



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 09.01.1998
COM(97) 742 final

REPORT FROM THE COMMISSION

1995 report

**on the implementation of the long-term national aid scheme
for the agriculture in the northern areas of Sweden
pursuant to the Commission Decision No. 96/228/EC**

*Report submitted by the Commission to the Council in accordance with Article 143
paragraph 2 of the Act of Accession to the European Union of the Republic of Austria, of
the Kingdom of Sweden and of the Republic of Finland*

1. INTRODUCTION	1
1.1 Delimitation of the northern areas.....	1
1.2 Reference period.....	2
1.3 Description of the Swedish programme for Nordic aid.....	2
1.4 Method of calculation of Nordic aid.....	3
1.5 Assessment.....	3
2. SUPPORT IN NORTHERN AREAS IN SWEDEN DURING 1995	4
2.1 Transition to the new support system.....	4
2.2 National limitations to the aid.....	4
2.3 Implementation of Nordic aid in 1995.....	5
2.3.1 Animal production.....	5
2.3.2 Soft fruit and vegetables.....	9
2.3.3 Total amount of Nordic aid applied in 1995.....	10
2.4 Community aid applied in 1995.....	10
3. SOCIO-ECONOMIC DEVELOPMENT OF THE NORTHERN REGIONS IN 1995 - THE ROLE OF NORDIC AID.	11
3.1 Economic development of the northern areas.....	11
3.2 Socio-economic situation and tendencies.....	12
4. EFFECTS OF THE AID ON ENVIRONMENTAL PROTECTION AND ON THE MAINTENANCE OF THE COUNTRYSIDE	13
5. APPLICATIONS, PAYMENTS, ADMINISTRATION AND CONTROL SYSTEM	13
5.1 Milk, pigmeat and eggs.....	13
5.2 Sows, goats, soft fruits and vegetables.....	14
6. CONCLUSIONS	14
7. NATIONAL LEGISLATION IMPLEMENTING COMMISSION DECISION NO 96/228/EC	15
ANNEX 1- Map of the northern region.....	
ANNEX 2- List of municipalities covered by Nordic aid.....	

1. INTRODUCTION

In accordance with Article 142 of the Act of Accession to the European Union of the Republic of Austria, of the Kingdom of Sweden and of the Republic of Finland, the Commission has authorized Sweden to grant long-term national aid with a view to ensuring that agricultural activity is maintained in specific regions, determined by the Commission and covering the agricultural areas located north of 62nd Parallel and some adjacent regions affected by comparable climatic conditions rendering agricultural activity particularly difficult.

In determining these areas, the Commission has taken account in particular of the low population density, the proportion of agricultural land in the overall surface area and the proportion of utilized agricultural area (UAA) devoted to arable crops intended for human consumption.

Aid that can be differentiated by sub-region and linked with physical production factors, taking into account the limits imposed by the COM, must not be linked to future production or lead to an increase in production (physical limits) or in the level of overall support (monetary limits) recorded during a reference period previous to Accession, to be determined by the Commission.

These aids are to be granted, in particular, to maintain traditional methods of primary production and processing, to facilitate the disposal of those products and to ensure that the environment is protected and the countryside preserved.

The long-term national aids were not authorized on the basis of Articles 92 and 93 of the Treaty but in accordance with Article 142 of the Act of Accession.

The programme presented by the Swedish authorities on 11 May 1995, supplemented subsequently by additional information and adjusted in certain respects, contained the form and levels of aid as well as the physical production ceilings (hectares, head of livestock) for the granting of the aid.

The Commission by its Decision No. 96/228/EC of 28.02.1996¹, as modified by Commission Decision No 97/557/EC², determined the northern areas of Sweden, fixed the reference period to be used to ensure that Nordic aid does not lead to an increase in production or in the level of overall support and also determined the form and level of the aid and fixed the level of the agricultural production that may not be exceeded without the level of aid granted being reduced.

1.1 Delimitation of the northern areas

The delimitation of the northern areas of Sweden eligible for the aid concerned was agreed during the Accession negotiations (doc. CONF-S 23/94 Rev.1, Annex VIII). The northern areas concerned cover Regions 1, 2(a), 2(b) and 3 of the aid scheme in the north of Sweden in force before

¹ OJ L No 76 of 26.03.96, p. 29

² OJ L No 230 of 21.08.1997, p.13

Accession. The differentiation between the four areas or sub-regions has been maintained for the application of the aid scheme for northern areas under Article 142 of the Act of Accession.

The northern areas of Sweden concerned represent a total utilized agricultural area of 509,442 hectares, or 14% of Sweden's UAA.

The northern areas thus limited, appear as annexes (see map and Annex I).

1.2 Reference period

1993 was fixed as the reference period for the level of agricultural production not to be exceeded, and for overall support before Accession, since the data for that year was the most recent, was not influenced by the effects of Accession and represented the situation after the Swedish reform of the agricultural sector. However, for the production of milk, soft fruit and vegetables, 1994 had been taken as the reference period, since that year was used as the basis of allocation of milk quotas and was the first year in which aid was allocated for the soft fruit and vegetables sectors.

