



COMMISSION OF THE EUROPEAN COMMUNITIES

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REPORT FROM THE COMMISSION TO THE COUNCIL
AND THE EUROPEAN PARLIAMENT

On the purpose and the methods of application
of extraordinary set-aside



EUROPEAN COMMISSION

INTRODUCTION

In December 1994, the Council and the Commission made the following declaration concerning extraordinary set-aside.

"The Council takes note of the fact that the Commission intends to carry out a reflection on the purpose and the methods of application of extraordinary set-aside with regard to the objectives of the reform of the CAP. To this end, the Commission will produce a detailed report with appropriate proposals, in the light of the experience acquired so far, before the 31 March 1995."

The present report represents a first response to this commitment.

I. THE RATIONALE FOR EXTRAORDINARY SET-ASIDE

1. Extraordinary set-aside in the context of the 1992 reform

The main goals of the 1992 reform of the CAP for the arable sector were firstly to establish a better equilibrium between supply and demand in the cereals sector by means of a reduction in production and an increase in consumption, and secondly to make the legislation applicable to cereals, oilseeds and protein crops (COP) more coherent..

To achieve these objectives, the Council adopted the Commission's proposal to reduce the intervention price of cereals closer to the world market level, and to introduce a compensatory scheme based on per hectare aids for the three sectors. Farmers taking part in the general scheme would receive the per hectare aids on condition that they set aside a part of their land. Initially this part was set at 15% of the total area for which aid was requested, be it for cereals, oilseeds, protein crops or set aside. It was expected that the area set aside would be mostly taken out of cereal production and therefore the production of cereals would be lower than before the reform.

A simplified scheme was also introduced aimed at small producers allowing them to receive the per hectare aids without the obligation to set aside any part of their holdings.

Within this framework the main risk of not achieving the decrease in production would be the expansion of the cereals area under cultivation.

12

To avoid this risk, the Commission proposed that each farm be attributed a base area according to the area cultivated in the past. This individual base area would be the maximum for which a producer could claim an aid and would therefore ensure budgetary stability.

The sum of these base areas, it was hoped, would be broadly the maximum area devoted to the reformed crops. Under the assumption that the area planted to protein crops and oilseeds would remain stable, it implied an upper limit to the area devoted to cereals.

For several reasons, including the administrative difficulties in applying the individual base areas, the Council added the option for each Member State to adopt a system of regional base areas. In practice all the Member States chose the option of regional base areas, sometimes as large as a whole country. Their sizes were determined as the average of the area devoted to cereals, oilseeds and protein crops or set aside in the marketing years 1989/90, 1990/91 and 1991/92.

Two special devices were adopted to ensure that the switch from individual to regional base areas would not lead to an overshoot of the base areas and thereby increase production and budgetary outlays.

The first device is aimed primarily at budgetary stability, but should also have some effect at discouraging producers from increasing their area. It consists of a reduction in the area for which the aid is paid in the same marketing year as and in proportion to the overshoot. The expenditure level is not therefore affected by the increase in area and the producer receives an effective aid per planted and set aside hectare lower than the full rate.

The second one is more directly targeted at containing the expansion of the area planted to cereals, oilseeds and protein crops and the associated increase in the level of cereals production. In the marketing year following an overshoot the producer must set aside without compensation a percentage of the total area equal to that of the overshoot. This percentage is in addition to the normal obligatory set-aside. Producers under the simplified scheme are also exempted from this extraordinary set-aside.

Initially this extraordinary set-aside was conceived to compensate for any increase in production and was to be counted against the base area. But it was later realized that it could create a spiral of ever increasing sanctions in the case of structural overshoots, i.e. when producers maintain their cultivated land. These difficulties led to its exclusion from the base area in December 1993.

In addition to containing the regional base areas ex post the strict application of this sanction was expected to be a clear signal that the Community did not want and would not accept any overshoot of the base area.

On the other hand, however, at the level of the individual producer the effectiveness of the sanctions aimed at preventing the expansion of the cultivated area is limited by the fact that they must be applied collectively, without taking into account the individual's contribution to the expansion.

Therefore, an individual producer expanding his area more than the average for his base area keeps some benefits, while expanding less than the average he is the victim of the other producers expansion. This is an incentive to expand.

In this situation art. 9 of Council Regulation 1765/92 gains importance through limiting the maximum amount of land which (theoretically) could be mobilised under the COP regime. All land devoted to permanent pasture, permanent crops, forest or non agricultural uses on 31.12.1991 is ineligible for the per hectare payments.

The remaining eligible area amounts to about 65 million ha within which is the global Community base area of 49 million ha (after the inclusion of linseed in 1994/95). Theoretically, the maximum risk of expansion of the COP beyond the base area is therefore 16 million ha.

2. Further developments

Three modifications relating to set-aside that came into force from the beginning of the 1994/95 marketing year, are of particular importance for controlling the level of production.

The *first* is an increase in the set-aside premium from 54.34 ECU/t to 68.83 ECU/t in order to make the set-aside obligation more acceptable to producers.

The *second* is the non-rotational set-aside. This frees producers from the obligation not to set aside the same plot more than once every six years. However the non-rotational set aside rate is 5 percentage points (or 3 in certain cases) greater than that for rotational set-aside.

The *third* is the possibility to set aside more land than the compulsory amount, up to a normal limit of 50% of the total area of the farm (so called voluntary set-aside).

To some extent, these developments reduce the risk that an overshoot leads necessarily to an excessive level of production because it could be accompanied by an increase in set-aside.

The increased set-aside could come from two sources. The first is eligible land not previously devoted to cereals, oilseeds or protein crops (and consequently not included in the calculation of the base areas) attracted by the higher rate of aid for set-aside. Secondly, in the case of voluntary set-aside, some land that previously had been cultivated to these crops would be set aside in addition to the compulsory area. In both cases, the land set aside would in general be marginal land with (much) lower yields than the regional average.

With regard to voluntary set-aside Member States have to make sure that it reduces cultivated land and does not contribute to any overshoot. In many cases no particular action in this respect will be necessary on the part of Member States to the extent that voluntary set-aside replaces "five year" set-aside, which is within the base area, or takes place on farms where because of the nature of the holding it reduces planted area. But the provision gives Member States the opportunity to prevent flagrant abuse when a farmer seeks voluntary set-aside compensation without making any reduction in the area for which normal compensation is paid.

In practice, however, this provision would appear to be difficult to apply. Strict rules of additionality, as foreseen in the original Commission proposal, would have to be introduced in order to ensure that voluntary set-aside leads effectively to a supplementary reduction of planted area. Otherwise it could always be argued that had voluntary set-aside not been available the areas benefiting from it would have been cultivated, total cultivated area would have been bigger and overshoots would have been the same.

II. *EXPERIENCE FROM THE 1993/94 AND 1994/95 MARKETING YEARS (EUR-12)*

1. The 1993/94 marketing year

Area covered by applications.

For the Community as a whole, the area for which an aid was lodged plus the fodder declared area amounted to 46.14 million ha. This is almost 2.7 million ha less than the Community base area of 48.83 million ha for 1993/94 (see annex 1). The part taken by the general scheme (professional producers) corresponded to 69% of the area (see annex 2).

In each Member State, the sum of the areas for which the aids were requested plus the fodder area for which an aid is not claimed (but which are taken into account for the comparison with the base area), was lower than the total base areas (see annex 2).

The sum of the cultivated land (whether aided or not), set aside land and the fodder area is estimated to have exceeded the Community base area by about 0.5 million ha (see annex 3). This means that an aid was not claimed for about 3.2 million ha. France, Spain and Italy were the countries of most significance in this respect.

Overshoots

Although at the Community and national levels the applications for aid and declarations of fodder land corresponded to an area lower than the sum of the respective base areas, overshoots did occur in some regions. This is specified in annex 4.

Set-aside

Globally the area set-aside was 6.27 million ha, of which 4.61 million ha corresponded to rotational set-aside (the only form of compulsory set-aside in 1993/94) and 1.65 million ha corresponded to the old "five year set-aside" (a scheme under Regulation 2328/91, now expiring).

Implementation of the sanctions

As can be seen in annex 4, in all the cases where an overshoot took place, some special arrangements were introduced to avoid that the application of the sanctions involve too negative consequences for farms. Only Scotland was subject to extraordinary set-aside for 1994/95 (1986 ha).

Cereals balance sheet.

The total production of cereals is estimated at 163.2 million tonnes, well under the historical trend. Due to the decrease in prices, cereals consumption increased by 4 to 5 million tonnes as had been foreseen.

Both the increase in consumption and the decrease in production contributed to a better balance in the cereals sector. Total final stocks fell from 42.3 million tonnes at the end of 1992/93 to 33.1 million tonnes at the end of 1993/94. Public stocks went from 33.3 million tonnes to 18.1 million tonnes while private stocks were 10 million tonnes at the beginning of the 1993/94 marketing year and 15 million tonnes at the end.

2. The 1994/95 marketing year

Legal modifications

On top of the already mentioned modifications concerning set-aside, at the beginning of the 1994/95 marketing year linseed was introduced within the reformed arable crops and the base areas were adapted correspondingly from 48.83 million ha to 49 million ha.

Area covered by the applications.

For the whole of the Community, the area covered by the applications and declarations of fodder use were 47.57 million ha, this was 1.43 million ha more than in 1993/94. Consequently the total of area covered by the applications and declarations was lower than the total of the base areas at the Community level (see annex 1). The same was true at the national level, except for Germany, France and the UK (see annex 5).

The part of the general scheme (professional producers) corresponded to 74% of the area. The area under the simplified scheme was lower than the previous year both as a proportion of the total and in absolute terms (see annex 5).

Cultivated land (whether aided or not) and set aside land, including the fodder area, is estimated to have exceeded the Community base area of 49 million ha by about 1.1 million ha (see annex 6). This means that aid was not claimed for about 2.5 million ha.

Set-aside

There was a steep increase in the area set aside in all the Member States (see annex 7). At the Community level, the set-aside area for types of set-aside other than the old "five year" set-aside reached 6,01 million ha, 1.4 million ha more than in the 1993/94 marketing year.

The old "five year" set-aside comprised 1.3 million ha, 0.35 million ha less than in 1993/94. Rotational set-aside decreased by 0.88 million ha, while other forms of set-aside reached almost 2.3 million ha. Out of this area, it is estimated that 1.2 million ha replaced the 0.88 million ha of rotational set-aside, 0.6 million ha corresponded to the increase in the area for which an aid was requested under the general scheme, and 0.6 million ha were voluntary set-aside. Half of this voluntary set-aside took place in Spain.

It must be pointed out that only a few Member States communicated their figures for voluntary set-aside to the Commission. The figure of 0.6 million ha is thus an estimate.

Globally the total area under set-aside increased by about 1 million ha of which about 0.5 million ha were taken out of the 1993/94 cultivated area and 0.5 million ha were added from land without COP nor set aside.

Overshoots

As can be seen in annex 8, some overshoots took place that led to the application of a reduction of the area for which an aid had been requested. In addition to this sanction, in the case of oilseeds additional sanctions were implemented under the form of reduction of the aids.

Cereals balance sheet.

Cereals production is estimated at 161.6 million tonnes, a reduction of 1.6 million tonnes (1.0%) on 1993/94. As the area planted to grain cereals was the same in both marketing years (see annex 7), the decrease in production is explained by a lower average yield in 94/95 mainly due to weather conditions. Assuming that there is not a negative evolution of the internal consumption and of exports, at the end of the marketing year there should be another reduction in the total final stocks from 33.1 million tonnes to about 26 million tonnes and in the public stocks from 18 million tonnes to 11 million tonnes.

3. Assessment of some aspects of the 1993/94 and 1994/95 marketing years

A significant part of area remains outside the scheme. It can be expected that with the increase of the aid in 1995/96 and with better information in some regions there will be an increase in the areas for which an aid is requested, as happened in 1994/95 compared with 1993/94.

With regard to the equilibrium of the cereals market, the two first years of the application of the reform have been a success marked by a decrease in production, an increase in consumption and a reduction in the level of final stocks (still a forecast for 1994/95), and in particular of public stocks. As a result the compulsory rate for rotational set-aside was reduced from 15% to 12% for the 1995/96 marketing year.

This does not mean that there are no risks for the future. In particular, the introduction of non-rotational and voluntary set-aside should have led to a decrease in the area cultivated to cereals but this has not been the case. If one considers that the poorest land of every farm was put into the different types of set-aside, one can conclude that the average quality of the land in production has increased, this is to say that the production potential of the cultivated land is increased even though the total cultivated area has remained constant.

Therefore, although in some cases overshoots could at first sight be attributed to the increase in the area set aside and not to an increase in cultivated land, they are not necessarily production neutral.

III. *SOME PROBLEMS CONCERNING THE APPLICATION OF THE EXTRAORDINARY SET-ASIDE IN 1995/96*

According to the terms of the Council regulation n° 1765/92 an extraordinary set-aside without compensation should be applied in all the regions where an overshoot took place in 1994/95. There appear to be several problems related to the economic consequences of the application of this.

1. Producers under the simplified scheme are not subject to this sanction. This means that a producer could avoid the sanction by shifting from the general scheme to the simplified one and not claim the aids for part of his holding. The extent of this phenomenon cannot be foreseen but is probably of minor importance given that only those producers with potential production slightly over the definition of small producer can find this move economically appealing. Nonetheless, in the cases where the rate of extraordinary set-aside is high, there is a risk that other methods of becoming a small producer could also be put into practice in order to avoid it.
2. In zones where a given plot can be part of two different base areas (eg maize and other cereals), high rates of extraordinary set-aside can induce the producers to switch production from the base area subject to the sanction to the non subject one.

If this would lead to massive shifts between products from year to year it could become a permanent factor of disturbance.

3. In extreme cases, producers could even not plant crops covered by the reform and plant different products, with the risk of disturbing other markets.
4. Land previously used as temporary grassland or forage land could be used to comply with this sanction thus expanding the area under the COP system.

In addition to these more technical and economic aspects there would appear to be also a psychological and political aspect. More than the limitation of the compensatory payments to a base area, the extraordinary set-aside is seen by many farmers as overburdening the CAP with sanctions. This can create political pressures -and the experience of the first two years indicates that it does so- to circumvent such sanctions. The more the overshoots are important the more these pressures are high and the more it becomes difficult to resist them at the EU level. As a result, the whole system could lose its credibility through repeated exceptions.

All these considerations lead to the conclusion that the application of the extraordinary unpaid set-aside such as it is established currently in the Council regulation 1765/92 would be difficult and could produce quite counterproductive results.

IV. OPTIONS FOR THE FUTURE

The difficulties found in applying extraordinary set-aside and the present very favourable market situation could lead to believe that it is no longer necessary to have any device directly aimed at avoiding the expansion of areas devoted to the COP crops. In such a case the simple abolition of extraordinary set-aside would appear as the simplest option for the future. All the problems caused by the application of extraordinary set-aside would be eliminated and the legislation would be simplified.

However, the present market situation is in part due to conjunctural factors (such as the weather in 1994/95) that could change in the future. Yields are also likely to increase in the coming years following an upwards trend that the reform probably has moderated but not eliminated. Furthermore, the monetary evolution within the EU could lead to an increase in the rates of the aids per hectare that would encourage the expansion of areas devoted to the COP crops.

Unwanted increases in cereals production are therefore possible for the future and for this reason the simple abolition of extraordinary set-aside does not seem a prudent option at this stage. The Commission is, however, prepared to review this question in the broad context of a first global evaluation of the 1992 reform and its impacts which it intends to present after the transition period during the first year of full application.

In the meantime it would appear to be important to maintain the extraordinary set-aside as a means to limit the area devoted to COP crops and to keep cereals production under control. However, in order to avoid or to reduce the undesirable side-effects of this instrument, certain modifications could be envisaged.

Two of these possible modifications are explored here.

1) Deducting voluntary set-aside from the calculation of the overshoot.

The basic idea of this suggestion is to reduce any overshoot by the areas on voluntary set-aside corrected by a coefficient of 75% to take into account the likely lower productivity of this land.

(This reduction would apply only to the calculation of the rate of extraordinary set-aside, not to the reduction of areas for which an aid is paid.)

This modification would reduce the frequency and severity of the sanction in cases where an overshoot is associated with voluntary set-aside, in which cases the strict application of extraordinary set-aside could be perceived as unjustified.

Two views can be taken about the need to apply extraordinary set-aside when an overshoot is accompanied by voluntary set-aside.

The first view is that it is difficult to justify the strict application of extraordinary set-aside given the fact that no increase in production is caused by the areas on voluntary set-aside. Both extraordinary set-aside and voluntary set-aside are considered as alternative devices aimed at the same goal: controlling cereals production. It could become a political problem to explain to producers that the success of one of the devices (voluntary set-aside) produces the application of the other (extraordinary set-aside) while in principle it should reduce the need for it. It must also be pointed out that the financial consequences of an overshoot as far as it does not cause an increase in production are by and large neutralised for the Community's budget through the reduction of all the areas for which an aid is requested within the same base area.

The second view maintains that the strict application of extraordinary set-aside is needed because voluntary set-aside was supposed to be an additional instrument aimed at an additional reduction of the level of production. Any overshoot would show that this additional effect had not been achieved. In fact, from a legal point of view, Member States are obliged by the Community legislation to make sure that voluntary set-aside reduces the cultivated land and that it does not contribute in any way to overshoots. If this were always the case, it would seem illogical to deduct voluntary set-aside for the calculation of the overshoot. However, as has already been said, this provision is difficult to implement.

In case of deduction of voluntary set-aside a number of other arguments have also to be considered.

(1) Deducting voluntary set-aside is not consistent with one of the aims of voluntary set-aside: to give producers participating in the now expiring "five year set-aside" scheme the possibility to maintain the same area on set-aside in order to avoid that it be put on cultivation (1.65 million ha in 1993/94 that planted with cereals could produce between 6 and 7 million tonnes). At present these areas on "five year set-aside" are not deducted for the calculation of overshoots.

(2) There is a risk that the calculations of the overshoots could rapidly become more complicated (bureaucratic) and/or subject to manipulation.

(3) The temptation to use marginal land which is eligible, but would normally not be cultivated, for voluntary set-aside in order to obtain the premium would increase since no sanction under the form of extraordinary set-aside would have to be expected.

(4) When an overshoot is not associated with voluntary set-aside, all the negative side-effects of the present sanction would still appear.

2) Introduction of a maximum rate for extraordinary set-aside

This modification would reduce the problems of shifts between the general and the simplified schemes and between base areas. The risks of incorporation of new land into the COP areas to avoid the sanction would also be reduced. At the same time it would maintain certain degree of severity that should prevent the expansion of cultivated areas. In fact, an upper limit for extraordinary set-aside would make it a credible and applicable, and therefore effective, instrument to control cereals production.

A difficulty associated with this modification is that of finding the right maximum rate. The lower the maximum rate, the less effective extraordinary set-aside. The higher the maximum rate, the more likely it is that the present problems will again be found. Ideally, it should be the maximum rate that does not encourage producers to switch from one scheme, base area or product to another. This rate probably is not the same all over the Community but only one maximum rate should apply for all producers.

Following consultations on this report, the Commission will make appropriate proposals to be implemented for the plantings in autumn 1995 and spring 1996. Extraordinary set-aside in respect of this season will be almost completed before the first possible date by which the Council will adopt any change in existing legislation.

Annex 1

**Area for which an aid was requested or declared as fodder area.
(million ha)**

	1993/94	1994/95
CEREALS(INCLUDING SILAGE)	31.81	32.69
OILSEEDS	5.43	5.23
PROTEIN CROPS	1.32	1.26
LINSEED	---	0.09
FODDER AREA	1.31	1.00
SET-ASIDE	6.27	7.30
TOTAL(million ha)	46.14	47.57
TOTAL BASE AREA	48.83	49.03

ANNEX 2

ARABLE CROPS - AID APPLICATIONS 1993/94

	B	DK	D	EL	ES	FR	IR	IT	LUX	NL	P	UK	Total
Number of accepted applications (1000)													
General scheme	3 6,7%	27 38,0%	96 25,2%	7 2,5%	142 28,3%	184 33,8%	3 17,6%	42 7,8%	0 13,0%	1 2,1%	3 5,9%	32 52,5%	540 21,3%
Simplified scheme	42 93,3%	44 62,0%	285 74,8%	270 97,5%	360 71,7%	360 66,2%	14 82,4%	494 92,2%	2 87,0%	46 97,9%	48 94,1%	29 47,5%	1994 78,7%
Total	45 100%	71 100%	381 100%	277 100%	502 100%	544 100%	17 100%	536 100%	2 100%	47 100%	51 100%	61 100%	2534 100%
Areas (1000ha) (1)													
COP	(2)	(2)	(2)		(2)	(2)	(2)					(2)	
-General scheme (2)	115 28,4%	1385 74,8%	6797 74,0%	97 7,7%	5756 68,1%	10177 79,4%	170 59,4%	1239 31,9%	11 30,6%	51 15,3%	401 63,1%	3735 92,3%	29934 69,3%
-Simplified scheme (2)	290 71,6%	466 25,2%	2387 26,0%	1155 92,3%	2694 31,9%	2641 20,6%	116 40,6%	2642 68,1%	25 69,4%	282 84,7%	235 36,9%	310 7,7%	13243 30,7%
Total COP	405 100%	1851 100%	9184 100%	1252 100%	8450 100%	12818 100%	286 100%	3881 100%	36 100%	333 100%	636 100%	4045 100%	43177 100%
Fodder area	47	100	293	20	64	329	22	130	3	23	130	151	1312
5 year set-aside	1	7	415	1	88	225	2	766	0	15	0	109	1649
TOTAL AREAS	453	1958	9892	1273	8602	13372	310	4797	39	371	766	4305	46138
BASE AREA (3)	479	2017	10002	1492	9229	13522	345	5800	43	436	1054	4407	48826
Average aided area per farm (excl. 5 year set-aside) (ha)													
General scheme	38	51	71	14	41	55	57	30	37	51	134	117	55
Simplified scheme	7	11	8	4	7	7	8	5	13	6	5	11	7
Total	9	26	24	5	17	24	17	7	16	7	12	66	17

(1) Linseed area excluded

(2) The distribution between the general and simplified schemes is an estimate based on the proportion derived from communications for the whole area, i.e. including fodder area and "five year" set-aside.

(3) As indicated in Regulation (CEE) n° 845/93 plus 181,000 ha for Germany

Estimated COP area 1993/94 - 1000 ha

Area planted to different COP products aided or not

		B/LUX	DK	D	EL	ES	FR	IR	IT	NL	PO	UK	EUR12
Cereals	(non-food excl.)	347	1452	6224	1317	6300	8511	274	3798	183	664	3029	32099
Oiiseeds	(non-food excl.)	5	143	1089	17	2076	1352	2	249	1	100	380	5414
Linseed	(1)	1	0	29	0	0	11	6	1	1	0	156	205
Protein		9	121	89	5	29	750	6	90	4	17	214	1334
Silage		164	77	1264	0	347	1487	2	565	229	40	73	4248
Total area under cultivation		526	1793	8695	1339	8752	12111	290	4793	418	821	3852	43300
Set aside													
5 years set aside		1	7	415	1	88	225	2	786	15	0	109	1649
Rotational set-aside		21	208	1050	15	872	1590	26	195	8	61	568	4614
Total set-aside		22	215	1465	16	960	1815	28	981	23	61	677	6263
TOTAL		548	2008	10160	1355	9712	13926	318	5684	441	882	4529	49563
Base area		522	2017	10002	1492	9229	13522	345	5800	436	1054	4407	48826
				(2)									(3)

(1) Linseed area not included in the 1993/94 base area.

(2) 150,000 ha temporary overshoot authorized.

(3) 24,500 ha temporary overshoot authorized.

Remarks: Figures refer to total area planted disregarding whether aid is requested or not. Area planted to non-food is excluded as it reappears under section set-aside.

Annex 4

A) OVERSHOOTS OF BASE AREAS IN 1993/94.

- Germany: All the new Länder overshot their base areas.
- Spain: The base area was exceeded by 8% (91,000 ha approximately) in the zone "Regadio" (irrigated) for products other than maize.
- United Kingdom: In Scotland, there was an overshoot of 5.4% (about 27,000 ha) in the zones other than Less Favoured Areas. The initial calculation of the overshoot was 16.6% (about 66,500 ha), but the correction of the historical data on which the base areas were based reduced the overshoot to 5.4%.
- Belgium: In the Northern region, the "maize" base area was overshoot by 16.7% (16,200 ha).
- Ireland: The "maize" base area was overshoot by 699% (1,100 ha).

B) IMPLEMENTATION OF THE SANCTIONS IN 1993/94.

- Germany: In December 1993, the Council decided to increase the German base area by 181,000 ha. The Commission introduced a system of progressive adaptation of the penalties that implied the elimination of all the overshoots in 1993/94.
- Spain: The Commission decided not to apply any reduction to the area "other than sunflowerseed".
- United Kingdom: In December 1993 it was decided to apply to Scotland a system of progressive adaptation of the sanctions that implied a reduction of 0.54 % of the area for 1993/94. In 1994/95 Scotland had an extraordinary set-aside of 1986 ha.
- Belgium: The overshoot was eliminated for the 1993/94 marketing year as a consequence of the modification of the Council Regulation in December 1993.
- Ireland: As for Belgium, the overshoot was eliminated in December 1993 through the modification of the Council Regulation.

ARABLE CROPS - AID APPLICATIONS 1994/95

	B	DK	D	EL	ES	FR	IR	IT	LUX	NL	P	UK	Total
Number of accepted applications (1000)													
General scheme	4 8,9%	31 44,9%	114 30,4%	9 3,0%	133 32,2%	194 38,1%	4 25,0%	63 9,5%	0 13,0%	2 4,2%	4 5,0%	35 56,5%	593 23,0%
Simplified scheme	41 91,1%	38 55,1%	261 69,6%	291 97,0%	280 67,8%	315 75,0%	12 75,0%	600 90,5%	2 87,0%	46 95,8%	76 95,0%	27 43,5%	1989 77,0%
Total	45 100%	69 100%	375 100%	300 100%	413 100%	509 100%	16 100%	663 100%	2 100%	48 100%	80 100%	62 100%	2582 100%
Areas (1000 ha)													
COP													
General scheme	157 36,6%	1564 79,4%	7643 79,1%	141 10,8%	6537 74,9%	11051 83,4%	200 69,0%	1474 35,1%	13 35,1%	84 22,4%	420 57,7%	4011 93,4%	33295 73,5%
Simplified scheme	272 63,4%	405 20,6%	2024 20,9%	1168 89,2%	2185 25,1%	2201 16,6%	90 31,0%	2726 64,9%	24 64,9%	291 77,6%	308 42,3%	285 6,6%	11979 26,5%
Total COP	429 100%	1969 100%	9667 100%	1309 100%	8722 100%	13252 100%	290 100%	4200 100%	37 100%	375 100%	728 100%	4296 100%	45274 100%
Fodder area	45	27	277	26	37	277	10	118	3	19	51	111	1001
5 year set-aside	1	6	221	0	68	190	0	711	0	14	0	86	1297
TOTAL AREAS	475	2002	10165	1335	8827	13719	300	5029	40	408	779	4493	47572
BASE AREA (1)	479	2018	10156	1492	9220	13526	346	5801	43	437	1054	4461	49033
Average aided area per farm (excl. 5 year set-aside) (ha)													
General scheme	39	50	67	16	49	57	50	23	43	42	105	115	56
Simplified scheme	7	11	8	4	8	7	8	5	12	6	4	11	6
Total	10	29	26	4	21	26	18	6	16	8	9	69	18

(1) As indicated in Regulations (CEE) n° 1098/94 and n° 1000/94.

Estimated COP area 1994/95 - 1000 ha

Area planted to different COP products aided or not

	B/LUX	DK	D	EL	ES	FR	IR	IT	NL	PO	UK	EUR-12
Cereals (non-food excl.)	326	1425	6255	1327	6520	8164	261	4023	190	610	3031	32132
Oilseeds (non-food excl.)	5	129	1170	20	1365	1601	6	359	1	132	414	5202
Linseed	0	1	26	0	0	5	1	0	0	0	55	88
Protein	6	106	94	4	98	672	5	84	4	1	229	1302
Silage (1)	172	77	1208	0	360	1458	2	485	231	40	73	4106
Total area under cultivation	509	1738	8753	1351	8343	11900	275	4951	426	783	3802	42830
5 years set-aside	1	6	221	0	68	190	0	711	14	0	86	1296
Rotational set-aside (2)	22	119	692	18	996	1058	36	210	12	67	497	3737
Others, of which voluntary	6 1	147 n.a.	703 n.a.	0 0	353 287	865 98	-- --	40 n.a.	2 n.a.	-- --	158 n.a.	2274 (3)600
Total set-aside	29	272	1616	18	1417	2123	36	961	28	67	741	7307
TOTAL	538	2009	10369	1369	9760	14023	311	5912	454	850	4543	50137
Base area	522	2018	10156	1492	9220	13526	346	5801	437	1054	4461	49033

(1) Maize silage area plus the additional surface for other than maize silage in Denmark, Spain and Italy.

(2) For Ireland and Portugal the figure refers to total other than five year set-aside.

(3) Estimate.

Remarks: Figures refer to total area planted disregarding whether aid is requested or not. Area planted to non-food is excluded as it reappears under the set aside section.

Annex 7

COP area - Difference in % between 1993/94 and 1994/95

Area planted to different COP products aided or not

	B/LUX	DK	D	EL	ES	FR	IR	IT	NL	PO	UK	EUR12
Cereals (non-food excl.)	-6%	-2%	0%	1%	3%	-4%	-5%	6%	4%	-8%	0%	0%
Oilseeds (non-food excl.)	0%	-10%	7%	18%	-34%	18%	200%	44%	0%	32%	9%	-4%
Linseed	-100%	-	-10%	0%	0%	-55%	-83%	-100%	-100%	0%	-65%	-57%
Protein	-33%	-13%	6%	-20%	238%	-10%	-17%	-7%	0%	-94%	7%	-2%
Silage	5%	0%	-4%	0%	4%	-2%	0%	-14%	1%	0%	0%	-3%
Total area under cultivation	-3%	-3%	1%	1%	-5%	-2%	-5%	5%	2%	-5%	-1%	-1%
Set aside												
5 years set aside	0%	-21%	-47%	-100%	-23%	-16%	-100%	-10%	-7%	0%	-21%	-21%
Total set-aside	32%	26%	10%	13%	48%	17%	29%	-2%	22%	10%	9%	17%
TOTAL	-2%	0%	2%	1%	0%	1%	-2%	4%	3%	-4%	0%	1%

Annex 8

OVERSHOOTS OF THE BASE AREAS IN 1994/95.

A) General base areas:

- **Germany:** Taking into account the temporary increase in the areas decided for the new Länder, there was an overshoot in the following:

Brandenbourg	5.9% (54,400 ha)
Mecklenbourg	1.7% (16,800 ha)
Sachsen	3.4% (20,400 ha)
Sachsen-Anhalt	3.8% (33,100 ha)
Thüringen	2.0% (11,000 ha)
Baden-Wurtemberg	1.0% (7,000 ha) (maize).

- **France:** Overshoot of the base area other than maize by 1.3%. In 10 out of the 12 départements having a specific "maize" base area, there was an overshoot ranging from 0.7% to 17%.

- **United Kingdom:** In Scotland ("other than Less Favoured Areas"), there was an overshoot of 3.5% (15,400 ha).
In England there was an overshoot of 66% (33,500 ha) in the maize base.

- **Spain:** There were the following overshoots:

"Regadio" base,	12.6% (142,000 ha)
Castilla-Leon,	6.2% (160,000 ha)
Aragon	3.7% (25,250 ha)
Basc country	3.8% (1,350 ha)

B) Oilseeds base areas:

There was an overshoot of 9% in the maximum guaranteed area for oilseeds in the largest Community area. In Spain there was an overshoot of 4% in the sunflowerseed area while in the Portuguese sunflowerseed area there was an overshoot of 20%.

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63

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