Commission Regulation (EC) No 660/2006 of 27 April 2006 amending Regulation (EC) No 1973/2004 laying down detailed rules for the application of Council Regulation (EC) No 1782/2003 as regards the support schemes provided for in Titles IV and IVa of that Regulation and the use of land set aside for the production of raw materials

COMMISSION REGULATION (EC) No 660/2006

of 27 April 2006

amending Regulation (EC) No 1973/2004 laying down detailed rules for the application of Council Regulation (EC) No 1782/2003 as regards the support schemes provided for in Titles IV and IVa of that Regulation and the use of land set aside for the production of raw materials

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 1782/2003 of 29 September 2003 establishing common rules for direct support schemes under the common agricultural policy and establishing certain support schemes for farmers and amending Regulations (EEC) No 2019/93, (EC) No 1452/2001, (EC) No 1453/2001, (EC) No 1454/2001, (EC) 1868/94, (EC) No 1251/1999, (EC) No 1254/1999, (EC) No 1673/2000, (EEC) No 2358/71 and (EC) No 2529/2001[(1)], and in particular Articles 113(2), 145(c), (d), (da) and (f) and Article 155 thereof,

Whereas:

(1) Member States should provide the Commission with the available data related to the application of the aid for starch potato provided for in Article 93 of Regulation (EC) No 1782/2003 and the aid for sugar beet and cane producers provided for in Chapter 10f of Title IV of Regulation (EC) No 1782/2003. Article 3(c) of Commission Regulation (EC) No 1973/2004[(2)] should be amended accordingly.

(2) Article 90 of Regulation (EC) No 1782/2003 as amended by Regulation (EC) No 319/2006, provides for the possibility to grant aid for energy crops in respect of areas whose production is covered by a contract between the farmer and the collector. Implementing rules on the aid for energy crops set out in Regulation (EC) No 1973/2004 should be adapted accordingly.

(3) Article 33 of Regulation (EC) No 1973/2004 provides that energy products have to be obtained at the most by a second successive processor. However, as far as the non-food on the set-aside scheme is concerned, Article 156 of that Regulation provides that non-food products shall be produced at the most by a third successive processor. Experience after two years of implementation of the energy crops scheme shows that it is appropriate to align the two schemes introducing the third successive processor also in the energy crops scheme. Articles 33, 37 and 38 of Regulation (EC) No 1973/2004 should, therefore, be adapted accordingly.

Changes to legislation: *There are currently no known outstanding effects for the Commission Regulation (EC) No 660/2006. (See end of Document for details)*

(4) Provision should be made to determine the detailed rules of the integrated administration and control system set out in Commission Regulation (EC) No 796/2004 of 21 April 2004 laying down detailed rules for the implementation of cross-compliance, modulation and the integrated administration and control system provided for in of 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[(3)] to be applied as regards the separate sugar payment scheme established under Article 143ba of Regulation (EC) No 1782/2003.

(5) One of the aims of the reform in the sugar sector, as provided for in Council Regulation (EC) No 318/2006 of 20 February 2006 on the common organisation of the markets in the sugar sector[(4)], is to enhance the market-orientation of the Community sugar sector. Therefore, in order to increase the outlets for the products in this sector, it is appropriate to consider sugar beet, Jerusalem artichokes and chicory roots eligible for the aid for energy crops scheme and to accept the cultivation of those crops, for purposes other than sugar production, on land eligible to receive set-aside entitlements.

(6) Article 171cm(5) of Regulation (EC) No 1973/2004 prevents the farmers from lodging an application for an advance on tobacco aid once they have begun making deliveries. That provision does not allow for applications to be lodged in the case of producers of early tobacco varieties. It is therefore appropriate to remove that provision.

(7) In application of Article 71(1) of Regulation (EC) No 1782/2003, Slovenia decided to apply the single payment scheme in 2007. The third subparagraph of Article 71(1) of that Regulation provides that the transitional period shall apply only until 31 December 2005 in respect of hops. Slovenia would therefore be obliged to implement the single payment scheme only for that sector and integrate all the other sectors in 2007. In order to facilitate the transition towards the single payment scheme, Article 48a(11) of Commission Regulation (EC) No 795/2004 of 21 April 2004 laying down detailed rules for the implementation of the single payment scheme provided for in 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[(5)], provides for the continuation of the applicability of the previous hops regime in Slovenia until 31 December 2006 and therefore to proceed to the implementation of the single payment scheme for all sectors concerned in 2007. It is, therefore, appropriate to align the provisions of Regulation (EC) No 1973/2004 with those contained in Regulation (EC) No 795/2004 and, thus, to provide for the applicability, in Slovenia until 31 December 2006, of the implementing rules provided for in Commission Regulation (EC) No 609/1999 of 19 March 1999 laying down detailed rules for granting aid to hop producers[(6)].

(8) Pursuant to the second paragraph of Article 71 of Regulation (EC) No 1973/2004, Spain has proposed an amendment of Annex X to that Regulation with a view to adding the less-favoured areas in the provinces of Coruña and Lugo situated in the Autonomous Region of Galicia and provided the Commission with a detailed justification of this proposal which indicates that the criteria referred to in Article 113(2) of Regulation (EC)

No 1782/2003 are fulfilled. Taking account of this justification, Annex X to Regulation (EC) No 1973/2004 should be amended in order to insert the areas in question.

(9) Annex II to Commission Decision C(2004) 1439/3 of 29 April 2004 concerning the minimum size of eligible area per holding, the agricultural area under the single area payment scheme and the annual financial envelope in respect of the year 2004 for the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Poland and Slovakia, sets out the agricultural area under the single area payment scheme referred to in Article 143b(4) of Regulation (EC) No 1782/2003. The respective figure concerning Poland has been amended by Commission Decision C(2005) 4553 of 25 November 2005. That amount should also be reflected in Annex XXI to Regulation (EC) No 1973/2004.

