II

(Acts whose publication is not obligatory)

COMMISSION

COMMISSION DECISION
of 24 May 2002
on the long-term national aid scheme for agriculture in the northern regions of Finland

(notified under document number C(2002) 1903)

(Only the Finnish and Swedish texts are authentic)

(2002/404/EC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to the Act of Accession of Austria, Finland and Sweden, and in particular Article 142 thereof,

Having regard to Council Regulation (EEC) No 827/68 of 28 June 1968 on the common organisation of the market in certain products listed in Annex II to the Treaty [1], as last amended by Commission Regulation (EC) No 195/96 [2], and in particular the second paragraph of Article 5 thereof,

Whereas:

(1) On 26 October 1994, Finland, acting in accordance with Article 143 of the Act of Accession, notified the Commission of an aid scheme for authorisation under Article 142 of the Act of Accession.

(2) The aid scheme was approved by Commission Decision 95/196/EC of 4 May 1995 on the long-term national aid scheme for agriculture in the northern regions of Finland [3], as last amended by Decision 2000/405/EC [4].

(3) On 15 June 2001, Finland requested certain changes to that authorisation and subsequently presented additional information to support its request. Decision 95/196/EC has been substantially amended a number of times. In the interests of clarity and rationalisation, therefore, Decision 95/196/EC should be recast.

(4) Under Article 142 of the Act of Accession, Finland should be authorised to grant long-term national aids intended to ensure that agricultural activity is maintained in northern regions as determined by the Commission.

(5) In order to facilitate the administration of the scheme when determining those regions, the municipality (*kunta*) should be chosen as the relevant administrative unit.

(6) Taking account of the factors referred to in Article 142(1) and (2) of the Act of Accession it is appropriate to specify the administrative units in subregions C_1, C_2, C_2 North, C_3 and C_4 which are north of the 62nd Parallel or adjacent to the latter, and which are affected by comparable climatic conditions rendering agricultural activity particularly difficult. These subregions have a population density lower than or equal to 10 inhabitants per square kilometre, a utilised agricultural area (UAA) considered to constitute 10 % or less of the overall surface area of the municipality and a portion of the UAA devoted to arable crops intended for human consumption less than or equal to 20 %. Municipalities surrounded by others within such areas should be entered on the list, even where they do not satisfy the same requirements.

(7) The northern region thus determined represents 1 417 000 hectares (ha), accounting for 55,5 % of the total UAA of Finland.

[1] OJ L 151, 30.6.1968, p. 16.
[2] OJ L 26, 2.2.1996, p. 13.
[3] OJ L 126, 9.6.1995, p. 35.
[4] OJ L 154, 27.6.2000, p. 23.

(8) The reference period in relation to which the development of agricultural production and the level of overall support is to be considered, using the national statistics available as a basis, should cover 1991, 1992 and 1993 as regards agricultural production. However, for cow's milk and beef and veal 1992 provides the best basis for fixing the milk quota and the reference herd for Finland, and for horticulture 1993 is the year covered by the most reliable statistics. Moreover, 1993 (when prices had not yet been affected by accession) should be used for assessing the level of overall support, where the difference in the price level of support existing between Finland and the Community must be taken into account.

(9) The aid measures meet the conditions laid down in Article 142(3) of the Act of Accession. Those measures take account of the compensatory allowances, the agri-environmental aid and the aid provided for under the common organisation of the markets (CMO). They also take account of the incentive element of the agricultural State aid N 148/97. They are not likely to lead to any increase in overall support or, where they are accompanied by the necessary measures, to any increase in production as compared with the respective reference period.

(10) In respect of cow's milk, any increase in production is controlled by the quota system provided for under the CMO. In the case of other products, the aid is not granted on the basis of the quantities produced, but on the basis of production factors (livestock units (LU) or ha) within the total limits laid down by this Decision. In the case of heifers for slaughter, which fall outside the milk production network, the aid is granted by head.

(11) The transport aid envisaged may be authorised under the third subparagraph of Article 142(3) of the Act of Accession. Where authorisation is granted for any transport aid under a national regional aid scheme, it should be ensured that compensation is not provided twice under the various aid schemes for the same activity.

(12) The aid envisaged for storage of horticultural products and wild berries and mushrooms may be authorised since it facilitates the disposal of those products as referred to in the third subparagraph of Article 142(3) of the Act of Accession.

(13) The aid for the breeding, processing and marketing of reindeer is in accordance with the second paragraph of Article 5 of Regulation (EEC) No 827/68.

(14) The aid measures envisaged meet the objectives set out in the third subparagraph of Article 142(3) of the Act of Accession since they are designed to maintain traditional primary production and processing particularly suited to the climatic conditions of the regions concerned, to improve the structures for the production, marketing and processing of agricultural products, to facilitate the disposal of the said products and to ensure that the environment is protected and countryside preserved.

(15) Accordingly, the aid measures envisaged may be authorised provided that they comply with the limits laid down for relevant products under the respective CMO, namely Council Regulation (EC) No 1254/1999 [1] of 17 May 1999 for beef and veal, Council Regulation (EC) No 1260/2001 of 19 June 2001 for sugar [2], and Council Regulation (EC) No 2529/2001 of 19 December 2001 for sheepmeat and goatmeat [3].

(16) It is appropriate to allow some flexibility in the number of units covered by aid and the aid payable within certain production sectors or subsectors to reflect the change in consumption patterns since this is in conformity with the principles of the aid scheme.

(17) A measure of flexibility earlier foreseen for field-scale crop production should continue to apply to field-scale vegetables.

(18) The production factors in subregional levels should be indicative ones and they should be taken into account only in the event of a foreseen overrun in quantities. This will maintain the maximum number of hectares or animals covered by the aid in total level and at the same time help in improving the production structures in subregional levels and it is in conformity with the principles of the aid scheme.

(19) Inclusion of the 'SLOM' quantities allocated in 1999 and 2000 justify certain amendments to the factors for milk. Furthermore, as the aid for cow's milk is paid per kg, the quantity expressed in production factors should be amended to refer to tonnes of milk. For this purpose, the existing amount of individual quotas for each subregion should be taken into account.

[1] OJ L 160, 26.5.1999, p. 21.
[2] OJ L 178, 30.6.2001, p. 1.
[3] OJ L 341, 22.12.2001, p. 3.

(20) Article 3(2)(c) of Decision 95/196/EC has allowed aid to be paid to the individual reference quantity allocated pursuant to Article 4 of Council Regulation (EC) No 3950/92 of 28 December 1992 establishing an additional levy in the milk and milk products sector [1] after the reallocation of any unused reference quantities in accordance with the second subparagraph of Article 2(1) of that Regulation. The change in production factor for milk will significantly amend the current practice, both as regards the administration and the application at the level of individual farm. Therefore, a transitional period of three years should be allowed.

(21) Any amendments to the aid authorised by this Decision as a result of a review, in particular on the basis of changes in the CMO or in the rate of authorised national agricultural aid, should not apply until the year following that in which they are adopted in order to protect the legitimate expectations of the recipients.

(22) In view of the nature and the scope of the differences between the measures provided for in this Decision and those provided for by decision 95/196/EC, and having regard to the request of Finland, it is appropriate that this Decision should apply from 1 January 2002,

HAS ADOPTED THIS DECISION:

Article 1

Subject matter

The purpose of this Decision is to authorise the long-term national aid scheme for agriculture in the northern region of Finland comprising the municipal units (*kunta*) listed under the relevant subregion in Annex I.

Article 2

Reference periods

The reference period provided for in Article 142(3) of the Act of Accession shall be as follows:

(a) as regards production:
- — 1992 for cow's milk and for cattle,
- — 1993 for horticulture,
- — the average for 1991, 1992 and 1993 for other products;

(b) as regards the level of overall support 1993.

Article 3

Authorised aid

1. The aid referred to in Annex II shall be authorised from 1 January 2002.

2. The aid shall be authorised taking into account the Community aid and the incentive element of the agricultural State aid N 148/97.

Aid other than that for cow's milk shall in no case be granted on the basis of the quantity produced.

