

COMMISSION OF THE EUROPEAN COMMUNITIES

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PROPOSALS ON POLICY WITH REGARD TO AGRICULTURAL STRUCTURES

(submitted to the Council by the Commission)

COMMISSION OF THE EUROPEAN COMMUNITIES

Proposals on policy with regard to
agricultural structures (1)

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(1) These proposals supersede those put forward by the Commission on 13 May 1976 (COM(76)213) and on 5 December 1977 (COM(77)550).

Explanatory Memorandum

1. In its communication to the Council of 31 January 1979,⁽¹⁾ the Commission emphasized once again that the socio-structural policy was an essential element of the common agricultural policy and that it was through this policy that the Community must take account of the particular nature of agricultural activity, resulting from the social structure of agriculture and from structural and natural disparities between the various agricultural regions.
2. The Commission also pointed out that, in the light of experience in these areas, current measures to improve structures should be adjusted in the light of the changes in the general socio-economic situation and should be supplemented so as to enable a substantial number of farms not so far eligible for these measures to benefit from them, while taking into account the constraints due to the present state of agricultural markets.

This policy should not aggravate still further the permanent imbalances on the markets in certain agricultural products. The granting of investment aid should therefore be concentrated temporarily in sectors where products can more easily ^{be sold} on the internal or external markets, until the market and price policy measures enable financing to be reintroduced in sectors which are at present excluded.

This policy should also provide a better response to the need for an instrument enabling farms which really need structural improvements to obtain the funds which the policy ought to be putting at their disposal.

This implies changes relating to modernization and to the system of aids for cessation of farming in order to increase land mobility.

(1) Commission proposal on the fixing of prices for certain agricultural products and certain connected measures. COM(79) 10 Vol. I p. 47

These adjustments will not however be sufficient to change the situation substantially in certain regions where the prospects for structural improvements are on the whole unfavourable. In this case the improvement of the agricultural situation should be encouraged by specific action programmes to develop agricultural production, while ensuring that the production guidance provided by such programmes and the instruments used are in accordance with the particular needs of the regions or areas concerned.

There remains, finally, a category of region in which agricultural development cannot be efficiently conceived unless it is accompanied by regional investment programmes aimed at developing alternative non-agricultural activities. The Commission is currently studying the possibility of launching a certain number of integrated operations for regional development which will bring to bear simultaneously a number of the Community's financial instruments in a geographic zone.

It is in this spirit that, as well as the adaptations to the existing directives, the Commission proposes a first series of specific actions for the development of agricultural production in particular Community zones as well as proposals concerning the agricultural aspects of the integrated development programmes.

I. Adjustments to existing provisions

1. Modernization of farms (Directive 72/159/EEC)

A. Objectives

Implementation of Directive 72/159/EEC during the initial period of the common measure must be regarded as having had substantial results, although some regions of the Community have benefited less than others.

Since the Directive entered into force a rate of 25.000 development plans approved per year has been achieved. However, because of the delay in application, this figure does not include development plans approved in Italy and Luxembourg.

A large proportion of all the programmes approved is related to dairy holdings.

Qualitative analysis of the data does, however, reveal certain problems. Although it is fixed at regional level, the target income set for farm development plans is attained with difficulty by too few farms; although it is not possible to ascertain whether this situation will continue, it can be seen that a large proportion of less disadvantaged farms have implemented development plans. ¹⁾ On the other hand, there are whole regions which have very deficient agricultural structures and in which modernization of farms has not really got off the ground.

The Commission therefore considers that:

- the available funds should be concentrated on aid for the types of farm which have the greatest need of such measures, and
- access to financing should be opened up to farms further away from the development target.

1) See table annexed hereto.

B. Proposed amendments

- (i) To concentrate Community funds on those farms which are unable from their own resources to implement programmes to improve their structure, financing should be confined to those development plans whose target does not exceed the comparable income by more than 20 %.
- (ii) To extend access to development plans to farms whose initial situation is less favourable, the following measures should be adopted:
- provision should be made for financing development plans submitted by farms even if they are unable to attain more than 90 % of the comparable income;
 - attainment of this objective should be facilitated by lowering, for the purposes of calculating the profitability of the farm, what is considered to be an adequate rate of return on the farmer's own capital invested in the farm;
 - the ceiling on investment eligible for aid under the development plan should be raised to 60.000 u.a. per man-work unit although the maximum amount per farm may not exceed 180.000 u.a.
- (iii) To take account of the special situation of persons whose main occupation is farming but who are not yet in a position to submit a development plan and do not qualify for the cessation annuity provided for in Directive 72/160/EEC, Member States should be allowed to decide whether to grant aid to such farms.
- (iv) To take account of the situation on the market in certain agricultural products, the following measures should be adopted:
- with effect from 1 January 1980, investment aid in respect of dairy farming and pig farming should be suspended, with the exception of investments in certain types of farms and in certain regions.
 - investment aid for the construction of glasshouses should be suspended.

2. Mountain and hill farming and farming in certain less-favoured areas

The results of the implementation of Directive 75/268/EEC show that the lack of funds in the two Member States concerned is liable to lead in the Mezzogiorno and in the West of Ireland to underuse of the possibilities offered by the Directive as regards aid for investment under farm development plans, the compensatory allowance and aid for joint investment scheme for fodder production and improvement of grazing.

To enable the Member States concerned to adjust the level of such aid, it should be proposed that the rate of EAGGF assistance in respect of such aid in the regions in question be increased to 50 %¹⁾ instead of 25 % and 35 %.

Having regard to the large number of very small farms in the less-favoured areas of the Mezzogiorno, the minimum size of farm eligible for the compensatory allowance should be reduced from 3 to 2 ha¹⁾. The maximum amount of the compensatory allowance should be increased to 75 u.a.

Finally, the Commission is of the opinion that, due to the deficient situation of milk production in Italy, it is appropriate not to apply, in this Member State, the restriction on the granting of the Compensatory Allowance in respect of dairy cows.

1) Amendments already proposed by the Commission (COM(77)550)

3. Measures to encourage the cessation of farming and the reallocation of utilized agricultural area for the purpose of structural improvement

A. Objectives

The purpose of Directive 72/160/EEC was to encourage the reallocation of land released by farmers ceasing farming to farms submitting a development plan.

This aim has been thwarted by various factors connected with changes in the general socio-economic situation occurring during implementation or with the constraints peculiar to the provisions in question, which failed to take account of special conditions in certain regions. The result is:

- 1) that not as many farmers have ceased farming as was expected;
- 2) that even in the cases where farmers have ceased farming, they have not done so under the EAGGF system, because aid granted by the Member State was not linked to the combined conditions of age of the recipient, cessation of activity and the transfer of his land to a farm suitable for development, as laid down by the Community Directive.

The Commission considers that the principal objective, i.e. the mobility of land towards farms which require it for modernization, must retain priority status. It is, however, of the opinion that in the present circumstances Directive 72/160/EEC must be amended if this result is to be achieved. The structural situation and general economic situation of some regions also justify special Community assistance in the form of measures the objective of which is perhaps less ambitious but which in the immediate term and in the light of circumstances prepares the way for the structural adaptation desired.

B. Proposed amendments to Directive 72/160/EEC

1. To adapt the existing provisions to the present circumstances and foreseeable medium-term developments, the following changes should be made:

- the amount of cessation annuities for farmers aged between 55 and 65 eligible for EAGGF assistance should be increased from 900 u.a. to 2.000 u.a. for married farmers;
 - subject in certain conditions, schemes introduced by certain Member States under which the cessation annuity is granted to older farmers who do not allocate their land to a farm presenting a development plan should not be opposed.¹⁾;
 - potential candidates for cessation aged between 50 and 55 should be encouraged to make known up to five years in advance their intention to cease farming and to allocate their land to a development plan, by granting such farmers an additional degressive premium when they enter into such an undertaking. This possibility of ceasing farming after a fixed time should attract a particular age group (50 to 55 years) into which many farmers fall and assist in planning the subsequent allocation of land.
2. To prepare for the subsequent adaptation of agricultural structures in regions in which general economic development and the situation with regard to agricultural structures do not permit land released to be allocated normally to a farm undergoing development, provision should be made for granting the cessation annuity (eligible for EAGGF assistance) to farmers aged 55 to 65 who cease farming and wind up their farms.
 3. As it stands, the Directive does not influence farmers who have a successor working full time on the farm, because the grant of the allowance is conditional upon the allocation of land of another farm.

Since this is frequently the case and therefore considerably restricts the scope of the Directive, provision should be made, in the case of regions with deficient farm structures, for eligible aid equivalent to 1.000 u.a. per year for 5 years for any farmer aged over 60 who has a direct successor who has been working on the farm for over 5 years, if the farmer formally and permanently transfers responsibility for the management of his farm to that successor.

1) Amendment already proposed by the Commission (COM(77)550)

4. Socio-economic guidance for and the acquisition of occupational skills by persons engaged in agriculture

A. Objectives

Directive 72/161/EEC, on vocational training for farmers, is widely applied in most Member States. Quite frequently, however, attendance allowances are not paid to person undergoing training; for many people already on the land, a decision as to whether to undergo further vocational training may well depend on the availability of such an allowance.

The rules do not at present cover aid for the training of managers and personnel of producer groups, cooperatives or other organisations designed to improve the conditions under which agricultural products are processed and marketed, and this must be regarded as a shortcoming in the training of supervisory staff or cadres.

The Commission also considers that the rate of reimbursement by the EAGGF of eligible expenditure on vocational training of farmers and managers of agricultural economic organizations should be aligned on the rate fixed for the European Social Fund in respect of vocational training and retraining, including measures relating to farmers wishing to move to work outside agriculture.

B. Proposed amendments to Directive 72/161/EEC

- (i) To encourage more persons already engaged in agriculture to attend training courses eligible for Community aid, the grant of aid should be made conditional upon trainees receiving an appropriate attendance allowance.

(ii) To contribute towards the achievement of the objectives laid down by the Community in Regulation (EEC) Nos 355/77, 1360/78 and 1361/78, Community aid should be granted at the rate of 2.400 u.a. per participant in training and further training courses for managers and personnel of producer groups, cooperatives and other associations engaged in the marketing and processing of agricultural products.

(iii) To assure Member States which are endeavouring to improve vocational training in agriculture of advantages comparable to those granted by the Community in respect of vocational training outside agriculture, including vocational retraining of persons leaving agriculture, the rate of the EAGGF contribution to eligible vocational training schemes in agriculture should be raised to the maximum rate set for European Social Fund intervention.

II. New measures proposed by the Commission

1. Specific programmes

The structure of agriculture in some of the Community's severely less-favoured areas is still a cause for much concern. General economic development has been very slow, farms are small and the whole regional context is uncongenial to rapid improvement; hopes of seeing a reasonable number of farms modernized are very slender.

The Community must take positive action in these regions. But its action cannot follow the conventional course of seeking profitability through decisive progress in the short term. On the contrary, it must be closely tailored to suit the natural and economic circumstances, to answer particular problems and to find specific solutions. With this end in view, the Commission intends to propose Community financing programmes placing the emphasis on developing, modernizing or changing towards production systems particularly suited to the areas concerned and offering good market outlets. Implementation of these programmes could begin with the removal of obstacles and infrastructure deficiencies.

The Commission considers that drawing up such programmes requires extremely thorough study, in order to identify the regions which could qualify for such measures and to define the measures themselves.

In general, the Commission feels that the factors involved in identifying the regions should include the following :

- the proportion of the workforce employed in agriculture
- the age pattern of the agricultural workforce
- the situation with regard to the physical and educational infrastructure;
- the size of the farms
- farm incomes
- farms' ability to make the investments which are necessary in this respect.

The Commission therefore intends to place proposals for specific programmes before the Council as these studies are completed.

The programmes proposed in this paper represent the first set and they cover the following regions :

- Italy : mountain and hill areas
- Ireland : regions in the West of Ireland
- Greenland.

a. Specific programmes for developing beef cattle farming in upland areas of Italy

Cattle farming is one of Italy's main problem areas. Although beef and veal consumption is substantially lower than the Community average, the rate of self-supply is falling and is only 59% (1976.)

The agricultural and economic situation in the upland areas is steadily deteriorating and cattle farming, which should be the most suitable type of activity, is also in decline. These regions include more than 70 % of the country's farms and the proportion of the workforce engaged in agriculture is high but farms are very small with an inadequate number of animals, often very poorly housed; in spite of the small size of the farms, substantial tracts of land are abandoned because they are unprofitable and no adequate finance is available.

The Italian Government, in its agri-food programme and in Law No 984/77, has provided for measures to develop beef cattle farming in upland regions. The measures are, however, not yet under way, mainly because of a shortage of funds.

In the Commission's view, financial aid from the Community, tied to the proviso that these plans be modified to meet the demands of the common agricultural policy, could contribute substantially towards the success of the undertaking. It is particularly desirable to implement this programme because agricultural production in the irrigated lowlands could be switched to fodder crops rather than to market garden produce or fruit, the marketing of which presents problems in the Community.

Community action will therefore involve aid to upland farms, whether or not specialized, raising beef cattle from beef breeds or breeds crossed with beef breed bulls.

Aid would be granted for the following :

- the improvement of animal housing, including the necessary adaptation due to hygienic and sanitary considerations,
- the increase in fodder production by pasture and meadow improvement, including, where necessary, the fencing of mountain pastures,
- the keeping of calves of beef breeds on the farm.

b. Specific programme for the development of agriculture in the West of Ireland

The less-favoured regions in the West of Ireland within the meaning of Directive 75/272/EEC cover roughly half the UAA of the country and represent about two thirds of the farms.

The lack of development in this region is caused by a combination of several factors :

- More than half the workforce is in agriculture. The productivity of much of the agricultural land is very low.
- Only a quarter of farms have both electricity and drinking water. The farm road network is in bad condition.
- Nearly half of all farms are under 10 hectares; more than three quarters are under 20 hectares.
- Nearly 97 % of those now farming have only had primary education.
- The productivity of most land is very low; agriculture in the West of Ireland consists largely of extensive rearing of cattle and sheep.
- The market structure is such that producers do not have adequate bargaining power in selling their products.
- Farm incomes in this area are less than 40 %, and average investment per farm only 44 %, of the national average.

The situation can be improved by increasing the production of winter fodder. This depends both on progress in drainage, for which a programme already exists, and on the scope for increasing farms' grazing area by absorbing common land. It does, however, require land clearing and improvement, reseeding, fertilizing, and perhaps fencing, which are fairly expensive operations.

If this improvement is to be substantial and lasting, an overall programme must be implemented with the assistance of effective training and advisory services, which must be increased for this purpose.

A ten-year programme of this kind, to be approved by the Commission after consulting the Standing Committee on Agricultural Structures, could include measures to cover

- training facilities : setting up small agricultural vocational training centres, including adaptation of existing centres,
- agricultural infrastructure : supply of electricity and running water on the farm, farm or forest roads, fencing off plots of land, elimination of ditches, hedges and walls which prevent normal husbandry;
- developing production of beef cattle and sheep, by means of the financing of investment plans and premiums for keeping cattle on the farm,
- adaptation of the conditions for financing projects included in programmes for the processing and marketing of beef and veal and sheepmeat,
- improving the effectiveness of the advisory services by setting up a regional centre for further training of advisers and training of the staff required for the programme.

c) Specific programme to develop sheep-farming in Greenland

In the extreme south of Greenland, one of the few farming areas of the country is devoted to sheep-farming. About 100 farmers rear a number of sheep which varies substantially from one year to another : 48.000 in 1966, 22.000 in 1967, 34.000 in 1971, 14.000 in 1976, 20.000 in 1978.

The remarkable fluctuation in numbers is due to the frequency of very severe winters which ravage the flocks at pasture. Another limiting factor is the availability of winter fodder, consisting of hay, supplemented by imported feed.

At the present time, sheepmeat production falls short of home consumption. There is a slaughterhouse with a capacity for about 15.000 head per year but its situation is such that it cannot be extended; nor do all the producers have easy access to it.

It is estimated that the sheep stock could be at least doubled if new pastureland was developed.

In order to allow the development of this geographically very limited activity, which is nonetheless vital for the maintenance of a stable farming population in a very underdeveloped region, financial aid from the Community should be envisaged for a programme submitted by the Danish Government. The programme comprises the following measures :

- development of additional pasture, preparation of soil, including first seeding;
- creation of rural infrastructure for access to this new land : farm roads, possibly landing stages for boats when access is only possible by water;

- construction of shelters and sheep pens on pastureland;
- initial allocation of additional sheep stock;
- investments to improve farm buildings;
- supply of facilities for barndrying of hay;
- improvement of production and health conditions;
- provision of a further slaughterhouse.

2. Integrated development programmes

- 1) Amongst the Community's problem areas or regions, there are some which, beside the possibilities for development based on financing programmes for agriculture, provide further scope for development, based on the expansion of non-agricultural activities directly or indirectly connected with agriculture.
- 2) This is the case, for example, in regions where certain factors are present which suggest, or have indeed shown, that economic growth could be substantially boosted if, apart from strictly agricultural development programmes, others for financing activities connected with the food industry, the development of craft industries or activities directly connected with the hotel, holiday and leisure industries could be implemented.
- 3) In view of the means and funds at its disposal, the Commission considers that the Community should be able to finance programmes of this sort, which will make it possible to take advantage of both the various development possibilities which exist and the available means (EAGGF, ERDF, European Social Fund, and national funds).
- 4) In this context, the Commission is accordingly placing before the Council proposals concerning the agricultural aspects of the integrated development programmes in respect of the Western Isles of Scotland, Lozère and South-East of Belgium.

Integrated development programme for the Western Isles
of Scotland

The area : The Western Isles (or Outer Hebrides), comprising a number of islands (Lewis-Harris-N.Uist, etc.)

The area of the Western Isles (or Outer Hebrides) is of 3.161 km², and the population density is about 9.4 inhabitants per km². The total population in mid-1977 was some 30.000, including some 20.000 on Lewis, the main island.

The area's principal physical handicaps are its outlying position, the climate and the soil. These have led to manifest underdevelopment which even shows signs of worsening, given the present state of agriculture, which is on a very small scale, fisheries and traditional industries.

The infrastructure is quite inadequate. Steady emigration results in a poor age pattern, with too many people over 65 not enough between 15 and 29. The present unemployment rate is 19 % (24 % for males). Incomes are low compared with the Scottish average, and are often earned from a number of part-time activities.

In the area, 252.000 ha are farmed but 244.000 ha of this is accounted for by common land or low quality pasture.

There are more than 5.000 farms. However, the great majority of these are occupied by crofters, hereditary tenants of one or more very small pieces of land, who obtain two-thirds or more of their income from activities outside agriculture. Only 325 farms provide full-time work (275 man/days).

Production is determined by the climate, with a short growing season, by the soil which is shallow and acid or sandy and subject to wind erosion, and by the small scale of the farms. The main enterprise is livestock, particularly sheep or a mixture of sheep and store cattle. Owing to the lack of winter fodder, the lambs and cattle are sold early each autumn on the Scottish mainland, where they are fattened. The arable acreage is very small ; the most important crops are oats and barley, which are produced on a sort of coastal marl (a deposit of sand and shellfish grit).

