

COMMISSION OF THE EUROPEAN COMMUNITIES

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Report on the application of the Community scheme for
the set-aside of arable land

and

Proposal for a
COUNCIL REGULATION (EEC)

amending Regulation (EEC) No 797/85 as regards the rates of reimbursement
for the set-aside of arable land

(presented by the Commission)

Report on the application of the Community scheme for
the set-aside of arable land

At the Council of Ministers (Agriculture) of 25 April 1989, the following declarations were made :

"The Council, referring to the decisions of the European Council of February 1988 to introduce set-aside of arable land to supplement the stabilizers, requests the member countries to report to the Commission on the application of the set-aside scheme by 10 June 1989.

The Commission, expressing its intention to ensure that the set-aside measures decided on by the Council on 25 April 1988 are implemented effectively and in a balanced manner in the Member States, will report to the Council by 15 July 1989 on the scheme.

The Council calls upon the Commission to examine on the basis of that report what adjustments if any are needed to the existing rules and if necessary to submit adequate proposals to the Council."

In its resolution of 13 December 1988, the European Parliament asked the Commission to present a full report on the implementation by the Member States of all aspects of the Regulations for the set-aside of agricultural land.

This report responds to both these requests.

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1. The background

On 25 April 1988 the Council adopted Regulation (EEC) n° 1094/88⁽¹⁾ amending Regulations (EEC) n° 797/85⁽²⁾ and (EEC) n° 1760/87⁽³⁾ as regards the set-aside of arable land; the same Regulation included provisions for the extensification and conversion of agricultural production.

The European Parliament gave its opinion on 11 March 1988⁽⁴⁾.

2. The set-aside scheme

The aim of the set-aside regulation is to contribute to the equilibrium between output and the market's capacity to absorb it and is thus intended to supplement measures adopted by the Council under the various market organisations in order to stabilise those markets. In particular, the set-aside scheme offers farmers an alternative guarantee of income whilst they adapt to the new market situation, and at the same time helps to decrease output among participants. It is in this sense that it makes a contribution to direct market management. The link with the market policy is important and it is underlined by the fact that the financial contribution of the EAGGF is divided in equal parts between the Guidance and Guarantee Sections.

The set-aside scheme covers all arable land, with the exception of land used for crops not subject to a common organization of the market. To achieve tangible results in terms of stabilisation of supply, at least 20 % of a farmer's arable land must be set aside for a period of at least five years. However, the farmer has the possibility of terminating his commitment after three years.

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- (1) O.J. N° L 106 of 27.04.1988, p. 28
(2) O.J. N° L 93 of 30.03.1985, p. 1
(3) O.J. N° L 67 of 26.06.1987, p. 1
(4) O.J. N° C 94 of 11.04.1988

The arable land withdrawn must be left in fallow (either permanent or rotational), afforested or used for non-agricultural purposes*. The beneficiary must undertake to keep the land in good agronomic condition, with a view to protecting the environment and natural resources. In the interest of making efficient use of the Community's farming resources Member States are allowed, for a three-year experimental period, to authorize grazing for extensive livestock farming (green fallow) or the growing of certain protein crops (lentils, chick peas or vetches) on set-aside land. In both cases the amount of aid has to allow for the reduction in the loss of income of the farmer.

The beneficiary of set-aside is the person who has farmed the land and who has the right to farm it for the period covered by the undertaking.

Member States have to set the amount of aid per hectare of land set aside in the light of real income losses. The level of aid must be fixed so that it is sufficiently high to provide farmers with a real incentive to set aside some of their land, but the level of aid should not exceed the level necessary to offset the loss of income resulting from setting aside the land. The maximum amount of aid payable is 600 ECU per hectare per annum, and the minimum is 100 ECU per hectare per annum. The Commission can in exceptional cases authorise up to 700 ECU per hectare per annum.

Producers who set aside a considerable part of their arable land (at least 30 %) can benefit from an additional incentive in the form of an exemption, in respect of a quantity of 20 tonnes of cereals, from the co-responsibility levy referred to in Article 4 of Regulation (EEC) n° 2727/75⁽⁵⁾ and from the additional co-responsibility levy provided for in Article 4b(2) of the same Regulation.

* Set-aside land used for non-agricultural purposes may not be used for plant or animal production. This means that use of land for non-food purposes (eg bioethanol) is not permitted. It should therefore be noted that this question is not examined in the present report. This matter will be assessed in the forthcoming report on the potential methods of encouraging non-food uses of agricultural crops.

(5) O.J. N° L 281 of 01.11.1975, p. 1

The following rates of reimbursement to Member States are applied :

- 50 % for that portion of the aid which does not exceed 200 ECU per hectare, per annum;
- 25 % for that portion of the aid between 200 and 400 ECU per hectare, per annum;
- 15 % for that portion of the aid between 400 and 600 ECU per hectare, per annum;

and in the case of authorization for extensive grazing or the growing of chick peas, lentils and vetches :

- 50 % for that portion of the aid which does not exceed 100 ECU per hectare, per annum;
- 25 % for that portion of the aid between 100 and 200 ECU per hectare, per annum;
- 15 % for that portion of the aid between 200 and 300 ECU per hectare, per annum.

Member States may be authorised by the Commission not to apply the scheme in those regions or areas where, because of natural conditions or the threat of depopulation, production should not be reduced. In the case of Spain, the regulation provides that exemptions can be authorised also on the basis of the particular socio-economic situation of certain regions or areas. Portugal in its entirety is exempted from the obligation to apply the scheme until the end of 1994.

3. Application of the set-aside scheme in the Member States

(a) Dates of application

On 29 April 1988, the Commission adopted Regulation (EEC) n° 1272(6) laying down detailed rules for applying set-aside for arable land. Member States should have introduced the scheme by 14 July 1988, i.e. two months after the adoption of the Commission's detailed rules, in order to have an impact on the 1988/89 production year.

No Member State fulfilled this obligation even though the United Kingdom, the Netherlands and the Federal Republic of Germany introduced set-aside by mid-August 1988, i.e. in good time to affect the autumn sown crops.

(6) O.J. N° L 121 of 1105.1988, p. 36

By the end of March 1989 nine Member States had applied the set-aside scheme. The countries concerned are as follows, with the date of publication of the legislation in the different Member States in brackets :

United Kingdom	(29 July 1988)
Federal Republic of Germany	(12 August 1988)
Netherlands	(16 August 1988)
Belgium	(18 October 1988)
France	(19 November 1988)
Ireland	(9 December 1988)
Spain	(12 December 1988)
Greece	(13 December 1988)
Italy	(6 February 1989)

Luxemburg adopted the scheme on 12 April 1989, (Act of Parliament).

However, the dates of effective application were in some cases significantly later for example in France the "arrêtés préfectoraux" were only promulgated during the period January to March, in Greece the applications can not be made until July.

The main features of the national schemes are summarised in Table I.

(b) Amounts of aid

The amounts of the aid vary between a minimum of 100 ECUs for less favoured regions in Spain and Greece to a maximum of 600 in the Netherlands and for the best quality soils in the Federal Republic of Germany.