(10) Annex XXI to Regulation (EC) No 1973/2004 sets the agricultural area under the single area payment scheme for Slovakia at 1 976 thousand hectares. However, the correct area to be taken into account amounts to 1 955 thousand hectares as it has been established in Annex II to Decision C(2004) 1439/3. That amount needs to be reflected in Annex XXI to Regulation (EC) No 1973/2004.

(11) Following a further review in Lithuania of the estimation of the agricultural area under the single area payment scheme in accordance with Article 143b(4) of Regulation (EC) No 1782/2003, Commission Decision C(2006) 1691 of 26 April 2006 increased the overall agricultural area from currently 2 288 thousand hectares to 2 574 thousand hectares. Annex XXI to Regulation (EC) No 1973/2004 should be adapted accordingly.

(12) New tobacco varieties have been introduced to the Community market, which should be included in Annex XXV to Regulation (EC) No 1973/2004.

(13) Regulation (EC) No 1973/2004 should therefore be amended accordingly.

(14) Since the amendments provided for in this Regulation relate to the marketing years starting as from the year 2006, this Regulation should apply as of 1 January 2006. However, as regards the amendment of the agricultural area under the single area payment scheme in relation to Poland, this Regulation should take effect as from the year 2005 as it leads to higher payments to the applicants under that scheme.

(15) The measures provided for in this Regulation are in accordance with the opinion of the Management Committee for Direct Payments,

HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EC) No 1973/2004 is amended as follows:

1. Article 3(c) is replaced by the following:

(c) by 31 July of the following year at the latest, after, where applicable, the deduction of the reductions in area provided for in Chapter I of Title IV of Regulation (EC) No 796/2004, the final data corresponding to the following:

(i) the areas or quantities referred to in point (a) for which the aid has actually been paid for the year concerned;

(ii) the quantities expressed in starch equivalent in the case of the aid for starch potato provided for in Article 93 of Regulation (EC) No 1782/2003 for which the aid has actually been paid for the year concerned;

(iii) the quantities of sugar under quota obtained from sugar beet or cane delivered under contract in the case of aid for sugar beet and cane producers provided for in Chapter 10f of Title IV of Regulation (EC) No 1782/2003, for which aid has actually been paid for the year concerned.;

2. in Article 23, the following point is added:

(c) "collector" means any person concluding a contract with an applicant as referred to in Article 26, who purchases on his own account raw materials referred to in Article 24 and intended for the uses provided for in the second paragraph of Article 88 of Regulation (EC) No 1782/2003.;

3. Article 24 is amended as follows:

(a) in paragraph 1, the first subparagraph is replaced by the following:

Any agricultural raw material may be grown on the areas covered by the aid provided for in Article 88 of Regulation (EC) No 1782/2003 provided that they are intended primarily for use in the production of the energy products referred to in the second paragraph of that Article.;

(b) paragraph 3 is amended as follows:

(i) the first subparagraph is replaced by the following:

Applicants shall deliver all raw materials harvested to a collector or first processor who shall take delivery of them and ensure that an equivalent quantity of such raw materials is used within the Community for the manufacture of one or more energy products as referred to in the second paragraph of Article 88 of Regulation (EC) No 1782/2003.;

(ii) the third subparagraph is replaced by the following:

In the case referred to in the second subparagraph, or where the collector sells an equivalent quantity of the raw material harvested, the first processor or the collector shall so inform the competent authority with whom the security is lodged. Where such equivalent quantity is used in a Member State other than that in which the raw material is harvested, the competent authorities of the Member States concerned shall inform each other of the details of such transaction.;

(c) paragraph 4 is replaced by the following:

4. In accordance with the national provisions governing contractual relations, the first processor may delegate to a third party the collection of the raw material from the farmer applying for the aid. The processor remains solely responsible with regard to the obligations laid down by this Chapter.;

4. Article 26 is amended as follows:

(a) paragraph 1 is replaced by the following:

1. In support of their aid applications, applicants shall submit to their competent authorities the contracts they have concluded with a collector or first processor.

However, Member States may decide that the contract may only be concluded between an applicant and a first processor.;

(b) paragraph 3 is replaced by the following:

3. Applicants shall ensure that the contracts are concluded in time to allow collectors or first processors to deposit a copy with their competent authorities within the time-limits laid down in Article 34(1).;

5. Article 29 is amended as follows:

(a) the first paragraph is replaced by the following:

Without prejudice to Article 27, collectors or first processors may alter the intended primary end uses of raw materials, as referred to in Article 26(2)(f), once the raw materials under contract have been delivered to them and once the conditions laid down in Article 31(1) and in the first subparagraph of Article 34(3) have been fulfilled.;

(b) the third paragraph is replaced by the following:

The collectors or first processors shall give prior notice to their competent authorities with a view to the requisite controls.;

6. in Article 31(2), the first subparagraph is replaced by the following:

The actual quantities to be delivered by the applicants to the collectors or first processors shall at least correspond to the representative yield.;

7. in Article 32, paragraph 1 is amended as follows:

(a) the introductory terms are replaced by the following:

The aid may be paid to applicants before the raw material is processed. However, such payments shall be made only where the requisite quantities of raw materials pursuant to this Chapter have been delivered to the collector or first processor and where:;

(b) point (b) is replaced by the following:

(b) a copy of the contract has been deposited with the collector’s or first processor's competent authority in accordance with Article 34(1) and the conditions provided for in Article 24(1) have been fulfilled;

8. in Chapter 8, the heading of Section 6 is replaced by the following:
SECTION 6Obligations on applicants, collectors and first processors

9. Article 33 is replaced by the following: