Commission Implementing Regulation (EU) No 1071/2014 of 10 October 2014 on exceptional support measures for the eggs and poultrymeat sectors in Italy

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on exceptional 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 14 August and 5 September 2013 highly pathogenic avian influenza of subtype H7N7 was confirmed and notified by Italy. The outbreak of that disease was confirmed in three industrial holdings of laying hens, one industrial holding of laying pullets, one industrial holding of turkeys and one rural farm of roosters.

(2) Italy has immediately and efficiently taken all the necessary measures required in accordance with Council Directive 2005/94/EC[(2)]. In particular, the Italian authorities have established protection, surveillance and further restricted zones and taken control, monitoring and preventive measures pursuant to Commission Implementing Decisions 2013/439/EU[(3)] and 2013/443/EU[(4)]. By doing so, they were able to rapidly eradicate the threat. Additional Union and related national control measures, including provisions for restocking holdings and laboratory testing following the eradication of the outbreaks, were applicable until 30 June 2014.

(3) On 2 September 2013 the Italian authorities informed the Commission that the restrictive sanitary measures applied to contain and eradicate the spread of the virus affected certain 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[(5)].

(4) On 4 February 2014 the Commission received a formal request from the Italian authorities for part-financing of certain exceptional support measures pursuant to Article 220(3) of Regulation (EU) No 1308/2013.

(5) As a result of the preventive measures difficulties occurred in the transport and marketing of hatching eggs and day-old chicks. Hong Kong, the Philippines, Saudi Arabia and the United Arab Emirates banned imports of poultry from Italy. In addition, movement restrictions caused further indirect losses due to the necessary destruction or processing of hatching eggs.

Changes to legislation: *There are currently no known outstanding effects for the Commission Implementing Regulation (EU) No 1071/2014. (See end of Document for details)*

(6) In accordance with Article 220(5) of Regulation (EU) No 1308/2013 the Union part-financing is equivalent to 50 % of the expenditure borne by Italy for the exceptional 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 received from Italy.

(7) To avoid any risk of overcompensation, a flat rate amount of part-financing should be fixed at an appropriate level for each product. When fixing the maximum level of Union part-financing, several elements should be taken into account. In particular, since hatching eggs of the species *Gallus domesticus* are the only ones allowed to be processed into food products, the Union part-financing for them should be lower for the processed eggs than for the destruction of all other hatching eggs.

(8) Furthermore, table eggs of the species of *Gallus domesticus*, originally intended for the final consumers, were processed into pasteurised egg products due to the restrictions imposed to the destination holdings located either in the surveillance zones or in the further restricted zones.

(9) In addition there were financial losses resulting from the destruction of hatching eggs or chicks, the early partial slaughter of breeding flocks, the earlier slaughter of broilers, the reduction of incubation of hatching eggs due to the temporary fall in production imposed as preventive biosecurity measure and the consequent impossibility to place the chicks, as well as the slaughter of ready-to-lay pullets.

(10) The species affected by those measures are layers and broilers of the species *Gallus domesticus*, turkeys, guinea fowls and ducks.

(11) The biosecurity fall following the outbreaks caused important losses for the operators, which should be compensated.

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

(13) The extent and duration of the exceptional support measures provided for in this Regulation should be limited to what is strictly necessary to support the market concerned.

(14) For the sake of a sound budgetary management of the measures, payments should be made by Italy to the beneficiary by 30 September 2015 at the latest.

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

(16) To allow the Union to perform its financial control, the Italian authorities should communicate to the Commission the clearance of the payments.

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

HAS ADOPTED THIS REGULATION:

Article 1

The Union shall provide part-financing equivalent to 50 % of the expenditure to be borne by Italy to support the market of eggs and poultrymeat seriously affected by the outbreak of highly pathogenic avian influenza of subtype H7N7 which were detected and notified by Italy between 14 August and 5 September 2013 and for which Union and national restrictive measures were applicable until 30 June 2014.

Expenditure shall only be eligible for Union part-financing if it has been paid by Italy to the beneficiary by 30 September 2015.

The maximum level of Union part-financing shall be as follows:

(a) for the destruction of hatching eggs falling within CN code 0407 11 00, it shall be a flat rate of EUR 0,13824 per hatching egg of laying hens for a maximum of 38 016 pieces;

(b) for the processing of hatching eggs falling within CN code 0407 11 00, it shall be a flat rate of EUR 0,1106 per hatching egg for a maximum of 4 687 600 pieces of hatching eggs of layers and for a maximum of 28 450 pieces of hatching eggs of broilers;

(c) for the processing of eggs in shell for human consumption falling within CN code 0407 11 00, it shall be a flat rate of EUR 0,0136 per egg for a maximum of 1 703 520 pieces;

(d) for the reduction of incubation of hatching eggs of layers, it shall be a flat rate of EUR 0,01672 per hatching egg of CN code 0407 11 00 for a maximum of 549 720 pieces;

(e) for the culling and disposal of chicks falling within CN code 0105, it shall be a flat rate of:

  (i) EUR 0,140959 per chick of broilers for a maximum of 171 920 heads;

  (ii) **[**[X1]EUR 0,162354 per chick of rural chickens for a maximum of 436 247 heads;**]**

  (iii) EUR 0,248 per chick of layers for a maximum of 62 800 heads;

  (iv) EUR 0,780307 per chick of turkeys for a maximum of 40 500 heads;

(f) for the early slaughter of flocks of broiler, broiler breeding flocks, turkey parent flocks and broiler grandparent flocks, it shall be a flat rate of:

  (i) EUR 0,86 per broiler for a maximum of 19 200 heads;

  (ii) EUR 2,94912 per breeding broiler for a maximum of 14 500 heads;

  (iii) EUR 2,94912 per broiler grandparent for a maximum of 4 485 heads;

  (iv) EUR 13,824 per turkey parent for a maximum of 19 004 heads;

(g) for the temporary biosecurity fall in production, it shall be a flat rate of:

  (i) EUR 0,423936 per m^2 per week for broilers for a maximum of 286 597 m^2 for a maximum amount of EUR 521 040,69

  (ii) EUR 0,3779 per m^2 per week for turkeys for a maximum of 271 759 m^2 for a maximum amount of EUR 603 604,35;