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**REPORT FROM THE COMMISSION  
TO THE COUNCIL AND THE EUROPEAN PARLIAMENT**

**on progress in implementation of the specific measures  
for the smaller Aegean islands in 1998 and 1999**

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**Table of contents**

PREFACE .....	4
1. Introduction .....	5
2. Measures provided for in Regulation (EEC) No 2019/93.....	6
3. Progress in implementation of the measures.....	6
3.1. Specific supply arrangements .....	6
(1) Yoghurt .....	7
(2) Sugar .....	8
(3) Wheat flour .....	8
(4) Feedingstuffs .....	8
(5) Fruit and vegetables .....	9
3.2. Measures to support local products.....	9
(1) Livestock.....	9
(2) Milk products .....	10
(3) Fruit, vegetables and flowers .....	11
(4) Potatoes .....	12
(5) Wine sector .....	12
(6) Olive groves .....	13
(7) Honey.....	13
4. EAGGF Guarantee Section expenditure on implementation of the measures.....	14
5. Derogations applicable to structural measures.....	14
6. National system of controls.....	16
7. Conclusions.....	19

ANNEX 1 Regulations adopted at 31 December 1995 .....	21
1. Framework Regulation.....	20
2. Detailed rules of application .....	20
(1) Specific supply arrangements: .....	20
(2) Measures to support local products.....	21
3. Derogations applicable to structural measures.....	22
ANNEX 2 Administrative acts adopted to implement the measures .....	25
1. Specific supply arrangements .....	23
2. Measures to support local products.....	23
3. Derogations applicable to structural measures.....	24
ANNEX 3 Aid for supply – summary table .....	26
ANNEX 4 Summary table – aid for local production .....	27

## **PREFACE**

This *annual report* on the implementation of the specific agricultural measures applied in the Aegean islands for the years 1998 and 1999 is foreseen by Article 15(1) of Council Regulation (EEC) No 2019/93.

According to the new Article 15(2) of Council Regulation (EC) No 442/2002 amending Regulation (EEC) No 2019/93, the next Commission report on the implementation of this regulation is expected before the end of 2005.

Therefore the present report is the last of a series of annual reports as provided for under the previous Article 15(1) of Regulation (EEC) No 2019/93.

## 1. INTRODUCTION

The Rhodes European Council of 2 and 3 December 1988 recognised the specific socio-economic problems affecting certain island regions of the Community.

In line with the conclusions of the aforementioned European Council and in compliance with its commitments, the Commission undertook a general study of the specific problems of the Aegean islands in partnership with the Greek authorities, which resulted in the drafting of an interim Commission report<sup>1</sup> on progress in the study. This study phase enabled the Commission to submit a final report<sup>2</sup>, accompanied by suitable proposals, defining the overall strategy and practical means of solving the problems of the Aegean islands.

The final report outlined the Community's response and enabled the Commission, in the agricultural field, to submit its regulatory proposals designed to draw up a framework of agricultural measures to be financed by the EAGGF Guarantee and Guidance Sections.

The proposed measures were intended to encourage the economic and social development of small islands (less than 100 000 inhabitants) featuring a difficult geographical situation and structural backwardness in relation to other regions of the Community.

The difficulties experienced by such islands in kickstarting their economic and social development stem from their insularity, remoteness, small land area, and difficult relief and climate.

In view of the islands' specific problems, the Commission proposal contemplated a series of multiannual and multisectoral measures designed to facilitate supplies, provide financial support for production with a view to improving the islands' self-sufficiency, and improve their agricultural structures and the living conditions of their inhabitants.

The Council followed up the Commission proposals by adopting Regulation (EEC) No 2019/93<sup>3</sup>.

The Commission quickly adopted all the regulations needed to implement the measures planned, so making their implementation possible as of 1993, but the administrative procedures for actual execution and the necessary adaptation of the economic operators to the new mechanisms introduced meant that only a small number of measures in support of local products could be executed in 1993. In 1994 all the measures were implemented except for the one relating to the development and/or diversification of production and/or improvement of the quality of the fruit, vegetables and flowers, which could not be implemented in 1995 either, owing to a lack of personnel in the national administration.

In accordance with Article 15(1) of Regulation (EEC) No 2019/93, the Commission is required to present an annual report on the implementation of the measures planned. It is based upon the annual report that the national administration submits to the Commission.

In 1996 the Commission presented the first report to Parliament and the Council on the implementation of the programme in 1993 and 1994 (COM(96) 387 final).

In 1998 the Commission presented the second report to Parliament and the Council on the implementation of the programme in 1995 (COM(1998) 292 final).

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<sup>1</sup> SEC(92) 36 final of 13 January 1992.

<sup>2</sup> COM(92) 569 final of 23 December 1992.

<sup>3</sup> OJ L 184, 27.7.1993, p. 1.

In 1999 an evaluation report was commissioned and carried out by an independent consultant (Speed Ltd) and in February 2001 its results were included in the Commission report presented to Parliament and the Council on the implementation of the programme in 1996 and 1997 (COM(2001) 64 final).

As a consequence of that report, the Commission submitted a proposal COM(2001) 638 of 7 November 2001 to the Council in which it proposes the amendment of Regulation (EEC) No 2019/93 (see relevant paragraph in the conclusions).

The present report covers the implementation during the years 1998 and 1999 and is based on the corresponding reports from the Ministry of Agriculture.

The late preparation of the report is due to the national administration's difficulties in collecting all the information needed to compile it from the regional offices in the islands. These difficulties seem to continue to the present day.

## **2. MEASURES PROVIDED FOR IN REGULATION (EEC) NO 2019/93**

The Regulation introduces:

- a set of specific market measures with expenditure to be borne by the EAGGF Guarantee Section (essentially specific supply arrangements and aid for certain local products), for which specific headings were included in the Community budget. A total of EUR 23 million in 1998 (EUR 22 million under heading B1-1832 for plant products and EUR 1 million under heading B1-2512 for livestock products). In 1999 these specific headings were amended and the total of EUR 24,67 million for that year was recorded as EUR 5,68 million under heading B1-3230 for the supply arrangements measure (EUR 5,66 million for plant products and EUR 0,02 million for livestock products) and EUR 18,99 million under heading B1-3231 for other measures (EUR 17 million for plant products and EUR 1,99 million for livestock products);
- a series of derogations needed in the structural field, in order to facilitate EAGGF Guidance operations. However, additional amounts were not entered in the budget for these derogations, the expenditure being covered by EAGGF Guidance appropriations under the CSF.

## **3. PROGRESS IN IMPLEMENTATION OF THE MEASURES**

### **3.1. Specific supply arrangements**

The arrangements seek to offset the extra costs, due to the geographical situation of the islands, of supplies of a certain number of products for everyday consumption from the rest of the Community, so they are available at fair prices.

The quantities of products qualifying under these supply arrangements are determined on the basis of forecast supply balances, reviewed periodically in the light of market requirements. Special attention is paid to the knock-on effects of the arrangements, in particular as regards the passing-on to the final user of the benefits granted.

For the purposes of applying the supply arrangements, the islands were classified in two groups A and B on the basis of their distance from the mainland and the aid was determined on the basis of the transport costs calculated from the usual ports of shipment in mainland Greece.

The islands and the prefectures (*nomoi*) belonging to group A (islands close to mainland) are Thassos, Samothrace, Sporades, Kithira, Antikithira, Amouliani, the islands of the prefecture of Evvia, excluding the island of Evvia, and of the prefecture of the Kiklades islands, Kea, Kithnos, Giaros, Andros, Tinos, Siros, Mykonos, Dilos and Rinia.

The islands and prefectures belonging to group B (distant islands) are the Prefectures of the Dodecanese, Khios, Lesvos and Samos and the islands of the prefecture of the Kiklades, excluding those in group A.

The Community contribution accounts for 90% of the total cost of the measures, the remaining 10% being borne by the Member State.

The aid for supplies was fixed at EUR 15/t and EUR 30/t<sup>4</sup> for groups A and B respectively. In addition, the aid for 1993 was to be increased by 50% in order to encourage the operators to implement the measure quickly.

In the case of fruit and vegetable supplies, implementation was to be temporary and digressive (from 1993 to 1997). For 1994, 1995, 1996 and 1997, the aid was fixed at 80%, 60%, 40% and 20% of the amount applicable in 1993.

Implementation of the measure started in 1994 only, as the relevant administrative instruments needed to be approved and the Greek administration and the operators needed to adapt to the new procedure.

The situation regarding the development of supplies by product is as follows:

## (1) Yoghurt

Progress in implementation:

**Table 1**

Group of islands	Unit aid (EUR/t)	1998				1999			
		Balance fixed (t)	Outturn			Balance fixed (t)	Outturn		
			Quantity (t)	%	Total cost (EUR '000)		Quantity (t)	%	Total cost (EUR '000)
A	15 (1) 18,11 (2)	300 (3)	0	0	0	0	0	0	
B	30 (1) 36,22 (2)	600 (3)	0	0	0	0	0	0	
<b>Total</b>		<b>900</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	

- (1) Regulation (EEC) No 2958/93 of 27 October 1993.
- (2) Regulation (EC) No 1802/95 of 25 July 1995: as from 1.2.1995 the correcting factor (1,207509) for agricultural conversion rates was abolished and consequently amounts fixed in EUR were adjusted.
- (3) Regulation (EC) No 2491/97 of 12 December 1997.

For the third year running the dairy suppliers for this measure showed no interest during 1998 and consequently the Commission for 1999 fixed no balance. The industry maintains that the high cost of the special labelling of each pot (a national provision requirement to show that the product is subsidised by the EAGGF) in relation to the low rate of aid in terms of the product's value prevents it from passing on the aid to the end user.

<sup>4</sup> Since 1.2.1995 when the correcting factor (1,207509 at the time) for the agricultural conversion rates was abolished, the aid was adjusted to EUR 18,11/t and EUR 36,22/t respectively.

## (2) Sugar

Progress in implementation:

**Table 2**

Group of islands	Unit aid (EUR/t)	1998				1999			
		Balance fixed (t)	Outturn			Balance fixed (t)	Outturn		
			Quantity (t)	%	Total cost (EUR '000)		Quantity (t)	%	Total cost (EUR '000)
A	15 (1) 18,11 (2)	600 (3)	165	27,50	2,99	600 (4)	158	26,33	2,86
B	30 (1) 36,22 (2)	9 000 (3)	7 409,47	82,33	268,37	9 000 (4)	6 481,4	72,02	234,76
<b>Total</b>		<b>9 600</b>	<b>7 574,47</b>	<b>78,90</b>	<b>271,36</b>	<b>9 600</b>	<b>6 639,4</b>	<b>69,16</b>	<b>237,62</b>

- (1) Regulation (EEC) No 2958/93 of 27 October 1993.
- (2) Regulation (EC) No 150/95 of 23 January 1995: as from 1.2.1995 the correcting factor (1,207509) for agricultural conversion rates was abolished and consequently amounts fixed in EUR were adjusted.
- (3) Regulation (EC) No 1320/98 of 25 June 1998.
- (4) Regulation (EC) No 1435/99 of 30 June 1999.

Although the Greek Sugar Industry (GSI) remains the major supplier of the product, co-operatives and super-market chains have started joining the scheme. However, the impact of the benefit of the aid at the level of the end user was difficult to prove for this sector.

## (3) Wheat flour

Progress in implementation:

**Table 3**

Group of islands	Unit aid (EUR/t)	1998				1999			
		Balance fixed (t)	Outturn			Balance fixed (t)	Outturn		
			Quantity (t)	%	Total cost (EUR '000)		Quantity (t)	%	Total cost (EUR '000)
A	15 (1) 18,11 (2)	11 000 (3)	5 148,15	46,80	93,23	11 000 (4)	5 444,00	49,49	98,59
B	30 (1) 36,22 (2)	40 000 (3)	30 148,60	75,37	1 091,98	40 000 (4)	29 971,50	74,93	1 085,57
<b>Total</b>		<b>51 000</b>	<b>35 296,75</b>	<b>69,21</b>	<b>1 185,21</b>	<b>51 000</b>	<b>34 415,50</b>	<b>67,48</b>	<b>1 184,16</b>

- (1) Regulation (EEC) No 2958/93 of 27 October 1993.
- (2) Regulation (EC) No 150/95 of 23 January 1995: as from 1.2.1995 the correcting factor (1,207509) for agricultural conversion rates was abolished and consequently amounts fixed in EUR were adjusted.
- (3) Regulation (EC) No 1960/98 of 15 September 1998.
- (4) Regulation (EC) No 2782/98 of 22 December 1998.

Implementation progressed at a moderate pace in the course of these two years. Use of the balances in 1994, 1995, 1996 and 1997 was 93,29%, 95,23%, 95,29% and 85,85% respectively.

## (4) Feedingstuffs

Implementation of this measure is depicted in the table that follows for the different categories of animal feed. Progress appears to be satisfactory, particularly in the islands of group B.

Lesvos and Chios replaced their source of barley supply (island of Limnos), by the mainland northern ports Alexandroupoli and Kavala. According to the Greek authorities, the barley supplies from these ports to Lesvos and Chios are more competitive since they benefit with the higher group B rate of aid. To compensate for this loss of market for the barley produced in Limnos the Ministry report proposes that the barley from Limnos qualify for the group B rate of aid, irrespective of the



island of destination. The same report repeats the request to include the island of Gavdos in the group B of islands.

**Table 4**

(EUR '000)

Group of islands	Product	Unit aid (EUR/t)	1998				1999			
			Balance fixed (t)	Outturn			Balance fixed (t)	Outturn		
				Quantity (t)	%	Total cost		Quantity (t)	%	Total cost
A	grain cereals	15 (1) 18,11 (2)	8 000 (3)	3 985,85	49,82	72,18	8 000 (5)	4 026,10	50,33	72,91
	barley from Limnos		5 000 (3)	2 070	41,40	37,49	5 000 (5)	310	0,06	5,61
	residues and waste from food industries		5 000 (3)	3 948	78,96	71,50	5 000 (5)	4 553,69	91,01	82,47
	preparations used in animal feeding		2 500 (3)	1 322,40	52,90	23,95	2 000 (5)	997,86	49,89	18,07
	lucerne and fodder		1 000 (4)	170	17,00	3,08	1 000 (5)	406,72	40,67	7,37
	<b>Total 1</b>		<b>21 500</b>	<b>11 496,25</b>	<b>53,47</b>	<b>208,20</b>	<b>21 000</b>	<b>10 294,37</b>	<b>49,02</b>	<b>186,43</b>
B	grain cereals	30 (1) 36,22 (2)	50 000 (3)	41 173,80	82,35	1 491,32	60 000 (5)	59 097,70	98,50	2 140,52
	residues and waste from food industries		35 000 (3)	28 586,74	81,68	1 035,41	40 000 (5)	40 065,14	100,16	1 451,16
	preparations used in animal feeding		18 000 (3)	11 456,78	63,65	414,96	18 000 (5)	12 607,43	70,04	456,64
	lucerne and fodder		5 000 (4)	0	0,00	0,00	5 000 (5)	2 545	50,90	92,18
	<b>Total 2</b>		<b>108 000</b>	<b>81 217,32</b>	<b>75,20</b>	<b>2 941,69</b>	<b>123 000</b>	<b>114 315,27</b>	<b>92,94</b>	<b>4 140,50</b>
<b>Total</b>		<b>129 500</b>	<b>92 713,57</b>	<b>71,59</b>	<b>3 149,89</b>	<b>144 000</b>	<b>124 609,64</b>	<b>86,53</b>	<b>4 326,93</b>	

- (1) Regulation (EEC) No 2958/93 of 27 October 1993.
- (2) Regulation (EC) No 150/95 of 23 January 1995: as from 1.2.1995 the correcting factor (1,207509) for agricultural conversion rates was abolished and consequently amounts fixed in EUR were adjusted.
- (3) Regulation (EC) No 1960/98 of 15 September 1998.
- (4) Regulation (EC) No 2064/98 of 28 September 1998.
- (5) Regulation (EC) No 2782/98 of 22 December 1998.

## (5) Fruit and vegetables

According to Article 3(2) of Regulation (EEC) No 2019/93, aid for fruit and vegetables were to be paid for a period of five years as from 1993. This aid was intended to be digressive and to cover a limited time span (until 1997). So, in 1998 the rate of aid has digressed to zero and therefore the measure was no longer applicable. The objective was to facilitate supplies to the islands for a period, pending the adaptation of local production through specific incentives provided for in the programme.

### 3.2. Measures to support local products

#### (1) Livestock

The following aid is granted to support the sector:

- fattening aid for male bovine animals, equal to an additional EUR 40/head on top of the special premium provided for in Article 4b of Regulation (EEC) No 805/68 on the common organisation of the market in beef and veal;

- a supplement to the suckler-cow premium provided for in Article 4d of Regulation (EEC) No 805/68, paid to beef and veal producers. The supplement is equal to EUR 40 per suckler cow held by the producer on the day of the application, subject to a ceiling of 40 cows per holding.

As from 26.6.1999 the aforementioned Regulation was replaced by Regulation (EC) No 1254/1999 so Articles 4b and 4d correlate to Articles 4 and 6, respectively, in the new Regulation.

Progress in implementation:

**Table 6**

Type of aid	Unit aid (EUR/head)	1998		1999	
		Outturn		Outturn	
		Quantity (head)	Total cost (EUR '000)	Quantity (head)	Total cost (EUR '000)
Aid for fattening male bovine animals					
1 <sup>st</sup> instalment	40 (1)	10 392	501,93	10 199	492,61
2 <sup>nd</sup> instalment	48,3 (2)	2 771	133,84	1 136	54,87
<i>Total bovine</i>		<i>13 163</i>	<i>635,77</i>	<i>11 335</i>	<i>547,48</i>
Suckler cow premium	40 (1) 48,3 (2)	8 476	409,39	7 998	386,30
<b>Total</b>		<b>21 639</b>	<b>1 045,16</b>	<b>19 333</b>	<b>933,78</b>

(1) Regulation (EEC) No 2019/93 of 19 July 1993 and (EEC) No 2889/93 of 21 October 1993.

(2) Regulation (EC) No 2417/95 of 13 October 1995: as from 1.2.1995 the correcting factor (1,207509) for agricultural conversion rates was abolished and consequently amounts fixed in ecus were adjusted.

Implementation of the measure seems to settle around the average of the last seven years which is 12 000 animals for bovine and 8 000 for suckler. The percentage of bovine animals that qualified for the second instalment was 26,7% and 11,1% for 1998 and 1999 respectively.

## (2) Milk products

Aid amounting to EUR 2,28/t/day is granted for the private storage of certain local cheeses (feta, graviera and ladotyri).

There is a ceiling of 5 000 t/year and the minimum storage period is 60 days. The aid must not exceed the amount corresponding to the standard storage period of 150 days.

Progress in implementation:

**Table 7**

Product	Unit aid (EUR/t/day)	1998			1999		
		Outturn			Outturn		
		Quantity (t)	Duration (days)	Total cost (EUR '000)	Quantity (t)	Duration (days)	Total cost (EUR '000)
Ladotyri	2,28 (1) 2,75 (2)	0	0	0	0		0
Graviera	2,28 (1) 2,75 (2)	0	0	0	0		0
Feta	2,28 (1) 2,75 (2)	36	124	12,28	30	65 – 127	6,36
		80	147	32,34	45	65 – 132	9,16
		168	150	69,30	169,5	87 – 150	55,62
<b>Total</b>		<b>284</b>	–	<b>113,92</b>	<b>244,5</b>	–	<b>71,14</b>

(1) Regulation (EEC) No 3393/93 of 10 December 1993.

(2) Regulation (EC) No 1802/95 of 25 July 1995: as from 1.2.1995 the correcting factor (1,207509) for agricultural conversion rates was abolished and consequently amounts fixed in ecus were adjusted.

Implementation of the measure was poor on account of fast disposal of production.

### (3) **Fruit, vegetables and flowers**

Aid per hectare is granted to producers and recognised producer groups implementing programmes of initiatives approved by the competent authorities for the development and/or improvement of the quality of the fruit, vegetables and flowers. The initiatives supported must seek in particular to develop production and product quality, in particular by varietal conversion and improvements in cultivation techniques. They must be incorporated in programmes implemented for at least three years and must cover at least 0,3 ha. The programme does not cover tomatoes.

Payable on a yearly basis for up to three years, the aid can amount to up to EUR 500/ha where the Member State contributes at least EUR 300/ha and if the individual producer or producer group contributes at least EUR 200/ha. If the Member State's and/or the producers' contribution is lower than those amounts, the Community aid is reduced proportionally. The aid is increased by EUR 100/ha where the programme of initiatives is submitted and implemented by a producer group or organisation, it provides for technical assistance for implementation and must cover at least 2 ha. From 1995 on, the above amounts were adjusted to EUR 603,75, EUR 362,25, EUR 241,50 and EUR 120,75 respectively, due to abolition of the corrective factor for agricultural conversion rates.

Implementation of this measure was expected at the end of 1995 but in actual fact it was never implemented to date. Reasons for this failure are attributed to lack of personnel at the local authorities responsible for publicising the measure and mobilising the farmers. The non-formation of producers into groups and consequently the non-compilation of initiatives programme. The lack of interest from specialist companies to offer technical assistance and the small size of holdings, which often have less than the minimum area necessary for implementation. The measure proved too heavy and non-adaptable to the local conditions.

#### (4) Potatoes

Flat-rate aid of EUR 494/ha is granted each year for growing seed potatoes and potatoes for human consumption on plots of at least 0,2 ha and a maximum of 3 200 ha of land cultivated and harvested a year.

Progress in implementation:

**Table 8**

Crop	Unit aid (EUR/ha)	1998				1999			
		Ceiling fixed (ha)	Outturn			Ceiling fixed (ha)	Outturn		
			Quantity (ha)	%	Total cost (EUR '000)		Quantity (ha)	%	Total cost (EUR '000)
Potatoes	494 (1) 596,51 (2)	3 200	1 371	42,84	817,81	3 200	1 797	56,15	1 071,92

- (1) Regulation (EEC) No 2019/93 of 19 July 1993 and (EC) No 3404/93 of 10 December 1993.  
(2) Regulation (EC) No 150/95 of 23 January 1995: as from 1.2.1995 the correcting factor (1,207509) for agricultural conversion rates was abolished and consequently amounts fixed in ecus were adjusted.

Implementation seems to have attained 42,84% and 56,15% of the target (3 200ha) in 1996 and 1997 respectively. This aid programme for potatoes is deemed positive and has contributed to a slight increase of the local potato production.

#### (5) Wine sector

##### – *Area under vines*

A flat-rate aid of EUR 394,83/ha is granted for maintaining the cultivation of vine varieties geared to local production of quality wines psr.

Progress in implementation:

**Table 9**

Crop	Unit aid (EUR/ha)	1998		1999	
		Outturn		Outturn	
		Quantity (ha)	Total cost (EUR '000)	Quantity (ha)	Total cost (EUR '000)
Areas under vines	394,83 (1) 476,76 (2)	5 084,81	2 424,23	5 133,22	2 447,31

- (1) Regulation (EEC) No 3112/93 of 10 November 1993.  
(2) Regulation (EC) No 2537/95 of 30 October 1995: as from 1.2.1995 the correcting factor (1,207509) for agricultural conversion rates was abolished and consequently amounts fixed in ecus were adjusted.

Implementation of the measure is progressing satisfactorily.

As from the 1997/98 wine year, the aid was to be granted solely to producer groups or organisations which introduce measures for improving the quality of wines produced included in a programme approved by the national authorities, entailing in particular facilities for improving conditions of vinification, storage and distribution.

##### – *Private storage of liqueur wines*

Aid is granted for the ageing for at least two years of local quality liqueur wines produced by traditional methods. It is paid during the second year of ageing for up to 40 000 hl a year.

Progress in implementation:

**Table 10**

Product	Unit aid (EUR/hl/day)	1998			1999		
		Quantity fixed (hl)	Outturn		Quantity fixed (hl)	Outturn	
			Quantity (hl)	Total cost (EUR '000)		Quantity (hl)	Total cost (EUR '000)
Ageing of liqueur wines	0,0197 (1) 0,02379 (2)	40 000	0	0	40 000	0	0

- (1) Regulation (EC) No 3112/93 of 10 November 1993.  
(2) Regulation (EC) No 2537/95 of 30 October 1995: as from 1.2.1995 the correcting factor (1,207509) for agricultural conversion rates was abolished and consequently amounts fixed in ecus were adjusted.

Progress in implementation has been very poor as local production is currently being disposed of quickly on the market. In 1998 no storage took place so no aid was paid. In March 1999 a quantity of 67,5 hl went into storage. The aid is paid at the end of two years of storage. The table shows the costs for the period of the calendar year when a quantity of wine was in storage.

**(6) Olive groves**

Flat-rate aid of EUR 120/ha/year is granted for maintaining olive groves in areas of traditional olive cultivation, provided that the trees are kept and maintained in good production conditions. The minimum density was set initially at 50 trees/ha. As from 1995, the minimum density was increased to 80 trees/ha.

Progress in implementation:

**Table 11**

Crop	Unit aid (EUR/ha)	1998		1999	
		Outturn		Outturn	
		Quantity (ha)	Total cost (EUR '000)	Quantity (ha)	Total cost (EUR '000)
Olive groves	120 (1) 144,90 (2)	93 927,76 (3)	13 610,13	95 205,87 (3)	13 795,33

- (1) Regulation (EEC) No 2019/93 of 19 July 1993.  
(2) Regulation (EC) No 150/95 of 23 January 1995: as from 1.2.1995 the correcting factor (1,207509) for agricultural conversion rates was abolished and consequently amounts fixed in ecus were adjusted.  
(3) Regulation (EC) No 2813/94 of 18 November 1994. Density: 80 trees/ha.

Progress in the measure is very satisfactory. However the Ministry considers that the rate of aid lies rather at a low level by arguing that good production conditions are attained through manual work rather than the use of machinery. The labour cost constitutes 46% of the total cost of production unit whereas the use of machinery 3,5%. However, this aid contributes satisfactorily in the maintenance of olive groves.

**(7) Honey**

Aid per hive in production is granted to recognised honey-producer groups for the production of honey of specific quality with a high thyme-honey content who undertake to carry out annual programmes of initiatives to improve the conditions under which quality honey is marketed and promoted. The aid amounts to EUR 10/hive/year subject to a maximum of 50 000 hives/year. For a transitional period of two years (1993,1994) while groups were established and recognised, aid of EUR 7/hive was granted to any bee-keeper with at least 10 hives, and was subject to a maximum of 100 000 hives.

Progress in implementation:

**Table 12**

	Unit aid (EUR/hive)	1998			1999		
		Balance fixed (hives)	Outturn		Balance fixed (hives)	Outturn	
			Quantity (hives)	Total cost (EUR '000)		Quantity (hives)	Total cost (EUR '000)
Hives	10 (1) 12,08 (2)	50 000	82 392	603,89	50 000	106 412	603,93

- (1) Regulation (EC) No 3063/93 of 5 November 1993.  
 (2) Regulation (EC) No 2362/95 of 9 October 1995: as from 1.2.1995 the correcting factor (1,207509) for agricultural conversion rates was abolished and consequently amounts fixed in ecus were adjusted.

It is observed that in both years the quantities approved exceeded the fixed balances and as a consequence a reduction factor was applied: 0,3931 for 1998 and 0,5301 for 1999.

The Ministry is of the opinion that as the number of producer organisations willing to undertake to carry out annual programmes of initiatives rises steadily it becomes necessary to increase the maximum of hives/year at least by doubling the initial number.

#### **4. EAGGF GUARANTEE SECTION EXPENDITURE ON IMPLEMENTATION OF THE MEASURES**

The costs shown in Chapter 3 and set out in the tables in Annexes 3 and 4 are calculated per calendar year on the basis of the figures provided by the Greek authorities. In view of the time needed by the latter to check and declare expenditure to the Commission on the one hand, and of the lack of correspondence between the calendar year (for implementing the measures) and the budget year (16 October to 15 October of the following year) (for payments by the EAGGF Guarantee Section) on the other hand, expenditure declared and charged to the EAGGF Guarantee Section per budget year in 1998 and 1999 is as follows.

**Table 13** EUR million

Products	Expenditure declared and charged	
	1998	1999
plant	21,1	21,3
animal	1,1	1,5
<b>Total</b>	<b>22,2</b>	<b>22,8</b>

The EAGGF's contribution to the cost of the supplies amounts to 90% of the total cost (see Annex 3).

#### **5. DEROGATIONS APPLICABLE TO STRUCTURAL MEASURES**

- (1) Notwithstanding Articles 5, 6, 7, 10 and 19 of Council Regulation (EEC) No 2328/91 on improving the efficiency of agricultural structures<sup>5</sup>, investment aid for agricultural holdings located in the smaller Aegean islands is granted under the following conditions:

<sup>5</sup> OJ L 218, 6.8.1991, p. 1. Regulation last amended by Regulation (EC) No 950/97 (OJ L 142, 2.6.1997, p. 1).

- the investment aid scheme can be applied to farmers who do not practise farming as their main activity but draw at least 25% of their overall income from farming their holdings and whose farms do not require more than the equivalent of one man-work unit (MWU) as long as the investments planned do not exceed EUR 25 000. Except for local specialities, all food produced must be for local consumption;
- simplified accounts must be kept;
- on family pig farms, the limits laid down by Regulation (EEC) No 2328/91 need not be met. However, once the plan has been completed, the equivalent of at least 10% of the food consumed by the pigs must be produced on the holding;
- in the case of egg and poultry production, investments are allowed on family holdings;
- the maximum aid for investments is 55% for any type of investment;
- the provisions in the previous three indents apply only insofar as livestock production is undertaken in a manner compatible with animal welfare and environmental protection requirements;
- the compensatory allowance, in the case of cattle farming, may be raised to EUR 180,5/LU for up to a maximum of EUR 3 540 per holding in 1993; the compensatory allowance may be granted on the islands for all vegetable crops, as long as they are cultivated in a manner compatible with the requirements of environmental protection and subject to a maximum amount of EUR 3 540 per holding for 1993;
- when the compensatory allowance for all the less-favoured areas is calculated, account may be taken, up to a maximum of 20 livestock units, of cows whose milk is intended for the market within that region;
- in the case of the setting up of a young farmer, the condition that the holding must achieve at the latest two years after the setting up a volume of work equivalent to at least one MWU is not required.