The rate of aid has to be differentiated according to regions, if agronomic and economic conditions so require. This differentiation is related to the quality of the agricultural soils in the FRG (the average quality index of the holding, or the commune or of the region is used, depending on the Land), to the availability of irrigation in Spain and Greece, to groups of departments in France, and to the classification of mountain and less-favoured areas in parts of Spain and Greece, in the UK, and in part of Belgium and Italy. The Netherlands, Ireland and Luxemburg have one flat rate for the whole of their territory.

The amounts of aid are equal to or lower than 300 ECUs in the UK and Belgium (with the exception of the most productive regions), Luxemburg, Spain, France (with the exception of some regions), Ireland and Greece. The aid is higher than 300 ECUs in the FRG, the Netherlands and Italy. The UK, the Netherlands, France and Luxemburg did not allow for the use of set-aside land for extensive grazing (green fallow); on the other hand only Spain, Greece and Italy allowed for the growing of certain protein crops (lentils, chick peas and vetches) on the land.

(c) Exemptions

The Commission authorised Spain to exempt from the application of set-aside for socio-economic reasons 29.5 % of its arable land, located in the "Comunidades Autonomas" of Castilla-La Mancha; Castilla-Leon; Aragon; Extremadura and Andalucia.

France was authorised to exempt an area corresponding to approximately 2 % of its arable land, where the risks of fire are high.

Italy was authorised to exempt the province of Trento (0.05 % of its arable land) on the basis of the risk of depopulation.

(d) The coresponsibility levies in the cereal sector

In the set-aside scheme extra encouragement has been provided for producers who take at least 30 % of their arable land out of production. This involves an exemption from the co-responsibility levies for quantities up to 20 tonnes. This concerns the co-responsibility levy as defined in Article 4 of the Regulation (EEC) No 2727/75 (currently fixed at 3 %) and of the additional co-responsibility levy of a maximum of 3 % as mentioned in Article 4(2) of the above-mentioned regulation.

This aspect of the measure is of interest in particular to producers who are not subject to the regulation for small producers. However, a producer subject to this regulation who sells more than 25 tonnes could as well be eligible for the exemptions from the levies on the basis of the set-aside scheme, for the quantity exceeding 25 tonnes.

The exemption will be applied for the first time in the 1989/90 production year, because farmers who set-aside their land in 1988 or Spring 1989 will have a reduction in production in this harvesting season. The information received indicates that only 28 % of beneficiaries in UK, SP, F, IRL, NL and B set aside less than 30 % of their land. 47 % set aside more than 30 % but less than 100 % of their land, thus potentially qualifying for exemption from the coresponsibility levies. It is not known how many of these beneficiaries will look for this exemption. However, the large percentage of beneficiaries setting aside more than 30 % of their land would appear to indicate that the exemption may be widely applied.

4. Action taken by the Commission to ensure the application of the scheme

In the framework of the Standing Committee for Agricultural Structures (since 1.1.89 the Committee for Agricultural Structures and Rural Development - STAR) the Commission has carefully examined the conformity of the national schemes with the Community Regulation, and has addressed the necessary opinions and decisions to the Member States.

Taking into account the opinion of the European Parliament and the importance of an effective application of set-aside, the Commission decided on 7 December 1988 that infringement procedures should be opened against those Member States who had not adopted set-aside. Infringement procedures were opened against Italy, Luxemburg and Denmark. Italy and Luxemburg subsequently introduced schemes and so the only Member State which has still not adopted the measures necessary to implement set-aside of arable land is Denmark. The procedure provided for by Article 169 of the EEC Treaty was opened against Denmark in this connection on 16 January 1989. A reasoned opinion was delivered to Denmark on 12 June 1989, that Member State having raised in its defense arguments pertaining only to internal legislative difficulties which, according to the established case law of the Court of Justice, do not constitute a valid defense for failure to adopt measures required to implement Community law obligations. A one month time limit was set for compliance by Denmark with its obligations.

5. Results of the application of the set-aside scheme in the season 1988/89

Article 16 of Regulation (EEC) No 1272/88 of the Commission concerning the detailed rules for applying the set-aside incentive scheme for arable land, says that the Member States have to send before 1 July each year a report to the Commission on the operation of the scheme.

This report must show in particular a summary of the findings reported in the inspection reports, action taken against beneficiaries who fail to fulfill undertakings, the distribution of the total number of beneficiaries and total area of set-aside land in relation to the use of the land, the type of farming practised on the holdings, the size of the holdings, the percentage of land set aside per holding and the type of occupancy of the parcels set aside and also an assessment of the contribution of the scheme to the adjustment of production to the needs of the market.

At its meeting of 25 April the Council requested Member States to submit reports by 10 June 1989. At the date of drafting this report (16 June), no Member State had sent a full report giving all the preceding data. The Commission has used the latest available information which, in some cases, is only fragmentary. The dates on which this information was transmitted by Member States are follows.

Netherlands	15 June 1989
United Kingdom	14 June 1989
Belgium	13 June 1989
France	13 June 1989
Italy	12 June 1989
Germany	9 June 1989
Ireland	9 June 1989
Spain	9 June 1989

In addition a telex has been received from Greece to say that no applications for set-aside are expected until July 1989.

No information has been received from Denmark and Luxemburg.

In the Community as a whole 38,164 farmers participated in the set-aside scheme in 1988/89 and in total 434,310 hectares were set-aside. This represents 0.92 % of the total arable land and 1.3 % of cereal land.

Of those Member States who implemented the scheme in good time for the 1988/89 season the greatest area set-aside was in the Federal Republic of Germany with 169,729 hectares. This was followed by the UK where 54,779 hectares were set-aside.

Of those Member States who applied the scheme later, Italy had the highest number of applications with a total of 155,606 hectares being withdrawn from production; this was followed by Spain with 34,229 hectares set-aside. In other Member States, who were late in applying the measure, the take up was negligible.

The average area set-aside was greatest in Spain (66.1 ha) followed by the UK with (31.3 ha). In Italy, France, Ireland and the Netherlands the average was about 16 ha. The average for Italy is particularly remarkable given the fact that the average holding in Italy is only 7.4 ha in size.

In general, set-aside land has been put down to fallow. In Italy, UK, Spain, France, Ireland and Belgium, permanent fallow was the preferred use for set-aside land whereas in the Federal Republic of Germany, permanent fallow and rotational fallow proved equally attractive.

It is notable that in Ireland more than half the area set-aside was used for extensive grazing. There was also a reasonable degree of interest in extensive grazing in Italy where it accounted for about 25 % of the area set-aside.

Very little set-aside land was put to non-agricultural use and even less to afforestation. One of the reasons for this apparent lack of interest could be that for both activities time has to be taken to plan the new enterprise. However, there could be other explanations such as the level of premium or difficulty in obtaining planning permission. The only interest in growing chickpeas or lentils on set-aside land was in Spain where it accounted for 20 % of the area set-aside.

The following paragraphs summarise the results in individual Member States. See also tables (4.1 - 4.7) :

Germany

In the FRG, 25,289 farmers participated in the scheme for a total of 169,729 hectares. 99 % of set-aside land has been put down to fallow; half as permanent fallow and half as rotational. Table 4.1 shows that the average area set-aside was 6.7 ha and that in Lower Saxony has the largest area of set-aside land, followed by Bavaria, Baden-Württemberg, Schleswig-Holstein, Nordrhein-Westfalen, Hesse and Rheinland-Pfalz. However, if these data are expressed in relation to the surface of arable land, the Northern Länder such as Lower Saxony, Schleswig-Holstein and Hamburg have shown most interest with more than 3 % of the arable land set-aside followed by Baden-Württemberg (2.7 %) and Rheinland-Pfalz and Hesse (2.6 % each). Nordrhein-Westfalen and Bavaria participated to a much lesser extent.

Italy

In Italy, 9301 farmers were provisionally considered eligible with a total of 155,606 hectares set-aside. The Commission services have requested additional information to understand better the nature of the information transmitted. The average area set-aside was 16.7 ha per holding. 44 % of the land set-aside was put down to permanent fallow and 25 % to rotational fallow. It is notable that there has been a concentration of set-aside in the South. The regions of Mezzogiorno are characterized by a production capacity which is lower than the regions of the North and it is in the former regions where the set-aside measures were applied the most. In central Italy especially in Tuscany participants chose partial set-aside. That is to say beneficiaries mainly set aside 20 % of their arable land whereas elsewhere set-aside of between 50 % and 100 % is more frequent.

United Kingdom

In the UK 54,779 hectares were set-aside involving 1750 beneficiaries. The average area set-aside per holding in the UK was 31 hectares. Almost 80 % of the land set aside was put down to permanent fallow. Application has been generally homogenous with the exception of Northern Ireland, where it was very low, and Scotland, where take up of the measure was above average. The majority of land in Scotland is classified as less-favoured and therefore less profitable than land elsewhere in the UK which may therefore explain the attractiveness of the scheme.

Spain

In Spain, the scheme was introduced late which may explain why only 34,229 hectares were set-aside involving 518 applicants. On average 66.1 hectares were set-aside per holding. 20 % of set-aside land was used for protein crops with 41 % in permanent fallow and 29 % in rotational fallow. Applications for set-aside have come mainly from the regions of Castilla-la Mancha, Aragon and Castilla y Leon which between them produce 58 % of total cereal production. The amount set-aside elsewhere was insignificant.

France

The response in France has been very mediocre with only 1,002 participants involving 15,707 hectares. The average area set-aside was 15.6 ha per holding. One reason for the low numbers of applications is the late application of the scheme with the last "arrêté préfectoral" being passed on 24 March 1989. Another reason could be the low level of aid set in France (see later section of this report).

However, it is notable that in the region "Centre" which is the largest cereal producing area in France (15 % of total national cereal production) 2.5 % of the cereal area was set aside (this compares with an average figure of 1.3 % of the cereal area being set-aside elsewhere in the Community). The most common use of set-aside land was permanent fallow which accounted for 62 % of the land set aside (even though this attracted the lowest premium).

Netherlands

In the Netherlands 195 farmers participated and 2621 hectares were withdrawn from production. The average area set aside was 13.4 hectares. 95.2 % of the land set aside has been put down to fallow.

Other member States

In both Ireland and Belgium the schemes were introduced rather late and the results are as yet insignificant.

6. Evaluation of results

Participation in the set-aside scheme is optional for farmers, who decide whether or not to enter the scheme mainly on the basis of the amount of aid. They also take into account the general framework of the price policy and its likely evolution, and the impact set-aside might have on the organisation of their holdings.

The overall results of the application of set-aside in the Community for the first season have been modest. However, in those Member States where the scheme was introduced in good time and where the premium was adequate, farmers have shown interest in the measure. The Federal Republic of Germany introduced the measure in good time to affect the crops sown in the Autumn of 1988 and Spring 1989 and it is in this Member State where the measure has had the greatest response. The UK too introduced the measure in good time although the response has been lower than in the Federal Republic of Germany, possibly due to the lower premia. In Italy the scheme was introduced late, but indications are that roughly the same hectarage will be taken out of production as in the Federal Republic of Germany.

In terms of relating the area set-aside to the total area of arable land, the scheme has achieved the most success in the Federal Republic of Germany where the land taken out of production represents 2.4 % of arable land in comparison with the average of 1.3 %.

One of the reasons for the results in the Federal Republic of Germany is probably the fact that set-aside had already been applied for two years in Niedersachsen and farmers were already used to considering set-aside as an option in planning their farming practices.

The scarce application in all other Member States is probably due to a combination of the late launching of the scheme and in some cases the low level of aid.

Effects on production

It is not possible to estimate exactly what volume of production the area set-aside in 1988/89 represents, but a very approximate indication of the reduction of production may be arrived at in the following way. If the entire area set-aside had been planted for cereals, and if the average yield had been 4.6 tonnes per hectare (average yield EEC 1985) then the amount of cereals not produced can be estimated at 2 million tonnes. However, taking account of the "slippage" factor, which could be up to 50 %, it may be estimated that the amount of cereals not produced would have been between 1 million and 2 million tonnes.

The area of land set-aside (half a million hectares) should be seen against the total arable area of 70 million hectares of which 47 million are estimated to be eligible for set-aside.

The estimate of between 1 million and 2 million tonnes not produced should be seen against the cereal production of 154 million tonnes for 1986; 154 million tonnes for 1987 and 163 for 1988 and a maximum guaranteed quantity for cereals of 160 mt. Furthermore, trends show that the annual increase in cereals production due purely to yields are between 3 and 4 million tonnes.

As far as the budgetary aspect of the scheme is concerned, it is estimated on the basis of reports so far received that the areas set aside in 1988/89 with a minimum 3 year commitment, will give rise to costs of about 40 MECU in 1989 rising to between 60 and 70 MECU in 1990 or 1991. If more farmers join the scheme in 1989/90 and subsequent years, these amounts will of course be higher.

7. Evaluation of the rates of aid fixed by member States

The Commission in accordance with Council Regulation (EEC) No 797/85 Article 25 has evaluated the rates of aid proposed by Member States. For this purpose it took into account the information supplied by the Farm Accountancy Data Network (FADN) on net margins for cereals. This information is based on the survey of the professional farms specializing in cereal production, excluding maize and rice. The methodological approach used gives an approximation of the profitability of cereal production.

This comparison can be seen in Table II. Although this information should be treated with some caution, it appears that in those cases where the relationship between the amount of aid and the FADN figures is less than 1 the aid may be insufficient to compensate for the loss of income resulting from the land being set-aside. Although the Commission has given a series of opinions stating that the rates of aid set by Member States are eligible for a contribution from FEOGA it reserves the right, up to 31 December 1989, to revise its position in the light of the results of the first year of application.

8. Conclusion

a) The set-aside scheme is a new measure which has only recently come into operation in the European Community. No Member State applied it by the date fixed by the Council (15 July 1988), and the majority of Member States did not apply it until the autumn of 1988 or the spring of 1989.

Although Greece and Luxemburg have published legislation, the measure does not appear to have been put into effective application. Denmark has not yet even adopted the legislation. The overall results of its application in the Community for the first season 1988/89 are therefore modest : approximately half a million hectares of land set aside, out of a total of 70 million hectares of arable land in the Community.

b) Nevertheless, the first season of application has already demonstrated the real potential of the set-aside scheme as an important new measure, complementing the other measures already taken by the Community for the reform of the common agricultural policy. It has also shown satisfactory financial results for the Community budget.

c) The Commission underlines the role of set-aside not only as a supplement to the "stabilisers", but also as an opportunity for farmers :

- to protect their incomes from the effects of the new markets and prices policy;
- to reorganise their systems of production in such a way as to maintain their land in good agricultural condition, and to protect the environment.

The Commission insists therefore that, for the 1989/90 season, the set-aside scheme should be applied more effectively in all Member States.

d) Even though the information available at the Community level on the results of the first season is not sufficiently detailed, the Commission can draw some preliminary conclusions. It appears that the limited results in the majority of Member States are due to a combination of factors :

- the late launching of the scheme;
- an insufficient effort by Member States to inform farmers of the nature of the scheme and of its real interest for them from the economic and agronomic point of view;
- in some cases, the low level of aid fixed by the Member States.

e) The Commission considers that every effort should be undertaken to ensure the implementation of the scheme in an effective and balanced manner by all Member States. To this end it proposes to the Council an adjustment to Council Regulation (EEC) n° 797/85 of 12 March 1985, which laid down the basic rules for the set-aside scheme as regards the rates of reimbursement. This would provide for an increase of the rates of reimbursement from the EAGGF for expenditure for land set aside during the period from 1 July 1989. In other words, the expenditure incurred for undertakings given during the Autumn 1988 and throughout the Spring 1989 would be reimbursed at the new rates only from the second year of application. The financial implications of this adjustment are in the financial statement of the draft Regulation.

These rates should be 50 % for the portion of aid which does not exceed 300 Ecus per hectare per annum and 30 % for the portion of aid between 300 Ecus and 600 Ecus per hectare per annum. A corresponding modification would be made to the rates of reimbursement for land used for grazing for extensive livestock and the growing of lentils, chickpeas and vetches which would increase as follows :

- 50 % for that portion of the aid which does not exceed 150 ECU per hectare per annum;
- 30 % for that portion of aid between 150 and 300 ECU per hectare per annum.

f) As regards the levels of premium fixed by Member States, the Commission recalls that "the amount of the aid per hectare should be fixed on the basis of the loss of income resulting from the land being set aside, whilst ensuring that the amount of aid is sufficient to make it effective, on the one hand, and that it does not provide excessive compensation, on the other". After evaluating the amounts of aid fixed by Member States for the first season, in the light of experience, the Commission considers that certain Member States should revise the levels of aid for the second season in such a way that they provide a more sufficient incentive for the effective and balanced application of the scheme.

g) The Commission also considers that all Member States should ensure the widest possible information about the technical and economic possibilities of set-aside, by means of adequate publicity and, if necessary, technical assistance to farmers; and should provide at the administrative level all necessary facilities for access to the measure by potential beneficiaries.

To this end, the Commission proposes to the Council a second amendment to Council Regulation (EEC) n° 797/85 providing for adequate publicity by the Member States.

TABLE I

Summary of the main features of the national schemes

Member State	Date of introduction	Rate of aid (ECU/ha/year)	Permission given for		Regional exemptions
			extensive grazing	chickpeas lentils	
UK	29 July 1988	270 Less Favoured Areas 300 other areas	No	No	No
F.R.G.	12 August 1988	300-600 on the basis of land quality	Yes	No	No
Netherlands	16 August 1988	600	No	No	No
Belgium	18 October 1988	170 Less Favoured Areas in the Ardennes 230 Less Favoured Areas in the Famenne and Fagne 290 sandy areas 420 sandy/silty areas	Yes	No	No
France	19 November 1988 (Ministerial Decree) 24 March 1989 (last "arrêté préfectoral")	cat. I 130-230)by group of regions on the basis of gross margin and fixed inputs cat. II 160-270 cat. III 200-310 cat. IV 240-350	No	No	Yes covering 2 % of arable land
Ireland	9 December 1988	220	Yes	No	No
Spain	12 December 1988	100 Less Favoured Areas 120 other areas 170 areas less intensively irrigated 220 areas moderately irrigated 300 areas intensively irrigated	Yes	Yes	Yes covering 29,48 % of arable land
Greece	13 December 1988	Less favoured areas 100 non irrigated 200 irrigated Other areas 120 non irrigated 250 irrigated	Yes	Yes	No
Italy	6 February 1989	380 mountain and hill farms in less favoured areas 400 hill farms in other areas 440 other farms of the plains 550 farms of the Po plain	Yes	Yes	Yes covering 0,05 % of arable land
Luxembourg	12 April 1989 (Act of Parliament)	220	No	No	No

TABLE II (rév. 1-85/87)

Provisional evaluation of the amounts of aid

Amounts of aid for set-aside compared to the profitability of cereals per hectare (Farm Net Value Added = FNVA) (1). Column 5 shows the relationship between the amount of aid (N°3) and the FNVA (N°4)

In column 3 the numbers to the right of the bracket are arithmetic averages unless otherwise stated. Denmark and Portugal are not included.

MEMBER STATE	DIFFERENTIATION	AMOUNT OF AID: (ECU/ha)	FNVA (ECU/ha)	AMOUNT OF AID: NVA	
1	2	3	4	5	
FRG	MEDIUM	450	356	1,26	
	MAXIMUM	600	585 (2)	1,02	
UK	LESS FAVOURED AREAS	270	346(3)	0,82	
	OTHER AREAS	300			
SP	LESS FAVOURED AREA	100	179	1,01	
	OTHER AREAS NON-IRRIGATED	120			
	IRRIG. NON-INTENSIVE	170			
	IRRIG. MOD-INTENSIVE	220			
	IRRIG. INTENSIVELY	300			
FR	CAT. I)By group of	130-230(148)(4)	307	0,48	
	CAT. II)regions on	160-270(179)(4)	280	0,64	
	CAT. III)the basis of	200-310(218)(4)	334	0,65	
	CAT. IV)gross margin)and fixed)inputs	240-350(279)(4)	335	0,83	
IRL	SINGLE RATE OF AID	220	272	0,80	
NL	SINGLE RATE OF AID	600	395	1,51	
GR	LESS FAVOURED AREAS	100	150	265 (5)	0,56
	- NON IRRIGATED				
	- IRRIGATED	200	185	265 (5)	0,69
	OTHER AREAS	250			
BE	LFA - ARDENNES	170	NA	NA	
	LFA - FAMENNES & FAG.	230	NA	NA	
	OTHER AREAS - SANDY	290	605	0,58	
	OTHER AREAS - SANDY/ SILTY	420			
IT	MOUNTAIN AREAS	380	346	1,15	
	LFA (HILLS)	380			
	OTHER AREAS (HILLS)	400			
	PLAINS	440			
LUX	THE PO-PLAIN	550	473 (6)	1,16	
	SINGLE RATE OF AID	220	215	1,02	

- (1) Three year average (1985 to 87) excluding maize and rice, calculated on the basis of information from the Farm Accountancy Data Network (FADN); for Greece, RFA and NL the average is for 1984-1986; for Spain only 1986 is available; for LUX the average is for 1983-85.
- (2) High three year average, i.e. for holdings with the best performance.
- (3) Average FNVA for the country; the data for 1985 to 1987 do not distinguish between less Favoured and Other Areas; for 1983 to 1985, FNVA for LFA was 135 and for other Areas 450 ECU : this gives a relationship between (amount of aid) and (FNVA) of 2,00 and 0,66 respectively.
- (4) Weighed average which takes account of the fact that 65 % of land set aside receives the lowest premium per CAT. and 35 % receives the arithmetic average per CAT.
- (5) Same as (3) above; for 1983 to 1985, FNVA for LFA was 250 ECU and for other areas was 350 ECU: this gives a relationship between (amount of aid) and (FNVA) of 0,60 and 0,52 respectively.
- (6) Average for the whole area of Lombardia, Piemonte, Veneto and Emilia Romagna.

TABLE 3
Area of lands set aside, number of holdings participating
and use of land, by Member State

Member State	Number of applications	Area in ha	Area to be set-aside of which %						Proportion of the area set-aside as a percentage of		Average area set-aside per applicant (in hectares)
			rotation- al fallow	permanent fallow	afforest- ation	extensive grazing	Non agri- use	Chick peas etc.	arable land (1)	area in cereals (2)	
FRG	25.289	169.729	46,3	52,8	0,5	1,1	0,3	-	2,4	3,6	6,7
IT	9.301(3)	155.606(3)	25,4	44,4	3,40	23,7	0,7	2,2	1,8	3,1	16,7
UK	1.750	54.779	11,0	79,6	1,4	-	7,7	-	0,9	1,3	31,3
SP	518	34.229	29	41,3	4,1	5,1	0,9	19,8	0,3*	0,4	66,1
FR	1.002	15.707	28,8	62,6	4,9	-	3,6	-	(4)*	0,1	15,6
IRL	77	1.310	2,5	23,5	3,1	64,5	6,2	-	0,1	0,3	17,0
NL	195	2.621	63,5	31,7	4,0	-	0,4	-	0,3	1,3	13,4
GR	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
BE	32	329	18,1	42,5	10,1	7,4	21,6	-	(4)	(4)	10,2
TOTAL	38.164	434.310	32,4	52	2,1	9,4	1,6	2,3	0,9	1,3	11,3

Source : Information communicated by Member States, 16 June 1989. The scheme was not applied in Denmark or Luxemburg in the 1988-89 agricultural season. Portugal is exempt.

NA = Not available

- (1) In the case of countries marked with an asterisk, the calculations are on the basis of data supplied by the Member States. For the other countries, the calculations are on the basis of the most recent Eurostat data for arable land (1987 or 1988).
- (2) Calculations are on the basis of 1985 Eurostat data for land under cereals.
- (3) Applications provisionally considered eligible.
- (4) Lower than 0,1 %.

TABLE 4(1)
Set-aside in the Federal Republic of Germany

Land	Number of applications	Area to be set-aside of which %						Proportion of the area set-aside as a percentage of		Average area set-aside per applicant (in hectares)
		in ha	rotation- al fallow	permanent fallow	afforest- ation	extensive grazing	Non agri use	arable land	area in cereals	
Schleswig- Holstein	1.265	18.695	14,7	83,2	0,6	1,6	-	3,1	5,1	14,7
Hamburg	29	349	19,0	81,0	-	-	-	5,4	9,2	12,0
Lower Saxony	5.272	55.346	37,0	61,6	0,3	1,0	0,1	3,3	5,3	10,5
Bremen	2	12	42,0	58,0	-	-	-	0,6	1,0	6,0
North-Rhine Westphalia	2.037	15.894	27,4	71,4	0,2	0,9	0,1	1,5	2,1	7,8
Hesse	2.996	13.243	36,8	60,2	0,5	2,1	0,4	2,6	3,6	4,4
Rhineland- Palatinate	1.864	11.085	34,1	61,0	0,7	1,5	2,7	2,6	3,5	5,9
Saar	67	752	33,2	62,3	0,4	5,0	-	2,1	2,7	11,2
Baden- Wurtemberg	4.955	22.012	46,0	52,0	0,4	1,8	0,0	2,7	4,0	4,4
Bavaria	6.800	32.337	99,0(1)	-	0,9	-	0,1	1,6	2,5	4,8
Berlin	2	4	-	-	-	-	75,0	0,5	0,7	2,0
TOTAL Federal Republic of Germany	25.289	169.729	46,3	52,8	0,5	1,1	0,3	2,4	3,6	6,7

(1) The information for Bavaria is not broken down between permanent and rotational fallow; the areas concerned have been treated as rotational fallow.

Source : Information communicated by the Member State - 16 June 1989.

TABLE 4.2.

(PGEN/779-20)

Set-aside in Italy

Region	Number of applications (1)	Area to be set-aside of which %						Proportion of the area set-aside as a percentage of average area set-aside per applicant (in hectares)				
		in ha	rotation- al fallow	permanent fallow	afforest- ation	extensive grazing	Non agri- use	Lentils etc.	arable land (2)	cereals (2)		
Valle d'Aosta:	0	0	0	0	0	0	0	0	0	0	0	0
Piemonte	450	3.246	8,3	42,0	23,7	18,8	6,9	0,1	0,5	0,7	7,2	
Lombardia	195	2.156	8,8	37,1	36,8	13,8	3,3	0	0,2	0,4	11,1	
Trentino A. Adige	0	0	0	0	0	0	0	0	0	0	0	0
Veneto	123	1.105	6,1	40,8	38,6	5,0	8,1	1,2	0,1	0,2	9,0	
Friuli V.G.	149	1.199	2,2	57,3	38,2	1,9	0,3	0	0,6	0,9	8,0	
Liguria	1	4	0	100	0	0	0	0	0	0	3,8	
Emil.Romagna	315	4.135	24,7	43,8	9,5	18,8	2,8	0,2	0,4	1,1	13,1	
Toscana	1.035	26.829	30,5	35,0	2,2	30,5	1,20	0,4	4,5	8,1	25,9	
Umbria	346	5.272	12,0	50,5	3,7	31,9	0,81	0,9	2,1	3,6	15,2	
Marche	NA	NA	NA	NA	NA	NA	NA	0	NA	NA	NA	
Lazio	399	9.005	27,3	39,3	1,9	30,2	0,4	0,6	2,0	4,3	22,6	
Abruzzo	128	1.185	9,7	73,0	10,4	12,2	0	0	0,4	0,9	9,3	
Molise	60	475	54,6	41,7	1,9	1,6	0	0	0,2	0,3	7,9	
Campania	72	1.163	11,4	51,7	3,5	33,3	0	0	0,3	0,6	16,2	
Puglia	908	12.990	33,6	55,9	1,3	6,2	0,2	2,5	1,7	2,4	14,3	
Basilicata	1.193	16.769	47,2	46,0	0,9	3,8	0,6	1,4	4,3	5,4	14,1	
Calabria	414	7.816	14,3	73,3	2,2	9,9	0	0,1	3,0	4,8	18,9	
Sicilia	3.309	57.832	19,6	43,0	0,9	31,5	0,2	4,5	6,5	11,1	17,5	
Sardegna	204	4.424	32,6	24,6	5,2	36,6	0,5	0,3	1,1	2,4	21,7	
TOTAL ITALY	9.301	155.606	25,4	44,40	3,4	23,7	0,7	2,2	1,8 (2)	3,1 (2)	16,7	

Source : Information communicated by the Member State, 16 June 1989

(1) Provisionally eligible.

(2) Calculations are on the basis of 1985 Eurostat data for arable land and land under cereals by region.

TABLE 4.3.

Set-aside in United Kingdom

Region	Number of applications	Area to be set-aside in ha	Area to be set-aside of which %					Proportion of the area set-aside as a percentage of		Average area set-aside per applicant (in hectares)
			rotation- al fallow	permanent fallow	afforest- ation	extensive grazing	Non agri use	arable land (1)	area in cereals (1)	
North	47	1.947	10,5	79,2	4,4	-	6,5	1,0	1,2	41,4
Yorkshire & Humberside	107	3.079	15,6	74,8	1,9	-	7,5	0,5	0,7	28,7
East Midlands	134	4.532	5,1	85,1	1,0	-	7,7	0,5	0,7	38,8
East Anglia	177	5.089	20,4	70,3	1,7	-	7,4	0,6	0,8	28,7
South East	489	16.949	8,6	81,3	0,8	-	9,9	1,6	2,1	34,6
South West	239	6.529	12,7	77,5	1,7	-	6,5	1,2	1,5	27,3
West Midlands	96	2.346	8,3	75,3	0,7	-	12,3	0,5	0,8	24,4
North West	38	704	13,9	61,2	2,3	-	23,8	0,7	1,1	18,5
Wales	31	701	25,4	67,3	0,9	-	6,4	0,2	1,0	22,6
Scotland	377	12.726	33	34,8	6	-	12,9	1,1	2,4	33,7
North.Irel.	15	177	8,5	38,1	1,9	-	51,4	0,2	0,3	11,8
TOTAL UNITED KINGDOM	1.750	54.779	11,0	79,6	1,4	-	7,7	0,9	1,3	31,3

Source : Information communicated by the Member State, 16 June 1989

TABLE 4.4.
Set-aside in Spain

Region	Number of applications	Area set-aside of which %							Proportion of the area set-aside as a percentage of		Average area set-aside per applicant (in hectares)
		In ha	rotation-fallow	permanent fallow	afforestation	extensive grazing	Non agri use	Lentils etc.	arable land	area in cereals (1)	
Andalucia	42	3.311	10,7	84,2	5,1	0	0	0	0,2	0,3	78,8
Aragon	177	10.313	32,7	8,9	6,6	0	2,9	49	0,9	1,1	58,2
Asturias	0	0	-	-	-	-	-	-	-	-	0
Baleares	11	264	18,6	69,7	0	10,6	0	1,1	0,5	0,5	23,9
Canarias	0	0	-	-	-	-	-	-	-	-	0
Cantabria	0	0	-	-	-	-	-	-	-	-	0
Castilla La Mancha	95	11.284	24,6	54,6	1,4	11,0	0	8,4	0,5	0,7	118
Castilla y Leon	134	6.830	44	40,2	5,4	5,8	0	4,8	0,2	0,3	51
Cataluna	21	683	29,9	8,3	4,4	6,3	0,4	50,8	0,1	0,1	32,5
Extremadura	2	147	0	100	0	0	0	0	0,0	0,0	73,5
Galicia	0	0	-	-	-	-	-	-	-	-	0
Madrid	5	460	0	100	0	0	0	0	0,4	0,4	92
Murcia	6	568	18,7	81,3	0	0	0	0	0,3	0,5	94,6
Navarra	24	349	13,6	60,6	1,7	16	0	8,4	0,1	0,1	14,5
La Rioja	0	0	-	-	-	-	-	-	-	-	0
Com. Valenciana	1	20	100	0	0	0	0	0	0,0	0,0	20
Pais Vasco	0	0	-	-	-	-	-	-	-	-	0
TOTAL SPAIN	518	34.229	29,0	41,3	4,1	5,1	0,9	19,8	0,3	0,4	66,1

Source : Information communicated by the Member State, 16 June 1989.

(1) Calculation on the basis of Eurostat 1985 figures for Spain.

TABLE 4.5.
Set-aside in France

Region	Number of applications	Area to be set-aside of which %						Proportion of the area set-aside as a percentage of arable land cereals in (1)		Average area set-aside per applicant (in hectares)
		in ha	rotation- al fallow	permanent fallow	afforest- ation	extensive grazing	Non agri use	land	cereals	
Ile de France:	11	558,80	1,5	98,5	0,0		0,0	0,1	50,8	
Champagne- Ardenne	29	688,00	22,8	70,3	0,0		6,8	0,1	23,7	
Picardie	12	417,00	18,4	53,0	28,5		0,0	(2)	34,7	
Haute-Norman.	4	74,00	2,7	4,0	0,0		93,2	(2)	18,5	
Centre	177	3.698,60	33,0	54,2	5,9		6,7	2,5	20,9	
Basse-Norman.	5	80,40	43,4	56,6	0,0		0,0	(2)	16,0	
Bourgogne	40	514,00	72,3	24,5	2,8		0,4	(2)	12,8	
Nord Pas-de- Calais	6	41,20	14,5	57,5	26,7		1,2	(2)	6,8	
Lorraine	41	730,00	58,5	40,5	0,9		0,0	0,2	17,8	
Alsace	0	0,00	0,0	0,0	0,0		0,0	0	0,0	
Franche-Comte:	8	100,70	53,1	42,0	4,8		0,0	0, (2)	12,6	
Pays de Loire:	66	876,00	35,6	48,2	14,4		1,7	0,1	13,2	
Bretagne	51	612,60	28,7	67,4	3,6		0,1	0,1	12,0	
Poitou-Char.	76	1.581,20	25,5	68,2	2,2		3,9	0,2	20,8	
Aquitaine	234	2.713,50	13,5	78,0	5,7		2,6	0,4	11,6	
Midi-Pyrénées:	135	1.508,40	23,5	72,5	0,8		3,0	0,1	11,1	
Limousin	12	156,40	34,6	65,3	0,0		0,00	0,1	13,0	
Rhône-Alpes	25	225,50	35,0	50,9	13,9		0,00	0,0	9,0	
Auvergne	17	278,90	39,3	60,6	0,0		0,00	0,1	16,4	
Languedoc- Roussillon	20	360,00	24,1	75,8	0,0		0,00	0,3	18,0	
Provence Alpes Côte d'Azur	33	492,50	45,6	50,9	3,4		0,00	0,3	14,9	
Corse	-	-	-	-	-		-	-	-	
TOTAL	1.002	15.707,70	28,8	62,6	4,9		3,6	(2)	0,1	15,6

Source : Information communicated by the Member State, 16 June 1989.

(1) The calculations are on the basis of Eurostat data for land under cereals by region, 1985.

(2) Less than 0,1 %.

TABLE 4.6.

SET-ASIDE IN THE NETHERLANDS

Region	Number of applications	Area set-aside						Proportion of the area set-aside as a percentage of		Average area set-aside per applicant (in hectares)
		of which						arable land	area in cereals	
		In ha	rotational fallow	permanent fallow	afforestation	extensive grazing	non agri-use			
Groningen	109	1.772,91	60,6	36,5	2,1	-	0,7			16,2
Friesland	7	63,25	100	-	-	-	-			9,0
Drenthe	55	643,74	70	21	9	-	-	NOT	NOT	11,7
Overijssel	5	46,27	40	37	23	-	-			9,2
Flevoland	2	17,72	64	-	-	-	-	AVAILABLE	AVAILABLE	8,8
Gelderland	4	21,05	25,2	70	4,8	-	-			5,2
Utrecht	-	-	-	-	-	-	-	BY	BY	-
Noord-Holland	4	14,36	65	35	-	-	-			3,6
Zuid-Holland	-	-	-	-	-	-	-	REGION	REGION	-
Zeeland	4	29,40	92,5	7,5	-	-	-			7,3
Noord-Brabant	3	10,67	23	77	-	-	-			3,5
Limburg	2	2,00	-	100	-	-	-			1
TOTAAL	195	2.621,37	63,5	31,7	4,0	-	0,4	0,3	1,3	13,4

Source : Information communicated by Member State; 16 June 1989

(1) Less than 0,1 %

TABLE 4.7.

Set-aside in Belgium

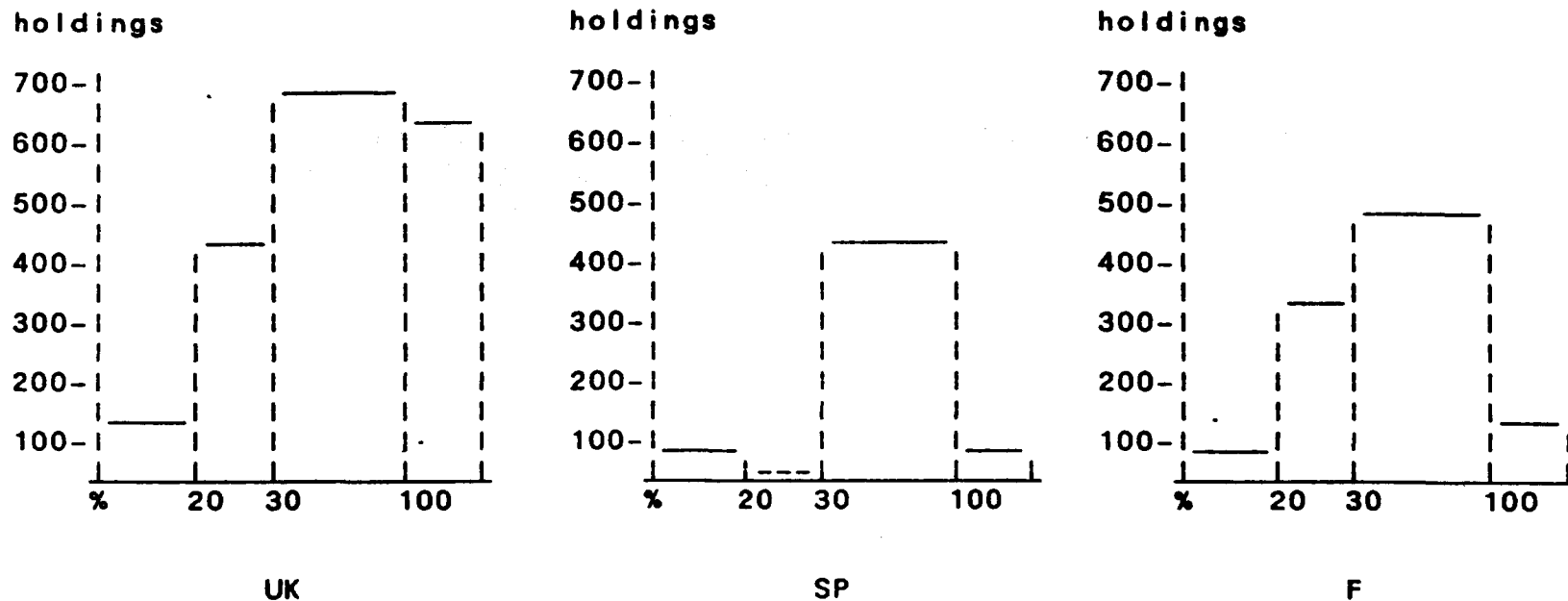
Region	Number of applications	Area set-aside of which %						Proportion of the area set-aside as a percentage of		Average area set-aside per applicant (in hectares)
		in ha	rotation- al fallow	permanent fallow	afforest- ation	extensive grazing	Non agri use	arable land	area in cereals	
Antwerp	4	21,6	-	25,9	-	64,8	9,2		5,4	
Brabant	9	159,14	2,2	46,9	16,3	0,9	33,6		17,6	
West Flanders	3	5,65	17,7	82,3	-	-	-		1,8	
East Flanders	3	20,54	14,1	70,1	-	-	15,7		6,8	
Hainaut	1	7,00	-	-	-	100,0	-		7,00	
Liège	-	-	-	-	-	-	-		-	
Limbourg	4	21,16	50,9	18,7	30,2	-	-		5,3	
Luxembourg	3	22,43	-	86,5	4,5	8,9	-		7,4	
Namur	5	71,44	58,0	24,4	-	-	17,5		14,3	
TOTAL	32	328,96	18,1	42,5	10,1	7,4	21,6	(1)	(1)	10,2

Source : Information communicated by the Member State, 16 June 1989.

(1) Less than 0,1 %.

TABLE 5

Number of holdings participating in set-aside broken down according to percentage of arable land set aside per holding, by Member State with > 200 holdings participating (1)



Source : Information communicated by Member State, 16 June 1989.

(1) This breakdown is not yet available for D, I.

EXPLANATORY MEMORANDUM

On 25 April 1988 the Council adopted Regulation (EEC) No 1094/88⁽¹⁾ amending Regulations (EEC) No 797/85⁽²⁾ and (EEC) No 1760/87⁽³⁾ as regards the set-aside of arable land.

At the Council of Ministers (Agriculture) of 25 April 1989 the Council called upon the Commission to examine, on the basis of reports submitted by the Member States, what adjustments were needed to the existing rules for set-aside and to submit adequate proposals to the Council.

The reports from Member States indicate that the overall results of the application of set-aside in the Community for the first season have only been modest. The Commission considers that Member States should ensure the widest possible information about the opportunities afforded by set-aside by means of adequate publicity. The Commission also considers that every effort should be undertaken to ensure the implementation of the scheme in an effective and balanced manner by all Member States. One way of achieving this is to adjust the rates of reimbursement as regards expenditure for land set aside during the period from 1 July 1989. In other words, the expenditure incurred for undertakings given during the Autumn 1988 or throughout the Spring 1989 would be reimbursed at the new rates only from the second year of application.

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- (1) OJ N° L 106 of 27.04.88, p. 28
(2) OJ N° L 93 of 30.03.85, p. 1
(3) OJ N° L 67 of 26.06.87, p. 1

In the context of the proposal for the adaptation of the agricultural structural policy [objective No 5(a) of the Reform of the Structural Funds], the Commission proposed that the rates of Community cofinancing for the different measures, in accordance with the criteria laid down by article 13 of Council Regulation (EEC) No 2052/88⁽⁴⁾ of 24 June 1988 on the tasks of the Structural Funds and their effectiveness and on the coordination of their activities between themselves and with the operations of the European Investment Bank and the other existing financial instruments, should be determined according to the procedure laid down in Article 29 of Council Regulation (EEC) No 4253/88⁽⁵⁾ of 19 December 1988, laying down provisions for implementing Regulation (EEC) No 2052/88.

However, since this proposal has not yet been adopted and given the urgent need to improve the application of set-aside one of the appropriate courses of action would be to modify the rates of reimbursement laid down in Council Regulation (EEC) No 797/85 of 12 March 1985 on improving the efficiency of agricultural structures.

The proposal would increase the rates of reimbursement for set-aside as follows :

For eligible expenditure for set-aside land :

- 50 % for that portion of the aid which does not exceed 300 ECU per hectare per annum;
- 30 % for that portion of the aid between 300 and 600 ECU per hectare per annum;

and in the case of set-aside land used for the extensive grazing or the growing of chick peas, lentils and vetches :

- 50 % for that portion of the aid which does not exceed 150 ECU per hectare per annum;
- 30 % for that portion of the aid between 150 and 300 ECU per hectare per annum.

The increased Community cofinancing will lead to additional expenditure of 32 MECU for 1990.

(4) OJ N° L 185 of 15.07.88, p. 9.

(5) OJ N° L 374 of 31.12.88, p. 1.

Proposal for a
COUNCIL REGULATION (EEC)

amending Regulation (EEC) No 797/85 as regards the rates of reimbursement for the set-aside of arable land

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⁽¹⁾,

Having regard to the opinion of the European Parliament⁽²⁾,

Having regard to the opinion of the Economic and Social Committee⁽³⁾,

Whereas provision should be made to give adequate publicity of the opportunities afforded by the aid scheme;

Whereas it is necessary to ensure that the set-aside scheme is implemented effectively and in a balanced manner in the Member States;

Whereas one of the appropriate ways of achieving this is to adjust the rates of reimbursement for set-aside laid down by Council Regulation (EEC) No 797/85 of 12 March 1985, on improving the efficiency of agricultural structures⁽⁴⁾, as last amended by Regulation (EEC) No 160/89⁽⁵⁾, as regards expenditure for land set aside during the period from 1 July 1989; whereas for undertakings in 1988-89, these rates should be applied only for expenditure incurred from the second year of application;

HAS ADOPTED THIS REGULATION :

(1) OJ No C

(2) OJ No C

(3) OJ No C

(4) OJ No L 93, 30.03.85, p. 1.

(5) OJ No L 165, 15.6.1989, p.1.

Article 1

Regulation (EEC) No 797/85 is hereby amended as follows :

1. The following new paragraph is added at the end of Article 1(a) :

"8. Member States shall take the necessary measures to ensure that adequate publicity is given to inform potential beneficiaries of the opportunities afforded by the aid scheme".

2. In Article 26 the following subparagraph is added at the end of paragraph 2 :

"However, as regards expenditure for land set aside during the period from 1 July 1989, including land for which aid was granted during the previous season, the following rates shall apply :

- 50 % for that portion of the aid which does not exceed 300 ECU per hectare per annum;
- 30 % for that portion of the aid between 300 and 600 ECU per hectare per annum;

and in the case of authorization as provided for in the third subparagraph of Article 1a(3) :

- 50 % for that portion of the aid which does not exceed 150 ECU per hectare, per annum;
- 30 % for that portion of the aid between 150 and 300 ECU per hectare per annum."

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 Brussels,

For the Council,
The President.

FICHE FINANCIERE

concernant : une proposition de modification
du R. (CEE) n° 797/85 du Conseil concernant les taux de remboursement pour le
retrait des terres arables.

1. Ligne budgétaire : III B poste : 3900 intitulé : Retrait des terres de la production
agricole.

2. Base juridique : Art. 43 du Traité.

3. Classification : Dépense obligatoire/

4. Objectifs de la mesure et description de l'action : augmentation de la participation financière
en vue de renforcer l'application du régime de mise en retrait des terres arables.

5. Mode de calcul

5.1 Nature de la dépense : cofinancement d'un régime d'aide.

5.2 Part du financement communautaire : 50% ou 30%, selon le niveau de la prime.

5.3 Calcul : L'APB 1990 est établi sur base d'un set-aside en 1989/90 de 1.000.000 ha
et d'une prime moyenne de 400 écus/ha. Une augmentation de la partici-
pation communautaire moyenne de 35% à 43% conduirait aux dépenses supplé-
mentaires suivantes :

$$1 \text{ mio ha} \times 400 \text{ écus/ha} \times (43-35)\% = 32 \text{ MECU.}$$

6. Incidence financière sur les crédits opérationnels

6.1 Echéancier des crédits d'engagement et de paiement (Mio ECU)

<u>Exercice</u>	<u>C.E. / C.P.</u>
19 89	-
19 90	+32 (1)
19 91	p.m. (2)
19 92	p.m. (2)
19 93	p.m. (2)

6.2 Financement pendant l'exercice en cours : néant

7. Observations :

(1) soit : nouvelle estimation (taux moyen 43%)	172 MECU
moins : ancienne estimation (taux moyen 35%)	140 MECU
	<u>32 MECU</u>

(2) Taux restant à déterminer

ANNEXE A LA FICHE FINANCIERE

Objet : Retrait des terres de la production agricole (estimation modifiée à la suite de la proposition d'augmentation des taux de remboursement).

L'hypothèse a été retenue, aux fins de l'estimation de dépenses, d'une prime de 400 écus/ha en moyenne. Le montant se fonde sur la perte de revenu net pour le producteur résultant de la non-production, ainsi que des coûts de l'entretien des terres en friche.

Pour 1 million d'hectares retirés de la production :

COUT total de la prime = 1.000.000 ha x 400 écus/ha = 400 MECU, dont la participation du FEOGA s'élèvera, suivant le niveau de la prime, à :

- 50 % jusqu'à 300 écus/ha) taux moyen estimé à 43 %
- 30 % entre 300 et 600 écus/ha) soit 172 MECU.

EXONERATION DU PRELEVEMENT DE CORESPONSABILITE sur 20 tonnes de céréales commercialisées par les agriculteurs pratiquant le retrait des terres sur au moins 30 % de la surface arable. Il est estimé que cette exonération portera sur 600.000 t de céréales. Au taux de prélèvement de 6 %⁽¹⁾ (=11,58 écus/t) : 600.000 tonnes x 11,58 = 7 MECU.

La DIMINUTION DE LA PRODUCTION affectera surtout les céréales en raison de leur rentabilité à l'hectare. Le rendement moyen est de 4,6 t/ha, mais, compte tenu du "slippage" de 50 %, la diminution escomptée n'est que de : 1.000.000 ha x 4,6 t/ha x 50 % = 2,3 Mio t.

Les MOINDRES DEPENSES pour le FEOGA Garantie, basées sur un coût à l'exportation, après stockage d'un an à l'intervention, d'environ 149 ECU/t, seront de : 2,3 Mio t x 149 écus/t = 343 MECU.

Par conséquent, pour 1 million d'hectares retirés de la production et affectant les céréales :

	<u>MECU</u>
- Coût total de la prime	400
- Coût à la charge du FEOGA	172
- Moindres recettes FEOGA pour l'exonération du prélèvement de coresponsabilité	7
- Moindres dépenses d'écoulement pour le FEOGA	343

(1) prélèvement normal et prélèvement supplémentaire.

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