1.3 Description of the Swedish programme for Nordic aid

The programme presented by the Swedish authorities pursuant to Article 142 contains long-term aid measures for the various animal and crop production sectors, which are within the limits shown in the Annexes of the Commission Decision No. 96/228/EC.

The programme covers a fairly limited range of products (cow's milk, goats, sows, pigs for slaughter, laying hens and soft fruits and vegetables (excluding potatoes)).

Aid is also granted for the transport of cow's milk between the farm and the collection or first processing centre in the northern area, which is considered to be aid for the disposal of products within the meaning of the third indent of Article 142(3).

Differentiation of support among the above mentioned areas is made in most cases in order to reflect previous circumstances and the importance of the natural handicap in Sweden.

For animal production, the aid granted is expressed per head of livestock (1 cow = 1 LU, 1 goat = 0.15 LU) except in the case of cow's milk where it is expressed per kg. The aid for the transport of cow's milk is expressed in SEK per kg and covers a part of transport costs between farms and dairies. Support after Accession has been fixed so that the transport costs can be managed by the processing industry. In the case of milk, the quota system guarantees the strict monitoring of production in the form of a national sub-quota. For crop production, the aid is expressed per hectare.

1.4 Method of calculation of Nordic aid

To evaluate the level of aid envisaged by the programme, overall support by product during the reference period was compared with support after Accession.

For the calculation of overall support during the reference period, the support taken into account is the direct support financed by the national budget, as well as the indirect support corresponding to the difference between the prices of 1993 and 1994 and Community prices.

The direct support after Accession is made up of the national aid for northern regions together with Community aid (the compensatory allowance for mountainous and less-favoured areas and the agri-environmental aid as planned by the Swedish authorities). An amendment to the Community aid planned will result in the adjustment of the Nordic aid permissible in the following calendar year.

Any modification to the unit aid for these products must comply with the overall amount of authorized national aids and must be approved by the Commission.

The Nordic aid amounts are expressed in the national currency in 1 January 1995 prices.

The Nordic aids, except for cow's milk for which there is a quota system, are not granted according to the quantities produced but according to the production factors within regional limits included in Annex IV of the Decision 96/228/EC.

National aids are paid also for ware potatoes and reindeer, for which there is no common market organisation. These aids have been notified to the Commission.

1.5 Assessment

In order to guarantee transparency in respect of the aid granted and to avoid production or the overall amount of authorised national aids exceeding the ceilings, the Commission Decision lays down a number of conditions; it indicates the unit aid and overall aid per product, it fixes the overall amount of authorised national aids that must not be exceeded; the number of production factors per product and the level of production per product that may not be exceeded without the level of aid granted having to be reduced. In order to avoid sectors or sub-regions being penalised by a general reduction and to make it easier for the Community aid referred to in the Annex V to the Decision, to be taken into account, the levels of production and support are indicated by product and by sub-region.

The level of support after Accession is also lower than during the reference period. It was therefore considered that the aid scheme for northern regions complies with the conditions laid down in Article 142 of the Act of Accession, and the decision on the determination of the northern areas of

Sweden, the permitted aid, the reference period and the level of production and of overall support were adopted by the Commission on 28 February 1996 (Decision No. 96/228/EC).

2. SUPPORT IN NORTHERN AREAS IN SWEDEN DURING 1995

2.1 Transition to the new support system

The change to the new EU system caused initial difficulties for many farmers in the northern areas of Sweden. Since only a few transitional measures, none of which are in the support regime, were foreseen for the introduction of common market regimes, Accession had significant effects on the markets in northern Sweden. Uncertainty about the nature of the new support system added to an unstable situation where farmers found difficulties in taking long-term decisions. This is perhaps most obvious in the dairy sector, where production fell from the previous year.

Swedish authorities submitted their plan for the support system on 11 May 1995, supplemented subsequently by additional information and adjusted in certain respects. Until the mid year Sweden applied its old support system, but changed the system since then to respect the foreseen authorization of the long term national support for the northern areas.

2.2 National limitations to the aid

Sweden has set certain limitations for the aid, and thus not all units are eligible. These limits are as follows:

- a farm must have a minimum of 3 hectares of cultivated land
- aid is not granted for pensioners
- the minimum aid payable is 500 SEK
- dairy farms must have at least 2 cows
- in piglet production farm must have at least 2 sows and aid is granted up to a maximum of 120 sows
- in pigmeat production aid is granted for 40-2,500 slaughtered pigs per farm
- in goat production farm must have at least 5 goats
- in egg production aid is granted from 1,000 hens onwards
- in soft fruit and vegetable production the minimum area is 0.3 ha

2.3 Implementation of Nordic aid in 1995

2.3.1 Animal production

(a) Milk

The number of farms concentrating on milk production³ in northern areas was 3,365, ie. 21.3 % of the total number of dairy farms in Sweden. The production in northern areas represents 14.6 % of the total production of milk in Sweden. This is explained by the fact that average number of cows in northern areas is much lower than the national average; in support area 1 the average number of cows was 15.5, in area 2a 22.2, in area 2b 22 and in area 3 20.6 whereas the national average is 27.8.

