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COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 8.5.2008
COM(2008) 247 final

2008/0088 (CNS)

Proposal for a

COUNCIL REGULATION

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

(presented by the Commission)

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

• **Grounds for and objectives of the proposal**

Pursuant to Article 138 of Council Regulation (EC) No 1782/2003, to qualify for direct payments an animal shall be identified and registered in accordance with Regulation (EC) No 1760/2000. Pursuant to Article 7(1) second indent of Regulation (EC) No 1760/2000, each keeper of animals shall report to the competent authority all movements to and from the holding and all births and deaths of animals on the holding, along with the dates of these events, within a period fixed by the Member State of between three and seven days of the event occurring.

The aim of the proposal is to clarify the scope of the obligation of identifying and registering the animals for the purpose of granting the beef and veal payments, by amending Article 138 of Regulation (EC) No 1782/2003. As a result of the proposed amendment, an animal should be deemed eligible for the payment where the reporting obligations laid down in Article 7(1) second indent of Regulation (EC) No 1760/2000 have been eventually complied with at the latest at the time of the beginning of the animal's retention period.

The scope of this amendment is limited to the purpose of establishing the eligibility for the payments. This amendment does not alter the traceability of the animals as farmers remain obliged to comply with all the identification and registration requirements laid down in Regulation (EC) No 1760/2000.

Since the reference period established for the management of the payments at stake is the calendar year, this amendment should be applicable as from 1 January 2008 in order to apply to all those payments during the whole calendar year 2008.

• **General context**

Article 68 of Regulation (EC) No 1782/2003 provides that, in case of beef and veal payments, additional payments made by the Member States to farmers shall be granted under the conditions provided for in Chapter 12 of Title IV of that Regulation. Article 138 of the same Regulation provides that, to qualify for direct payments under Chapter 12 of Title IV, an animal shall be identified and registered in accordance with Regulation (EC) No 1760/2000. Article 7(1) second indent of Regulation (EC) No 1760/2000 provides that each keeper of animals shall report to the competent authority all movements to and from the holding and all births and deaths of animals on the holding, along with the dates of these events, within a period fixed by the Member State of between three and seven days of the event occurring.

The simple fact that the date of any movement or of the birth or death of the animal is not reported to the competent authority within the period laid down in Regulation (EC) No 1760/2000 should not automatically disqualify it from any payment. The beginning of the retention period of the animal is considered as the relevant time to check that the animal concerned is actually identified and registered for the purpose of granting the payments under Chapter 12 of Title IV of Regulation (EC) No 1782/2003.

The question is of major interest for the Member States where beef and veal payments remain fully or partially coupled in accordance with Article 68 of

Regulation (EC) No 1782/2003. These Member States are uncertain about the basis for granting the advance of the payments at stake they have to pay as from 16 October 2008. The risk that farmers might be differently treated in the Member States or prevented from receiving the payment in such circumstances should be brushed aside.

- **Existing provisions in the area of the proposal**

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.

Regulation (EC) No 1760/2000 of the European Parliament and of the Council of 17 July 2000 establishing a system for the identification and registration of bovine animals and regarding the labelling of beef and beef products and repealing Council Regulation (EC) No 820/97.

- **Consistency with the other policies and objectives of the Union**

Not applicable.

2. CONSULTATION OF INTERESTED PARTIES AND IMPACT ASSESSMENT

- **Consultation of interested parties**
- **Collection and use of expertise**

There was no need for consultation of interested parties or for external expertise.

- **Impact assessment**

Not applicable.

3. LEGAL ELEMENTS OF THE PROPOSAL

- **Summary of the proposed action**

The aim of the proposal is to clarify the scope of the obligation of identifying and registering the animals for the purpose of granting the beef and veal payments, by amending Article 138 of Regulation (EC) No 1782/2003. As a result of the proposed amendment, an animal should be deemed eligible for the payment where the reporting obligations laid down in Article 7(1) second indent of Regulation (EC) No 1760/2000 have been eventually complied with at the latest at the time of the beginning of the animal's retention period, notwithstanding identification and registration requirements. Furthermore, since the reference period established for the management of the payments at stake is the calendar year, this amendment should be applicable as from 1 January 2008 in order to apply to all those payments during the whole calendar year 2008.

- **Legal basis**

Article 37(2) of the Treaty establishing the European Community.

- **Subsidiarity principle**

The proposal falls under the exclusive competence of the Community. The subsidiarity principle therefore does not apply.

- **Proportionality principle**

The proposal complies with the proportionality principle.

- **Choice of instruments**

Proposed instrument: Council Regulation.

Other means would not be adequate for the following reason: a Regulation must be amended by a Regulation.

4. BUDGETARY IMPLICATIONS

This measure does not involve any additional Community expenditure. The financing of the measure concerned was foreseen in the financial statement to Commission proposal for the CAP reform, COM(2003) 23 final.

5. ADDITIONAL INFORMATION

- **Simplification**

Not applicable.

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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

THE COUNCIL OF THE EUROPEAN UNION,

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

Having regard to the proposal from the Commission¹,

Having regard to the opinion of the European Parliament²,

Whereas:

- (1) Article 68 of Council Regulation (EC) No 1782/2003³ provides that, in the case of beef and veal payments, additional payments made by the Member States to farmers shall be granted under the conditions provided for in Chapter 12 of Title IV of that Regulation.
- (2) Article 138 of Regulation (EC) No 1782/2003 provides that, to qualify for direct payments under Chapter 12 of Title IV of that Regulation, an animal has to be identified and registered in accordance with Regulation (EC) No 1760/2000 of the European Parliament and of the Council of 17 July 2000 establishing a system for the identification and registration of bovine animals and regarding the labelling of beef and beef products and repealing Council Regulation (EC) No 820/97⁴.
- (3) Article 7(1) second indent of Regulation (EC) No 1760/2000 provides that each keeper of animals has to report to the competent authority all movements to and from the holding and all births and deaths of animals on the holding, along with the dates of these events, within a period fixed by the Member State of between three and seven days of the event occurring.
- (4) The scope of the obligation laid down in Article 138 of Regulation (EC) No 1782/2003 needs however to be clarified. The simple fact that the date of birth, death or of any movement of the animal is not reported to the competent authority within the period referred to in Article 7(1) second indent of Regulation (EC) No 1760/2000 should not automatically disqualify it from any payment. The beginning of the animal's retention period should be considered as the relevant time to check that

¹ OJ C ..., ..., p.

² OJ C ..., ..., p.

³ OJ L 270, 21.10.2003, p. 1. Regulation as last amended by Regulation (EC) No 146/2008 (OJ L 46, 21.2.2008, p. 1).

⁴ OJ L 204, 11.8.2000, p. 1. Regulation as last amended by Regulation (EC) No 1791/2006 (OJ L 363, 20.12.2006, p. 1).

the animal concerned is actually identified and registered for the purpose of granting the payments under Chapter 12 of Title IV of Regulation (EC) No 1782/2003.

- (5) Article 138 of Regulation (EC) No 1782/2003 should therefore be amended accordingly.
- (6) The scope of this amendment is limited to the purpose of establishing the eligibility for the payments. This amendment does not alter the traceability of the animals as farmers remain obliged to comply with all the identification and registration requirements laid down in Regulation (EC) No 1760/2000.
- (7) The obligation laid down in Article 138 of Regulation (EC) No 1782/2003 should apply to all payments under Chapter 12 of Title IV of the said Regulation. Since the reference period established for the management of those payments is the calendar year, this amendment should be applicable as from 1 January 2008 in order to apply to all the payments at stake during the whole calendar year 2008,

HAS ADOPTED THIS REGULATION:

Article 1

In Article 138 of Regulation (EC) No 1782/2003, the following paragraph is added:

“Nevertheless, an animal shall be deemed eligible for the payment where the information laid down in Article 7(1) second indent of Regulation (EC) No 1760/2000 has been reported to the competent authority at the time of the beginning of the animal's retention period.”

Article 2

This Regulation shall enter into force on the day of its publication in the *Official Journal of the European Union*.

It shall apply as from 1 January 2008.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the Council
The President