

COMMISSION OF THE EUROPEAN COMMUNITIES

COM (80) 327 final

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PROPOSAL FOR A COUNCIL REGULATION (EEC) FOR THE STIMULATION OF AGRICULTURAL DEVELOPMENT IN THE LESS FAVOURED AREAS OF NORTHERN IRELAND

(presented by the Commission to the Council)

COM (80) 327 final

Explanatory Memorandum

The less favoured areas of Northern Ireland, within the meaning of Directive 75/276/EEC, occupy approximately 40 % of the total land area of the region; in addition the region as a whole is economically less well developed than most other areas of the Community.

Some 14 % of the active population is engaged directly in farming or in industries ancillary to agriculture; the corresponding figure in the United Kingdom as a whole is 5.6 %.

The region suffers from many economic and social difficulties due mainly to a combination of factors including

- lack of natural resources;
- remoteness from market centres and sources of raw materials;

all of which tend to lessen the possibilities for the development of non-agricultural employment.

The level of unemployment in the less favoured areas of Northern Ireland is 22 % as against 10.5 % in the region as a whole and 5.6 % in the United Kingdom and also in the Community.

In many parts of the region dependence on agriculture is more a reflection of the lack of alternative employment opportunities rather than of conditions which are particularly favourable to farming. By comparison with the remainder of the United Kingdom the region is at a significant disadvantage insofar as land quality, climatic conditions and farm incomes are concerned. As a result many farmers are unable to implement farm development plans in accordance with the provisions of Directive 72/159/EEC. The general economic development of the region, however, depends to a very large extent on the acceleration of agricultural development.

Agricultural structure in the less favoured areas is very deficient. Land drainage problems restrict the annual growing season by several months and so limits farm production possibilities. Field drainage, land reclamation and pasture improvement are basic prerequisites, therefore, to the stimulation of agricultural development in the region. In addition, the improvement

of agricultural and local roads, whose current condition is very inadequate, is of vital importance in this regard.

Because of the limited production possibilities, in the less favoured areas of Northern Ireland, beef cattle and sheep production offer one of the few means of agricultural development there. Both enterprises have been declining in recent years, however, and so their revitalisation will now require special financial inducements to be granted within the framework of a specific action for farm improvement. Such financial inducements to be given in the form of production premiums are additional to a special system of aids for farm improvement and are designed to upgrade the genetic merit of breeding stock. The programme for the development of agriculture in the less favoured areas of Northern Ireland, as presented herewith, thus, comprises three specific measures which together constitute the framework within which this development shall take place. These measures are :

- the improvement of agricultural and local roads;
- land improvement, including field drainage, land reclamation and pasture improvement;
- the development and orientation of farm production.

Because of the acuteness of the structural problems in this peripheral region of the Community, allied to the need to stimulate the development of non-dairying farm enterprises and to ensure the rapid implementation of the measures as outlined, a rate of Community subvention of 50 % is proposed.

Proposal for a Council Regulation for the
stimulation of Agricultural development in the
less favoured areas of Northern 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,

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
as 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 Northern Ireland within the
meaning of Directive 75/276/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 because of a lack of alternative employment opportunities
the percentage of the active population in farming is relatively high;

Whereas because of the relative poor quality of the land in these areas,
allied to adverse climatic conditions, the level of farm incomes is
relatively low;

(1) OJ N° L 128 19.5.1975, p. 231

Whereas the continuing development of agriculture is of vital importance to the general development of the regional economy;

Whereas agricultural structure is deficient in these areas;

Whereas the existing state of agricultural and local roads is very inadequate; whereas the provision or improvement of such amenities is an important prerequisite to the development of agricultural structure;

Whereas the possibilities for improving agricultural production in these areas are severely limited by a lack of adequate field drainage; whereas the need for other types of land improvement including land reclamation, pasture improvement and the removal of superfluous fences, ditches and walls is of equal importance in this regard;

Whereas experience to date with the implementation of Council Directive 72/159/EEC on the modernisation of farms⁽¹⁾ shows that relatively few farmers in these areas, 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 (1) of this Directive;

(1) OJ N° L 96, 24.4.1972, P. 1

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

Whereas the physical improvement of farms is best undertaken within the framework of a special action emphasising in particular the production of beef cattle and sheep, which, because of the limited production possibilities of the areas, offers one of the few means of agricultural development;

Whereas in recent years cattle and sheep production have been declining and, as a result, a special system of premiums payable on breeding stock will now be necessary to reverse this trend;

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

Whereas aid from the European Agricultural Guidance and Guarantee Fund at an estimated cost of 57 million European units of account over a period of 10 years can help ensure the rational development of agriculture in the less favoured areas of Northern Ireland;

Whereas it follows that the foregoing measures constitute a common measure within the meaning of Article 6 of Council Regulation (EEC) N° 729/70 of 21 April 1970 on the financing of the common agricultural policy ⁽¹⁾, as last amended by Council Regulation (EEC) n° 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 the Council Decision of 4 December 1962 on the coordination of the common agricultural policy ⁽³⁾;

(1) OJ N° L 94, 28.4.1970, p. 13

(2) OJ N° L 295, 30.12.1972, p. 1

(3) OJ n° 136, 17.12.1962, p. 2892/62.

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 programme put forward by the Government of the United Kingdom.

HAS ADOPTED THIS REGULATION :

Proposal for a Council Regulation for the stimulation of
agricultural development in the less favoured areas of
Northern Ireland

Title I

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

Article 1

1. In order to stimulate the development of agriculture in certain areas of Northern Ireland, a common measure, within the meaning of Article 6 (1) of Regulation (EEC) No 729/70, to be implemented by the United Kingdom, is hereby introduced for the purpose of bringing about a significant improvement in agricultural structures and in farm production possibilities in the areas concerned.
2. The common measure shall apply to the less-favoured areas of Northern Ireland within the meaning of Directive 75/276/EEC, hereinafter referred to as the "less favoured areas".
3. The Community may, in accordance with Title V, grant aid for the common measure by financing through the Guidance Section of the European Agricultural Guidance and Guarantee Fund, hereinafter referred to as the "Fund", measures relating to :
 - (a) the improvement of agricultural and local roads,
 - (b) land improvement,
 - (c) the introduction of a specific action aimed at the development and orientation of farm production.
4. The measures referred to in paragraph 3 shall be undertaken within the framework of a programme to be drawn up by the Government of the United Kingdom and approved by the Commission.

Article 2

1. The programme referred to in Article 1 (4) shall comprise :
 - (a) a description of the separate measures included therein, as outlined in Titles II to IV including the cost of and detailed arrangements for financing them;
 - (b) the priority to be given to the separate measures and the time-scale envisaged for the implementation of each measure;
 - (c) the provisions for co-ordination with any other programmes or measures which may influence the development of agriculture in the less favoured areas;
 - (d) an assurance that the actions undertaken are compatible with protection of the environment.
2. The programme shall also include the information referred to in Articles 5, 7 and 9. The Government of the United Kingdom shall also supply any additional information that may be required by the Commission for the assessment of the programme.
3. All measures referred to in this action must fall within the framework of the regional development programme when the United Kingdom is obliged to forward it to the Commission under Article 6 of the European Regional Development Fund Regulation.
4. The duration of the programme 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 less favoured areas or to any area within them.

Article 3

1. The programme and the results of reviewing it shall be forwarded to the Commission by the Government of the United Kingdom.
2. The programme and any amendments thereto shall be approved in accordance with the procedure provided for in Article 17, after consulting the Fund Committee on the financial aspects.

Title II

Roads

Article 4

The improvement of roads referred to in Article 1 (3) (a) shall include the construction and improvement of agricultural roads and local roads used mainly for agriculture and forestry.

Article 5

1. The programme referred to in Article 1 (4) shall include an estimate of the length in kilometres of agricultural roads and local roads to be constructed or improved in accordance with Article 4, in addition to information on the sources of finance for this measure .
2. This Regulation shall not apply to projects for which Community aid is being provided under other common measures within the meaning of Article 6 (1) of Regulation (EEC) N° 729/70 or through the European Regional Development Fund.

Title III

Land improvement

Article 6

Land improvement as referred to in Article 1 (3) (b) shall include :

- (a) field drainage,
- (b) land reclamation and fencing,
- (c) pasture improvement including soil preparation, the initial application of lime and fertilisers and reseedling as necessary,
- (d) the removal of superfluous fences, ditches and walls.

Article 7

The following information shall be included in the programme referred to in Article 1 (4) :

- a) the total land area to be drained in accordance with Article 6 (a) and the number of farms concerned;
- b) the total land area to be reclaimed, the length in kilometers of fencing, and the number of farms concerned in accordance with Article 6 (b);
- c) the total area of pasture to be improved in accordance with Article 6 (c) and the number of farms concerned;
- d) the total area of land to be improved in accordance with Article 6 (c) and the number of farms concerned.

Title IV

Orientation of agricultural production

Article 8

1. The orientation of agricultural production, as referred to in Article 1 (3)(c), shall be achieved through the medium of a specific action aimed at the development of agricultural production.
2. The aims of the specific action 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 less favoured areas, with a particular emphasis on cattle and sheep production,
 - b) and therefore to ensure that investments undertaken in the context of all appropriate national and Community measures which have an influence on agricultural development are utilized to maximum advantage and in a coordinated fashion.

Article 9

The following information shall be included in the programme referred to in Article 1 (4) :

- a) the orientation of production envisaged by the specific action referred to in Article 8 (1) and the priority areas to be covered by it;
- b) the manner in which the advisory service is to contribute to the attainment of the aims of the specific action and, in particular, the specific advisory projects planned to this end;
- c) the provisions for the carrying out of the farm improvement plan referred to in Article 10 (1)(d).

Article 10

1. Within the framework of the specific action, aids for investment shall be granted to farmers who:
 - a) satisfy the conditions of Article 2 (1)(a) and (b) of Directive 72/159/EEC;
 - b) are not capable of attaining the level of earned income laid down in Article 4 of Directive 72/159/EEC, as amended by Directive 80/ /EEC;
 - c) are not yet eligible for the annuities provided for in Article 2 (1) of Directive 72/160/EEC, as amended by Directive 80/ /EEC;
 - d) draw up a plan for the physical improvement of their farm emphasizing in particular the improvement in the quality of cattle and sheep production;
 - e) keep simplified accounts from the introduction of the improvement plan.
2. The improvement plan referred to in paragraph 1 (d) must show by means of a specific calculation that the investment is economically profitable and makes for a lasting improvement in the economic performance of the holding and thereby increases farm income.

Article 11

1. The aids referred to in Article 10 (1) shall be granted subject to Article 8 (2) of Directive 72/159/EEC, taking account of Article 9 (1) of Directive 75/268/EEC. However, the maximum amount of the investment which shall be eligible for aid, as referred to in Article 8 (2) of Directive 72/159/EEC, shall be reduced to 15.000 units of account per farm. This amount shall be additional to that provided for in Article 6 of this Regulation.
2. Where the improvement plan provides for a re-orientation of production in favour of beef cattle and/or sheep farming, a special annual premium shall be paid towards the production of stock of acceptable genetic merit. This premium shall be paid during the period of the improvement plan but, in any case for not more than 6 years.
3. The special premium for beef cattle production shall be paid on cows mated with superior quality beef bulls, either naturally or through artificial insemination, provided that the offspring is maintained on the farm for at least 8 months. It shall apply to a minimum of 5 cows and a maximum of 50 cows per farm. The special premium for sheep production shall be paid on ewes mated with superior quality rams. It shall apply for a minimum of 20 ewes and a maximum of 200 ewes per farm.

Title V

General and financial provisions

Article 12

1. The period of time envisaged for the implementation of the common measure is ten years.
2. The total contribution by the Fund to the cost of the common measure is estimated at [57] million European units of account.
3. Article 6 (5) of Regulation (EEC) N° 729/70 shall apply to this Regulation.

Article 13

1. The financial contribution of the beneficiary to the construction and improvement of agricultural roads as referred to in Article 4 must be at least 10 %.
2. The aids provided for in Article 6 may not exceed 70 % of the cost of the work concerned.

Article 14

1. The expenditure incurred by the United Kingdom under the common measure shall be eligible for assistance from the Fund up to the amounts specified in paragraph 2.
2. The Fund shall reimburse to the Government of the United Kingdom the following percentage of its actual expenditure:
 - a) 50% under Article 4. However, this amount may not exceed 40 % of the total cost, with a maximum eligible amount of 31.5 million ECU;
 - b) 50 % for the other measures, with a maximum eligible amount of :
 - 600 ECU per ha under Article 6(a);
 - 500 ECU per ha under Article 6 (b)(c) and (d);
 - 14.5 million ECU under Article 11 (1);
 - 40 ECU per livestock unit under Article 11 (2), subject to a maximum eligible expenditure of 30 million ECU.
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) N° 729/70.

Article 15

When the programme referred to in Article 1 (4) is approved the Commission shall determine, in agreement with the United Kingdom, the manner in which it is to be periodically informed of the progress of the specific action referred to in Article 8 (1).

Article 16

1. Requests for reimbursement shall relate to expenditure incurred by the United Kingdom 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) N° 729/70.
3. Detailed rules for the application of this Article shall be adopted under the procedure laid down in Article 13 of Regulation (EEC) N° 729/70.

Article 17

1. Where the procedure laid down in this Article is to be followed, the matter shall be referred to the Standing Committee on Agricultural Structures 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 Structures 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 Structures 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 18

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,
The President,

FINANCIAL STATEMENT

Date : 30.5.1980

1. BUDGET HEADING : 8261 APPROBIATIONS : to be created

2. TITLE : Proposal for a Council Regulation for the stimulation of Agricultural Development in the Less Favoured Areas of Northern Ireland.

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

4. AIMS OF PROJECT : To stimulate the agricultural development of the less favoured areas of Northern Ireland.

5. FINANCIAL IMPLICATIONS	PERIOD OF 12 MONTHS	CURRENT FINANCIAL YEAR (1980)	FOLLOWING FINANCIAL YEAR (1981)
	5.0 EXPENDITURE	/	
- CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTIONS)	-		p.m.
- NATIONAL ADMINISTRATION	p.m.		13,9 MEUA
- OTHER	-		-
5.1 RECEIPTS			
- OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES)		-	-
- NATIONAL		-	-

	1981	1982	1983	1984
5.0.1 ESTIMATED EXPENDITURE	p.m.	6,6 MEUA	6,6 MEUA	6,6 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 ?
 No expenditure foreseen in 1980 budget X~~6~~X~~6~~X

6.1 CAN THE PROJECT BE FINANCED BY TRANSFER BETWEEN CHAPTERS OF THE CURRENT BUDGET ?
 No expenditure foreseen in 1980 budget X~~5~~X~~6~~X

6.2 IS A SUPPLEMENTARY BUDGET BE NECESSARY ? X~~Y~~
YES/NO

6.3 WILL FUTURE BUDGET APPROBIATIONS BE NECESSARY ? YES/X~~X~~

OBSERVATIONS :

1. EXPENDITURE DETAILS FOR NORTHERN IRELAND PROGRAMME

Measure	N° of ha or UGB or investment	National aid or average cost	Annual cost MECU	Duration years	Total cost MECU	Reimbur- sement rate	Cost to EAGGF MECU
1. Land improvement	80,000 ha	300 ECU/ha	-	10	24	50 %	12
2. Drainage	41,000 ha	500 ECU/ha	-	10	20,5	50 %	10,25
3. Premium :							
- cows	80,000 UGB	40 ECU/UGB	3,2	6	19,2	50 %	9,6
- sheep (210,000 ewes)	31,500 UGB	40 ECU/UGB	1,26	6	7,56	50 %	3,8
4. Farm improvement (3,000 farms)	12,000 ECU/farm	40 %	-	10	14,4	50 %	7,2
5. Farm roads	4,5 MECU/annum	70 %	3,15	10	31,5	40 %	12,6
Total							55,5 MECU
							56,9 MUCE
							Conversion factor : 1,026

2. ESTIMATED ANNUAL EXPENDITURE

Year	Member State expenditure	EAGGF reimbursement
1	13,9 MEUA	p.m.
2	13,9	6,6 MEUA
3	13,9	6,6
4	13,9	6,6
5	13,9	6,6
6	13,9	6,6
7	9,2	6,6
8	9,2	4,3
9	9,2	4,3
10	9,2	4,3
11	-	4,3
Total	120 MEUA	57 MEUA

