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Report

drawn up on behalf of the Committee on Agriculture

on the proposal from the Commission of the European Communities to the Council (Doc. 333/72) for a directive on agriculture in mountain areas and in certain other poorer farming areas

Rapporteur: Mr M. CIFARELLI

Pursuant to Article 43 of the EEC Treaty the President of the Council requested the European Parliament to deliver an opinion on the proposal from the Commission of the European Communities to the Council for a directive on agriculture in mountain areas and in certain other poorer farming areas.

On 12 March 1973 the President of the European Parliament referred this proposal to the Committee on Agriculture, as the committee responsible, and to the Committee on Budgets, the Committee on Economic and Monetary Affairs and the Committee on Regional Policy and Transport for their opinions.

The Committee on Agriculture appointed Mr Cifarelli rapporteur. At its meeting of 22 and 23 March 1973 the committee discussed the proposal and unanimously adopted the following motion for a resolution.

The following were present: Mr Houdet, chairman; Mr Vetrone, deputy chairman; Mr Cifarelli, rapporteur; Mr Briot, Mr Durieux, Mr Frehsee, Mr Früh, Mr Heger, Mr John Hill, Mr Hilliard, Mr de Koning, Mr Lefebvre, Mr Liogier, Mr Lücker, Mr McDonald, Mr Martens, Lord St. Oswald and Mr Scott-Hopkins.

The Committee on Agriculture hereby submits the following motion for a resolution to the European Parliament :

MOTION FOR A RESOLUTION

embodying the opinion of the European Parliament on the proposal from the Commission of the European Communities to the Council for a directive on agriculture in mountain areas and in certain other poorer farming areas

The European Parliament,

- having regard to the proposal from the Commission of the European Communities to the Council (COM (73) 202 fin.);
 - having been consulted by the Council pursuant to Article 43 of the EEC Treaty (Doc. 333/72),
 - having regard to the report of the Committee on Agriculture (Doc. 11/73),
 - in view of the fact that the special difficulties which exist for agriculture in some areas of the Community have brought about a continuous worsening in the income and living conditions of farmers and that the negative effects of this worsening situation have repercussions on the general situation of local communities,
 - recognizing that the consequent exodus of the agricultural and rural population, and particularly of the young, may well bring about the depopulation of such areas and the final deterioration of the countryside by reason of the abandonment of cultivation and of the use of the soil,
1. Is of the opinion that if it is in the general interest of society for a minimum population to remain in such areas in order to ensure, by its activities, the conservation of the countryside, suitable means must then be sought for offsetting the natural handicaps which prevent farmers in in such areas from making a living similar to that of workers elsewhere;
 2. Points out that, as part of its common agricultural policy,
 - by means of the standards already laid down for the reform of agriculture and in particular for the modernization of farms, the Community should give financial assistance to such farms as are capable of providing an income to farmers corresponding to that of other people in comparable social and professional classes;

3. Considers, therefore, that, with a view to pursuing this objective, standards will have to be adapted to take account of the position of these special and clearly defined poorer areas;
4. Therefore approves the general lines of the proposed directive, pointing out that on various occasions in the past it has considered the special position of such areas of the Community, in the first place laying down, on its initiative, the need for special measures¹, and in the second place pointing out the need for specific financial help by the Community to farms in such naturally unfavourable areas².
5. Hopes, however, that the existence of certain infrastructures in the poorer areas, as so rightly stated, will not prevent the immediate action desired for maintaining the farmers in such regions and thus ensuring the conservation of the countryside;
6. Is of the opinion also that the proposed criteria for the delimitation of the poorer areas do not always correspond with the physical and climatic conditions and consequently with the income level of all those areas which it is felt necessary to include in the field of application of the directive;
7. Wonders whether the compensation fixed according to the gravity of existing handicaps will do enough to ensure that the farmers with small-sized holdings will remain permanently in the area;
8. Is convinced that in poorer mountain areas some typical kinds of quality production should be maintained, since they may represent an important factor in the farmers' income;
9. Hopes that the Member States, in accordance with the present directive and the financial participation by the Community provided for, will apply the necessary administrative measures and regulations as quickly as possible so that within the shortest possible time the process of

¹ Report of the Committee on Agriculture on the proposal for a directive on the modernization of farms (Doc. 176/71, Art. 13 (a)).

² Opinion of the Committee on Agriculture on the communication from the Commission to the Council on environmental policy (Doc. 74/72).

of deterioration and depopulation of the poorer areas will be checked, while bearing in mind that some of the activities provided for will only show their full effects in the medium term;

10. Invites the Commission to present proposals for measures capable of providing encouragement for forest farms, in view of their ecological importance;
11. Invites the Commission to examine the problems which may arise, especially in regard to Article 6, second subparagraph, of the directive, in national parks or nature conservancy areas situated in the regions referred to in Article 4(2) as a result of the specific handicaps affecting agricultural production by virtue of regulations adopted in connection with environmental policy;
12. Finally draws attention to the essential need - in addition to the measures provided for in this directive - for rapid implementation of an active Community policy on regional development in order to deal with the socio-economic problems of the areas in question;
13. Invites the Commission to provide an analysis of the situation resulting from the application of the present provisions in the annual report provided for in Article 22 of Directive No. 72/159/EEC;
14. Requests the Commission to adopt the following amendments pursuant to the second paragraph of Article 149 of the EEC Treaty;
15. Instructs its President to forward this resolution to the Council and Commission of the European Communities.

