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(Acts whose publication is obligatory)

COUNCIL REGULATION (EEC) No 797/85

of 12 March 1985

on improving the efficiency of agricultural structures

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Articles 42 and 43 thereof,

Having regard to the proposal from the Commission ⁽¹⁾,

Having regard to the opinion of the European Parliament ⁽²⁾,

Having regard to the opinion of the Economic and Social Committee ⁽³⁾,

Whereas it is not possible to achieve the objectives of the common agricultural policy set out in Article 39 (1) (a) and (b) of the Treaty without aiding the improvement of the efficiency of agricultural structures, especially in regions experiencing particularly acute problems;

Whereas this improvement of the efficiency of agricultural structures is an indispensable element in the development of the common agricultural policy; whereas it is therefore necessary that such improvement be based on Community concepts and criteria;

Whereas, because of the diversity of their causes, nature and gravity, structural problems in agriculture may require solutions which vary according to region and are capable of adjustment over a period of time; whereas such solutions must contribute to the overall economic and social development of each region concerned; whereas the best results can be achieved if, acting on the basis of Community concepts and

criteria, Member States implement the common measures individually through their own procedures laid down by law, regulation or administrative action;

Whereas agricultural structure in the Community is typified by the existence of a large number of holdings which lack the structural conditions which would ensure a fair income and living conditions;

Whereas, in the future, the only holdings capable of adjusting to economic conditions will be those on which the farmer has adequate vocational skill and competence, and on which profitability is verified by accounts and by a physical improvement plan;

Whereas, in the present economic situation, Community or national aids should be concentrated on holdings where the labour income is less than comparable incomes, and which therefore are in greatest need of such aid;

Whereas the adjustment of farm structures by an improvement in productivity resulting in an increase in production is confronted by insurmountable limits because of the existing state of the market for many agricultural products; whereas it appears necessary to concentrate such aids on those investments which allow for a reduction in production costs and for the improvement in living and working conditions or which aim at conversion of production;

Whereas, in addition, the objective of market balance in the Community requires that specific conditions be attached to the granting of investment aids in the pig and milk sectors; whereas it is indispensable in accordance with this objective to prohibit investment aids in the poultrymeat and egg sectors;

Whereas the granting of specific benefits to young farmers may facilitate not their installation but also the structural adjustment of their holding after their first installation;

⁽¹⁾ OJ No C 347, 22. 12. 1983, p. 15.

⁽²⁾ OJ No C 127, 14. 5. 1984, p. 157.

⁽³⁾ OJ No C 103, 16. 4. 1984, p. 29.

Whereas the keeping of accounts is essential to the correct assessment of the financial and economic situation of holdings, and in particular of those undergoing modernization; whereas a financial incentive may encourage the keeping of accounts;

Whereas, in the interests of rational production and of improvement in living conditions, encouragement should also be given to the formation of groups having as their purpose mutual aid between holdings, a more rational common use of agricultural equipment, or group farming operations;

Whereas in the same context it is also necessary to encourage the creation of agricultural associations whose objective is the establishment of replacement and management services;

Whereas, on the basis of Directive 75/268/EEC of 28 April 1975 on mountain and hill farming and farming in certain less-favoured areas⁽¹⁾, the Council has adopted the Community lists of mountain and certain less-favoured areas, for which special measures adapted to their situation should be enacted at Community level, in particular in order to take account of the natural conditions of production and to ensure reasonable incomes for farmers in these regions;

Whereas it may be essential, if the objectives assigned to farming in less-favoured regions are to be attained, that farmers permanently engaged in agriculture in such areas be paid annual allowances aimed at compensating for the permanent natural handicaps referred to in Directive 75/268/EEC; whereas it should be left to Member States to fix the amount of such allowances according to the severity of the handicaps involved within the limits and conditions fixed for the different types of areas, both as to the amounts which may be paid and the types of production which may be covered;

Whereas, moreover, because of the existence of permanent natural handicaps, the efficiency of farm structures in these areas can be improved only if aids granted to investments are reinforced and can be granted for investments limited to tourism or crafts which permit the combining of agriculture with these activities;

Whereas the rationalization of holdings and the need to conserve the countryside necessitate the granting of aids for joint investment schemes in respect of fodder production, for land improvement and capital equipment for pasture and hill grazing;

Whereas certain areas characterized by specific handicaps, such as nature or national parks, in which the maintenance of agricultural activity, if need be, subject to special conditions, is necessary, should be treated in the same way as the areas referred to in Article 3 (5) of Directive 75/268/EEC, in the interests of environmental conservation;

Whereas it should, in addition, be made possible for Member States to take special measures in environmentally sensitive areas with the object of introducing or maintaining agricultural practices which are compatible with the requirements of protecting the countryside;

Whereas very many of the difficult regions of the Community, especially those defined in accordance with Directive 75/268/EEC, are characterized by particular problems, in particular those arising from deficiencies in infrastructure, from poor forest structure, or from inadequate rural housing; whereas the elimination or at least the reduction of these problems may constitute a prerequisite for the improvement of agricultural structures; whereas it is necessary to provide a framework within which specific action, aimed at contributing to the solution of these problems, particularly acute in these regions, could be undertaken;

Whereas the market situation for agricultural products, and the limitations for the adjustment of farm structures resulting therefrom, require that the agricultural measures be complemented by special forestry measures to assist these holdings, such as the afforestation of productive farm land, the establishment of shelter belts, firebreaks, the construction of forest roads and improving the exploitation of wooded areas;

Whereas the forestry measures are normally linked and can contribute

- to the conservation and improvement of the soil, the fauna and flora and to the surface and underground water systems,
- to the productivity of agricultural land by an improvement of the natural conditions of agricultural production and to better use of farm labour;

⁽¹⁾ OJ No L 128, 19. 5. 1975, p. 1.

Whereas the evolution and the specialization of agriculture require a substantial improvement in the standard of the general, technical and economic training for the existing farm population, especially as regards new orientations of management, of production, or of marketing, as well as for young people about to be installed or recently installed on a holding;

Whereas the insufficient financial means available for vocational training and further training, and, in particular, that of the leaders and managers of cooperatives and agricultural groups, impedes the structural adjustment of agriculture in many regions;

Whereas, furthermore, the implementation of pilot projects including measures concerning the diffusion of the results of work done and experience gained in the structural field, can facilitate the adjustment of agriculture in the Community;

Whereas the proposed measures are in the Community's interest and are intended to achieve the objectives set out in Article 39 (1) (a) of the Treaty, including the structural changes necessary for the proper functioning of the common market; whereas they therefore constitute common measures within the meaning of Article 6 of Council Regulation (EEC) No 729/70 of 21 April 1970 on the financing of the common agricultural policy⁽¹⁾; whereas, in addition, it is necessary to strengthen Community financing for certain regions and for certain measures so that the measures envisaged may be as effective as possible;

Whereas, inasmuch as the Community contributes to the financing of the common measures, it must be in a position to ascertain that the provisions adopted by Member States for the implementation of those measures will contribute towards achievement of the objectives thereof; whereas, to this end, provision should be made for a procedure establishing close cooperation between Member States and the Commission within the Standing Committee on Agricultural Structure set up by Article 1 of the Council Decision of 4 December 1962 on the coordination of policies on the structure of agriculture⁽²⁾, and involving, as regards financial aspects, consultation with the EAGGF Committee referred to in Articles 11 to 15 of Regulation (EEC) No 729/70;

Whereas it is desirable that the European Parliament and the Council should be able, on the basis of a report to be submitted by the Commission, to examine annually the effects of the national and Community measures taken, so that they may assess the need to supplement or adapt the system introduced hereunder;

⁽¹⁾ OJ No L 94, 28. 4. 1970, p. 13.

⁽²⁾ OJ No L 136, 17. 12. 1962, p. 2892/62.

Whereas the Community measures envisaged horizontally necessitate the adaptation of certain specific common measures, which the Council adopts to assist certain regions, to the conditions provided for in these new measures,

HAS ADOPTED THIS REGULATION:

Article 1

1. With a view to assisting the continuous development of agriculture in the Community, a common measure within the meaning of Article 6 (1) of Regulation (EEC) No 729/70, to be implemented by the Member States, is hereby introduced in order to improve the efficiency of holdings and to help develop their structures, while at the same time ensuring the permanent conservation of the natural resources of agriculture.
2. In accordance with Titel VIII, the Guidance Section of the European Agricultural Guidance and Guarantee Fund, hereinafter referred to as 'the Fund', shall make a contribution towards the measure referred to in paragraph 1 concerning:
 - (a) investments in agricultural holdings and the installation of young farmers;
 - (b) other measures to assist agricultural holdings, such as the introduction of the keeping of accounts and the establishment and operation of groups, services and other facilities for the benefit of several holdings;
 - (c) specific measures to assist mountain and hill farming and farming in certain less-favoured areas;
 - (d) forestry measures on behalf of agricultural holdings;
 - (e) the adjustment of vocational training to the requirements of modern agriculture.

TITLE I

System of aid for investments in agricultural holdings

Article 2

1. In order to contribute to the improvement of agricultural incomes and of living, working and production conditions on agricultural holdings, Member States shall, pursuant to the common measure referred to in Article 1, introduce a system of investment aid to agricultural holdings where the farmer:

- (a) practises farming as his main occupation ;
- (b) possesses adequate occupational skill and competence ;
- (c) submits a plan for materially improving his holding. This plan must show by means of specific calculations that the investments are justified from the point of view of the situation of the holding and its economy and that its completion will bring about a lasting and substantial improvement of that situation, and in particular of the income per man-work unit (MWU) employed on the holding.

However, Member States may also approve plans for improving holdings at the farmer's request if such plans show that they are necessary to maintain the present level of income per MWU employed on the holding concerned. Where this derogation is used, the eligible amount of the contribution by the Fund pursuant to Article 26 (2) shall be reduced by 20 % ;

- (d) undertakes to keep simplified accounts entailing at least :
 - the recording of the revenue and expenditure of the holding, with supporting documents,
 - the drawing up of an annual balance sheet of the assets and liabilities of the holding.

However, in the less-favoured areas determined in accordance with Articles 2 and 3 of Directive 75/268/EEC, the Hellenic Republic, and the Italian Republic, as regards the Mezzogiorno, including the islands, shall be authorized to accept plans for improving holdings submitted during the first three years of duration of this common measure by holdings which do not satisfy the condition laid down in this point, provided that the volume of work on the holding does not require more than the equivalent of one MWU and that the projected investments do not exceed 25 000 ECU.

- 2. The aid system referred to in paragraph 1 shall be limited to agricultural holdings :
 - where labour income per MWU is less than the reference income referred to in paragraph 3,
 - where improvement plans, as referred to in paragraph 1 (c), do not provide for a labour income in excess of 120 % of such reference income.
- 3. Member States shall fix the reference income referred to in paragraph 2 at a level not exceeding the average gross wage of non-agricultural workers in the region.

4. The improvement plan referred to in paragraph 1 shall contain at least :

- a description of the initial situation,
- a description of the situation upon completion of the plan, drawn up on the basis of an estimative budget,
- an indication of the measures and in particular the investments planned.

5. Member States shall, for the purposes of this Regulation, define what is meant by the expression 'farmer practising farming as his main occupation'.

This definition shall, in the case of a natural person, include at least the condition that the proportion of income derived from the agricultural holding must be 50 % or more of the farmer's total income and that the working time devoted to work unconnected with the holding must be less than half of the farmer's total working time.

On the basis of the criteria referred to in the foregoing subparagraph, the Member States shall define what is meant by this same expression in the case of persons other than natural persons.

6. In addition, Member States shall lay down the criteria for assessing the occupational skill and competence of the farmer, by reference to the standard of agricultural training received and/or to a minimum period of farming experience.

Article 3

1. The system of aid referred to in Article 2 may be applicable to investments relating to :

- the qualitative improvement and conversion of production in line with market requirements,
- the adaptation of the holding for the purposes of reducing production costs, improving living and working conditions or saving energy,
- the protection and improvement of the environment.

2. The investment aid referred to in paragraph 1 may be refused or limited where the effect of the investments concerned is to increase the holding's production of products for which no normal market outlets can be found.

The Council, acting on a proposal from the Commission in accordance with the voting procedure laid down in Article 43 (2) of the Treaty, shall adopt the necessary measures and shall define the products falling within the meaning of the preceding subparagraph.

3. Except where Decisions subsequently taken pursuant to paragraph 2 provide otherwise, the aid provided for in paragraph 1 shall not be granted in respect of investments relating to milk production the effect of which is to exceed the reference quantity determined in accordance with Articles 2, 3 and 6 of Regulation (EEC) No 857/84⁽¹⁾, as amended by Regulation (EEC) No 590/85⁽²⁾, unless an additional reference quantity has been granted beforehand as provided for in Article 4 (1) (c) of that Regulation or obtained by means of a transfer in accordance with Article 7 (1) of that Regulation.

In such cases, the granting of aid shall be subject to the condition that the investment does not serve to raise the number of dairy cows to more than 40 per MWU and more than 60 per holding or, where the holding has more than 1,5 MWU, does not serve to raise the number of dairy cows by more than 15 %.

On a proposal from the Commission, the Council shall adopt, at the latest six months after the expiry of Regulation (EEC) No 857/84, the conditions to which the granting of aid to investments entailing an increase in milk production shall be subject after the said Regulation expires.

4. Except where decisions subsequently taken pursuant to paragraph 2 provide otherwise, the aid provided for in paragraph 1 granted for investments relating to the pig production sector and which result in an increase in production capacity shall be restricted, with regard to requests submitted before 31 December 1986, to investments serving to reach 500 places for fattening pigs per holding and, with regard to requests submitted between 1 January 1987 and 31 December 1987 to investments serving to reach 400 places.

The place required by one breeding sow shall be deemed to correspond to 6,5 fattening pig places.

The Council, acting by a qualified majority on a proposal from the Commission, shall lay down, before 31 December 1987, the arrangement applicable to requests submitted between 1 January 1988 and 31 December 1989.

If the Council has not taken a decision by that date, the Commission shall determine, according to the procedure in Article 25:

- the number of pig places per holding which may be attained and be eligible for the aid fixed under paragraph 1, keeping within a range of between 300 and 500 places per holding,
- the total ceiling of pig places which may be attained, keeping within a range of between 600 and 800 places per holding.

⁽¹⁾ OJ No L 90, 1. 4. 1984, p. 13.

⁽²⁾ OJ No L 68, 8. 3. 1985, p. 1.

Furthermore, where an improvement plan provides for an investment in the pig production sector, the granting of aid in respect of such an investment shall be subject to the condition that, upon completion of the plan, at least 35 % of the quantity of feed consumed by the pigs can be produced on the holding.

5. The investment aid referred to in paragraph 1 may not be granted in the egg and poultry sector.

Article 4

1. The system of aid for investments referred to in Article 3 (1) shall cover aids in the form of capital grants or the equivalent thereof in interest rate subsidies or deferred repayments, or a combination of these, in respect of the investments necessary to carry out the improvement plan but with the exception of expenditure incurred in buying:

- land,
- livestock in the form of pigs, poultry and calves for slaughter.

With regard to the purchase of livestock, only the first purchase for which provision is made in the improvement plan may be covered.

The system of aid may also cover guarantees for loans contracted and the interest thereon, where the security or personal guarantee provided is insufficient.

2. Capital grants as provided for in paragraph 1 may apply to a total investment of 60 000 ECU per MWU or 120 000 ECU per holding. Member States may set these limits at lower levels.

The value of the aid provided for in paragraph 1 shall be not more than 35 % and, in areas as referred to in Articles 2 and 3 of Directive 75/268/EEC, 45 % of the amount of the investment in the case of investments in fixed assets and 20 % and 30 % respectively in the case of other types of investment.

The Council, acting on a proposal from the Commission in accordance with the voting procedure laid down in Article 43 (2) of the Treaty, may authorize a Member State, for a specified period, to grant aids exceeding the level specified in the preceding subparagraph, if such action is warranted by the situation on the capital market in that Member State.

However, for a period of 30 months from the entry into force of this Regulation, the value of the maximum aid referred to in the second subparagraph shall be increased by 10 % of the total investment in Greece, Ireland and Italy for investments mentioned in the improvement plans submitted during this period.

Article 5

Member States may grant the aids referred to in Article 4 to farmers who, after completing an improvement plan, continue to fulfil the conditions laid down in Article 2 (1), provided that the conditions laid down in Article 3 are met. However, the number of plans per beneficiary which may be accepted during a six-year period shall be limited to two and the total investment which may be considered in connection with the reimbursement of aid pursuant to Article 28 shall be limited to 60 000 ECU per MWU and 120 000 ECU per holding for that period.

Article 6

1. An improvement plan within the meaning of Article 2 (1) (c) may relate to an individual holding or to a number of holdings grouped together with a view to the merger of all or part of these holdings.

2. In the case of group-operated holdings, the improvement plan shall concern the group-operated holding and any parts of holdings which continue to be run by the group members.

3. Member States may grant the aids referred to in Article 4 to group-operated holdings if all the members of such holdings satisfy the conditions laid down in Article 2 (1).

4. The ceilings laid down in Article 4 (2) and Article 5 may be multiplied by the number of holdings belonging to the group. The ceilings laid down in Article 3 (3) and (4) may only be multiplied by the number of such holdings in the case of a holding resulting from a complete merger.

However, these ceilings may not exceed:

- 120 cows,
- three times the number of pig places resulting from the application of Article 3 (4),
- 360 000 ECU of investment,

per group-operated holding, including any parts of holdings which continue to be run by the group members.

5. In accordance with the procedure laid down in Article 25, the Commission may authorize a Member State to grant the aids referred to in Article 4, under the conditions stipulated in paragraph 4 above, to agri-

cultural cooperatives whose sole objective is to manage an agricultural holding. At the same time, the Commission shall lay down specific conditions for the granting of aids to such cooperatives, as well as the conditions under which and the limits within which the volume of investment provided for in paragraph 4 may be exceeded.

6. Member States shall lay down the conditions to be met by group-operated holdings, in particular:

- their legal form,
- their minimum duration, which must not be less than six years,
- the formation of their capital,
- the participation of members in management.

Article 7

Member States may grant special aids to young farmers under 40 years of age.

Such aids may take the form of:

1. A premium on first installation, provided that the young farmer practises farming as his main occupation and that his occupational skills are of a satisfactory level at the time of his installation or at the latest two years following his installation and that the holding requires a volume of work equivalent to at least 1 MWU.

Member States shall define the occupational training which the young farmer must possess at the time of his first installation, or must achieve within the two years following such installation, for the premium to be eligible under the EAGGF.

The installation premium may comprise:

- (a) a single premium of a maximum eligible amount of 7 500 ECU. Member States may replace the installation premium by an equivalent interest-rate subsidy;
- (b) an interest-rate subsidy on loans taken out with a view to covering the costs arising from the installation.

The rate of subsidy shall be a maximum of 5 % for a period of 15 years; the capitalized value of this subsidy may not exceed 7 500 ECU.

Member States may pay, in the form of an aid, the equivalent of the subsidy resulting from the volume and duration of the loans taken out;

2. Additional investment aid representing not more than 25 % of the aid granted pursuant to Article 4 (2), provided that the young farmer submits an improvement plan within the meaning of Article 2 (1) (c) within five years of being installed on a holding for the first time and possesses the occupational skills referred to in the first subparagraph of point 1.

Article 8

1. Aids for investments in agricultural holdings satisfying the conditions laid down in Articles 2 and 6 which exceed the amounts laid down in Article 4 (2) increased, where appropriate, by the aid referred to in the second indent of Article 7 (2) are hereby prohibited, with the exception of aids :

- for the construction of farm buildings,
- for the relocation of farm buildings where this is done in the public interest,
- for land improvement operations,

provided that such aids are granted in accordance with Article 3 of this Regulation and Articles 92 to 94 of the Treaty.

2. Where Member States grant aids for investments in holdings which do not satisfy the conditions laid down in Article 2, such aids must be at least one-quarter less than the aids granted pursuant to Article 4, with the exception of aids for :

- energy saving,
- the protection and improvement of the environment,
- land improvement,

which may reach the amounts laid down in Article 4 (2).

These aids may be granted for a total investment of 60 000 ECU per MWU and 120 000 ECU per holding for a period of six years.

3. By way of derogation from paragraph 2, Member States may grant temporary aid for investments in small agricultural holdings which do not satisfy the conditions laid down in Article 2 (1).

This temporary aid may be granted for investments up to 25 000 ECU only and may not be granted on terms more favourable than those provided for in Article 4, plus, where appropriate, the aid provided for in Article 7 (2).

4. Aids for investments in holdings shall be prohibited where such investments do not satisfy the conditions laid down in Article 3 and where Article 4 does not permit the granting of such aid.

However, the aids referred to in paragraphs 2 and 3 may be granted :

- for investments in the eggs and poultry sector made necessary by obligations or constraints imposed by public authorities with a view to protection and improvement of the environment, provided that such investments do not entail an increase in production,
- for investments in the sector of geese and ducks for the production of foie gras,
- for the purchase of cattle which may be encouraged under Article 4 (1), provided that it is not the first purchase.

Moreover, as regards the holdings referred to in paragraphs 2 and 3, the number of dairy cows referred to in Article 3 (3) shall be 40 per MWU and per holding.

5. The prohibitions and limitations provided for in this Article shall not apply to :

- aids for land purchase,
- subsidized operating loans the term of which does not exceed one marketing year,
- aids for the purchase of male breeding stock,
- securities for loans contracted, including interest,

provided that they are granted in accordance with Articles 92 to 94 of the Treaty.

TITLE II

Other measures to assist agricultural holdings

Article 9

1. Member States may introduce a scheme to encourage the introduction of accounting on agricultural holdings.

The scheme shall involve granting to farmers whose main occupation is farming, and who apply therefore, an aid spread over at least the first four years during which management accounts are kept on their holdings, on the understanding that accounts will be kept for at least four years.

Member States shall determine the amount of such aid within a range of 700 to 1 050 ECU.

2. The keeping of accounts referred to in paragraph 1 shall :

(a) comprise :

- the preparation of annual opening and closing valuations,
- the systematic and regular recording over the accounting year of the various transactions in cash or in kind concerning the holding ;

(b) conclude with the presentation each year of:

- a description of the general characteristics of the holding, and in particular of the inputs,
- a detailed balance sheet (assets and liabilities) and trading account (expenditure and income),
- the necessary data, including in particular the earned income per MWU and the farmer's income, for assessing the efficiency of the management of the holding as a whole and the profitability of the main enterprises of the holding.

3. Where a holding is chosen by bodies appointed by Member States for the collection of accountancy data for the purposes of information and scientific study, in particular within the framework of the Community accountancy data network, and the farmer is in receipt of aid as provided for in paragraph 1, he must undertake to make available to those bodies, under conditions of anonymity, the accountancy data relating to his holding.

Article 10

Member States may, on request, grant launching aid to recognized groups formed after the entry into force of this Regulation and having as their object mutual aid between holdings, a more rational joint use of agricultural equipment or the operation of a group-holding, as a contribution to their operating costs during not more than the first five years after their formation.

Member States shall fix the amount of such aid by reference to the number of members and to the activity performed jointly, with the maximum amount being 15 000 ECU per recognized group.

In addition, Member States shall determine the legal form of such groups and the provisions governing cooperation between members.

Article 11

1. Member States may, on request, grant launching aid to contribute to covering the management costs of agricultural associations having as their object the provision of farm relief services.

2. In order to be eligible for the aid referred to in paragraph 1, the relief service must be approved by the Member States and employ at least one full-time

worker who is fully qualified for the work he is called upon to perform.

3. Member States shall lay down the conditions for the approval of services as referred to in paragraph 1, and in particular:

- their legal form,
- the provisions governing their management and accounting practices,
- the type of replacement, which may comprise the replacement of the farmer, his spouse or an adult worker,
- their minimum duration, which must not be less than 10 years,
- the minimum number of affiliated farmers.

4. Member States shall fix the amount of the launching aid referred to in paragraph 1, which shall not exceed 12 000 ECU per relief worker employed on a full-time basis in the work referred to in paragraph 2. This amount shall be spread over the first five years of each worker's employment; it may be spread progressively over that period.

Article 12

1. Member States may, on request, grant launching aid to contribute to covering the management costs of agricultural associations having as their object the provision of farm management services.

2. The aid referred to in paragraph 1 shall be granted in respect of the work of staff responsible for analyzing accounting results and other data for the farmers.

3. To be eligible for the aid referred to in paragraph 1, farm management services must be approved by the Member State and must employ on a full-time basis at least one member of staff qualified for the work specified in paragraph 2.

4. Member States shall lay down the conditions for the approval of services as referred to in paragraph 1, and in particular:

- their legal form,
- the provisions governing their management and accounting practices,
- their minimum duration, which must not be less than 10 years,
- the minimum number of affiliated farmers.

5. Member States shall fix the amount of the launching aid referred to in paragraph 1, which shall not exceed 12 000 ECU per member of staff employed on a full-time basis in the work specified in paragraph 2. This amount shall be spread over the first five years of each member of staff's employment; it may be spread degressively over this period.

6. Member States may replace the system of launching aid provided for in paragraph 5 with a system of farm management aids for farmers practising farming as their main occupation who make use of the farm management services referred to in paragraph 1.

In this event, Member States shall set the aid up to a maximum of 500 ECU to be spread over at least two years.

TITLE III

Specific measures to assist mountain and hill farming and farming in certain less-favoured areas

Article 13

1. In regions which appear on the Community list of less-favoured farming areas within the meaning of Articles 2 and 3 of Directive 75/268/EEC, Member States may grant an annual compensatory allowance to assist farming activities, such allowance to be fixed according to the permanent natural handicaps described in Article 3 of that Directive within the limits and subject to the conditions laid down in Articles 14 and 15 of this Regulation.

2. The granting of such a compensatory allowance which exceeds those limits or which fails to satisfy those conditions shall be prohibited in the areas appearing on the list adopted in accordance with the procedure laid down in Article 2 (2) of Directive 75/268/EEC.

Article 14

1. Where Member States grant a compensatory allowance, farmers with at least three hectares of usable agricultural area who undertake to pursue a farming activity in accordance with the aims of Article 1 of Directive 75/268/EEC for at least five years from the first payment of a compensatory allowance shall be eligible for such an allowance; where a farmer gives up farming and the area concerned continues to be

worked, he may be released from such undertaking; he shall be released from such undertaking in cases of *force majeure*, for example where his property is compulsorily purchased or purchased in the public interest; in addition, farmers in receipt of a retirement pension shall be released from such undertaking.

However, in the Mezzogiorno, including the islands, in the French overseas departments and in the Greek regions, the minimum usable agricultural area per holding shall be two hectares.

2. Expenditure in respect of the compensatory allowance shall not be eligible for reimbursement by the Fund under Article 26 where the farmer is in receipt of a retirement pension.

3. Member States may lay down additional or limiting conditions in respect of the grant of the compensatory allowance.

Article 15

1. Member States shall fix the amounts of the compensatory allowance according to the severity of the permanent natural handicaps affecting farming activities and having regard to the limits set out below, although no allowance may be less than 20,3 ECU per livestock unit or, where appropriate, per hectare in the areas referred to in Article 3 (3) of Directive 75/268/EEC:

- (a) in the case of production of cattle, sheep, goats and equines, the allowance shall be calculated in relation to livestock numbers. The allowance may not exceed 101 ECU per livestock unit. The total amount of the allowance granted may not exceed 101 ECU per hectare of the total forage area of the holding. A conversion table for expressing cattle, equines, sheep and goats as livestock units is given in the Annex.

Cows whose milk is intended for marketing may be taken into consideration for the calculation of the compensatory allowance only in the areas defined in Article 3 (3) of Directive 75/268/EEC, and in the areas defined in Article 3 (4) and (5) of that Directive where dairying forms an important part of farming activity.

When Member States exercise this right in the areas defined in Article 3 (4) and (5) of the above-mentioned Directive, the number of dairy cows per eligible farmer to be taken into consideration for the calculation of the compensatory allowance may not exceed 20.

(b) in the case of production other than of cattle, quines, sheep and goats in the areas referred to in Article 3 (3) of Directive 75/268/EEC, the allowance shall be calculated in relation to the area farmed, less the area required for feeding livestock, that given over to wheat growing and any area above 0,5 hectare per holding comprising fully planted apple, pear or peach orchards. The allowance may not exceed 101 ECU per hectare.

2. Member States may refrain from granting the compensatory allowance for some or all of the types of production which may qualify under paragraph 1 (b).

3. Where the recipient of a compensatory allowance afforests all or part of the areas used as a basis for calculating the allowance, those areas may continue to be taken into account for calculating the allowance for a maximum of 15 years from the date of afforestation.

Article 16

In less-favoured areas as referred to in Article 13 (1) which are suitable for the development of a tourist or craft industry, the improvement plan referred to in Article 2 (1) (c) may, besides agricultural investments, provide also for investments in tourist or craft industry projects to be carried out on the holding. In such cases, the investments referred to in Article 4 may include investments in tourist or craft industry projects, up to a maximum of 40 000 ECU per holding.

Article 17

1. In the areas referred to in Article 13 (1) Member States may grant aids to joint investment schemes for fodder production, including its storage and distribution and for the improvement and equipping of pastures which are farmed jointly, and, in mountain areas, to joint investments in water-points and minor roads for immediate access to pastures including mountain pastures and shelters for herds.

2. Where economically justified, the work referred to in paragraph 1 may include small-scale farm water supply measures compatible with protection of the environment, including small-scale irrigation works, and the construction or repair of shelters necessary for transhumance.

3. The amount of aids as referred to in paragraph 1 which is eligible for financing by the Fund may not

exceed 100 000 ECU per joint investment project, 500 ECU per hectare of pasture improved or equipped and 5 000 ECU per hectare irrigated.

TITLE IV

Specific regional measures

Article 18

1. In order to help remove the structural or infra-structural handicaps suffered by agriculture in certain areas, specific measures may be adopted to encourage agriculture as a whole in the region concerned, in harmony with any development schemes simultaneously undertaken in non-agricultural sectors and with the needs of environmental protection.

2. The Council, acting on a proposal from the Commission in accordance with the procedure laid down in Article 43 of the Treaty, shall decide on the measure provided for in this Article.

TITLE V

National aid in environmentally sensitive areas

Article 19

1. In order to contribute towards the introduction or continued use of agricultural production practices compatible with the requirements of conserving the natural habitat and ensuring an adequate income for farmers, Member States are authorized to introduce special national schemes in environmentally sensitive areas.

2. For the purpose of this Article, 'environmentally sensitive areas' means in particular areas of recognized importance from an ecological and landscape point of view.

3. The aid may be granted to farmers who undertake to farm environmentally important areas so as to preserve or improve their environment.

The farmer's undertaking must stipulate at least that there will be no further intensification of agricultural production and that the stock density and the level of intensity of agricultural production will be compatible with the specific environmental needs of the area concerned.

4. Member States shall forward to the Commission all such prospective schemes, together with a list of areas qualifying for aid under those schemes.

Articles 92 to 94 of the Treaty shall apply. The Commission shall decide on the whole aid system planned, including the application areas, within three months following its notification, after consulting the Standing Committee on Agricultural Structures. Article 29 shall apply to the special schemes referred to in this Article.

TITLE VI

Forestry measures on agricultural holdings

Article 20

1. Member States may grant aid to agricultural holdings fulfilling the conditions of Article 2 (1) (a) for the afforestation of agricultural land and for investments in woodland improvements involving the provision of shelter belts, firebreaks and water-points, and for forest roads.

The cost of adapting agricultural machinery for forestry work shall form part of such investments.

2. The actual expenditure incurred by Member States pursuant to paragraph 1 shall be eligible for financing from the Fund up to the following:

- 80 % of the costs of afforestation and forest roads,
- 60 % for the other work referred to in paragraph 1,

subject to an investment ceiling of 40 000 ECU per holding, of which not more than 10 000 ECU may apply to woodland improvements and maximum eligible amounts of:

- 1 400 ECU per hectare for afforestation,
- 300 ECU per hectare for woodland improvements and the provision of shelter belts,
- 90 ECU per hectare equipped with firebreaks and water-points,
- 14 400 ECU per kilometre for forest roads.

TITLE VII

Adjustment of vocational training to the requirements of modern agriculture

Article 21

1. In regions where the need is apparent, Member States may, independently of measures submitted to the Social Fund, introduce a system of special aid for the improvement of agricultural skills.

This system may comprise:

- courses of basic and advanced vocational instruction or training for farmers, family helpers and agricultural workers who have passed the minimum school-leaving age,
- courses of instruction or training for leaders and managers of producer groups and cooperatives, where this is necessary to improve the economic organization of producers and the processing and marketing of agricultural products from the region concerned,
- the courses of further training needed to achieve the level of vocational training referred to in Article 7, which must be of a minimum length of 150 hours.

2. The system referred to in paragraph 1 shall comprise aid:

- (a) for attendance at courses of instruction or training;
- (b) for the organization and provision of courses of instruction and training;
- (c) where appropriate, for the establishment of agricultural training centres to assist less-favoured areas within the meaning of Article 13 (1) where no such centres yet exist, provided that the establishment of such centres does not qualify for other Community aid, up to a maximum eligible amount of 400 000 ECU per centre from the Fund.

3. The expenditure incurred by Member States in granting the aids referred to in paragraph 2 (a) and (b) shall be eligible for assistance from the Fund up to a maximum amount of 4 500 ECU per person completing a course of instruction or training. However, measures which have received aid from the Social Fund shall not be considered for financial aid in the context of this Article.

The measures covered by this Article shall not include courses of instruction or training which form part of normal programmes or systems of agricultural education at secondary or higher level.

Article 22

1. The Community may finance from the Fund :
 - the implementation of pilot schemes to demonstrate to farmers the real possibilities of production systems, methods and techniques for achieving the objectives of the aid system provided for in Article 3 (1),
 - the measures necessary for the dissemination, at Community level, of the results of the work done and the experience gained as regards the improvement of agricultural structures,
 - the carrying out of studies to assess the economic efficiency of the measures provided for in this Regulation.
2. The financing referred to in paragraph 1 shall be decided on in accordance with the procedure laid down in Article 25.

TITLE VIII

General and financial provisions*Article 23*

1. The estimated period of time required for carrying out the common measure shall end on 31 December 1994.
2. Five years after this Regulation takes effect, its detailed rules shall be re-examined by the Council acting on a proposal from the Commission.
3. The Fund's total contribution to the cost of the common measure is estimated at 1 988 million ECU for the first five years.

Article 24

1. Member States shall forward to the Commission :
 - drafts of all laws, regulations or administrative provisions which they propose to adopt pursuant to this Regulation, including those relating to Article 8,
 - the texts of any existing provisions which may make it possible to implement this Regulation.
2. When submitting, pursuant to paragraph 1, drafts of laws, regulations or administrative provisions or the texts of existing provisions, Member States shall also submit an explanatory memorandum showing the relationship at regional level between the measure in question and economic and structural conditions in the agricultural sector.

3. The Commission shall examine drafts forwarded in accordance with the first indent of paragraph 1 for the purpose of determining whether, having regard to the objectives of this Regulation and to the need for a proper connection between the various measures, such drafts comply with the Regulation and thus satisfy the conditions for a financial contribution by the Community to the measure referred to in Article 1. Within two months of the receipt of any draft, the Commission shall, after consulting the Standing Committee on Agricultural Structures, issue an opinion thereon.

4. Member States shall, on enactment of any law, regulation or administrative provision as referred to in paragraph 3, forward the text thereof to the Commission.

Article 25

1. With regard to provisions the texts of which are forwarded pursuant to the second indent of Article 24 (1) or to Article 24 (4), the Commission shall examine whether, having regard to the objectives of this Regulation and to the need for a proper connection between the various measures, such provisions satisfy the conditions for a financial contribution by the Community to the common measure referred to in Article 1. Within two months of the receipt of any text, the Commission representative shall, after consulting the EAGGF Committee on the financial aspects, submit a draft decision thereon to the Standing Committee on Agricultural Structures.

2. The Committee shall issue its opinion within a time limit to be fixed by its chairman according to the urgency of the matters for examination. It shall decide by a majority of 45 votes, the votes of Member States being weighted as laid down in Article 148 (2) of the Treaty. The chairman shall not vote.

3. The Commission shall adopt the decision. However, if the decision is not in accordance with the opinion issued by the Committee, it shall immediately be communicated to the Council. In that event, the Commission may defer application of the decision for a period not exceeding one month from the date of its communication.

The Council, voting as provided for in Article 43 (2) of the Treaty, may within one month adopt a different decision.

Article 26

1. The expenditure incurred by Member States in connection with the measures provided for in Articles 3 to 7, 9 to 17, 20 and 21 shall be eligible for aid from the Fund.

2. The Fund shall reimburse 25 % of the eligible expenditure on the measures provided for in Articles 3 to 7 and 13 to 17 and 20 to Member States. The rate shall be increased to :

- 50 % for the investment aids referred to in Articles 3 and 4 in the less-favoured areas of the west of Ireland, Greece and the Mezzogiorno region of Italy, including the islands,
- 50 % in the case of the special aids provided for in Article 7 for farmers under 40 years of age,
- 50 % in the case of the compensatory allowance provided for in Article 14 and concerning Greece, Ireland, Italy and the French overseas departments,
- 50 % in the case of the aids referred to in Article 17 and concerning the French overseas department, Greek and Italian regions within the meaning of Article 13 (1).

The Fund may also reimburse to Member States up to 25 % of eligible expenditure under the measures provided for in Articles 9 to 12 and 21.

3. Detailed rules for the application of paragraph 2 shall be adopted in accordance with the procedure laid down in Article 13 of Regulation (EEC) No 729/70.

Article 27

1. Measures taken by Member States shall not be eligible for a financial contribution from the Community unless a favourable decision under Article 25 has been given in respect of the provisions relating thereto.

2. The financial contribution from the Community shall be provided only in respect of eligible expenditure arising in connection with aids granted pursuant to decisions taken after the date on which this Regulation enters into force.

Article 28

1. Applications for reimbursement shall relate to expenditure incurred by Member States in the course of a given calendar year and shall be submitted to the Commission before 1 July of the following year.

2. The granting of aid from the Fund shall be decided on in accordance with Article 7 (1) of Regulation (EEC) No 729/70.

3. Payments on account may be authorized by the Commission.

4. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 13 of Regulation (EEC) No 729/70.

Article 29

Before 1 August each year, the Community and national measures in force relating to this Regulation shall be examined in the context of an annual report which the Commission shall present to the European Parliament and the Council and for which Member States shall send all necessary documentation to the Commission.

The Council shall evaluate the results of such measures, taking into consideration the rate of structural development required to achieve the objectives of the common agricultural policy, the effect on the production objectives of the Community and on the harmonious development of the regions of the Community, and the financial implications of the measures in question.

If necessary, the Council shall, in accordance with the procedure laid down in Article 43 of the Treaty, adopt appropriate provisions.

Article 30

Member States may lay down additional conditions as regards the implementation of the aid measures provided for in this Regulation.

Article 31

Subject to the provisions of Article 8 and Article 13, this Regulation shall be without prejudice to the Member States' right to adopt additional aid measures in the field covered by this Regulation with conditions or rules for granting them differing from those laid down herein or with amounts exceeding the ceilings laid down herein provided that such measures are taken in conformity with Articles 92 to 94 of the Treaty.

Article 32

1. Member States shall, within six months of the date of its entry into force, bring into force the measures necessary to comply with this Regulation.

At the same time, they shall make provision for effective checks of the information used to calculate the aids eligible for assistance from the Fund.

2. However, the prohibitions and restrictions laid down in Articles 3 and 8 (4) shall apply to applications made after the entry into force of this Regulation.

TITLE IX

Final provisions

Article 33

1. As from 1 January 1985, '31 December 1984' is replaced by '30 September 1985' in the following provisions:

- Article 16 (1) of Council Directive 72/159/EEC of 17 April 1972 on the modernization of farms ⁽¹⁾,
- Article 7 (1) of Council Directive 72/160/EEC of 17 April 1972 concerning measures to encourage the cessation of farming and the reallocation of utilized agricultural area for the purposes of structural improvement ⁽²⁾,
- Article 9 (1) of Council Directive 72/161/EEC of 17 April 1972 concerning the provision of socio-economic guidance for and the acquisition of occupational skills by persons engaged in agriculture ⁽³⁾,
- Article 4 of Decision 76/402/EEC of 6 April 1976 on the level of the interest-rate subsidy, provided for by Directive 72/159/EEC ⁽⁴⁾,
- Article 5 of Council Decision 81/598/EEC of 27 July 1981 on the level of the interest rate subsidy provided for by Directive 72/159/EEC ⁽⁵⁾,
- Article 3 of Council Decision 82/438/EEC of 24 June 1982 authorizing certain Member States to raise the level of the interest rate subsidies provided for by Directive 72/159/EEC ⁽⁶⁾.

2. Subject to Article 32 (2), the following shall cease to apply, on the day on which the transitional period referred to in Article 32 expires, to applications submitted after that date:

- Directive 72/159/EEC,
- Directive 72/160/EEC,
- Directive 72/161/EEC,
- Articles 4 to 17 of Directive 75/268/EEC,
- Council Regulation (EEC) No 1945/81 of 30 June 1981 restricting investment aids for pig production ⁽⁷⁾,
- Council Regulation (EEC) No 1946/81 of 30 June 1981 restricting investment aids for milk production ⁽⁸⁾.

⁽¹⁾ OJ No L 96, 23. 4. 1972, p. 1.

⁽²⁾ OJ No L 96, 23. 4. 1972, p. 9.

⁽³⁾ OJ No L 96, 23. 4. 1972, p. 15.

⁽⁴⁾ OJ No L 108, 26. 4. 1976, p. 39.

⁽⁵⁾ OJ No L 220, 6. 8. 1981, p. 27.

⁽⁶⁾ OJ No L 193, 3. 7. 1982, p. 39.

⁽⁷⁾ OJ No L 197, 20. 7. 1981, p. 31.

⁽⁸⁾ OJ No L 197, 20. 7. 1981, p. 32.

3. Directive 75/268/EEC is hereby amended as follows:

(a) In Article 1, the last part of the first sentence is replaced by the following:

'... Member States are hereby authorized to introduce the special aids provided for in Council Regulation (EEC) No 797/85 of 12 March 1985 on improving the efficiency of agricultural structures ⁽⁹⁾, to encourage farming and to raise farmers' income in those areas.

⁽⁹⁾ OJ No L 93, 30. 3. 1985, p. 1';.

(b) Article 3 (5) is replaced by the following:

'5. Less-favoured areas within the meaning of this Article may include small areas affected by specific handicaps and in which farming must be continued, if necessary subject to certain conditions, in order to ensure the conservation of the environment, to maintain the countryside and to preserve the tourist potential of the area or in order to protect the coastline. The total extent of such areas may not, in any Member State, exceed 4 % of the area of the State concerned.'

Article 34

1. Council Regulation (EEC) No 1820/80 of 24 June 1980 for the stimulation of agricultural development in the less-favoured areas of the west of Ireland ⁽⁹⁾, as last amended by Regulation (EEC) No 3073/82 ⁽¹⁰⁾, is hereby amended as follows:

(a) Article 10 (1) is replaced by the following:

'1. Within the framework of the specific action, investment aids shall be granted to farmers who:

(a) satisfy the conditions laid down in Article 2 (1) (a), (b) and (c), and (2) of Council Regulation (EEC) No 797/85 of 12 March 1985 on improving the efficiency of agricultural structures ⁽⁹⁾ and whose plan for the material improvement of their holding particularly favours cattle farming for meat production and/or sheep farming;

⁽⁹⁾ OJ No L 180, 14. 7. 1980, p. 1.

⁽¹⁰⁾ OJ No L 325, 20. 11. 1982, p. 1.

- (b) keep simplified accounts as from the implementation of the improvement plan referred to in (a).

(^(*)) OJ No L 93, 30. 3. 1985, p. 1.';

- (b) Article 10 (2) is deleted;

- (c) Article 11 (1) is replaced by the following:

'1. The aids referred to in Article 10 (1) shall be granted subject to Articles 3 to 6, Article 7 (2), and Article 8 (1) of Regulation (EEC) No 797/85. The grant of the aids referred to in Article 8 (1) of the latter Regulation shall not be taken into consideration for reimbursement under Article 22.'

2. Council Regulation (EEC) No 1939/81 of 30 June 1981 on an integrated development programme for the Western Isles of Scotland (Outer Hebrides)⁽¹⁾ is hereby amended as follows:

- (a) Article 1 (3) is deleted;

- (b) The first indent of Article 5 (2) is replaced by the following:

'— the conditions and criteria of the aid measures provided for; where aid measures for investments on holdings are provided, they shall be subject to Articles 3 to 6, Article 7 (2) and Article 8 (1) of Council Regulation (EEC) No 797/85 of 12 March 1985 on improving the efficiency of agricultural structures^(*). The grant of the aid referred to in Article 8 (1) of the latter Regulation shall not be taken into consideration for reimbursement under Article 7.

(^(*)) OJ No L 93, 30. 3. 1985, p. 1.';

- (c) In Article 5 (3) the third and fourth lines are replaced by the following:

'... in accordance with the procedure laid down in Article 25 of Regulation (EEC) No 797/85 after the Standing....'

3. Council Regulation (EEC) No 1940/81 of 30 June 1981 on an integrated development programme for the department of Lozère⁽²⁾ is hereby amended as follows:

- (a) Article 1 (3) is deleted;

- (b) The second indent of Article 5 (2) is replaced by the following:

'— the conditions and criteria of the aid measures provided for; where aid measures for investments on holdings are provided for, they shall be subject to Articles 3 to 6, Article 7 (2) and Article 8 (1) of Council Regulation (EEC) No 797/85 of 12 March 1985 on improving the efficiency of agricultural structures^(*). The grant of the aids referred to in Article 8 (1) of the latter Regulation shall not be taken into consideration for reimbursement under Article 7.

