

European Communities

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EUROPEAN PARLIAMENT

# Working Documents

1984-1985

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2 April 1984

DOCUMENT 1-113/84 /A

## Report

drawn up on behalf of the Committee on Agriculture

on the proposal from the Commission of the European Communities to the Council (Doc. 1-1000/83 - COM(83) 559 final) for a regulation on improving the efficiency of agricultural structures, with particular reference to Titles III and IV of the above, relating to Directive 75/268/EEC

Rapporteur: Mr James PROVAN

PE 88.175/fin. A.



By letter of 31 October 1983, the President of the Council of the European Communities requested the European Parliament to deliver an opinion, pursuant to Article 43 of the EEC Treaty, on the proposals from the Commission of the European Communities to the Council for a Council Regulation (EEC) on improving the efficiency of agricultural structures and a Council Regulation amending Council Regulation (EEC) No 1820/80 on the stimulation of agricultural development in the less-favoured areas of the West of Ireland.

On 14 November 1983, the President of the European Parliament referred these proposals to the Committee on Agriculture as the committee responsible and to the Committee on Budgets and the Committee on Regional Policy and Regional Planning for their opinions.

On 15 November 1982, the motion for a resolution tabled by Mr BLANEY, pursuant to Rule 47 of the Rules of Procedure, on the extension of FEOGA grants to cover tillage machinery, was referred to the Committee on Agriculture as the committee responsible and to the Committee on Budgets and the Committee on Regional Policy and Regional Planning for their opinions.

On 2 December 1982, the Committee on Agriculture decided to annex this motion for a resolution to the present report.

At its meeting of 10 February 1983, the Committee on Agriculture appointed Mr PROVAN rapporteur with particular reference to Titles III and IV of the first proposal.

The Committee considered the Commission's proposals and the draft report at its meetings of 1 December 1983, 21/22 February 1984 and 20 March 1984.

At the last meeting, the Committee decided by 22 votes to 1 and 4 abstentions to recommend to Parliament that it approve the Commission's proposal with the following amendments.

The Committee then adopted the motion for a resolution as a whole by 22 votes to 1, with 4 abstentions.

The following took part in the vote: Mr Curry, chairman; Mr Colleselli and Mr Delatte, vice-chairmen; Mr Provan, rapporteur; Mr Barbagli (deputising for Mr Diana), Mr Battersby, Mr Blaney, Mr Dalsass, Mr Eyraud, Mr Gatto, Mr Helms, Mr Hord, Mr Hutton (deputizing for Mr Simmonds), Mr Jürgens, Mr Keating (deputizing for Ms Quin), Mr Ligios, Mr McCartin (deputizing for Mr Clinton), Mr Maffre-Baugé, Mr Maher, Mr Martin (deputizing for Mr Papapietro), Mr Mertens, Mr Pranchère, Mr Sutra, Mr Thareau, Mr Vgenopoulos, Mr Vitale and Mr Woltjer.

The opinions of the Committee on Budgets and the Committee on Regional Policy and Regional Planning are attached to this report.

The present report was tabled on 29 March 1984.

The deadline for the tabling of amendments to this report appears in the draft agenda for the part-session at which it will be debated.

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The Committee on Agriculture hereby submits to the European Parliament the following amendments to the Commission's proposal and motion for a resolution :

Proposal from the Commission for a regulation on improving the efficiency of agricultural structures

Amendments tabled by the  
Committee on Agriculture

Text proposed by the Commission  
of the European Communities

Preamble and recitals unchanged

Articles 1 to 17 unchanged

Amendment No 1

Article 18

1. unchanged

2. unchanged up to and including (d)

Article 18

1. In order to help remove particularly serious structural or infrastructural handicaps for the agriculture of the areas referred to in Article 13(1), specific measures may be adopted so as to stimulate agriculture as a whole in the region concerned, in harmony with any development schemes simultaneously undertaken in non-agricultural sectors, and with the needs for environmental protection.

2. Such measures may include:

- (a) land consolidation, irrigation and drainage;
- (b) soil improvement or protection and flood control;
- (c) afforestation and the improvement of run-down woodland, including the production of quality seedlings;
- (d) work on rural infrastructures, in particular farm and local roads, electricity and drinking water supplies, as well as measures concerning improvement of rural dwellings in line with that of the farm economy.

New sub-paragraph (e) as follows:

- (e) the provision of fencing, hedges, walls and liming

Amendment No. 2

New sub-paragraph (f) as follows:

- (f) the development of aquaculture

Articles 19 to 25 unchanged

Article 26

1. The expenditure incurred by Member States in connection with the measures provided for in Articles 3 to 7, 9 to 17, 20 and 21 shall be eligible for aid from the Fund.
2. The Fund shall reimburse 25% of the eligible expenditure on the measures provided for in Articles 3 to 7, 13 to 17 and 20 to Member States.

The rate shall be increased to

50% in the case of the special aids provided for in Article 7 for farmers under 40 years of age;

50% in the case of the compensatory allowance provided for in Article 14 in Greece, Ireland, Italy and the French Overseas Departments;

Amendment No 3

50% in the case of the aids referred to in Article 17 in the French Overseas Department, Greek and Italian regions within the meaning of Article 13(1);

Add the following clause:

and in the severely disadvantaged areas within the less-favoured areas;

50% in the case of the aids referred to in Article 20.

The fund may also reimburse to Member States up to 25% of eligible expenditure under the measures provided for in Articles 9 to 12 and 21.

Articles 27 to 34 unchanged



MOTION FOR A RESOLUTION

closing the procedure for consultation of the European Parliament on the proposal from the Commission of the European Communities to the Council for a regulation on improving the efficiency of agricultural structures, with particular reference to Titles III and IV.

The European Parliament,

- having regard to the proposal from the Commission to the Council (COM(83) 559 final)<sup>1</sup>,
  - having been consulted by the Council pursuant to Article 43 of the EEC Treaty (Doc. 1-1000/83),
  - having regard to the report by Mr THAREAU on new guidelines for the Community's structural policy in the agricultural sector (Doc.1-923/83/A),
  - having regard to the report by Mr DAVERN on ways of increasing the effectiveness of the Community's structural funds, especially that of the EAGGF Guidance Section (Doc. 1-990/83),
  - having regard to the report of the Committee on Agriculture and the opinions of the Committee on Budgets and the Committee on Regional Policy and Regional Planning (Doc. 1-113/84),
  - having regard to the result of the vote on the Commission's proposal
- A. Whereas the validity of existing socio-structural Directives expired on 31 December 1983,
- B. Whereas it is important to ensure continuity of the measures with particular reference to the modification of Directive 75/268/EEC,
- C. Whereas the Commission has already initiated some experimental integrated development programmes in certain Member States,
- D. Whereas the European Parliament has already expressed an opinion on the state of agriculture in the Highlands and Islands of Scotland and other severely disadvantaged regions of the Community<sup>2</sup>, which it reaffirms, and welcomes the fact the Commission has taken up some of the ideas suggested in that report<sup>1</sup> and incorporated them into the proposal for a new regulation,
- E. Whereas it is important that new structural measures should provide help to farms in regions with permanent natural handicaps without creating further surpluses and imposing additional burdens on the Community budget,

<sup>1</sup> OJ No. C 347 of 22.12.1983

<sup>2</sup> PROVAN report, OJ C96, p.35

- F. Whereas to this end it is necessary that aid to the less-favoured areas be graded in accordance with requirements which should be defined by criteria at Community level,
1. Welcomes the Commission's proposal for a Regulation as a first step towards widening the scope of assistance to mountain and hill farming and farming in certain less-favoured areas;
  2. Considers moreover that the present directive, which has been largely limited to offsetting natural disadvantages by compensatory payments or by special provisions in applying existing structural measures, has been more effectively strengthened to provide real encouragement for the development of employment in the regions;
  3. Calls for the compensatory allowance to be adjusted every two years to take account of increases in costs;
  4. Believes that the Commission has, on balance, achieved a fair method of maintaining compensatory payments to farmers keeping livestock; requests that the application of these measures be kept under close review in order that further surpluses, particularly of milk, be avoided;
  5. Welcomes the provision of compensatory payments for those who engage in afforestation of all or part of the areas used as a basis for calculating the allowance but requests that:
    - (a) consideration be given to ensuring that tenant farmers and owner occupiers will be able to benefit from forestry plantation schemes and that forestry grants be available under the EAGGF for these regions,
    - (b) further research be financed on afforestation in areas previously considered unsuitable;

6. Welcomes, further, the provisions for investment aid for the development of tourism and craft industry; agrees with the proposal to increase this incentive where such developments help reduce any of the types of agricultural production which are in surplus;
7. Approves the proposal for financial aid for joint investment schemes for the purposes specified;
8. Welcomes the possibility of additional specific measures being taken in order to stimulate the harmonious development of agriculture in the less-favoured regions concerned, whilst taking into account the need for environmental protection;
9. Believes however that the measures should include aid for the development of aquaculture which can be a complementary activity to farming;
10. Welcomes the fact that it will be possible to treat as less-favoured areas small areas with specific handicaps which must continue to be farmed, sometimes by special methods, in order to protect the environment, preserve the landscape and its potential for tourism, or protect the coastline,
11. Rejects restricting the payment of compensatory allowance to farms with more than 3 ha of land used for agricultural purposes, as this limit has proved to be arbitrary in the past, and calls instead for the introduction of a financial threshold below which no compensatory allowance would be payable;
12. calls for the ceiling on the number of livestock in respect of which grants are payable in the case of investment grants to be applied also to the award of compensatory allowance;
13. Calls, moreover, for the restriction of the number of dairy cows in respect of which compensatory allowance is payable to ten animals to be abolished in areas which are eligible for compensatory allowances without being mountain areas;'

14. Emphasizes the desirability of progressively introducing a greater coordination of the various Community Funds and policies by the introduction of integrated development plans in order to ensure that the development essential to these regions is encouraged as effectively as possible;
15. Reaffirms, in this connection, that the Agricultural Development Programmes in Ireland and Italy provide precedents for Community participation in broadly based agricultural development programmes in the most severely disadvantaged regions of the Community; and believes it a matter of urgency for accelerated agricultural development plans to be drawn up for the rapid improvement in the production efficiency, marketing facilities and infrastructure of the most severely disadvantaged regions in the less-favoured areas of the Community; thus ensuring greater added value to agricultural products;
16. Stresses that such programmes should take the form of 'framework programmes' which could be applied more flexibly and hence allow local needs and possibilities to be fully taken into account and local and regional authorities to be given greater responsibility;
17. **Believes that such integrated development measures for the promotion of tourism, forestry, agriculture and fisheries and rural industries should constitute the first step in the coordination of the structural funds intended to operate in all sectors of the rural economy, so ensuring greater coordination and collaboration between all the different services of the Commission, national and regional agencies involved; therefore calls on the Commission to appoint from within its staff a Director to coordinate such funding requirements;**
18. Stresses that the actions envisaged in the proposal for a regulation must be coordinated with all the other Community measures taken to assist the regions, and suggests therefore that all less-favoured areas be classified as eligible for Regional Development Fund grants;

19. Stresses the importance of concentrating Community aid in the less-favoured zones and calls on the Commission to draw up a list of severely disadvantaged areas within the less-favoured areas, on the basis of a definition, at Community level, of criteria such as:
  - (i) excessively low incomes in relation to the national average
  - (ii) serious decline in population
  - (iii) very low population densities
  - (iv) long and expensive lines of transport and communication
  - (v) agricultural structures insufficient to maintain the existing farming population
  - (vi) limited range of agricultural production possibilities;
  - (vii) a combination of climatological factors, of high precipitation and wind speed, low air temperature and evapotranspiration with soils of low permeability, the effect of which is substantially to shorten the growing season and to limit the possibilities for using the land.
20. Points out that certain Member States such as the UK, Ireland, Germany and Italy, have already designated certain areas as severely disadvantaged, within the less-favoured areas;
21. Believes that the less-favoured areas need greater help than the more advantaged areas of the European Community;
22. Instructs its President to forward to the Council and Commission, as Parliament's opinion, the Commission's proposal as voted by Parliament and the corresponding resolution.