

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(94) 636 final
Brussels, 17.01.1995

95/0017 (CNS)

Proposal for a

COUNCIL REGULATION (EC)

amending for the eighth time Regulation (EEC) No 1765/92
establishing a support system for producers of
certain arable crops

(presented by the Commission)

EXPLANATORY MEMORANDUM

1. In December 1993 the Council asked the Commission to examine the relationship between compliance with the set-aside requirement and the areas withdrawn from production for afforestation and/or environmental purposes.

The Commission's report, sent to the Council in December 1994, concludes that in order to encourage long term withdrawal of arable land and its use for environmental purposes, including afforestation, it should be made possible for environmental set-aside and afforestation, if carried out in line with the rules governing the measures accompanying the CAP reform set out in Regulations (EEC) Nos 2078/92 and 2080/92, to be counted as set-aside for the purposes of the set-aside requirement introduced by Regulation (EEC) No 1765/92 covering the arable crop reform.

The Commission insists however on two conditions:

- only areas of land eligible for compensatory payments can be counted;
 - only aid under the accompanying measures in question will be granted and it will be restricted to an amount equal to the compensation provided for set-aside under Regulation (EEC) No 1765/92.
2. Likewise for environmental purposes it is proposed that Member States should be able to grant aid to producers who use land withdrawn for the purposes of Regulation (EEC) No 1765/92 to grow short rotation forest trees and shrubs for biomass production. Since Regulation (EEC) No 1765/92 does not permit complementary national aid it will have to be amended accordingly.

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Proposal for a
Council Regulation (EC) No /95
of

amending for the eighth time Regulation (EEC) No 1765/92
establishing a support system for producers of
certain arable crops

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European 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 withdrawal of arable land from cultivation, the main instrument for balancing the agricultural markets introduced by the common agricultural policy reforms, may be effected (a) by set-aside in return for compensation under Council Regulation (EEC) No 1765/92⁽⁴⁾, as last amended by Regulation (EC) No /94⁽⁵⁾ (b) by set-aside for environmental reasons under Council Regulation (EEC) No 2078/92 on agricultural production methods compatible with the requirements of protection of the environment and maintenance of the countryside⁽⁶⁾ or (c) by afforestation under Council Regulation (EEC) No 2080/92 instituting a Community aid scheme for forestry measures in agriculture⁽⁷⁾;

(1) OJ No C

(2) OJ No C

(3) OJ No C

(4) OJ No L 181, 1.7.1992, p.17.

(5) OJ No L

(6) OJ No L 215, 30.7.1992, p.85.

(7) OJ No L 215, 30.7.1992, p.96.

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Whereas afforestation or set-aside for environmental reasons of withdrawn land is the most suitable option for arable crop growers for linking CAP reform and the measures accompanying it more effectively;

Whereas growers who make use of the accompanying measures have already contributed to reduction of surpluses through their use of the aid schemes provided for by Regulations (EEC) Nos 2078/92 and 2080/92; whereas this use can be encouraged by making it possible, on certain terms as regards compensation, to count the land so used for the purposes of the set-aside arrangements introduced by Regulation (EEC) No 1765/92;

Whereas land set aside under Regulation (EEC) No 1765/92 may be used for production other than for human or animal consumption, including short rotation forest trees and shrubs; whereas in certain regions growing of these offers a positive environmental benefit; whereas national authorities should be enabled to promote this use of set-aside land by granting aid covering part of the cost of the necessary investment,

HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EEC) No 1765/92 is hereby amended as follows:

1. The following subparagraph is added to Article 7(2):

"Without prejudice to Article 9, areas set aside under Regulation (EEC) No 2078/92 and areas afforested under Regulation (EEC) No 2080/92 may be counted for the purposes of the set-aside requirement indicated in paragraph 1. However

- the compensation specified in paragraph 5 shall not be granted on these areas

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- the compensation for income losses for land set aside in the framework of Regulation (EEC) No 2078/92 or the compensation for income losses indicated at (c) in Article 3 of Regulation (EEC) No 2080/92 shall be limited for the areas in question to an amount equal at most to the compensation specified for that land in paragraph 5 of this Article."

2. The following subparagraph is added to Article 7(4):

"Member States are authorized to grant national aid to producers to cover costs incurred in planting multiannual crops for biomass production. The aid may not however be more than the equivalent of the interest to be paid on a loan taken out for an amount not exceeding five years of compensatory payment for the land in question."

Article 2

This Regulation shall enter into force on the third day following its publication in the Official Journal of the European Communities. Article 1(2) shall however apply to the 1994/95 marketing year.

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

Done at Brussels,

For the Council
The President

Financial Statement

Date : [REDACTED]

1. BUDGET HEADING : B-1 - 1060, B-1 - 5011, B-1 - 5012

APPROPRIATIONS: ECU 1801 m, ECU 770 m,
ECU 263 m

2. TITLE : Council Regulation amending for the eighth time Regulation (EEC) No 1765/92 establishing a support system for producers of certain arable crops

3. LEGAL BASIS : Articles 42 and 43 of the Treaty

4. AIMS

Use the set-aside provisions to promote environment-friendly action and forestry

5. FINANCIAL IMPLICATIONS	PERIOD OF 12 MONTHS	CURRENT FINANCIAL YEAR (1995)	FOLLOWING FINANCIAL YEAR (1996)	
	5.0 EXPENDITURE			
- CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTIONS)	0	0		0
- NATIONAL AUTHORITIES	not known	0		not known
5.1 REVENUE				
- OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES)				
- NATIONAL				
	1997	1998	1999	2000
5.0.1 ESTIMATED EXPENDITURE	0	0	0	0
5.1.1 ESTIMATED REVENUE				

5.2 METHOD OF CALCULATION

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

YES

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

YES

6.2 WILL A SUPPLEMENTARY BUDGET BE NECESSARY ?

NO

6.3 WILL FUTURE BUDGET APPROPRIATIONS BE NECESSARY ?

NO

COMMENTS :

Expenditure under heading 1060 may fall since withdrawal of land for environmental purposes or afforestation is not aided under the set-aside provisions. Expenditure under the headings for aid for withdrawal for these purposes (5011 and 5012) may increase within the limit of this fall.

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ISSN 0254-1475

COM(94) 636 final

DOCUMENTS

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Catalogue number : CB-CO-94-661-EN-C

ISBN 92-77-83862-0

Office for Official Publications of the European Communities
L-2985 Luxembourg