(^(*)) OJ No L 93, 30. 3. 1985, p. 1.';

- (c) In Article 5 (3) the third and fourth lines are replaced by the following:

'... in accordance with the procedure laid down in Article 25 of Regulation (EEC) No 797/85 after the Standing....'

4. Council Regulation (EEC) No 1942/81 of 30 June 1981 for the stimulation of agricultural development in the less-favoured areas of Northern Ireland⁽³⁾ is hereby amended as follows:

- (a) Article 10 (1) is replaced by the following:

'1. Within the framework of the specific action referred to in Article 8 (1), investment aids shall be granted to farmers who:

- (a) satisfy the conditions laid down in Article 2 (1) (a), (b) and (c), and (2) of Regulation (EEC) No 797/85 of 12 March 1985 on improving the efficiency of agricultural structures^(*) and whose plan for the material improvement of their holding particularly favours cattle farming for meat production and/or sheep farming;

- (b) keep simplified accounts as from the implementation of the improvement plan referred to in (a).

(^(*)) OJ No L 93, 30. 3. 1985, p. 1.';

- (b) Article 10 (2) is deleted;

- (c) Article 11 (1) is replaced by the following:

'1. The aids referred to in Article 10 (1) shall be granted subject to Articles 3 to 6, Article 7 (2), and Article 8 (1) of Regulation (EEC) No 797/85. The grant of the aids referred to in Article 8 (1) of the latter Regulation shall not be taken into consideration for reimbursement under Article 14.'

⁽¹⁾ OJ No L 197, 20. 7. 1981, p. 6.

⁽²⁾ OJ No L 197, 20. 7. 1981, p. 9.

⁽³⁾ OJ No L 197, 20. 7. 1981, p. 17.

5. Council Regulation (EEC) No 1944/81 of 30 June 1981 establishing a common measure for the adaptation and modernization of the structure of production of beef and veal, sheepmeat and goatmeat in Italy⁽¹⁾ is hereby amended as follows:

(a) Article 2 (1) is deleted;

(b) Article 2 (3) is replaced by the following:

'3. The programmes and any adjustments thereto shall be examined and approved in accordance with the procedure laid down in Article 25 of Council Regulation (EEC) No 797/85 of 12 March 1985 on improving the efficiency of agricultural structures (*).

(*) OJ No L 93, 30. 3. 1985, p. 1.';

(c) Article 3 (1) (a) is replaced by the following:

'(a) aids for the modernization, rationalization and construction of livestock housing on agricultural holdings which comply with the provisions of Article 2 (1) (a), (b) and (c), and (2) of Regulation (EEC) No 797/85 and whose plan for material improvement shows:

- that on completion of the improvement plan the share of sales deriving from the production of beef and veal and from all production of sheep and goat sectors in relation to the holding's total sales, is not reduced and exceeds 40 % of the holding's total sales,
- that the livestock housing meets the health and hygiene standards laid down by Community provisions.';

(d) Article 3 (2) is replaced by the following:

'2. The aids referred to in paragraph 1 (a) and (b) shall be granted subject to Articles 3 to 6, Article 7 (2) and Article 8 (1) of Regulation (EEC) No 797/85. The grant of the aids referred to in Article 8 (1) of the latter Regulation shall not be taken into consideration for reimbursement under Article 6.'

6. Council Directive 81/527/EEC of 30 June 1981 on the development of agriculture in the French overseas departments⁽²⁾ is hereby amended as follows:

⁽¹⁾ OJ No L 197, 20. 7. 1981, p. 27.

⁽²⁾ OJ No L 197, 20. 7. 1981, p. 38.

(a) Article 1 (2) is deleted;

(b) In Article 2 (2), the third and fourth lines are replaced by the following:

'... accordance with the procedure laid down in Article 25 of Council Regulation (EEC) No 797/85 of 12 March 1985 on improving the efficiency of agricultural structures (*), after consulting the Fund Committee.

(*) OJ No L 93, 30. 3. 1985, p. 1.'

7. Council Regulation (EEC) No 1975/82 of 19 July 1982 on the acceleration of agricultural development in certain regions of Greece⁽³⁾ is hereby amended as follows:

(a) Article 10 (2) is replaced by the following:

'2. The aids referred to in paragraph 1 (a) and (b) and aid for the purchase of breeding animals as provided for in paragraph 1 (c) by individual farmers shall be granted to holdings which meet the conditions laid down in Article 2 (1) (a), (b) and (c) and (2) of Council Regulation (EEC) No 797/85 of 12 March 1985 on improving the efficiency of agricultural structures (*) and whose improvement plan shows:

- that the planned investments amount to at least 2 500 ECU per holding;
- that on completion of the plan the share of sales deriving from the production of beef and veal and all production of the sheep and goat sectors, in relation to the holding's total sales, will not be reduced and will exceed 40 % of the holding's total sales;
- that the livestock housing meets the health and hygiene standards laid down by Community provisions.

(*) OJ No L 93, 30. 3. 1985, p. 1.';

(b) Article 10 (3) is replaced by the following:

'3. The aids referred to in paragraph 1 (a), (b) and (c) shall be granted subject to Articles 3 to 6, Article 7 (2) and Article 8 (1) of Regulation (EEC) No 797/85. The grant of the aids referred to in Article 8 (1) shall not be taken into consideration for reimbursement under Article 18.'

8. The amendments to the Regulations and Directives mentioned in paragraphs 1 to 7 shall relate to aids granted pursuant to decisions taken after the entry into force of this Regulation.

⁽³⁾ OJ No L 214, 22. 7. 1982, p. 1.

9. In Article 6 (1) (f) of Council Regulation (EEC) No 355/77 of 15 February 1977 on common measures to improve the conditions under which agricultural and fishery products are processed and marketed⁽¹⁾, the first subparagraph is replaced by the following:

(f) subject to a decision pursuant to the second paragraph of Article 5, harvesting primary products of the soil, provided that the equipment concerned does not qualify for a finan-

cial contribution by the Community under Council Regulation (EEC) No 797/85 of 12 March 1985 on improving the efficiency of agricultural structures⁽²⁾ and provided that both:

⁽²⁾ OJ No L 93, 30. 3. 1985, p. 1.

Article 35

This Regulation shall enter into force on 1 April 1985.

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

Done at Brussels, 12 March 1985.

For the Council

The President

F. M. PANDOLFI

⁽¹⁾ OJ No L 51, 23. 2. 1977, p. 1.

*ANNEX***Table for converting cattle, equines, sheep and goats into livestock units (LU)
(referred to in Article 15 (1) (a))**

Bulls, cows and other bovine animals over two years, equines over six months	1,0 LU
Bovine animals from six months to two years	0,6 LU
Sheep	0,15 LU
Goats	0,15 LU

The coefficients relating to sheep and goats apply to the maximum and minimum amounts per livestock unit as defined in Article 15 (1).
