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COUNCIL REGULATION (EC) No 1783/2003

of 29 September 2003

amending Regulation (EC) No 1257/1999 on support for rural development from the European Agricultural Guidance and Guarantee Fund (EAGGF)

(OJ L 270, 21.10.2003, p. 70)

Corrected by:

►**C1** Corrigendum, OJ L 94, 31.3.2004, p. 71 (1783/2003)

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COUNCIL REGULATION (EC) No 1783/2003

of 29 September 2003

amending Regulation (EC) No 1257/1999 on support for rural development from the European Agricultural Guidance and Guarantee Fund (EAGGF)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Articles 36 and 37 thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament ([1]),

Having regard to the opinion of the European Economic and Social Committee ([2]),

Having regard to the opinion of the Committee of the Regions ([3]),

Whereas:

(1) In order to achieve the objectives of the common agricultural policy, as laid down in Article 33 of the Treaty, it is appropriate to reinforce the rural development policy by increasing the range of accompanying measures as provided for in Regulation (EC) No 1257/1999 ([4]).

(2) Young farmers representing a key factor in the development of rural areas, support to this category of farmers should be considered as a priority. In order to facilitate the establishment of young farmers and the structural adjustment of their holdings, it is necessary to reinforce the specific support already granted.

(3) A more rapid implementation in the agricultural sector of demanding standards based on Community legislation concerning the environment, public, animal and plant health, animal welfare and occupational safety should be promoted. Those standards may impose new obligations on farmers giving rise to a loss of income or additional costs. Temporary and degressive support should be provided to farmers to help cover partly the costs arising from the implementation of such standards.

(4) Following the introduction of the 'meeting standards' measure, support currently permitted under Regulation (EC) No 1257/1999 to farmers for limitations on agricultural use in areas with environmental restrictions should henceforth cover limitations arising from the implementation of Council Directive 79/409/EEC of 2 April 1979 on the conservation of wild birds ([5]) and Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora ([6]). Accordingly, a higher level of support may be proposed under certain circumstances and the area limitation of 10 % will be restricted to the measure concerning areas with specific handicaps.

(5) Farm advisory systems as provided for in 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 ([7]), are to identify and propose improvements in current performance

([1]) Opinion delivered on 5 June 2003 (not yet published in the Official Journal).
([2]) OJ C 208, 3.9.2003, p. 64.
([3]) Opinion delivered on 2 July 2003 (not yet published in the Official Journal).
([4]) OJ L 160, 26.6.1999, p. 80.
([5]) OJ L 103, 25.4.1979, p. 1. Directive as last amended by Regulation (EC) No 807/2003 (OJ L 122, 16.5.2003, p. 36).
([6]) OJ L 206, 22.7.1992, p. 7. Directive as last amended by Directive 97/62/EC (OJ L 305, 8.11.1997, p. 42).
([7]) See page 1 of this Official Journal.

▼B

with regard to statutory environmental, public, animal and plant health and animal welfare standards. Support should be provided to farmers towards the costs of such advisory services.

(6) Farmers should be encouraged to adopt high standards of animal welfare. The scope of the existing agri-environment Chapter of Regulation (EC) No 1257/1999 should be extended to provide for support to farmers who undertake to adopt standards of animal husbandry which go beyond statutory minima.

(7) Experience has shown that the range of instruments to promote food quality in rural development policy needs to be reinforced.

(8) Farmers should be encouraged to participate in Community or national food quality schemes. Participation in such schemes can give rise to additional costs and obligations which are not fully rewarded by the marketplace. Temporary support should be provided to farmers who participate in such schemes.

(9) There is a need to improve consumers' awareness of the existence and specifications of products produced under Community or national food quality schemes. Support should be provided to producer groups to inform consumers and promote products provided under schemes supported by Member States within their rural development plans.

(10) The introduction of the new accompanying measures necessitates a clarification of certain existing provisions. Such clarifications concern mainly the investment in agricultural holdings and the financial provisions.

(11) Given the importance of promoting innovation in the food processing sector, the scope of the existing Chapter of Regulation (EC) No 1257/1999 for improving processing and marketing of agricultural products should be extended to provide support for the development of innovative approaches in food processing.

(12) The said Chapter lays down eligibility conditions for support for investments for improving the processing and marketing of agricultural products including the requirement for enterprises which receive such support to already comply with minimum standards regarding the environment, hygiene and animal welfare. Given that small processing units can sometimes experience difficulties in complying with such standards, Member States should be allowed to grant a period of grace with reference to the eligibility conditions for investments in small processing units made in order to comply with newly introduced standards relating to the environment, hygiene and animal welfare.

(13) There is a need to improve the ecological and social value of State owned forests; investment support for these purposes should be allowed while excluding support for measures which improve the economic utilisation of such forests.

(14) Experience to date in the implementation of rural development programming for the 2000 to 2006 period has shown a need to clarify and simplify certain provisions of Regulation (EC) No 1257/1999 and adapt certain aid levels. Such clarifications and adaptations concern mainly the scope and detailed content of support for less-favoured areas and areas with environmental restrictions, training, forestry and promoting the adaptation and development of rural areas.

(15) Regulation (EC) No 1257/1999 should therefore be amended accordingly,

▼B

HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EC) No 1257/1999 is hereby amended as follows:

1) In Article 5, the existing text shall become paragraph 1 and the following paragraphs shall be added:

'2. The conditions for support for investment laid down in paragraph 1 must be fulfilled at the time when the individual decision to grant support is taken.

3. Where investments are made in order to comply with newly introduced minimum standards relating to the environment, hygiene, and animal welfare, support may be granted in order to comply with the new standards. In such cases, a period of grace may be provided to farmers to meet these minimum standards where time is needed to solve specific problems involved in complying with such standards. The farmer shall comply with the relevant standards by the end of the investment period.';

2) Article 7 shall be amended as follows:

(a) The second paragraph of Article 7 shall be replaced by the following:

'The total amount of support, expressed as a percentage of the volume of eligible investment, is limited to a maximum of 40 % and 50 % in less-favoured areas.'

(b) The following paragraph shall be added:

'Where investments are undertaken by young farmers, as referred to in Chapter II, these percentages may reach a maximum of 50 % and 60 % in less-favoured areas during a period not exceeding five years from the setting up. The age condition laid down in the first indent of Article 8(1) must be met at the time of setting up.';

3) Article 8(2) shall be replaced by the following:

'2. The setting-up aid may comprise:

(a) a single premium up to the maximum eligible amount specified in the Annex, and

(b) an interest subsidy on loans taken on with a view to covering the costs arising from setting-up; the capitalised value of the interest subsidy may not exceed the value of the premium.

A support higher than the maximum amount referred to in point a) but not exceeding EUR 30 000 may be granted to young farmers who are using farm advisory services linked to the setting-up of their activity during a period of three years after setting-up.';

4) In the second paragraph of Article 9, the first indent shall be replaced by the following:

'— to prepare farmers and other persons involved in agricultural activities for qualitative reorientation of production, the application of production practices compatible with the maintenance and enhancement of the landscape, the protection of the environment, hygiene standards and animal welfare and acquisition of the skills needed to enable them to manage an economically viable farm, and';

5) In Article 15(3), the second subparagraph shall be replaced by the following:

'Compensatory allowances higher than this maximum amount may be granted provided that the average amount of all compensatory allowances granted at the programming level concerned does not exceed this maximum amount. Member States may, for the purpose of calculating the average amount, present a combination of several regional programmes. However, in cases duly justified

▼B

by objective circumstances, the average amount may be increased to the maximum average amount set out in the Annex.'

6) Article 16 shall be amended as follows:

(a) Article 16(1) shall be replaced by the following:

'1. Payments to compensate for costs incurred and income foregone may be made to farmers who are subject to restrictions on agricultural use in areas with environmental restrictions as a result of the implementation of Directives 79/409/EEC (*) and 92/43/EEC (**), if and in so far as such payments are necessary to solve the specific problems arising from the implementation of those Directives.

(*) OJ L 103, 25.4.1979, p. 1. Directive as last amended by Regulation (EC) No 807/2003 (OJ L 122, 6.5.2003, p. 36).
(**) OJ L 206, 22.7.1992, p. 7. Directive as last amended by Directive 97/62/EC (OJ L 305, 8.11.1997, p. 42).'

(b) Article 16(3) shall be replaced by the following:

'3. The maximum amount eligible for Community support is laid down in the Annex. This amount may be increased in duly justified cases to take account of specific problems.

A support higher than this maximum amount may be granted during a period not exceeding five years from the date the provision imposing new restrictions becomes mandatory in accordance with Community legislation. This support shall be granted annually on a degressive basis and shall not exceed the amount set out in the Annex.';

7) In Article 20, the existing text shall become paragraph 1 and following paragraph shall be added:

'2. Areas referred to in paragraph 1 may not exceed 10 % of the area of the Member State concerned.';

8) Article 21 shall be deleted.

9) The following Chapter shall be inserted after Chapter V of Title II:

'CHAPTER Va

MEETING STANDARDS

Article 21a

Support to help farmers to adapt to demanding standards based on Community legislation in the fields of the environment, public, animal and plant health, animal welfare and occupational safety shall contribute to the following objectives:

(a) a more rapid implementation of demanding Community standards by Member States;

(b) the respect of those standards by farmers;

(c) the use of farm advisory services by farmers, as provided for in Council Regulation (EC) No 1782/2003 of 29 September 2003 establishing common rules for direct support schemes under the common agricultural policy and support schemes for producers of certain crops (*), in assessing the performance of farm businesses and identifying improvements required with regard to the statutory management requirements as set out in that Regulation.

Article 21b

1. Temporary support intended to contribute partly to costs incurred and income foregone may be granted to farmers who have to apply demanding standards based on Community legislation and newly introduced in national legislation.

For Member States applying Article 16, support shall not be granted under this Chapter to a farmer to apply standards based on the Community legislation referred to in Article 16.