

## APPENDIX A

### Producer Organizations (PO's)

1. Article 5.1 defines producer organizations as "any recognized organization or association of such organizations, established on producers' own initiative for the purpose of taking such measures, as will ensure that fishing is carried out along rational lines and that conditions for the sale of their products are improved. These measures shall be designed in particular to promote implementation of catch plans, concentrations of supply and regularization of prices".
2. In return for the establishment of an intervention mechanism which effectively guarantees minimum prices, producers are obliged to dispose of their entire catch through their PO and to apply these rules which have been adopted for the purpose of improving product quality and adapting supply to the requirements of the market.
3. Producers who are not members of a PO may be compelled by their member state to apply the rules adopted by the PO in their area or region, insofar as they refer to quality enhancement, the adapting of supply to demand and withdrawals from the markets of fresh/chilled products (excluding tuna, trout, salmon, carp and lobster).
4. Aid may be extended to PO's to encourage their formation and to facilitate their operation for a maximum period of five years, but shall not exceed 120,000 ECU.

### Withdrawal Prices

5. These are the lowest prices that members of a PO may receive for these species which are covered under the withdrawal scheme; when the price tendered is less than this withdrawal price, the product must be removed from the market. Withdrawal prices, established annually, are a factor of the guide price, and as they also reflect the common marketing standards of the Community, the prices will vary according to the freshness, size and presentation of the product. The following example will demonstrate how the withdrawal system operates.