Table 1: Milk production

	1	2A	2B	3	Total
Number of production factors authorized (heads)	8,919	34,057	19,465	14,559	77,000
Eligible in 1995 (heads)	7,774	31,374	17,134	12,872	69,154
Maximum authorized production (tonnes)	54,763	216,150	121,073	92,249	484,235
Actual production in 1995 (tonnes) (1)	52,449	214,976	119,485	87,140	474,550
Authorized unit aid SEK/kg	1.05	0.71	0.47	0.09	
Applied unit aid SEK/kg (2)	0.98	0.56	0.22	0	
Authorized total aid (mio SEK)	57.50	153.47	56.90	8.30	276.17
Total aid paid in 1995 (mio SEK)	56.18	177.21	70.68	30.98	335.05

(1) Actual production figure describes production receiving aid, not total production. Figure for subsidy area 3 includes also milk produced during October-December, even though the support level was 0.

(2) Rates applied from October 1995 onwards. During January-September rates applied were as follows; Area 1 1.10 SEK/kg, area 2a 0.91 SEK/kg, area 2b 0.71 SEK/kg and area 3 0.47 SEK/kg.

Observations: The total production ceiling permitted was respected, but the total amount of aid granted exceeded maximum authorized aid by 58.88 mio SEK, ie. 21.3%. Due to the late approval of the Nordic aid system, Sweden decided to apply the old support system until the end of September. The aid rates were reduced for the fourth quarter of 1995. In addition, the Swedish

3 In the Swedish system farms are classified according to the work use. If at least 2/3 of working hours are used for certain production, that is deemed to be the main production branch.

authorities have maintained the aid at a reduced level also during January-April 1996.

The request of the Swedish authorities on the link between support and farm level quotas has been approved by Commission Decision 97/557/EC.

(b) Pigmeat

The number of slaughtered pigs (receiving aid) in northern areas represents 2.9 % of the total number of pigs slaughtered in Sweden. From the total number of Swedish farms concentrating on pigmeat production, 3.2 % are situated in northern areas.

Table 2: Pigmeat production

	1	2	3	Total
Number of production factors authorized (heads)	2,062	91,273	28,918	122,253
Applied in 1995 (heads)	2,443	90,461	16,664	109,568
Maximum authorized production (tons)	214	8,003	2,358	10,575
Actual production in 1995 (tons) (1)	199	7,302	1,335	8,836
Authorized unit aid (SEK/head)	222	143	23	
Applied unit aid (SEK/head) (2)	133	62	0	
Authorized total aid for pigs for slaughter (mio SEK)	0.46	13.05	0.66	14.17
Total aid paid in 1995 for pigs for slaughter (mio SEK)	0.38	8.90	0.80	10.08

(1) Actual production figure describes production receiving aid, not total production. In addition, the amount of production is achieved by calculation.

(2) Rates applied during July-December. Until June 1995 a price subsidy was in use, where in area 1 aid was 2.05 SEK/kg, in area 2 1.50 SEK/kg and in area 3 0.60 SEK/kg.

Observations: The permitted total ceilings for aid and production were respected. The request from the Swedish authorities to correct the material error concerning the number of pigs for slaughter due to wrong reference period has been approved by Commission Decision 97/557/EC.

(c) Sows

From the total number of Swedish farms concentrating on piglet production, 3.5 % are situated in northern areas.

Table 3: Sows

	1	2	3	Total
Number of production factors authorized (heads)	216	5,945	1,254	7,415
Applied in 1995 (heads)	235	5,545	1,284	7,064
Authorized unit aid (SEK/head)	843	437	101	
Applied unit aid (SEK/head)	843	437	101	
Authorized total aid for sows (mio SEK)	0.18	2.60	0.13	2.91
Total aid paid in 1995 for sows (mio SEK)	0.15	2.08	0.12	2.35

Observations: The permitted total ceilings for aid and production were respected.

(d) Eggs

From the total number of Swedish farms concentrating on egg production, 10.3 % are situated in northern areas. The amount of eggs produced (receiving aid) in northern areas represent 2.9 % of the total amount of eggs produced in Sweden.

Table 4: Egg production

	1	2	3	Total
Number of production factors authorized (birds)	50,000	126,000	0	176,000
Applied in 1995 (birds)	<-----172,888----->		9,950	182,838
Maximum production (tons)	900	3,700	400	5,000
Actual production in 1995 (tons) (1)	<----- 4,518----->		169	4,687
Authorized unit aid (SEK/head)	13.45	13.45	4.90	
Applied unit aid (SEK/head) (2)	13.45	13.45	4.90	
Authorized total aid for laying hens (mio SEK)	0.67	1.69	0.048	2.36
Total aid paid in 1995 for laying hens (mio SEK)	<-----2.29----->		0.05	2.34

(1) Actual production figure describes production receiving aid, not total production. In addition, the amount of production is achieved by calculation.

(2) Rates applied from July 1995 onwards. During January-June rates applied were as follows; Area 1 13.25 SEK/head, area 2 13.25 SEK/head and area 3 4.70 SEK/head.

Observations: The permitted total ceilings for aid and production were respected taking into account that the request of the Swedish authorities to correct the material error has been approved by Commission Decision 97/557/EC.

(e) Goats

From the total number of Swedish farms concentrating on goat's milk production, 74.4 % are situated in northern areas.

