Commission Implementing Regulation (EU) 2018/1506 of 10 October 2018 on exceptional market support measures for the eggs and poultrymeat sectors in Italy

COMMISSION IMPLEMENTING REGULATION (EU) 2018/1506

of 10 October 2018

on exceptional market support measures for the eggs and poultrymeat sectors in Italy

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) No 1308/2013 of the European Parliament and of the Council of 17 December 2013 establishing a common organisation of the markets in agricultural products and repealing Council Regulations (EEC) No 922/72, (EEC) No 234/79, (EC) No 1037/2001 and (EC) No 1234/2007[(1)], and in particular Article 220(1)(a) thereof,

Whereas:

(1) Between 30 April 2016 and 28 September 2017, 43 outbreaks of highly pathogenic avian influenza of subtype H5 and H7 were confirmed and notified by Italy. The species affected are ducks, turkeys, Guinea fowls, and *Gallus domesticus* chicks, chickens, pullets and laying hens.

(2) Italy immediately and efficiently took all the necessary animal health and veterinary measures required in accordance with Council Directive 2005/94/EC[(2)].

(3) In particular, Italy took control, monitoring and preventive measures and established protection and surveillance zones ('the regulated zones') pursuant to Commission Implementing Decisions (EU) 2016/697[(3)], (EU) 2017/155[(4)], (EU) 2017/247[(5)] (EU) 2017/263[(6)], (EU) 2017/417[(7)], (EU) 2017/554[(8)], (EU) 2017/696[(9)], (EU) 2017/780[(10)], (EU) 2017/977[(11)], (EU) 2017/1397[(12)], (EU) 2017/1415[(13)], (EU) 2017/1484[(14)], (EU) 2017/1519[(15)] and (EU) 2017/1593[(16)].

(4) Italy informed the Commission that the necessary health and veterinary measures, which had been applied to contain and eradicate the spread of the disease, had affected a very large number of operators and that those operators suffered income losses not eligible for Union financial contribution under Regulation (EU) No 652/2014 of the European Parliament and of the Council[(17)].

(5) On 9 March 2018, the Commission received a formal request from Italy for part-financing of certain exceptional measures pursuant to Article 220(3) of Regulation (EU) No 1308/2013 for the outbreaks confirmed between 30 April 2016 and 28 September 2017. On 1 June 2018, 14 June 2018, 22 June 2018 and 11 July 2018 Italian authorities clarified and documented their request.

(6) As a result of the animal health and veterinary measures referred to in recital 3, fallowing periods were prolonged, placing of birds was prohibited and movements were restricted on holdings of all types of poultry in the regulated zones established following

outbreaks of highly pathogenic avian influenza of subtype H5 and H7. This concerned the following species: ducks, turkeys, Guinea fowls, and *Gallus domesticus* chicks, chickens, pullets and laying hens. This led to a loss of production of hatching eggs, consumption eggs and poultry meat in these holdings. It is therefore appropriate to compensate the losses due to destructed, processed and downgraded eggs as well as non-produced animals, longer rearing or culling.

(7) In accordance with Article 220(5) of Regulation (EU) No 1308/2013, the Union part-financing has to be equivalent to 50 % of the expenditure borne by Italy for the exceptional market support measures. The maximum quantities eligible for financing in respect of each exceptional market support measure should be fixed by the Commission after scrutinising the request related to outbreaks confirmed between 30 April 2016 and 28 September 2017 received from Italy.

(8) To avoid any risk of overcompensation, the flat rate amount of part-financing should be based on technical and economic studies or accounting documents and fixed at an appropriate level for each animal and product according to categories.

(9) To avoid any risk of double funding, losses suffered should not have been compensated by state aid or insurance and the Union part-financing under this Regulation should be limited to eligible animals and products for which no Union financial contribution has been received under Regulation (EU) No 652/2014.

(10) The extent and duration of the exceptional market support measures provided for in this Regulation should be limited to what is strictly necessary to support the market. In particular, the exceptional market support measures should apply only to the production of poultry and eggs in the holdings located in the regulated zones and for the duration of the animal health and veterinary measures laid down in the Union and Italian legislation relevant to the 43 outbreaks of highly pathogenic avian influenza confirmed between 30 April 2016 and 28 September 2017, and to the respective regulated zones.

(11) To ensure flexibility in case the numbers of animals or eggs eligible for compensation differ from the maximum numbers set in this Regulation which are based on estimates, compensation may be adjusted within certain limits, as long as the maximum amount of expenditure part-financed by the Union is respected.

(12) For the sake of a sound budgetary management of these exceptional market support measures, only those payments made by Italy to beneficiaries by 30 September 2019 at the latest, should be eligible for Union part-financing. Article 5(2) of Commission Delegated Regulation (EU) No 907/2014[(18)] should not be applicable.

(13) In order to ensure the eligibility and the correctness of the payments, Italy should carry out *ex-ante* checks.

(14) To allow the Union to perform its financial control, Italy should communicate to the Commission the clearance of payments.

(15) In order to ensure an immediate implementation of the measures laid down in this Regulation by Italy, this Regulation should enter into force on the day following that of its publication in the *Official Journal of the European Union*.

(16) The measures provided for in this Regulation are in accordance with the opinion of the Committee for the Common Organisation of the Agricultural Markets,

HAS ADOPTED THIS REGULATION:

Article 1

The Union shall provide part-financing equivalent to 50 % of the expenditure borne by Italy to support the market of hatching eggs, consumption eggs and poultry meat seriously affected by the 43 outbreaks of highly pathogenic avian influenza of subtype H5 and H7 which were detected and notified by Italy between 30 April 2016 and 28 September 2017.

Article 2

Expenditure borne by Italy shall be eligible for Union part-financing only:

(a) for the duration of the application of animal health and veterinary measures referred to in Union and Italian legislation listed in the Annex and related to the period laid down in Article 1; and

(b) for those poultry holdings that have been subject to the animal health and veterinary measures and located in the zones referred to in Union and Italian legislation listed in the Annex ('the regulated zones'); and

(c) if it has been paid by Italy to the beneficiaries by 30 September 2019 at the latest. Article 5(2) of Delegated Regulation (EU) No 907/2014 shall not apply; and

(d) if the animal or product, for the period referred to in point (a), has not benefitted from any compensation by means of state aid or insurance and for which no Union financial contribution has been received under Regulation (EU) No 652/2014.

Article 3

1 The maximum level of Union part-financing shall be EUR 11,1 million, detailed as follows:

a for the loss of production of poultry located in the regulated zone, the following flat rates shall apply:

(i) EUR 0,11 per hatching egg falling within CN code 0407 11 00, destructed, up to a maximum of 2 320 318 eggs,

(ii) EUR 0,07895 per hatching egg falling within CN code 0407 11 00 processed into egg products, up to a maximum of 2 935 380 eggs,

(iii) EUR 0,057 per hatching egg falling within CN code 0407 11 00 downgraded to pet food, up to a maximum of 190 000 eggs,

(iv) EUR 0,019 per cage egg falling within CN code 0407 11 00 processed into egg products up to a maximum of 5 788 593 eggs,

(v) EUR 0,02375 per barn egg falling within CN code 0407 11 00 processed into egg products up to a maximum of 37 903 308 eggs,

(vi) EUR 0,085 per week per female fattening turkey falling within the CN code 0105 99 30 up to a maximum of 1 342 757 animals,

Changes to legislation: *There are currently no known outstanding effects for the Commission Implementing Regulation (EU) 2018/1506. (See end of Document for details)*

(vii) EUR 0,129 per week per male fattening turkey falling within the CN code 0105 99 30 up to a maximum of 2 397 112 animals,

(viii) EUR 0,045 per week per Guinea fowl falling within the CN code 0105 99 50 up to a maximum of 194 548 animals,

(ix) EUR 0,045 per week per broiler falling within the CN code 0105 94 00 up to a maximum of 27 626 088 animals,

