

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(81) 106 final

Brussels, 11 March 1981

Proposal for a

COUNCIL REGULATION (EEC)

establishing a common measure for the development of beef cattle production
in Ireland

Proposal for a

COUNCIL REGULATION (EEC)

introducing temporary financial aid from the Community to Ireland for pre-
movement tuberculin testing and brucellosis blood sampling of cattle

Proposal for a

COUNCIL REGULATION (EEC)

on the granting of an additional premium for maintaining suckler cows in
Ireland

(submitted to the Council by the Commission)

EXPLANATORY MEMORANDUM

1. Of all member states Ireland suffered the sharpest fall in real farm incomes in 1980. The estimated fall is 20 percentage points (1967 - 1969 = 100) compared with about 9 points in the Community as a whole. This result is particularly disappointing in the light of the improvement in real terms in these incomes from a low level at the time of Ireland's accession to the Community. Real incomes in agriculture in Ireland had been rising more quickly than in the rest of the economy until 1978. Between 1968 and 1978 they doubled in real terms. Since 1978, however, the sharp fall has resulted in a situation in which Irish farm incomes in real terms have now risen less since 1968 than incomes in the rest of the economy. Furthermore, the income level in general in Ireland is lower than in most other member states.
2. The present situation is particularly serious for the Irish economy since agriculture represents a much more important part of the Irish economy than in the Community generally. It contributes about 17% of the gross national product and provides direct employment for about 20% of the labour force, apart from the effects on employment in the closely related industries. In a recent year agricultural exports also generated about 43% of total Irish export earnings.
3. Because of the problems of agricultural structure and since Ireland is an exporter of its principal agricultural products, beef and milk products, average producer prices in Ireland tend to be below the Community average. The Community has already recognized the structural problem and has taken various actions of particular value to Ireland, in particular
 - a programme to improve drainage in Western Ireland (Directive 78/628 EEC) with a financial amount of about 26 million UCE over a five-year period
 - a common measure concerning the stimulation of agricultural development in the less-favoured areas of the West of Ireland covering six specific actions (Regulation (EEC) 1820/80) with a financial amount of about 224 million UCE over a period of ten years
 - the exemptions from the basic co-responsibility levy for milk have a particularly marked impact in Ireland
 - the introduction last year of the premium for suckling cows.

4. Nonetheless, in the current difficult situation resulting from the particularly sharp fall in Irish farm incomes in real terms in 1980, the Commission considers that some further measures intended to help Irish agriculture through this period should be proposed. The Irish Government has already taken some actions itself but the budget possibilities are limited. In the medium term the common agricultural policy cannot be expected to correct economic difficulties resulting from differences in the general economic policies of individual member states. The Commission considers, however, that in the particular case of Ireland it is possible to propose certain measures of limited duration which will be helpful to farm incomes and will generally also benefit the underlying structure of Irish agriculture.

5. The measures proposed are

- (i) a livestock development programme which would be based on a series of actions for which Community aid would be made available for a period of 2 years. The elements of the programme are
 - a) fodder production and pasture development. In the natural conditions prevailing in Ireland, with a high risk of rain damage, it is good agricultural practice to encourage the greater use of silage. The Commission proposes an incentive programme to encourage farmers to make more silage.

One effect of the fall in farmers' revenues in Ireland has been a decline in purchases of lime, with the consequential adverse effect on farming efficiency. The Commission proposes a scheme of aid for the application of lime for the improvement of pastures.
 - b) livestock improvement and breeding. The Commission proposes to include within the livestock development programmes measures to accelerate and intensify the present livestock performance testing, farm recording and progeny testing arrangements, including the promotion of greater use of artificial insemination for the improvement of the beef herd.
- (ii) disease eradication. As a further measure of assistance to the eradication of tuberculosis and brucellosis, the Commission proposes to provide aid towards the costs incurred on pre-movement tests which are a particularly heavy financial burden in Ireland.

(iii) aid for suckling cows. The Community-financed aid for suckling cows is now 20 ECU per head and the Commission has proposed in COM(81) 50 final to increase it to 21.6 ECU. In addition, Regulation (EEC) 1357 /80 permits the payment by national funds of an extra aid at the same level under certain conditions. Only France is paying this extra aid generally. In Ireland it is paid only on additional cows. The Commission now proposes that for a period of two years the extra aid should be paid on all eligible cows in Ireland from Community funds.

6. More detailed explanatory regulations and proposals are set out in the following pages.

Programme for the Development of Livestock Production
in Ireland

Explanatory Memorandum

Irish agriculture is dependent primarily on the livestock sector. At present livestock products make up over 80 % of total agricultural output. Developments in this sector, including a substantial rise in slaughterings of breeding stock, have been a major factor in the current farm income situation, which is estimated to have declined by over 40 % in real terms over the past two years.

The volume of output is declining and this, together with the effort improving livestock quality, is having a severe impact on farm incomes.

The livestock development programme proposed herewith, relates to two general production aspects which taken together can have a positive impact in redressing the current adverse income situation in Irish agriculture. These measures include

- a) livestock improvement,
- and
- b) the improvement of the quality of winter forage and summer pastures.

(a) Livestock Improvement : With a view to accelerating improvement in the national herd in terms of economic performance, additional financial resources are necessary for a livestock improvement programme. This programme would emphasise improvement of cattle breeding through the intensification of performance testing and progeny testing of beef bulls with a view to the identification and selection of bulls of acceptable genetic merit for use in up-grading the quality of beef cattle production.

In addition, a scheme aimed at reducing the cost of artificial insemination to farmers is proposed in order to promote an increase in the use of the service. Currently no more than 50 % of the cow population is artificially inseminated. The recent downward trend in inseminations causes particular concern particularly insofar as it has an adverse impact on the development of the livestock sector, especially the quality of production.

(b) Fodder Production and Pasture Development : The development of the Livestock sector has also been hampered in recent years by inadequate supplies of quality fodder. Most winter fodder is still conserved as hay, despite the fact that the prevailing climate conditions are much more conducive to the production of silage. Much of the hay is of very poor quality. An incentive scheme is proposed therefore, to encourage farmers, who have not previously done so, to make silage and thereby improve the quantity and quality of winter keep.

The downturn on farm incomes has inevitably led to a considerable reduction in the use of lime and fertiliser for pasture development. The indications are that this decline will continue in the immediate future. Given this situation, allied to the fact that the nutrient status of a substantial part of Irish pastures is still relatively low, the ultimate result shall be to reduce the yield and quality of both summer pastures and winter fodder. Financial incentives are, therefore, needed a matter of urgency to redress this situation through promoting the greater use of lime on pasture lands and meadows.

Both aspects of this programme, emphasising both breeding and feeding of better quality livestock, demand a significant and concentrated effort on the part of advisory services to ensure that farmers are fully informed of the need for such a programme and that they will readily avail themselves of it given that its successful implementation will ultimately redound to their financial advantage.

Proposal for a Council Regulation (EEC) establishing a
common measure for the development of beef cattle
production in Ireland

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

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

Having regard to the proposal of the Commission,

Having regard to the opinion of the European Parliament ¹,

Having regard to the opinion of the Economic and Social Committee ²,

Whereas Article 39 (2) (a) of the Treaty provides that, in working out the common agricultural policy, account should 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 set out in Article 39 (1) (a) and (b) of the Treaty, special measures appropriate to production conditions in certain less favoured areas should be adopted at Community level; whereas similar measures may be necessary on a temporary basis in other areas facing special handicaps;

Whereas Irish agriculture is dependent mainly on livestock production; whereas the raising of cattle and beef production forms a significant aspect of the livestock economy of the country; whereas recent developments in this sector, including a substantial increase in the slaughtering of animals normally kept for breeding purposes, have been major factors contributing to the current decline in farm incomes;

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Whereas a comprehensive beef cattle development programme, emphasising both the breeding and feeding of quality animals, can have a positive impact in redressing the current adverse income situation in Irish agriculture;

Whereas the improvement in cattle breeding can best be undertaken through the intensification of both performance testing and progeny testing of beef bulls with a view to the selection of stock bulls of acceptable genetic merit;

Whereas the recent downturn in the use of artificial insemination of cows, because of its high costs, has had an adverse impact on the development of the beef cattle sector; whereas a special financial aid is necessary in order to reduce insemination costs to farmers;

Whereas, the development of cattle production has also been hindered in recent years because of the poor quality of many pastures and meadows due to lack of application of lime and fertilisers;

Whereas, in addition, a lack of adequate supplies of good winter fodder is a further contributory factor to this situation; whereas, a special incentive scheme is needed in order to encourage more farmers to make silage and thereby improve both the quantity and quality of winter keep;

Whereas because of economic and budgetary constraints Ireland does not have sufficient means to finance such a programme and in the circumstances, Community financial aid will be required;

Whereas the foregoing constitutes 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 policy¹, as last amended by Regulation (EEC) No 929/79²,

HAS ADOPTED THIS REGULATION :

¹ O.J. No L 94, 28.4.70, p. 13
² O.J. No L 117, 12.5.79, p. 4

Article 1

A common measure within the meaning of Article 6 (1) of Regulation (EEC) No 729/70, to be implemented by Ireland, is hereby established.

Article 2

The Commission may grant aid for the common measure by financing through the Guidance Section of the European Agricultural Guidance and Guarantee Fund, hereinafter called "the Fund", measures as outlined in Article 3 and concerning the improvement of the quality of beef cattle production.

Article 3

1. The measures referred to in Article 2 shall concern aids for
 - a) the intensification of performance testing of beef bulls in order to make an initial selection of bulls which exhibit characteristics appropriate to the efficient production of beef,
 - b) the intensification of progeny testing of beef bulls in order to make a definite selection of bulls of acceptable genetic merit for use in up-grading the quality of beef cattle production,
 - c) encouraging greater use of artificial insemination,
 - d) the improvement of pastures and meadows through increased use of lime,
 - e) the improvement of the quality and quantity of winter feed supplies through encouraging greater conservation and use of silage.
2. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 18 (2) and (3) of Council Directive 72/159/EEC³.

Article 4

1. The duration of the common measure shall be limited to 2 years from the date of the approval by the Commission of the measures outlined in Article 3.
2. The expenditure incurred by Ireland on these measures shall be eligible for assistance from the Fund up to a maximum of :
 - 3 million ECU (A) for the measures referred to under Article 3 (a) and (b)
 - 22.5 million ECU (A) for the measure referred to under Article 3 (c)
 - 7.0 million ECU (A) for the measure referred to under Article 3 (d)
 - 16.0 million ECU (A) for the measure referred to under Article 3 (e).
3. The Fund shall reimburse Ireland $\frac{50}{100}$ of the eligible expenditure. However the maximum eligible expenditure may not exceed
 - 7.5 ECU (A) per cow in respect of the measure referred to under Article 3 (c),
 - 4.0 ECU (A) per tonne of lime in respect of the measure referred to under Article 3 (d),
 - 4.5 ECU (A) per tonne of silage in respect of the measure referred to under Article 3 (e).

Article 5

1. The estimated total cost of the common measure to the Fund shall be 23.8 million ECU for the period laid down in Article 6 (1).
2. The Commission shall, by agreement with the Irish Government, establish the procedure for its being informed periodically of the progress of the measures. At the same time the Irish Government shall designate, where appropriate, the body responsible for their technical execution.

Article 6

1. Applications for reimbursement shall relate to expenditure incurred by Ireland in the course of a single calendar year and shall be submitted to the Commission before 1 July 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. The detailed rules for implementing this Article shall be adopted in accordance with the procedure laid down in Article 13 of Regulation (EEC) No 729/70.

Article 7

This Regulation shall enter into force on the third day following that of 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.

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ANNEX

1. Exchange rates

1 ECU = £ irL. 0,668201 (Pivot rate)

1 ECU(A) = £ irL. 0,659274 (1.1.1981)

2. Performance testing and progeny testing

To accelerate and intensify the present livestock performance testing farm recording and progeny testing programmes would cost approximately 1,5 Mio ECU(A) per year.

| Year | Cost to Member State | | Reimbursement by EAGGF |
|-------|----------------------|-----------|------------------------|
| | ECU(A) | ECU | |
| 1st | 1.500.000 | 1.480.000 | - |
| 2nd | 1.500.000 | 1.480.000 | 740.000 |
| 3rd | - | - | 740.000 |
| Total | 3.000.000 | 2.960.000 | 1.480.000 |

3. Aid to greater use of artificial insemination

This scheme is based on a subsidy of 7,5 ECU(A) per cow inseminated and it is estimated that there would be 1,5 million cows per year.

| Year | Cost to Member State | | Reimbursement by EAGGF |
|-------|----------------------|------------|------------------------|
| | ECU(A) | ECU | |
| 1st | 11.250.000 | 11.100.000 | - |
| 2nd | 11.250.000 | 11.100.000 | 5.550.000 |
| 3rd | - | - | 5.550.000 |
| Total | 22.500.000 | 22.200.000 | 11.100.000 |

4. Aid for the promotion of silage making

It is estimated that with a premium of 4,5 ECU(A) per tonne, that an additional 30.000 farmers would be encouraged to make silage for the first time over the 2 year period. The aid applies only to the first year of silage making. It is estimated that on average each farmer would receive aid on 50 tonnes.

| Year | Cost to Member State | | Reimbursement by EAGGF |
|-------|----------------------|-----------|------------------------|
| | ECU(A) | ECU | |
| 1st | 3.375.000 | 3.330.000 | - |
| 2nd | 3.375.000 | 3.330.000 | 1.665.000 |
| 3rd | - | - | 1.665.000 |
| Total | 6.750.000 | 6.660.000 | 3.330.000 |

5. Lime subsidy

It is estimated that Irish grassland requires 2.000.000 tonnes of lime annually to maximise fodder production. The level of subsidy would be 4 ECU(A) per tonne.

| Year | Cost to Member State | | Reimbursement by EAGGF |
|-------|----------------------|------------|------------------------|
| | ECU(A) | ECU | |
| 1st | 8.000.000 | 7.900.000 | - |
| 2nd | 8.000.000 | 7.900.000 | 3.950.000 |
| 3rd | - | - | 3.950.000 |
| Total | 16.000.000 | 15.800.000 | 7.900.000 |

6. Global cost of measures

| Year | Cost to Member State | Mio ECU | |
|-------|----------------------|------------------------|--|
| | | Reimbursement by EAGGF | |
| 1st | 23,8 | - | |
| 2nd | 23,8 | 11,9 | |
| 3rd | - | 11,9 | |
| Total | 47,6 | 23,8 | |

7. Budgetary timescale

Hypotheses : measure operational by July 1981.

Reimbursement by EAGGF by budget year

| | |
|-------|---------------|
| 1982 | 5 Mio ECU |
| 1983 | 11,9 Mio ECU |
| 1984 | 6,9 Mio ECU |
| Total | 23,8 Mio ECU. |

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EXPLANATORY MEMORANDUM

Owing to the present state of health of the cattle herd in Ireland, it is the law in that country that before transit all cattle aged over 6 weeks must undergo tuberculin testing, and all females aged over 12 months and non-castrated males aged over 9 months must have their blood sampled with a view to brucellosis testing, these tests and sampling are normally at the farmers' expense.

Livestock movements are fairly common in Ireland and this expense has a significant effect on the earnings of Irish stockfarmers. The purpose of this proposal is to relieve farmers for 2 years of the cost of these tests, which will be met in full from the public purse, and reimbursed as to 50 % from the EAGGF Guidance Section, on condition that the tests are carried out by official veterinarians employed by the Irish Department of Agriculture ; there should result from this condition an improvement in the efficiency of the control measures.

COUNCIL DECISION

introducing temporary financial aid from the Community to Ireland for pre-movement tuberculin testing and brucellosis blood sampling of cattle

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 Parliament¹,

Whereas, in order to prevent the spread of bovine tuberculosis in Ireland, bovine animals over 6 weeks of age, excluding those intended for immediate slaughter, must undergo a tuberculin test before being transferred from their herd of origin,

Whereas in order to prevent the spread of bovine brucellosis in Ireland, female bovines over 12 months of age and non-castrated male bovines over 9 months of age, excluding those intended for immediate slaughter, must undergo blood sampling with a view to testing for brucellosis,

Whereas the cost of these tests and blood sampling is normally borne by the owner of the animal ; whereas in view of the structure of stockfarming in Ireland, which necessitates frequent and numerous transfers of animals, and in view of the present level of earnings of stockfarmers in Ireland it is desirable to relieve Irish stockfarmers temporarily of the cost of these compulsory tests and blood sampling ; whereas, where the performance of these tests is financed completely from public funds, part of the cost should be borne by the Community,

Whereas in order to improve the effectiveness of the measure, aid should be limited to the partial reimbursement of the cost of these tests and blood sampling performed by official veterinarians employed by the Irish Department of Agriculture;

Whereas the foregoing constitutes 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 policy², as last amended by Regulation (EEC) No 929/79³,

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HAS ADOPTED THIS REGULATION :

Article 1

1. A special measure shall be introduced to finance tuberculin tests performed before transit, in accordance with the rules in force in Ireland, on bovine animals aged more than 6 weeks, and also the sampling of blood with a view to the serological testing of blood for brucellosis, where this is carried out at the same time as the tuberculin testing, on female bovine animals over the age of 12 months and non-castrated male bovine animals over the age of 9 months, provided that such tests are carried out by official veterinarians employed by the Irish Department of Agriculture and the costs are totally borne by public funds.
2. The measure provided for in paragraph 1 shall constitute a common measure within the meaning of Article 6(1) of Regulation (EEC) N° 729/70.

Article 2

1. The duration of the measure shall be 2 years from the entry into force of this Regulation.
2. The estimated cost to the European Agricultural Guidance and Guarantee Fund, hereinafter called "the Fund", amounts to 6 million ECU. This figure has only an indicative value.

Article 3

1. Expenditure by Ireland under the measure provided for in Article 1 shall be eligible for reimbursement from the Guidance Section of the Fund up to an annual total of 1 million animals tested.

2. The Guidance Section of the Fund shall reimburse to Ireland 50 % of the eligible expenditure as provided for in paragraph 1.
3. Detailed rules for implementing this Article shall be adopted in accordance with the procedure laid down in Article 13 of Regulation (EEC) N° 729/70.

Article 4

1. Applications for reimbursement shall relate to expenditure by Ireland in the course of the calendar year and shall be submitted to the Commission before 1 April of the following year.
2. The contribution from the Fund shall be decided on in accordance with Article 7(1) of Regulation (EEC) N° 729/70.

Article 5

This Regulation shall enter into force on the third day following that of 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.

For the Council

The President

EXPLANATORY MEMORANDUM

In document COM(81) 50 the Commission has proposed that a premium be granted of 21.60 ECU per suckler cow, for the 1981/82 marketing year, to be financed by the Guarantee Section of the EAGGF, within Council Regulation (EEC) No 1357/80.

The member states are authorized to grant an additional premium, on a national basis, of up to 21.60 ECU for the same cows.

The Commission proposes that, for a period of two years, the additional premium of 21.60 ECU be covered by the Guarantee Section of the EAGGF for suckler cows kept by producers in Ireland. This measure is intended to support the incomes of the specialized producers in Ireland, which were particularly low in 1980, and to help improve structures and the quality of beef production in that member state.

About 380,000 suckler cows are expected to qualify for this additional premium.

Proposal for
COUNCIL REGULATION (EEC)

on the granting of an additional premium for maintaining
suckler cows in Ireland

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 (1),

Having regard to the opinion of the Economic and Social Committee (2),

Whereas the incomes of Irish farmers have fallen considerably during the
1980/81 marketing year; whereas it would seem necessary to take measures
to assist the beef and veal producers most affected by this drop in income;

Whereas such a measure could take the form of a premium additional to the
premium for maintaining suckler cows provided for in Council Regulation
(EEC) No 1357/80 (3), as last amended by Regulation (EEC) No /81 (4);

(1) OJ No

(2) OJ No

(3) OJ No L 140, 5.6.1980, p. 1

(4) OJ No

HAS ADOPTED THIS REGULATION :

Article 1

Ireland is hereby authorized to grant a premium additional to the premium for maintaining suckler cows provided for in Regulation (EEC) No 1357/80, in so far as it does not apply the provisions of Article 3(2) of Regulation (EEC) No 1357/80.

For the 1981/82 marketing year, the amount of this premium shall be ECU for each suckler cow kept by the producer on the day on which the application is lodged.

The premium shall be paid in a single instalment.

The amount of this premium shall be financed by the Guarantee Section of the European Agricultural Guidance and Guarantee Fund.

Article 2

This Regulation shall enter into force on the day of 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

For the Council

