

Regulation (EU) No 1308/2013 of the European Parliament and of the Council of 17 December 2013 establishing a common organisation of the markets in agricultural products and repealing Council Regulations (EEC) No 922/72, (EEC) No 234/79, (EC) No 1037/2001 and (EC) No 1234/2007

PART II

INTERNAL MARKET

TITLE I

MARKET INTERVENTION

CHAPTER I

Public intervention and aid for private storage

Section 1

General provisions on public intervention and aid for private storage

Article 8

Scope

This Chapter lays down rules on market intervention concerning:

- (a) public intervention, where products are bought in by the competent authorities of the Member States and stored by them until disposed of; and
- (b) granting of aid for the storage of products by private operators.

Article 9

Origin of eligible products

Products eligible for buying-in under public intervention or for the granting of aid for private storage shall originate in the Union. In addition, if they come from crops, those crops shall have been harvested in the Union, and if they come from milk, that milk shall have been produced in the Union.

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Article 10

Union scales for the classification of carcasses

Union scales for the classification of carcasses shall apply in accordance with, respectively, points A and B of Annex IV in the beef and veal sector as regards carcasses of bovine animals aged eight months or more and in the pigmeat sector as regards pigs other than those that have been used for breeding.

In the sheepmeat and goatmeat sector, Member States may apply a Union scale for the classification of sheep carcasses in accordance with the rules laid down in point C of Annex IV.

Section 2

Public intervention

Article 11

Products eligible for public intervention

Public intervention shall apply in respect of the following products in accordance with the conditions laid down in this Section and any additional requirements and conditions that may be determined by the Commission, by means of delegated acts pursuant to Article 19 and implementing acts pursuant to Article 20:

- (a) common wheat, durum wheat, barley and maize;
- (b) paddy rice;
- (c) fresh or chilled meat of the beef and veal sector falling within CN codes 0201 10 00 and 0201 20 20 to 0201 20 50;
- (d) butter produced directly and exclusively from pasteurised cream obtained directly and exclusively from cow's milk in an approved undertaking in the Union of a minimum butterfat content, by weight, of 82 % and of a maximum water content, by weight, of 16 %;
- (e) skimmed milk powder of top quality made from cow's milk in an approved undertaking in the Union by the spray process, with a minimum protein content of 34,0 % by weight of the fat free dry matter.

Article 12

Public intervention periods

Public intervention shall be available for:

- (a) common wheat, durum wheat, barley and maize, from 1 November to 31 May;
- (b) paddy rice, from 1 April to 31 July;

- (c) beef and veal, throughout the year;
- (d) butter and skimmed milk powder, from 1 March to 30 September.

Article 13

Opening and closing of public intervention

- 1 During the periods referred to in Article 11, public intervention:
 - a shall be open for common wheat, butter and skimmed milk powder;
 - b may be opened by the Commission, by means of implementing acts, for durum wheat, barley, maize and paddy rice (including specific varieties or types of paddy rice), if the market situation so requires. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 229(2);
 - c may be opened for the beef and veal sector by the Commission, by means of implementing acts adopted without applying the procedure referred to in Article 229(2) or (3), if, over a representative period determined pursuant to point (c) of the first paragraph of Article 20 the average market price in a Member State or in a region of a Member State, recorded on the basis of the Union scale for the classification of carcasses of bovine animals referred to in point A of Annex IV, is below 85 % of the reference threshold laid down in point (d) of Article 7(1).
- 2 The Commission may adopt implementing acts closing public intervention for the beef and veal sector where, over a representative period determined pursuant to point (c) of the first paragraph of Article 20, the conditions provided for in point (c) of paragraph 1 of this Article are no longer fulfilled. Those implementing acts shall be adopted without applying the procedure referred to in Article 229(2) or (3).

Article 14

Buying-in at a fixed price or tendering

Where public intervention is open pursuant to Article 13(1), measures on fixing buying-in prices for the products referred to in Article 11 as well as, where applicable, measures on quantitative limitations where buying-in is carried out at a fixed price, shall be taken by the Council in accordance with Article 43(3) TFEU.

Article 15

Public intervention price

- 1 Public intervention price means:
 - a the price at which products shall be bought in under public intervention where this is done at a fixed price; or
 - b the maximum price at which products eligible for public intervention may be bought in where this is done by tendering.
- 2 The measures on fixing the level of the public intervention price, including the amounts of increases and reductions, shall be taken by the Council in accordance with Article 43(3) TFEU.

Article 16

General principles on disposal from public intervention

1 Disposal of products bought in under public intervention shall take place in such a way as to:

- a avoid any disturbance of the market,
- b ensure equal access to goods and equal treatment of purchasers, and
- c be in compliance with the commitments resulting from international agreements concluded in accordance with the TFEU.

2 Products bought in under public intervention may be disposed of by making them available for the scheme for food distribution to the most deprived in the Union as set out in the relevant Union legal acts. In such cases, the accounting value of such products shall be at the level of the relevant fixed public intervention price referred to in Article 14(2) of this Regulation.

3 Each year the Commission shall publish details of the conditions under which products bought in under public intervention were sold in the previous year.

Section 3

Aid for private storage

Article 17

Eligible products

Aid for private storage may be granted in respect of the following products in accordance with the conditions set out in this Section and any further requirements and conditions to be adopted by the Commission, by means of delegated acts pursuant to Article 18(1) or Article 19 and implementing acts pursuant to Article 18(2) or Article 20:

- (a) white sugar;
- (b) olive oil;
- (c) flax fibre;
- (d) fresh or chilled meat of bovine animals aged eight months or more;
- (e) butter produced from cream obtained directly and exclusively from cow's milk;
- (f) cheese;
- (g) skimmed milk powder made from cow's milk;
- (h) pigmeat;
- (i) sheepmeat and goatmeat.

Point (f) of the first paragraph is restricted to cheese benefiting from a protected designation of origin or from a protected geographical indication under Regulation (EU) No 1151/2012 that is stored beyond the period of maturation laid down in the product

specification for the product referred to in Article 7 of that Regulation and/or a period of maturation that contributes to increasing the value of the cheese.

Article 18

Conditions for granting aid

1 In order to provide for market transparency, the Commission shall, where necessary, be empowered to adopt delegated acts in accordance with Article 227 laying down the conditions under which it may decide to grant private storage aid for the products listed in Article 17, taking into account:

- a average recorded Union market prices and the reference thresholds and production costs for the products concerned; and/or
- b the need to respond in a timely way to a particularly difficult market situation or economic developments having a significant negative impact on the margins in the sector.

2 The Commission may adopt implementing acts

- a granting private storage aid for the products listed in Article 17, taking into account the conditions referred to in paragraph 1 of this Article;
- b restricting the granting of private storage aid.

Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 229(2).

3 Measures on fixing the amount of aid for private storage provided for in Article 17 shall be taken by the Council in accordance with Article 43(3) TFEU.

Section 4

Common provisions on public intervention and aid for private storage

Article 19

Delegated powers

1 In order to ensure that products bought in under public intervention or subject to aid for private storage are suitable for long-term storage and are of sound, fair and marketable quality, and in order to take into account the specific characteristics of the different sectors for the purposes of ensuring the cost-effective operation of public intervention and private storage, the Commission shall be empowered to adopt delegated acts in accordance with Article 227 laying down the requirements and conditions to be met by those products, in addition to the requirements laid down in this Regulation. Those requirements and conditions shall aim to guarantee, for the products bought in and stored:

- a their quality with respect to quality parameters, quality groups, quality grades, categories, product characteristics and age;
- b their eligibility with respect to quantities, packaging including labelling, preservation, previous storage contracts, approval of undertakings and the stage of the products to which the public intervention price and the aid for private storage applies.

2 In order to take account of the specific characteristics of the cereals and paddy rice sectors, the Commission shall be empowered to adopt delegated acts in accordance with Article 227 laying down the quality criteria as regards both buying-in and sales of common wheat, durum wheat, barley, maize and paddy rice.

3 In order to ensure appropriate storage capacity and the efficiency of the public intervention system in terms of cost-effectiveness, distribution and access for operators, and in order to maintain the quality of products bought in under public intervention for their disposal at the end of the storage period, the Commission shall be empowered to adopt delegated acts in accordance with Article 227 laying down:

- a the requirements to be fulfilled by storage places for all products subject to public intervention;
- b rules on the storage of products inside and outside the Member State responsible for them and for the treatment of such products as regards customs duties and any other amounts to be granted or levied under the CAP.

4 In order to ensure that aid for private storage has the desired effect on the market, the Commission shall be empowered to adopt delegated acts in accordance with Article 227 laying down:

- a rules and conditions applicable where the quantity stored is lower than the contracted quantity;
- b the conditions for granting an advance payment of such aid;
- c the conditions under which it may be decided that products covered by private storage contracts may be re-marketed or disposed of.

5 In order to ensure the proper functioning of the public intervention and private storage systems, the Commission shall be empowered to adopt delegated acts in accordance with Article 227:

- a providing for the use of tendering procedures guaranteeing equal access to goods and equal treatment of operators;
- b laying down the additional conditions to be fulfilled by operators in order to facilitate the effective management and control of the system for Member States and operators;
- c laying down the requirement for operators to lodge a security guaranteeing the fulfilment of their obligations.

6 In order to take account of technical developments and of the needs of sectors referred to in Article 10, as well as of the need to standardise the presentation of the different products for the purposes of improving market transparency, price recording and the application of the market intervention measures, the Commission shall be empowered to adopt delegated acts in accordance with Article 227:

- a adapting and updating the provisions of Annex IV on the Union scales for the classification, identification and presentation of carcasses;
- b laying down supplementary provisions relating to classification, including by qualified classifiers, to grading, including by automated grading techniques, to identification, weighing and marking of carcasses and to the calculation of average Union prices and to the weighting coefficients used in the calculation of those prices;
- c laying down, in the beef and veal sector, derogations from provisions and specific derogations which may be granted by Member States to slaughterhouses in which few bovine animals are slaughtered, and additional provisions for the products concerned, including regarding the classes of conformation and fat cover and, in sheepmeat sector, further provisions as regards weight, colour of meat and fat cover and the criteria for the classification of light lambs;

- d providing Member States with the authorisation not to apply the grading scale for classification of pig carcasses and the authorisation to use assessment criteria in addition to weight and estimated lean-meat content, or laying down derogations from that scale.

Article 20

Implementing powers in accordance with the examination procedure

The Commission shall adopt implementing acts laying down the measures necessary for the uniform application of this Chapter. Those measures may, in particular, concern the following:

- (a) the costs payable by the operator where products delivered for public intervention do not meet the minimum quality requirements;
- (b) the fixing of minimum storage capacity for intervention storage places;
- (c) the representative periods, markets, and market prices necessary for the application of this Chapter;
- (d) the delivery of the products to be bought in under public intervention, the transport costs to be borne by the offerer, the taking over of the products by paying agencies and the payment;
- (e) the different operations connected with the boning process for the beef and veal sector;
- (f) the practical arrangements for the packaging, marketing and labelling of products;
- (g) the procedures for the approval of undertakings producing butter and skimmed milk powder for the purposes of this Chapter;
- (h) any authorisation of storage outside the territory of the Member State where the products have been bought in and stored;
- (i) the sale or disposal of products bought in under public intervention, regarding, in particular, selling prices, the conditions for removal from storage, the subsequent use or destination of products released, including procedures relating to products made available for use in the scheme referred to in Article 16(2), including transfers between Member States;
- (j) in respect of products bought in under public intervention, the provisions relating to the possibility for Member States to sell, at their own responsibility, small quantities remaining in storage or quantities which may no longer be repackaged or which have deteriorated;
- (k) in respect of private storage, the conclusion and the content of contracts between the competent authority of the Member State and the applicants;
- (l) the placing and keeping of products in private storage and their removal from storage;
- (m) the duration of the private storage period and the provisions according to which such periods, once specified in the contracts, may be curtailed or extended;
- (n) the procedures to be followed for buying-in at a fixed price, including the procedures for, and the amount of, the security to be lodged, or for the granting of aid fixed in advance for private storage;

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- (o) the use of tendering procedures, both for public intervention and for private storage, in particular as regards:
 - (i) the submission of offers or tenders and the minimum quantity for an application or submission;
 - (ii) the procedures for, and the amount of, the security to be lodged; and
 - (iii) the selection of offers ensuring that preference is given to those which are most favourable to the Union whilst permitting that the award of a contract does not necessarily ensue;
- (p) the implementation of Union scales for the classification of beef, pig and sheep carcasses;
- (q) a different presentation of carcasses and half carcasses than the one laid down in point A.IV of Annex IV for the purpose of establishing market prices;
- (r) the corrective factors to be applied by Member States to be used for a different presentation of beef and sheep carcasses where the reference presentation is not used;
- (s) the practical arrangements for the marking of classified carcasses and for the calculation by the Commission of the weighted average Union price for beef, pig and sheep carcasses;
- (t) the authorisation of Member States to provide, with regard to pigs slaughtered in their territory, for a different presentation of pig carcasses than the one laid down in point B.III of Annex IV, if one of the following conditions is fulfilled:
 - (i) normal commercial practice in their territory differs from the standard presentation defined in the first subparagraph of point B.III of Annex IV;
 - (ii) technical requirements warrant it;
 - (iii) carcasses are dehided in a uniform manner;
- (u) the provisions for the on-the-spot review of the application of classification of carcasses in Member States by a Union committee composed of experts from the Commission and experts appointed by Member States in order to ensure the accuracy and reliability of the classification of carcasses. Those provisions shall provide for the Union to bear the costs resulting from the review activity.

Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 229(2).

Article 21

Other implementing powers

The Commission shall adopt implementing acts in order to authorise Member States to use for lambs of less than 13 kg carcass weight, by way of derogation from point C.III of Annex IV, the following criteria for classification:

- (a) carcass weight;
- (b) colour of meat;
- (c) fat cover.

Those implementing acts shall be adopted without applying the procedure referred to in Article 229(2) or (3).

CHAPTER II

Aid schemes

Section 1

Schemes to improve access to food

Article 22

Target group

Aid schemes intended to improve the distribution of agricultural products and improving children's eating habits are aimed at children who regularly attend nurseries, pre-schools or primary or secondary-level educational establishments which are administered or recognised by the competent authorities of Member States.

Subsection 1

School fruit and vegetables scheme

Article 23

Aid for the supply of fruit and vegetables, processed fruit and vegetables and banana products to children

- 1 Union aid shall be granted for:
 - a the supply to children in the educational establishments referred to in Article 22 of products of the fruit and vegetables, processed fruit and vegetables, and bananas sectors; and
 - b certain related costs linked to logistics and distribution, equipment, publicity, monitoring, evaluation and accompanying measures.
- 2 Member States wishing to participate in the scheme shall draw up, at national or regional level, a prior strategy for its implementation. They shall also provide for the accompanying measures necessary to make the scheme effective, which may include information on measures for education about healthy eating habits, about local food chains and about combating food wastage.
- 3 When drawing up their strategies, Member States shall draw up a list of products of the fruit and vegetables, processed fruit and vegetables, and bananas sectors that will be eligible under their respective schemes. This list shall not include products that are listed in Annex V.

However, in duly justified cases, such as where a Member State wants to ensure a broad assortment of products under its scheme or wants to make its scheme more attractive, its

strategy may provide that such products may become eligible if only limited amounts of the substances referred to in that Annex are added.

Member States shall ensure that their competent health authorities endorse the list of such products that are eligible under their scheme.

Member States shall choose their products on the basis of objective criteria which may include health and environmental considerations, seasonality, variety or availability of produce, giving priority, as far as practicable, to products originating in the Union, and particularly to local purchasing, local markets, short supply chains or environmental benefits.

4 Measures on fixing the Union aid referred to in paragraph 1 shall be taken by the Council in accordance with Article 43(3) TFEU.

5 The Union aid referred to in paragraph 1 shall be allocated to each Member State on the basis of objective criteria based on their proportion of six- to ten-year old children.

Member States participating in the scheme shall apply every year for Union aid on the basis of their strategy referred to in paragraph 2.

Measures on fixing the minimum amount of Union aid for each Member State participating in the scheme and on the indicative and definitive allocations of aid to Member States shall be taken by the Council in accordance with Article 43(3) TFEU.

6 Union aid provided for in paragraph 1 shall not be used to replace funding for any existing national school fruit schemes providing fruit and vegetables, processed fruit and vegetables, and bananas or other school distribution schemes that include such products.

However, if a Member State already has a scheme in place that would be eligible for Union aid under this Article and intends to extend it or make it more effective, including as regards the target group of the scheme, its duration or eligible products, Union aid may be granted provided that the limits set out in accordance with Article 43(3) TFEU are respected as regards the proportion of Union aid to the total national contribution. In such a case, the Member State shall indicate in its implementation strategy how it intends to extend its scheme or make it more effective.

7 Member States may, in addition to Union aid, grant national aid in accordance with Article 217.

8 The Union school fruit and vegetables scheme shall be without prejudice to any separate national school fruit and vegetables schemes which are compatible with Union law.

9 The Union may also finance, under Article 6 of Regulation (EU) No 1306/2013, information, monitoring and evaluation measures relating to the school fruit and vegetables scheme, including measures raising public awareness of it, and related networking measures.

10 Member States participating in the scheme shall publicise, at the places where the food is distributed, their involvement in the aid scheme and the fact that it is subsidised by the Union.

Article 24

Delegated powers

1 In order to promote the healthy eating habits of children and to ensure that the aid is aimed at children in the target group referred to in Article 22, the Commission shall be empowered to adopt delegated acts in accordance with Article 227 concerning rules on:

- a the additional criteria related to the targeting of aid by Member States;
- b the approval and selection of aid applicants by Member States;
- c the drawing-up of the national or regional strategies and on accompanying measures.

2 In order to ensure the efficient and targeted use of Union funds, the Commission shall be empowered to adopt delegated acts in accordance with Article 227 concerning:

- a the method for reallocating the indicative allocation of aid referred to in Article 23(5) between Member States on the basis of requests for aid received;
- b the costs in Member States' strategies that are eligible for Union aid and the possibility of fixing an overall ceiling for specific costs;
- c the obligation for Member States to monitor and evaluate the effectiveness of their school fruit and vegetables schemes.

3 In order to promote awareness of the scheme, the Commission shall be empowered to adopt delegated acts in accordance with Article 227 requiring Member States with a school fruit and vegetables scheme to publicise the subsidising role of the Union aid.

Article 25

Implementing powers in accordance with the examination procedure

The Commission may adopt implementing acts laying down the measures necessary for the application of this Subsection, including:

- (a) the information to be contained in Member States' strategies;
- (b) the aid applications and payments;
- (c) the methods of publicising, and networking measures in respect of, the scheme;
- (d) the submission, format and content of monitoring and evaluation reports by Member States participating in the Union school fruit and vegetables scheme.

Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 229(2).

Subsection 2

School milk scheme

Article 26

Aid for the supply of milk and milk products to children

1 Union aid shall be granted for supplying to children in educational establishments referred to in Article 22 certain milk and processed milk products falling within CN codes 0401, 0403, 0404 90 and 0406 or CN code 2202 90.

2 From 1 August 2015, Member States, at national or regional level, wishing to participate in the scheme shall have a prior strategy for its implementation. They may also provide for the accompanying measures, which may include information on measures for education about healthy eating habits, about local food chains and about combating food wastage, that are necessary to make the programme effective.

3 When drawing up their strategies, Member States shall draw up a list of milk and milk products that will be eligible under their respective schemes, in accordance with the rules adopted by the Commission pursuant to Article 27.

4 Except for free distribution of meals to children in educational establishments, Union aid referred to in paragraph 1 shall not be used to replace funding for any existing national milk and milk products schemes or other school distribution schemes that include milk or milk products. However, if a Member State already has a scheme in place that would be eligible for Union aid under this Article and intends to extend it or make it more effective, including as regards the target group of the scheme, its duration or eligible products, Union aid may be granted. In such a case, the Member State shall indicate in its implementation strategy how it intends to extend its scheme or make it more effective.

5 Member States may, in addition to Union aid, grant national aid in accordance with Article 217.

6 The Union school milk and milk products scheme shall be without prejudice to any separate national school schemes to encourage the consumption of milk and milk products that are compatible with Union law.

7 Measures on fixing the Union aid for all milk and milk products and the maximum quantity eligible for Union aid provided for in paragraph 1 shall be taken by the Council in accordance with Article 43(3) TFEU.

8 Member States participating in the scheme shall publicise, at the places where the food is distributed, their involvement in the aid scheme and the fact that it is subsidised by the Union.

Article 27

Delegated powers

1 In order to take into account the evolution in consumption patterns for dairy products, the innovations and developments on the dairy products market, the availability of products on the different markets of the Union, and nutritional aspects, the Commission shall be empowered to adopt delegated acts in accordance with Article 227 determining:

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- a the products that are eligible for the scheme, in accordance with the provisions laid down in Article 26(1) and taking into account nutritional aspects;
- b the drawing up of the national or regional strategies by Member States, including accompanying measures where applicable; and
- c measures necessary for monitoring and evaluation.

2 In order to ensure the efficient and effective use of Union aid, the Commission shall be empowered to adopt delegated acts in accordance with Article 227 concerning:

- a rules on the eligibility for the aid of beneficiaries and applicants;
- b the requirement for the applicants to be approved by the Member States;
- c the use of dairy products benefiting from the aid in the preparation of meals in educational establishments.

3 In order to ensure that aid applicants respect their obligations, the Commission shall be empowered to adopt delegated acts in accordance with Article 227 concerning the requirement to lodge a security where an advance of aid is paid.

4 In order to promote awareness of the aid scheme, the Commission shall be empowered to adopt delegated acts in accordance with Article 227 specifying the conditions in accordance with which Member States are to publicise their participation in the aid scheme and the fact that it is subsidised by the Union.

5 In order to ensure that the aid is reflected in the price at which the products are available under the scheme, the Commission shall be empowered to adopt delegated acts in accordance with Article 227 laying down rules on the establishment of price monitoring under the scheme.

Article 28

Implementing powers in accordance with the examination procedure

The Commission may adopt implementing acts laying down the measures necessary for the application of this Subsection including on:

- (a) the procedures to ensure the respect of the maximum quantity eligible for the aid;
- (b) the procedures for, and the amount of, the security to be lodged where an advance payment is made;
- (c) the information to be supplied to Member States for approval of applicants, aid applications and payments;
- (d) the methods of publicising the scheme;
- (e) the management of price monitoring pursuant to Article 27(5).

Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 229(2).

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Section 2

Aid in the olive oil and table olives sector

Article 29

Programmes to support the olive oil and table olives sector

1 The Union shall finance three-year work programmes to be drawn up by producer organisations recognised under Article 152, associations of producer organisations recognised under Article 156 or interbranch organisations recognised under Article 157 in one or more of the following areas:

- a market follow-up and management in the olive oil and table olives sector;
- b the improvement of the environmental impact of olive cultivation;
- c the improvement of the competitiveness of olive cultivation through modernisation;
- d the improvement of the production quality of olive oil and table olives;
- e the traceability system, the certification and protection of the quality of olive oil and table olives, in particular the monitoring of the quality of olive oils sold to final consumers, under the authority of the national administrations;
- f the dissemination of information on measures carried out by producer organisations, associations of producer organisations or interbranch organisations to improve the quality of olive oil and table olives.

2 The Union financing of the work programmes referred to in paragraph 1 shall be:

- a EUR 11 098 000 per year for Greece;
- b EUR 576 000 per year for France; and
- c EUR 35 991 000 per year for Italy.

3 The maximum Union funding for the work programmes referred to in paragraph 1 shall be equal to the amounts withheld by the Member States. The maximum funding of the eligible cost shall be:

- a 75 % for activities in the areas referred to in points (a), (b) and (c) of paragraph 1;
- b 75 % for fixed assets investments and 50 % for other activities in the area referred to in point (d) of paragraph 1;
- c 75 % for the work programmes carried out in at least three third countries or non-producing Member States by recognised organisations referred to in paragraph 1 from at least two producer Member States in the areas referred to in points (e) and (f) of paragraph 1, and 50 % for the other activities in these areas.

Complementary financing shall be ensured by the Member State up to 50 % of the costs not covered by the Union funding.

Article 30

Delegated powers

In order to ensure the efficient and effective use of the Union aid provided for in Article 29 and in order to improve the production quality of olive oil and table olives, the Commission shall be empowered to adopt delegated acts in accordance with Article 227 concerning:

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- (a) in respect of the areas referred to in Article 29(1), the specific measures that can be financed by the Union aid and the activities and costs that cannot be so financed;
- (b) the minimum allocation by Member States of Union financing to specific areas;
- (c) the requirement to lodge a security when an application for approval of a work programme is submitted and where an advance payment of aid is made;
- (d) the criteria to be taken into account by Member States in the selection and approval of work programmes.

Article 31

Implementing powers in accordance with the examination procedure

The Commission may adopt implementing acts laying down the measures necessary for the application of this Section concerning:

- (a) the implementation of work programmes and amendments to such programmes;
- (b) the payment of aid, including advance payments of aid;
- (c) the procedures for, and the amount of, the security to be lodged when an application for approval of a work programme is submitted and where an advance payment of aid is made.

Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 229(2).

Section 3

Aid in the fruit and vegetables sector

Article 32

Operational funds

1 Producer organisations in the fruit and vegetables sector and/or their associations may set up an operational fund. The fund shall be financed by:

- a financial contributions from:
 - (i) members of the producer organisation and/or the producer organisation itself;
or
 - (ii) associations of producer organisations through the members of those associations;
- b Union financial assistance, which may be granted to producer organisations, or to their associations where those associations present, manage and implement an operational programme or a partial operational programme, in accordance with the terms and conditions to be adopted by the Commission by means of delegated acts pursuant to Article 37 and implementing acts pursuant to Article 38.

2 Operational funds shall be used only to finance operational programmes that have been submitted to and approved by Member States.

Article 33

Operational programmes

1 Operational programmes in the fruit and vegetables sector shall have a minimum duration of three years and a maximum duration of five years. They shall have at least two of the objectives referred to in point (c) of Article 152(1) or two of the following objectives:

- a planning of production, including production and consumption forecasting and follow-up;
- b improvement of product quality, whether in a fresh or processed form;
- c boosting products' commercial value;
- d promotion of the products, whether in a fresh or processed form;
- e environmental measures, particularly those relating to water, and methods of production respecting the environment, including organic farming;
- f crisis prevention and management.

Operational programmes shall be submitted to the Member States for their approval.

2 Associations of producer organisations may also present an entire or partial operational programme composed of measures identified, but not carried out, by member organisations under their operational programmes. The operational programmes of associations of producer organisations shall be subject to the same rules as operational programmes of producer organisations and shall be considered with the operational programmes of member organisations.

To that end, the Member States shall ensure that:

- a measures under operational programmes of an association of producer organisations are entirely financed by contributions of those member organisations of that association and that such funding is collected from the operational funds of those member organisations;
- b the measures and their corresponding financial share are identified in the operational programme of each member organisation;
- c there is no duplication of funding.

3 Crisis prevention and management referred to in point (f) of the first subparagraph of paragraph 1 shall be related to avoiding and dealing with crises on the fruit and vegetable markets and shall cover in this context:

- a investments making the management of the volumes placed on the market more efficient;
- b training measures and exchanges of best practices;
- c promotion and communication, whether for prevention or during a crisis period;
- d support for the administrative costs of setting up mutual funds;
- e replanting of orchards where that is necessary following mandatory grubbing up for health or phytosanitary reasons on the instruction of the Member State competent authority;
- f market withdrawal;
- g green harvesting or non-harvesting of fruit and vegetables;
- h harvest insurance.

Support for harvest insurance shall contribute to safeguarding producers' incomes where there are losses as a consequence of natural disasters, adverse climatic events, diseases or pest infestations.

Insurance contracts shall require that beneficiaries undertake necessary risk prevention measures.

Crisis prevention and management measures, including any repayment of capital and interest as referred to in the fifth subparagraph, shall not comprise more than one third of the expenditure under the operational programme.

Producer organisations may take out loans on commercial terms for financing crisis prevention and management measures. In that case, the repayment of the capital and interest on those loans may form part of the operational programme and so may be eligible for Union financial assistance under Article 34. Any specific action under crisis prevention and management may be financed by such loans or directly, or both.

- 4 For the purposes of this Section:
 - a "green harvesting" means the total harvesting on a given area of unripe non-marketable products which have not been damaged prior to the green harvesting, whether due to climatic reasons, disease or otherwise;
 - b "non-harvesting" means the termination of the current production cycle on the area concerned where the product is well developed and is of sound, fair and marketable quality. Destruction of products due to a climatic event or disease is not considered as non-harvesting.
- 5 Member States shall ensure that:
 - a operational programmes include two or more environmental actions; or
 - b at least 10 % of the expenditure under operational programmes covers environmental actions.

Environmental actions shall respect the requirements for agri-environment-climate payments laid down in Article 28(3) of Regulation (EU) No 1305/2013.

Where at least 80 % of the producer members of a producer organisation are subject to one or more identical agri-environment-climate commitments provided for in Article 28(3) of Regulation (EU) No 1305/2013, then each one of those commitments shall count as an environmental action as referred to in point (a) of the first subparagraph of this paragraph.

Support for the environmental actions referred to in the first subparagraph of this paragraph shall cover additional costs and income foregone resulting from the action.

- 6 Member States shall ensure that investments which increase environmental pressure shall only be permitted in situations where effective safeguards to protect the environment from these pressures are in place.

Article 34

Union financial assistance

- 1 The Union financial assistance shall be equal to the amount of the financial contributions referred to in point (a) of Article 32(1) actually paid and limited to 50 % of the actual expenditure incurred.

2 The Union financial assistance shall be limited to 4,1 % of the value of the marketed production of each producer organisation or of their association.

However, in the case of producer organisations, that percentage may be increased to 4,6 % of the value of the marketed production, provided that the amount in excess of 4,1 % of the value of the marketed production is used solely for crisis prevention and management measures.

In the case of associations of producer organisations, that percentage may be increased to 4,7 % of the value of the marketed production, provided that the amount in excess of 4,1 % of the value of the marketed production is used solely for crisis prevention and management measures implemented by the association of producer organisations on behalf of its members.

3 At the request of a producer organisation, the 50 % limit provided for in paragraph 1 shall be increased to 60 % for an operational programme or part of an operational programme satisfying at least one of the following conditions:

- a it is submitted by several Union producer organisations operating in different Member States on transnational schemes;
- b it is submitted by one or more producer organisations engaged in schemes operated on an interbranch basis;
- c it covers solely specific support for the production of organic products covered by Council Regulation (EC) No 834/2007⁽¹⁾;
- d it is the first to be submitted by a recognised producer organisation which is the result of a merger between two recognised producer organisations;
- e it is the first to be submitted by a recognised association of producer organisations;
- f it is submitted by producer organisations in Member States where producer organisations market less than 20 % of fruit and vegetables production;
- g it is submitted by a producer organisation in one of the outermost regions referred to in Article 349 TFEU.

4 The 50 % limit provided for in paragraph 1 shall be increased to 100 % in the case of market withdrawals of fruit and vegetables which shall not exceed 5 % of the volume of marketed production of each producer organisation and which are disposed of by way of:

- a free distribution to charitable organisations and foundations, approved for that purpose by the Member States, for use in their activities to assist persons whose right to public assistance is recognised in national law, in particular because they lack the necessary means of subsistence; or
- b free distribution to any of the following: penal institutions, schools, establishments referred to in Article 22, children's holiday camps, hospitals and old people's homes designated by the Member States, which shall take all necessary steps to ensure that the quantities thus distributed are additional to the quantities normally bought in by such establishments.

Article 35

National financial assistance

1 In regions of the Member States where the degree of organisation of producers in the fruit and vegetables sector is particularly low, the Commission may adopt implementing acts authorising Member States, at their duly substantiated request, to pay producer organisations

national financial assistance equal to a maximum of 80 % of the financial contributions referred to in point (a) of Article 32(1). This assistance shall be additional to the operational fund.

Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 229(2).

2 In regions of the Member States where producer organisations, associations of producer organisations and the producer groups referred to in Article 27 of Regulation (EU) No 1305/2013 market less than 15 % of the value of fruit and vegetable production of those regions, where fruit and vegetable production represents at least 15 % of the total agricultural output of those regions, the national financial assistance referred to in paragraph 1 of this Article may be reimbursed by the Union at the request of the Member State concerned.

The Commission shall adopt implementing acts concerning that reimbursement. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 229(2).

Article 36

National framework and national strategy for operational programmes

1 Member States shall establish a national framework containing general conditions relating to the environmental actions referred to in Article 33(5). That framework shall provide, in particular, that such actions are to meet the appropriate requirements of Regulation (EU) No 1305/2013, in particular those set out in Article 3 thereof.

Member States shall submit their proposed framework to the Commission which, by means of implementing acts adopted without applying the procedure referred to in Article 229(2) or (3), may within three months of the submission require modifications if it finds that the proposal would not contribute to the achievement of the objectives set out in Article 191 TFEU and in the seventh Union environment action programme. Investments on individual holdings supported by operational programmes shall also respect those objectives.

2 Each Member State shall establish a national strategy for sustainable operational programmes in the fruit and vegetable market. Such a strategy shall include:

- a an analysis of the situation in terms of strengths and weaknesses and the potential for development;
- b justification of the priorities chosen;
- c the objectives of operational programmes and instruments, and performance indicators;
- d assessment of operational programmes;
- e reporting obligations for producer organisations.

The national strategy shall also integrate the national framework referred to in paragraph 1.

3 Paragraphs 1 and 2 shall not apply to Member States which have no recognised producer organisations.

Article 37

Delegated powers

In order to ensure an efficient, targeted and sustainable support of producer organisations and their associations in the fruit and vegetables sector, the Commission shall be empowered to adopt delegated acts in accordance with Article 227 establishing rules on:

- (a) operational funds and operational programmes, concerning:
 - (i) the estimated amounts, the decisions by producer organisations and their associations on the financial contributions and the use of operational funds;
 - (ii) the measures, actions, expenditure and administrative and personnel costs to be included or excluded under operational programmes, the modification thereof and the additional requirements to be determined by Member States;
 - (iii) the avoidance of double funding between operational programmes and rural development programmes;
 - (iv) operational programmes of associations of producer organisations;
 - (v) the specific rules applicable to cases in which associations of producer organisations manage, process, implement and present, wholly or in part, operational programmes;
 - (vi) the obligation to use common indicators for the purposes of monitoring and evaluation of operational programmes;
- (b) the national framework and national strategy for operational programmes concerning the obligation to monitor and evaluate the effectiveness of the national frameworks and the national strategies;
- (c) Union financial assistance, concerning:
 - (i) the basis for the calculation of Union financial assistance and of the value of the marketed production, referred to in Article 34(2);
 - (ii) applicable reference periods for the calculation of aid;
 - (iii) the provision of advance payments and the requirement to lodge a security where an advance payment of aid is made;
 - (iv) the specific rules applicable to the financing of operational programmes of associations of producer organisations, particularly those relating to the application of the limits provided for in Article 34(2);
- (d) crisis prevention and management measures, concerning:
 - (i) the possibility for Member States not to apply one or more crisis prevention and management measures;
 - (ii) conditions relating to points (a), (b) and (c) of the first subparagraph of Article 33(3);
 - (iii) permissible destinations to be decided by Member States for withdrawn products;

- (iv) the maximum level of support for market withdrawals;
 - (v) the requirement for prior notifications in case of market withdrawals;
 - (vi) the basis of the calculation of the volume of marketed production for free distribution referred to in Article 34(4) and the determination of a maximum volume of marketed production in case of withdrawals;
 - (vii) the requirement to display the Union emblem on packages of products for free distribution;
 - (viii) the conditions for the recipients of withdrawn products;
 - (ix) the use of terms for the purposes of this Section;
 - (x) the conditions, to be adopted by Member States, relating to green harvesting and non-harvesting;
 - (xi) harvest insurance;
 - (xii) mutual funds; and
 - (xiii) the conditions relating to, and the fixing of a ceiling for expenditure on, the replanting of orchards for health or phytosanitary reasons in accordance with point (e) of the first subparagraph of Article 33(3);
- (e) national financial assistance, concerning:
- (i) the degree of organisation of producers;
 - (ii) the requirement to lodge a security where an advance payment is made;
 - (iii) the maximum proportion of Union reimbursement of the national financial assistance.

Article 38

Implementing powers in accordance with the examination procedure

The Commission may adopt implementing acts laying down measures concerning:

- (a) the management of operational funds;
- (b) the information to be contained in operational programmes, national frameworks and national strategies referred to in Article 36, the submission of operational programmes to Member States, time limits, accompanying documents and approval by Member States;
- (c) the implementation of operational programmes by producer organisations and associations of producer organisations;
- (d) the submission, format and content of monitoring and evaluation reports of national strategies and operational programmes;
- (e) aid applications and payments of aid, including advance and partial payments of aid;
- (f) the practical arrangements for the display of the Union emblem on packages of products for free distribution;

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- (g) the respect for marketing standards in case of withdrawals;
- (h) transport, sorting and packaging costs in case of free distribution;
- (i) promotion, communication and training measures in case of crisis prevention and management;
- (j) the implementation of withdrawal operations, green harvesting, non-harvesting and harvest insurance measures;
- (k) the application, authorisation, payment and reimbursement of the national financial assistance;
- (l) the procedures for, and the amount of, the security to be lodged where an advance payment is made.

Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 229(2).

Section 4

Support programmes in the wine sector

Subsection 1

General provisions and eligible measures

Article 39

Scope

This Section lays down the rules governing the attribution of Union funds to Member States and the use of those funds by Member States through five-year national support programmes ("support programmes") to finance specific support measures to assist the wine sector.

Article 40

Compatibility and consistency

1 Support programmes shall be compatible with Union law and shall be consistent with the activities, policies and priorities of the Union.

2 Member States shall be responsible for support programmes and shall ensure that they are internally consistent and that they are drawn up and implemented in an objective manner, taking into account the economic situation of the producers concerned and the need to avoid unjustified unequal treatment of producers.

3 No support shall be granted for:

- a research projects and measures to support research projects other than those referred to in points (d) and (e) of Article 45(2);

- b measures contained in Member States' rural development programmes under Regulation (EU) No 1305/2013.

Article 41

Submission of support programmes

1 Each producer Member State listed in Annex VI shall submit to the Commission a draft five-year support programme containing at least one of the eligible measures set out in Article 38.

2 The support measures in the draft support programmes shall be drawn up at the geographical level which the Member State considers most appropriate. The Member State shall consult the competent authorities and organisations at the appropriate territorial level on the draft support programme before submitting it to the Commission.

3 Each Member State shall submit a single draft support programme, which may take into account regional particularities.

4 Support programmes shall become applicable three months after the submission of the draft support programme to the Commission.

However, the Commission may adopt implementing acts establishing that the submitted draft support programme does not comply with the rules laid down in this Section, and shall inform the Member State thereof. In such a case, the Member State shall submit a revised draft support programme to the Commission. The revised support programme shall become applicable two months after the submission of the draft revised support programme unless an incompatibility persists, in which case this subparagraph shall apply.

Those implementing acts shall be adopted without applying the procedure referred to in Article 229(2) or (3).

5 Paragraph 4 shall apply *mutatis mutandis* to changes in respect of applicable support programmes submitted by Member States.

Article 42

Content of support programmes

Support programmes shall include at least the following elements:

- (a) a detailed description of the measures proposed, as well as their quantified objectives;
- (b) the results of consultations held;
- (c) an appraisal showing the expected technical, economic, environmental and social impact;
- (d) a schedule for implementing the measures;
- (e) a general financing table showing the resources to be deployed and the envisaged indicative allocation of the resources between the measures in accordance with the budgetary limits provided for in Annex VI;

- (f) the criteria and quantitative indicators to be used for monitoring and evaluation as well as the steps taken to ensure that the support programmes are implemented appropriately and effectively; and
- (g) the designation of competent authorities and bodies responsible for implementing the support programme.

Article 43

Eligible measures

Support programmes may contain only one or more of the following measures:

- (a) promotion, in accordance with Article 45;
- (b) restructuring and conversion of vineyards, in accordance with Article 46;
- (c) green harvesting, in accordance with Article 47;
- (d) mutual funds, in accordance with Article 48;
- (e) harvest insurance, in accordance with Article 49;
- (f) investments, in accordance with Article 50;
- (g) innovation in the wine sector, in accordance with Article 51;
- (h) by-product distillation, in accordance with Article 52.

Article 44

General rules concerning support programmes

- 1 The available Union funds shall be allocated within the budgetary limits provided for in Annex VI.
- 2 Union support shall only be granted for eligible expenditure incurred after the submission of the relevant draft support programme.
- 3 Member States shall not contribute to the costs of measures financed by the Union under the support programmes.

Subsection 2

Specific support measures

Article 45

Promotion

- 1 Support under this Article shall cover information or promotion measures concerning Union wines:

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- a in Member States, with a view to informing consumers about the responsible consumption of wine and about the Union systems covering designations of origin and geographical indications; or
 - b in third countries, with a view to improving their competitiveness.
- 2 The measures referred to in point (b) of paragraph 1 shall apply to wines with a protected designation of origin or a protected geographical indication or wines with an indication of the wine grape variety and shall consist only of one or more of the following:
- a public relations, promotion or advertisement measures, in particular highlighting the high standards of the Union products, especially in terms of quality, food safety or the environment;
 - b participation at events, fairs or exhibitions of international importance;
 - c information campaigns, in particular on the Union systems covering designations of origin, geographical indications and organic production;
 - d studies of new markets, necessary for the expansion of market outlets;
 - e studies to evaluate the results of the information and promotion measures.
- 3 The Union contribution to information or promotion measures referred to in paragraph 1 shall not exceed 50 % of the eligible expenditure.

Article 46

Restructuring and conversion of vineyards

- 1 The objective of measures relating to the restructuring and conversion of vineyards shall be to increase the competitiveness of wine producers.
- 2 The restructuring and conversion of vineyards shall be supported if Member States submit the inventory of their production potential in accordance with Article 145(3).
- 3 Support for the restructuring and conversion of vineyards, which could also contribute to improving sustainable production systems and the environmental footprint of the wine sector, may only cover one or more of the following activities:
- a varietal conversion, including by means of grafting-on;
 - b relocation of vineyards;
 - c replanting of vineyards where that is necessary following mandatory grubbing up for health or phytosanitary reasons on the instruction of the Member State competent authority;
 - d improvements to vineyard management techniques, in particular the introduction of advanced systems of sustainable production.

The normal renewal of vineyards, which means the replanting of the same parcel of land with the same wine grape variety according to the same system of vine cultivation, when vines have come to the end of their natural life, shall not be supported.

Member States may lay down further specifications, especially as regards the age of the vineyards replaced.

- 4 Support for the restructuring and conversion of vineyards, including improving vineyard management techniques, may only take the following forms:
- a compensation to producers for the loss of revenue due to the implementation of the measure;
 - b contribution to the costs of restructuring and conversion.

5 Compensation to producers for the loss of revenue referred to in point (a) of paragraph 4 may cover up to 100 % of the relevant loss and take one of the following forms:

- a notwithstanding Subsection II of Section IVa of Chapter III of Title I of Part II of Regulation (EC) No 1234/2007 setting out the transitional planting right regime, the permission for old and new vines to coexist until the end of the transitional regime for a maximum period which shall not exceed three years;
- b financial compensation.

6 The Union contribution to the actual costs of the restructuring and conversion of vineyards shall not exceed 50 %. In less developed regions, the Union contribution to the costs of restructuring and conversion shall not exceed 75 %.

Article 47

Green harvesting

1 For the purposes of this Article, "green harvesting" means the total destruction or removal of grape bunches while still in their immature stage, thereby reducing the yield of the relevant area to zero.

Leaving commercial grapes on the plants at the end of the normal production cycle (non-harvesting) shall not be considered to be green harvesting.

2 Support for green harvesting shall contribute to restoring the balance of supply and demand in the Union wine market in order to prevent market crises.

3 Support for green harvesting may be granted as compensation in the form of a flat rate payment per hectare to be determined by the Member State concerned. The payment shall not exceed 50 % of the sum of the direct costs of the destruction or removal of grape bunches and the loss of revenue related to such destruction or removal.

4 The Member State concerned shall establish a system based on objective criteria to ensure that the green harvesting measure does not lead to compensation of individual wine producers in excess of the ceiling fixed in paragraph 3.

Article 48

Mutual funds

1 Support for the setting up of mutual funds shall provide assistance to producers seeking to insure themselves against market fluctuations.

2 Support for the setting up of mutual funds may be granted in the form of temporary and degressive aid to cover the administrative costs of the funds.

Article 49

Harvest insurance

1 Support for harvest insurance shall contribute to safeguarding producers' incomes where there are losses as a consequence of natural disasters, adverse climatic events, diseases or pest infestations.

Insurance contracts shall require that beneficiaries undertake necessary risk prevention measures.

2 Support for harvest insurance may be granted in the form of a Union financial contribution which shall not exceed:

- a 80 % of the cost of the insurance premiums paid for by producers for insurance against losses resulting from adverse climatic events which can be assimilated to natural disasters;
- b 50 % of the cost of the insurance premiums paid for by producers for insurance:
 - (i) against losses referred to in point (a) and against other losses caused by adverse climatic events;
 - (ii) against losses caused by animals, plant diseases or pest infestations.

3 Support for harvest insurance may be granted if the insurance payments concerned do not compensate producers for more than 100 % of the income loss suffered, taking into account any compensation the producers may have obtained from other support schemes related to the insured risk.

4 Support for harvest insurance shall not distort competition in the insurance market.

Article 50

Investments

1 Support may be granted for tangible or intangible investments in processing facilities and winery infrastructure, as well as marketing structures and tools. Those investments shall be intended to improve the overall performance of the enterprise and its adaptation to market demands, as well as to increase its competitiveness, and shall concern the production or marketing of grapevine products referred to in Part II of Annex VII, including with a view to improving energy savings, global energy efficiency and sustainable processes.

2 Support under paragraph 1 at its maximum rate:

- a shall apply only to micro, small and medium-sized enterprises within the meaning of Commission Recommendation 2003/361/EC⁽²⁾;
- b may, in addition, apply to all enterprises for the outermost regions referred to in Article 349 TFEU and the smaller Aegean islands as defined in Article 1(2) of Regulation (EU) No 229/2013 of the European Parliament and of the Council⁽³⁾.

For enterprises not covered by Article 2(1) of Title I of the Annex to Recommendation 2003/361/EC with fewer than 750 employees, or with a turnover of less than EUR 200 million, the maximum aid intensity shall be halved.

Support shall not be granted to enterprises in difficulty within the meaning of the Community guidelines on State aid for rescuing and restructuring firms in difficulty⁽⁴⁾.

3 The eligible expenditure shall exclude the non-eligible costs referred to in Article 69(3) of Regulation (EU) No 1303/2013.

4 The following maximum aid rates concerning the eligible investment costs shall apply to the Union contribution:

- a 50 % in less developed regions;
- b 40 % in regions other than less developed regions;

- c 75 % in the outermost regions referred to in Article 349 TFEU;
- d 65 % in the smaller Aegean islands as defined in Article 1(2) of Regulation (EU) No 229/2013.

5 Article 71 of Regulation (EU) No 1303/2013 shall apply *mutatis mutandis* to support referred to in paragraph 1 of this Article.

Article 51

Innovation in the wine sector

Support may be granted for tangible or intangible investments aimed at the development of new products, processes and technologies concerning the products referred to in Part II of Annex VII. The support shall be intended to increase the marketability and competitiveness of Union grapevine products and may include an element of knowledge transfer. The maximum aid rates concerning the Union contribution to the support provided under this Article shall be the same as those set out in Article 50(4).

Article 52

By-product distillation

1 Support may be granted for the voluntary or obligatory distillation of by-products of wine making which has been carried out in accordance with the conditions laid down in Section D of Part II of Annex VIII.

The amount of aid shall be fixed per % volume and per hectolitre of alcohol produced. No aid shall be paid for the volume of alcohol contained in the by-products to be distilled which exceeds 10 % in relation to the volume of alcohol contained in the wine produced.

2 The aid shall be paid to distillers that process by-products of winemaking delivered for distillation into raw alcohol with an alcoholic strength of at least 92 % by volume.

Member States may make the granting of support conditional upon the lodging of a security by the beneficiary.

3 The maximum applicable aid levels shall be based on collection and processing costs and shall be fixed by the Commission by means of implementing acts pursuant to Article 54.

4 The relevant aid shall include a lump-sum amount to compensate for the costs of collection of the by-products of winemaking. That amount shall be transferred from the distiller to the producer, where the relevant costs are borne by the latter.

5 The alcohol resulting from the supported distillation referred to in paragraph 1 shall be used exclusively for industrial or energy purposes to avoid distortion of competition.

Subsection 3

Procedural provisions

Article 53

Delegated powers

In order to ensure that Member States' wine support programmes meet their objectives and that there is an efficient and effective use of Union funds, the Commission shall be empowered to adopt delegated acts in accordance with Article 227 establishing:

- (a) rules on the responsibility for expenditure between the date of receipt by the Commission of the support programmes and modifications to support programmes, and their date of applicability;
- (b) rules on the content of support programmes and the expenditure, administrative and personnel costs and operations that may be included in Member States' support programmes and the conditions for, and the possibility to make, payments through intermediaries in the case of support for harvest insurance provided for in Article 49;
- (c) rules on the requirement to lodge a security where an advance payment is made;
- (d) rules on the use of terms for the purposes of this Section;
- (e) rules on the fixing of a ceiling for expenditure on the replanting of vineyards for health or phytosanitary reasons in accordance with point (c) of the first subparagraph of Article 46(3);
- (f) rules on the avoidance of double funding between:
 - (i) the different operations of a Member State's wine support programme, and
 - (ii) a Member State's wine support programme and its rural development or promotional programmes;
- (g) rules under which producers are to withdraw the by-products of winemaking, and on exceptions to that obligation in order to avoid additional administrative burden, and rules for the voluntary certification of distillers;
- (h) rules allowing Member States to establish conditions for the proper functioning of support measures in their programmes.

Article 54

Implementing powers in accordance with the examination procedure

The Commission may adopt implementing acts laying down measures concerning:

- (a) the submission of the support programmes, the corresponding financial planning and revision of support programmes;
- (b) application, selection and payment procedures;
- (c) the submission, format and content of the reports and evaluations of Member States' support programmes;

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- (d) the fixing, by Member States, of the rates of aid for green harvesting and by-product distillation;
- (e) financial management and provisions concerning the application of the support measures by the Member States;
- (f) the procedures for, and the amount of, the security to be lodged where an advance payment is made.

Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 229(2).

Section 5

Aid in the apiculture sector

Article 55

National programmes and financing

- 1 With a view to improving general conditions for the production and marketing of apiculture products, Member States may draw up national programmes for the apiculture sector covering a period of three years ("apiculture programmes"). These programmes shall be developed in cooperation with representative organisations in the beekeeping field.
- 2 The Union contribution to the apiculture programmes shall be equivalent to 50 % of the expenditure borne by Member States for those programmes, as approved in accordance with point (c) of the first paragraph of Article 57.
- 3 To be eligible for the Union contribution provided for in paragraph 2, Member States shall carry out a study of the production and marketing structure in the beekeeping sector in their territory.
- 4 The following measures may be included in apiculture programmes:
 - a technical assistance to beekeepers and beekeepers' organisations;
 - b combating beehive invaders and diseases, particularly varroasis;
 - c rationalisation of transhumance;
 - d measures to support laboratories for the analysis of apiculture products with the aim of helping beekeepers to market and increase the value of their products;
 - e measures to support the restocking of hives in the Union;
 - f cooperation with specialised bodies for the implementation of applied research programmes in the field of beekeeping and apiculture products;
 - g market monitoring;
 - h enhancement of product quality with a view to exploiting the potential of products on the market.

Article 56

Delegated powers

1 In order to ensure the effective and efficient use of Union funds for apiculture, the Commission shall be empowered to adopt delegated acts in accordance with Article 227 on:

- a the avoidance of double funding between Member States' apiculture programmes and rural development programmes;
- b the basis for allocating the Union's financial contribution to each participating Member State, based, inter alia, on the total number of bee hives in the Union.

2 In order to ensure that the Union aid scheme is adapted to the latest developments and that the measures covered are effective in improving the general conditions for the production and marketing of apiculture products, the Commission shall be empowered to adopt delegated acts in accordance with Article 227 to update the list of measures referred to in Article 55(4) that may be included in Member States' apiculture programmes, by adding other measures or adapting those measures without deleting any of them. That update of the list of measures shall not affect national programmes adopted prior to the entry into force of the delegated act.

Article 57

Implementing powers in accordance with the examination procedure

The Commission may adopt implementing acts laying down the measures necessary for the application of this Section concerning:

- (a) the content of national programmes and of the studies carried out by Member States on the production and marketing structure of their beekeeping sectors;
- (b) the procedure for the reallocation of unused funds;
- (c) the approval of apiculture programmes submitted by Member States, including the allocation of the Union's financial contribution to each participating Member State and the maximum level of funding by Member States.

Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 229(2).

Section 6

Aid in the hops sector

Article 58

Aid to producer organisations

1 The Union shall grant an aid to producer organisations in the hops sector recognised in accordance with Article 152 to finance the pursuit of the aims referred to in points (c)(i), (ii) or (iii) of Article 152(1).

2 The Union financing for the aid to producer organisations provided for in paragraph 1 shall be EUR 2 277 000 per year for Germany.

Article 59

Delegated powers

In order to ensure that the aid referred to in Article 58 finances the pursuit of the aims referred to in Article 152, the Commission shall be empowered to adopt delegated acts in accordance with Article 227 concerning:

- (a) aid applications, including rules on deadlines and accompanying documents;
- (b) rules on eligible hop areas and the calculation of the amounts to be paid to each producer organisation.

Article 60

Implementing powers in accordance with the examination procedure

The Commission may adopt implementing acts laying down the measures necessary for the application of this Section concerning the payment of aid.

Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 229(2).

CHAPTER III

Scheme of authorisations for vine plantings

Article 61

Duration

The scheme of authorisations for vine plantings established in this Chapter shall apply from 1 January 2016 to 31 December 2030, with a mid-term review to be undertaken by the Commission to evaluate the operation of the scheme and, if appropriate, make proposals.

Section 1

Management of the scheme of authorisations for vine plantings

Article 62

Authorisations

1 Vines of wine grape varieties classified in accordance with Article 81(2) may only be planted or replanted if an authorisation is granted in accordance with Articles 64, 66 and 68 under the conditions laid down in this Chapter.

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2 Member States shall grant the authorisation referred to in paragraph 1, corresponding to a specific area expressed in hectares, upon submission of an application by producers which complies with objective and non-discriminatory eligibility criteria. Such authorisation shall be granted without a fee being charged to the producers.

3 The authorisations referred to in paragraph 1 shall be valid for three years from the date on which they were granted. A producer who has not used an authorisation granted during its period of validity shall be subject to administrative penalties as provided for in Article 89(4) of Regulation (EU) No 1306/2013.

4 This Chapter shall not apply to the planting or replanting of areas intended for experimental purposes or for graft nurseries, to areas whose wine or vine products are intended solely for the consumption by the wine-grower's household or to areas to be newly planted as a result of compulsory purchases in the public interest under national law.

Article 63

Safeguard mechanism for new plantings

1 Member States shall make available each year authorisations for new plantings corresponding to 1 % of the total area actually planted with vines in their territory, as measured on 31 July of the previous year.

2 Member States may:

- a apply at national level a lower percentage than the percentage set out in paragraph 1;
- b limit the issuing of authorisations at regional level, for specific areas eligible for the production of wines with a protected designation of origin, for areas eligible for the production of wines with a protected geographical indication, or for areas without a geographical indication.

3 Any of the limitations referred to in paragraph 2 shall contribute to an orderly growth of vine plantings, shall be set above 0 %, and shall be justified on one or more of the following specific grounds:

- a the need to avoid a well-demonstrated risk of oversupply of wine products in relation to market prospects for those products, not exceeding what is necessary to satisfy this need;
- b the need to avoid a well-demonstrated risk of significant devaluation of a particular protected designation of origin or a protected geographical indication.

4 Member States shall make public any decisions adopted pursuant to paragraph 2, which shall be duly justified. Member States shall notify the Commission forthwith of those decisions and justifications.

Article 64

Granting of authorisations for new plantings

1 If the total area covered by the eligible applications in a given year does not exceed the area made available by the Member State, all such applications shall be accepted.

Member States may, for the purpose of this Article, apply one or more of the following objective and non-discriminatory eligibility criteria:

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- a the applicant shall have an agricultural area which is not smaller than the area for which he requests the authorisation;
- b the applicant shall possess adequate occupational skills and competence;
- c the application shall not pose a significant risk of misappropriation of the reputation of specific protected designations of origin, which shall be presumed unless the existence of such risk is demonstrated by the public authorities;
- d where duly justified, one or more of the criteria referred to in paragraph 2, provided that they are applied in an objective and non-discriminatory manner.

2 If the total area covered by the eligible applications referred to in paragraph 1 in a given year exceeds the area made available by the Member State, authorisations shall be granted according to a pro-rata distribution of hectares to all applicants on the basis of the area for which they have requested the authorisation. Such granting may also be partially or completely made according to one or more of the following objective and non-discriminatory priority criteria:

- a producers who are setting up vine plantings for the first time, and who are established as the head of the holding (new entrants);
- b areas where vineyards contribute to the preservation of the environment;
- c areas to be newly planted in the framework of land consolidation projects;
- d areas facing natural or other specific constraints;
- e the sustainability of projects of development or replantations on the basis of an economic evaluation;
- f areas to be newly planted which contribute to increasing the competitiveness at farm holding and regional level;
- g projects with the potential to improve the quality of products with geographical indications;
- h areas to be newly planted in the framework of increasing the size of small and medium-sized holdings.

3 Member States shall make public the criteria referred to in paragraphs 1 and 2 that they apply and shall notify them forthwith to the Commission.

Article 65

Role of professional organisations

When applying Article 63(2), a Member State may take into account recommendations presented by recognised professional organisations operating in the wine sector referred to in Articles 152, 156 and 157, of interested groups of producers referred to in Article 95, or of other types of professional organisation recognised on the basis of that Member State's legislation, provided that those recommendations are preceded by an agreement entered into by the relevant representative parties in the reference geographical area.

The recommendations shall be made for no more than three years.

Article 66

Replantings

1 Member States shall automatically grant an authorisation to producers who have grubbed up an area planted with vines as from 1 January 2016 and submitted an application.

Such authorisation shall correspond to the equivalent of that area in terms of pure crop. The areas covered by such authorisations shall not be counted for the purposes of Article 63.

2 Member States may grant the authorisation referred to in paragraph 1 to producers undertaking to grub up an area planted with vines if the grubbing up of the pledged area is carried out at the latest by the end of the fourth year from the date on which new vines have been planted.

3 The authorisation referred to in paragraph 1 shall be used on the same holding on which the grubbing up was undertaken. Member States may, in areas eligible for the production of wines with protected designations of origin or protected geographical indications, restrict the replanting, on the basis of a recommendation from a professional organisation in accordance with Article 65, to vines complying with the same protected designation of origin or geographical indication specification as the area grubbed up.

4 This Article shall not apply in the case of grubbing up of non-authorised plantings.

Article 67

De minimis

1 The scheme of authorisations for vine plantings established in this Chapter shall not apply in Member States where the transitional planting right regime established in Subsection II of Section IVa of Chapter III of Title I of Part II of Regulation (EC) No 1234/2007 did not apply on 31 December 2007.

2 Member States to which the regime referred to in paragraph 1 applied on 31 December 2007, and in respect of which the areas currently planted with vines do not exceed 10 000 hectares, may decide not to implement the scheme of authorisations for vine plantings established in this Chapter.

Article 68

Transitional provisions

1 Planting rights granted to producers in accordance with Article 85h, Article 85i or Article 85k of Regulation (EC) No 1234/2007 before 31 December 2015 which have not been used by those producers and are still valid by that date may be converted into authorisations under this Chapter as from 1 January 2016.

Such conversion shall take place upon a request to be submitted by those producers before 31 December 2015. Member States may decide to allow producers to submit such a request to convert rights into authorisations until 31 December 2020.

2 Authorisations granted pursuant to paragraph 1 shall have the same period of validity as the planting rights referred to in paragraph 1. If these authorisations are not used, they shall expire at the latest by 31 December 2018, or, where a Member State has taken the decision referred to in the second subparagraph of paragraph 1, at the latest by 31 December 2023.

3 The areas covered by the authorisations granted pursuant to paragraph 1 shall be not be counted for the purposes of Article 63.

Article 69

Delegated powers

The Commission shall be empowered to adopt delegated acts in accordance with Article 227 concerning:

- (a) the conditions for the application of the exemption referred to in Article 62(4);
- (b) the rules relating to the criteria referred to in Article 64(1) and (2);
- (c) the addition of criteria to those listed in Article 64(1) and (2);
- (d) the co-existence of vines that the producer has undertaken to grub up with newly planted vines pursuant to Article 66(2);
- (e) the grounds for Member State decisions under Article 66(3).

Article 70

Implementing powers in accordance with the examination procedure

The Commission may adopt implementing acts laying down the necessary measures in relation to:

- (a) the procedures for granting the authorisations;
- (b) the records to be kept by the Member States and notifications to be sent to the Commission.

Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 229(2).

Section 2

Control of the scheme of authorisations for vine plantings

Article 71

Non-authorised plantings

1 Producers shall grub up at their own cost areas planted with vines without an authorisation.

2 If producers do not grub up within four months from the date on which they are notified of the irregularity, Member States shall ensure the grubbing up of such non-authorised plantings within two years following the expiry of the four-month period. The relevant cost shall be charged to the producers concerned.

3 Member States shall communicate to the Commission by 1 March each year the total size of the areas ascertained as planted with vines without an authorisation after 1 January 2016, as well as the areas grubbed up in accordance with paragraphs 1 and 2.

4 A producer who has not complied with the obligation laid down in paragraph 1 of this Article shall be subject to penalties to be laid down in accordance with Article 64 of Regulation (EU) No 1306/2013.

5 Areas planted with vines without an authorisation shall not benefit from any national or Union support measures.

Article 72

Implementing powers in accordance with the examination procedure

The Commission may adopt implementing acts laying down necessary measures setting out the details of the communication requirements that Member States are to comply with, including possible reductions of the budgetary limits provided for in Annex VI in the case of non-compliance.

Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 229(2).

Status: This is the original version (as it was originally adopted).

- (1) Council Regulation (EC) No 834/2007 of 28 June 2007 on organic production and labelling of organic products and repealing Regulation (EEC) No 2092/91 ([OJ L 189, 20.7.2007, p. 1](#)).
- (2) Commission Recommendation 2003/361/EC of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises ([OJ L 124, 20.5.2003, p. 36](#)).
- (3) Regulation (EU) No 229/2013 of the European Parliament and of the Council of 13 March 2013 laying down specific measures for agriculture in favour of the smaller Aegean islands and repealing Council Regulation (EC) No 1405/2006 ([OJ L 78, 20.3.2013, p. 41](#)).
- (4) [OJ C 244, 1.10.2004, p. 2](#).