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COUNCIL DIRECTIVE

of 17 April 1972

concerning measures to encourage the cessation of farming and the reallocation of utilized agricultural area for the purposes of structural improvement

(72/160/EEC)

(OJ L 96, 23.4.1972, p. 9)

Amended by:

		Official Journal		
		No	page	date
►**M1**	Council Directive 73/210/EEC of 24 July 1973	L 207	48	28.7.1973
►**M2**	Council Directive 73/358/EEC of 19 November 1973	L 326	17	27.11.1973
►**M3**	Council Directive 82/436/EEC of 24 June 1982	L 193	37	3.7.1982
►**M4**	Council Directive 84/140/EEC of 5 March 1984	L 72	24	15.3.1984
►**M5**	Council Directive 84/513/EEC of 23 October 1984	L 285	13	30.10.1984
►**M6**	Council Regulation (EEC) No 797/85 of 12 March 1985	L 93	1	30.3.1985

Amended by:

►**A1**	Act of Accession of Greece	L 291	17	19.11.1979

NB: This consolidated version contains references to the European unit of account and/or the ecu, which from 1 January 1999 should be understood as references to the euro — Council Regulation (EEC) No 3308/80 (OJ L 345, 20.12.1980, p. 1) and Council Regulation (EC) No 1103/97 (OJ L 162, 19.6.1997, p. 1).

▼B

COUNCIL DIRECTIVE

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concerning measures to encourage the cessation of farming and the reallocation of utilized agricultural area for the purposes of structural improvement

(72/160/EEC)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 43 thereof;

Having regard to the proposal from the Commission;

Having regard to the Opinion of the European Parliament;

Whereas the objectives of the common agricultural policy set out in Article 39 (1) (a) and (b) of the Treaty can only be achieved through a reform of agricultural structures;

Whereas such structural reform is a basic factor in the development of the common agricultural policy; whereas it should therefore be based on a Community concept and on Community criteria;

Whereas, because of the diversity of their causes, nature and gravity, structural problems in agriculture may require solutions which vary according to region and are capable of adjustment over a period of time; whereas such solutions must contribute to the overall economic and social development of each region concerned; whereas the best results can be achieved if, acting on the basis of Community concepts and criteria, Member States implement the common measures individually through their own legislative and administrative procedures, and if, in addition, they themselves determine, on the basis of conditions laid down by the Community, the extent to which such measures should be intensified in or concentrated on certain regions;

Whereas, in the first place, in order to improve agricultural incomes the formation of farms of appropriate size and structure should be encouraged; whereas the formation of such farms requires that vacant land be available;

Whereas, in order to achieve this objective, it is necessary to grant aids to persons ceasing farming and making available for the purposes of structural improvement the land which they previously farmed;

Whereas the granting to farmers of a sufficiently attractive premium, calculated by reference to the area of land released, constitutes a suitable incentive to land mobility;

Whereas, however, farmers who are over fifty-five years of age generally encounter serious difficulties in attempting to take up a new occupation and whereas for this reason they should until the age of sixty-five receive an annuity which will enable them to leave agriculture;

Whereas Member States should be allowed to debar farmers practising farming as their main occupation from all or part of the premium, in particular where such persons are receiving an annuity;

Whereas the closing down of farm businesses employing elderly family and hired workers engaged in agriculture on a permanent basis may cause such persons to lose their jobs and their incomes;

Whereas the objectives pursued would not be achieved if the persons benefiting from the measures continued to produce marketable quantities of agricultural produce; whereas it is desirable, however, that such persons should if they so wish still be able to make free use of a limited area of land;

Whereas it is not possible to insist that in all cases the whole area of land released should be reallocated in such a way as to contribute to

▼B

structural improvement, but whereas, nevertheless, the proportion of land to be so reallocated should be fixed at an adequate level;

Whereas where farming is discontinued the opportunity should be taken not only to increase the size of farms suitable for modernization but also to withdraw certain areas of land from agricultural use, in particular by reallocating them for the purposes of afforestation, recreation or public health;

Whereas the pursuit of these objectives may be facilitated through the intervention of land agencies appointed by Member States, to which farmers may offer their land for subsequent reallocation for the purposes of structural reform;

Whereas the proposed measures are in the Community's interest and are intended to achieve the objectives set out in Article 39 (1) (a) of the Treaty, including the structural changes necessary for the proper functioning of the common market; whereas they therefore constitute common measures within the meaning of Article 6 of Council Regulation (EEC) No 729/70 of 21 April 1970 on the financing of the common agricultural policy ([1]);

Whereas, however, while the premium calculated by reference to the area of agricultural land released does not require Community financing, the payment of annuities to persons aged between fifty-five and sixty-five is of particular interest to the Community when applied in agricultural regions where unfavourable conditions exist and where measures to encourage the cessation of farming are not yet in operation;

Whereas, inasmuch as the Community contributes to the financing of the common measures, it must be in a position to ascertain that the provisions adopted by Member States for the implementation of those measures will contribute towards achievement of the objectives thereof; whereas, to this end, provision should be made for a procedure establishing close cooperation between Member States and the Commission within the Standing Committee on Agricultural Structure set up by Article 1 of the Council Decision of 4 December 1962 on the coordination of policies on agricultural structure, ([2]) and involving, as regards financial aspects, consultation with the EAGGF Committee referred to in Articles 11 to 15 of Regulation (EEC) No 729/70;

Whereas it is desirable that the European Parliament and the Council be able, on the basis of a report submitted by the Commission, to examine annually the effects of the national and Community measures taken, so that they may assess the need to supplement or adapt the system introduced hereunder;

Whereas after the measures to encourage the cessation of farming have been in operation for a certain period it should be possible for them to be re-examined by the Council, without prejudice, however, to commitments entered into during that period;

HAS ADOPTED THIS DIRECTIVE:

TITLE I

Measures to encourage the cessation of farming and the reallocation for the purposes of structural improvement of the agricultural area thus released

Article 1

1. Member States shall introduce a series of measures to encourage the cessation of farming and the reallocation for the purposes of structural improvement of the utilized agricultural area thus released.

([1]) OJ No L 94, 28.4.1970, p. 13.
([2]) OJ No 136, 17.12.1962, p. 2892/62.

▼B

2. Member States may, acting in accordance with the general provisions to be adopted hereafter by the Council under the procedure laid down in Article 43 of the Treaty:

— vary according to region the amount of the financial incentives provided for in Article 2;

— refrain from applying in certain regions all or some of the measures provided for in Article 2.

Article 2

1. The measures provided for in Article 1 shall comprise:

(a) the grant, subject to the conditions as to eligibility for assistance laid down below, of an annuity to farmers applying therefor aged between fifty-five and sixty-five who practice farming as their main occupation.

Member States may:

— substitute for such annuity an equivalent lump sum payment;

— on the ground of age or means of the prospective beneficiary, vary the amount of or refuse to grant the annuity.

Annuities shall be eligible for assistance from the Guidance Section of the EAGGF, up to the amount of 900 units of account per year in the case of a married farmer or 600 units of account in the case of a single farmer.

However, during the first five years following implementation of this Directive, the only expenditure eligible shall be that in respect of:

— farmers who practise farming as their main occupation and who are aged between sixty and sixty-five, and that in respect of persons of like age coming within subparagraph (c);

— farmers who practise farming as their main occupation and who are at least fifty-five years old, where:

(i) in Member States which, on the date when this Directive enters into force, have a working agricultural population of more than 15% of their total working population, the area of the farm concerned does not exceed 15 hectares; or

(ii) farming has become the main occupation of such farmers through the decease of their spouse; or

(iii) such farmers are more than 50% disabled.

An annuity shall not be eligible for assistance if it is granted to a farmer at a time when there is being implemented in respect of his farm a development plan as referred to in Article 4 of the Council Directive of 17 April 1972 ([1]) on the modernization of farms.

(b) the grant of a premium, which shall not be eligible for assistance and shall be calculated by reference to the utilized agricultural area released, to farmers applying therefor;

Member States may:

— in the light of the objectives set in pursuance of the Directive on the modernization of farms, or on the ground of the age or means of the prospective beneficiary, vary the amount of or refuse to grant the premium;

— pay the premium in instalments;

— refuse to grant all or part of the premium to any person receiving an annuity as provided for in subparagraph (a);

(c) the grant of annuities as provided for in subparagraph (a) to permanent hired or family workers applying therefor aged between fifty-five and sixty-five who undertake to cease working in agriculture and who:

— are employed on farms on which the farmer benefits from any measure provided for under (a) or (b);

([1]) OJ No L 96, 23.4.1972, p. 1.