II

(Acts whose publication is not obligatory)

COUNCIL

COUNCIL DIRECTIVE

of 28 April 1975

on mountain and hill farming and farming in certain less-favoured areas

(75/268/EEC)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Articles 42 and 43 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 Economic and Social Committee (2);

Whereas Article 39 (2) (a) of the Treaty provides that account shall be taken of the social structure of agriculture and of the structural and natural disparities between the various agricultural regions in working out the common agricultural policy;

Whereas, in order to attain the objectives of the common agricultural policy set out in Article 39 (1) (a) and (b), special provisions should be adopted at Community level which are suited to those agricultural areas in which natural production conditions are least favourable;

Whereas the statement made by the Community concerning hill farming (3) annexed to the Treaty of Accession declares that special conditions obtain in hill farming areas as compared with other areas of the United Kingdom and that differences, at times very marked, exist between areas in the Member States of the original Community, and also that the special conditions obtaining in certain areas of the enlarged Community may require action with a view to attempting to resolve the problems raised by these special conditions, and in particular to maintain reasonable incomes for farmers in such areas;

Whereas it is necessary that steps be taken to ensure the continued conservation of the countryside in mountain areas and in certain other less-favoured areas; whereas the Member States have already taken or plan to take positive measures for this purpose and these efforts should be encouraged; whereas farming performs a fundamental function in this respect;

Whereas the steady decline in agricultural incomes in these areas as compared with other regions of the Community, and the particularly poor working conditions prevalent in such areas are causing large-scale depopulation of farming and rural areas, which will eventually lead to the abandonment of land which was previously maintained, and moreover jeopardizing the viability and continued habitation of those areas the population of which is predominantly dependent on an agricultural economy;

---

(1) OJ No C 37, 4. 6. 1973, p. 55 and OJ No C 32, 11. 2. 1975, p. 30.

(2) OJ No C 100, 22. 11. 1973, p. 20 and OJ No C 62, 15. 3. 1975, p. 19.

(3) OJ No L 73, 27. 3. 1972, p. 201.

Whereas, in adopting provisions allowing Member States to apply for the assistance of farming in the less-favoured areas, all or some of the measures making up a particular system of aids designed to meet the particular needs of these areas, the Community would be supporting the efforts made by the Member States to maintain a farming industry in such areas;

Whereas the permanent natural handicaps existing in such areas, which are due chiefly to the poor quality of the soil, the degree of slope of the land and the short growing season, and which can be overcome only by operations the cost of which would be exorbitant, lead to high production costs and prevent farms from achieving a level of income similar to that enjoyed by farms of a comparable type in other regions;

Whereas, furthermore, farms in the less-favoured areas, as a result of handicaps and because in certain cases farming is associated with tourist and craft activities which are particularly well suited to such areas, are inadequately covered by Council Directive No 72/159/EEC (1) of 17 April 1972 on the modernization of farms (hereinafter referred to as 'Directive No 72/159/EEC'); whereas farmers who operate in such areas might find themselves ineligible to receive the investment aids provided for, primarily because it is difficult for them to attain the required level of income, a level which is in any case essential if farming is to be maintained in the long term;

Whereas it is for the Member States to notify to the Commission the boundaries of the less-favoured areas in which they propose to apply all or some of the special system of aids, and all information relating thereto;

Whereas in view of the nature and scope of the aforesaid system, provision should be made for the list of less-favoured farming areas satisfying specific conditions to be drawn up in accordance with Article 43 of the Treaty;

Whereas it may be essential, if the objectives assigned to farming in the less-favoured areas are to be attained, that farmers permanently engaged in agriculture in such areas be paid annual compensatory allowances; whereas it should be left to the Member States to fix the amount of such allowances according to the severity of the handicaps involved within the limits and conditions fixed for the different types of areas, both as to the amounts which may be paid and the types of production which may be covered;

(1) OJ No L 96, 23. 4. 1972, p. 1.

Whereas the objectives of Directive No 72/159/EEC should also be pursued in the less-favoured areas, though the shortage of capital and the high cost of investment by farms in such areas justifies more favourable financing terms;

Whereas the same reasons justify an improvement in the system of incentives provided for in Article 10 of Directive No 72/159/EEC to encourage farms to concentrate on the production of beef, veal, mutton and lamb, although without this resulting in assistance which is excessive in relation to livestock numbers;

Whereas the compensatory allowances may be regarded as forming an integral part of farm incomes; whereas, having regard to Article 2 (2) of Directive No 72/159/EEC, a farmer submitting a development plan should consequently be allowed to include the amount of such allowances in his calculation of the earned income to be attained upon completion of the plan;

Whereas in view, in particular, of the special problems of less-favoured farming areas, it is desirable to make it easier for farmers in such areas to achieve comparable incomes by permitting them to include in their calculation of future income a larger proportion of income from non-agricultural sources than is allowed under Directive No 72/159/EEC; whereas for the same reason it is desirable that in those less-favoured farming areas which are suitable for the development of a tourist or craft industry the incentives to investment under the development plan should also be available in respect of limited investments for tourism or craft industry purposes;

Whereas the rationalization of farms and the need to conserve the countryside necessitate the granting of aids for joint investment schemes in respect of fodder production, for land improvement and jointly-owned capital equipment for pasture and hill grazing;

Whereas the criteria used to define areas eligible for Community aid may also be used to define areas in which Member States may grant special investment aid to farms which do not present a development plan; whereas, in order not to interfere with the implementation of the farm modernization programme, the arrangements for which have been adjusted, such aid should be limited;

Whereas, as a result of the foregoing recitals, the measures envisaged constitute the adaptations and the complements to the measures provided for in Directive No 72/159/EEC, which are essential for the achievement of the objectives of that Directive in the areas concerned; whereas, the financial and general provisions of that Directive must therefore be applied, account being taken of any necessary modifications;

Whereas the Directive should be adopted taking into account certain amendments made to a previous text adopted by the Council on 21 January 1974,

HAS ADOPTED THIS DIRECTIVE:

TITLE I

Introduction of a special system of aids to assist the less-favoured farming areas

Article 1

In order to ensure the continuation of farming, thereby maintaining a minimum population level or conserving the countryside in certain less-favoured areas the list of which is determined in accordance with the procedure laid down in Article 2, Member States are authorized to introduce the special system of aids provided for in Article 4 to encourage farming and to raise farm incomes in these areas.

The application of the measures provided for in this system should take into account the situation and development objectives particular to each region.

Article 2

1. Member States shall communicate to the Commission the boundaries of the areas in which they propose to apply the special system of aids provided for in Article 4, and which, in the light of the characteristics specified in Article 3, are eligible for inclusion in the Community list of less-favoured farming areas. Member States shall at the same time submit all relevant information concerning the characteristics of these areas and the measures which they propose to apply in those areas under the special system of aids.

2. The Council, acting in accordance with the procedure laid down in Article 43 of the Treaty, shall adopt the Community list of less-favoured farming areas within the meaning of Article 3 in which Member States are authorized to introduce the special system of aids provided for in Article 4.

3. However, at the request of a Member State, submitted in accordance with paragraph 1, amendments may be made to the limits of the areas in accordance with the procedure laid down in Article 18 of Directive No 72/159/EEC. These amendments may not have the effect of increasing the effective amount of agricultural land of all the areas in the Member States concerned by more than 0·5% of the total affective agricultural area of that State.

Article 3

1. The less-favoured farming areas shall include mountain areas, in which farming is necessary to protect the countryside, particularly for reasons of protection against erosion or in order to meet leisure needs; they shall also include other areas where the maintenance of a minimum population or the conservation of the countryside are not assured.

2. These areas must have adequate infrastructures, including access roads to farms, electricity and drinking water and, in tourist and recreation areas, disposal of sewage. Should such amenities be lacking, their provision should be envisaged in the near future in public amenity programmes.

3. Mountain areas shall be made up of local government districts or parts thereof characterized by a considerable limitation of the possibilities for using the land and an appreciable increase in the cost of working it, due:

— either to the existence, because of the altitude, of very difficult climatic conditions the effect of which is substantially to shorten the growing season,

— or, at a lower altitude, to the presence, over the greater part of the district in question, of slopes too steep for the use of machinery or requiring the use of very expensive special equipment,

— or to the combination of these two factors, where the handicap resulting from each taken separately is less acute, provided that this combination gives rise to a handicap equivalent to that caused by the situation referred to in the first two indents.