

COUNCIL REGULATION (EEC) No 2176/90

of 24 July 1990

amending Regulation (EEC) No 797/85 on improving the efficiency of agricultural structures

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 the structures policy must contribute towards helping farmers adapt to the new market reality and towards alleviating the effects which the new market and prices policy may have, in particular, on agricultural income;

Whereas the European Council has requested the Commission to explore all possibilities of stepping up the use of agricultural raw materials for non-food ends;

Whereas possibilities for non-food use are sufficiently advanced, technically and economically, in the case of cereals;

Whereas the realization of such possibilities enables farmers to turn towards new outlets; whereas, in order to encourage them in this direction, cereals must be made available at attractive prices;

Whereas, however, such new uses must not lead to an increase in production of cereals, thereby leading to further surpluses;

Whereas the existing aid scheme to encourage the set-aside of arable land should accordingly be adjusted by providing for specific aid for the use of arable land for non-food ends;

Whereas, in order to ensure that the new policy is effectively applied, certain minimum conditions must be laid down for the granting of the specific aid; whereas provision should be made in particular for producers, as well as groups of producers, to present a contract concluded with a processing enterprise guaranteeing the non-food use of the products in question in order to qualify for the aid;

Whereas, in order to provide an extra incentive to producers who set aside a substantial amount of their arable

land, at least 40 %, and who fulfil the other conditions for receiving the specific aid, an exemption should be provided from the co-responsibility levy provided for in Article 4 of Council Regulation (EEC) No 2727/75 of 29 October 1975 on the common organization of the market in cereals ⁽⁴⁾, as last amended by Regulation (EEC) No 1340/90 ⁽⁵⁾, as well as from the supplementary co-responsibility levy provided for in Article 4b (2) of Regulation (EEC) No 2727/75;

Whereas, in order to avoid overcompensation, products which qualify for a production refund in accordance with Article 11a of Regulation (EEC) No 2727/75 or the aid provided for in Article 11b thereof should not be eligible for the specific aid;

Whereas the ceiling on the specific aid must take account of income from the sale of the cereals in question to the processing enterprises; whereas such ceilings must accordingly be less than those effectively laid down for set-aside;

Whereas Council Regulation (EEC) No 797/85 ⁽⁶⁾, as last amended by Regulation (EEC) No 3808/89 ⁽⁷⁾, should be amended accordingly,

HAS ADOPTED THIS REGULATION:

Article 1

Article 1a of Regulation (EEC) No 797/85 is hereby amended as follows:

(a) The following paragraph shall be inserted:

'3a. Member States may provide for a specific aid scheme for the use of arable land for non-food purposes, these being the manufacture, within the Community, of products not intended for human or for animal consumption.

The following shall be eligible under the aid scheme:

— recipients under the aid scheme provided for in paragraph 1 on condition that the arable land set aside represents at least 30 % of the arable land of the holding in question,

⁽¹⁾ OJ No C 31, 9. 2. 1990, p. 7.

⁽²⁾ OJ No C 175, 16. 7. 1990.

⁽³⁾ OJ No C 112, 7. 5. 1990, p. 33.

⁽⁴⁾ OJ No L 281, 1. 11. 1975, p. 1.

⁽⁵⁾ OJ No L 134, 28. 5. 1990, p. 1.

⁽⁶⁾ OJ No L 93, 30. 3. 1985, p. 1.

⁽⁷⁾ OJ No L 371, 20. 12. 1989, p. 1.

— arable land on the holding which is the subject of a set-aside undertaking, extending to at most 50 % of the area set aside and on condition that it is sown to cereals, and that the whole cereal production of such areas is intended for non-food purposes.

Producers may not qualify for the specific aid unless they submit a contract concluded with a processing enterprise guaranteeing the non-food use of the products in question within the Community.

Should a group of farmers arrange to supply a single processing enterprise on a contract basis, and on condition that the arable land withdrawn from production represents at least 40 % of the total arable land and jointly fulfils the requirement provided for in the second indent of the second subparagraph, this additional 20 % or more, as compared with the minimum percentage provided for in the first subparagraph of paragraph 3, may be respected by the group as a whole rather than by the individual farms.

Contracts relating to consignments which qualify for the production refund provided for in Article 11a of Regulation (EEC) No 2727/75 or the aid provided for in Article 11b thereof shall not be eligible for the specific aid.

The specific aid shall be paid for the duration of the contract, up to a maximum period of five years from the first supply of products to the processor in accordance with the delivery contract.

One year after the effective implementation of the scheme by the Member States, the Commission will forward a report to the European Parliament and the Council. At this time, if it is deemed necessary, the Commission will make a proposal to modify the regime in order to increase its efficiency, taking into account the response of farmers and processing enterprises, the economic viability and environmental impact of the scheme, possible control problems, in particular, with regard to by-products, and any other relevant aspect. At the same time the Commission, in the light of the results of the demonstration projects, will examine the possibility of extending the regime to products other than cereals.

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

Done at Brussels, 24 July 1990.

For the Council
The President
C. MANNINO

(b) The following subparagraph shall be added to paragraph 4 (a) :

'The specific aid provided for in paragraph 3a to be paid per hectare shall be determined in accordance with the criteria laid down in the first subparagraph. The maximum amount shall be fixed at 70 % of the aid provided for in the first subparagraph. For the areas in question, the specific aid shall replace aid for set-aside.'

(c) The following subparagraph shall be added after the first subparagraph of paragraph 6 :

'An individual farmer, as well as a group of farmers, qualifying for the specific aid provided for in paragraph 3a, withdrawing at least 40 % of arable land from production for set-aside purposes, shall benefit from exemption from the co-responsibility levies for the entire volume of cereals supplied to the processing enterprises. This exemption does not preclude the possible exemption referred to in the first subparagraph.'

(d) In paragraph 7 :

— the following words shall be inserted in the introductory words after 'before 30 April 1988' :

'... and, in the case of the specific aid provided for in paragraph 3a, before 1 December 1990' ;

— the following indent shall be added :

'— the special detailed rules on the granting of the specific aid provided for in paragraph 3a, and in particular those on the exclusion of certain uses, the limitations to be imposed with regard to by-products, the determination of the ceiling and the minimum areas which may qualify for the aid, delivery contracts, controls including, where appropriate, checks on the processing undertaking, and penalties to be laid down where obligations are not complied with.'

Article 2

This regulation shall enter into force on the third day following that of its publication in the *Official Journal of the European Communities*.