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(Acts whose publication is obligatory)

COUNCIL REGULATION (EC) No 2843/94

of 21 November 1994

amending Regulations (EEC) No 2328/91 and (EEC) No 866/90 with a view to expediting the adjustment of production, processing and marketing structures as part of the reform of the common agricultural policy

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, 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),

Whereas Council Regulation (EEC) No 2328/91 of 15 July 1991 on improving the efficiency of agricultural structures (3) and Council Regulation (EEC) No 866/90 of 29 March 1990 on improving the processing and marketing conditions for agricultural products (4) were amended by Regulation (EC) No 3669/93 (5), particularly as concerns the introduction of financing rules in view of the ceiling on resources available under Objective 5a referred to in Article 1 of Regulation (EEC) No 2052/88 (6);

Whereas, in the context of the implementation of the reform of the common agricultural policy and taking account, in particular, of current developments in farming conditions, the measures to improve production, processing and marketing structures should be adjusted to give the Member States greater leeway in choosing the specific conditions for implementing the said Objective;

Whereas, keeping within the limits of the resources available for Objective 5a, the aid amounts provided for in Regulation (EEC) No 2328/91, as last amended by Commission Regulation (EC) No 2631/94 (7), should be brought up to date;

Whereas the investment aid scheme should be made more flexible and optional, while maintaining the obligation for all State aid granted in this area to comply with the prohibitions and sectoral restrictions as well as with the rules on State aid laid down in Regulation (EEC) No 2328/91;

Whereas the conditions of access to aid should be relaxed, with particular attention to measures to assist young farmers;

Whereas it is necessary to ensure that the measures provided for by this Regulation fully respect the current environmental provisions; that in this context it is particularly desirable to introduce a certain degree of flexibility in the sectoral limitations provided for investment aids in the case of investments in the area of the protection of the environment, hygiene on livestock holdings and animal welfare;

Whereas care should be taken to ensure that the measures envisaged are compatible with the reform of the common agricultural policy and that, in particular, they do not result in an overall increase in production capacity in sectors where there are surpluses,

HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EEC) No 2328/91 is hereby amended as follows:

1. the amounts laid down in Regulation (EEC) No 2328/91 and listed in Annex to this Regulation shall be amended as indicated therein;

(1) OJ No C 152, 3. 6. 1994, p. 10.
(2) OJ No C 205, 25. 7. 1994, p. 499.
(3) OJ No L 218, 6. 8. 1991, p. 1.
(4) OJ No L 91, 6. 4. 1990, p. 1.
(5) OJ No L 338, 31. 12. 1993, p. 26.
(6) OJ No L 185, 15. 7. 1988, p. 9.
(7) OJ No L 280, 29. 10. 1994, p. 41.

2. Article 5 shall be amended as follows:

(a) the first subparagraph of paragraph 1 shall be replaced by the following:

'1. In order to contribute to the improvement of agricultural incomes and of living, working and production conditions on agricultural holdings, Members States may introduce, pursuant to the common measure referred to in Article 1, a system of investment aid to agricultural holdings where the farmer:';

(b) paragraph 1(c) shall be replaced by the following:

'(c) submits a plan for materially improving his holding. This plan must show that the investments are justified from the point of view of the situation of the holding and its economy and that implementation of the plan will bring about a lasting improvement of that situation;';

(c) paragraph 2 shall be replaced by the following:

'2. The aid system referred to in paragraph 1 shall be limited to agricultural holdings where labour income per man work unit (MWU) is less than 1,2 times the reference income referred to in paragraph 3.

Member States may restrict the aid system referred to in paragraph 1 to agricultural holdings of a family nature.';

3. Article 6 shall be amended as follows:

(a) the second subparagraph of paragraph 3 shall be replaced by the following:

'In such cases, the granting of aid shall be subject to the condition that the investment does not serve to raise the number of dairy cows to more than 50 per MWU and more than 80 per holding or, where the holding has more than 1,6 MWU, does not serve to raise the number of dairy cows by more than 15 %.';

(b) the following sentence shall be added to the last subparagraph of paragraph 4:

'However, in accordance with the procedure laid down in Article 29 of Regulation (EEC) No 4253/88 the Commission may authorize a Member State to derogate from that condition, in exceptional cases and solely for investment to reduce emissions from animal droppings and the elimination of slurry in existing holdings, provided that such investment leads to a better result for the protection of the environment than that obtained by the condition derogated from and that it does not in any circumstances lead to an increase in production capacity.';

(c) the first subparagraph of paragraph 5 shall be replaced by the following:

'5. Aid referred to in paragraph 1 and granted for investments relating to the beef sector, other than aid for safeguarding the environment, improvement of hygiene conditions on livestock enterprises and animal welfare, where there is no increase in capacity, shall be restricted to livestock enterprises where the beef-cattle stocking rate does not, in the final year of the plan, exceed the following number of livestock units (LU) per hectare of forage area used for feeding the cattle: 3, 2,5 and 2 LU/ha for plans ending respectively in 1994, 1995 and 1996 or later. The limits of 2,5 and 2 LU/ha shall apply only to applications submitted as from 1 January 1994.';

(d) paragraph 6 shall be replaced by the following:

'6. The investment aid referred to in paragraph 1 may not be granted in the egg and poultry sector, with the exception of aid for safeguarding the environment, improvement of hygiene conditions on livestock enterprises and animal welfare, provided there is no increase in capacity.';

4. the last subparagraph of Article 7 (2) shall be replaced by the following:

'In accordance with the procedure laid down in Article 29 of Regulation (EEC) No 4253/88, a Member State may be authorized, for a specified period, to grant aid exceeding the level specified in the second subparagraph, if such action is warranted by the situation on the capital market in that Member State.';

5. the second sentence of Article 8 shall be replaced by the following:

'However, the number of plans per beneficiary which may be accepted during a six-year period shall be limited to three and the total investment which may be considered in connection with the reimbursement of aid pursuant to Article 33 shall be limited to ECU 90 000 per MWU and ECU 180 000 per holding for that period.';

6. Article 9 shall be amended as follows:

(a) paragraph 3 shall be replaced by the following:

'3. Member States may grant the aid referred to in Article 7 to group-operated holdings if at least two-thirds of the members of the group holding satisfy the conditions laid down in Article 5 (1).';

(b) paragraph 4 shall be replaced by the following:

'4. Except for aquaculture, the ceilings for cattle or for the amounts referred to in Articles 6 (3), 7 (2) and 8 may be multiplied by the number of holdings belonging to the group.

However, these ceilings may not exceed:

— 200 cows

— four times the amount per holding indicated in the first subparagraph of Article 7 (2)

per group-operated holding, including any parts of holdings which continue to be run by the group members.';

(c) paragraph 5 shall be replaced by the following:

'5. In accordance with the procedure laid down in Article 30, the Commission may authorize a Member State to grant the aid referred to in Article 7, under the conditions stipulated in paragraph 4 above, to agricultural cooperatives and similar associations whose sole objective is to manage an agricultural holding. At the same time, the Commission shall lay down specific conditions for the granting of aid to such cooperatives and associations, as well as the conditions under which and the limits within which the volume of investment provided for in paragraph 4 may be exceeded.';

7. Article 10 shall be amended as follows:

(a) The second indent of paragraph 1 is replaced by the following:

'— the young farmer sets up as a farmer practising farming as his main occupation or begins, after having set up as a part-time farmer, to practise farming as his main occupation. However, Member States may grant this aid to young farmers who set up as part-time farmers deriving at least 50 % of their total income from farming, forestry, tourism or craft activities or activities for maintaining the countryside which qualify for public aid, carried out on the holding, provided that the proportion of income deriving directly from farming on the holding is not less than 25 % of the farmer's total income and that off-farm activities do not account for more than half the farmer's total working time,';

(b) the second subparagraph of paragraph 2 (b) shall be replaced by the following:

'The duration of the interest subsidy shall not exceed 15 years; the capitalized value of the interest subsidy may not exceed the value of the single premium fixed at (a).';

8. Article 12 shall be amended as follows:

(a) the first indent of paragraph 2 shall be replaced by the following:

'2. Where Member State grant aid for investments in holdings which do not satisfy the conditions laid down in Article 5, such aid must be at least one quarter less than the aid granted pursuant to Article 7, with the exception of aid for:

— energy saving,

— land improvement,

— aid for investment in the protection and improvement of the environment, provided that it does not entail an increase in production capacity,

— measures in respect of investments for the purpose of improvement of hygiene conditions on livestock enterprises or of compliance with Community animal welfare standards where these are stricter than Community standards, provided that these investments do not give rise to an increase in production capacity,

which may reach the amount laid down in Article 7 (2).';

(b) the last subparagraph of paragraph 4 shall be replaced by the following:

'Moreover, as regards the holdings referred to in paragraphs 2 and 3, the number of dairy cows referred to in Article 6 (3) shall be 50 per MWU and per holding.';

(c) the fifth and sixth indents of paragraph 5 shall be replaced by the following:

'— investment aid measures in the protection and improvement of the environment, providing that such investments do not entail an increase in production capacity,

— investment aid measures for the purpose of improvement of hygiene conditions on livestock enterprises or of compliance with Community animal welfare standards where these are stricter than Community standards, provided that these investments do not give rise to an increase in production capacity,';

(d) the following paragraph shall be added:

'6. This Article applies even if the Member States do not institute a system of investment aids as provided for under this Title.';

9. the following Article shall be added:

'Article 34b

In accordance with the procedure laid down in Article 29 of Regulation (EEC) No 4253/88, the Commission may, on its own initiative or at the request of a Member State, adjust the amounts laid down in this Regulation to take account of trends in inflation.'

Article 2

Regulation (EEC) No 866/90 is hereby amended as follows :

1. the following points shall be added to Article 1 (2) :

   '(f) contributing to the adjustment of sectors facing new situations as a result of the reform of the common agricultural policy ;

   (g) helping to facilitate the adoption of new technologies relating to environmental protection ;

   (h) encouraging the improvement and monitoring of quality and of health conditions.' ;

2. the first indent of Article 11 (1) shall be replaced by the following :

   '— rationalizing or developing the preparation, preservation, treatment and processing of agricultural products or recycling of by-products or manufacturing waste and eliminating or treating waste.' ;

3. the second subparagraph of Article 12 (2) shall be replaced by the following :

   'In accordance with the procedure laid down in Article 29 of Regulation (EEC) No 4253/88, the Commission may accept investments relating to other products provided :

   — the aid recipients have direct contractual links with the producers of the basic agricultural products, or

   — the products in question have been processed from products listed in Annex II to the Treaty and proper justification can be provided that links exist proving the benefit to the producers of the basic agricultural products.' ;

4. the second subparagraph of Article 17 (2) shall be deleted.

Article 3

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 Brussels, 21 November 1994.

For the Council

The President

M. WISSMANN

ANNEX

Amounts laid down in Regulation (EEC) No 2328/91	Former amounts	New amounts
Article 7 (2)	ECU 73 999 per man work unit	ECU 90 000 per man work unit
	ECU 147 997 per holding	ECU 180 000 per holding
Article 10 (2) (a)	ECU 12 210 per person	ECU 15 000 per person
Article 12 (2)	ECU 73 999 per man work unit	ECU 90 000 per man work unit
	ECU 147 997 per holding	ECU 180 000 per holding
Article 12 (3)	ECU 30 708 per holding	ECU 45 000 per holding
Article 13 (1)	ECU 1 197 per holding	ECU 1 500 per holding
Article 14	ECU 18 315 per group	ECU 22 500 per group
Article 15 (4)	ECU 14 694 per person	ECU 18 000 per person
Article 19 (1)	ECU 124 per livestock unit or per hectare	ECU 150 per livestock unit or per hectare
	ECU 148 per livestock unit or per hectare	ECU 180 per livestock unit or per hectare
Article 20 (3)	ECU 121 965 per investment	ECU 150 000 per investment
	ECU 609 per hectare	ECU 750 per hectare
	ECU 5 986 per irrigated hectare	ECU 7 300 per irrigated hectare
Article 28 (3)	ECU 8 546 per person	ECU 10 500 per person
	ECU 3 052 per person	ECU 4 000 per person