Commission Regulation (EC) No 2182/2005 of 22 December 2005 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 2182/2005

of 22 December 2005

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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 Articles 145 and 155 thereof,

Whereas:

(1) Article 99(3) of Regulation (EC) No 1782/2003 provides that the amount of seed aid claimed shall not exceed a ceiling fixed by the Commission. When the total amount of aid claimed exceeds the fixed ceiling, the aid per farmer should be reduced proportionally.

(2) Chapter 10 of Commission Regulation (EC) No 1973/2004[(2)] provides for the conditions for receiving seed aid. Article 49 of that Regulation provides that seed aid is to be granted only on the condition that the seed has been marketed for sowing by the recipient by 15 June of the year following the harvest of the latest.

(3) The need of applying an eventual reduction coefficient in the same year implies a serious difficulty for the implementation of the new scheme In order to avoid the application of such reduction coefficient the only alternative would be to grant all the payments principally when all the seed is marketed, i.e. when the total quantity of seed is known. However, this would significantly delay the date of payment to the farmers and eventually cause financial problems for them. In order to avoid this situation a system of advances for seed aid should be introduced.

(4) Regulation (EC) No 1782/2003 as amended by Council Regulation (EC) No 864/2004[(3)] defines the rules for the coupled support for cotton, olive oil and raw tobacco.

(5) In particular, Chapter 10a of Title IV of Regulation (EC) No 1782/2003 provides for the possibility of direct aid being granted for the production of cotton. It is therefore necessary to lay down detailed rules with regard to the granting of that aid.

(6) Article10b(1) of Regulation (EC) No 1782/2003 states that, in order to be eligible for the aid per hectare, the farmer must sow the area under cotton with authorised varieties and grow the cotton on land authorised by the Member States. The authorisation criteria must therefore be specified for both the varieties and lands suitable for cotton production.

(7) In order to receive the aid per hectare for cotton, farmers must sow authorised lands. A criterion defining 'sowing' must be established. The Member States' fixing of the minimum planting density on these lands based on soil and climate conditions and specific regional features must be an objective criterion for establishing whether sowing has been conducted properly or not.

(8) Exceeding the national base areas laid down for cotton in Article 110c(1) of Regulation (EC) No 1782/2003 shall result in a reduction of the amount of aid to be paid for each eligible hectare. In the case of Greece, however, the subdivision of the national area into sub-areas to which different aid rates apply means that the method for calculating the reduced amount should be specified.

(9) The Member States must authorise inter-branch cotton-producing organisations on the basis of objective criteria relating to their scale, duties and internal organisation. The scale of an inter-branch organisation must be fixed, taking into account the requirement on the member ginning undertaking to be able to take delivery of sufficient quantities of unginned cotton. As the main purpose of the inter-branch organisation is to improve the quality of the cotton to be delivered, it must take appropriate measures along these lines for the benefit of its members.

(10) In order to avoid complications in managing the aid scheme, a producer may not be a member of more than one inter-branch organisation. For that same reason, where a producer belonging to an inter-branch organisation undertakes to supply the cotton he has produced, he can supply it only to the ginning undertaking belonging to that same organisation.

(11) In accordance with Article 110e of Regulation (EC) No 1782/2003, the inter-branch organisations may decide to differentiate the aid to which their members are entitled. The differentiation scale must comply with criteria relating in particular to the quality of the cotton to be delivered, but excluding criteria involving increased production. To this end, the inter-branch organisations must establish parcel categories based in particular on criteria relating to the quality of the cotton produced thereon.

(12) In order to establish the amount of aid to be paid to producers belonging to inter-branch cotton producing organisations, the scale must provide for a method of distributing the overall amount of differentiated aid among the various parcel categories, the procedures for evaluating and classifying each parcel into one of those categories, calculation of the amount of aid per eligible hectare based on the available budget for each category and the total number of hectares within each category.

(13) In order to classify the parcels in one of the categories established by the scale the cotton delivered may be analysed in the presence of all the parties concerned.

(14) As the member-producer is not obliged to deliver his cotton, he must be entitled at least to the non-differentiated part of the aid where the cotton is not delivered. The differential scale must make provision for this by fixing the minimum amount of aid per eligible hectare where delivery does not take place.

(15) In order to apply the scale, and with a view to simplification, all the parcels belonging to a single producer may be considered as being of the same parcel category producing the same quality cotton.

(16) Once it has received the inter-branch organisation's notification of the aid amounts payable to its producers, the paying agency must undertake the necessary checks and pay out the aid.

(17) The scale must be approved by the Member State. In order to inform the member producers in good time, a deadline should be introduced by which the Member State must decide whether or not to approve the inter-branch organisation's scale, as well as any amendments subsequently made to it. As the inter-branch organisation is not required to adopt a differentiation scale, it can decide to suspend application of the scale and inform the Member State thereof.

(18) The cotton aid scheme requires Member States to send their producers certain information on cotton growing, such as authorised varieties, the objective criteria for authorising land and the minimum plant density. In order to inform the farmers in good time, the Member State must send them this information by a specific date.

(19) As the Commission is responsible for monitoring the proper application of the provisions on applying for the specific cotton aid, the Member States should provide it in good time with that same information and with information on the inter-branch organisations.

(20) The introduction of the cotton aid scheme provided for in Regulation (EC) No 1782/2003 makes Commission Regulation (EC) No 1591/2001 of 2 August 2001 laying down detailed rules for applying the cotton aid scheme[(4)] superfluous. That Regulation should therefore be repealed.

(21) Chapter 10b of Title IV of Regulation (EC) No 1782/2003 provides for the possibility of direct aid being granted for olive groves. It is therefore necessary to lay down detailed rules with regard to the granting of the aid.

(22) Article 110i of Regulation (EC) No 1782/2003 requires the Member States to identify up to five categories of olive grove and fixes an aid per olive GIS-hectare for each of those categories. To this end, the Commission must establish a common framework of social and environmental criteria, linked to the features of olive-growing landscapes and social traditions.

(23) In order to improve the controls, the information on the categories of olive grove each farmer cultivates should be recorded in the geographical information system for olive

Changes to legislation: *There are currently no known outstanding effects for the Commission Regulation (EC) No 2182/2005. (See end of Document for details)*

cultivation. Provision should also be made to adjust the categories once a year, to take account of any changes in environmental or social conditions.

(24) The aid for olive groves is granted per olive GIS-hectare. As a result, the area eligible for aid must be calculated for each farmer using a common method where the unit of area is expressed as olive GIS-ha. In order to facilitate administrative procedures, provision should be made for derogating measures both as regards the parcels with a minimum size to be determined by the Member States and the olive-growing parcels located within an administrative unit where the Member State has established an alternative system to the olive GIS.

(25) For the purpose of paying the olive GIS-ha and in order to inform the farmers in good time, the Member States must first establish at the start of each year an indicative amount of aid per olive GIS-ha for each olive grove category. This indicative amount must be calculated on the basis of the data available on the number of farmers and areas qualifying for the aid for olive groves; the Member State will then fix the final aid amount using more accurate data.

(26) One of the eligibility criteria established for the olive grove aid states that the number of olive trees in the grove must not differ by more than 10 % from the number recorded on 1 January 2005. In order to check compliance with this provision, the Member States must establish beforehand the information needed to identify the parcel concerned. In the case of France and Portugal, establishing the information on the parcels concerned must be postponed to a later date in order to take account of the areas planted with olive trees under the programmes approved under Article 4 of Council Regulation (EC) No 1638/98 of 20 July 1998 amending Regulation No 136/66/EEC on the establishment of a common organisation of the market in oils and fats[(5)].

(27) In order to allow the Commission to check the correct application of the finalised provisions for paying olive grove aid, the Member States should regularly transmit information on the areas under olive trees qualifying for the aid and on the level of aid to be granted for each olive grove category.

(28) Chapter 10c of Title IV of Regulation (EC) No 1782/2003 provides for the possibility of direct aid being granted for the production of tobacco. It is therefore necessary to lay down detailed rules with regard to the granting of the aid.

(29) For reasons of clarity, it is appropriate to provide for certain definitions.

(30) Tobacco varieties should be classified in groups according to the curing method and production costs, taking account of the descriptions used in international trade.

(31) Given their role as contracting partner, approval of first processing undertakings authorised to sign cultivation contracts is required. Such approval should be withdrawn where the rules are not observed and the special conditions governing the processing of tobacco should be laid down by the Member States.

(32) In accordance with Article 110k of Regulation (EC) No 1782/2003 the recognised production areas should be fixed for each group of varieties of tobacco on the basis

of the traditional production areas for the purposes of granting the aid. Member States should be permitted to limit production areas in order, in particular, to improve quality.

(33) In order to make controls possible and to manage the payment of the aid efficiently, tobacco should be produced under cultivation contracts concluded between farmers and first processors. The main elements which have to figure in the cultivation contract for each harvest should be specified. Final dates for the conclusion and registration of contracts should be fixed sufficiently early, so as to guarantee, from the very beginning of the year of harvest, both stable outlets to farmers for the coming harvest and regular supplies to processors.

(34) When a cultivation contract is concluded with a producer association, the essential details of each individual farmer should be notified to permit effective controls. In order to prevent distortion of competition and monitoring difficulties, producer associations should be debarred from engaging in first processing. In order to respect market structures, it should be laid down that a farmer may be a member of one producer association only.

(35) Raw tobacco eligible for the aid should be of sound, fair and merchantable quality and free of certain characteristics which prevent normal marketing.

(36) Given the particularities of the aid scheme, provision should be made for any disputes to be resolved through joint committees.

(37) In order to be able to manage the financial envelope for raw tobacco appropriately, the Member States should fix an indicative aid amount by variety or variety groups early in the harvest year and a final aid amount after all deliveries have been made. The final aid amount should not exceed the premium level of 2005.

(38) To encourage improvement of the quality and value of tobacco production, Member States should be allowed to differentiate the aid amount fixed for each variety or variety group in relation to the quality of the tobacco delivered.

(39) Aid should be paid for the quantity of leaf tobacco delivered by farmers to first processors, provided that the minimum quality requirements are fulfilled. The aid should be adjusted where the moisture content of tobacco delivered differs from the moisture content fixed for each group of varieties on the basis of reasonable quality requirements. In order to simplify checks on delivery, sampling levels and frequency together with the method for calculating the adjusted weight for determining the moisture content should be fixed.

(40) The period of delivery of the tobacco to processors should be limited in order to prevent fraudulent carry-over from one harvest to another. In several Member States checks are carried out at the place to which tobacco is delivered rather than that where it is processed. The places to which tobacco must be delivered and the checks to be carried out should be specified; Member States should approve such purchasing centres.

(41) The conditions governing the payment of aid should be laid down in order to prevent fraud. However, it is the responsibility of the Member States to determine further management and control arrangements.