(2) Notwithstanding the second subparagraph of Article 17(3) of Regulation (EEC) No 4253/88, the Community contribution can be increased to over 50% in the case of investments in the processing and marketing of certain agricultural products with a view to improving the living conditions of the inhabitants.

Progress in implementation:

**Table 14**

	1998		1999	
	Number	Estimated additional cost to EAGGF (EUR '000)	Number	Estimated additional cost to EAGGF (EUR '000)
Improvement plans for non-farmers	138	139	168	171
Improvement plans for young farmers with 65% aid	238	1 148	381	2 078
Improvement plans for farmers with 55% aid	1 215	2 121	1 178	2 307
Improvement plans for poultry production	3	30	0	0
Improvement plans for pig production	0	0	1	6
Young farmers setting up in farming with 0,5 MWU	136	151	525	1 502
Compensatory allowance * (includes basic amount plus derogation)	16 615	9 300*	18 830	11 990*
Processing/marketing	8	1 195	12	968
<b>Total</b>		<b>14 084</b>		<b>19 022</b>

## 6. NATIONAL SYSTEM OF CONTROLS

With a view to effective monitoring of aid for supplies, an interministerial Decision (No 443790 of 22 December 1993) specifying the supporting documents to accompany the products was published. It designates the bodies responsible for controls and lays down the method of payment and the rules for checking that the aid is actually passed on to the end user. This procedure is applied in all cases as regards the supporting documents. Sampling checks are carried out by the regional offices of the Ministry of Agriculture.

In the case of measures to support local products, specific administrative acts covering each activity were published on the implementation of the measures and the procedure for granting the aid. Controls involve general administrative and on-the-spot sampling checks.

The checks conducted and the results are set out in Table 15 below.



**Table 15**

Prefecture	Year	Type of measure		Checks conducted (number, ha, t, applications, etc.)	Checks as % of applications, quantities or areas	Number of irregularities observed		Remarks
		Supplies	Local production			Supplies	Local produc- tion	
1. Lesbos	1998	animal feedingstuffs		2	-	0		-
		animal feedingstuffs		2	-	0		
		sugar		4	-	0		
		wheat flour		-	-	0		
1999	animal feedingstuffs		11	14%	0		port	
	animal feedingstuffs		2	17%	0		store-rooms + port	
	animal feedingstuffs		2	13%	0		store-rooms + port	
2. Samos	1998	supply arrangements		45	-	0		-
	1999	supply arrangements		47	47%	0		-
3. Dodecanese	1998	animal feedingstuffs		12	-	0		-
		sugar		2	-	0		-
		wheat flour		4	-	0		-
		animal feedingstuffs		8	-	0		-
		sugar		2	-	0		-
		wheat flour		10	-	0		-
		animal feedingstuffs		18	100%	0		port
		sugar		2	100%	0		-
		wheat flour		12	-	0		-
	1999	animal feedingstuffs		-	38%	0		store-rooms + port
		sugar		-	100%	0		store rooms
		wheat flour		-	-	0		-
		animal feedingstuffs		6	12%	0		port
		sugar		3	-	0		-
1999	wheat flour		7	-	0		-	
	animal feedingstuffs		9	34%	0		port	
	sugar		1	-	0		-	
	wheat flour		3	-	0		-	
4. Kiklades	1998	animal feedingstuffs		15	40%	0		store rooms
		animal feedingstuffs		17	35%	0		store rooms
		animal feedingstuffs		15	40%	0		store rooms
	1999	animal feedingstuffs		24	39%	0		store rooms
		animal feedingstuffs		17	40%	0		store rooms
		animal feedingstuffs		17	40%	0		store rooms
5. Khios	1998			-	-	0		administrative only
	1999		potatoes	-	68%			on-the-spot checks
			potatoes	-	80%		0	on-the-spot checks
6. Evros (island of Samothrace)	1998	animal feedingstuffs		7	-	0		on-the-spot checks and administrative
	1999	animal feedingstuffs		22	37%	0		store-rooms + port
		animal feedingstuffs			15%	0		store-rooms + port
7. Evvia	1998	animal feedingstuffs	olive groves	-	100%	0	0	-
	1999		olive groves	14	-		0	on-the-spot checks
8. Magnisia	1998	wheat flour	olive groves	-	-	0	0	on-the-spot checks and administrative
			bovine	-	100%		0	on-the-spot checks
	1999	wheat flour		-	-			on-the-spot checks and administrative
			olive groves	-	-		0	on-the-spot checks
9. Kavala	1998			-	-	0		administrative only
	1999	supply arrangements		9	70%	0		store-rooms + port
10. Pireas	1998			-	-	-	-	-
	1999			-	-	-	-	-

For structural measures, the procedure applied for checks is the same as for the normal implementation of the measures.

To be more precise:

- in the case of improvement plans, the checks are applied to all investments;
- in the case of young farmers, each individual case is examined to see whether the recipient meets all the requirements, and
- in the case of the compensatory allowance, both general administrative and on-the-spot sampling checks are applied.

The findings from the controls made by the Member State do not indicate any irregularities. However, the Commission's services audit that took place in 2000 and 2001 have identified major problems in the implementation of the measures. Examples are the case of the aid for the maintenance of olive groves, potatoes, vineyards and the specific supply measures.

## 7. CONCLUSIONS

Regulation (EEC) No 2019/93 was adopted by the Council on 18 July 1993 and certain measures in support of local products (measures to support stockfarming and for the continued cultivation of areas with vines and olive groves and honey production) were applied from 1993. The supply measures were applied only from 1994, despite a 50% rise in the aid to encourage speedy implementation.

In 1998 and 1999 implementation of the supply measures averaged 70,97% and 80,97% respectively in relation to the forecast supply balances, and 72,97% and 84,29% in relation to the forecast cost for those periods, though the rate of implementation varied considerably from one product to another. The highest rate was achieved for animal feedingstuffs, wheat flour and sugar. Yoghurt showed a zero rate of implementation for these two years. For fruit and vegetables the aid has finally reached the end of its phasing out in 1998.

In general terms, implementation of the measures in support of local products progressed satisfactorily. The exception was the measure for production of fruit, vegetables, and flowers despite the planned progressive disappearance of the supply aid for these products in order to encourage fast development of local production of such products with a view to improving availability of fruit and vegetables to the local market. The production of potatoes for human consumption and seed potatoes showed an implementation rate in relation to the forecast of 43% and 56% for the two years respectively. Progress was poor in the case of the private storage of certain cheeses and liqueur wines owing to fast disposal of local production in those years.

Again, during these two years, the best performances were achieved by the three measures: The maintenance of olive groves where the minimum density foreseen for the granting of the aid was increased in 1995 from 50 trees/ha to 80 trees/ha. The cultivation of vineyards for the production of quality wines VQPRD and the production of honey.

Progress in the implementation of the measures for fattening male bovine animals, the maintenance of suckler cows was fairly satisfactory.

As regards the derogations concerning structural measures, the provisions on derogations from Regulation (EEC) No 2328/91 on improving the efficiency of agricultural structures were adopted in 1993, thus enabling more than 15 000 farmers to take advantage of the derogation concerning the compensatory allowance. Also enabling more than 3000 farmers to invest in

their holdings. The derogation measure from processing and marketing of agricultural products is showing 20 projects completed during this period.

In 1998 and 1999, a number of checks were conducted by the Greek authorities to see whether the measures were applied properly. It is important that the co-ordination in the management and monitoring of the programme is enhanced and **controls on the passing on of the aid to the consumer** are increased.

Although overall progress in the programme seems to be satisfactory, the above observations together with those of the independent evaluator call for some adjustments to the Regulation (EEC) No 2019/93.

The Greek authorities have presented requests for certain measures to be adapted. The Commission, taking into account some of these requests and on the basis of its own assessment on the implementation of this Regulation, has examined the possibility of making certain adjustments that will result from the following:

#### **In the case of Specific Supply Arrangements:**

- the revision of the two rates of aid for groups A and B,
- the revision of the classification of the islands into these groups,
- the feasibility of introducing a third rate of aid (or group) for the additional transportation, unloading and reloading costs from main island ports to smaller island ports,
- the revision of the products list, namely whether to remove or maintain products such as yoghurt, sugar and fruit & vegetables.

#### **In the case of aid to local produce:**

- the revision of the products list, namely whether to remove or maintain products such as milk products (concerns storage of cheese), fruit & vegetables, flowers, and from the wine sector the storage of wines/liqueur wines.
- the re-introduction of **derogation from structural measures** with regard to the rates of financial assistance to final recipients for investments in farming, processing and marketing through an amendment of Articles 7 and 28(2) of Regulation (EC) No 1257/1999.

All the above have been included in the Commission's proposal COM(2001) 638 of 29 November 2001. This proposal has been discussed within the Council in November and December 2001. At that level it was decided to add a couple of products (wheat for human consumption and cottonseeds as animal feedingstuffs) in the list of Supply Arrangements. Whereas in the assistance to Local Production it was decided the planned area for production of potatoes for human consumption and seed potatoes to be reduced from 3 200 ha to 2 200 ha and to increase the ceiling of bee hives to 100 000.

The ESC was consulted on the COM proposal on 16.1.2002 whereas the EP gave its favourable opinion in its plenary session of 5.2.2002.

The Agricultural Council adopted the amended regulation in its meeting of 18.2.2002 and the said regulation was published in OJ L 68 of 12.3.2002 as Council Regulation (EC) No 442/2002.

## ANNEX 1

### Regulations adopted at 31 December 1995

#### **1. FRAMEWORK REGULATION**

Council Regulation (EEC) No 2019/93 of 19 July 1993 introducing specific measures for the smaller Aegean islands concerning certain agricultural products<sup>(1)</sup>.

(1) OJ L 184, 27.7.1993, p. 1.

#### **2. DETAILED RULES OF APPLICATION**

##### **(1) Specific supply arrangements:**

– Commission Regulation (EEC) No 2958/93 of 27 October 1993 laying down detailed rules for the application of Council Regulation (EEC) No 2019/93 as regards the specific arrangements for the supply of certain agricultural products<sup>(1)</sup>,

(1) OJ L 267, 28.10.1993, p. 4.

– Commission Regulation (EC) No 3163/93 of 17 November 1993 establishing the forecast supply balance as part of the specific arrangements for the supply of milk products to the smaller Aegean islands<sup>(1)</sup>, as amended by Commission Regulation (EC) No 3004/94<sup>(2)</sup>,

(1) OJ L 283, 18.11.1993, p. 18.

(2) OJ L 317, 10.12.1994, p. 4.

– Commission Regulation (EC) No 1802/95 of 25 July 1995 amending the Regulations that fixed, prior to 1 February 1995, certain prices and amounts in the market in milk and milk products of which the value in ecus was adapted as a result of the abolition of the correction factor for agricultural conversion rates,

(1) OJ L 174, 26.7.1996, p. 27.

– Commission Regulations No 1445/94 of 23 June 1994<sup>(1)</sup>, and No 1731/95 of 14 July 1995<sup>(2)</sup> establishing the sugar forecast supply balances to the smaller Aegean islands for 1994/95 and 1995/96,

(1) OJ L 157, 24.6.1994, p. 7.

(2) OJ L 165, 15.7.1995, p. 4.

– Commission Regulation (EC) No 3254/93 of 26 November 1993 laying down detailed rules for the application of Council Regulation (EEC) No 2019/93 as regards the specific supply arrangements for certain fruits and vegetables for the benefit of the smaller Aegean islands<sup>(1)</sup>, as amended by Regulations (EC) No 2747/94<sup>(2)</sup> and (EC) No 3128/94<sup>(3)</sup>,

(1) OJ L 293, 27.11.1993, p. 34.

(2) OJ L 290, 11.11.1994, p. 8.

(3) OJ L 330, 21.12.1994, p. 45.

– Commission Regulation (EC) No 822/94 of 13 April 1994 adjusting the CN codes for apples listed in the Annex to Council Regulation (EEC) No 2019/93 introducing specific measures for the smaller Aegean Islands concerning certain agricultural products<sup>(1)</sup>,

- (1) OJ L 95, 14.4.1994, p. 1.
- Commission Regulation (EC) No 1363/95 of 15 June 1995 amending the Regulations that fixed, prior to 1 February 1995, certain prices and amounts in the market in fruit and vegetables and the market in processed fruit and vegetable products, of which the value in ecus was adapted as a consequence of abolishing the corrective factor for agricultural conversion rates<sup>(1)</sup>,
 

(1) OJ L 132, 16.6.1995, p. 8.
  - Commission Regulation (EC) No 825/94 of 13 April 1994 adjusting the CN codes for apples listed in Annexes to Regulation (EC) No 3254/93 laying down detailed rules for the application of Council Regulation (EEC) No 2019/93<sup>(1)</sup>,
 

(1) OJ L 95, 14.4.1994, p. 7.
  - Commission Regulation (EC) No 3175/94 of 21 December 1994 laying down detailed rules for application for the specific arrangements for the supply of cereal products to the smaller Aegean islands and establishing the forecast supply balance<sup>(1)</sup>,
 

(1) OJ L 274, 6.11.1993, p. 12.
  - Commission Regulations (EEC) No 3173/94 of 21 December 1994<sup>(1)</sup> laying down detailed rules of application for the specific measures for the smaller Aegean islands with regard to the special arrangement for the supply of dried fodder,
 

(1) OJ L 335, 23.12.1994, p. 51.
  - Council Regulation (EC) No 150/95 of 23 January 1995 amending Regulation (EEC) No 3813/92 on the unit of account and the conversion rates to be applied for the purposes of the common agricultural policy<sup>(1)</sup>.
 

(1) OJ L 22, 31.1.1995, p. 1.

## **(2) Measures to support local products**

- Commission Regulation (EEC) No 2889/93 of 21 October 1993 laying down certain detailed rules for the application of Regulation (EEC) No 2019/93 as regards the supplements to the special premium for producers of beef and veal and to the premium for maintaining suckler cows<sup>(1)</sup>,
 

(1) OJ L 263, 22.10.1993, p. 8.
- Commission Regulation (EC) No 2417/95 of 13 October 1995 updating and amending Regulations in the beef sector fixing before 1 February 1995 certain prices and amounts whose values in ecus have been adjusted because of the abolition of the corrective factor in agricultural conversion rates<sup>(1)</sup>,
 

(1) OJ L 248, 14.10.1995, p. 39.
- Commission Regulation (EC) No 3393/93 of 10 December 1993 laying down detailed rules governing the granting of private storage aid for certain cheeses manufactured on the smaller Aegean islands<sup>(1)</sup>,
 

(1) OJ L 306, 11.12.1993, p. 32.
- Commission Regulation (EC) No 3253/93 of 26 November 1993 laying down detailed rules for the application of Council Regulation (EEC) No 2019/93 as

regards the support measures for local products for the smaller Aegean islands in the fruit, vegetable and flower sectors<sup>(1)</sup>,

(1) OJ L 293, 27.11.1993, p. 28.

- Commission Regulation (EC) No 3404/93 of 10 December 1993 on rules for the application of Council Regulation (EEC) No 2019/93 introducing specific measures for the smaller Aegean islands, as regards the growing of potatoes for human consumption and seed potatoes<sup>(1)</sup>,

(1) OJ L 310, 14.12.1993, p. 7.

- Commission Regulation (EC) No 3112/93 of 10 November 1993 laying down detailed rules for the application of the specific aid arrangements for the smaller Aegean islands in respect of areas under vines and the private storage of liqueur wines<sup>(1)</sup>,

(1) OJ L 278, 11.11.1993, p. 52.

- Commission Regulation (EC) No 2537/95 of 30 October 1995 amending the Regulations that fixed, prior to 1 February 1995, certain prices and amounts in the market in wine, of which the value in ecus was adapted as a consequence of abolishing the corrective factor for agricultural conversion rates<sup>(1)</sup>,

(1) OJ L 260, 31.10.1995, p. 10.

- Commission Regulation (EEC) No 2837/93 of 18 October 1993 laying down detailed rules for the application of Council Regulation (EEC) No 2019/93 with regard to the maintenance of olive groves in traditional olive-growing areas<sup>(1)</sup>, as amended by Regulations (EC) No 3499/93<sup>(2)</sup> and (EC) No 2813/94<sup>(3)</sup>,

(1) OJ L 260, 19.10.1993, p. 5.

(2) OJ L 319, 21.12.1993, p. 22.

(3) OJ L 298, 19.11.1994, p. 24.

- Commission Regulation (EC) No 3063/93 of 5 November 1993 laying down detailed rules for the application of Council Regulation (EEC) No 2019/93 with regard to the aid scheme for the production of honey of specific quality<sup>(1)</sup>,

(1) OJ L 274, 6.11.1993, p. 5.

- Commission Regulation (EC) No 2362/95 of 9 October 1995 amending Council Regulation (EEC) No 2019/93 which fixed before 1 February 1995 the amount of aid for the production of honey for the smaller Aegean islands, whose value in ecus has been adapted due to the abolition of the corrective factor of the agricultural conversion rate<sup>(1)</sup>.

(1) OJ L 241, 10.10.1995, p. 12.

### **3. DEROGATIONS APPLICABLE TO STRUCTURAL MEASURES**

- Commission Decision of 4 May 1994 concerning greater efficiency in agricultural structures in Greece (smaller Aegean islands) in accordance with Regulation (EEC) No 2328/91,
- Commission Decision of 28 March 1995 on improving the efficiency of agricultural structures in Greece in accordance with Regulation (EEC) No 2328/91.

**ANNEX 2**  
**Administrative acts adopted to implement the measures**

**1. SPECIFIC SUPPLY ARRANGEMENTS**

- Ministerial Decision No 443790 of 22 December 1993 on the supporting documents required for payment of aid for supplies of certain agricultural products to the smaller Aegean islands (Greek OJ B No 927 of 23 December 1993),
- Ministerial Decision No 186854 of 19 July 1995 amending Decision No 443790 of 22 December 1993 on the procedures and the supporting documents required for payment of aid for supplies of certain agricultural products to the smaller Aegean islands,
- Administrative Act No 2/94 laying down strict rules on the transport and normal marketing of subsidised products as regards the marking of the purchase price on the shipping document, as amended and supplemented by Administrative Acts Nos 4/94 and 8/94 (Greek OJ No 244 of 7 April 1994),
- Administrative Act No 4/94 on markings on packs of yoghurt qualifying for consumption aid in the Aegean islands,
- Administrative Act No 5/94 of 19 May 1995 on markings on packs of yoghurt qualifying for consumption aid in the Aegean islands (Greek OJ Section 2 No 489 of 1 June 1995),
- Ministerial Decision No A2-1292 of 22 March 1994 on the marketing of animal feedingstuffs qualifying for aid for supplies to the Aegean islands (Greek OJ No 244 of 7 April 1994),
- Ministerial Decision No A2-2201 of 15 April 1994 on the marketing in bulk of animal feedingstuffs in the Aegean islands (Greek OJ No 313 of 25 April 1994),
- [Circular No 145348 of 26 January 1996 on the specific arrangements for supplies of certain agricultural products to the smaller Aegean islands].

**2. MEASURES TO SUPPORT LOCAL PRODUCTS**

- ***Stockfarming:***  
Ministerial Decision No 190019 of 1 July 1994 on additional aid for the fattening of male bovine animals and the supplement to the premium for the maintenance of suckler cows (Greek OJ No 536 of 7 July 1994);
- ***Private storage of certain locally manufactured cheeses:***  
Ministerial Decision No 190080 of 1 July 1994 on the supporting documents for entry into and removal from storage and additional procedures relating to aid for the private storage of certain locally manufactured cheeses in accordance with Regulations (EEC) No 2019/93 and (EC) No 3393/93;

- ***Potatoes for human consumption and seed potatoes:***  
Circular No 166309 of 26 February 1994 on procedures for the granting of aid per hectare to potato producers in the Aegean islands;
- ***Continued cultivation of areas under vines for the production of quality wines psr in traditional areas of production:***  
Circulars No 444236 of 1 December 1993 and No 326567 of 16 March 1994 concerning the implementation of the specific aid scheme for areas under vines producing quality wines psr in the smaller Aegean islands under Council Regulation (EEC) No 2019/93,  
Ministerial Decision No 328321 of 14 March 1995 on the granting of aid for continued cultivation of areas under vines for the production of quality wines psr in the smaller Aegean islands under Council Regulation (EEC) No 2019/93 (Greek OJ B No 211 of 23 March 1995);
- ***Ageing of locally produced liqueur wines:***  
Ministerial Decision No 189304 of 28 June 1994 on procedures for granting aid for the ageing of liqueur wines in the smaller Aegean islands;
- ***Maintenance of olive groves:***  
Circular No 212538 of 7 December 1993 on the procedure for granting flat-rate aid for the maintenance of olive groves in the smaller Aegean islands;
- ***Honey:***  
Circular No 212538 of 7 December 1993 on procedures for granting aid per hive for the production of honey of specific quality (Greek OJ B No 215 of 1 April 1994),  
Decision No 329361 of 23 March 1994 on the authority responsible, the procedure, the supporting documents and controls for implementation of the specific procedure for granting aid for the production of honey of specific quality (thyme) in the smaller Aegean islands (Greek OJ B No 215 of 1 April 1994),  
Ministerial Decision No 344487 of 17 April 1995 on the approval of programmes of initiatives of honey producer groups for 1995;
- ***Management and controls:***  
Agricultural Ministry Circular No 173440 of 27 March 1995 on the Integrated Administration and Control System and the rules for the application of certain Community aid schemes.

### **3. DEROGATIONS APPLICABLE TO STRUCTURAL MEASURES**

- Ministerial Decree No 112 of 27 December 1993 on the implementation of Regulation (EEC) No 2019/93 introducing specific measures for the smaller Aegean islands concerning certain agricultural products. Derogations applicable to structural measures: improvement plans and compensatory allowances,
- Ministerial Decree No 149 of 30 November 1994 on the aid scheme for mountain and hill areas and for less-favoured areas for 1994 (compensatory



allowance) pursuant to Council Regulation (EEC) No 2328/91 on improving the efficiency of agricultural structures,

- Ministerial Decision No 415312/6255 of 29 September 1994 on procedures for the inclusion of investment plans in Council Regulation (EEC) No 866/90 of 29 March 1991 on improving the processing and marketing conditions for agricultural products, as amended by Regulation (EC) No 3669/93, and the procedure for granting national and Community aid,
- Circular No 432922/7249 of 12 December 1994 on the implementation of Regulation (EEC) No 866/90 for the period 1994-1999,
- Ministerial Decision No°372828/10012 of 11 December 1996 on incentives for young farmers to set up in farming under Regulation (EEC) No 2328/91,
- Ministerial Decision No°252 of 11 December 1996 on incentives and aid for speeding up the adjustment of agricultural structures under Regulation (EEC) No 2328/91.

**ANNEX 3**

**Aid for supply – summary table**

(The EAGGF Guarantee Section covers 90% of the amounts mentioned in the table)

**Table 23**

(EUR '000)

Product	Unit aid (EUR/t)	1998				1999			
		Balance		Outturn		Balance		Outturn	
		Quantity (t)	Total cost	Quantity (t)	Total cost	Quantity (t)	Total cost	Quantity (t)	Total cost
<b>(a) Yoghurt</b>	<b>total</b>	<b>900</b>	<b>27,16</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	of which:			0,00%				0,00%	
	group A	18,11	300	5,43	0	0	0	0	0
	group B	36,22	600	21,73	0	0	0	0	0
<b>(b) Sugar</b>	<b>total</b>	<b>9 600</b>	<b>336,85</b>	<b>7 574,47</b>	<b>271,36</b>	<b>9 600</b>	<b>336,85</b>	<b>6 639,40</b>	<b>237,62</b>
	of which:			78,90%				69,16%	
	group A	18,11	600	10,87	165	2,99	600	10,87	158
	group B	36,22	9 000	325,98	7 409,47	268,37	9 000	325,98	6 481,40
<b>(c) Wheat flour</b>	<b>total</b>	<b>51 000</b>	<b>1 648,01</b>	<b>35 296,75</b>	<b>1 185,21</b>	<b>51 000</b>	<b>1 648,01</b>	<b>34 415,50</b>	<b>1 184,16</b>
	of which:			69,21 %				67,48%	
	group A	18,11	11 000	199,21	5 148,15	93,23	11 000	199,21	5 444
	group B	36,22	40 000	1 448,80	30 148,60	1 091,98	40 000	1 448,80	29 971,50
<b>(d) Animal feedingstuffs</b>	<b>total</b>	<b>129 500</b>	<b>4 301,13</b>	<b>92 713,57</b>	<b>3 149,89</b>	<b>144 000</b>	<b>4 835,37</b>	<b>124 609,64</b>	<b>4 326,93</b>
	of which:			71,59%				86,53%	
	group A	18,11	16 500	298,82	9 426,25	170,71	16 000	289,76	9 984,37
	barley from Limnos	18,11	5 000	90,55	2 070	37,49	5 000	90,55	310
	group B	36,22	108 000	3 911,76	81 217,32	2 941,69	123 000	4 455,06	114 315,27
- grain cereals	group A	18,11	8 000	144,88	3 985,85	72,18	8 000	144,88	4 026,10
	barley from Limnos	18,11	5 000	90,55	2 070	37,49	5 000	90,55	310
	group B	36,22	50 000	1 811,00	41 173,80	1 491,32	60 000	2 173,20	59 097,70
- residues and waste of food industry	group A	18,11	5 000	90,55	3 948	71,50	5 000	90,55	4 553,69
	group B	36,22	35 000	1 267,70	28 586,74	1 035,41	40 000	1 448,80	40 065,14
- preparations for animal feed	group A	18,11	2 500	45,28	1 322,40	23,95	2 000	36,22	997,86
	group B	36,22	18 000	651,96	11 456,78	414,96	18 000	651,96	12 607,43
- lucerne and fodder	group A	18,11	1 000	18,11	170	3,08	1 000	18,11	406,72
	group B	36,22	5 000	181,10	0	0	5 000	181,10	2 545
<b>(e) Fruit, vegetables and potatoes</b>	<b>total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10 176</b>	<b>64,32</b>	<b>2 802,30</b>	<b>14,99</b>
	of which:			0%				27,54%	
	group A	0	0	0	0	2 585	9,36	1 464,70	5,30
	group B	0	0	0	0	7 591	54,96	1 337,60	9,68
<b>Grand total</b>		<b>191 000</b>	<b>6 313,15</b>	<b>135 584,79</b>	<b>4 606,46</b>	<b>204 600</b>	<b>6 820,23</b>	<b>165 664,54</b>	<b>5 748,71</b>
of which:				70,97%				80,97%	
	group A		33 400	604,88	16 809,40	304,42	32 600	590,39	15 896,37
	group B		157 600	5 708,27	118 775,39	4 302,04	172 000	6 229,84	150 768,17

## ANNEX 4

### Summary table – aid for local production

**Table 24**

(EUR '000)

Product	Unit aid	Forecast quantity (head, ha, hl, t, etc.)	Outturn			
			1998		1999	
			Quantity	Total cost	Quantity	Total cost
<b>1. Livestock production</b>						
Bovine animals (EUR/head)						
- premium for fattening	48,3		13 163	635,77	11 335	547,48
- suckler cow premium	48,3		8 476	409,39	7 998	386,30
<b>Total</b>			<b>21 639</b>	<b>1 045,16</b>	<b>19 333</b>	<b>933,78</b>
- private storage of cheese (EUR/t/day)	2,75	5 000	284 (1)	113,92	244,5 (2)	71,14
<b>Total 1</b>				<b>1 159,08</b>		<b>1 004,92</b>
<b>2. Crop production</b>						
- aid for production of fruit and vegetables (EUR/t)						
- fruit and vegetables	603,75		0	0,00	0	0,00
- potatoes	596,51	3 200	1 371	817,81	1 797	1 071,92
- wine sector						
- aid per hectare (EUR/ha)	476,76		5 084,81	2 424,23	5 133,22	2 447,31
- ageing of quality wines psr (EUR/hl/day)	0,02		0 (3)	0,00	67,50 (4)	0,00
- olive oil sector:						
flat-rate aid (EUR/ha)	144,90	40 000	93 927,76	13 610,13	95 205,87	13 795,33
- honey (EUR/hive)	12,08	50 000	82 392	603,89	106 412	603,93
<b>Total 2</b>				<b>17 456,06</b>		<b>17 918,49</b>
<b>Grand total</b>				<b>18 615,14</b>		<b>18 923,41</b>

- (1) 36 t, 80 t and 168 t feta cheese. For 124 days, 147 days and 150 days respectively.
- (2) 30 t, 45 t and 169,5 t feta cheese. For 65 to 127 days, 65 to 132 days and 87 to 150 days respectively.
- (3) Stored less than 2 years.
- (4) Storage since March 1999.

SEC(92) 36 final of 13 January 1992.

COM(92) 569 final of 23 December 1992.

OJ L 184, 27.7.1993, p. 1.

Since 1995 when the correcting factor for the agricultural conversion rates was done away with, the aid has been EUR 18/t and EUR 36/t respectively.

OJ L 218, 6.8.1991, p. 1. Regulation last amended by Regulation (EEC) No 950/97 (OJ L 142, 2.6.1997, p. 1).