The main fodder is grass, stored as hay for the winter.

The programme is to combine all the current measures and programmes, whether national, regional or Community, and supplement them with the necessary special aid.

The main object of such a programme is to halt and reverse the steady worsening of the farming situation. It should, however, identify and promote activities which complement agriculture and fit into and reinforce the area's socio-economic structure.

The following measures may be envisaged within the framework of agriculture :

- aid to small farmers and crofters
- bringing land back into production and use, including afforestation
- improving the quality of livestock
- improving the processing and marketing of agricultural produce

Apart from the national and Scottish authorities, the main organizations which operate in the area are the Highlands and Islands Development Board and the Crofter's Commission.

Action under this programme should be undertaken by local agencies; the Community's contribution should be restricted to supplying aid and expertise, supervising the management of Community funds and studying the information which experience of this type of development management yields.

Integrated development programme for Lozère

Lozère, situated where the Massif-Central meets Languedoc-Roussillon, is with 75 100 inhabitants the least populated of French Departments. The population density is 15 per km² (average for France: 86). In the rural areas the density is less than 10 per km². The Department has only three small towns and a single light industry sector.

The rural population is spread over large number of small mountain hamlets; Lozère is the Department with the highest average altitude in France.

Continuous emigration (123 000 in 1911, 80 900 in 1962) has brought the region down to the viability threshold, that is the population density below which provision and maintenance of the various public services (roads, electricity, telephones, drinking water) reaches a prohibitive cost per head of population.

The fall in population has led to shifts in employment. The industrial workforce has decreased (3 000 in 1962, 2 600 in 1975), that in the tertiary sector (transport, services and administration) has increased from 12 200 in 1962 to 15 600 in 1975. Although it has suffered most from the exodus, agriculture is still easily the main activity with over 40% of the workforce.

In addition, the considerable fall in the number of farmers (38% between 1955 and 1970) has been followed by a general move towards cattle farming (mainly beef, with dairy farms representing less than a quarter of the total) and sheep raising. Certain regions (Aubrac, Margeride, which have 90% of the livestock) have specialized in the production of stores. There are about 7 100 farms covering 38 108 ha of arable land and 66 600 ha of permanent pasture. On average there are 7 cows per farm.

The non-agricultural workforce depends essentially on the agricultural population, since the development of tourism is tied up with farming and rural life (rented cottages, farm holidays, riding, walking) and this largely accounts for the expansion in the service and transport sector.

In spite of its disadvantaged situation this region does not have to become a wasteland, provided that the various economic sectors can progress together in an integrated manner, using local resources.

An integrated development programme should point up the main measures to be undertaken, and determines what back-up will be required.

The main measures ought to concern firstly industry, in particular sawmilling and the processing of wood from the 187 000 ha of forest which cover 36% of the area, and secondly agriculture. The back-up measures related primarily to tourism and small-scale craft industries mainly based on agriculture.

In agricultural two basic measures are necessary: the recuperation of common pasture land (there are 80 000 ha of this in the area), improving and developing it for cattle and sheep rearing, and providing access; renewing chestnut cultivation, to which the area is naturally suited and for which there are commercial outlets.

In view of the scope and complex nature of the measures to be undertaken, the Commission considers it necessary to provide for Community financial aid for this programme.

The Commission will coordinate this special aid with that from the various Community funds.

Integrated development programme for south-eastern Belgium

The south-east of Belgium is classified as a less-favoured area under Directive 75/268/EEC on mountain and hill farming and farming in certain less-favoured areas.

It has approximately 365.000 inhabitants, the average density being 45 per km², a very low figure compared with the Belgian average of 322. The activity rate is 20% lower than in the country as a whole. The proportion of the active population engaged in agriculture is 18% (Belgian average 3.7%) and in industry 26% (Belgian average 38.8%), the largest part which is in declining industries.

The main agricultural activity is stock farming; 80% of the UAA consists of meadows and pastures. Stock farming is principally geared to milk production, yields varying between 2.400 and 2.900 litres (Belgian average approximately 3.600 litres). There is more than 450.000 ha of forest, 75% of the Belgian total.

This is a homogeneous rural region with a negative migration balance, under-industrialised and with a large majority of undertakings falling into the small and medium-sized categories. Unless it is redeveloped fairly rapidly it will inevitably become marginal.

There is a need for a programme which includes not only agriculture but equally all the activities that could lead to improvement of the socio-economic situation of the region.

The central task in agriculture and forestry is to increase productivity by improving meadows, pasture land and fodder production, by providing training and advisory services for farmers and by updating management methods.

Because of the size and complexity of the programme the Commission considers it necessary to provide Community financial assistance. Assistance from the EAGGF for agricultural operations under the programme should, however, be limited to operations in the province of Luxembourg.

3. Special measure for pig slaughtering and pigmeat processing in the European Community.

An improved market structure for pigmeat is particularly necessary to ensure that supply is of the qualities most in demand and that quantities fluctuate less over time.

Research into new techniques in slaughtering and processing is necessary to reduce costs, to adapt plant to Community health and environmental standards, to improve treatment of animals during slaughtering and thereby improve the quality of the meat, to optimize use of edible by-products, etc.

The location of processing plants should take account of the fact that slaughtering is tending to move towards the regions of production.

The consumption pattern of pigmeat in the EEC is characterized by an increase in processed products (at present some 50 % of output), of which 55 % is produced by industrial firms and 45 % by small-scale undertakings; the trend in the retail trade also implies that industrial production will expand at the cost of small-scale production.

The processing industry is often characterized by a lower level of modernization and insufficiently advanced industrial techniques.

New requirements are emerging as regards presentation of products. Vacuum packing, for instance, improves hygiene, facilitates handling, reduces weight loss and increases shelf life.

The situation in the United Kingdom and in France is particularly bad compared with the other Member States, in respect of both slaughterhouses (and health standards in them) and processing plant.

The Commission considers that, to speed up the improvements which are essential in this field, a special measure should be undertaken in France and in the United Kingdom.

The Commission accordingly proposes that a further sum specifically for this measure should be made available under Regulation (EEC) No 355/77.

Distribution of development plans according to the % of the comparable
income per labour unit at the start of the plan in 1977

| | Total No of deve- lopment plans | < 80 % | | 80 - < 100 % | | > 100 % | | % above 80 % |
|-----------------------|--|--------|------|--------------|----|---------|-------|--------------------|
| | | Nb | % | Nb | % | Nb | % | |
| DEUTSCHLAND | 6.015 ⁽¹⁾ | 1.824 | 30 | 3.398 | 57 | 793 | 13 | 70 |
| RN | 4.581 | 1.321 | 29 | 2.628 | 57 | 632 | 14 | 71 |
| RD | 1.434 | 503 | 35 | 770 | 54 | 161 | 11 | 65 |
| FRANCE | 2.597 | 1.638 | 63 | 942 | 36 | 17 | 1 | 37 |
| RN | 1.502 | 972 | 65 | 523 | 35 | 7 | 0 | 35 |
| RD | 1.095 | 666 | 61 | 419 | 38 | 10 | 1 | 39 |
| NEDERLAND | 2.860 | 1.524 | 53 | 1.153 | 41 | 183 | 6 | 47 |
| BELGIQUE | 1.652 | 27* | 2* | 0* | 0* | 1.625* | 98* | 98* |
| RN | 1.413 | 26* | 2* | 0* | 0* | 1.387* | 98* | 98* |
| RD | 239 | 1* | 0,4* | 0* | 0* | 238* | 99,6* | 99,6* |
| UNITED KINGDOM | 7.145 | 5.654 | 79 | 1.452 | 20 | 39 | 1 | 21 |
| RN | 4.861 | 3.611 | 74 | 1.224 | 25 | 26 | 1 | 26 |
| RD | 2.284 | 2.043 | 89 | 228 | 10 | 13 | 1 | 11 |
| IRELAND | 2.921 | 1.819 | 62 | 1.100 | 38 | 2 | 0 | 38 |
| RN | 1.899 | 1.161 | 61 | 737 | 39 | 1 | 0 | 39 |
| RD | 1.022 | 658 | 64 | 363 | 36 | 1 | 0 | 36 |
| DANMARK | 1.313 | 691 | 53 | 621 | 47 | 1 | 0 | 47 |
| EUR | 24.503 ⁽²⁾ | 13.177 | 54 | 8.666 | 35 | 2.660 | 11 | 46 |
| RN | 18.379 | 9.306 | 51 | 6.886 | 37 | 2.187 | 12 | 49 |
| RD | 5.474 | 3.271 | 60 | 1.780 | 33 | 423 | 7 | 40 |

(1) The total number of development plans is in reality 6514, of which 4832 are in the normal areas and 1682 in less favoured areas.

(2) The total number of plans (EEC) is 25.002, of which 18.680 are in normal areas and 6.322 in less favoured areas.

* uncertain data

RN = Normal Region

RD = Less Favoured Region

10.3.1979

ADDITIONAL COSTS DUE TO THE PROPOSALS

MEUA

| | YEAR | | | | | | | TOTAL |
|---|-------------|-------------|-------------|-------------|-------------|--------------|---------------|-------|
| | 1 | 2 | 3 | 4 | 5 | over 5 years | | |
| Modification to Directive 72/159 ⁽¹⁾ | 8 - 15 | 16 - 30 | 16 - 30 | 16 - 30 | 16 - 30 | 8 - 15 | 80 - 150 | |
| Modification to Directive 72/160 | 9,5 | 13,6 | 17,9 | 21,5 | 25,2 | - | 88 | |
| Modification to Directive 72/161 | 12,2 | 12,2 | 12,2 | 12,2 | 12,2 | - | 61 | |
| Modification to Directive 75/268 | 7 - 12 | 13,5 - 24,5 | 13,5 - 24,5 | 13,5 - 24,5 | 13,5 - 24,5 | 6,5 - 12,5 | 67,5 - 122,5 | |
| Programme for West of Ireland | 26,7 | 26,7 | 26,7 | 26,7 | 19,6 | 98 | 224,4 | |
| Programme for beef production in Italy | 8,5 | 12,7 | 16,9 | 21,1 | 25,3 | 293,75 | 378,2 | |
| Programme for sheep production in Greenland | pm | 0,25 | 0,5 | 0,75 | 1 | 5 | 7,5 | |
| Integrated programme - -Scotland -Lozère -S.E. Belgium | 3 3 1 | 3 3 1 | 3 3 1 | 3 3 1 | 3 3 1 | - - - | 15 15 5 | |
| Modification to Reg. 355/77 | - | 13,3 | 13,3 | 13,3 | - | - | 40 | |
| TOTAL - MINIMUM | 79 | 115,3 | 124 | 132 | 119,7 | 404,7 | 981,6 | |
| TOTAL - MAXIMUM | 91 | 140,3 | 149 | 157 | 144,7 | 417,7 | 1106,6 | |

1) The proposed suspension of aid in the dairy, pig and glasshouse sectors could lead to an annual reduction in the costs of: 30 MEUA

Need for additional personnel

The application of the proposed common measures will involve new, numerous and complex tasks.

These tasks concern on the one hand indepth studies of regional agricultural situations and on the other hand the coordination and follow up at Community level of integrated development programmes as well as the evaluation of the structural effects of the common measures.

For all these tasks it is indispensable to create

4 new A posts

2 new B posts

and the relevant number of corresponding C posts.

Proposal for a Council Directive amending Directive 72/159/EEC of 17 April 1972
on the modernization of farms

THE COUNCIL OF THE EUROPEAN COMMUNITIES ,

Having regard to the Treaty establishing the European Economic Community,
and in particular Articles 42 and 43 thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament,

Whereas Article 16 of Council Directive 72/159/EEC of 17 April 1972 on the
modernization of farms ⁽¹⁾ provides for a re-examination of the provisions
of the Directive by the Council, acting on a proposal from the Commission,
after five years;

Whereas non-agricultural workers have to spend part of their income and part
of their time travelling to and from their place of work; whereas farmers
should be authorized to make a corresponding deduction from the comparable
income;

Whereas it is the responsibility of the Member State to determine what con-
stitutes an adequate return on the capital invested in the farm; whereas a
single rate should be fixed for the return on the farmer's capital, for the
purpose of calculating the earned income;

Whereas the funds available must be used as effectively as possible; whereas
funds should be concentrated on development plans which do not provide for
the attainment of an earned income far in excess of the comparable income and
on farms which do not themselves have sufficient means for modernization;

(1) OJ No L 96, 23.4.1972, p. 1

Whereas, having regard to the rate of inflation in the Community since the entry into force of Directive 72/159/EEC of 17 April 1972, the maximum amount of investment per man-work unit should be increased;

Whereas, in line with the objective of market equilibrium in the Community, incentives should be granted in respect of cow's milk or pigmeat production only under certain specific conditions, and the grant of incentives in respect of production under glass should be suspended;

Whereas the Member States should be authorized to continue granting transitional aid in respect of investments to assist farmers who do not at present, for various reasons, qualify for the agricultural reform measures;

Whereas aid for the purchase of land is not covered by the Directive,

HAS ADOPTED THIS DIRECTIVE :

Article 1

1. The following sentence is added to Article 4(2):

"Upon request, the farmer may deduct from the comparable income an amount equivalent to 10 %."

2. The second indent of Article 4(4)(a) is amended to read as follows:

" - determine what constitutes an adequate return on the capital invested in the farm business. Member States may add to the earned income accruing from the farm the amount of any return on capital over and above 3.5 %."

3. In Article 4, after paragraph 5, a new paragraph 6 is added as follows:

"The earned income which may be attained upon completion of the development plan may not exceed the income referred to in paragraphs 2 and 3 by more than 20 %."

4. In Article 4, paragraph 6 becomes paragraph 7.

Article 2

The first sentence of Article 8(2) is amended to read as follows:

- "(2) The interest rate subsidy provided for in paragraph 1(b) shall apply to the whole of the loan, except for any part thereof exceeding 60 000 units of account per man-work unit or 180 000 units of account per farm. The maximum per farm shall not apply to cooperatives or associated undertakings in the event of total mergers."

Article 3

1. Article 9(2) is replaced by the following:

- "(2) The grant of the aid provided for in Article 8(1)(b) and (c) in respect of investments in the production of cow's milk shall be suspended with effect from 1 January 1980, with the exception of aid granted in respect of investments:
- in farms which are not increasing their dairy herd and which have at least 35 % of their utilized agricultural area permanently under grass. In the event of a merger between farms, the condition that the dairy herd may not be increased shall be considered to be satisfied if the initial headage of dairy cows per hectare of utilized agricultural area is not increased;
 - in farms situated in mountain areas within the meaning of Article 3(3) of Directive 75/268/EEC and in the less favoured areas of Italy in accordance with article 3, paragraph 4 of the aforesaid directive and in the Mezzogiorno.
- (3) The grant of the aid provided for in Article 8(1)(b) and (c) in respect of investments in pig farming shall be suspended with effect from 1 January 1980, with the exception of aid granted in respect of investments:
- in farms which are not increasing their number of places for fatstock or breeding sows by more than 10 %, or
 - in farms with more than 65 % of their UAA under crops, or
 - relating to the use of liquid skimmed milk,
- provided that such investments are not less than 10 000 units of account or more than 54 565 units of account and that upon completion of the development plan the farm is capable of producing at least 35 % of the feedingstuffs consumed by the pigs.

In the case of joint production by a number of farms, the abovementioned condition shall be considered to be satisfied if 35 % of the feedingstuffs required can be produced by one or more of the associated farms.

- (4) The grant of the aid provided for in Article 8(1)(b) and (c) in respect of investment in production under glass shall be suspended with effect from 1 January 1980."

2. Paragraph 3 of Article 9 becomes paragraph 5.

Article 4

1. Article 14(2)(a) is amended to read as follows:

"(a) With effect from 1 January 1980, Member States may grant transitional aid to farmers practising farming as their main occupation who:

- are unable to attain the earned income fixed pursuant to Article 4;
- are not yet eligible for the annuities provided for in Article 2(1) of the Council Directive of 17 April 1972 concerning measures to encourage the cessation of farming and the reallocation of utilized agricultural areas for the purposes of structural improvement and
- who undertake to keep accounts for at least five years.

The transitional aid may be granted only in respect of investment not exceeding 15 000 units of account and it may not be granted on terms more favourable than those laid down in Article 8 in conjunction with Article 9(1) of Council Directive 75/268/EEC of 28 April 1975 on mountain and hill farming and farming in certain less-favoured areas.

The grant of the abovementioned transitional aid shall not exclude the farmer from subsequent eligibility for aid pursuant to Article 1(1) or Article 14(2)."

2. The following paragraph is added to Article 14:

"(4) Aid for the purchase of land shall not be covered by this Directive."

Article 5

Member States shall bring into force the measures necessary to comply with this Directive before 31 December 1979.

Article 6

This Directive is addressed to the Member States.

Done at Brussels,

For the Council

The President

FINANCIAL STATEMENT

DATE : 8.3.1979

1. BUDGET LINE CONCERNED : Article 810

CREDITS :

2. ACTION : Proposed amendment to Directive 72/159/EEC on the modernisation of farms.

3. LEGAL BASIS : Article 6 of Regulation (EEC) No 729/70

4. OBJECTIVES : To up-date the Regulation to bring it into line with today's conditions

| 5. FINANCIAL CONSEQUENCE | PERIOD OF 12 MONTHS | CURRENT FINANCIAL YEAR (79) | FOLLOWING FINANCIAL YEAR (80) |
|--|---------------------|----------------------------------|------------------------------------|
| 5.0 EXPENDITURE | | | |
| -CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTIONS) | | p m | 8 - 15 |
| -CHARGED TO NATIONAL ADMINISTR. | | 32 - 60 | 64 - 120 |
| -CHARGED TO OTHER NATIONAL GROUPS | | - | - |
| 5.1 RECEIPTS | | | |
| -OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES) | | | |
| -NATIONAL | | | |

| | YEAR 1980 | YEAR 1981 | YEAR 1982 |
|--|-----------------------|-----------------------|-----------------------|
| 5.0.1 PLURIANNUAL PATTERN OF EXPENDITURE | 8 - 15 | 16 - 30 | 16 - 30 |
| 5.1.1 PLURIANNUAL PATTERN OF RECEIPTS | - | - | - |

5.2 METHOD OF CALCULATION

See Annex

6.0 FINANCING POSSIBLE WITH CREDITS INSCRIBED IN RELEVANT CHAPTER OF CURRENT BUDGET ? YES/~~NO~~

6.1 FINANCING POSSIBLE BY TRANSFER BETWEEN CHAPTERS OF CURRENT BUDGET ? YES/~~NO~~

6.2 NECESSITY FOR A SUPPLEMENTARY BUDGET ? YES/NO

6.3 CREDITS TO BE WRITTEN INTO FUTURE BUDGETS ? YES/~~NO~~

COMMENTS :

ANNEX

1. EAGGF expenditure on Directive 72/159 in respect of 1978 should amount to 36.8 million EUA.

2. Increases due to the proposal:

- Article 4 of the proposal reduces the comparable income to be attained at the end of the development plan; this should lead to a 25 % increase in the number of plans presented. Article 8 increases the maximum amount of investment per labour unit permitted and in turn this is expected to increase the average investment per plan by 15 %. On the basis of the 1978 expenditure, the increases due to the proposal are estimated as follows:

$36.8 \times 1.25 \times 1.15 = 52.9$ million EUA, $53 - 37 = 16$ MEUA per year.

- Potential cost of the full application of the Directive in Italy.

Payments to be made early in 1979 in respect of the application of this Directive in Italy amount to 0.16 million EUA. However, the Italian authorities estimate that the potential eligible expenditure incurred by the full application of this Directive could increase the EAGGF expenditure on the Directive by some 15 to 17 million EUA.

Hence the total increases are estimated to be between 16 and 32 million EUA per year.

3. Decreases due to the proposal:

The number of plans submitted is expected to decrease by 40 % due to the restrictions on investment aid for milk production, pig production and for glasshouse construction. In addition, due to the high level of expenditure per development plan in the dairy sector, milk production is expected to account for a reduction of 25 % in the average investment per plan.

Therefore the cost of the Directive after the decreases are taken into consideration is estimated as follows:

$53 \times 0.6 \times 0.75 = 23.8$ million EUA.

$53 - 23 = 30.0$ million EUA per year.

4. Total additional cost due to the proposal:

- total increases: 16 - 32 million EJA per year,
- total decreases: 30 million EJA per year.

Proposal for a Council Directive amending Council Directive 75/268/EEC of 28 April 1975 on mountain and hill farming and farming in certain less-favoured areas.

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular **Articles 42 and 43** thereof;

Having regard to the proposal from the Commission,

Having regard to the Opinion of the European Parliament,

Whereas, having regard to the large number of very small farms, the minimum figure of three hectares for the utilized agricultural area of farms qualifying for the compensatory allowance provided for in Title II of Council Directive 75/268/EEC of 28 April 1975 on mountain and hill farming and farming in certain less-favoured areas¹ is too high for the Mezzogiorno, including the islands, and the overseas departments; whereas it should be reduced to two hectares;

Whereas having regard to trends in purchasing power since Council Directive 75/268/EEC of 28 April 1975 was adopted, an increase in the maximum compensatory allowance is justified;

Whereas in view of the evolution of cattle raising in the less favoured regions of Italy during recent years a limitation of the compensatory allowance to a certain number of dairy cows is not justified;

Whereas the 25% reimbursement rate for eligible expenditure in respect of farmers submitting a development plan, provided for in Article 15 of Directive 75/268/EEC, does not appear sufficient to permit effective application in the less-favoured areas of the Mezzogiorno, including the islands, and the Western region of Ireland of the measures concerning the modernization of farms provided for in Council Directive 72/159/EEC²; whereas it should be fixed at 50%;

¹ OJ No L 128, 19.5.1975, p. 1

² OJ No L 96, 23.4.1972, p. 1

Whereas the measures referred to in Article 11 of Directive 75/268/EEC are particularly important in the Mezzogiorno, including the islands; whereas the rate of reimbursement of the relevant expenditure does not appear sufficient to permit effective application of these measures; whereas the rate of reimbursement should be fixed at 50 % and the maximum Community contribution at 40.000 units of account per joint investment scheme and 200 units of account per hectare of pasture or mountain grazing land improved or provided with equipment ;

Whereas the 35 % reimbursement rate for eligible expenditure in respect of the compensatory allowance, provided for in Article 15 of Directive 75/268/EEC, does not appear sufficient to permit effective application of this measure in Italy and Ireland; whereas it should be fixed at 50 %,

HAS ADOPTED THIS DIRECTIVE :

Article 1

1. The following subparagraph is inserted after the first subparagraph of Article 6(1) of Directive 75/268/EEC :

"However, in the Mezzogiorno, including the islands, and in the overseas departments the minimum utilized agricultural area per farm shall be two hectares."

2. In Article 7(1)(a) and (b) the words "50 units of account" are replaced by "75 units of account".

3. In Article 7, paragraph 1(a) is completed by the following sub-paragraph :

"The provisions of the foregoing two sub-paragraphs do not apply in the hill areas of Italy which form part of the areas referred to in Article 3, paragraphs 4 and 5."

4. Article 15 of Directive 75/268/EEC is amended to read as follows :

"Article 15

1. Expenditure by Member States in respect of measures taken under Articles 5 to 11 shall be eligible for assistance from the Guidance Section of the EAGGF, as provided for in Article 19 of Directive 72/159/EEC.

In the Mezzogiorno, including the islands, and in the Western region of Ireland the rate of reimbursement for expenditure incurred in respect of measures taken under Articles 8(2) and 10 of Directive 72/159/EEC, as supplemented by Article 9 of

this Directive, shall be 50%. In the Mezzogiorno, including the islands, the rate of reimbursement for expenditure in respect of measures taken under Article 11 shall be 50%.

2. The Community contribution towards expenditure eligible for the aid provided for in Article 11 may not exceed 20 000 units of account per joint investment scheme and 100 units of account per hectare of pasture or mountain grazing land improved or provided with equipment.

In the Mezzogiorno, including the islands, the Community contribution may not exceed 40 000 units of account per joint investment scheme and 200 units of account per hectare of pasture or mountain grazing land improved or provided with equipment.

3. The Guidance Section of the EAGGF shall reimburse to Member States 25% of eligible expenditure in respect of the compensatory allowance provided for in Title II.

In Italy and Ireland the rate of reimbursement shall be 50%.

However, expenditure in respect of the compensatory allowance shall not be eligible for reimbursement where the farmer receives a retirement pension".

Article 2

1. Article 1(1) shall apply from 1 January 1980.
2. Article 1(3) shall apply only to aid granted for 1979 and onwards.

Article 3

This Directive is addressed to the Member States.

Done at Brussels,

For the Council

FINANCIAL STATEMENT

DATE : 8.3.1979

1. BUDGET LINE CONCERNED : Article 813

CREDITS :

2. ACTION : Proposed amendment to Directive 75/268 on mountain and hill farming and farming in certain less-favoured areas.

3. LEGAL BASIS : Article 6 of Regulation (EEC) No. 729/70.

4. OBJECTIVES : To reinstate the financial value of the compensatory allowance, which has been eroded by inflation and to increase the Community participation in certain cases.

| 5. FINANCIAL CONSEQUENCE | PERIOD OF 12 MONTHS | CURRENT FINANCIAL YEAR (79) | FOLLOWING FINANCIAL YEAR (80) |
|--|---------------------|--------------------------------|----------------------------------|
| 5.0 EXPENDITURE | | | |
| -CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTIONS) | | p.m. | 7 to 12 MEUA |
| -CHARGED TO NATIONAL ADMINISTR. | | 10 | 18 to 46 MEUA |
| -CHARGED TO OTHER NATIONAL GROUPS | | - | |
| 5.1 RECEIPTS | | | |
| -OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES) | | - | |
| -NATIONAL | | - | |

| | YEAR ...1980..... | YEAR ...1981..... | YEAR ...1982..... |
|--|-------------------|-------------------|-------------------|
| 5.0.1 PLURIANNUAL PATTERN OF EXPENDITURE | 7 - 12 | 13,5 - 24,5 | 13,5 - 24,5 |
| 5.1.1 PLURIANNUAL PATTERN OF RECEIPTS | | | |

5.2 METHOD OF CALCULATION

See Annex

6.0 FINANCING POSSIBLE WITH CREDITS INSCRIBED IN RELEVANT CHAPTER OF CURRENT BUDGET ? YES/NOX

6.1 FINANCING POSSIBLE BY TRANSFER BETWEEN CHAPTERS OF CURRENT BUDGET ? YES/NOX

6.2 NECESSITY FOR A SUPPLEMENTARY BUDGET ? ~~YES~~/NO

6.3 CREDITS TO BE WRITTEN INTO FUTURE BUDGETS ? YES/NOX

COMMENTS :

ANNEX

1. The total expenditure on Directive 75/268 in respect of 1978 should amount to 60 MEUA.

2. The proposal to increase the maximum level of the compensatory allowance to 75 u.a. per UGB is expected to have an immediate effect in the United Kingdom as this is the only Member State which is currently paying the compensatory allowance at the maximum rate. Hence, assuming the United Kingdom increases the compensatory allowance to the new maximum permitted rate, the additional cost to the EAGGF will be a 42,9 % increase in the payments made to the UK.
The amount paid to the UK in respect of 1978 was 19,25 MEUA, therefore the expected increase in costs is estimated at:
 $19,25 \times 42,9 \% = 8,26 \text{ MEUA.}$

3. The effect of the increase in the reimbursement rate from 35 % to 50 % in the case of the Western region of Ireland and the Mezzogiorno is estimated as follows:
 - a) Western region of Ireland:
The repayments made or to be made to Ireland in respect of 1978 amount to 12,057 MEUA. At the new rate of reimbursement this cost would become $12,057 \times \frac{50}{35} = 17,224 \text{ MEUA}$, therefore the net increase due to the proposal is estimated at 5,167 MEUA per year.

 - b) Mezzogiorno:
The less-favoured areas that lie within the Mezzogiorno represent 61,2 % of the Italian less-favoured areas. Although payments made to Italy in respect of 1978 will only amount to 0,27 MEUA, the Italian authorities estimate their potential level of expenditure in respect of the full application of this Directive in Italy at 120 MEUA which would lead, at the 35 % reimbursement rate, to EAGGF repayments of 42 MEUA.
To calculate the cost of the increased reimbursement rate the 1978 repayments have been taken as a minimum hypothesis and the potential expenditure forecast by the Italian authorities as a maximum hypothesis.
- Minimum hypothesis:
 $(0,27 \times 0,612 \times 0,5) - (0,27 \times 0,612 \times 0,35) = 0,07 \text{ MEUA}$
- Maximum hypothesis:
 $(120 \times 0,612 \times 0,5) - (120 \times 0,612 \times 0,35) = 11,02 \text{ MEUA}$

4. Total additional cost due to the proposal:

a) Cost of present legislation

Minimum hypothesis: 60 MEUA per year

Maximum hypothesis: $(60 - 0,27) + 42 = 102$ MEUA per year

b) Additional cost:

Minimum hypothesis: $8,26 + 5,17 + 0,07 = 13,5$ MEUA per year

Maximum hypothesis: $8,26 + 5,17 + 11,02 = 24,5$ MEUA per year

c) Total cost of measure as proposed:

Minimum hypothesis: $60 + 13,5 = 73,5$ MEUA per year

Maximum hypothesis: $102 + 24,5 = 126,5$ MEUA per year

Proposal for a Council Directive amending Directive 72/160/EEC of 17 April 1972 concerning measures to encourage the cessation of farming and the reallocation of utilized agricultural area for the purposes of structural improvement

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 43 thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament,

Whereas Article 7 of Council Directive 72/160/EEC of 17 April 1972 concerning measures to encourage the cessation of farming and the reallocation of utilized agricultural area for the purposes of structural improvement¹ provides for re-examination of the provisions of the Directive by the Council after four years upon a proposal from the Commission;

Whereas the fact that certain categories of potential recipients have for age reasons been excluded from eligibility for the premium or the annuity, and in particular that recipients of statutory old age pensions have been excluded from eligibility for the premium, has limited the application of the Directive;

Whereas, because of inflation, the purchasing power of the eligible amounts of the retirement annuity, given in units of account in Council Directive 72/160/EEC of 17 April 1972 concerning measures to encourage the cessation of farming and the reallocation of utilized agricultural area for the purposes of structural improvement, has considerably diminished; whereas, in order to re-establish the level of financial encouragement initially provided for, it is therefore necessary to increase these amounts in keeping with inflation rates since 1973;

¹OJ No L 96, 23.4.1972, p. 9

Whereas experience acquired in applying the Council Directive of 17 April 1972 on reforms in agriculture indicates that the reallocation of land to holdings being modernized under Council Directive 72/159/EEC of 17 April 1972 on the modernization of farms² should be increased;

Whereas to this end provision should be made for the payment of a premium to recipients of the annuity in cases where the Member State does not make entitlement to the annuity conditional on reallocation of the land as indicated in Article 5(1) and (3);

Whereas the amount of the premium must be sufficient to promote real land mobility;

Whereas potential retirement candidates aged from 50 to 55 years should be encouraged to give early indication of their intention to retire and to make their land available for development within not more than five years, by the grant, from the time of commitment to retire, of a premium on a degressive scale in addition to the annuity and cessation premium;

Whereas, given the present state of general economic development and agricultural employment in certain less-favoured agricultural regions, it is in the interest of the Community to help these regions, by strengthening the provisions with regard to the granting of a cessation annuity as an alternative income to elderly farmers; whereas, in the same regions, a considerable number of farmers who cannot give up their holdings because of the presence of an heir delay the moment of transfer of the holding to the heir, which holds up structural adaptation; whereas transfer to the heir at the earliest possible moment should be encouraged by the grant of a special annuity to farmers aged 60 and over who have a direct heir on the holding;

Whereas in practice it is difficult for farmers who retire to dispose of 85% of their land as indicated in Article 5 in one operation and this figure should consequently be changed,

HAS ADOPTED THIS DIRECTIVE:

²OJ No L 96, 23.4.1972, p. 1

Article 1

Article 2 is amended to read as follows:

1. The measures provided for in Article 1 shall comprise:

- a) the grant, subject to the conditions as to eligibility for assistance laid down below, of an annuity to farmers aged from 55 to 65 practising farming as their main occupation who apply therefor.

Member States may:

- substitute an equivalent lump sum payment for the annuity;
- on the ground of the age or income of the prospective beneficiary vary the amount of the annuity or refuse to grant it.

Annuities shall be eligible for assistance from the Guidance Section of the EAGGF up to a maximum of 2 000 units of account per year in the case of a married farmer and 1 500 units of account per year in the case of a single farmer.

No assistance shall be granted in respect of an annuity paid to a farmer during the period in which his farm is being developed as referred to in Article 4 of the Council Directive of 17 April 1972 on the modernization of farms¹;

- b) the grant of a premium, equal to at least four times the rental value of the utilized agricultural area released, to farmers who apply therefor.

Member States may:

- pay the premium in instalments;
- refuse to grant all or part of the premium to recipients of the annuity provided for in a) in cases where receipt of the latter is conditional or reallocation of the released agricultural areas as indicated in Article 5(1) and (3).

Premiums shall be eligible for assistance from the Guidance Section of the EAGGF up to a maximum of 300 units of account per hectare of utilized agricultural area released;

- c) the grant of an annuity as provided for in a) to permanent hired or family workers aged from 55 to 65 applying therefor who undertake to retire from agricultural work, and who:

¹OJ No L 96, 23.4.1972, p. 1

- are employed on farms where the farmer is a beneficiary under a) or b) above;
- are covered by the social security system, and
- satisfy the conditions laid down in Article 3(c).

Member States may:

- substitute an equivalent lump sum payment for the annuity;
- on the ground of the age or income of the prospective beneficiary vary the amount of the annuity or refuse to grant it.

Assistance from the Guidance Section of the EAGGF under this subparagraph shall be given in respect of a single annuity per holding, subject to a maximum eligible amount of 1 500 units of account per year.

- d) the grant of a single anticipatory premium to farmers aged from 50 to 55 practising farming as their main occupation who apply therefor. To qualify for the premium the applicant must make a promise in the form of a notarial act that he will retire from farming in accordance with paragraph a) within at most five years.

The amount of the premium shall be calculated as follows:

- at the full rate if the applicant applies during his 50th year;
- reduced by 20% each additional year of the beneficiary's age at the time when the application is made.

Premiums shall be eligible for assistance from the Guidance Section of the EAGGF up to a maximum of 300 units of account per hectare of utilized agricultural area in cases where the application is made during the 50th year of age.

This amount shall be reduced by 20% for each additional year of the beneficiary's age at the time when the application is made.

- e) In certain less-favoured regions as defined in paragraph 2 the annuity provided for in a) ^{and c)} shall also qualify for assistance if the utilized areas released are used to enlarge a farm worked by a farmer as his main occupation for at least five years.

f) the grant, in certain less-favoured regions as defined in paragraph 2, of a succession allowance to farmers aged 60 and over practising farming as their main occupation who apply therefor, on condition that:

- the running of the farm is transferred definitively by notarial act to a family heir down to the third degree of succession;
- the heir has been employed for more than five years on the farm.

Allowances shall be eligible for assistance from the Guidance Section of the EAGGF up to a maximum of 1 000 units of account per year for not more than 10 years.

2. For the purpose of paragraph 1(e) and (f), less-favoured regions shall be those meeting all the following criteria:

- the percentage of the active population in agriculture is higher than the Community average;
- the gross agricultural product per active agricultural worker, adjusted for purchasing power parity, is lower than the Community average;
- the percentage of the total work force which is unemployed is higher than the Community average.

The Commission shall, in accordance with the procedure laid down in Article 9 adopt a list of the less-favoured regions, using the above criteria.

3. In order to be a beneficiary under paragraph 1(a), (b) and (c), it is necessary to retire from agricultural work and, if the beneficiary is a farmer, the utilized area he farms must be reallocated in accordance with Article 5.

referred to in Article 2, paragraph 1(b)
In cases where the premium/is granted to recipients of an annuity it shall be paid only if the utilized agricultural area in question is reallocated in one of the ways provided for in Article 5(1) and (3).

4. Member States shall take all steps necessary to ensure that recipients of the annuities and premiums provided for in paragraph 1 continue to receive the same social security benefits as they would have received had they not retired from farming and that their contributions to social security funds are not unduly increased.

In cases where the recipient of an annuity under paragraph 1(c) receives unemployment benefit, the Member State may reduce the annuity accordingly.

Article 2

In Article 5(1), the figure "85" is replaced by "66".

Article 3

1. The first subparagraph of Article 10(1)(a) is amended to read as follows:
"(a) Member States' expenditure under (a), (b) and (c) of Article 2(1) shall be eligible ..."
2. The first subparagraph of Article 10(2) is amended to read as follows:
"2. The Guidance Section of the EAGGF shall refund to the Member States concerned 25% of the eligible expenditure referred to in paragraph 1(a), (b), (c) and (d) of this Article."
3. The second subparagraph of Article 10(2) is amended to read as follows:
"... the Guidance Section of the EAGGF shall refund 65% of the eligible expenditure referred to in paragraph 1(a) of this Article".
4. In Article 10, a new paragraph 4 as follows is inserted after paragraph 3:
"4. The Guidance Section of the EAGGF shall refund to the Member States concerned 50% of the eligible expenditure referred to in Article 2(1) (e) and (f)."
5. In Article 10, paragraph 4 becomes paragraph 5.

Article 4

Member States shall bring into force the measures necessary to comply with this Directive by 31 December 1979.

Article 5

This Directive is addressed to the Member States.

Done at Brussels,

For the Council,

The President

FINANCIAL STATEMENT

Date :

1. BUDGET HEADING : Article 811

APPROBIATIONS :

2. TITLE : Proposed amendment to Council Directive 72/160 concerning measures to encourage the cessation of farming and the reallocation of utilized agricultural area for the purposes of structural improvement.

3. LEGAL BASIS : Article 6 of Regulation (E.E.C.) N° 729/70

4. AIMS OF PROJECT :

To improve the effectiveness of the existing Directive by increasing the financial incentive and by a series of other amendments.

5. FINANCIAL IMPLICATIONS

5.0 EXPENDITURE

- CHARGED TO THE EC BUDGET
(REFUNDS/INTERVENTIONS)

- NATIONAL ADMINISTRATION

- OTHER

5.1 RECEIPTS

- OWN RESOURCES OF THE EC
(LEVIES/CUSTOMS DUTIES)

- NATIONAL

PERIOD OF 12 MONTHS

CURRENT FINANCIAL YEAR

(79)

FOLLOWING FINANCIAL YEAR

(80)

pm

pm

pm

23

-

-

-

1980

1981

1982

1983

5.0.1 ESTIMATED EXPENDITURE

pm

9,5

13,6

17,9

5.1.1 ESTIMATED RECEIPTS

5.2 METHOD OF CALCULATION

See Annex

6.0 CAN THE PROJECT BE FINANCED FROM APPROBIATIONS ENTERED IN THE RELEVANT CHAPTER OF THE CURRENT BUDGET ?

YES/ ~~NO~~

6.1 CAN THE PROJECT BE FINANCED BY TRANSFER BETWEEN CHAPTERS OF THE CURRENT BUDGET ?

YES/ ~~NO~~

6.2 IS A SUPPLEMENTARY BUDGET BE NECESSARY ?

~~YES~~/NO

6.3 WILL FUTURE BUDGET APPROBIATIONS BE NECESSARY ?

YES/ ~~NO~~

OBSERVATIONS :

Annex

This proposal can be broken down into six component parts :

- increased level of annuity
- premium for those who release their land
- annuity for old age pensioners who release their land
- anticipatory premium
- farmer-heir succession
- special eligibility conditions for areas fulfilling the conditions in Article 2 (2).

1. Increased level of annuity.

There are 1.000.000 farmers in the 55 to 65 age group and the expected response is two per thousand, which would lead to 2000 beneficiaries per year.

The average increase of the annuity is 1050 UA per year.

Cost of annuity : $2000 \times 1050 = 2,1$ MUC

Cost to EAGGF at 25 % = 0,525 MUC per year

2. Premium for those who release their land to development farmers or to public uses.

The average area eligible for the premium per farm is estimated at 14 ha.

Cost of premium : $2000 \times 14 \text{ ha} \times 300 \text{ UA/ha} = 8,4$ MUC

Cost to EAGGF at 25 % : 2,1 MUC per year.

3. Annuity for old age pensioners who release their land to development farmers or to public uses.

There are 1.200.000 farmers in the Community over the age of 65. The expected response to this measure is under two per thousand which would give 2000 cases per year. The premium awarded is the same as under point 2.

Cost of O.A.P. annuity : $2000 \times 14 \times 300 = 8,4$ MUC per year

Cost to EAGGF at 25 % : 2,1 MUC.

4. Anticipatory premium.

It is estimated that 15 % of eligible retirement cases will indicate their intention to retire in advance, i.e. 300 cases annually.

The premium they receive is degressive and the average premium is estimated at 180 UA per ha. It is assumed that the average area eligible for the premium in each case is 16 ha, and each beneficiary will receive the premium on average for 3 years.

Cost of anticipatory premium : $300 \times 180 \times 16 = 0,86$ MUC

Cost to EAGGF at 50 % : 0,43 MUC

5. Farmer-heir succession.

It is estimated that the response to this measure in those areas where it will apply will be 3000 per year. The annuity to be paid for 5 years will be 1000 UA per retiring farmer.

Cost of farmer-heir succession : $3000 \times 1000 = 3$ MUC

Cost to EAGGF at 50 % : 1,5.

6. Special eligibility conditions for areas meeting the conditions in Article 2 (2).

It is estimated that there will be 1000 beneficiaries of this measure.

Assuming that 75 % of these are married, the average annuity to be paid will be 1875 UA per beneficiary between the ages of 55 and 65.

Cost of measure : $1000 \times 1875 = 1,875$ MUC

Cost to EAGGF at 50 % : 0,94 MUC

7. Total cost of the proposal.

| MEASURE | YEAR | | | | | TOTAL MUC |
|---------------------------|------|------|------|------|------|-----------|
| | 1 | 2 | 3 | 4 | 5 | |
| 1. Annuity | 0,53 | 1,06 | 1,59 | 2,12 | 2,65 | 8 |
| 2. Premium | 2,1 | 2,1 | 2,1 | 2,1 | 2,1 | 10,5 |
| 3. Old age pensioners | 2,1 | 2,1 | 2,1 | 2,1 | 2,1 | 10,5 |
| 4. Anticipatory premium | 0,43 | 0,86 | 1,3 | 1,3 | 1,3 | 5,2 |
| 5. Farmer-heir succession | 1,5 | 3 | 4,5 | 6 | 7,5 | 22,5 |
| 6. Special eligibility | 0,9 | 1,8 | 2,7 | 3,6 | 4,5 | 13,5 |
| TOTAL MUC | 7,6 | 10,9 | 14,3 | 17,2 | 20,2 | 70,2 |
| TOTAL MUCE | 9,5 | 13,6 | 17,9 | 21,5 | 25,2 | 87,7 |

Proposal for a Council Directive amending Council Directive 72/161/EEC of 17 April 1972 concerning the provision of socio-economic guidance for and the acquisition of occupational skills by persons engaged in agriculture.

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 43 thereof;

Having regard to the proposal from the Commission,

Having regard to the Opinion of the European Parliament,

Whereas Article 9 of Council Directive 72/161/EEC of 17 April 1972 concerning the provision of socio-economic guidance for and the acquisition of occupational skills by persons engaged in agriculture¹ stipulates that the measures provided for therein are to be re-examined after five years by the Council upon a proposal from the Commission;

Whereas, in order to encourage a greater number of persons already employed in agriculture to take part in vocational training courses qualifying for Community aid, the granting of such aid should be made conditional on the payment to participants of a suitable attendance allowance;

Whereas, in order to encourage the achievement of the aims pursued by the Community in Regulations (EEC) No 355/77², (EEC) No 1360/78³ and (EEC) No 1361/78⁴, Community aid should be granted to training and further training courses for managers and staff of producer groups, cooperatives and other associations engaged in the marketing and processing of agricultural products;

¹OJ No L 96, 23.4.1972, p. 15

²OJ No L 51, 23.2.1977, p. 1

³OJ No L 166, 23.6.1978, p. 1

⁴OJ No L 166, 23.6.1978, p. 9

Whereas, in order to guarantee Member States making an effort to improve vocational training in agriculture advantages similar to those granted at Community level by the European Social Fund for vocational training outside agriculture, including the vocational retraining of persons leaving agriculture, the rate for EAGGF aid to eligible vocational training schemes for agricultural workers should be brought into line with the ESF rate,

HAS ADOPTED THIS DIRECTIVE:

Article 1

The second indent of Article 6(3) is amended to read as follows:

- "the award to persons attending courses of grants or allowances to cover expenditure incurred, in particular in respect of enrolment, travel, daily subsistence and, where appropriate, accommodation".

Article 2

The heading of Title III is amended to read as follows:

"Training and further training of managers and staff of organizations of agricultural producers and undertakings engaged in the processing and marketing of agricultural products".

Article 3

Article 7 is amended to read as follows:

"Article 7

1. Member States shall introduce special programmes for training managers and staff with the qualifications necessary to undertake:

- . the management of groups of agricultural producers;
 - . viable economic initiatives as regards the marketing and processing of agricultural products.
2. The training programmes provided for in paragraph 1 shall be drawn up in particular with a view to:
- . the creation of producer groups and associations thereof as provided for in Regulation (EEC) No 1360/78;
 - . the preparation of programmes and implementation of projects as provided for in Regulation (EEC) No 355/77.
3. Under general provisions to be adopted by the Council in accordance with the procedure laid down in Article 43 of the Treaty, Member States may:
- . vary the financial inducements provided for in Article 8(3) according to region;
 - . exclude certain regions from the application of some or all of the measures provided for in this Title".

Article 4

The following Article is inserted after Article 7:

"Article 7a

1. The training programmes provided for in Article 7 must:
- . enable persons who already have adequate basic training and sufficient experience of farming to undergo specialized training in the processing and marketing of agricultural products and in particular in the management and organization of undertakings and in the field of cooperative techniques;
 - . be applied by the means of further training courses which are either open to the public or specially approved for the purpose by the Member States.

2. The minimum conditions for approval of further training courses as referred to in the second indent of paragraph 1 shall be fixed by the Member States, which shall determine in particular:
 - a) the conditions of admission;
 - b) the minimum training programmes for managers and staff;
 - c) the minimum duration of the course, depending on the special nature of the proposed training and the aims set out in Article 7(1);
 - d) the final qualification obtained;
 - e) the administration of the course, taking into account both the quality and the cost of the training given.
3. The cost of training courses meeting the criteria laid down in accordance with paragraph 2 shall be borne entirely by the Member States. If necessary, persons attending the courses shall be given grants or allowances to cover expenditure incurred, in particular in respect of enrolment, travel, daily subsistence and, where appropriate, accommodation".

Article 5

1. In Article 12(1) the words "Article 7" are replaced by "Article 7a(3)".
2. In Article 12(2):
 - a) in the first indent the figure "7 500" is replaced by "12 000";
 - b) in the second indent the figure "4 500" is replaced by "7 200";
 - c) in the third indent the figure "25" is replaced by "50" except in the priority regions of the European Social Fund, where it shall be 55; the figure "1500" is replaced by "2400";
 - d) the fourth indent is amended to read as follows :

"-50 % of the expenditure actually incurred in connection with the measures provided for in Article 7 a (3), up to a total of 2400 units of account per person completing a specialized course".

Article 6

Member States shall bring into force the measures necessary to comply with this Directive by 31 December 1979.

Article 7

This Directive is addressed to the Member States.

Done at Brussels,

For the Council

FINANCIAL STATEMENT

DATE : 8.3.1979

1. BUDGET LINE CONCERNED : Article 812

CREDITS :

2. ACTION : Proposed amendment to Directive 72/161/CEE concerning the provision of socio-economic guidance for and the acquisition of occupational skills by persons engaged in agriculture.

3. LEGAL BASIS : Article 6 of Regulation (EEC) No 729/70

4. OBJECTIVES : To encourage the training of a greater number of persons under the Directive, to update the ceilings on expenditure, and to increase the level of EAGGF aid to make it on a par with aid from the Social Fund.

| 5. FINANCIAL CONSEQUENCE | PERIOD OF 12 MONTHS | CURRENT FINANCIAL YEAR (79) | FOLLOWING FINANCIAL YEAR (80) |
|--|---------------------|----------------------------------|------------------------------------|
| 5.0 EXPENDITURE | | | |
| -CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTIONS) | | p.m. | p.m. |
| -CHARGED TO NATIONAL ADMINISTR. | | p.m. | 24,32 MEUA |
| -CHARGED TO OTHER NATIONAL GROUPS | | - | - |
| 5.1 RECEIPTS | | | |
| -OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES) | | - | - |
| -NATIONAL | | - | - |

| | | | |
|--|---------------------|---------------------|---------------------|
| | YEAR1980..... | YEAR1981..... | YEAR1982..... |
| 5.0.1 PLURIANNUAL PATTERN OF EXPENDITURE | p.m. | 12,16 MEUA | 12,16 |
| 5.1.1 PLURIANNUAL PATTERN OF RECEIPTS | - | - | - |

5.2 METHOD OF CALCULATION

See Annex

6.0 FINANCING POSSIBLE WITH CREDITS INSCRIBED IN RELEVANT CHAPTER OF CURRENT BUDGET ? YES/XX

6.1 FINANCING POSSIBLE BY TRANSFER BETWEEN CHAPTERS OF CURRENT BUDGET ? YES/XX

6.2 NECESSITY FOR A SUPPLEMENTARY BUDGET ? YES/NO

6.3 CREDITS TO BE WRITTEN INTO FUTURE BUDGETS ? YES/XX

COMMENTS :

A N N E X

1. Additional costs under Title I

It is estimated that a further 1000 socio-economic advisors shall require training.

Cost of increase in initial grant : $1000 \times 4500 \times 0,25 = 1,13$ MEUA in total

Cost of increase in training costs: $1000 \times 2700 \times 0,25 = 0,68$ MEUA in total

Total cost : 1,8 MEUA

giving an average annual cost of : 0,36 MEUA per year.

2. Additional costs under Title II

In 1977, some 17.000 persons were trained under this Title, at an average annual cost of 775 EUA per person. Due to the higher reimbursement rate and the higher ceiling on expenditure per trainee (which will enable trainees who have benefited from a basic course to follow on with a specialised course), it is estimated that the number of trainees will increase to 30.000 per year, and due to inflation the average cost per trainee will probably increase to 1000 EUA per year. Hence the total annual cost to the EAGGF will be :

$$30.000 \times 1000 \times 0,5 = 15 \text{ MEUA}$$

To obtain the increase in costs due to the proposal the current annual cost (3,3 MEUA) must be deducted, giving a net annual increase of : $15 - 3,3 = 11,7$ MEUA.

3. Additional costs under Title III

It is estimated that some 200 'managers' shall be trained annually at an average annual cost of 2000 EUA per 'manager'.

Hence the total cost to the EAGGF is estimated at :

$$200 \times 2000 \times 0,25 = 0,1 \text{ MEUA per year}$$

4. Summary of annual cost

| | <u>MEUA per year</u> |
|---------------------|----------------------|
| Title I | 0,36 |
| Title II | 11,7 |
| Title III | 0,1 |
| | <hr/> |
| Total annual cost : | 12,16 MEUA |
| | ===== |

Proposal for Council Regulation establishing a common measure for
the development of beef cattle and sheep production in
Italy

The Council of the European Communities,

Having regard to the Treaty establishing the European Economic Community,
and particular **Articles 42 and 43** thereof;

Having regard to the proposal from the Commission,

Having regard to the Opinion of the European Parliament,

Whereas Article 39(2)(a) of the Treaty provides that, in working out the
common agricultural policy, account is to be taken of the social structure
of agriculture and of the structural and natural disparities between the
various agricultural regions;

Whereas, in order to achieve the objectives of the common agricultural
policy set out in Article 39(1)(a) and (b) of the Treaty, special measures
appropriate to production conditions in the less-favoured agricultural areas
should be adopted at Community level;

Whereas these problems are particularly acute in the mountain and hill regions
of Italy and in central and southern Italy.

Whereas it is therefore appropriate to envisage for these regions special
measures likely to improve the economic situation of agricultural holdings
and to curb the decline in beef production;

Whereas beef cattle farming is developing particularly poorly in mountain
and hill regions, despite the fact that production conditions are favourable
to the raising of grazing cattle and will be further improved by the programme
for the acceleration and guidance of collective irrigation works in the
Mezzogiorno;

Whereas it is appropriate by means of Community aid, to aid the modernisation and construction of animal housing on farms where beef and mutton production is an important part of total farm production, to encourage other investments likely to increase the profitability of cattle and sheep farming, and to stimulate the keeping of calves of beef breeds for the production of beef on farms;

Whereas these objectives should be pursued by means of a common measure covering all these aspects and implemented under a special programme extending over several years;

Whereas it follows from the foregoing that the measures referred to above constitute a common measure within the meaning of Article 6 of Council Regulation (EEC) No 729/70 of 21 April 1970 on the financing of the common agricultural policy, at last amended by Regulation (EEC) No;

Whereas it is for the Commission, after receiving the opinion of the Standing Committee on Agricultural Structures, to approve an outline programme and special regional programmes relating to the development of cattle and sheep production, presented by Italy;

HAS ADOPTED THIS REGULATION

Article 1

In order to promote beef cattle and sheep farming and this to improve the economic situation of agricultural holdings in mountain areas, in hill areas of the North, in the Center and in the Mezzogiorno of Italy a common measure within the meaning of Article 6 (1) of Council Regulation (EEC) No 729/70, to be implemented by the Italian Republic, is hereby established.

Article 2

1. The conditions and limits in Article 14 (2) of Directive 72/159/EEC shall not apply to the operation covered by this common measure.
2. The financial contributions of the Community shall be used in special programmes which fall within an outline programme to encourage the development of beef cattle and sheep destined for meat production. These programmes shall be submitted to the Commission by the Italian Republic.
3. The programmes and any amendments thereto shall be examined and approved, in accordance with the procedure laid down in Article 18 (2) and (3) of Directive 72/159/EEC, after consultation with the Committee of the European Agricultural Guidance and Guarantee Fund, hereinafter called "the Fund", on the financial aspects.

Article 3

1. The programme shall concern the following :
 - a) aids for the modernisation, rationalisation and construction of housing on farms subject to the condition that
 - the part of farm sales deriving from cattle and sheep production is not reduced on completion of the investment;
 - the part of farm sales deriving from cattle and sheep production on completion of the investment is more than 35 % of the total farm sales;
 - on completion of the investment the animal housing meets the hygienic and sanitary conditions as well as those of waste disposal, laid down by Community provisions.

- b) aids for the purchase of machinery for forage production;
 - c) aids for the improvement of meadows and pastures;
 - d) an additional premium for calves of beef breeds, or calves resulting from a cross with a beef animal which are kept for at least 18 months on the farm of their origin.
2. The aid measures provided for in (a) and (b) may not be granted on more favourable terms than those given in favour of farmers implementing a development plan in accordance with Articles 2 and 4 of Council Directive 72/159/EEC.

Article 4

The outline programme referred to in Article 2 shall indicate :

- the areas covered by the programme;
- a description of the existing situation;
- a description of the objectives to be attained and an indication of the priorities;
- the connection between this programme and other measures and programmes, in particular the programme for the acceleration and guidance of collective irrigation works in the Mezzogiorno;
- the total extent of the action and its time scale over the duration of the programme.

All the measures included in this action must fall within the framework of a regional development programme when Italy is obliged to forward it to the Commission in accordance with Article 6 of the Regulation on the European Regional Development Fund.

Article 5

The special programmes referred to in Article 2 shall indicate

- the measures taken to achieve the objectives of the outline programme and the conditions with regard to the granting of aids;
- the budgetary means envisaged for the achievement of the programmes and the different measures provided for therein;
- the connection between these programmes and other measures and programmes undertaken at regional level, in particular with the special programmes for the acceleration and guidance of collective irrigation works in the Mezzogiorno, and the actions relating to the improvement of agricultural infrastructure.

Article 6

1. The expenditure incurred by Italy within the framework of the programmes referred to in Article 2 and in relation to the measures referred to in Article 3, paragraph 1, shall be eligible for assistance from the Fund up to a maximum eligible amount of
 - 700 million units of account for the measures referred to in Article 3, paragraph 1 (a) and (b);
 - 20 million units of account for the measures referred in Article 3, paragraph 1 (c);
 - 23 million units of account for the measures referred to in Article 3, paragraph 1 (d).
2. The Guidance Section of the Fund shall reimburse Italy 50 % of the eligible expenditure.
However, the financial participation of the Community in the eligible expenditure referred to in paragraph 1 cannot exceed
 - 200 units of account per ha for the measure referred to in article 3, paragraph 1 (c);
 - 15 units of account for the premium referred to in article 3, paragraph 1 (d).

Article 7

1. The duration of the common measure shall not exceed 5 years.
2. The estimated cost of the common measure chargeable to the Fund shall be 357 million units of account for the duration of the programme.

Article 8

When the programmes referred to in Article 2, paragraph 3, is approved, the Commission shall, in agreement with the Italian Republic, fix the manner in which it is to be informed periodically of the progress of the programme. The Italian Government shall at the same time designate, where appropriate, the body responsible for the technical execution of the programme.

Article 9

1. Applications for reimbursement shall relate to expenditure incurred by Italy in the course of lone calendar year and shall be submitted to the Commission before 1 July of the following year.
2. The decision whether to grant aid from the Fund shall be taken in accordance with Article 7(1) of Regulation (EEC) No 729/70.
3. Advance payments may be granted by the Fund on the basis of the financial arrangements adopted by Italy and in the light of the progress made in implementing the programme.
4. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 13 of Regulation (EEC) No 729/70.

Article 10

This Regulation shall enter into force on the third day following its publication in the Official Journal of the Eurorpean Communities.

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

Done at Brussels,

For the Council

FINANCIAL STATEMENT

DATE : 8.3.1979

1. BUDGET LINE CONCERNED : NEW LINE TO BE CREATED

CREDITS : --

2. ACTION : Draft Council Regulation establishing a common measure for the development of beef cattle and sheep production in Italy.

3. LEGAL BASIS : Art. 6 of Regulation (EEC) n° 729/70

4. OBJECTIVES : To encourage the production of beef and sheep meat in the hill and mountain areas of Italy.

| 5. FINANCIAL CONSEQUENCE | PERIOD OF 12 MONTHS | CURRENT FINANCIAL YEAR (79) | FOLLOWING FINANCIAL YEAR (80) |
|--|---------------------|--------------------------------|----------------------------------|
| 5.0 EXPENDITURE | | | |
| -CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTIONS) | | - | p.m. |
| -CHARGED TO NATIONAL ADMINISTR. | | pm | 17 MEUA |
| -CHARGED TO OTHER NATIONAL GROUPS | | - | - |
| 5.1 RECEIPTS | | | |
| -OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES) | | - | - |
| -NATIONAL | | - | - |
| | <u>1981</u> | <u>1982</u> | <u>1983</u> |
| 5.0.1 PLURIANNUAL PATTERN OF EXPENDITURE | 8,5 MEUA | 12,7 | 16,9 |
| 5.1.1 PLURIANNUAL PATTERN OF RECEIPTS | - | - | - |
| | <u>1984</u> | | <u>1984</u> |
| | | | 21,1 |

5.2 METHOD OF CALCULATION

See annex

6.0 FINANCING POSSIBLE WITH CREDITS INSCRIBED IN RELEVANT CHAPTER OF CURRENT BUDGET ?

YES/NO

6.1 FINANCING POSSIBLE BY TRANSFER BETWEEN CHAPTERS OF CURRENT BUDGET ?

YES/NO

6.2 NECESSITY FOR A SUPPLEMENTARY BUDGET ?

YES/NO

6.3 CREDITS TO BE WRITTEN INTO FUTURE BUDGETS ?

YES/NO

COMMENTS :

A N N E X

1. Investments for animal housing

The average cost of the investments for the modernisation, rationalisation and construction of animal housing in the farm holdings will amount to 7.000 EUA. The cost of improving equipment and machinery is estimated at 30 % of the cost of the total investment and would receive an interest subsidy of 12 % for a period of 10 years. The remainder of the investment would receive an interest subsidy of 12 % for a period of 20 year. The calculation of the cost is based on the hypothesis that there will be 10.000 requests for aid per year. The cost of the subsidy is calculated at :

$$7.000 \times 0,7 \times 0,12 \times 10.000 = 5,88 \text{ MEUA for 20 years}$$

$$7.000 \times 0,3 \times 0,12 \times 10.000 = 2,52 \text{ MEUA for 10 years.}$$

Thus the total annual cost is :

$$(5,88 \times 20) + (2,52 \times 10) = 117,5 + 25,2 = 142,7 \text{ MEUA}$$

Contribution of the Fund at 50 % : 71,35 MEUA x 5 years = 356,75 MEUA
which will be paid during a period of 25 years, or an annual average cost of 14,27 MEUA.

Annual cost chargeable to the Fund for the first 5 years :

| | 1 | 2 | 3 | 4 | 4 | Remainder | Total |
|--------------|------------|------------|-------------|-------------|-------------|---------------|---------------|
| 1st year | 2,9 | 2,9 | 2,9 | 2,9 | 2,9 | 44,25 | 58,75 |
| | 1,3 | 1,3 | 1,3 | 1,3 | 1,3 | 6,1 | 12,6 |
| 2nd year | - | 2,9 | 2,9 | 2,9 | 2,9 | 47,15 | 58,75 |
| | - | 1,3 | 1,3 | 1,3 | 1,3 | 7,4 | 12,6 |
| 3rd year | - | - | 2,9 | 2,9 | 2,9 | 50,05 | 58,75 |
| | - | - | 1,3 | 1,3 | 1,3 | 8,7 | 12,6 |
| 4th year | - | - | - | 2,9 | 2,9 | 52,95 | 58,75 |
| | - | - | - | 1,3 | 1,3 | 10 | 12,6 |
| 5th year | - | - | - | - | 2,9 | 55,85 | 58,75 |
| | - | - | - | - | 1,3 | 11,3 | 12,6 |
| Total | 4,2 | 8,4 | 12,6 | 16,8 | 21,0 | 293,75 | 356,75 |

2. Improvement of pastures

There will be about 20.000 ha of pasture to be improved each year. The average national participation is estimated at 200 EUA/ha. The rate of reimbursement from the Fund will be 50 %.

Thus, the annual contribution from the Fund is :

$$20.000 \times 200 \times 0,5 = 2 \text{ MEUA}$$

3. Premium for calves from beef breeds

It is estimated that 300.000 calves will be eligible for this premium of 15 UA per calf. The rate of reimbursement will be 50 %.

Thus, the annual cost to the Fund will amount to :

$$300.000 \times 15 \times \frac{1154}{1132,46} \times 0,5 = 2,29 \text{ MEUA}$$

4. Community contribution to the measure (MEUA)

| | 1 | 2 | 3 | 4 | 5 | Remainder | Total |
|----------------------------|------------|-------------|-------------|-------------|-------------|---------------|--------------|
| 1. Investment aid | 4,2 | 8,4 | 12,6 | 16,8 | 21 | 293,75 | 356,75 |
| 2. Pasture improvement | 2 | 2 | 2 | 2 | 2 | - | 10 |
| 3. Premium for beef calves | 2,3 | 2,3 | 2,3 | 2,3 | 2,3 | - | 11,50 |
| Total | 8,5 | 12,7 | 16,9 | 21,1 | 25,3 | 293,75 | 378,2 |

Contribution for the first 5 years : 84,5 MEUA



proposal for a Council Regulation for the stimulation of agricultural development in the less favoured areas of the West of Ireland.

THE COUNCIL OF THE EUROPEAN COMMUNITIES

Having regard to the Treaty establishing the European Economic Community and in particular Articles 42 and 43 thereof;

Having regard to the proposal from the Commission;

Having regard to the opinion of the European Parliament;

Having regard to the opinion of the Economic and Social Committee;

Whereas Article 39(2)(a) of the Treaty provides that account should be taken of the social structure of agriculture and the structural and natural disparities between agricultural regions in determining the common agricultural policy;

Whereas, to achieve the objectives of the common agricultural policy set out in Article 39(1)(a) and (b) of the Treaty, measures appropriate to the production conditions of the less favoured areas should be adopted at Community level;

Whereas in the less favoured areas of the West of Ireland within the meaning of Directive 75/272/EEC concerning the Community list of less favoured areas within the meaning of Directive 75/268/EEC (1) there is much underemployment in agriculture;

Whereas the percentage of the active population engaged in farming is relatively high and, as a result, the level of farm incomes is low;

(1) O.J. No L 128, 19.5.1975, p. 68.

Whereas the physical infrastructure of these areas, including such public amenities as electricity, potable water, farms roads and agricultural roads, is very inadequate; whereas the provision or improvement of such amenities is an important prerequisite to the amelioration of agricultural structure;

Whereas on mountain and hill areas the development of pastures now held in common ownership is a basic prerequisite to the initiation of programmes for the improvement of farming in such areas;

Whereas the rational development of such mountain and hill pastures should be undertaken in conjunction with that of the lowland areas of the farms concerned; whereas such development shall be possible only if the communal pastures are subdivided into individual parcels and subsequently fenced in, reseeded and fertilised;

Whereas the fencing, reseeding and fertilising of hill pastures already held in individual ownership, as well as the reclamation of lowland pastures through the removal of superfluous walls, fences and ditches and the subsequent pasture development through reseeding and fertilising is of equal importance in this context;

Whereas the afforestation of lands which are submarginal for agriculture and the planting of shelter belts should form an important component part of an agricultural development programme for these areas;

Whereas the lack of alternative employment opportunities allied to the relatively low level of agricultural productivity has led to a progressive out-migration of the younger and more active members of the farm population; whereas the level of education of those remaining on the land in these circumstances is very low; whereas there is need to improve the educational infrastructure of the region through the provision of suitably equipped farm training centres or the expansion and renovation of those already existing;

Whereas the foregoing measures can be implemented to maximum advantage only within the context of an integrated agricultural development programme aimed at promoting the orientation of farm production and the farm techniques and practices best suited to the physical, economic and structural conditions of agriculture in the region or of area within it;

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(79) 122 final/2

Brussels, 2 april 1979

PROPOSALS ON POLICY WITH REGARD TO AGRICULTURAL STRUCTURES

(submitted to the Council by the Commission)

COM(79) 122 final/2

CORRECTION

Proposal for a Council Regulation establishing a common measure for the development of beef cattle and sheep production in Italy.

1. In Article 3, paragraph 1(d), second last line, the figure "18" is replaced by "12".
2. Article 7 should read as follows :
 1. The duration of the common measure shall not exceed 10 years.
 2. The total contribution of the Fund towards the cost of the common measure for the initial period of 5 years is estimated at 357 million European units of account.
 3. Before the expiry of the initial period of 5 years, the present regulation shall be reexamined by the Council following a proposal by the Commission. The Council shall decide at this time on the estimated cost for the second period of 5 years.

Whereas such a development programme should, among other things, ensure that investments undertaken within the framework of various Community and national measures which influence agricultural development are utilised to maximum advantage and in a coordinated fashion in promoting the improvement of farming in the region;

Whereas experience to-date in the implementation of Council Directive 72/159/EEC on the modernisation of agriculture (1) shows that relatively few farmers in the region, because of their existing low income levels, are capable of implementing farm development plans aimed at attaining the level of comparable income referred to in Article 4, paragraph 1 of this Directive;

Whereas in such circumstances the development of farms through the initiation of physical improvement programmes is worthy of special consideration;

Whereas, because of the existing deficient market structure and inefficient marketing organisation for farm products and for farm inputs the improvement of processing and marketing facilities is an important precondition for the development of agriculture in the region; whereas, however, the difficult financial situation in agriculture necessitates special terms of financing under Regulation (EEC) No 355/77 on common measures to improve the conditions under which agricultural products are processed and marketed (2),

Whereas the agricultural advisory service has a leading role to play in the elaboration of ^{an} agricultural ^{production} development programme, of integrating the farm improvement programmes therein, and in ensuring that such development programmes are fully coordinated at area and at regional level; whereas in these circumstances the provision of adequate in-service training facilities and specialised support services for agricultural advisers is essential;

Whereas the coordinating function of the advisory service can only be assured and the in-service training facilities secured through the establishment of a special resource development centre at regional level in which these separate activities can most appropriately be centralised;

(1) O.J. No L 96, 24.4.1972, p. 1

(2) O.J. No L 51, 23.2.1977, p. 1

Whereas, because of the extent and nature of the low farm income problem in the West of Ireland, the implementation of a fully coordinated programme for agricultural development shall require a substantial amount of investment aid, whereas because of economic and budgetary constraints Ireland does not have sufficient means to make the considerable effort required to finance such a programme and in the circumstances Community financial aid will be required;

Whereas aid from the European Agricultural Guidance and Guarantee Fund at an estimated cost of 224 million units of account over a period of ten years can help ensure the rational development of agriculture in the West of Ireland;

Whereas it follows that the foregoing measures constitute a common measure within the meaning of Article 6 of Council Regulation (EEC) No 729/70 of 21 April 1970 on the financing of the common agricultural policy (1), as last amended by Council Regulation (EEC) No 2788/72 (2);

Whereas to facilitate the further implementation of certain proposed measures, a procedure establishing close cooperation between the Member States and the Commission should be introduced; whereas the appropriate body for ensuring such cooperation is the Standing Committee on Agricultural Structure set up under Article 1, of Council Decision of 4 December 1972 on the coordination of the common agricultural policy;

Whereas it should be for the Commission, after receiving the opinion of the Standing Committee on Agricultural Structure, to approve the aforesaid measures within the framework of an outline plan put forward by the Irish Government;

HAS ADOPTED THIS REGULATION

(1) O.J. No L 94, 28.4.1970, p. 13

(2) O.J. No L 295, 30.12.1972, p. 1

(3) O.J. No 136, 17.12.1962, p. 2892/62

Title I

Measures to stimulate the development of agriculture
in certain areas of Ireland

Article 1

1. In order to stimulate the development of agriculture in certain areas of Ireland, common measures, within the meaning of Article 6, paragraph 1 of Regulation (EEC) No 729/70, to be implemented by Ireland, are hereby introduced for the purpose of bringing about a significant improvement in the educational and physical infrastructure and of farm production possibilities in the areas concerned.
2. The Common measures shall apply to the less favoured areas of the West of Ireland within the meaning of Directive 75/272/EEC (1), hereinafter called the "Western region".
3. The Commission may, in accordance with Title VI, grant aid for the common measures by financing through the Guidance Section of the European Agricultural Guidance and Guarantee Fund, hereinafter called "the Fund", specific actions relating to
 - a) the improvement of the physical infrastructure;
 - b) the improvement of the educational infrastructure;
 - c) the initiation of special development programmes aimed at the orientation of farm production;
 - d) the improvement of processing and marketing facilities;
 - e) forestry development;
 - f) the provision of training facilities and specialised support services for advisers, and the coordination of the development programmes referred to under (c).
4. The specific actions referred to in paragraph 3 (a) to (f) shall be undertaken within the framework of an outline plan to be drawn up by the government of Ireland and approved by the Commission.

Article 2

1. The outline plan, referred to in Article 1, paragraph 4, shall include
 - a) a description of the separate actions included therein, as outlined in Titles II, III, IV and V below, including the manner in which they are to be financed;

(1) O.J. No L 128, 19.5.1975, p. 68

- b) the priority to be given to the separate actions and the time scale envisaged for the implementation of each action;
 - c) the provision for coordination with any other programmes or measures which influence the development of agriculture in the Western region;
 - d) an assurance that the actions undertaken are compatible with the conservation of the environment.
2. The outline plan shall also include the information referred to in Articles 5, 7, 9, 13 and 16. The Irish government shall supply any additional information that may be required by the Commission for the assessment of the outline plan.
 3. All measures referred to in this actions must fall within the framework of a regional development programme when Ireland is obliged to forward it to the Commission under Article 6 of the European Regional Development Fund Regulation.
 4. The duration of the outline plan shall be at least the same as that of the common measure. It shall be reviewed every 4 years. It may relate to the entire Western region or to any area within that region.

Article 3

1. The outline plan and the results of its review shall be forwarded to the Commission by the Irish government.
2. The Commission shall decide whether to approve the outline plan in accordance with the procedure laid down in Article 23 after consulting the **Fund Committee on the financial aspects.**

Title II

Physical and educational infrastructure

Section 1

Physical infrastructure

Article 4

The improvement of the physical infrastructure of farms as referred to in Article 1, paragraph 3 (a) shall include

- a) the provision of such public amenities, as electricity, potable water supplies to individual farm holdings, and the construction and improvement of farm roads, and agricultural roads.

- b) the subdivision, fencing and pasture improvement of land held in common ownership;
- c) the fencing and pasture improvement of mountain and hill pastures held in individual ownership;
- d) the removal of superfluous fences, ditches and walls, and pasture improvement in the lowland area of farms;

In the case of land falling within the scope of (b), (c) and (d) pasture improvement includes soil preparation, the initial application of lime and fertilisers, reseeding and land reclamation where necessary.

Article 5

The following information shall be included in the outline plan referred to in Article 1, paragraph 4.

- a) the number of farm holdings to be supplied with electricity and potable water and the length in kilometres of agricultural roads and farm roads to be constructed or improved in accordance with Article 4 (a);
- b) the total land area, number of individual farmers, average area to be fenced in per farm and the length in kilometres of fencing involved under Article 4 (b);
- c) the length in kilometres of fencing, total area to be fenced in, and average area to be fenced in per farm under Article 4 (c);
- d) the total area of land to be improved under Article 4(d) and the number of farms involved in this operation.

Section 2

Educational infrastructure

Article 6

The improvement of the educational infrastructure, as referred to in Article 1, paragraph 3 (b), shall include the establishment of farm training centres, hereinafter called "training centres", including where necessary, the expansion of accommodation in centres already existing.

Article 7

The following information shall be included in the outline plan referred to in Article 1, paragraph 4.

- a) the number of training centres to be established;
- b) the number of centres where existing accommodation is to be expanded;
- c) the amount and type of accommodation envisaged;
- d) the number of additional students to be accommodated under (a) and (b) respectively;
- e) the liaison to be established between educational programmes undertaken in the training centre and the development programmes referred to in Title III;
- f) the estimated financial cost of the actions undertaken under (a) and (c) respectively.

Title III

Orientation of production

Article 8

1. The orientation of agricultural production, as referred to in Article 1, paragraph 3 (c), shall be achieved through the medium of a carefully planned and executed agricultural production development programme, hereinafter called "the programme".
2. The aims of the programme shall be
 - a) to promote the orientation of production as well as the farming techniques and practices best suited to the physical, economic and structural situation of agriculture in the Western region;

- b) to ensure investments undertaken in the context of
- the measures referred to in Articles 4 and 6,
 - Council Directives of 17 April 1972 on the reform of agriculture (1),
 - Council Directive 75/268/EEC of 28 April 1975 on mountain and hill farming and farming in certain less favoured areas (2),
 - Council Directive 78/628/EEC of 19 June 1978 on a programme to accelerate drainage operations in the less favoured areas of the West of Ireland (3),
 - Council Regulation (EEC) No 355/77 of 16 April 1977 on common measures to improve the conditions under which agricultural products are processed and marketed (4),
- as well as of all other appropriate Community and national measures which have an influence on agricultural development are utilised to maximum advantage and in a coordinated fashion in promoting the development of agriculture in the Western region;
- c) to promote, through consultation and the use of appropriate advisory methods and techniques, the participation of farming groups, organisations and individuals in the elaboration and evaluation of individual and collective agricultural development activities.

3. The achievement of the aims of the programme referred to in paragraph 3(a)(b) and (c) shall involve the collaboration of both technico-economic and socio-economic advisory personnel as well as professional personnel from the training centres referred to in Article 4 and of the regional centre referred to in Article 15.

Article 9

The following information shall be included in the outline plan referred to in Article 1, paragraph 4.

- a) the orientation of production envisaged by the programme, referred to in Article 8, paragraph 1, and the priority areas to be covered by it;

(1) O.J. No L 96, 24.4.1972, p. 1.

(2) O.J. No L 128, 19.5.1975, p. 1.

(3) O.J. No L 206, 29.7.1978, p. 5.

(4) O.J. No L 51, 23.2.1977, p. 1.

- b) the manner in which the advisory service shall contribute to the achievement of the aims of the programme and, in particular, the specific advisory projects planned to this end;
- c) the liaison to be established between the advisory service and the regional centre referred to in Article 15 in the achievement of the aims of the programme.

Article 10

1. Within the framework of the programme aids for investment shall be granted to farmers who
 - a) satisfy the conditions of Directive 72/159/EEC, Article 2, paragraph 1 (a), (b) and (c), at the end of the 5-year period referred to in paragraph 2";
 - b) are not capable of attaining the level of earned income laid down under Directive 72/159/EEC, Article 4, modified by Directive 79/ /EEC;
 - c) are not yet eligible for the annuities provided for in Article 2, paragraph (1) of Directive 72/160/EEC, modified by Directive 79/ /EEC;
 - d) draw up a physical plan for the improvement of their farm, emphasising in particular the production of cattle, other than dairy cows, and/or sheep.
2. The improvement plan, referred to in paragraph 1(d), must show that at the end of a five-year period the average annual density of grazing livestock on the farm shall correspond to the equivalent of two livestock units per hectare.

Article 11

1. The aids referred to in Article 10, paragraph 1, shall be given subject to the provisions of Directive 72/159/EEC, taking account of Directive 75/268/EEC, Article 9, paragraph 1. However, the maximum amount of the investment which shall be eligible for aid, as referred to in Directive 72/159/EEC, Article 8, paragraph 2, shall be reduced to 15.000 units of account per farm.
2. Where the improvement plan provides for an orientation of production in favour of sheep farming, the aids for investment shall also apply to the provision of sheep dipping and shearing facilities held in common ownership as well as to the provision of special winter shelter facilities.

3. Where the improvement plan provides for an orientation of production in favour of an integrated calf to beef system of cattle farming, provision shall be made for the payment on request, of the interest on a loan amounting to 250 units of account per year over a 2-year period in respect of each calf born or purchased at the beginning of the first year provided that the animal is maintained on the farm and finished off as beef at the age of 2 to 2 1/2 years.

Title IV

Forestry development

Article 12

Forestry development as referred to in Article 1, paragraph 3(e) shall include :

- a) the afforestation of land submarginal for agriculture but suitable for forestry;
- b) the planting of shelter belts;
- c) associated measures including
 - the preparation of ground, drainage and fertilization,
 - fencing,
 - fire protection and maintenance for a period of 4 years from the year of planting.

Article 13

The following information shall be included in the outline plan referred to in Article 1, paragraph 4

- a) the number of farm holdings on which submarginal agricultural land is being afforested;
- b) estimate of total area to be afforested;
- c) estimate of average area of shelter belts per farm;
- d) estimate of total area of shelter belts.

Title V

Advisory training facilities, specialised advisory service and coordination of development programme

Article 14

1. In order to ensure that advisers engaged in the promotion of the programme as described in Article 8, have access to adequate in-service training and retraining facilities, are supported in their work by competent advisory specialists and, in addition, that the programme shall have a optimum impact on the development of agriculture in the Western region, a resource development centre shall be established at regional level.
2. The functions of the resource development centre, referred to in paragraph 1, hereinafter called "regional centre" shall be
 - a) to provide in-service training, retraining and specialised support services for members of the advisory services at all levels of activity;
 - b) to coordinate at regional level the separate actions undertaken within the framework of the programme;
 - c) to study in depth and on a continuous basis the problems facing farm and rural people in the Western region and to identify possible solutions to them;
 - d) to conduct pilot feasibility studies to test, refine, adapt and gain experience in advisory techniques appropriate to agricultural and forestry development at farm, area and regional level, and ultimately to apply tested and proven approaches to advisory work in the Western region;
 - e) to assess the training requirements of advisers in the light of experience gained by them in the operation of the programme as well as in the light of that gained as a result of the feasibility studies referred to in (d).

Article 15

The regional centre shall have a permanent professional staff qualified to service the educational and advisory needs appropriate to the successful implementation of the outline plan referred to in Article 1, paragraph 4.

Article 16

The following information shall be included in the outline plan referred to in Article 1, paragraph 4

- a) the location of the regional centre;
- b) the number and qualifications of professional staff employed therein;
- c) the conditions to be met by advisers admitted to in-service training courses;
- d) the content and duration of the training courses referred to in (c);
- e) the measure planned for providing specialised training of the professional staff on the regional centre;
- f) the type of specialist support service that shall be provided for advisers engaged in the programme;
- g) the manner in which the regional centre undertakes the coordinating role assigned to it under Article 14, paragraph 2(b).

Title VI

Improvement of processing and marketing facilities

Article 17

1. The following provisions of Regulation (EEC) No 355/77 modified by Regulation (EEC) 1361/78 are equally applicable to the Western region :
 - article 17(a), paragraph 1(a) first indent and paragraph 1(b) first indent;
 - article 17(a), paragraph 2(a) in the case of projects financed in the financial years 1979 and 1980.
2. The estimated cost of the common measure financed by the Fund from 1 January 1979 to 31 December 1982 under the provisions of paragraph 1 is 24 million EUA i.e. 6 million EUA per year for the four year period.

Title VII

General and financial provisions

Article 18

1. The period of time envisaged for the implementation of the common measures is ten years.
2. The total contribution by the Fund to the cost of the common measures, including that envisaged under Title VI, is estimated at 224 million European units of account.
3. Article 6, paragraph 5, of Regulation (EEC) No 729/70 shall apply to this Regulation.

Article 19

In the case of investments undertaken under article 4(a) with the exception of those relating to electricity and local roads, the financial contribution of the beneficiary must be at least 10 %.

Article 20

1. The expenditures incurred by Ireland for the purpose of the common measures shall be eligible, up to the amounts specified in paragraph 2, for assistance from the Fund.
2. The Fund shall reimburse the Irish Government in relation to the **total** cost under sub-paragraph (a) and the actual expenditure incurred under sub-paragraph b :
 - a) 40 % under Article 4(a) up to a maximum eligible amount of
 - 20 million units of account for electricity supply,
 - 60 million units of account for potable water supplies,
 - 60 million units of account for farm and agricultural roads;
 - b) 50 % for the remaining measures up to a maximum eligible amount of
 - 450 units of account per ha under Article 4(b) and (c);
 - 300 units of account per ha under Article 4(d);
 - 10 million units of account under Articles 6 and 15;
 - 64 million units of account under Article 10, paragraph 1;
 - 1200 units of account per ha up to a total expenditure of 22,5 million units of account under Article 13;
 - 5 million units of account under Article 11, paragraph 3.
3. Detailed rules for the application of this article shall be adopted in accordance with the procedure laid down in article 13 of Regulation (EEC) No 729/70.

Article 21

When the outline plan, referred to in Article 1, paragraph 4, is approved, the Commission shall determine, in agreement with Ireland, the manner in which it is to be periodically informed of the progress of the programme referred to in Article 8, paragraph 1.

Article 22

1. Requests for reimbursement shall relate to expenditure incurred by Ireland during one calendar year and shall be submitted to the Commission before 1 July of the following year.

2. Aid from the Fund shall be granted in accordance with Article 7(1) of Regulation (EEC) No 729/70.
3. Advance payments may be granted by the Fund on the rules of financing adopted by Ireland and in the light of the progress of the programme.
4. Detail rules for the application of this article shall be adopted under the procedure laid down in Article 13 of Regulation (EEC) No 729/70.

Article 23

1. Where the procedure laid down in this article is to be followed, the matter shall be referred in the Standing Committee on Agricultural Structure by the Chairman either on his own initiative or at the request of the representative of a Member State.
2. The representative of the Commission shall submit a draft of the measures to be adopted. The Standing Committee on Agricultural Structure shall deliver its opinion on those measures within a timelimit set by the Chairman according to the urgency of the matter. An opinion shall be adopted by a majority of forty-one votes, the votes of the Member States being weighted as laid down in Article 148 (2) of the Treaty. The Chairman shall not vote.
3. The Commission shall adopt the measures, which shall be immediately applicable. However, if such measures are not in accordance with the opinion delivered by the Standing Committee on Agricultural Structure they shall be communicated forthwith by the Commission to the Council. In that case, the Commission may defer application of the measures which it has adopted by not more than one month from the date of such communication.

The Council, acting by a qualified majority, may adopt a different decision within one month.

Article 24

This Regulation shall enter into force on the third day following its publication in the Official Journal of the European Communities.

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

Done at Brussels,

For the Council,

FINANCIAL STATEMENT

DATE : 9.3.1979

1. BUDGET LINE CONCERNED : New line to be created CREDITS : ./.

2. ACTION : Proposed Council Regulation for the stimulation of agricultural development in the less-favoured areas of the West of Ireland.

3. LEGAL BASIS : Article 6 of Regulation (EEC) No. 729/70

4. OBJECTIVES : To stimulate the agricultural development of the Western Region of Ireland by improved infrastructure, production programmes for beef and sheep and by pasture improvement.

| 5. FINANCIAL CONSEQUENCE | PERIOD OF 12 MONTHS | CURRENT FINANCIAL YEAR (79) | FOLLOWING FINANCIAL YEAR (80) |
|--|---------------------|----------------------------------|------------------------------------|
| 5.0 EXPENDITURE | | | |
| -CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTIONS) | | p.m. | p.m. |
| -CHARGED TO NATIONAL ADMINISTR. | | p.m. | 43 |
| -CHARGED TO OTHER NATIONAL GROUPS | | - | - |
| 5.1 RECEIPTS | | | |
| -OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES) | | - | - |
| -NATIONAL | | - | - |

| | YEAR 1980 | YEAR 1981 | YEAR 1982 |
|--|-----------------------|-----------------------|-----------------------|
| 5.0.1 PLURIANNUAL PATTERN OF EXPENDITURE | p.m. | 21,5 | 26,5 |
| 5.1.1 PLURIANNUAL PATTERN OF RECEIPTS | | | |

5.2 METHOD OF CALCULATION

See annex

6.0 FINANCING POSSIBLE WITH CREDITS INSCRIBED IN RELEVANT CHAPTER OF CURRENT BUDGET ? YES/~~NO~~

6.1 FINANCING POSSIBLE BY TRANSFER BETWEEN CHAPTERS OF CURRENT BUDGET ? YES/~~NO~~

6.2 NECESSITY FOR A SUPPLEMENTARY BUDGET ? ~~YES~~/NO

6.3 CREDITS TO BE WRITTEN INTO FUTURE BUDGETS ? YES/~~NO~~

COMMENTS :

Annex

The proposed common measure can be subdivided into seven components :

1. physical improvement of farms,
2. pasture improvement both on hills and in the lowlands,
3. improvement of agricultural education facilities,
4. improvement of agricultural infrastructure,
5. increased financial assistance for capital investment for the processing and marketing of agricultural products,
6. encouragement of the afforestation of privately owned land and the planting of shelter belts,
7. interest rate subsidies for farmers who require loans to enable them to finance the overwintering of young cattle during the first winter of their production programme.

1. Physical improvement of farms

This covers capital investment to increase the stock carrying capacity of the farms and ultimately lead them to participate in Directive 72/159.

The number of farms are estimated at 25.000.

The average level of investment per farm : 6.500 u.a.

National aid of 40 % of the level of investment.

FEOGA shall reimburse 50 % of national aid.

Cost : $25.000 \times 6.500 \times 0,4 = 65 \text{ MUC}$

Aid from FEOGA : $65 \times 0,5 = 32,5 \text{ MUC}$

The average annual cost is estimated at 3,25 MUC.

2. Pasture improvement

a) Hill pasture

| Surface area concerned | Total area | Response | Area concerned |
|-------------------------|------------|----------|----------------|
| Land held in commonage | 200.000 ha | 1/3 | 60.000 ha |
| Individually owned land | 400.000 ha | 1/4 | 100.000 ha |
| Total area concerned | | | 160.000 ha |

Standard costs (average)

Fencing : £ 150 per ha

Reseeding : £ 30 per ha

Fertilizer and
lime : £ 80 per haLand reclamation : £ 140 per ha (rock removal, scrub and gorse clearance,
leveling etc).

Total £ 400 per ha

National aid at 70% : £ 280 per ha = 340 ua/ha

Cost : 160.000 x 340 = 54,4 MUC

Aid from FEOGA : 54,4 x 0,5 = 27,2 MUC

b) Lowland Pasture

Surface area concerned :

16.000 farms of average size 12 ha 200.000 ha

Standard costs (average)

Reseeding : £ 30 per ha

Fertilizer and
lime : £ 80 per ha

Land reclamation £ 140 per ha (including superfluous ditch and wall removal)

Total £ 250 per ha at 70 % national aid : £ 175/ha = 220 ua/ha

Cost : 200.000 x 220 = 44 MUC

FEOGA contribution : 44 x 0,5 = 22 MUC

c) TOTAL COST of pasture improvement : 49 MUC

giving an average annual expenditure of 4,9 MUC.

3. Educational infrastructure

a) New area centres :

25 area centres at an average cost of 125.000 ua per centre

total cost : 3,1 MUC

b) Expansion of Regional Centres

8 existing regional centres are to be expanded at an average cost of

800.000 ua/centre

total cost : 6,4 MUC

c) Construction, and training of staff for a resource development centre:

- cost of building : 450.000 ua

- staff training :

10 officers for 2 years training at an annual cost of 13.000 ua each.

= 260.000 ua

Total cost : 0,71 MUC

d) Total cost of education infrastructure :

$3,1 + 6,4 = 0,7 = 10,2$ MUC

FEOGA contribution of 50 % : 5,1 MUC

Annual cost to FEOGA : 0,5 MUC

4. Agricultural Infrastructure

- Electricity supply total cost : 20 MUC

- Potable water supply total cost : 60 MUC

- Agricultural and/or forest roads total cost : 60 MUC

Overall total cost : 140 MUC

FEOGA contribution 40 % : 56 MUC

Annual cost : 5,6 MUC

5. Processing and marketing of agricultural produce

The costs of the higher rate of grant and also the increased demand due to the greater financial incentive, it is estimated that an annual amount of 6 MEUA during the currency of Regulation 355/77. The present lifespan of Regulation 355/77 would mean that the current estimated cost is $6 \times 4 = 24$ MEUA.

6. Afforestation of privately owned land and shelter belts

It is estimated that 20.000 ha will be put forward for the afforestation at 1200 ua/ha. The FEOGA contribution shall be 50 %.

Total cost : $20.000 \times 1200 = 24$ MUC

FEOGA contribution : $24 \times 0,5 = 12$ MUC

This would lead to an annual cost of 1,2 MUC.

proposition for a Council Regulation for the development of sheep
farming in Greenland

The Council of the European Communities,

Having regard to the Treaty establishing the European Economic Community
and in particular Articles 42 and 43 thereof;

Having regard to the proposal from the Commission;

Having regard to the opinion of the European Parliament;

Having regard to the opinion of the Economic and Social Committee;

Whereas Article 39(2)(a) of the Treaty provides that account should be
taken of the social structure of agriculture and the structural and natu-
ral disparities between agricultural regions in determining the common
agricultural policy;

Whereas the extreme South of Greenland comprises one of the few agricul-
tural regions of that country; whereas the region is economically under-
developed; whereas the proportion of the active population in agriculture
is high;

Whereas sheep farming is the main agricultural activity in the region;

Whereas because of very severe climatic conditions in winter the mortality
of sheep flocks on pasture is occasionally extremely high;

Whereas, in addition, the lack of adequate winter forage is a further
limiting factor to increased sheep production; whereas, imported animal
feed has to be used to make up for the deficiency in home grown forage;

Whereas the current level of sheep production is not sufficient to meet
the domestic demand for sheepmeat;

Whereas an increase in the production of home grown forage necessitates the reclamation and development of new pastures; whereas the provision of an adequate agricultural infrastructure including both agricultural and farm roads is a basic prerequisite for such a development;

Whereas, in addition, because of the rugged nature of the terrain access to some farms and pastures is possible only from the sea;

Whereas, the prevailing climatic conditions limit the possibility of harvesting good quality hay in the open air;

Whereas the construction of winter shelters, sheep pens, and farm buildings are also essential to the success of the programme;

Whereas the creation of new farms, including the provision of new farm dwellings on reclaimed pastures is necessary to support the increased numbers of sheep;

Whereas the improvement of production and sanitary condition has also to be taken into consideration;

Whereas additional slaughtering capacity is necessary to cater for the anticipated increase in sheep production;

Whereas these objectives should be furthered by means of a multi-programme measure covering the farming areas of Southern Greenland and constituting a programme extending over 10 years;

Whereas the measures referred to above accordingly constitute a common measure within the meaning of Article 6 of Council Regulation (EEC) No 729/70 of the 21 April 1970 on the financing of the common agricultural policy (1), as last amended by Regulation (EEC) No 2788/72 (2);

(1) O.J. No L 94, 28.4.1970, p. 13

(2) O.J. No L295, 30.12.1972;p. 1

Whereas it is the task of the Commission after receiving the opinion of the Standing Committee on Agricultural Structure, to approve a programme presented by the Kingdom of Denmark;

HAS ADOPTED THIS REGULATION :

TITLE I
BASIC PROVISIONS

Article one

1. In order to stimulate the development of sheep farming in certain areas of Greenland a common measure within the meaning of Article 6, par. 1, of Regulation (EEC) No 729/70 to be implemented by the Kingdom of Denmark is hereby introduced for the purpose of bringing about a significant improvement in sheep production in Greenland.
2. The conditions and limits of Article 14, paragraph 2 of Council Directive 72/159/EEC do not apply to the measures which are the object of this common measure.

Article 2

The Commission may, in accordance with Title II, grant aid for the common measure by financing, through the Guidance Section of the European Agricultural Guidance and Guarantee Fund, hereinafter called the "Fund", specific actions relative to

- a) the reclamation and development of additional forage areas, including initial soil preparation, fertilizing, liming and seeding;
- b) the creation of agricultural infrastructure to provide access to the reclaimed forage areas, referred to under (a), through the provision of agricultural and farm roads;
- c) the creation of harbour facilities in those areas where access to the reclaimed areas referred to under (a) is not possible on land;
- d) the provision of winter shelters on the forage areas;
- e) the improvement of farm buildings and, in the case of new farms, the construction of farm dwellings and farm buildings;
- f) the provision of equipment for hay making, transport of hay and for the barn drying of hay;
- g) the purchase of additional breeding stock;
- h) the provision of an advisory and veterinary service;
- i) the extension of existing slaughtering facilities;

2. The specific actions referred to in paragraph 2, (a) to (i), shall be undertaken within the framework of an outline development programme to be drawn up by the Kingdom of Denmark and approved by the Commission.

