



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 10.05.1995
COM(95)168 final

95/0101(CNS)

Proposal for a

COUNCIL REGULATION (EC)

**amending Regulation (EC) No 1017/94 concerning the conversion of land
currently under arable crops to extensive livestock farming in Portugal**

(presented by the Commission)

EXPLANATORY MEMORANDUM

Council Regulation (EC) No 1017/94 of 26 April 1994 concerning the conversion of land currently under arable crops to extensive livestock farming in Portugal was adopted in order to allow Portuguese producers who have recovered land previously collectivised to resume traditional agricultural activities on these lands.

A number of difficulties came to light on implementation of the Regulation. Subsequently, and at the request of Portugal, a declaration was formulated during the adoption of the 1994-95 prices package at the Council session of 18-19 July 1994 to the effect that the Council noted that the Commission intended to propose a minor adjustment to Regulation (EC) No 1017/94 so as to settle the problems experienced by producers who had been allocated after 1989 previously collectivised land and who had not had the time to start up their activities prior to the reference periods.

To that end this draft Regulation considers land redistributed from 1 January 1990 as being eligible for compensatory payments.

At the same time problems of a more technical nature arose which require the introduction of certain adjustments to the scheme while maintaining the principles underlying Regulation (EC) No 1017/94:

- exchange of land eligible for compensatory payments under the support scheme for producers of certain arable crops by means of the creation of premiums for the rearing of livestock,
- guarantee that the livestock production resulting from those premiums would have to be very extensive.

The proposal thus satisfies the undertakings given by the Commission.

The measure in question comes under the exclusive competence of the Community. The type of legal instrument best meeting the requirements of the envisaged action is a Regulation amending the original Regulation. Lastly, we should stress that the aim of the proposal in question is to resolve certain problems which have hindered the implementation of the conversion of land to extensive livestock farming in Portugal as provided for by the Council.

Proposal for a
Council Regulation (EC) No /95
of **1995**

amending Regulation (EC) No 1017/94 concerning the conversion of land currently under arable crops to extensive livestock farming in Portugal

THE COUNCIL OF THE EUROPEAN UNION,

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

Having regard to the proposal from the Commission,¹

Having regard to the opinion of the European Parliament,²

Whereas a number of problems came to light when Council Regulation (EC) No 1017/94 concerning the conversion of land currently under arable crops to extensive livestock farming in Portugal³ was applied; whereas that Regulation should therefore be adapted;

Whereas the redistribution of previously collectivised holdings in Portugal was in some cases decided very late and producers whose rights were restored were not able to return the redistributed land to its arable use prior to the deadline of 31 December 1991 and thus benefit from the support system for producers of certain arable crops established by Council Regulation (EEC) No 1765/92⁴, as last amended by Regulation (EC) No 3116/94⁵; whereas, for reasons of fairness, those holdings should be made equivalent to land having benefited from compensatory payments;

¹ OJ No C

² OJ No C

³ OJ No L 112, 3.5.1994, p. 2.

⁴ OJ No L 181, 1.7.1992, p. 12.

⁵ OJ No L 330, 21.12.1994, p. 1.

Whereas the livestock density per hectare fixed by Regulation (EC) No 1017/94 may in the future restrict opportunities for drawing profit from the converted land and thus reduce interest in the conversion programme; whereas there is therefore justification in granting to producers intending to participate in the programme the possibility of increasing that density while adhering to the principle of increased extensification, without - however - changing the initial rate of conversion of land to livestock production, to retain the weighting applied under the programme;

Whereas Article 3(3) of Regulation (EC) No 1017/94 stipulates a reduction in the number of rights to the suckler cow premium laid down in Article 4d of Regulation (EEC) No 805/68 on the common organisation of the market in beef and veal⁶, as last amended by Regulation (EC) No 424/95⁷, where areas are converted to the rearing of suckler cows; whereas that reduction severely penalises breeders of cows; whereas, therefore, in order to maintain the financial equilibrium of the conversion programme, that individual rights reduction should be replaced by an overall reduction made directly on the regional base area in Portugal, as referred to in Article 2 of Regulation (EEC) No 1765/92, within the maximum limit of 200 000 hectares envisaged by the conversion programme;

Whereas the amendments also require textual changes to some Articles,

HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EC) No 1017/94 is hereby amended as follows:

⁶ OJ No L 148, 28.6.1968, p. 24.

⁷ OJ No L 45, 1.3.1995, p. 2.

- (1) The following subparagraph is added to Article 3(1):

"However, previously collectivised land redistributed to its former owners or those entitled from 1 January 1990 to which producers were unable to restore its arable nature prior to the deadline of 31 December 1991 may be deemed to have benefited from the compensatory payments referred to in Regulation (EEC) No 1765/92 provided that the land is deducted from the basic area referred to in Article 9 of that Regulation."

- (2) In Article 3(2) the number of livestock units per hectare, "0.5", is replaced by the number "1.0".

- (3) In Article 3, paragraph 3 is replaced by the following:

"3. A number of premium rights equivalent to 0.5 LU shall be allocated per hectare converted to extensive livestock production. In addition, where land is converted to the rearing of suckler cows, a number of animals equal to 45% of the number of suckler cow premium rights allocated each year under this Regulation shall be added with effect from the next calendar year to the regional ceiling referred to in Article 4b of Regulation (EEC) No 805/68."

- (4) In Article 4, the second indent is replaced by the following:

"- an undertaking to use the converted land for the extensive production of livestock."

- (5) In Article 8, letter (b) is replaced by the following:

"(b) checks to ascertain that the land declared eligible under this Regulation is duly converted to extensive livestock production within the time limit laid down."

(6) Article 9 is replaced by the following:

"Article 9

1. The area converted under this Regulation and corresponding to all admissible applications during each marketing year shall, from the following marketing year, be deducted from the regional base area or, where applicable, the individual base area provided for in Article 2(2) or (3) of Regulation (EEC) No 1765/92.
2. In addition to the deduction referred to in paragraph 1, where the land is converted to the rearing of suckler cows a number of hectares equal to 54% of the number of suckler cow premium rights allocated each year to producers shall, from the following marketing year, be deducted from the base area.
3. The Portuguese authorities shall notify the Commission each year of the total area converted under this Regulation so that the regional base area can be amended in good time.
4. Converted land shall be considered as permanent pasture as referred to in Article 9 of Regulation (EEC) No 1765/92."

Article 2

This Regulation shall enter into force on the seventh 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....., 1995

For the Council

FINANCIAL STATEMENT

1. BUDGET HEADING: Chapter 10 APPROPRIATIONS: ECU 14 574 m.
Chapter 21 ECU 4 887 m.
2. TITLE: Proposal for a Council Regulation amending Regulation (EC) No 1017/94 concerning the conversion of land currently under arable crops to extensive livestock farming in Portugal.
3. LEGAL BASIS: Article 43 of the Treaty
4. AIMS: To adjust Regulation (EC) No 1017/94 so as to allow Portugal to carry out the conversion of land under arable crops to livestock farming.

5.	FINANCIAL IMPLICATIONS:	PERIOD OF 12 MONTHS (ECU million)	CURRENT FINANCIAL YEAR (95) (ECU million)	FOLLOWING FINANCIAL YEAR (96) (ECU million)	
5.0.	EXPENDITURE - CHARGED TO THE EC BUDGET (REFUNDS) - NATIONAL AUTHORITIES - OTHER				
5.1.	REVENUE - OWN RESOURCES OF THE EC (LEVIES) - NATIONAL				
		1997	1998	1999	2000
5.0.1.	ESTIMATED EXPENDITURE	-	-	-	-
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/NO
- 6.1. CAN THE PROJECT BE FINANCED BY TRANSFER BETWEEN CHAPTERS OF THE CURRENT BUDGET? YES/NO
- 6.2. WILL A SUPPLEMENTARY BUDGET BE NECESSARY? YES/NO
- 6.3. WILL FUTURE BUDGET APPROPRIATIONS BE NECESSARY? YES/NO

OBSERVATIONS The measure as such has no financial implications.
The financial implications of Regulation (EC) No 1017/94 are included in document COM(94) 114 final of 8 April 1994. It should be noted that as a result of the delay in implementing the Regulation in Portugal there has been a shift in expenditure from 1995 to 1996 (no saving in 1995 but increased saving in 1996).

ISSN 0254-1475

COM(95) 168 final

DOCUMENTS

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Catalogue number : CB-CO-95-193-EN-C

ISBN 92-77-88445-2

Office for Official Publications of the European Communities

L-2985 Luxembourg