Table 5: Goat's milk production

	1	2	3	Total
Number of production factors authorized (heads)	1,173	936	468	2,577
Applied in 1995 (heads)	1,158	970	315	2,443
Authorized unit aid (SEK/head)	430	430	430	
Applied unit aid (SEK/head)	430	430	430	
Authorized aid (mio SEK)	0.51	0.40	0.20	1.11
Actually paid in 1995 (mio SEK)	0.50	0.41	0.14	1.05

Observations: The permitted total ceiling for aid was respected.

(f) Transport aid for cow's milk

Transport aid is granted between the farm and the collection centre or first processing centre. The old transport aid system with higher support level was in force until June 1995. The total amount of aid under the old system was 22 mio SEK. For the second half of the year aid was paid retroactively in April 1996 and amounted to 8.8 mio SEK. Total amount of milk receiving transport aid was 472,517 tons.

Table 6: Transport aid for cow's milk in 1995

	1	2A	2B	3	Total
Authorized aid (mio SEK)	2.30	8.20	4.70	2.10	17.30
Actually paid in 1995 (mio SEK)	9.90	<-----16.49---->		4.83	31.22

Observations: Due to the higher support level in use until June 1995, authorized aid was exceeded by 13.9 mio SEK ie. 80 %.

2.3.2 Soft fruit and vegetables

From the total number of Swedish farms concentrating on soft fruit and vegetable production, 16.2 % are situated in northern areas.

Table 7: Production and aid for soft fruits and vegetables in 1995

	1 and 2	3	Total
Number of production factors authorized (ha)	646	104	750
Applied in 1995 (ha)	551	92	643
Maximum production (tons)	5,640	2,060	7,700
Actual production in 1995 (tons) (1)	4,807	1,786	6,593
Authorized unit aid (SEK/ha)	2,850	1,850	
Applied unit aid (SEK/ha)	2,850	1,850	
Authorized aid (mio SEK)	1.84	0.19	2.03
Actually paid in 1995 (mio SEK)	1.57	0.17	1.74

(1) Amount of production is calculated by multiplying the number of hectares by average yield per hectare.

Observations: The permitted total ceilings for aid and production were respected.

2.3.3 Total amount of Nordic aid applied in 1995

The Nordic aid applied in 1995 is shown in the summary table below.

Table 8: Nordic aid applied in 1995 by product and by subregion (mio SEK)

	1	2	3	Total	96/228/EC
Cow's milk	56.18	247.89 (1)	30.98	335.05	276.17
Goats	0.50	0.41	0.14	1.05	1.11
Pigs for slaughter	0.38	8.90	0.80	10.08	14.17
Sows	0.15	2.08	0.12	2.35	2.91
Laying hens (2)	<----- 2.29 ---->		0.05	2.34	2.40
Soft fruit and vegetables (2)	<----- 1.57 ---->		0.17	1.74	2.03
Transport aid for cow's milk	9.90	16.49	4.83	31.22	17.30
Total	70.97	275.77	37.11	383.83	316.09

(1) Including 177.21 mio SEK for subregion 2a and 70.68 mio SEK for subregion 2b.

(2) Because the unit rate is the same for regions 1 and 2, it is not possible to separate regions 1 and 2.

Observations: Authorized total amount of aid was exceeded by 67.7 mio SEK ie. 21.4%. The overspend concerns aid for cow's milk and transport aid.

Due to the late approval of the Nordic aid system, Sweden decided to continue to apply the old support system until the end of September. The aid rates were reduced for the fourth quarter of 1995. In addition, the Swedish authorities have maintained the aid at a reduced level also during January-April 1996.

2.4 Community aid applied in 1995

Even though it is the case for some products in certain subregions, the total amount of Community aid (compensatory allowances and agri-environmental measures) applied in the northern areas in 1995 (see table below) does not exceed the amount mentioned in Annex V of the Decision 96/228/EC.

Table 9: Applied compensatory allowances and agri-environmental aid (mio SEK)

Product	Region	LFA	2078/92	Total 1995	Total authorized
Cows (1)	1	12.64	17.73	30.37	31.65
	2a	50.13	63.01	113.14	112.73
	2b	27.54	34.82	62.30	62.89
	3	20.54	24.34	44.88	43.91
	Total	110.79	139.90	250.69	251.18
Goats	1	0.28	0.38	0.66	0.67
	2	0.24	0.28	0.52	0.50
	3	0.08	0.09	0.17	0.24
	Total	0.60	0.75	1.35	1.41
Sows	1	0.11	0	0.11	0.13
	2	2.65	0	2.65	3.32
	3	0.62	0	0.62	0.64
	Total	3.38	0	3.38	4.09
Pigmeat	1	0.22	0	0.22	0.14
	2	7.51	0	7.51	6.84
	3	1.25	0	1.25	1.96
	Total	8.98	0	8.98	8.94
Total		123.75	140.65	264.40	265.62

(1) The support for cows is calculated by multiplying the total amount of the two aids separately by the share of cows from the total amount of livestock units

3. SOCIO-ECONOMIC DEVELOPMENT OF THE NORTHERN REGIONS IN 1995 - THE ROLE OF NORDIC AID.

3.1 Economic development of the northern areas

Information of the economic development in the northern areas is unfortunately not possible to separate from the overall development of Swedish agriculture, especially not for different production sectors. A general view of the development can be obtained, however, by comparing the cost levels between 1994 and 1995. Because inflation has been low, the changes in costs should not have led to worse results. Thus short term economic development depended on the development of prices and subsidies.

One phenomenon can already be seen, because the earlier support system was mainly based on the additional price subsidies, headage premiums linked with fodder area or area under agri-environmental aid have influenced the results from farms with limited field area.

Milk prices had a positive development during 1995 whereas the price for beef fell. Taking into account the fact that support for milk production has been maintained at the earlier level or even higher, dairy farms should have had an adequate income development during 1995. In quota region 2 (covering sub-area 3 and old sub-area 4), however, the supply of quotas was higher than demand, which could be interpreted that many producers are planning to cease production.

The prices for pigmeat decreased during 1995. The postponed subsidies for the second half of the year further increased the price pressure on producers. Because the price of piglets also dropped, the costs for pigmeat producers were reduced but it meant also that the incomes of sow farms simultaneously decreased.

For eggs prices fell steeply during 1995. The economic situation of many producers is difficult, even though the number of farms engaged in egg production still remained at the pre-Accession level.

3.2 Socio-economic situation and tendencies

The total number of farms in northern areas decreased faster than in Sweden as a whole (see Table 10). Reduction of total number of farms was 4,8 %, but it varied greatly between different production sectors. The greatest decreases were in piglet production, ie. 18,6% and in milk production, ie. 7,7 %, whereas the number of farms in soft fruit and vegetable production, egg production and combined pig production remained at the pre-Accession level.

Table 10: Development of the number of farms

	Farms 1994	Farms 1995	Change %
1	3,146	3,028	-3.8 %
2a	7,464	7,061	-5.4 %
2b	5,111	4,878	-4.6 %
3	4,764	4,537	-4.8 %
Total northern areas	20,485	19,504	-4.8 %
Total Sweden	97,309	94,809	-2.6 %

Information concerning the development of agriculture's importance in regional economies or the development of farm-level incomes is not yet available.

4. EFFECTS OF THE AID ON ENVIRONMENTAL PROTECTION AND ON THE MAINTENANCE OF THE COUNTRYSIDE

In accordance with Article 142, one of the objectives of Nordic aid is the environmental protection and the maintenance of countryside, which constituted one of the principal objectives of Swedish agricultural policy.

Ceilings for production benefiting from aid were determined by sub-region in order to avoid the transfer of production towards the areas benefiting from higher aid. The regional ceilings and quotas prevent an increase in production by the sub-regions since, on the one hand, production without support is completely unprofitable and, on the other hand, the aid is not connected with the volume of production. The conditions and the restrictions of the Nordic aid system prevent any change of production in stockfarming and any intensification of crop production which could have undesirable consequences for the environment and the countryside.

Nordic aid has an important role in safeguarding the necessary continuation of the extensive utilization of agricultural land by farms engaged in livestock production (see Table 11 below). The improved possibility to maintain a diverse cultivated landscape even in the most rural areas makes it easier to achieve permanent settlement, tourism and rural development in the future. At this stage it is of course difficult to draw any permanent conclusions on the environmental effects of the aid paid during 1995, except that the aid has facilitated the maintenance of traditional production in the areas concerned and thus kept the landscape open in these northern areas.

Table 11: Intensity of livestock production in northern areas

Support area	Amount of LUs	Fodder area (ha)	Intensity (LU/ha)
1	13,891	22,737	0.61
2	88,735	116,021	0.76
3	25,959	36,074	0.72

5. APPLICATIONS, PAYMENTS, ADMINISTRATION AND CONTROL SYSTEM

5.1 Milk, pigmeat and eggs

Farmers send an application form annually to the National Board of Agriculture (NBA), which keeps a register of eligible farmers and respectively, of their individual reference quantities for milk. At the beginning of each month every dairy collecting milk from the northern areas reports to the NBA on the amounts of milk received from each farmer during the preceding month. After receiving the necessary information, the NBA grants respective monthly payments to the dairy farmers.

Payments to the pigmeat and egg farmers are made several times per year (around 10 times per year for pigmeat and 5 times per year for egg production). Payments for pigmeat are based on the information received

from slaughterhouses. Payments for egg production are made according to the number of laying hens declared.

The NBA is responsible for controlling the aids granted and has the right to make inspection visits to the enterprises. The payments are based on the information provided by dairies, slaughterhouses and egg producers. Information from the dairies can be controlled via the dairy quota system. The information provided by the slaughterhouses is a part of general slaughtering statistics, which are used for controlling special premiums as well as pigmeat. For egg producers it is a requirement that the number of hens replaced are confirmed by invoices.

5.2 Sows, goats, soft fruits and vegetables

Applications for the aid are made by using the same form as for LFA-aid and sent to the County Board concerned. Payments to the beneficiaries are made together with LFA-payments. The County Board is responsible for examination of the application and for actual controls. Controls are made according to the Integrated Administration and Control System (IACS). 5 % of the farms which have applied for area based aid and 10 % of the farms which have applied for animal aid will be subject to on the spot controls.

6. CONCLUSIONS

In accordance with Article 142 of the Act of Accession, the Commission by its Decision No. 96/228/EC of 28.02.1996, authorized Sweden to grant long-term national aids for its agricultural areas located to the north of the 62nd Parallel and some adjacent regions affected by a comparable climatic conditions rendering agricultural activity particularly difficult.

By this decision the Commission proceeded:

- a) to the delimitation of the areas by taking into consideration, in particular, the low population density, the proportion of agricultural land in the overall surface area and the proportion of utilized agricultural area (UAA) devoted to arable crops intended for human consumption.
- b) to the fixing of unit and total aid where the overall support during the reference period can not be exceeded taking into account the direct and indirect support before Accession and national and Community aid (compensatory allowances, agri-environmental measures) after Accession, and production level which may not be exceeded without the level of the aid granted being proportionally reduced.

As a result of this report, which is prepared on the basis of the information provided by the Swedish authorities, pursuant to Article 143, paragraph 2 of the Act of Accession, for its presentation in the Council, it can be noted:

- (1) That for the greatest part of the sectors for which Nordic aid was permitted it did not overshoot either the level of production or the level of support permitted during 1995.

An excess of total amount of aid permitted for milk including transport aid, without exceeding the permitted total quantity. The excess was due to the application of the old support system until September 1995. The Swedish authorities have, consequently, applied a general reduction of the aid allocated during October 1995-April 1996 in order to balance this excess.

- (2) The total Community aid applied (compensatory allowances and agri-environmental measures) remained below the level taken into account for fixing of Nordic aid permitted; consequently their application did not lead to an increase in the support applied before Accession.
- (3) Controls were carried out in accordance with sound financial management.
- (4) Aid granted plays an important role for environmental protection and the maintenance of countryside and, consequently, is in conformity with paragraph 3 third sub-paragraph of Article 142 of the Act of Accession.

It can be noted that, generally, the Swedish authorities carried out a correct application of the Commission Decision No 96/228/EC on Nordic aid. The excess of total amount of aid paid for 1995 has, taking into account the reductions in national and Community aid granted during 1996, been balanced in accordance with the said decision.

7. NATIONAL LEGISLATION IMPLEMENTING COMMISSION DECISION NO 96/228/EC

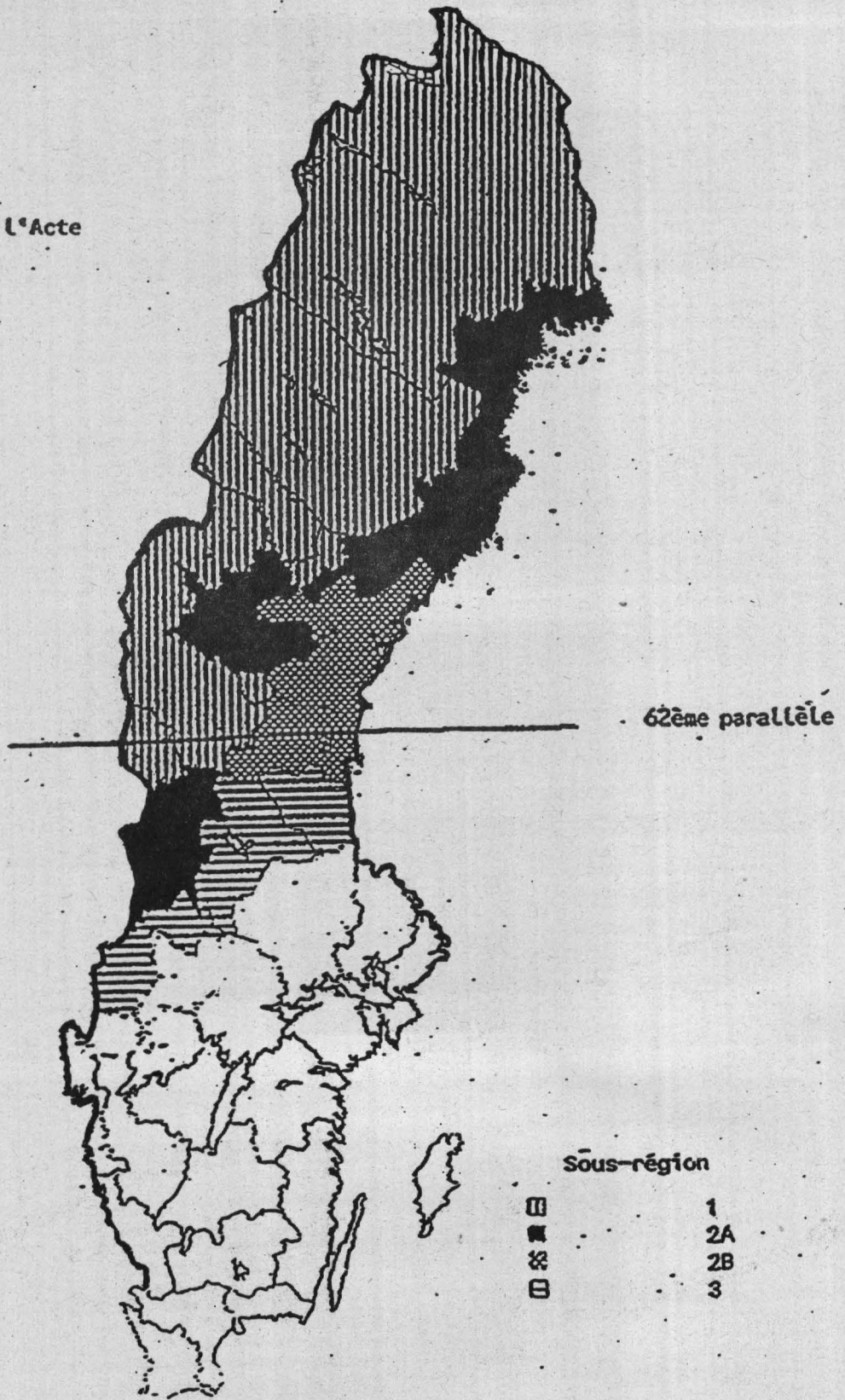
Sweden has used following national legislation in implementing Commission Decision n° 96/228/EC;

- (1) Regulation SFS 1985:672 of 27 June 1985 on price support for certain agricultural production (modifications 1986:633, 1991:897, 1991:1863, 1992:483, 1994:1311, 1995:1013, 1996:8, 1996:92 and expired on 1 May 1996)
- (2) Regulation SFS 1996:93 of 22 February 1996 on national support for agriculture in northern Sweden (modified by 1996:300).

SUEDE

Zone nordique

(Article 142 de l'Acte
d'Adhésion)



ANNEX 1

Province	Commune	Parish	UAA (ha)
Subregion 1			
Norrbotten	Kiruna	Karesuando, Vittangi, Jukkasjärvi,	
	Boden	Edefors, Gunnarsbyn,	
	Gällivare	Malmberget, Niilivaara, Hakkas, Gällivare sa del, Gällivare na del	
	Pajala	Junosuando, Tärendö, Korpilombolo, Muonionalusta, Pajala	
	Övertorneå	Hietaniemi, Svanstein, Övertorneå	
	Överkalix	Överkalix	
	Jokkmokk	Vuollerim, Porjus, Jokkmokk	
	Arjeplog	Arjeplog	
	Arvidsjaur	Arvidsjaur	
	Västerbotten	Skellefteå	Kalvträsk, Jöm
Lycksele		Örträsk, Björksele, Lycksele	
Åsele		Fredrika, Åsele	
Vilhelmina		Vilhelmina öa del, Vilhelmina va del	
Dorotea		Risbäck, Dorotea	
Sorsele		Gargnäs, Sorsele öa del, Sorsele va del	
Storuman		Tärna, Stensele öa del, Stensele va del	
Malå		Malå	
Norsjö		Norsjö	
Vindeln		Åmsele	

Province	Commune	Parish	UAA (ha)
Jämtland	Härjedalen	Lillhärdal, Ångersjö, Ytterhogdal, Överhogdal, Tännäs, Ljusnedal, Hede, Vemdalen, Älvros, Linsell, Sveg	
	Berg	Rätan, Klövsjö, Åsarna, Storsjö	
	Åre	Undersåker, Kall öa del, Kall va del, Mörsil, Åre	
	Strömsund	Tåsjö, Bodum, Fjällsjö, Frostviken, Gäxsjö, Alanäs, Ström	
	Krokom	Offerdal Siluromr, Offerdal Fjällbygden, Hotagen, Föllinge sa del, Föllinge na del, Laxsjö sa del, Laxsjö na del	
Västernorrland	Sollefteå	Ramsele, Junsele	
	Ånge	Haverö	
Kopparberg	Älvdalen	Idre, Säma	
Gävleborg	Ljusdal	The part of the parish of Kårböle and Färila which is delimited to the north and east by the river Ljusnan, to the south by the river Ängraån and to the west by the border of the county of Jämtland	
<u>Total UAA in subregion 1</u>			79 128



Province	Commune	Parish	UAA (ha)
Subregion 2 A			
Norrbotten	Haparanda	Karl Gustav, Nedertorneå-Haparanda	
	Boden	Övertuleå	
	Piteå	Norrfjärden, Piteå Landsförs, Hortlax, Piteå Stadsförs	
	Luleå	Råneå, Nederluleå sa del, Nederluleå na del, Örnäset, Luleå Domkyrkoförs	
	Älvsbyn	Älvsby	
	Kalix	Töre, Nederkalix	
Västerbotten	Skellefteå	Buträsk, Lövänger, Fällfors, Byske sa del, Byske na del, Kågedalen sa del, Kågedalen na del, Boliden, Skellefteå Iförs ö del, Skellefteå Iförs v del, Bureå, Skellefteå S:t Örjan, Skellefteå S:t Olov	
	Umeå	Sävar sa del, Sävar na del, Holmön Hömfors, Holmsund, Älidhem, Teg, Tavelsjö, Umeå Landsförs, Umeå stadsförs	
	Vännäs	Vännäs öa del, Vännäs va del	
	Robertsfors	Nysätra, Robertsfors, Bygdeå	
	Vindeln	Vindeln	
	Bjurholm	Bjurholm	
	Nordmaling	Nordmaling	
	Jämtland	Östersund	Häggensås, Lit, Kyrkås, Lockne, Näs, Sunne
Berg		Myssjö, Oviken, Hackås, Berg	

Province	Commune	Parish	UAA (ha)
	Åre	Marby, Hallen, Mattmar	
	Strömsund	Hammerdal	
	Krokom	Alsen, Aspås, Näskott	
	Bräcke	Bodsjö, Revsund, Sundsjö, Håsjö, Hällesjö, Nyhem, Bräcke	
	Ragunda	Borgvattnet	
Västernorrland	Ömsköldsvik	Trehörningsjö, Björna, Skorped, Anundsjö	
	Sollefteå	Edsele, Ådals-Liden	
Kopparberg	Mora	Venjan, Vårhus, the greater part of the parish of Mora separated from the rest of the parish	
	Älvdalen	Älvdalen	
	Malung	Transtrand, Lima, Malung	
Värmland	Arvika	Bogen	
	Torsby	Norra Ny, Dalby, Södra Finnskoga, Norra Finnskoga, Östmark, Nyskoga, Vitsand, Lekvattnet	
<u>Total UAA in subregion 2 A</u>			189 190

Province	Commune	Parish	UAA (ha)
Subregion 2 B			
Jämtland	Östersund	Norderö, Brunflo, Marieby Frösö, Östersund	
	Krokom	Ås, Rödön	
	Ragunda	Stugun, Fors, Ragunda	
Västernorrland	Örnsköldsvik	Gideå, Grundsunda, Mo, Själövad, Nätra, Sidensjö, Arnäs, Örnsköldsvik	
	Sollefteå	Sånga, Övertännäs, Boteå, Helgum, Resele, Ed, Långsele, Gränge, Multrä, Sollefteå	
	Kramfors	Yttertännäs, Torsåker, Dal, Stymäs, Bjärträ, Ullånger, Vibygerå, Nordingrå, Skog, Nora, Gudmundrå	
	Sundsvall	Liden, Holm, Indal, Njurunda, Attmar, Tuna, Stöde, Selånger, Sättna, Alnö, Skön, Skönsmon, Sundsvall Gustav Adolf	
	Hämösand	Hemsö, Säbrå, Viksjö, Stigsjö, Häggdånger, Högsjö, Hämösand Domkyrkoförs	
	Timrå	Tynderö, Hässjö, Ljustorp, Timrå	
	Ånge	Torp, Borgsjö	
	Gävleborg	Hudiksvall	Hög, Forsa, Norrbo, Bjuråker sa del, Bjuråker na del, Delsbo, Enånger, Njutånger, Rogsta, Hälsingtuna, Idenor, Hudiksvall
Ljusdal		Järvsö, Ramsjö, Kårböle, Färila öa del, Färila va del, Los, Hamra, Ljusdal sa del, Ljusdal na del	
Nordanstig		Hassela, Bergsjö, Gnarp, Jättendal, Harmånger, Ilsbo	
Total UAA in subregion 2 B			122 671

Province	Commune	Parish	UAA (ha)	
Subregion 3				
Gävleborg	Bollnäs	Arbrå, Undersvik, Hanebo, Segebersta, Rengsjö, Bollnäs		
	Söderhamn	Norråla, Trönö, Mo, Bergvik, Söderåla, Ljusne, Skog, Sandarne, Söderhamn		
	Gävle	Hamrånge		
	Ovanåker	Alfta, Voxna, Ovanåker		
	Ockelbo	Lingbo, Ockelbo, Åmot		
Kopparberg	Ludvika	Säfsnäs		
	Falun	Bjursås, Enviken, Svärdsjö		
	Mora	Sollerön, Mora		
	Orsa	Orsa		
	Rättvik	Ore, Boda, Rättvik		
	Leksand	Siljansnäs, Ål, Djura, Leksand		
	Gagnef	Floda, Gagnef, Mockfjärd		
	Vansbro	Äppelbo, Nås, Järna		
	Värmland	Säffle	Långserud, Svanskog	
		Arvika	Brunskog, Mangskog, Älgå, Ny, Gunnarskog, Glava, Högerud, Stavnäs, Arvika Västra, Arvika Östra	
Hagfors		Sunnemo, Norra Råda, Gustav Adolf, Ekshärad, Hagfors		
Filipstad		Rämmen, Gåsborn		
Sunne		Lysvik, Gräsmark		



Province	Commune	Parish	UAA (ha)
	Arjäng	Östervallskog, Töcksmärk, Västra Fågelvik, Trankil, Blomskog, Holmedal, Karlanda, Sillerud, Silbodal	
	Grums	Värmskog	
	Torsby	Fryksände	
	Eda	Köta, Skillingmark, Järmskog, Eda	
	Kil	Boda	
Total UAA in subregion 3			118 453
Overall total UAA in subregions 1-3			509 442

ISSN 0254-1475

COM(97) 742 final

DOCUMENTS

EN

03 13 01

Catalogue number : CB-CO-97-761-EN-C

ISBN 92-78-26055-X

Office for Official Publications of the European Communities

L-2985 Luxembourg