Article 3

1. The outline development programme, referred in Article 1, paragraph 3, hereinafter called "outline programme" shall include, in particular, the following information:
 - the number of hectares of forage area in existence and its current livestock carrying capacity;
 - the number of hectares of forage area to be reclaimed and carrying capacity;
 - the number of hectares of forage area to be improved through reseeding and fertilisation;
 - the number of kilometres of
 - a) agricultural roads and
 - b) farm roadsto be constructed or improved;
 - justification and description of the harbour facilities to be created;
 - the number of winter shelters to be established and/or improved and their approximate capacity in terms of numbers of sheep;
 - the number of additional breeding ewes to be purchased;
 - the number of farms on which farm buildings are to be improved or newly constructed; the type and capacity of the individual building concerned;
 - the number of new farm dwellings to be constructed and their justification;
 - the number of farms on which equipment for the barn drying of hay is to be provided and the capacity of the equipment concerned;
 - the content of advisory programmes;
 - the capacity of the additional slaughtering facilities.

2. The outline programme shall also include information relating to the priority accorded to the individual activities referred to in Article 1, paragraph 2, and the time scale envisaged for the initiation and completion of each activity.
3. The Kingdom of Denmark shall supply any additional information that may be required by the Commission for the assessment of the outline programme.
4. All the measures referred to in this action must fall within the framework of a regional development programme when Denmark is obliged to forward it to the Commission in accordance with Article 6 of the European Regional Development Fund Regulation.
5. The duration of the outline programme shall be at least the same as that of the common measure. It shall be subject to review every 4 years.

Article 4

1. The outline programme and the results of its review shall be forwarded to the Commission by the Kingdom of Denmark.
2. The Commission shall decide whether to approve the outline programme in accordance with the procedure laid down in Article 8 after consulting the Fund on financial aspects.

TITLE II

GENERAL AND FINANCIAL PROVISIONS

Article 5

1. The period of time envisaged for the carrying out of the common measure is ten years.
2. The total contribution from the Fund to the cost of the common measure is estimated at 7.5 million European units of account.
3. Article 6, paragraph 5, of Regulation (EEC) 729/70 shall apply to this Regulation.

Article 6

1. The expenditure occurred by the Kingdom of Denmark for the purpose of the common measure shall be eligible, up to the amounts specified in paragraph 2, for assistance from the Fund.

2. The actual expenditure incurred, up to a maximum eligible amount of

- 8,5 million units of account under Article 2, paragraph 2(a), (b), (c), (d), (e) and (f),
- 3,4 million units of account under Article 2, paragraph 1(g), (h) and (i),

shall be subject to a reimbursement by the Fund to the Kingdom of Denmark of 40 % under Article 2, paragraph 1 (b) and (c) and 50 % under the remaining Articles.

3. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 13 of Regulation (EEC) No. 729/70.

Article 7

When the outline programme, referred to in Article 1, paragraph 3, is approved, the Commission shall determine, in agreement with the Kingdom of Denmark, the manner in which it is to be informed of the progress of the common measure.

Article 8

1. Requests of reimbursement shall relate to expenditure incurred by the Kingdom of Denmark during one calendar year and shall be submitted to the Commission before 1 July of the following year.
2. Aid from the Fund shall be granted in accordance with Article 7 (1) of Regulation (EEC) No. 729/70.
3. Detail rules for the application of this Article shall be adopted under the procedure laid down in Article 13 of Regulation (EEC) No. 729/70.

Article 9

1. Were the procedure laid down in this Article is to be followed, the matter shall be referred in the Standing Committee on Agricultural Structure by the Chairman either on his own initiative or at the request of the representative of a Member State.

2. The representative of the Commission shall submit a draft of the measures to be adopted. The Standing Committee on Agricultural Structure shall deliver its opinion on those measures within a time-limit set by the Chairman according to the urgency of the matter. An opinion shall be adopted by a majority of forty-one votes, the votes of the Member States being weighted as laid down in Article 148 (2) of the Treaty. The Chairman shall not vote.
3. The Commission shall adopt the measures, which shall be immediately applicable. However, if such measures are not in accordance with the opinion delivered by the Standing Committee on Agricultural Structure, they shall be communicated forthwith by the Commission to the Council. In that case, the Commission may defer application of the measures which it has adopted by not more than one month from the date of such communication. The Council, acting by a qualified majority, may adopt a different decision within one month.

Article 10

This Regulation shall enter into force on the third day following its publication in the Official Journal of the European Communities.

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

Done at Brussels,

For the Council,

FINANCIAL STATEMENT

DATE : 27.2.1979

1. BUDGET LINE CONCERNED : New line to be created

CREDITS :

2. ACTION : Regulation for the development of sheep farming in Greenland

3. LEGAL BASIS : Article 6 of Regulation 729/70/EEC

4. OBJECTIVES : To establish 50 new sheep-farms, to aid existing sheep farmers, to reclaim and cultivate new pasture and the doubling of production of mutton and lamb.

| 5. FINANCIAL CONSEQUENCE | PERIOD OF 12 MONTHS | CURRENT FINANCIAL YEAR (79) | FOLLOWING FINANCIAL YEAR (80) |
|--|---------------------|--------------------------------|----------------------------------|
| 5.0 EXPENDITURE | | | |
| -CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTIONS) | | p.m. | p.m. |
| -CHARGED TO NATIONAL ADMINISTR. | | p.m. | 0.5 |
| -CHARGED TO OTHER NATIONAL GROUPS | | - | - |
| 5.1 RECEIPTS | | | |
| -OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES) | | - | - |
| -NATIONAL | | - | - |

| | YEAR ...1980..... | YEAR ...1981..... | YEAR ...1982..... |
|--|-------------------|-------------------|-------------------|
| 5.0.1 PLURIANNUAL PATTERN OF EXPENDITURE | p.m. | 0.25 | 0.5 MEUA |
| 5.1.1 PLURIANNUAL PATTERN OF RECEIPTS | - | - | - |

5.2 METHOD OF CALCULATION

See annex

6.0 FINANCING POSSIBLE WITH CREDITS INSCRIBED IN RELEVANT CHAPTER OF CURRENT BUDGET ? YES/NOX

6.1 FINANCING POSSIBLE BY TRANSFER BETWEEN CHAPTERS OF CURRENT BUDGET ? YES/NO

6.2 NECESSITY FOR A SUPPLEMENTARY BUDGET ? YES/NO

6.3 CREDITS TO BE WRITTEN INTO FUTURE BUDGETS ? YES/NO

COMMENTS :

ANNEX

- 1. The duration of the measure is 10 years.
- 2. The costs of executing the programme to the Danish Government are estimated as follows:

| <u>Action</u> | <u>Million Dan. K.</u> | <u>MUA</u> |
|---|------------------------|-------------------|
| Purchase of sheep | 6.5 | 0.8 |
| Construction of farm buildings and dwellings | 58.0 | 6.7 |
| Cultivation of new land, and the provision of roads and a small harbour | 13.3 | 1.5 |
| Provision of Advisory and Veterinary service | 7.0 | 0.8 |
| Construction of a slaughter-house | 18.0 | 2.2 |
| | <u>102.8</u> | <u>12.0 MUA =</u> |
| | ===== | <u>14.8 MEUA</u> |
| | | ===== |

The level of EAGGF reimbursement is 50 % except for infrastructure when the rate is 40 %, thus the total cost to the Fund is 7.4 MEUA say 7.5 MEUA.

- 3. The time-table of expenditure is estimated as follows:

| <u>year</u> | <u>FEOGA-Cost</u> |
|-------------|-------------------|
| 1 | p.m. |
| 2 | 0.25 |
| 3 | 0.50 |
| 4 | 0.75 |
| 5 | 1.00 |
| 6 | 1.25 |
| 7 | 1.25 |
| 8 | 1.00 |
| 9 | 0.75 |
| 10 | 0.50 |
| 11 | 0.25 |
| | <u>7.50</u> |

PROPOSAL FOR A
COUNCIL REGULATION ON AN INTEGRATED DEVELOPMENT
PROGRAMME FOR THE WESTERN ISLES OF SCOTLAND

The Council of the European Communities,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 43 thereof;

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament,

Whereas the general socio-economic situation in the Western Isles is particularly unfavourable; whereas, in order to improve this situation, the means and instruments available must be combined and implemented in an integrated manner;

Whereas the Community has at its disposal sources of action arising from its possibilities of financment notably from the European Social Fund, and from the European Regional Development Fund and where it is suitable, taking account of the situation in the regions, to supplement these measures by the intervention of the European Agricultural Guidance and Guarantee Fund;

Whereas, the realisation of this common measure requires the combining, by way of adequate procedures, of the various means available within the context of an integrated development programme;

Whereas, this programme is to be prepared by the Government of the United Kingdom;

Whereas the preparation and implementation of such a programme in the area concerned require financial aid from the Community;

Whereas there should be a Community financial contribution to certain measures vital for the implementation of the integrated development programme with the aim of improving the structures in agriculture and fishing, which are particularly deficient in the region concerned;

HAS ADOPTED THIS REGULATION

Article 1

1. In order to improve working and living conditions in the Western Isles of Scotland, a common measure within the meaning of Article 6 (1) of Regulation (EEC) No 729/70 is hereby established to facilitate the implementation of an integrated development programme in that region.
2. The common measure shall involve the financial participation of the Guidance Section of the European Agricultural Guidance and Guarantee Fund, hereinafter called "the Fund", in the agricultural measures needed to implement the integrated development programme described in Title I, subject to the rules and conditions laid down in Title II.

TITLE I - INTEGRATED DEVELOPMENT PROGRAMME

Article 2

The integrated development programme shall comprise not only measures to improve agriculture, including the afforestation of marginal land, operations to improve the marketing and processing of agricultural products, but also measures to develop fisheries, tourist amenities, artisanal, industrial and other activities essential to the improvement of the general socio-economic situation of the region.

Article 3

1. The integrated development programme shall include :
 - a description of the present situation;
 - a description of the objectives to be attained, and an indication of the priority attaching to each of them;
 - a description of operations and measures already under way in each of the sectors concerned, and the financial resources available therefore;

- a description of any further measures needed to complete the programme;
 - an estimate of costs and financial resources required, together with a timetable of expenditure;
 - the proof that the proposed measures are compatible with the conservation of the environment;
 - the measures taken to ensure the utilisation of other Community financial instruments with structural objectives.
2. All the measures referred to in this action must fall within the framework of a regional development programme when the United Kingdom is obliged to forward this to the Commission in accordance with Article 6 of the European Regional Development Fund Regulation.

Article 4

1. The integrated development programme shall be forwarded to the Commission by the United Kingdom.
2. At the request of the Commission, the United Kingdom shall provide additional information on the points listed in Article 3.
3. The Commission shall decide whether to approve the integrated development programme and any amendments thereto.

TITLE II - FINANCIAL AND GENERAL PROVISIONS

Article 5

1. Expenditure by the United Kingdom under the integrated development programme referred to in Article 2 in respect of measures to improve agriculture, the afforestation of marginal land, operations to improve the marketing and processing of agricultural products, measures to improve agricultural infrastructure and measures to develop fisheries shall be eligible for aid from the Fund.
2. The Fund shall reimburse to the United Kingdom :
 - 40 % of the eligible expenditure on measures to improve agricultural infrastructure,
 - 50 % of the eligible expenditure on other measures as referred to in paragraph 1 and of the actual cost of planning and administering the programme, up to a maximum eligible^{amount} of 500 000 u.a., for the first five-year period.

2. Expenditure as referred to in paragraph 1 which is eligible for financial aid from the Community under other common measures within the meaning of Article 6 (1) of Regulation (EEC) No 729/70 shall not fall within the scope of this Regulation.

Article 6

1. The estimated time required for execution of the common measure shall be 10 years from the date when this Regulation takes effect.
2. The estimated cost of the common measure chargeable to the Fund shall amount to 15 MEUA for the first five years.
3. Before expiry of the first five-year period, this Regulation shall be reviewed by the Council acting on a proposal from the Commission. The Council shall then decide on the estimated cost chargeable to the Fund for the next five years;
4. Article 6 (5) of Regulation (EEC) No 729/70 shall apply to this Regulation.

Article 7

When the programme referred to in Article 2 is approved, the Commission shall, in agreement with the United Kingdom, fix the manner in which it is to be informed periodically of the progress of the programme. The United Kingdom shall at the same time designate the bodies responsible for the technical execution of the programme.

Article 8

1. Applications for reimbursement shall relate to expenditure incurred by the United Kingdom in the course of one calendar year and shall be submitted to the Commission before 1 July of the following year.

2. The decision whether to grant aid from the Fund shall be taken in accordance with Article 7 (1) of Regulation (EEC) No 729/70.
3. Advance payments may be granted by the Fund on the basis of the financial arrangements adopted by the United Kingdom and in the light of progress made in implementing the projects.
4. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 13 of Regulation (EEC) No 729/70.

Article 9

This Regulation shall enter into force on the third day following its publication in the Official Journal of the European Communities.

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

Done at Brussels,

For the Council,

FINANCIAL STATEMENT

Date : 8.3.1979

1. BUDGET HEADING : New line to be created

APPROBIATIONS : -

2. TITLE : Draft Council Regulation concerning an integrated development programme for the Western Isles of Scotland

3. LEGAL BASIS : Article 6 of Regulation (EEC) N° 729/70

4. AIMS OF PROJECT :
To improve agriculture in the Western Isles, to encourage the afforestation of marginal land and to improve the marketing and processing of agricultural products.

| 5. FINANCIAL IMPLICATIONS | PERIOD OF 12 MONTHS | CURRENT FINANCIAL YEAR (79) | FOLLOWING FINANCIAL YEAR (80) |
|---|---------------------|----------------------------------|------------------------------------|
| 5.0 EXPENDITURE | | | |
| - CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTIONS) | | - | p.m. |
| - NATIONAL ADMINISTRATION | | p.m. | 6 MEUA |
| - OTHER | | - | - |
| 5.1 RECEIPTS | | | |
| - OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES) | | - | - |
| - NATIONAL | | - | - |

| | 1980 | 1981 | 1982 | 1983 |
|-----------------------------|--------|--------|--------|--------|
| 5.0.1 ESTIMATED EXPENDITURE | 3 MEUA | 3 MEUA | 3 MEUA | 3 MEUA |
| 5.1.1 ESTIMATED RECEIPTS | - | - | - | - |

5.2 METHOD OF CALCULATION
See annex

6.0 CAN THE PROJECT BE FINANCED FROM APPROBIATIONS ENTERED IN THE RELEVANT CHAPTER OF THE CURRENT BUDGET ? YES/NO

6.1 CAN THE PROJECT BE FINANCED BY TRANSFER BETWEEN CHAPTERS OF THE CURRENT BUDGET ? YES/NO

6.2 IS A SUPPLEMENTARY BUDGET BE NECESSARY ? YES/NO

6.3 WILL FUTURE BUDGET APPROBIATIONS BE NECESSARY ? YES/NO

OBSERVATIONS :

A N N E X

1. The duration of the action is 10 years, but the costs are estimated for the first five year period.

2. Cost of the planning team

It is essential to set up a planning team of 4 to ensure drawing up and coordination of the programme.

The costs of the team are estimated as follows :

| | |
|---|------------------|
| Salary (including pension, social security) | 55.000 UCE/year |
| Accommodation and Secretarial services | 40.000 UCE/year |
| Subsistance and travelling | 5.000 UCE/year |
| | <hr/> |
| Total | 100.000 UCE/year |

Total cost : $100.000 \times 5 \text{ year} = 500.000 \text{ UCE}$

Fund Contribution : $500.000 \times 0,5 = 250.000 \text{ UCE}$

3. The measures that shall be eligible for Community and are :

- the improvement of farm infrastructure,
- the improvement of pastures,
- the afforestation of marginal land,
- the genetic improvement of beef cattle and sheep,
- the improvement of agricultural roads.

It is not possible, at present, to estimate the costs of these separate measure but the global cost to the Fund will amount to about 14,75 MEUA.

Hence the total cost to the EAGGF of the action is estimated 15 MEUA, or 3 MEUA per year.

Proposal for a Council Regulation
on an integrated development programme for the Department of
Lozère

The Council of the European Communities,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 43 thereof,

Having regard to the proposal from the Commission¹,

Having regard to the opinion of the Parliament²,

Whereas the general socio-economic situation in the department of Lozère is particularly unfavourable and whereas improvement of this situation requires that the available funds and measures should be brought together and implemented in an integrated manner;

Whereas the Community has at its disposal sources of action arising from its possibilities of financment notably from the European Social Fund, and from the European Regional Development Fund and where it is suitable, taking account of the situation in the regions, to supplement these measures by the intervention of the European Agricultural Guidance and Guarantee Fund;

Whereas, the realisation of this common measure requires the combining, by way of adequate procedures, of the various means available within the context of an integrated development programme;

Whereas, this programme is to be prepared by the French Government;

Whereas the preparation and implementation of such a programme in the region in question necessitates Community financial aid;

Whereas there should be a Community financial contribution to certain measures vital for the implementation of the integrated development programme with the aim of improving agricultural structures, which are particularly deficient in the region concerned;

¹ OJ No C

² OJ No C

HAS ADOPTED THIS REGULATION:

Article 1

1. In order to improve working conditions and living standards in the Department of Lozère, a common measure within the meaning of Article 6(1) of Regulation (EEC) No 729/70 shall be introduced in order to contribute to the implementation of an integrated development programme for that region.
2. The common measure shall involve financial participation, in accordance with the provisions of Title II, of the European Agricultural Guidance and Guarantee Fund, Guidance Section, hereinafter called the Fund, in the agricultural measures required for the implementation of the integrated development programme referred to in Title I.

TITLE I - INTEGRATED DEVELOPMENT PROGRAMME

Article 2

The integrated development programme shall cover not only measures to improve agriculture, to improve the marketing and processing of agricultural products, but also measures to improve infrastructures, to develop tourism, crafts and industry and other complementary activities vital for the improvement of the general socio-economic situation of the region.

Article 3

1. The integrated development programme shall include:
 - a description of the current situation;
 - a description of the objectives to be achieved and a list of priorities;

- 3 -

- a description of the measures already under way in the various sectors concerned and the funds available for them;
 - a description of the complementary measures vital for the implementation of the programme;
 - an estimate of costs and of the funds required, indicating a timetable for the expenditure;
 - the period envisaged for implementation of the programme, which should not in principle exceed five years.
 - the measures taken to ensure the utilisation of other Community financial instruments with structural objectives.
2. All the measures referred to in this action must fall within the framework of a regional development programme when France is obliged to forward it to the Commission in accordance with Article 6 of the European Regional Development Fund Regulation.

Article 4

1. The integrated development programme shall be forwarded to the Commission by France.
2. France shall provide any further particulars requested by the Commission for the evaluation of the information required under Article 3.
3. The Commission shall decide whether to approve the integrated development programme, and on any changes to be made to it.

TITLE II - GENERAL AND FINANCIAL PROVISIONS

Article 5

1. Expenditure by France under the integrated development programme on measures to improve agriculture, in particular the development and improvement of cattle and sheep pasture, including wintering facilities thereon and the building of windbreaks, as well as the renewal of chestnut cultivation, shall be eligible for aid from the Fund.
2. The Fund shall reimburse to France:

50% of eligible expenditure relating to the measures referred to in paragraph 1 and of the actual cost of drawing up and administering the programme, up to a maximum eligible amount of 500 000 u.a. for the initial five-year.

3. Expenditure referred to in paragraph 1 which may be eligible for a Community financial contribution under other common measures within the meaning of Article 6(1) of Regulation (EEC) No 729/70 shall not be covered by this Regulation.

Article 6

1. The scheduled period for implementation of the common measure shall be ten years from the date this Regulation comes into effect.
2. The estimated cost of the common measure to be borne by the Fund shall amount, in the initial five-year period to 15 million EUA.
3. Before the end of the initial five-year period this Regulation shall be reviewed by the Council on a proposal from the Commission. The Council shall decide at that time on the estimated cost to be borne by the Fund for the second five-year period.
4. Article 6(5) of Regulation (EEC) No 729/70 shall apply to this Regulation.

Article 7

When the programme referred to in Article 2 is approved, the Commission shall fix, in agreement with France, the detailed rules for keeping it informed of progress on this programme. At the same time France shall designate the bodies entrusted with providing the information.

Article 8

1. Applications for reimbursement shall cover expenditure by France during a calendar year and shall be submitted to the Commission before 1 July of the following year.

2. Aid from the Fund shall be decided upon in accordance with Article 7(1) of Regulation (EEC) No 729/70.
3. Advance payments may be made by the Fund in accordance with the detailed rules for financing adopted by France and in the light of progress in the projects.
4. The detailed rules for application of this Article shall be adopted in accordance with the procedure provided for in Article 13 of Regulation (EEC) No 729/70.

Article 9

This Regulation shall enter into force on the third day following its publication in the Official Journal of the European Communities.

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

Done at Brussels,

For the Council,

FINANCIAL STATEMENT

Date : 8.3.1979

1. BUDGET HEADING : New line to be created APPROBIATIONS :

2. TITLE : Draft Council Regulation concerning an integrated development programme for the Department of Lozère

3. LEGAL BASIS : Article 6 of Regulation 729/70

4. AIMS OF PROJECT : To renovate and improve communal grazings for the production of beef cattle and sheep and to renovate the chestnut groves.

| 5. FINANCIAL IMPLICATIONS | PERIOD OF 12 MONTHS | CURRENT FINANCIAL YEAR (1979) | FOLLOWING FINANCIAL YEAR (1980) | |
|--|---------------------|------------------------------------|--------------------------------------|--------|
| | 5.0 EXPENDITURE | | | |
| - CHARGED TO THE EC BUDGET. (REFUNDS/INTERVENTIONS) | | p.m. | | p.m. |
| - NATIONAL ADMINISTRATION | | p.m. | | 6 MEUA |
| - OTHER | ./. | - | | - |
| 5.1 RECEIPTS | | | | |
| - OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES) | | | | |
| - NATIONAL | | | | |
| | 1980 | 1981 | 1982 | 1983 |
| 5.0.1 ESTIMATED EXPENDITURE | p.m. | 3 | 3 | 3 |
| 5.1.1 ESTIMATED RECEIPTS | - | - | - | - |

5.2 METHOD OF CALCULATION See annex

6.0 CAN THE PROJECT BE FINANCED FROM APPROBIATIONS ENTERED IN THE RELEVANT CHAPTER OF THE CURRENT BUDGET ? YES/NOX

6.1 CAN THE PROJECT BE FINANCED BY TRANSFER BETWEEN CHAPTERS OF THE CURRENT BUDGET ? YES/NOX

6.2 IS A SUPPLEMENTARY BUDGET BE NECESSARY ? YES/NO

6.3 WILL FUTURE BUDGET APPROBIATIONS BE NECESSARY ? YES/NOX

OBSERVATIONS :

ANNEX

1. The duration of the action is 10 years, but the costs are estimated for the first five year period.

2. Cost of the Planning Team.

It's essential to set up a planning team of 4 to ensure the drawing up and coordination of the programme. The costs of the team are estimated as follows:

| | |
|---|------------------|
| Salary (including pension, social security) | 55.000 UCE/year |
| Accommodation and Secretariat services | 40.000 UCE/year |
| Subsistence and travelling | 5.000 UCE/year |
| | <hr/> |
| Total | 100.000 UCE/year |

Total cost : 100.000 x 5 years = 500.000 UCE

Fund Contribution : 500.000 x 0,5 = 250.000 UCE
=====

3. The measures that shall be eligible for Community aid are:

- pasture improvement
- the provision of wintering facilities on pastures
- the creation of wind breaks
- the renewal of chestnut groves.

It is not possible, at present, to estimate the costs of these separate measures but the global cost to the Fund will amount to about 14,75 MEUA.

Hence the total cost to the EAGGF of the action is estimated at 15 MEUA, or 3 MEUA per year.

PROPOSAL FOR A
COUNCIL REGULATION ON AN INTEGRATED DEVELOPMENT PROGRAMME
FOR THE BELGIAN PROVINCE OF LUXEMBOURG

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community and in particular Article 43 thereof,

Having regard to the proposal from the Commission¹,

Having regard to the opinion of the European Parliament²,

Whereas the general socio-economic situation in the province of Luxembourg is particularly unfavourable and whereas improvement of this situation requires that the available funds and measures should be brought together and implemented in an integrated manner;

Whereas the Community has at its disposal sources of action arising from its possibilities of financement notably from the European Social Fund, and from the European Regional Development Fund and where it is suitable, taking account of the situation in the regions, to supplement these measures by the intervention of the European Agricultural Guidance and Guarantee Fund;

Whereas, the realisation of this common measure requires the combining, by way of adequate procedures, of the various means available within the context of an integrated development programme;

Whereas, this programme is to be prepared by the Belgian Government;

Whereas there should be a Community financial contribution to certain measures vital for the implementation of the integrated development programme with the aim of improving agricultural structures, which are particularly deficient in the region concerned;

¹ OJ No C

² OJ No C

HAS ADOPTED THIS REGULATION:

Article 1

1. In order to improve working conditions and living standards in the Belgian province of Luxembourg, a common measure within the meaning of Article 6(1) of Regulation (EEC) No. 729/70 shall be introduced in order to contribute to the implementation of an integrated development programme for that region.
2. The common measure shall involve financial participation, in accordance with the provisions of Title III, of the Guidance Section of the European Agricultural Guidance and Guarantee Fund, hereinafter called the "Fund", in the agricultural projects specified in Title II, required for the implementation of the integrated development programme provided for in Title I.

TITLE I - INTEGRATED DEVELOPMENT PROGRAMME

Article 2

The integrated development programme shall cover not only measures to improve agriculture, to improve the marketing and processing of agricultural products, but also measures to improve infrastructures, to develop tourism, crafts and industry and other complementary activities vital for the improvement of the general socio-economic situation of the region.

Article 3

1. The integrated development programme shall include:
 - a description of the current situation;
 - a description of the objectives to be achieved and a list of priorities;

- a description of the measures already under way in the various sectors concerned and the funds available for them;
 - a description of the complementary measures vital for the implementation of the programme;
 - an estimate of costs and of the funds required indicating a timetable for the expenditure;
 - the period envisaged for implementation of the programme, which should not in principle exceed five years.
 - the measures taken to ensure the utilisation of other Community financial instruments with structural objectives.
2. All the measures referred to in this action must fall within the framework of a regional development programme when Belgium is obliged to forward it to the Commission in accordance with Article 6 of the European Regional Development Fund Regulation.

Article 4

1. The integrated development programme shall be forwarded to the Commission by the Kingdom of Belgium.
2. The Kingdom of Belgium shall provide any further particulars requested by the Commission for the evaluation of the information required under Article 3.
3. The Commission shall decide whether to approve the integrated development programme and any changes made to it.

TITLE II - PROJECTS

Article 5

The Fund shall finance projects of the following types forming part of the integrated development programme described in Article 2.

- re-parcelling and the related work involved;
- improvement of farm roads;
- the creation of experimental centres for new agricultural products, production techniques and agricultural management methods.

Article 6

For the purposes of this Regulation, "project" means any public, semi-public or private physical investment in connection with measures as specified in Article 5.

TITLE III - FINANCIAL AND GENERAL PROVISIONS

Article 7

1. Applications for aid from the Fund must be made by the Kingdom of Belgium.
2. In order to receive aid from the Fund projects must have been approved by the Kingdom of Belgium.
3. Applications for aid must be accompanied by documentation showing that the project meets the conditions laid down in Title I.
4. The information to be included in applications and the form of their presentation shall be determined in accordance with the procedure laid down in Article 13, after consultation of the Fund Committee on the financial aspects.

Article 8

1. The Commission shall decide whether or not to grant aid from the Fund in accordance with the procedure laid down in Article 13, after consulting the Fund Committee on the financial aspects.
2. The Commission's decision shall be notified to the Member State in question and to the applicant.

Article 9

Projects in receipt of Community aid under other common measures within the meaning of Article 6(1) of Regulation EEC No. 729/70 or from the European Regional Development Fund (ERDF) shall not fall within the scope of this Regulation.

Article 10

1. The scheduled period for implementation of the common measure shall be five years from the date this Regulation comes into effect.
2. Before the end of the period specified in paragraph 1 this Regulation shall be reviewed by the Council on a proposal from the Commission.
3. The estimated cost of the common measure to be borne by the Fund shall amount, for the period specified in paragraph 1, to 5 million EUA.
4. Article 6(5) of Regulation (EEC) No. 729/70 shall apply to this Regulation.

Article 11

1. Aid from the Fund shall consist of capital grants paid in one or more instalments.
2. The amount granted from the Fund for each project shall be at most equal to 35% of the investment made.

Article 12

1. Aid from the Fund shall be granted to the natural or legal persons or groups thereof who are ultimately responsible for the financing of each project. Payments from the Fund shall be made by agencies appointed for the purpose by the Kingdom of Belgium.
2. Throughout the period when aid from the Fund is being granted the authority or agency appointed for the purpose by the Kingdom of Belgium shall transmit to the Commission, at its request, all supporting documents showing that the financial or other conditions laid down for each project are met. The Commission may, if necessary, make on-the-spot checks.

After consulting the Fund Committee on the financial aspects the Commission may decide, in accordance with the procedure laid down in Article 13, to suspend, reduce or withdraw aid from the Fund:

- if the project is not implemented as envisaged, or
- if certain of the conditions laid down have not been met, or
- if the beneficiary, contrary to the information contained in his application and quoted in the decision to grant aid, does not begin the work within two years from the date of notification of the decision to grant aid, or does not, before the end of such period, furnish adequate guarantees that the project will be carried out.

The decision shall be notified to the Kingdom of Belgium and to the beneficiary.

The Commission shall proceed to recover sums payment of which was not or is not justified.

3. Without prejudice to Article 6 (5) of the Financial Regulation of 21 December 1977 applicable to the general budget of the European Communities¹, appropriations made available by a decision taken in accordance with the second subparagraph of paragraph 2 of this Article or by the beneficiary's deciding not to carry out the project or to reduce the amount of investment mentioned in the decision to grant aid may be used for the financing of other projects.
4. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 13 of Regulation (EEC) No 729/70.

Article 13

1. Where the procedure laid down in this Article is to be followed, the chairman shall refer the matter to the Standing Committee on Agricultural Structures, either on his own initiative or at the request of the representative of a Member State.

¹OJ No L 356, 31.12.1977, p. 1

2. The representative of the Commission shall submit a draft of the measures to be adopted. The Standing Committee on Agricultural Structures shall deliver its opinion on these measures within a time limit set by the chairman according to the urgency of the questions under consideration. An opinion shall be adopted by a majority of 41 votes, the votes of the Member States being weighted as laid down in Article 148 (2) of the Treaty. The chairman shall not vote.
3. The Commission shall adopt measures which shall apply immediately. However, if these measures are not in accordance with the opinion of the Standing Committee on Agricultural Structures, the Commission shall forthwith communicate them to the Council. In that event the Commission may defer application of the measures which it has adopted for not more than one month from the date of such communication. The Council, acting by a qualified majority, may take a different decision within one month.

Article 14

This Regulation shall enter into force on the third day following its publication in the Official Journal of the European Communities.

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

FINANCIAL STATEMENT

DATE : 7.3.1979

1. BUDGET LINE CONCERNED : To be created

CREDITS : -

2. ACTION : Proposed integrated development programme concerning the South East of Belgium.

3. LEGAL BASIS : Article 6 of Regulation (E.E.C.) n° 729/70

4. OBJECTIVES : To promote a real rectifying programme which shall englobe agriculture and forestry, and shall be supported by measures from other sources, the whole programme being adapted to the need of the S.E. of BELGIUM.

| 5. FINANCIAL CONSEQUENCE | PERIOD OF 12 MONTHS | CURRENT FINANCIAL YEAR (79) | FOLLOWING FINANCIAL YEAR (80) |
|--|---------------------|--------------------------------|----------------------------------|
| 5.0 EXPENDITURE | | | |
| -CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTIONS) | | | 1 |
| -CHARGED TO NATIONAL ADMINISTR. | | | 1 |
| -CHARGED TO OTHER NATIONAL GROUPS | | | - |
| 5.1 RECEIPTS | - | - | - |
| -OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES) | | | - |
| -NATIONAL | | | - |

| | YEAR1980..... | YEAR1981..... | YEAR1982..... |
|--|---------------------|---------------------|---------------------|
| 5.0.1 PLURIANNUAL PATTERN OF EXPENDITURE | 1 MEUA | 1 | 1 |
| 5.1.1 PLURIANNUAL PATTERN OF RECEIPTS | - | - | - |

5.2 METHOD OF CALCULATION

SEE ANNEX.

6.0 FINANCING POSSIBLE WITH CREDITS INSCRIBED IN RELEVANT CHAPTER OF CURRENT BUDGET ? YES/~~NO~~

6.1 FINANCING POSSIBLE BY TRANSFER BETWEEN CHAPTERS OF CURRENT BUDGET ? YES/~~NO~~

6.2 NECESSITY FOR A SUPPLEMENTARY BUDGET ? ~~YES~~/NO

6.3 CREDITS TO BE WRITTEN INTO FUTURE BUDGETS ? YES/~~NO~~

COMMENTS :

ANNEX

1. The proposal provides for a capital grant of up to 35 % of the investment costs of projects that fall within the context of the programme outlined at Article 2 and also are of the type of investment listed at Article 5.
2. The programme shall have a duration of 5 years and the estimated costs (commitment appropriations) are as follows :

| <u>ACTION</u> | <u>TOTAL COST MEUA</u> | <u>EACGF CONTRIBUTION MEUA</u> |
|--|------------------------|--------------------------------|
| Land consolidation and ancillary works | 8,5 | 3 |
| Agricultural and farm roads | 3 | 1 |
| Experimental and Research centres | 3 | 1 |
| Total | 14,5 | 5 |

3. If an even distribution over the period is assumed, then the annual total of commitment appropriations are estimated at 1 MEUA.
4. Because of the long term nature of the projects the payment appropriations are estimated as follows :

| | YEAR | | | | | | | | | | TOTAL |
|---------------------------|------|------|-----|-----|---|-----|------|-----|-----|--|-------|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | | |
| Commitment appropriations | 1 | 1 | 1 | 1 | 1 | - | - | - | - | | 5 |
| Payment appropriations | 0,1 | 0,35 | 0,7 | 0,9 | 1 | 0,9 | 0,65 | 0,3 | 0,1 | | 5 |

Proposal for a Council Regulation amending Regulation (EEC) No 355/77 of 15 February 1977 on common measures to improve the conditions under which agricultural products are processed and marketed (Special measure in respect of the slaughtering of pigs and the processing of pigmeat in France and the United Kingdom)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Articles 42 and 43 thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament ¹,

Whereas the pig slaughtering sector and pigmeat processing and marketing facilities are less developed structurally and technically in France and the United Kingdom;

Whereas a special measure for the development of that sector may contribute to an improvement in pigment processing and marketing conditions in those two Member States,

HAS ADOPTED THIS REGULATION:

Article 1

The following subparagraph is added to Article 16 (3) of Regulation (EEC) No 355/77 :

"In addition, 40 million European units of account shall be reserved for assistance from the Fund in respect of projects to improve the slaughtering of pigs and the processing of pigmeat in France and the United Kingdom for the period from 1 January 1980 to 31 December 1982, i.e. an estimated annual cost of 13,3 million European units of account in 1980, 1981 and 1982".

1. J.O.

Article 2

This Regulation shall enter into force on the third day following its publication in the Official Journal of the European Communities.

Done at Brussels,

For the Council

FINANCIAL STATEMENT

Date : 8.3.1979

1. BUDGET HEADING : **New line to be created**

APPROBIATIONS :

2. TITLE : **Draft Council Regulation modifying Regulation (EEC) No 355/77 of the 15 February 1977 concerning a common action for the improvement of conditions of the processing and marketing of agricultural products.**

3. LEGAL BASIS : **Article 6 of Regulation (EEC) No 729/70.**

4. AIMS OF PROJECT : **To improve the structures of the marketing and the processing of pigmeat in France and the United Kingdom.**

| 5. FINANCIAL IMPLICATIONS | PERIOD OF 12 MONTHS | CURRENT FINANCIAL YEAR (79) | FOLLOWING FINANCIAL YEAR (80) | |
|---|---------------------|----------------------------------|------------------------------------|------|
| 5.0 EXPENDITURE | | | | |
| ~ CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTIONS) | | - | 13,3 | MEUA |
| ~ NATIONAL ADMINISTRATION | | - | 13,3 | MEUA |
| ~ OTHER | | - | | |
| 5.1 RECEIPTS | | | | |
| ~ OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES) | | - | - | |
| ~ NATIONAL | | - | - | |
| | 1980 | 1981 | 1982 | 1983 |
| 5.0.1 ESTIMATED EXPENDITURE | 13,3 MEUA | 13,3 | 13,3 | - |
| 5.1.1 ESTIMATED RECEIPTS | - | - | - | - |

5.2 METHOD OF CALCULATION
 It is estimated that 13,3 MEUA per year shall be required to cover the Community financial share in this action. This would lead to a total cost of 40 MEUA during the lifespan of the basic regulation. The appropriations for this action will be entered on a separate budgetary line because this action shall receive an additional annual amount of 13,3 MEUA.

C

6.0 CAN THE PROJECT BE FINANCED FROM APPROBIATIONS ENTERED IN THE RELEVANT CHAPTER OF THE CURRENT BUDGET ? YES/NO YES

6.1 CAN THE PROJECT BE FINANCED BY TRANSFER BETWEEN CHAPTERS OF THE CURRENT BUDGET ? YES/NO NO

6.2 IS A SUPPLEMENTARY BUDGET BE NECESSARY ? YES/NO NO

6.3 WILL FUTURE BUDGET APPROBIATIONS BE NECESSARY ? YES/NO NO

OBSERVATIONS :