3. The unit amounts granted by subregion, by production factor (ha, LU or head) or by quantities produced, and the overall amount of authorised aid as well as the total number of production factors covered by aid per production sector or groups of sectors, are set out in Annex II.

However, aid for cow's milk may continue to be paid until the limit set in Article 4(c) until the end of 2004.

4. The indicative amounts of authorised aid and the indicative maximum number of units covered by aid per production sector or group of sectors and per subregion are set out in Annex III.

5. The conversion rates into LU for the various types of livestock are set out in Annex IV.

Article 4

Aid limits

The aid referred to in Article 3 shall be limited as follows:

(a) arable land: to the average number of hectares in the region which, in the period 1989 to 1991, were sown to arable crops or, as the case may be, left fallow in accordance with publicly funded compensatory scheme as referred to in Article 2(2) of Council Regulation (EC) No 1251/1999 [2];

(b) sugar beet: to the quantity of beet covered by contracts between producers in the regions referred to in Article 1 and between sugar-producing undertakings within the (A and B) quotas allocated to the latter pursuant to Article 11 of Regulation (EC) No 1260/2001;

(c) cow's milk: to the reference quantity allocated pursuant to Article 4 of Regulation (EC) No 3950/92 after the reallocation of any unused reference quantities in accordance with the second subparagraph of Article 2(1) of that Regulation for the milk year which ends during the calendar year in question;

(d) suckler cows: to the individual ceilings allocated to each producer pursuant to Article 7(1) of Regulation (EC) No 1254/1999;

(e) sheep and goats: to the individual limits allocated to each producer pursuant to Article 8(2) of Regulation (EC) No 2529/2001;

[1] OJ L 405, 31.12.1992, p. 1.

[2] OJ L 160, 26.6.1999, p. 1.

(f) suckler cows and male bovine animals: the total number of animals qualifying for the aid shall be limited by the application of a stocking density on the holding of two livestock units (LU) per hectare of forage area.

Article 5

Implementation of the aid

1. Finland shall as part of the information provided pursuant to Article 143(2) of the Act of Accession, forward to the Commission each year before 1 June information on the effects of the aid granted, including the Community aid, and in particular on the trend in production and in the means of production qualifying for the aid, the trend in the economy of the regions concerned and the effects on the protection of the environment and the preservation of the countryside referred to in the fourth indent of the third subparagraph of Article 142(3) of the Act of Accession.

2. Finland shall take all steps necessary to apply this Decision and suitable control measures vis-à-vis recipients of aid.

3. In the event of a foreseen overrun in the maximum number of production factors laid down in Annex II, Finland shall reduce the number of units covered by aid in proportion to the overrun, taking due account the subregional quantities as defined in Annex III and after taking into account the quantities not used by other subregions.

Article 6

Conditions for granting aid

The Finnish authorities shall lay down, in accordance with the amounts and other factors provided for in this Decision, the conditions for granting aid to the various categories of recipients.

Article 7

Review

If the Commission reviews this Decision, in particular on the basis of any changes in the common market organisations or the change in the rate of any authorised national agricultural State aid, any amendment to the aid authorised by this Decision shall apply only from the year following that in which the amendment was adopted.

Article 8

Repeal

Decision 95/196/EC is hereby repealed.

Article 9

Application

This Decision shall apply from 1 January 2002.

Article 10

Addressee

This Decision is addressed to the Republic of Finland.

Done at Brussels, 24 May 2002.

For the Commission

Franz FISCHLER

Member of the Commission

ANNEX I

REGIONS REFERRED TO IN ARTICLE 1

	Municipality (*Kunta*)	UAA (hectares)
	Subregion C_1	
	Alahärmä, Enonkoski, Hankasalmi, Haukivuori, Heinävesi, Ilmajoki, Isokyrö, Jalasjärvi, Joensuu, Joroinen, Jurva, Juva, Jyväskylä, Jyväskylän mlk., Jämsä (1), Jämsänkoski, Jäppilä, Kangaslampi, Kaskinen, Kauhajoki, Kauhava, Kerimäki, Kesälahti, Kitee, Korpilahti, Korsnäs, Kristiinankaupunki, Kuopio, Kuortane, Kurikka, Laihia, Lapua, Laukaa, Leppävirta, Liperi, Maalahti, Maaninka, Maksamaa (2), Mikkeli, Mustasaari (2), Muurame, Mänttä, Nurmo, Närpiö, Oravainen, Outokumpu, Parikkala, Pieksämäen mlk., Pieksämäki, Punkaharju, Puumala, Rantasalmi, Rautjärvi, Ristiina, Ruokolahti, Ruovesi, Rääkkylä, Saari, Savitaipale, Savonlinna, Savonranta, Seinäjoki, Siilinjärvi, Sulkava, Suomenniemi, Suonenjoki, Taipalsaari, Teuva, Tuusniemi, Uukuniemi, Uusikaarlepyy, Vaasa, Varkaus, Vehmersalmi, Vilppula, Virtasalmi, Vähäkyrö, Vöyri, Ylihärmä, Ylistaro	
	Total C_1	535 255
	Subregion C_2	
	Alajärvi, Alavieska, Alavus, Evijärvi, Haapajärvi, Haapavesi, Halsua, Himanka, Hirvensalmi, Honkajoki, Iisalmi, Isojoki, Joutsa, Juankoski, Kaavi, Kalajoki, Kangasniemi, Kannonkoski, Kannus, Karijoki, Karstula, Karttula, Karvia, Kaustinen, Keitele, Kempele, Kestilä, Keuruu, Kihniö, Kinnula, Kiuruvesi, Kivijärvi, Kokkola, Konnevesi, Kontiolahti, Kortesjärvi, Kruunupyy, Kuru, Kyyjärvi, Kälviä, Kärsämäki, Lapinlahti, Lappajärvi, Lehtimäki, Leivonmäki, Lestijärvi, Liminka, Lohtaja, Luhanka, Lumijoki, Luoto, Merijärvi, Merikarvia, Muhos, Multia, Nilsiä, Nivala, Oulainen, Oulunsalo (3), Parkano, Pattijoki, Pedersöre, Perho, Pertunmaa, Peräseinäjoki, Petäjävesi, Pielavesi, Pietarsaari, Pihtipudas, Piippola, Polvijärvi, Pulkkila, Pyhäjoki, Pyhäjärvi, Pyhäntä, Pyhäselkä, Pylkönmäki, Raahe, Rantsila, Rautalampi, Reisjärvi, Ruukki, Saarijärvi, Sievi, Siikainen, Siikajoki, Soini, Sonkajärvi, Sumiainen, Suolahti, Tervo, Tohmajärvi, Toholampi, Toivakka, Tyrnävä, Töysä, Ullava, Uurainen, Varpaisjärvi, Vesanto, Veteli, Vieremä, Vihanti, Viitasaari, Vimpeli, Virrat, Värtsilä, Ylivieska, Ähtäri, Äänekoski	
	Total C_2	646 388
	Subregion C_2 North (4)	
	Eno, Ilomantsi, Juuka, Kajaani, Kiihtelysvaara, Lieksa, Maksamaa (partially), Mustasaari (partially), Nurmes, Paltamo, Rautavaara, Ristijärvi, Sotkamo, Tuupovaara, Vaala, Valtimo, Vuolijoki	
	Total C_2 North	81 644
	Subregion C_3	
Sub-area P_1	Haukipudas, Kiiminki, Oulu, Oulunsalo (partially), Utajärvi, Ylikiiminki	
Sub-area P_2	Hailuoto, Hyrynsalmi, Ii, Kemi, Keminmaa, Kuhmo, Kuivaniemi, Simo, Tervola, Tornio, Yli-ii	
Sub-area P_3	Kemijärvi, Pello, Pudasjärvi, Puolanka, Ranua, Rovaniemen mlk., Rovaniemi, Suomussalmi, Taivalkoski, Ylitornio	
Sub-area P_4	Kuusamo, Posio	
	Total C_3	134 138
	Subregion C_4	
Sub-area P_4	Kittilä (5), Kolari, Pelkosenniemi, Salla, Savukoski, Sodankylä (5)	
Sub-area P_5	Enontekiö, Inari, Kittilä (partially), Muonio, Sodankylä (partially), Utsjoki	
	Total C_4	19 715
	Grand total	1 417 140

(1) Only the area that belonged before 1.1.2001 to the municipality of Kuorevesi.
(2) Partly in area C_2 North.
(3) Partly in area C_3-P_1.
(4) Plus all coastal and lake islands in areas C_1 and C_2.
(5) Partly in sub-area P_5.

ANNEX II

AID AS REFERRED TO IN ARTICLE 3(1)

Product	Unit aid permissible per full year (EUR/ha, LU, kg or t)					Total aid permissible (EUR million)	Maximum number of production factors (LU or ha)
	Subregion						
	C_1	C_2	C_2 north	C_3	C_4		
1. ANIMAL PRODUCTS (EUR/LU)							
Bovine animals, of which						91,17	167 274
— suckler cows	357	365	441	517	702		
— male bovine animals > 6 months	502	510	586	880-964 (1)	1 149-1 402 (2)		
— heifers for slaughter (3)	551	563	641	708	843		
Ewes and she-goats	536	544	620	948-1 049 (4)	1 234-1 503 (5)	3,50	5 886
Swine and poultry, of which						61,33	139 200
— swine	433	442	522	522	601		
— poultry	433	442	522	601	796		
Horses	420	420	420	420	420	2,52	6 000
Reindeer (per head)	—	—	—	27	27	6,16	229 000
Cow's milk (c/kg) (6)	11,5	11,7 (7)	13,5	16,6-20,8	25,3-34,1	225,22	1 759 129
Aid for transport of milk and meat (8)	—	—	(*)	(*)	(*)	2,27	—
Total 1						392,17	
2. CROP PRODUCTS (EUR/ha)							
Sugar beet	354	36 + 354	36 + 354	—	—	1,34	3 750
Potatoes for starch production	177	36 + 177	36 + 177	—	—	1,24	6 580
Cereals and other arable crops, of which						15,14	557 700
— barley, oats, mixed cereals	0	36	36	70	137		
— other cereals and crops (9)	140	36 + 140	36 + 140	—	—		
Horticulture under permanent shelter, of which						24,69	202,9
— vegetables (m^2)	(*)	(*)	(*)	(*)	(*)		
— flowers and plants (m^2), of which							
— > 7 months	13,5	13,5	13,5	13,5	13,5		
— 2 to 7 months	6,7	6,7	6,7	6,7	6,7		

Product	Unit aid permissible per full year (EUR/ha, LU, kg or t)					Total aid permissible (EUR million)	Maximum number of production factors (LU or ha)
	Subregion						
	C_1	C_2	C_2 north	C_3	C_4		
Field scale vegetables and apples, of which						0,90	2 095 (10)
— vegetables	416	36 + 416	36 + 416	70 + 416	137 + 416		
— apples	163	36 + 163	36 + 163	—	—		
Aid for storage, of which						2,86	
— with heat control (m^3/year)	20,2	20,2	20,2	20,2	20,2		
— without heat control (m^3/year)	13,5	13,5	13,5	13,5	13,5		
— wild berries and mushrooms (kg/year) (11)	0,42	0,42	0,42	0,42	0,42		
Payment per ha UUA (pasturage, set-aside, etc.)	0	36	36	70	137	27,87	846 812
Young farmers	36	36	36	36	36	16,66	
Total 2						90,71	
Other aids (12)				(*)	(*)	3,82	
Grand total						486,69	

(1) Sub-areas P_1-P_2: EUR 880/LU (of which EUR 637 annual aid and EUR 243 once in the life of the animal), P_3-P_4: EUR 964/LU (of which EUR 637 annual aid and EUR 327 once in the life of the animal).
(2) Sub-area P_4: EUR 1 149/LU (of which EUR 822 annual aid and EUR 327 once in the life of the animal), P_5: EUR 1 402/LU (of which EUR 822 annual aid and EUR 580 once in the life of the animal).
(3) Aid granted once in the life of the animal at time of slaughter.
(4) Sub-areas P_1-P_2: EUR 948, P_3-P_4: EUR 1 049.
(5) Sub-areas P_4: EUR 1 234, P_5: EUR 1 503.
(6) Unit aid for milk per sub-area: C_3: P_1 = 16,6 c/kg, P_2 = 18,3 c/kg, P_3 = 20,8 c/kg, P_4 = 20,8 c/kg, C_4: P_4 = 25,3 c/kg, P_5 = 34,1 c/kg.
(7) For year 2002 exceptionally 11,3 c/kg.
(8) Milk: Kainuu and province of Lappi and region of Koillismaa; meat: Province of Lappi.
(9) The corresponding amount represents the maximum aid.
(10) Calculated as a two-year moving average.
(11) Aid granted for quantities in storage at the end of June limited to EUR 0,34/kg for wild cloudberies, EUR 0,10/kg for other wild berries and EUR 0,42/kg for wild mushrooms.
(12) Skolt Lapps, natural economy and reindeer industry.
(*) In subregions where aid is payable.

ANNEX III

AMOUNTS AS REFERRED TO IN ARTICLE 3(4)

Product	Aid permissible per subregion (EUR million)					Quantities expressed in production factors per subregion (LU or ha)				
	C_1	C_2	C_2 north	C_3	C_4	C_1	C_2	C_2 north	C_3	C_4
1. ANIMAL PRODUCTS										
Bovine animals	26,16	44,52	5,84	12,92	1,74	52 984	87 412	9 928	15 264	1 686
Sheep and goats	0,94	1,00	0,29	0,79	0,47	2 027	2 116	540	827	376
Swine and poultry	37,87	20,03	1,54	1,86	0,03	87 400	45 300	2 950	3 505	45
Horses	1,01	1,18	0,14	0,16	0,03	2 400	2 800	340	390	70
Reindeer (head)	(–)	(–)	(–)	1,92	4,24	(–)	(–)	(–)	71 500	157 500
Milk (kg)	58,94	110,25 [1]	14,38	35,15	6,50	512 501	942 533	106 533	173 392	24 170
2. CROP PRODUCTS										
Sugar beet	1,14	0,20	0,00	(–)	(–)	3 230	520	0	(–)	(–)
Potatoes for starch production	0,80	0,45	0,00	(–)	(–)	4 490	2 090	0	(–)	(–)
Cereals and other arable crops	4,07	9,43	0,75	0,88	0,01	286 780	237 500	20 720	12 600	100
Horticulture under permanent shelter						143	49	3,7	6,3	1,2
Field-scale vegetables and apples	0,54	0,31	0,02	0,03	0,00	1 290	683	52	68	2
Other UAA	0,00	14,55	2,18	8,44	2,68	239 322	405 546	60 868	121 464	19 612
Total UAA						535 255	646 388	81 644	134 138	19 715

[1] For year 2002 exceptionally EUR 106,27 million.

ANNEX IV

COEFFICIENTS FOR CONVERSION INTO LU AS REFERRED TO IN ARTICLE 3(5)

Bovine animals over two years and suckler cows	1,0
Bovine animals from six months to two years	0,6
Ewes	0,15
She-goats	0,48
Sows and boars	0,7
Other swine excluding piglets	0,23
Poultry:	
— layers	0,013
— broilers	0,0053
— turkeys and other poultry for slaughter	0,013
— pullets and chicks	0,0027
— breeding hens	0,026
Horses over six months:	
— mares for breeding, including pony mares	1,0
— Finnish horses	0,85
— one- to three-year-old other horses and ponies	0,6

The following table is to be used when determining livestock units (LU) in the case of turkeys and other poultry intended for meat production (at least the indicated number of slaughtered animals for one livestock unit):

— 550 slaughtered ducks	1 LU
— 320 slaughtered geese	1 LU
— 190 slaughtered turkeys	1 LU
— 1 375 slaughtered pheasants	1 LU
— 1 375 slaughtered mallards	1 LU.