Commission Regulation (EC) No 658/2006 of 27 April 2006 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

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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) No 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 Article 60(2), Article 145(c), (d) and (d)(b) and Article 155 thereof,

Whereas:

(1) 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[(2)] introduces the implementing rules for the single payment scheme as from 2005.

(2) Experience of the administrative and operational implementation of that scheme at national level has shown that in certain respects further detailed rules are needed and in other respects the existing rules need to be clarified and adapted.

(3) Regulation (EC) No 1782/2003 as amended by Regulation (EC) No 319/2006 defines the rules for the de-coupled support and the integration of the support for sugar beet, cane and chicory into the single payment scheme. The related detailed rules should therefore be adopted. Those detailed rules should follow the same lines as those already laid down in Regulation (EC) No 795/2004 with regard to olive oil, tobacco, cotton and hops.

(4) The application of Article 42 of Regulation (EC) No 1782/2003 to all sectors included in the single payment scheme after the first year of application may lead to the situation that the amounts that remain in the national reserve after allocation of reference amounts from that national reserve in the cases provided for in that Article are not needed anymore to cover any further cases. In that case the Member States should be authorised to increase proportionally the unit value of all payment entitlements.

Changes to legislation: *There are currently no known outstanding effects for the Commission Regulation (EC) No 658/2006. (See end of Document for details)*

(5) Article 21 of Regulation (EC) No 795/2004 provides for the detailed rules for farmers who made investments in production capacity or who leased parcels on a long-term basis. Those provisions need to be adapted in order to take into account the special situation of farmers in the sugar sector who made such investments or entered into such long-term lease-contracts before the entry into force of Council Regulation (EC) No 318/2006 of 20 February 2006 on the common organisation of the markets in the sugar sector[3].

(6) Experience shows that there is a need for clarification of the dates at which a farmer applying for aid under the single payment scheme has to hold the payment entitlements.

(7) The rules in case of transfers of payment entitlements should be clarified in order to enable a transfer to take place on the date foreseen in the communication of the transfer to the competent authority, unless the competent authority objects to the transfer and notifies the transferor thereof within the time period established by the Member State.

(8) Article 48c of Regulation (EC) No 795/2004 needs to be adapted in respect of Member States which already started to apply the single payment scheme in 2005.

(9) The integration of the sugar reference amounts into the single payment scheme was decided by Council Regulation (EC) No 319/2006 of 20 February 2006 amending Regulation (EC) No 1782/2003 establishing common rules for direct support schemes under the common agricultural policy and establishing certain support schemes for farmers. Member States therefore only have very short time-limits to take the necessary steps to comply with that integration. Measures should be taken to ensure a smooth transition from the old sugar-related schemes to the integration into the single payment scheme. In particular, it should be ensured that farmers may make use of their rights within reasonable time-limits. Where that possibility is at jeopardy, Member States should have to provide for a prolongation of the application time-limits fixed in Regulation (EC) No 1782/2003.

(10) In order to avoid that the sugar sector is submitted to a second linear percentage reduction of the reference amounts in case of overshoot of the national ceilings referred to in Annex VIII to Regulation (EC) No 1782/2003, it is appropriate to clarify the application of Article 41(2) of that Regulation.

(11) In accordance with Article 42(1) of Regulation (EC) No 1782/2003, the national reserve has to be replenished by a linear reduction of all the reference amounts. Rules need to be established to clarify how Member States who already applied the single payment scheme in 2005 have to proceed with regard to the integration of the reference amount for sugar beet, cane and chicory into the replenishment of the national reserve.

(12) The specific rules provided for in Article 48d of Regulation (EC) No 795/2004 need to be extended to include sugar beet, cane and chicory support.

(13) A further time-limit concerning the dates provided for in Article 49a of Regulation (EC) No 795/2004, by which Member States have to communicate certain information to the Commission, needs to be granted with regard to the integration of sugar beet, cane and chicory support.

(14) Annex I to Regulation (EC) No 795/2004 fixes the date from which the growing of secondary crops may be temporarily allowed in regions where cereals are usually harvested sooner for climatic reasons as referred to in Article 51(b) of Regulation (EC) No 1782/2003. At the request of Greece, that date should be fixed for that Member State.

(15) Annex II to Regulation (EC) No 795/2004 fixed the average number of hectares referred to in Article 60(2) of Regulation (EC) No 1782/2003 on the basis of the data communicated to the Commission by the Member States concerned. Finland has communicated the relevant data. It is therefore appropriate to fix also the number of hectares for that Member State.

(16) Regulation (EC) No 795/2004 should therefore be amended accordingly.

(17) Due to the fact that the transfer of entitlements may start as from 1 January 2006, it is appropriate to provide that this Regulation applies retroactively from that date.

(18) 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 795/2004 is amended as follows:

1. in Article 4, the following paragraph is added:

3. In the case where the amounts contained in the national reserve show to be higher than what is needed to cover the cases referred to in Article 42 of Regulation (EC) No 1782/2003, the Member States may increase proportionally the unit value of all payment entitlements. The total amount used for this increase shall not be higher than the total amount resulting from the linear reduction applied in accordance with Article 42(1) and (7) of that Regulation.;

2. Article 21 is amended as follows:

   (a) in paragraph 1, the following subparagraph is added:

   For the investments in the sugar sector the date referred to in the first subparagraph shall be 3 March 2006.;

   (b) in paragraph 2, the following subparagraph is added:

   For the investments in the sugar sector the date referred to in the first subparagraph shall be 3 March 2006;

   (c) in paragraph 4, the following subparagraph is added:

   For the investments in the sugar sector the date referred to in the first subparagraph shall be 3 March 2006.;

3. in Article 24, paragraph 1 is replaced by the following:

1. Payment entitlements may only be declared for payment once per year by the farmer who holds them at the latest date for lodging the single application in accordance with Article 11 of Regulation (EC) No 796/2004.

However, where a farmer makes use of the possibility to amend the single application in accordance with Article 15 of that Regulation, he may also declare payment entitlements which he holds at the date of his notification of the amendments to the competent authority provided that the payment entitlements concerned are not declared by another farmer in respect of the same year.

Where the farmer acquires the payment entitlements concerned by way of a transfer from another farmer and where that other farmer had already declared those payment entitlements, the additional declaration of those payment entitlements shall only be admissible if the transferor has already informed the competent authority of the transfer in accordance with Article 25(2) of this Regulation and withdraws those payment entitlements from his own single application, within the time-limits set out in Article 15 of Regulation (EC) No 796/2004.;

4. in Article 25, paragraph 3 is replaced by the following:

3. A Member State may require that the transferor shall communicate the transfer to the competent authority of the Member State where the transfer will operate, within a time period to be established by that Member State but not earlier than six weeks before the transfer takes place and taking into account the last date for lodging an application under the single payment scheme. The transfer shall take place as foreseen in the communication unless the competent authority objects to the transfer and notifies the transferor thereof within that time period. The competent authority may only object to a transfer where the latter is not in accordance with provisions of Regulation (EC) No 1782/2003 and of this Regulation.;

5. the title of Chapter 6b is replaced by the following:
CHAPTER 6bINTEGRATION OF TOBACCO, OLIVE OIL, COTTON, HOPS PAYMENTS AND SUGAR BEET, CANE AND CHICORY SUPPORT IN THE SINGLE PAYMENT SCHEME;

6. Article 48c is amended as follows:

(a) in paragraph 1, the following subparagraph is added:

However, the reduction referred to in Article 41(2) of Regulation (EC) No 1782/2003 shall not apply to the reference amount calculated for sugar beet, cane and chicory support in accordance with point K of Annex VII to Regulation (EC) No 1782/2003.;

(b) paragraph 2 is replaced by the following:

2. Where a Member State has applied the single payment scheme in 2005 and without prejudice to the third subparagraph of Article 71(1) of Regulation (EC) No 1782/2003, for the purposes of the establishment of the amount and the determination of payment entitlements in the framework of the integration of tobacco, olive oil and cotton payments as well as sugar beet, cane and chicory support in the single payment scheme, Articles 37 and 43 of that Regulation shall apply subject to the rules established in Article 48d of this Regulation and, in case the Member State has made use of the option provided for in Article 59 of Regulation (EC) No 1782/2003, in Article 48e of this Regulation.;

(c) paragraph 4 is replaced by the following:

4. As the case may be, Article 41(2) of Regulation (EC) No 1782/2003 shall apply to the value of all the payment entitlements existing before the integration of tobacco, olive oil, cotton and/or dairy payments as well as sugar beet, cane and chicory support, and to the reference amounts calculated for tobacco, olive oil, cotton and/or dairy payments.;

(d) paragraph 5 is replaced by the following:

5. Where a Member State has applied the single payment scheme in 2005, the percentage of reduction fixed by the Member State in accordance with Article 42(1) of Regulation (EC) No 1782/2003 shall apply in 2006 to the tobacco, olive oil, cotton, sugar beet, cane and chicory reference amounts to be integrated in the single payment scheme.;

(e) paragraph 7 is replaced by the following:

7. Where a Member State has applied the single payment scheme in 2005, for the purpose of the establishment of the payment entitlements in relation to cotton, tobacco, olive oil, hops, sugar beet, cane and chicory, the first year of application of the single payment scheme referred to in Articles 7(1), 12 to 17 and 20 shall be 2006.

8 Where the inclusion of the sugar reference amounts calculated in accordance with point K of Annex VII to Regulation (EC) No 1782/2003 into the single payment scheme risks to make it impossible to respect the time-limits set out in Article 34 of Regulation (EC) No 1782/2003 and Article 12 of this Regulation, the Member States shall extend those time-limits by one month.;

7. Article 48d is amended as follows:

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

If the farmer has not been allocated or has not bought payment entitlements by the last date for applying for the establishment of payment entitlements for 2006, he shall receive payment entitlements calculated in accordance with Articles 37 and 43 of Regulation (EC) No 1782/2003 for tobacco, olive oil and cotton payments as well as sugar beet, cane and chicory support.;

(b) in paragraph 2, points (a) and (b) are replaced by the following:

(a) the number of payment entitlements shall be equal to the number of payment entitlements he owns, increased by the number of hectares established in accordance with Article 43 of Regulation (EC) No 1782/2003 for tobacco, olive oil and cotton as well as for sugar beet, cane and chicory;

(b) the value shall be obtained by dividing the sum of the value of the payment entitlements he owns and the reference amount calculated in accordance with Article 37 of Regulation (EC) No 1782/2003 for sugar beet, cane and chicory used for the production of sugar or inuline syrup and for tobacco, olive oil and cotton by the number established in accordance with point (a) of this paragraph.;

8. Article 48e is amended as follows: