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(Acts whose publication is obligatory)

**COUNCIL REGULATION (EC) No 583/2004
of 22 March 2004**

amending Regulations (EC) No 1782/2003 establishing common rules for direct support schemes under the common agricultural policy and establishing certain support schemes for farmers, (EC) No 1786/2003 on the common organisation of the market in dried fodder and (EC) No 1257/1999 on support for rural development from the European Agricultural Guidance and Guarantee Fund (EAGGF) by reason of the accession of the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovenia and Slovakia to the European Union

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community,

Having regard to the Treaty concerning the accession of the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovenia and Slovakia to the European Union⁽¹⁾, signed in Athens on 16 April 2003, and in particular Article 2(3) thereof,

Having regard to the Act concerning the conditions of accession of the Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Hungary, the Republic of Malta, the Republic of Poland, the Republic of Slovenia and the Slovak Republic and the adjustments to the Treaties on which the European Union is founded (hereinafter 'the Act of Accession')⁽²⁾, and in particular Article 57(2) thereof,

Having regard to the proposal from the Commission,

Whereas:

- (1) Council Regulation (EC) No 1782/2003 of 29 September 2003⁽³⁾ introduced common rules for direct support schemes under the common agricultural policy and established certain support schemes for farmers.
- (2) The said common rules and support schemes should be amended to allow their implementation in the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovenia and Slovakia (hereinafter 'the new Member States').
- (3) With a view to the introduction of modulation in the new Member States, the Commission should establish national ceilings for the additional amount of aid for the new Member States.

- (4) The farmers in the new Member States will receive direct payments, following a phasing-in mechanism. In order to achieve the proper balance between policy tools designed to promote sustainable agriculture and those designed to promote rural development, the system of modulation should not be applied in the new Member States until the level of direct payments applicable in the new Member States is at least equal to the level applicable in the Community as constituted on 30 April 2004.

- (5) Taking into account the levels of direct payments for farmers in the new Member States as a result of phasing-in, it should be foreseen that in the framework of the application of the schedule of increments provided for in Article 143a to all direct payments granted in the new Member States, the instrument of financial discipline should not apply in the new Member States until the level of direct payments applicable in the new Member States is at least equal to the level applicable in the Community as constituted on 30 April 2004.

- (6) Direct payments under the single payment scheme are based on reference amounts of direct payments that were received in the past or on regionalised per hectare payments. Farmers in the new Member States did not receive Community direct payments and have no historical references for the calendar years 2000, 2001 and 2002. Therefore, the single payment scheme in the new Member States should be based on regionalised per hectare payments, subdivided between regions according to objective criteria and divided by the farmers whose holdings are located in the region concerned and that meet the eligibility criteria.

- (7) The amount of direct payments, described in national ceilings, under the single payment scheme for the new Member States should be based on the quota, ceilings and quantities that were agreed in the accession negotiations multiplied by the relevant aid amounts per hectare, head or tonne.

⁽¹⁾ OJ L 236, 23.9.2003, p. 17.

⁽²⁾ OJ L 236, 23.9.2003, p. 33.

⁽³⁾ OJ L 270, 21.10.2003, p. 1.

(8) As of 1 April 2005 the market measure benefiting the production of dried fodder, as provided for in Council Regulation (EC) No 1786/2003 of 29 September 2003 on the common organisation of the market in dried fodder⁽¹⁾, is amended. From that date the market support is partially turned into a direct payment which will benefit farmers. In order to avoid a decrease in overall support in 2005 for the new Member States, it is appropriate to derogate from the general principle of phasing-in of direct payments. Therefore, the dried-fodder-related component in the single payment scheme national ceiling should be calculated at the 100 % aid level instead of at the phasing-in aid level.

(9) Under the regionalised option for the single payment scheme the new Member States should have the possibility of adjusting the premium per hectare on the basis of objective criteria in order to ensure equal treatment between farmers and to avoid market distortions.

(10) The new Member States should have the possibility of partially implementing and/or to exclude certain sectors from the single payment scheme.

(11) The sectoral ceilings for partial implementation and/or the exclusion of certain sectors of the single payment scheme should be based on the quota, ceilings and quantities that were agreed in the accession negotiations.

(12) The transition from the single area payment scheme to the single payment scheme and other aid schemes may give rise to difficulties of adaptation which are not dealt with in this Regulation. In order to deal with this eventuality, a general provision should be included in Regulation (EC) No 1782/2003 enabling the Commission to adopt the transitional measures necessary for a certain period.

(13) In view of the short programming period, the Act of Accession introduced the possibility of integrating a 'LEADER + (Community initiative for rural development) type measure' in the mainstream programmes, instead of having separate LEADER + programming. Therefore the measure 'management of integrated rural development strategies by local partnerships' introduced in Council Regulation (EC) No 1257/1999 of 17 May 1999 on support for rural development from the European Agricultural Guidance and Guarantee Fund (EAGGF)⁽²⁾ is not needed for the new Member States, as it is covered by the LEADER + type measure.

(14) Regulations (EC) No 1782/2003, (EC) No 1786/2003 and (EC) No 1257/1999 should therefore be amended accordingly,

HAS ADOPTED THIS REGULATION:

Article 1

Council Regulation (EC) No 1782/2003 is amended as follows:

1. In Article 5(2) the following sentence is added at the end of the first subparagraph:

'The new Member States shall ensure that land which was under permanent pasture on 1 May 2004 is maintained under permanent pasture.'

2. In Article 12 the following paragraph is added:

'5. For the new Member States, the ceilings referred to in paragraph 2 shall be fixed by the Commission in accordance with the procedure referred to in Article 144(2).'

3. After Article 12 the following Article is added:

'Article 12a

Application to new Member States

1. Articles 10 and 12 shall not apply to the new Member States until the beginning of the calendar year, in respect of which the level of direct payments applicable in the new Member States is at least equal to the then applicable level of such payments in the Community as constituted on 30 April 2004.

2. In the framework of the application of the schedule of increments provided for in Article 143a to all direct payments granted in the new Member States, Article 11 shall not apply to the new Member States until the beginning of the calendar year, in respect of which the level of direct payments applicable in the new Member States is at least equal to the then applicable level of such payments in the Community as constituted on 30 April 2004.'

4. In Article 54(2) the following sentence is added at the end of the first subparagraph:

'For the new Member States, the reference to the date provided for the area aid applications for 2003 shall be construed as a reference to 30 June 2003.'

⁽¹⁾ OJ L 270, 21.10.2003, p. 114.

⁽²⁾ OJ L 160, 26.6.1999, p. 80. Regulation as last amended by Regulation (EC) No 1783/2003 (OJ L 270, 21.10.2003, p. 70).

5. In Title III the following Chapter is added:

CHAPTER 6

IMPLEMENTATION IN THE NEW MEMBER STATES

Article 71a

1. Save as otherwise provided for in this Chapter, the provisions of this Title shall apply to the new Member States.

Articles 33, 34, 37, 38, 39, 40(1), (2), (3) and (5), 41, 42, 43, 47 to 50, 53 and 58 to 63 shall not apply.

2. Any new Member State applying the single area payment scheme shall take the decisions referred to in Articles 64(1) and 71(1) by 1 August of the year preceding that in respect of which it will apply the single payment scheme for the first time.

Article 71b

Application for support

1. Farmers shall apply for support under the single payment scheme by a date, to be fixed by the new Member States, but not later than 15 May.

2. Except in case of *force majeure* and exceptional circumstances within the meaning of Article 40(4), no entitlements shall be allocated to farmers if they do not apply for the single payment scheme by 15 May of the first year of application of the single payment scheme.

3. The amounts corresponding to entitlements not allocated shall revert to the national reserve referred to in Article 71d and shall be available for reallocation.

Article 71c

Ceiling

The national ceilings of the new Member States shall be those listed in Annex VIIIa.

Article 71d

National reserve

1. Each new Member State shall proceed to a linear percentage reduction of its national ceiling in order to constitute a national reserve. This reduction shall not be greater than 3 %, without prejudice to the application of Article 71b(3).

2. The new Member States shall use the national reserve for the purpose of allocating, according to objective criteria and in such a way as to ensure equal treatment between farmers and to avoid market and competition

distortions, payment entitlements to farmers finding themselves in a special situation, to be defined by the Commission in accordance with the procedure referred to in Article 144(2).

3. During the first year of application of the single payment scheme, the new Member States may use the national reserve for the purpose of allocating payment entitlements, according to objective criteria and in such a way as to ensure equal treatment between farmers and to avoid market and competition distortions, to farmers in specific sectors, finding themselves in a special situation as a result of the transition to the single payment scheme. Such payment entitlements shall be distributed according to rules to be defined by the Commission in accordance with the procedure referred to in Article 144(2).

4. In application of paragraphs 2 and 3, new Member States may increase the unit value of entitlements within the limit of EUR 5 000, and/or the number of entitlements allocated to farmers.

5. The new Member States shall proceed to linear reductions of the entitlements where their national reserve is not sufficient to cover the cases referred to in paragraphs 2 and 3.

6. Except in case of transfer by actual or anticipated inheritance and by way of derogation from Article 46, the entitlements established using the national reserve shall not be transferred for a period of five years starting from their allocation.

By way of derogation from Article 45(1), any entitlement which has not been used during each year of the five-year period shall revert immediately to the national reserve.

Article 71e

Regional allocation of the ceiling referred to in Article 71c

1. The new Member States shall apply the single payment scheme at regional level.

2. The new Member States shall define the regions according to objective criteria.

New Member States with less than three million eligible hectares may be considered as one single region.

3. Each new Member State shall subdivide its national ceiling referred to in Article 71c after any reduction according to Article 71d between the regions according to objective criteria.

*Article 71f***Regionalisation of the single payment scheme**

1. All farmers whose holdings are located in a given region shall receive entitlements, whose unit value is calculated by dividing the regional ceiling established pursuant to Article 71e by the number of eligible hectares within the meaning of Article 44(2), established at regional level.

2. The number of entitlements per farmer shall be equal to the number of hectares he/she declares in accordance with Article 44(2) for the first year of application of the single payment scheme, except in case of *force majeure* or exceptional circumstances within the meaning of Article 40(4).

3. The payment entitlements per hectare shall not be modified save as otherwise provided.

*Article 71g***Use of the land**

1. Farmers may, by way of derogation from Article 51 and in accordance with the provisions of this Article, also use the parcels declared according to Article 44(3) for the production of products referred to in Article 1(2) of Regulation (EC) No 2200/96 (*) and in Article 1(2) of Regulation (EC) No 2201/96 (**) and potatoes other than those intended for the manufacture of potato starch for which aid is granted pursuant Article 93 of this Regulation, except permanent crops.

2. The new Member States shall establish the number of hectares that may be used according to paragraph 1 by subdividing, according to objective criteria, the average of the number of hectares that were used for the production of the products referred to in paragraph 1 at national level during the three-year period 2000 to 2002 amongst the regions defined pursuant to Article 71e(2). The average number of hectares at national level and the number of hectares at regional level shall be fixed by the Commission in accordance with the procedure referred to in Article 144(2) on the basis of the data communicated by the new Member State.

3. Within the limit established according to paragraph 2 for the region concerned, a farmer shall be allowed to make use of the option referred to in paragraph 1:

(a) within the limit of the number of hectares that he/she used for the production of the products referred to in paragraph 1 in 2003;

(b) by way of derogation from Article 71a(1), second subparagraph, in case of application, *mutatis mutandis*, of Articles 40 and 42(4), within the limit of a number of hectares to be established according to objective criteria and in such a way as to ensure equal treatment between farmers and to avoid market and competition distortions.

4. Within the limit of the number of hectares that remain available after application of paragraph 3, farmers shall be allowed to produce the products referred to in paragraph 1 on a number of hectares other than the number of hectares falling under paragraph 3 within the limit of a number of hectares used for the production of the products referred to in paragraph 1 in 2004 and/or 2005, whereby priority shall be given to the farmers who produced the products already in 2004 within the limit of the number of hectares used in 2004.

In case of application of Article 71 or Article 143b, 2004 and 2005 shall be replaced by, respectively, the year previous to the year of application of the single payment scheme and the year of application itself.

5. In order to establish the individual limits referred to in paragraphs 3 and 4, new Member States shall use the farmer's individual data, where available, or any other evidence provided by the farmer to their satisfaction.

6. The number of hectares for which the authorisation has been established according to paragraphs 3 and 4 shall in no case exceed the number of eligible hectares as defined in Article 44(2) declared in the first year of application of the single payment scheme.

7. The authorisation shall be used, within the region concerned, with the corresponding payment entitlement.

8. The report referred to in Article 60 shall also concern implementation by the new Member States.

*Article 71h***Grassland**

The new Member States may also, according to objective criteria, fix, within the regional ceiling or part of it, different per unit values of entitlements to be allocated to farmers referred to in Article 71f(1), for hectares of grassland as identified on 30 June 2003 and for any other eligible hectare or alternatively for hectares of permanent pasture as identified on 30 June 2003 and for any other eligible hectare.

Article 71i

Dairy premium and additional payments

Starting from 2007, the amounts resulting from dairy premium and additional payments provided for in Articles 95 and 96 and to be granted in 2007 shall be included in the single payment scheme.

However, new Member States may decide that the amounts resulting from dairy premiums and additional payments, provided for in Articles 95 and 96, shall be included, in part or in full, in the single payment scheme starting from 2005. Entitlements established according to this paragraph shall be modified accordingly.

The amount used for the establishment of entitlements in respect of those payments shall be equal to the amounts to be granted according to Articles 95 and 96, calculated on the basis of the individual reference quantity for milk available on the holding on 31 March of the year of inclusion, in part or in full, of those payments in the single payment scheme.

By way of derogation from Article 71a(1), Articles 48, 49 and 50 shall apply *mutatis mutandis*.

Article 71j

Set-aside entitlements

1. Farmers shall receive part of their payment entitlements in the form of set-aside entitlements.

2. The number of set-aside entitlements shall be established by multiplying the farmer's eligible land within the meaning of Article 54(2) declared in the first year of application of the single payment scheme with the applicable set-aside rate.

The set-aside rate shall be calculated by multiplying the basic rate of compulsory set-aside of 10 % by the proportion, in the region concerned, between the regional base area or areas referred to in the third paragraph of Article 101 and the eligible land within the meaning of Article 54(2).

3. The value of the set-aside entitlements shall be the regional value for payment entitlements as established according to Article 71f(1).

4. Paragraphs 1 to 3 shall not apply to farmers who declare less than a number of hectares within the meaning of Article 54(2) which would be needed to produce a number of tonnes equal to 92 tonnes of cereals as defined in Annex IX on the basis of the reference yield referred to in Annex XIb applicable to the new Member State where the holding is located, divided by the proportion referred to in the second subparagraph of paragraph 2.

Article 71k

Conditions for the entitlements

1. By way of derogation from Article 46(1), entitlements established in accordance with this chapter may only be transferred within the same region or between regions where the entitlements per hectare are the same.

2. New Member States may also decide, by 1 August of the year preceding the first year of application of the single payment scheme at the latest, and acting in compliance with the general principle of Community law, that entitlements established in accordance with this chapter shall be subject to progressive modifications according to pre-established steps and objective criteria.

Article 71l

Optional implementation

1. Sections 2, 3 and 4 of Chapter 5 shall apply to the new Member States under the conditions laid down in this Article. However, Section 4 shall not apply to new Member States applying the single area payment scheme referred to in Article 143b.

2. Any reference in Sections 2 and 3 of Chapter 5 to Article 41, in particular with regard to the national ceiling(s), shall be construed as a reference to Article 71c.

3. The report referred to in Article 64(3) shall include the options laid down in this chapter.

(*) OJ L 297, 21.11.1996, p. 1.

(**) OJ L 297, 21.11.1996, p. 29.

6. Article 74(1) is replaced by the following:

'1. The aid shall be granted for national base areas in the traditional production zones listed in Annex X.

The base area shall be as follows:

Greece	617 000 ha
Spain	594 000 ha
France	208 000 ha
Italy	1 646 000 ha
Cyprus	6 183 ha
Hungary	2 500 ha
Austria	7 000 ha
Portugal	118 000 ha'

7. Article 78(1) is replaced by the following:

'1. A maximum guaranteed area of 1 600 000 ha for which the aid may be granted is hereby established.'

8. Article 80(2) is replaced by the following:

'2. The aid shall be as follows, according to the yields in the Member States concerned:

	Marketing year 2004/05 and in case of application of Article 71 (EUR/ha)	Marketing year 2005/06 and onward (EUR/ha)
Greece	1 323,96	561,00
Spain	1 123,95	476,25
France		
— metropolitan territory	971,73	411,75
— French Guiana	1 329,27	563,25
Italy	1 069,08	453,00
Hungary	548,70	232,50
Portugal	1 070,85	453,75'

9. Article 81 is replaced by the following:

'Article 81

Areas

A national base area for each producing Member State is hereby established. However, for France two base areas are established. The base areas shall be as follows:

Greece	20 333 ha
Spain	104 973 ha
France:	
— metropolitan territory	19 050 ha
— French Guiana	4 190 ha
Italy	219 588 ha
Hungary	3 222 ha
Portugal	24 667 ha

A Member State may subdivide its base area or areas into sub-base areas in accordance with objective criteria.'

10. Article 84 is replaced by the following:

'Article 84

Areas

1. A Member State shall grant the Community aid within the limit of a ceiling calculated by multiplying the number of hectares of its NGA as fixed in paragraph 3 by the average amount of EUR 120,75.

2. A maximum guaranteed area of 812 400 ha is hereby established.

3. The maximum guaranteed area referred to in paragraph 2 shall be divided into the following NGAs:

National guaranteed areas (NGA)

Belgium	100 ha
Germany	1 500 ha
Greece	41 100 ha
Spain	568 200 ha
France	17 300 ha
Italy	130 100 ha
Cyprus	5 100 ha
Luxembourg	100 ha
Hungary	2 900 ha
Netherlands	100 ha
Austria	100 ha
Poland	1 000 ha
Portugal	41 300 ha
Slovenia	300 ha
Slovakia	3 100 ha
United Kingdom	100 ha

4. A Member State may subdivide its NGA into subareas in accordance with objective criteria, in particular at regional level or in relation to the production.'

11. Article 90 is replaced by the following:

'Article 90

Conditions for eligibility

The aid shall be granted only in respect of areas whose production is covered by a contract between the farmer and the processing industry, except in case of processing undertaken by the farmer himself/herself on the holding.

Areas which have been subject to an application for energy crops scheme may not be counted as being set aside for the purposes of the set-aside requirement indicated in Article 6(1) of Regulation (EC) No 1251/1999 and in Articles 54(2), 63(2), 71j and 107(1) of this Regulation.'

12. Article 94 is replaced by the following:

'Article 94

Conditions

The aid shall be paid only in respect of the quantity of potatoes covered by a cultivation contract between the potato producer and the starch manufacturer within the limit of the quota allocated to such undertaking, as referred to in Article 2(2) or (4) of Regulation (EC) No 1868/94.'

13. Article 99(3) is replaced by the following:

'3. The amount of aid claimed shall not exceed a ceiling, fixed by the Commission in accordance with Article 64(2), corresponding to the component of seed aids for the species concerned in the national ceiling referred to in Article 41. However, for the new Member States, this ceiling shall correspond to the amounts mentioned in Annex XIa.

When the total amount of aid claimed exceeds the fixed ceiling, the aid per farmer shall be reduced proportionately in that year.'

14. In Article 101, the following paragraph is inserted after the second paragraph:

'However, the regional base area or areas in the new Member States shall be fixed by the Commission in accordance with the procedure referred to in Article 144(2) and within the limits of the national base areas listed in Annex XIb.'

15. In Article 103, the following paragraph is inserted after the first paragraph:

'Alternatively, for any new Member State applying the single area payment scheme referred to in Article 143b in 2004 and opting for the application of Article 66, the regionalisation plan shall be established, according to objective criteria, not later than 1 August of the last year of application of the single area payment scheme. Where this is done, the combined regional base areas and the weighted average reference yield in the regions shall respect the limits of the national base area and reference yield as listed in Annex XIb.'

16. Article 105 is replaced by the following:

'Article 105

Durum wheat supplement

1. A supplement to the area payment of

— EUR 291/ha for the marketing year 2005/06,

— EUR 285/ha for the marketing year 2006/07 and onwards

shall be paid for the area down to durum wheat in the traditional production zones listed in Annex X, subject to the following limits:

Greece	617 000 ha
Spain	594 000 ha
France	208 000 ha
Italy	1 646 000 ha
Cyprus	6 183 ha
Hungary	2 500 ha
Austria	7 000 ha
Portugal	118 000 ha.

2. Should the total of the areas for which a supplement to the area payment is claimed be greater than the limit referred to in paragraph 1 during the course of a marketing year, the area per farmer for which the supplement may be paid shall be reduced proportionately.

However, subject to the limits per Member State laid down in paragraph 1, Member States may distribute the areas indicated in that paragraph among the production zones as defined in Annex X, or, for the Member States of the Community as constituted on 30 April 2004, if necessary, the production regions of the regionalisation plan, according to the extent of the production of durum wheat during the period 1993 to 1997. Where this is done, should the total of the areas within a region for which a supplement to the area payment is requested be greater than the corresponding regional limit during the course of a marketing year, the area per farmer in that production region for which the supplement may be paid shall be reduced proportionately. The reduction shall be made when, within a Member State, the areas in regions which have not reached their regional limits have been distributed to regions in which those limits have been exceeded.

3. In regions where the production of durum wheat is well established, other than those referred to in Annex X, special aid amounting to EUR 46/ha for the marketing year 2005/06 shall be granted up to a limit of the following number of hectares:

Germany	10 000 ha
Spain	4 000 ha
France	50 000 ha
Italy	4 000 ha
Hungary	4 305 ha
Slovakia	4 717 ha
United Kingdom	5 000 ha.'

17. Article 108 is replaced by the following:

'Article 108

Eligible land

Applications for payments may not be made in respect of land which, at the date provided for the area aid applications for 2003, was under permanent pasture, permanent crops or trees or was used for non-agricultural purposes.

For the new Member States, applications for payments may not be made in respect of land which, on 30 June 2003, was under permanent pasture, permanent crops or trees or was used for non-agricultural purposes.

Member States may, on terms to be determined in accordance with the procedure referred to in Article 144(2), derogate from the first or second subparagraph of this Article provided that they take action to prevent any significant increase in the total eligible agricultural area.'

18. Article 116(2) is replaced by the following:

'2. Member States shall take the necessary measures to ensure that the sum of premium rights on their territory does not exceed the national ceilings set out in paragraph 4 and that the national reserves referred to in Article 118 may be maintained.

Except in cases where Article 143b is applied, the new Member States shall allocate individual ceilings to producers and shall set up the national reserves from the overall number of rights to the premium reserved for each of these new Member States as set out in paragraph 4, no later than one year after the date of accession.

After the end of the period of application of the single area payment scheme according to Article 143b and where Article 67 is applied, the allocation of the individual ceilings to producers and the setting up of the national reserve referred to in the second subparagraph shall take place no later than the end of the first year of the application of the single payment scheme.'

19. Article 116(4) is replaced by the following:

'4. The following ceilings shall apply:

Member State	Rights (× 1 000)
Belgium	70
Czech Republic	66,733
Denmark	104
Germany	2 432
Estonia	48
Greece	11 023
Spain	19 580
France	7 842
Ireland	4 956
Italy	9 575
Cyprus	472,401
Latvia	18,437
Lithuania	17,304
Luxembourg	4
Hungary	1 146
Malta	8,485
Netherlands	930
Austria	206
Poland	335,88
Portugal (*)	2 690
Slovenia	84,909
Slovakia	305,756
Finland	80
Sweden	180
United Kingdom	19 492
Total	81 667,905

(*) To be adjusted on the expiry of Regulation (EC) No 1017/94.'

20. Article 119(3) is replaced by the following:

'3. The following global amounts shall apply:

	(EUR 1 000)
Belgium	64
Czech Republic	71
Denmark	79
Germany	1 793
Estonia	51
Greece	8 767
Spain	18 827
France	7 083
Ireland	4 875
Italy	6 920
Cyprus	441
Latvia	19
Lithuania	18
Luxembourg	4
Hungary	1 212
Malta	9
Netherlands	743
Austria	185
Poland	355
Portugal	2 275
Slovenia	86
Slovakia	323
Finland	61
Sweden	162
United Kingdom	20 162'

21. In Article 119, the following paragraph is added:

'4. In the new Member States, the global amounts shall be applied in accordance with the schedule of increments as set out in Article 143a.'

22. Article 123(8) is replaced by the following:

'8. The following regional ceilings shall apply:

Belgium	235 149
Czech Republic	244 349
Denmark	277 110
Germany	1 782 700
Estonia	18 800
Greece	143 134
Spain	713 999 (*)
France	1 754 732 (**)
Ireland	1 077 458
Italy	598 746
Cyprus	12 000
Latvia	70 200
Lithuania	150 000
Luxembourg	18 962
Hungary	94 620
Malta	3 201
Netherlands	157 932
Austria	373 400
Poland	926 000
Portugal	175 075 (***) (****)
Slovenia	92 276
Slovakia	78 348
Finland	250 000
Sweden	250 000
United Kingdom	1 419 811 (*****)

(*) Without prejudice to the specific rules laid down in Regulation (EC) No 1454/2001.

(**) Without prejudice to the specific rules laid down in Regulation (EC) No 1452/2001.

(***) Without prejudice to the specific rules laid down in Regulation (EC) No 1453/2001.

(****) To be adjusted on the expiry of Regulation (EC) No 1017/94.

(*****) This ceiling shall be temporarily increased by 100 000 to 1 519 811 until such time as live animals under six months of age may be exported.'

23. Article 126(1) is replaced by the following:

'1. An aid shall be granted to each farmer of suckler cows within the limit of the individual ceilings established in application of Article 7 of Regulation (EC) No 1254/1999 or of the second subparagraph of paragraph 2.'

24. Article 126(2) is replaced by the following:

'2. Member States shall take the necessary steps to ensure that the sum of premium rights on their territory does not exceed the national ceilings set out in paragraph 5 and that the national reserves referred to in Article 128 may be maintained.'

Except in cases where Article 143b is applied, the new Member States shall allocate individual ceilings to producers and shall set up the national reserves from the overall number of rights to the premium reserved for each of these Member States as set out in paragraph 5, no later than one year after the date of accession.

After the end of the period of application of the single area payment scheme according to Article 143b and where Article 68(2)(a)(i) is applied, the allocation of the individual ceilings to producers and the setting up of the national reserve referred to in the second subparagraph shall take place no later than the end of the first year of the application of the single payment scheme.'

25. Article 126(5) is replaced by the following:

'5. The following national ceilings shall apply:

Belgium	394 253
Czech Republic (*)	90 300
Denmark	112 932
Germany	639 535
Estonia (*)	13 416
Greece	138 005
Spain (**)	1 441 539
France (***)	3 779 866
Ireland	1 102 620
Italy	621 611
Cyprus (*)	500
Latvia (*)	19 368
Lithuania (*)	47 232
Luxembourg	18 537
Hungary (*)	117 000
Malta (*)	454
Netherlands	63 236
Austria	375 000
Poland (*)	325 581
Portugal (****) (*****)	416 539
Slovenia (*)	86 384
Slovakia (*)	28 080
Finland	55 000
Sweden	155 000
United Kingdom	1 699 511

(*) Applicable from the date of accession.

(**) Without prejudice to the specific rules laid down in Regulation (EC) No 1454/2001.

(***) Without prejudice to the specific rules laid down in Regulation (EC) No 1452/2001.

(****) Without prejudice to the specific rules laid down in Regulation (EC) No 1453/2001.

(*****) To be increased on the expiry of Regulation (EC) No 1017/94 by the premiums resulting from the application of that Regulation in 2003 and 2004.'

26. In Article 130(3) the following subparagraph is added:

'For the new Member States the national ceilings shall be those contained in the following table:

	Bulls, steers, cows and heifers	Calves more than 1 and less than 8 months old and of carcase weight up to 185 kg
Czech Republic	483 382	27 380
Estonia	107 813	30 000
Cyprus	21 000	—
Latvia	124 320	53 280
Lithuania	367 484	244 200
Hungary	141 559	94 439
Malta	6 002	17
Poland	1 815 430	839 518
Slovenia	161 137	35 852
Slovakia	204 062	62 841'

27. Article 133(3) is replaced by the following:

'3. The following global amounts shall apply:

(EUR million)

Belgium	39,4
Czech Republic	8,776017
Denmark	11,8
Germany	88,4
Estonia	1,13451
Greece	3,8
Spain	33,1
France	93,4
Ireland	31,4
Italy	65,6
Cyprus	0,308945
Latvia	1,33068
Lithuania	4,942267
Luxembourg	3,4
Hungary	2,936076
Malta	0,0637
Netherlands	25,3
Austria	12,0
Poland	27,3
Portugal	6,2
Slovenia	2,964780
Slovakia	4,500535
Finland	6,2
Sweden	9,2
United Kingdom	63,8'

28. In Article 135(1), the following indent is added to the first subparagraph:

‘— for the new Member States: equal to the ceilings set out in Article 123(8) or equal to the average number of slaughterings of male bovine animals during the years 2001, 2002 and 2003 deriving from Eurostat statistics for these years or any other published official statistical information for these years accepted by the Commission.’

29. In Article 135(4), the following sentence is added:

‘For the new Member States the reference years shall be 2001, 2002 and 2003.’

30. In Article 136(2), the following sentence is added to the second subparagraph:

‘For the new Member States the reference years shall be 1999, 2000 and 2001.’

31. After Article 136, the following Article is inserted:

‘Article 136a

Conditions of application in the new Member States

In the new Member States, the global amounts referred to in Article 133(3) and the maximum area payment per hectare at EUR 350 referred to in Article 136(3) shall be applied in accordance with the schedule of increments as set out in Article 143a.’

32. In Article 139, the following sentence is added to the first subparagraph:

‘However, for the new Member States, the ceiling fixed by the Commission in accordance with Article 64(2) shall correspond to the component of each of the direct payments concerned in the ceiling referred to in Article 71c.’

33. Article 143 is replaced by the following:

‘Article 143

Ceiling

The sum of the aid claimed shall not be higher than a ceiling fixed by the Commission in accordance with Article 64(2), corresponding to the component of grain legumes area payments referred to in Annex VI in the national ceiling referred to in Article 41. However, for the new Member States, the ceiling fixed by the Commission in accordance with Article 64(2) shall correspond to the component of grain legumes area payments referred to in Annex VI in the national ceiling referred to in Article 71c.

When the total amount of aid claimed exceeds the fixed ceiling, the aid per farmer shall be reduced proportionately in that year.’

34. In Article 145, point (d) is replaced by the following:

‘(d) with regard to the single payment scheme, detailed rules relating in particular to the establishment of national reserve, the transfer of entitlements, the definition of permanent crops, permanent pastures, agricultural land and grassland, the options provided for in Chapters 5 and 6 of Title III and the list of crops allowed on the set-aside land as well as detailed rules relating to compliance with the Memorandum of Understanding on certain oil seeds between the European Economic Community and the United States of America within the framework of the GATT approved by Decision 93/355/EEC (*).

(*) OJ L 147, 18.6.1993, p. 25.’

35. In Article 145, point (i) is replaced by the following:

‘(i) such amendments to Annexes II, VI, VII, IX, X and XI as may become necessary, taking into account in particular new Community legislation and, as far as it concerns Annexes VIII and VIIIa, in case of application of Articles 62 and 71i respectively and, as the case may be, in function of the information communicated by the Member States in relation to the part of the reference amounts corresponding to the payments for arable crops, as well as the amounts of the ceilings themselves, to be increased in function of the difference between the area actually determined and the area for which premiums were paid for arable crops in 2000 and 2001, in application of Article 9(2) and (3) of Commission Regulation (EEC) No 3887/92 (**), within the limit of the base areas (or maximum guaranteed area for durum wheat) and taking into account the average national yield used for the calculation of Annex VIII.

(**) OJ L 327, 12.12.2001, p. 11.’

36. In Article 145, point (q) is replaced by the following:

‘(q) measures which are both necessary and duly justified to resolve, in an emergency, practical and specific problems, in particular those related to the implementation of Chapter 4 of Title II and Chapters 5 and 6 of Title III. Such measures may derogate from certain parts of this Regulation, but only to the extent that, and for such a period as, is strictly necessary.’

37. Article 146 is replaced by the following:

'Article 146

Transmission of information to the Commission

Member States shall inform the Commission in detail of the measures taken to implement this Regulation and, in particular, those relating to Articles 5, 13, 42, 58, 71d and 71e.'

38. After Article 154, the following Article is added:

'Article 154a

Transitional arrangements for new Member States

1. Where transitional measures are necessary in order to facilitate, for the new Member States, the transition from the single area payment scheme to the single payment scheme and other aid schemes referred to in Titles III and IV, such measures shall be adopted in accordance with the procedure laid down in Article 144(2).

2. The measures referred to in paragraph 1 may be adopted during a period starting on 1 May 2004 and expiring on 30 June 2009 and shall not apply beyond that date. The Council, acting by a qualified majority on a proposal from the Commission, may extend that period.'

39. After Annex VIII, the following Annex is added:

'ANNEX VIII

National ceilings referred to in Article 71c

The ceilings have been calculated taking account of the schedule of increments provided for in Article 143a, and therefore do not need to be reduced.

(EUR million)

Calendar year	Czech Republic	Estonia	Cyprus	Latvia	Lithuania	Hungary	Malta	Poland	Slovenia	Slovakia
2005	227,9	23,4	8,9	33,9	92,0	350,8	0,67	724,3	35,5	97,6
2006	265,7	27,3	10,4	39,6	107,3	408,7	0,78	845,0	41,4	113,6
2007	342,4	40,4	13,9	55,6	146,9	495,1	1,59	1 098,8	55,5	144,5
2008	427,8	50,5	17,4	69,5	183,6	618,5	1,99	1 373,4	69,4	180,5
2009	513,2	60,5	20,9	83,4	220,3	741,9	2,38	1 648,0	83,3	216,6
2010	598,5	70,6	24,4	97,3	257,0	865,2	2,78	1 922,5	97,2	252,6
2011	683,9	80,7	27,8	111,2	293,7	988,6	3,18	2 197,1	111,0	288,6
2012	769,3	90,8	31,3	125,1	330,4	1 111,9	3,57	2 471,7	124,9	324,6
subsequent years	854,6	100,9	34,8	139,0	367,1	1 235,3	3,97	2 746,3	138,8	360,6'

40. Annex X is completed by the following entries:

'CYPRUS

HUNGARY

Regions

Dél Dunamenti síkság

Dél-Dunántúl

Közép-Alföld

Mezőföld

Berettyo-Kőrös-Maros vidéke

Györi medence

Hajdúság'

41. After Annex XI the following Annexes are added:

'ANNEX XIA

Seed aid ceilings in the new Member States referred to in Article 99(3)

(EUR million)

Calendar year	Czech Republic	Estonia	Cyprus	Latvia	Lithuania	Hungary	Malta	Poland	Slovenia	Slovakia
2005	0,87	0,04	0,03	0,10	0,10	0,78	0,03	0,56	0,08	0,04
2006	1,02	0,04	0,03	0,12	0,12	0,90	0,03	0,65	0,10	0,04
2007	1,17	0,05	0,04	0,14	0,14	1,03	0,04	0,74	0,11	0,05
2008	1,46	0,06	0,05	0,17	0,17	1,29	0,05	0,93	0,14	0,06
2009	1,75	0,07	0,06	0,21	0,21	1,55	0,06	1,11	0,17	0,07
2010	2,04	0,08	0,07	0,24	0,24	1,81	0,07	1,30	0,19	0,08
2011	2,33	0,10	0,08	0,28	0,28	2,07	0,08	1,48	0,22	0,09
2012	2,62	0,11	0,09	0,31	0,31	2,33	0,09	1,67	0,25	0,11
subsequent years	2,91	0,12	0,10	0,35	0,35	2,59	0,10	1,85	0,28	0,12

ANNEX XIB

National arable crops base areas and reference yields in the new Member States referred to in Articles 101 and 103

	Base area (hectares)	Reference yields (t/ha)
Czech Republic	2 253 598	4,20
Estonia	362 827	2,40
Cyprus	79 004	2,30
Latvia	443 580	2,50
Lithuania	1 146 633	2,70
Hungary	3 487 792	4,73
Malta	4 565	2,02
Poland	9 454 671	3,00
Slovenia	125 171	5,27
Slovakia	1 003 453	4,06'

Article 2

Article 5(2) of Regulation (EC) No 1786/2003 shall be replaced by the following:

'2. The maximum guaranteed quantity provided for in paragraph 1 shall be divided among the Member States as follows:

Guaranteed national quantities (tonnes)

Belgo-Luxembourg Economic Union (BLEU)	8 000
Czech Republic	27 942
Denmark	334 000
Germany	421 000
Greece	37 500
Spain	1 325 000
France	1 605 000
Ireland	5 000
Italy	685 000
Lithuania	650
Hungary	49 593
Netherlands	285 000
Austria	4 400
Poland	13 538
Portugal	30 000
Slovakia	13 100
Finland	3 000
Sweden	11 000
United Kingdom	102 000'

Article 3

In Article 33 of Regulation (EC) No 1257/1999 the following paragraph shall be added:

'The measure foreseen in the last indent of the second paragraph is not applicable for the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovenia and Slovakia.'

Article 4

This Regulation shall enter into force on 1 May 2004 subject to the entry into force of the Treaty concerning the accession of the Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Hungary, the Republic of Malta, the Republic of Poland, the Republic of Slovenia and the Slovak Republic to the European Union.

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

Done at Brussels, 22 March 2004.

For the Council

The President

B. COWEN