PROPOSAL FOR A DIRECTIVE
on agriculture in mountain areas and in certain
other poorer farming areas

Preamble and recital unchanged

Article 1

With a view to improving the position of farm incomes and to ensuring the continuation of farming in mountain areas and in certain other poorer areas in which farming is necessary for the purpose of maintaining a minimum population level and conserving the countryside, such areas being determined in accordance with the provisions of Article 2, Member States are authorized to introduce a special system of aids to farms designed to encourage farming and the development of farms having regard to the permanent natural handicaps affecting agriculture in these areas.

Article 2

1. The Member States shall send the Commission notice delineating the boundaries of areas in which they propose to apply the special system of aids provided for in Article 1, and which, in the light of the conditions laid down in Articles 3 and 4, are eligible for inclusion in the Community list of poorer farming areas. The Member

Article 1

With a view to improving the position of farm incomes and to ensuring the continuation of farming in mountain areas and in certain other poorer areas in which farming is necessary for the purpose of maintaining a minimum population level, particularly of persons engaged in agriculture, in order to conserve the countryside, such areas being determined in accordance with the provisions of Article 2, Member States are authorized to introduce a special system of aids to farms designed to encourage farming and the development of farms having regard to the permanent natural handicaps affecting agriculture in these areas.

Article 2

1. unchanged

¹ For complete text see COM (73) 202 fin.

States shall at the same time submit all relevant information concerning the characteristics of those areas.

2. The Council, acting under Article 43 of the Treaty, shall draw up a Community list of poorer farming areas within the meaning of Articles 3 and 4 in which the Member States are to introduce the special system of aids provided for in Article 1.
3. The Community list of poorer farming areas may be revised yearly.

Article 3

Poorer farming areas in mountain country in which farming is needed for the purpose of conserving the countryside are areas consisting of local government districts of parts thereof and satisfying the following conditions :

1. They must have adequate infrastructure, especially in regard to access roads to farms, electricity and drinking water supply. Should such infrastructure be lacking, its provision must be envisaged in public investment programmes.
2. The average income from farming in such areas must be less than two thirds of the national average income from farming.
3. The local government districts or parts thereof making up such areas

2. unchanged

3. The Community list of poorer farming areas may be revised yearly, in accordance with the procedure laid down in paragraph 2.

Article 3

unchanged

1. unchanged

2. unchanged

3. unchanged

must satisfy the following
conditions :

- either there must be over the greater part of the district in question slopes too steep for the use of machinery or requiring the use of special machinery; or
- there must be difficult climatic conditions, the effect of which is to reduce substantially the growing season (i.e. to less than six months), and slopes such as to limit the use which can be made of the land and to add to the cost of working it.

- either there must be over the greater part of the district in question slopes too steep for the use of machinery or requiring the use of special high-cost machinery; or
- there must be difficult climatic conditions, the effect of which is to reduce substantially the growing season (six words deleted), and slopes such as to limit the use which can be made of the land and to add to the cost of working it.

Articles 4 to 7 unchanged

Article 8

1. Member States shall fix the level of compensation according to the severity of the permanent natural handicaps affecting farming and having regard to the limits set out below. No grant shall be of less than 20 units of account per livestock unit (hereinafter abbreviated to 'l.u.') or per hectare.
 - (a) In the case of cattle, sheep and goats, compensation shall be calculated in relation to livestock numbers, but excluding cows whose milk is intended for marketing. Compensation may not exceed 50 units of account per hectare of fodder crop area per farm. A table for converting cattle, sheep and goats into livestock units is annexed to this directive.

Article 8

1. unchanged

(b) In the case of enterprises other than cattle, sheep and goats, compensation shall be calculated in relation to the area farmed, less the area required for cattle, sheep or goat production and less any areas of wheat, and less any serried areas of more than 50 acres per farm of apples, pears or peaches. Compensation may not exceed 50 units of account per hectare.

1A. By derogation, and solely in the case of poorer farming areas in mountain country, cows whose milk is intended for marketing and the whole area given over entirely to the production of apples and pears shall be taken into account in calculating compensation.

2. The Council shall each year, acting under Article 43 of the Treaty, lay down maxima for grants of compensation as above.

2. unchanged

3. Member States shall, when adopting rules for the implementation of this Article, provide themselves with the means to check effectively the figures used as the basis of calculation for compensation paid.

3. unchanged

Articles 9 and 10 unchanged

Article 11

Member States shall grant aids to joint investment schemes in respect of fodder production, and to land improvement and joint capital equipment schemes in respect of pastureland and mountain grazing.

Article 11

Member States shall grant aids to joint investment schemes in respect of fodder production, for winter keep and for specified crops either grown or bought by farmers for the feeding of cattle or sheep in the

areas in question, and to land improvement and joint capital equipment schemes in respect of pasture land and mountain grazing.

Article 12

1. Without prejudice to the provisions of Article 14 of Directive 72/159/EEC other than those of paragraph 2(b), Member States may grant investment aids to farms which do not satisfy the conditions of Articles 2 and 4 of that directive as amended by Articles 9(3) and 10(1) of this directive.
2. The granting of such aids shall, however, be subject to the following limits :
 - the maximum investment qualifying for aid shall be 8 000 units of account per farm;
 - no aid, in whatever form granted, may exceed 50% of the amount of the relevant investment, or the equivalent of a capital subsidy of 3 000 units of account.

Article 12

1. unchanged
2. The granting of such aids shall, however, be subject to the limits fixed by the Member States as regards their maximum amount.
No aid, in whatever form granted, may exceed 50% of the amount of the relevant investment.

Articles 13 to 19 unchanged