the application of the derogation provided for in the first subparagraph does not lead to an overall increase in production potential on their territory, in particular when transfers are made from non-irrigated to irrigated areas.

6 Paragraphs 1 to 5 shall apply *mutatis mutandis* to rights similar to replanting rights acquired under prior Community or national legislation.

7 Replanting rights granted under Article 4(5) of Regulation (EC) No 1493/1999 shall be used within the periods provided for therein.

### Article 85j

#### National and regional reserve of planting rights

1 In order to improve management of the production potential, Member States shall create a national reserve or regional reserves of planting rights.

2 Member States which have established national or regional reserves of planting rights under Regulation (EC) No 1493/1999 may maintain those reserves as long as they apply the transitional planting right regime in accordance with this Subsection.

---

*Status: Point in time view as at 01/08/2009.*

*Changes to legislation: There are outstanding changes not yet made to Council Regulation (EC) No 1234/2007 (repealed). Any changes that have already been made to the legislation appear in the content and are referenced with annotations. (See end of Document for details)*

---

3 The following planting rights shall be allocated to national or regional reserves if they are not used within the prescribed period:

- a new planting rights;
- b replanting rights;
- c planting rights granted from the reserve.

4 Producers may transfer replanting rights to national or regional reserves. The conditions of such transfer, where necessary in return for a payment from national funds, shall be determined by the Member States taking into account the legitimate interests of the parties.

5 By way of derogation from paragraph 1, Member States may decide not to implement a reserve system provided that they can prove that an effective alternative system for managing planting rights exists throughout their territory. The alternative system may, where necessary, derogate from the relevant provisions of this Subsection.

The first subparagraph shall also apply to Member States which cease the operation of national or regional reserves under Regulation (EC) No 1493/1999.

#### *Article 85k*

#### **Granting planting rights from the reserve**

1 Member States may grant rights from a reserve:

- a without payment, to producers who are under 40 years of age, who possess adequate occupational skills and competences, who are setting up for the first time and who are established as the head of the holding;
- b against payment into national or, if appropriate, regional funds, to producers who intend to use the rights to plant vineyards the production of which has an assured outlet.

Member States shall define the criteria for setting the amounts of the payment referred to in point (b) of the first subparagraph, which may vary depending on the final intended product of the vineyards concerned and on the residual transitional period during which the prohibition on new plantings, as provided for in Article 85g(1) and (2), applies.

2 Where planting rights granted from a reserve are used, Member States shall ensure that:

- a the location and the varieties and the cultivation techniques used guarantee that the subsequent production is adapted to market demand;
- b the yields concerned are typical of the average in the region, in particular where planting rights originating in non-irrigated areas are used in irrigated areas.

3 Planting rights granted from a reserve which are not used before the end of the second wine year after the one in which they were granted shall be forfeited and re-allocated to the reserve.

4 Planting rights in a reserve which are not disbursed before the end of the fifth wine year following their allocation to the reserve shall be extinguished.

5 If regional reserves exist in a Member State, the Member State may lay down rules permitting the transfer of planting rights between regional reserves. If both regional and national reserves exist in a Member State, the Member State may also allow for transfers between those reserves.

Transfers may be subject to a reduction coefficient.

---

*Status: Point in time view as at 01/08/2009.*

*Changes to legislation: There are outstanding changes not yet made to Council Regulation (EC) No 1234/2007 (repealed). Any changes that have already been made to the legislation appear in the content and are referenced with annotations. (See end of Document for details)*

---

#### *Article 85l*

##### **De minimis**

This Subsection shall not apply in Member States where the Community planting right regime did not apply by 31 December 2007.

#### *Article 85m*

##### **Stricter national rules**

Member States may adopt stricter national rules in respect of the award of new planting rights or replanting rights. They may require that the respective applications and the relevant information to be supplied therein be supplemented by additional information necessary for monitoring the development of production potential.

#### *Article 85n*

##### **Implementing measures**

Detailed rules for the implementation of this Subsection shall be adopted by the Commission.

Those rules may in particular include:

- (a) provisions to avoid excessive administrative charges when applying the provisions of this Subsection;
- (b) the co-existence of vines pursuant to Article 85i(2);
- (c) the application of the reduction coefficient referred to in Article 85k(5).

#### *Subsection III*

##### **Grubbing up scheme**

#### *Article 85o*

##### **Duration**

The provisions of this Subsection shall apply until the end of the wine year 2010/2011.

#### *Article 85p*

##### **Scope and definition**

This Subsection lays down the conditions under which vine-growers shall receive a premium in exchange for grubbing up vines (hereinafter referred to as the grubbing-up premium).

---

*Status: Point in time view as at 01/08/2009.*

*Changes to legislation: There are outstanding changes not yet made to Council Regulation (EC) No 1234/2007 (repealed). Any changes that have already been made to the legislation appear in the content and are referenced with annotations. (See end of Document for details)*

---

### *Article 85q*

#### **Conditions of eligibility**

The grubbing-up premium may be granted only if the area concerned complies with the following conditions:

- (a) it did not receive Community or national support for restructuring and conversion-type measures within the 10 wine years preceding the grubbing-up request;
- (b) it did not receive Community support under any other common market organisation within the five wine years preceding the grubbing-up request;
- (c) it is tended;
- (d) it is not smaller than 0,1 hectares. However, if a Member State so decides, that minimum size may be 0,3 hectares in certain administrative regions of that Member State in which the average of the area planted with vines of a wine holding exceeds one hectare;
- (e) it has not been planted in violation of any applicable Community or national legislation; and
- (f) it is planted with a wine grape variety classifiable according to Article 120a(2).

Notwithstanding point (e) of the first paragraph, areas regularised in accordance with Article 2(3) of Regulation (EC) No 1493/1999 and Article 85b(1) of this Regulation shall be eligible for the grubbing-up premium.

### *Article 85r*

#### **Amount of the grubbing-up premium**

- 1 Scales for the grubbing-up premiums to be granted shall be fixed by the Commission.
- 2 The specific amount of the grubbing-up premium shall be established by Member States within the scales referred to in paragraph 1 and on the basis of the historical yields of the holding concerned.

### *Article 85s*

#### **Procedure and budget**

- 1 Interested producers shall submit applications for the grubbing-up premium to the respective authorities in Member States not later than 15 September of each year. Member States may fix an earlier date than 15 September provided that it is later than 30 June and that they take into due account, where applicable, their application of the exemptions provided for in Article 85u.
- 2 Member States shall carry out administrative controls concerning the applications received, process eligible applications and notify to the Commission by 15 October each year the total area and amounts covered by those applications split by regions and by yield ranges.
- 3 The maximum annual budget for the grubbing-up scheme is set out in Annex Xd.



---

*Status: Point in time view as at 01/08/2009.*

*Changes to legislation: There are outstanding changes not yet made to Council Regulation (EC) No 1234/2007 (repealed). Any changes that have already been made to the legislation appear in the content and are referenced with annotations. (See end of Document for details)*

---

4 By 15 November each year, the Commission shall set a single percentage for acceptance of the amounts notified if the total amount notified to the Commission by Member States exceeds the available budget resources, regard being had, where applicable, to the application of Article 85u(2) and (3).

5 By 1 February each year, Member States shall accept the applications:

- a for the areas applied for in their entirety if the Commission has not set a percentage as referred to in paragraph 4; or
- b for the areas resulting from the application of the percentage referred to in paragraph 4 based on objective and non-discriminatory criteria and in accordance with the following priorities:
  - (i) Member States shall give priority to applicants whose application for the grubbing-up premium covers their entire vineyard;
  - (ii) Member States shall give second priority to applicants who are not less than 55 years old, or older, where Member States so provide.

#### *Article 85t*

### **Cross-compliance**

Where farmers are found not to have complied on their holding, at any time during three years from payment of the grubbing-up premium, with the statutory management requirements and the good agricultural and environmental condition referred to in Articles 3 to 7 of Regulation (EC) No 1782/2003, the amount of the payment shall, where non-compliance is the result of an action or omission directly imputable to the farmer, be reduced or cancelled, partially or wholly depending on the severity, extent, permanence and repetition of the non-compliance, and the farmer shall, where applicable, be ordered to reimburse it in accordance with the conditions set out in those provisions.

#### *Article 85u*

### **Exemptions**

1 A Member State may decide to reject any further applications referred to in Article 85s(1) once the accumulated grubbed-up area on its territory reaches 8 % of its area planted with vines as referred to in Annex Xe.

A Member State may decide to reject any further applications referred to in Article 85s(1) for a region once the accumulated grubbed-up area in that region reaches 10 % of the region's area planted with vines.

2 The Commission may decide to stop the application of the grubbing-up scheme in a Member State if, taking into account the pending applications, continued grubbing-up would lead to a cumulated grubbed-up area of more than 15 % of the Member State's total area planted with vines as referred to in Annex Xe.

3 The Commission may decide to stop the application of the grubbing-up scheme in a Member State for a given year if, taking into account the pending applications, continued grubbing-up would lead to a grubbed-up area of more than 6 % of the Member State's total area planted with vines as referred to in Annex Xe in that particular year of the scheme's operation.

---

*Status: Point in time view as at 01/08/2009.*

*Changes to legislation: There are outstanding changes not yet made to Council Regulation (EC) No 1234/2007 (repealed). Any changes that have already been made to the legislation appear in the content and are referenced with annotations. (See end of Document for details)*

---

4 Member States may declare vines in mountain and steep-slope areas ineligible for the grubbing-up scheme in accordance with conditions to be determined by the Commission.

5 Member States may declare areas ineligible for the grubbing-up scheme where application of the scheme would be incompatible with environmental concerns. Areas thus declared ineligible shall not exceed 3 % of the total area planted with vines as referred to in Annex Xe.

6 Greece may declare areas planted with vines on the Aegean islands and the Greek Ionian islands, with the exception of Crete and Eubia, ineligible under the grubbing-up scheme.

7 The grubbing-up scheme set out in this Subsection shall not apply in the Azores, Madeira and the Canary Islands.

8 Member States shall grant producers in the areas ineligible or declared ineligible under paragraphs 4 to 7 priority under other support measures laid down in this Regulation in respect of the wine sector, in particular, where applicable, the restructuring and conversion measure under the support programmes and rural development measures.

#### *Article 85v*

#### **De minimis**

This Subsection shall not apply in Member States where wine production does not exceed 50 000 hectolitres per wine year. This production shall be calculated on the basis of the average production during the previous five wine years.

#### *Article 85w*

#### **Complementary national aid**

Member States may grant complementary national aid not exceeding 75 % of the applicable grubbing-up premium in addition to the grubbing-up premium granted.

#### *Article 85x*

#### **Implementing measures**

Detailed rules for the implementation of this Subsection shall be adopted by the Commission.

Those rules may in particular include:

- (a) details on the conditions of eligibility referred to in Article 85q, in particular as regards proof that areas were properly tended in 2006 and 2007;
- (b) the premium scales and amounts referred to in Article 85r;
- (c) the criteria for exemptions as referred to in Article 85u;
- (d) the reporting requirements of Member States concerning the implementation of the grubbing-up scheme, including penalties in case of delays in reporting and the information which Member States give to producers concerning the availability of the scheme;

**Status:** Point in time view as at 01/08/2009.

**Changes to legislation:** There are outstanding changes not yet made to Council Regulation (EC) No 1234/2007 (repealed). Any changes that have already been made to the legislation appear in the content and are referenced with annotations. (See end of Document for details)

---

- (e) the reporting requirements as regards complementary national aid;
- (f) deadlines for payments.]

---

*Status: Point in time view as at 01/08/2009.*

*Changes to legislation: There are outstanding changes not yet made to Council Regulation (EC) No 1234/2007 (repealed). Any changes that have already been made to the legislation appear in the content and are referenced with annotations. (See end of Document for details)*

---

- (1) OJ L 42, 14.2.2006, p. 1.
- (2) OJ L 244, 29.9.2000, p. 27.
- (3) [<sup>F6</sup>See page 16 of this Official Journal.]

---

#### **Textual Amendments**

- F6** Inserted by Council Regulation (EC) No 72/2009 of 19 January 2009 on modifications to the Common Agricultural Policy by amending Regulations (EC) No 247/2006, (EC) No 320/2006, (EC) No 1405/2006, (EC) No 1234/2007, (EC) No 3/2008 and (EC) No 479/2008 and repealing Regulations (EEC) No 1883/78, (EEC) No 1254/89, (EEC) No 2247/89, (EEC) No 2055/93, (EC) No 1868/94, (EC) No 2596/97, (EC) No 1182/2005 and (EC) No 315/2007.

**Status:**

Point in time view as at 01/08/2009.

**Changes to legislation:**

There are outstanding changes not yet made to Council Regulation (EC) No 1234/2007 (repealed). Any changes that have already been made to the legislation appear in the content and are referenced with annotations.