Council Regulation (EC) No 2012/2006 of 19 December 2006 amending and correcting Regulation (EC) No 1782/2003 establishing common rules for direct support schemes under the common agricultural policy and establishing certain support schemes for farmers and amending Regulation (EC) No 1698/2005 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD)

COUNCIL REGULATION (EC) No 2012/2006

of 19 December 2006

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THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 36 and the third subparagraph of Article 37(2) thereof,

Having regard to the Treaty of Accession of the Republic of Bulgaria and Romania, and in particular Article 4(3) thereof,

Having regard to the Act of Accession of the Republic of Bulgaria and Romania (hereinafter referred to as 'the 2005 Act of Accession'), and in particular Article 56 thereof,

Having regard to the proposal from the Commission,

Having regard to the Opinion of the European Parliament,

Whereas:

(1) Regulation (EC) No 1782/2003[(1)] established common rules for direct support schemes under the common agricultural policy and certain support schemes for farmers.

(2) Articles 42(8) and 71d(6) of Regulation (EC) No 1782/2003 prohibit the transfer of entitlements established using the national reserve except in cases of inheritance. In cases of mergers and scissions it is also appropriate to allow farmers to bring payment entitlements allocated from the national reserve into the resulting new holding or holdings.

(3) Experience shows that for a decoupled income support the rules governing the eligibility of agricultural areas may be simple. In particular, it is appropriate to simplify the rules applicable to the single payment scheme for agricultural areas planted with olive trees.

(4) In Malta, a majority of farmers in the beef and veal sector do not have any land at their disposal. Under these specific circumstances, the application of the special conditions laid down in Article 71m of Regulation (EC) No 1782/2003 could create serious difficulties for the sustainable development of the beef and veal sector and an

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excessive administrative workload. It is appropriate to provide for simplified conditions for the single payment scheme payments to the farmers concerned in Malta.

(5) Currently, those Member States among the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovenia and Slovakia (hereinafter referred to as 'the new Member States') that apply the single area payment scheme are excluded from the Community aid for energy crops. The review of the energy crops scheme pursuant to Article 92 of Regulation (EC) No 1782/2003 has shown that it is appropriate to extend the aid for energy crops to all Member States as from 2007 and under the same conditions. Therefore the maximum guaranteed area should be increased proportionally, the schedule of increments provided for the introduction of support schemes in the new Member States should not apply to the energy crops scheme and the rules governing the single area payment scheme should be amended.

(6) In order to strengthen the role of permanent energy crops and to provide an incentive to increase the production of these crops, Member States should be entitled to grant national aid up to 50 % of the costs associated with establishing permanent crops for the areas which have been subject to an application for the aid for energy crops.

(7) Sugar beet and cane producers in the new Member States have benefited since accession from price support under Council Regulation (EC) No 1260/2001 of 19 June 2001 on the common organisation of the markets in the sugar sector[(2)]. Therefore, the Community aid for sugar beet and cane producers established in Chapter 10f of Regulation (EC) No 1782/2003 should not be subject to the application of the schedule of increments provided for in Article 143a of that Regulation, with effect from the day of application of the aid for sugar beet and cane producers. It is also appropriate to clarify the conditions for the application of this aid and the calculation of the payment to be granted to the farmers concerned.

(8) Experience shows that the single area payment scheme is an efficient and simple system of granting decoupled income support to farmers. For the sake of simplification it is appropriate to allow the new Member States to continue applying it until the end of year 2010. Nevertheless, it is not deemed appropriate to extend beyond 2008 the exemption, granted to Member States applying the single area payment scheme, from the obligation to introduce into cross-compliance statutory management requirements. To ensure coherence of certain rural development measures with this non-extension, Article 51 of Regulation (EC) No 1698/2005[(3)] should take account thereof.

(9) Under normal circumstances, farmers may agree between themselves the conditions under which the holding (or part of the holding) having beneficiated from the separate sugar payment is transferred. However, in the case of inheritance, it is appropriate to provide that the inheritor be granted the separate sugar payment.

(10) The 2005 Act of Accession and this Regulation both amend Regulation (EC) No 1782/2003 and those amendments should come into force on the same day. In the interest of legal certainty, the order in which those amendments are to be applied should be specified.

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(11) Regulations (EC) No 1782/2003 and (EC) No 1698/2005 should be amended accordingly.