(x) EUR 0,12385 per week per fattening duck falling within the CN code 0105 99 10 up to a maximum of 41 302 animals,

(xi) EUR 0,085 per week per cage laying hen falling within the CN code 0105 94 00 up to a maximum of 176 000 animals,

(xii) EUR 0,1065 per week per barn laying hen falling within the CN code 0105 94 00 up to a maximum of 932 625 animals,

(xiii) EUR 0,04 per week per barn pullet falling within the CN code 0105 94 00 up to a maximum of 414 900 animals;

b for losses related to longer rearing due to transfer ban in the regulated zones, the following flat rates shall apply per animal:

(i) EUR 0,115 per week per standard pullet falling within the CN code 0105 94 00 up to a maximum of 400 553 animals,

(ii) EUR 0,0995 per week per standard chicken falling within the CN code 0105 94 00 up to a maximum of 754 942 animals,

(iii) EUR 0,0995 per week per Guinea fowl falling within the CN code 0105 99 50 up to a maximum of 1 277 animals,

(iv) EUR 0,46 per week per standard turkey falling within the CN code 0105 99 30 up to a maximum of 12 662 animals,

(v) EUR 8,46 per over-sized turkey falling within the CN code 0105 99 30 up to a maximum of 12 662 animals,

(vi) EUR 0,2618 per week per fattening duck falling within the CN code 0105 99 10 up to a maximum of 7 700 animals;

c for culling of poultry in the regulated zones, the following flat rates shall apply per animal:

(i) EUR 0,5183 per female turkey falling within the CN code 0105 12 00 up to a maximum of 144 580 animals,

(ii) EUR 1,03 per male turkey falling within the CN code 0105 12 00 up to a maximum of 186 080 animals,

(iii) EUR 0,18375 per chicken falling within the CN code 0105 11 19 up to a maximum of 37 000 animals,

(iv) EUR 0,20875 per rural chicken falling within the CN code 0105 11 19 up to a maximum of 779 519 animals;

d for loss of production of breeders located in the regulated zones, the following flat rates shall apply per animal:

***Changes to legislation:** There are currently no known outstanding effects for the Commission Implementing Regulation (EU) 2018/1506. (See end of Document for details)*

(i) **[**[X1]EUR 0,1815 per week per broiler falling within the CN code 0105 94 00 up to a maximum of 853 692 animals,**]**

(ii) **[**[X1]EUR 1,2225 per week per turkey falling within the CN code 0105 99 30 up to a maximum of 48 050 animals.**]**

2 Where the number of animals or eggs eligible for compensation exceeds the maximum number of animals or eggs per item set in paragraph 1, expenditure eligible for Union part-financing may be adjusted per item and go beyond the amounts resulting from the application of the maximum numbers per item, provided that the total of adjustments remains below 10 % of the maximum level of expenditure part-financed by the Union referred to in paragraph 1.

Editorial Information

X1 Substituted by Corrigendum to Commission Implementing Regulation (EU) 2018/1506 of 10 October 2018 on exceptional market support measures for the eggs and poultrymeat sectors in Italy (Official Journal of the European Union L 255 of 11 October 2018).

Article 4

Italy shall carry out administrative and physical checks in accordance with Articles 58 and 59 of Regulation (EU) No 1306/2013 of the European Parliament and of the Council[(19)].

In particular, Italy shall verify:

(a) the eligibility of the applicant submitting the request for support;

(b) for each eligible applicant: the eligibility, the quantity and the value of the actual loss of production;

(c) that funding has not been received by any eligible applicant from any other sources to compensate the losses referred to in Article 2 of this Regulation.

For eligible applicants for which administrative checks are completed, aid can be paid without waiting for all checks being made, notably those on applicants selected for on-the-spot checks.

In cases where the eligibility of an applicant was not confirmed, the aid shall be recovered and sanctions applied.

Article 5

Italy shall communicate to the Commission the clearance of payments.

Article 6

This Regulation shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.

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