(12) Council Regulation (EC) No 247/2006 of 30 January 2006 laying down specific measures for agriculture in the outermost regions of the Union[(4)] amended Annex I to Regulation (EC) No 1782/2003. Due to an error, the entries for olive oil and hops did not take into account the amendments to that Annex introduced by Commission Regulation (EC) No 2183/2005 of 22 December 2005 amending Council Regulation (EC) No 1782/2003 establishing common rules for direct support schemes under the common agricultural policy and establishing certain support schemes for farmers and amending Regulation (EC) No 795/2004 laying down detailed rules for the implementation of the single payment scheme provided for in Council Regulation (EC) No 1782/2003. Annex I to Regulation (EC) No 1782/2003 should therefore be corrected accordingly, with effect from the date of application of Regulation (EC) No 2183/2005,

HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EC) No 1782/2003 as amended, including by the 2005 Act of Accession, is hereby amended as follows:

1. Article 20 shall be amended as follows:

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

   > 2. For the Member states applying the aid for olive groves provided for in Chapter 10b of Title IV, the identification system shall include a geographical information system for olive cultivation, consisting of a computerised alphanumerical database and a computerised graphical reference database for olive trees and areas concerned.;

   (b) the following paragraph shall be added:

   > 3. Member States not applying the aid for olive groves provided for in Chapter 10b of Title IV may decide to include the geographical information system for olive cultivation referred to in paragraph 2 in the identification system for agricultural parcels.;

2. the second indent of Article 22(1) shall be replaced by the following:

   — in the case of an application for the aid for olive groves provided for in Chapter 10b of Title IV, or where the Member State is applying the option referred to in Article 20(3), the number of olive trees and their positioning in the parcel,;

3. the first subparagraph of Article 42(8) shall be replaced by the following:

   > Except in the case of a transfer by actual or anticipated inheritance and of mergers and scissions, and by way of derogation from Article 46, the entitlements established using the national reserve shall not be transferred for a period of five years starting from their allocation. In the case of a merger or scission, the farmer(s) managing the new holding(s) shall keep the entitlements which were originally allocated from the national reserve until the remaining part of the five-year period.;

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4. the second subparagraph of Article 44(2) shall be replaced by the following:

"Eligible hectare" shall also mean areas planted with hops or being under a temporary resting obligation, or areas under olive trees.;

5. point (a) of Article 51 shall be replaced by the following:

(a) permanent crops, apart from olive trees or hops;;

6. Article 56(4) shall be replaced by the following:

4. Member States shall be authorised to pay national aid up to 50 % of the costs associated with establishing permanent crops intended for bio-mass production on set-aside land.;

7. Article 60(1) shall be replaced by the following:

1. Where a Member State makes use of the option provided for in Article 59, farmers may, by way of derogation from Article 51(b) and (c) and in accordance with this Article, also use the parcels declared in accordance with Article 44(3) for the production of products referred to in Article 1(2) of Regulation (EC) No 2200/96 or in Article 1(2) of Regulation (EC) No 2201/96 and of potatoes other than those intended for the manufacture of potato starch for which aid is granted under Article 93 of this Regulation, except crops referred to in Article 51(a).;

8. the first subparagraph of Article 71d(6) shall be replaced by the following:

6. Except in the case of a transfer by actual or anticipated inheritance, of mergers and scissions and of the application of paragraph 3, and by way of derogation from Article 46, the entitlements established using the national reserve shall not be transferred for a period of five years starting from their allocation. In the case of a merger or scission, the farmer(s) managing the new holding(s) shall keep the entitlements which were originally allocated from the national reserve for the remaining part of the five-year period.;

9. Article 71g(1), shall be replaced by the following:

1. Farmers may, by way of derogation from Article 51(b) and (c) and in accordance with this Article, also use the parcels declared in accordance with Article 44(3) for the production of products referred to in Article 1(2) of Regulation (EC) No 2200/96 or in Article 1(2) of Regulation (EC) No 2201/96 and of potatoes other than those intended for the manufacture of potato starch for which aid is granted under Article 93 of this Regulation, except crops referred to in Article 51(a).;

10. the following subparagraph shall be added to Article 71m:

However, for Malta, the second subparagraph shall not apply and the derogation provided for in the first subparagraph shall apply without the condition that the farmer maintain at least 50 % of the agricultural activity exercised before the transition to the single payment scheme expressed in livestock units.;

11. the following subparagraph shall be added to Article 88:

Articles 143a and 143c shall not apply to the aid for energy crops in the Community as constituted on 1 January 2007.;

12. Article 89(1) shall be replaced by the following: