



Subject: State aid/ Spain
Aid No N 136/2009 (Aragon)
Aid to the promotion of production systems in extensive regime in certain areas of Aragon for livestock breeds officially catalogued as autochthonous Spanish or Spanish

Sir,

The Commission wishes to inform Spain that, having examined the information supplied by your authorities on the state aid referred to above, it has decided to raise no objections to the relevant aid as it is compatible with the Treaty on the functioning of the European Union (TFEU).

In taking this decision the Commission has relied on the following considerations:

1. Procedure

(1) In accordance with Article 108(3) of the TFEU¹, by letter of 5 March 2009, registered on the same day, the Permanent Representation of Spain before the European Union notified to the Commission the aid scheme mentioned above. Additional information was provided by letters of 15 Mai 2009, of 2 October 2009, of 13 November 2009, of 19 November 2009 and of 17 February 2010 registered on the same day.

2. Description

2.1 Title

(2) Aid to the promotion of production systems in extensive regime in certain areas of Aragon for livestock breeds officially catalogued as autochthonous Spanish or Spanish

¹ With effect from 1 December 2009, Articles 87 and 88 of the EC Treaty have become Articles 107 and 108, respectively, of the TFEU. The two sets of provisions are, in substance, identical. For the purposes of this Decision, references to Articles 107 and 108 of the TFEU should be understood as references to Articles 87 and 88, respectively, of the EC Treaty where appropriate.

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2.2 Duration of the scheme

- (3) After the approval of the Commission retrospectively from 2 March 2009 until 31.12.2013.

2.3 Form of the aid

- (4) Direct grant.

2.4 Budget

- (5) Overall budget: 14 million €
(6) Annual budget: 2,8 Million €.

2.5 Beneficiaries

- (7) The Spanish authorities informed that the beneficiaries would be from 501 to 1000 natural and legal persons in the districts of Jacetania, Alto Gállego, Sobrarbe, Ribagorza, Maestrazgo, Gudar-Javalambre y Sierra de Albarracín (Aragon) which are officially registered as livestock farms (explotacion ganadera). The beneficiary shall be registered before the "National Register of Producers Holdings" (Registro Nacional de las Explotaciones Ganaderas). In order to be considered eligible, the applying beneficiary shall own cattle livestock of autochthonous and local breeds or sheep and goat livestock of autochthonous breeds and shall engage to carry out those activities and comply with those requirements imposed under the present aid scheme as pointed out in its legal basis.

2.6 Legal basis

- (8) Draft law of, of the Secretary of Agriculture and Alimentation establishing the legal basis for the funding of the promotion of production systems in extensive regime in certain areas of Aragon for livestock breeds officially catalogued as autochthonous Spanish or Spanish (*Proyecto de Orden, de , del Consejero de Agricultura y Alimentación, por la que se establecen las bases reguladoras de las subvenciones destinadas al fomento de sistemas de producción de razas ganaderas oficialmente catalogadas como autóctonas españolas y españolas, en regímenes extensivos ubicadas en determinadas comarcas de Aragón*)
- (9) General Subsidies Law 38/2003 of 17 November 2003 (*Ley 38/2003 de 17/11/2003 General de Subvenciones*)
- (10) Decree 2/2007 of 16 January of the Government of Aragon on agriculture and alimentation subsidies. (*Decreto 2/2007 de 16 de Enero del Gobierno de Aragón sobre subvenciones en materia de Agricultura y Alimentación*)

2.7 Description of the measure

- (11) The Spanish authorities informed that the objective of the present scheme is to encourage farmers to develop more sustainable reproduction systems of Spanish autochthonous or Spanish breed by means of the application of the so called "extensive regime" practice, instead of the more commonly used and more profit-oriented "intensive regime" practice.

- (12) The system is focused on a range of voluntary commitments by the farmers aimed at the protection, preservation and improvement of the environment, at the application of animal welfare measures and at the respect of public health and hygiene rules. All the commitments to be engaged by the beneficiary farmers shall compulsorily go beyond the standards imposed by the applicable legislation.
- (13) The state support would only be granted to those farmers who voluntarily make these agri-environmental and animal welfare commitments to carry out the "extensive regime" practice, instead of the "intensive regime," for a total length of five years. The scheme covers the following animal species: bovine, ovine and goats.

Positive expected impact of the measure and cost-benefits analysis

(14) The Spanish authorities have submitted information, analysis and scientific researches proving that, compared to intensive farming of just market profitable breeds, the application of the extensive farming of Spanish autochthonous or Spanish breed indigenous or well adapted to the mountainous areas of Aragon would have a set of positive agri-environmental and animal welfare impacts related to different aspects such as:

- protection and preservation of environment;
- preservation of biodiversity;
- protection of genetic diversity;
- more use of natural resources;
- preservation and improvement of natural environment;
- erosions avoidance;
- fires dangers avoidance;
- maintenance and proper management of meadows and pastures;
- ensuring appropriate grazing;
- preservation of unique natural ecosystems;
- improvement of animal welfare conditions by means of more sustainable practices;
- contribute that a part of the population continues to live in the affected rural areas that otherwise would be abandoned because of the lack of viable and profitable economic activities alternative to livestock production.

(15) The Spanish authorities have also provided a scientific literature on this issue and academic certifications showing the above mentioned positive "ex ante" impact evaluation of the proposed extensive regime that will result in clear benefits for the agri-environment and for the animal welfare.

(16) The Spanish authorities submitted detailed information proving that the "extensive regime" would as well determine a set of heavy additional costs and would result in foregone income on the agriculture holding joining such a practice that will be,

according to the market data provided, less market profitable and less efficient in terms of animal production, in comparison with the intensive regime.

- (17) The Spanish authorities provided detailed information and precise calculation methods in order to evaluate the extra costs and the foregone income of the supported activities.
- (18) The authorities also provided comparative assessment (verbal and numerical tables) between the normal costs and profits of the normal production system (intensive regime) and the planned extra costs and foregone income as a result of the application of the extensive regime practice that the scheme wants to encourage. The reference level (baseline) for calculating income foregone and additional costs resulting from the commitments given are the relevant standards and requirements established pursuant to Articles 4 and 5 of, and Annexes II and IV to Council Regulation (EC) No 1782/2003², as well as minimum requirements for fertiliser and plant protection product use and other relevant mandatory requirements established by national legislation and identified in the rural development programme.
- (19) The data and figures provided by the Spanish authorities concerning the expected impact of the commitments and the cost-benefits analysis have been duly confirmed and certified by an Academic Institution (Centro de Investigación y Tecnología Agroalimentaria de Aragón).

Commitments and amount of the aid

- (20) The main requirements and the specific commitments and obligations upon the beneficiaries, the related additional costs and income foregone, as well as the amount of compensation are listed below:

Requirements set in Article 5 of the national legal basis	Obligations of the beneficiaries	Objectively quantifiable additional costs and income foregone (EUR/LU)	
		cattle	sheep/goats
1. Preservation of the nature with a special attention on the management of waste and sub-products, on the proper use of water and means of production.	Additional costs originate from setting and maintenance of water points for an easier disposability to livestock, from the improvement of the housing conditions of animals through improvement of fold-yards and through improvement of access to the pastures. It is an animal welfare commitment.	46,2	54,7
2. Submission to the competent authority of Aragón a detailed "management and exploitation plan" showing a detailed description of the agricultural holding, number of animals	Additional costs relate to the preparation, elaboration and the editing of this plan. This is both an agri-environmental and an animal welfare commitment.	3,81	4,56

² OJ L 270, 21.10.2003, p.1. Repealed and replaced by Council Regulation (EC) No 73/2009 of 19 January 2009 establishing common rules for direct support schemes for farmers under the common agricultural policy and establishing certain support schemes for farmers, amending Regulations (EC) No 1290/2005, (EC) No 247/2006, (EC) No 378/2007 and repealing Regulation (EC) No 1782/2003, OJ L 30, 31.1.2009, p. 16.

available in its stock, available surface, installations provided.			
3. To dispose in the holding of reproduction breed of autochthonous Spanish or Spanish breed, registered in the respective herd-books. Production system to be used shall be linked to the use of a sufficient territorial surface. To that end, the maximum figure allowed taking note of all animals present in the exploitation should be 1,5 LU/Ha.	Animals of autochthonous Spanish and local breeds are better adapted to the environment in mountain areas. Due to their higher rusticity they are more resistant to pathologies determined by farming practices and keeping compared to other animals. Income foregone resulting from less intensive use of pastures. This is an agri-environmental commitment.	60	60
4. Applicant agriculture exploitations shall be registered in the general "Register of Livestock Producers" ³ with its classification as producers or reproducers.	The livestock farmer shall be entitled and authorized by the competent authorities, this meaning compliance with the basic legal requirements applicable to agriculture exploitations. The exploitation shall provide evidences of its livestock producer activities.		
5. Feeding/nutrition programs based on natural resources.	The farmer shall elaborate a feeding/nutrition program taking into account the exploitation surface and the animal species and races present in the farm. The program will detail the use of natural resources in every period of the year.		
6. Elaborate and implement a hygienic-sanitary programme supervised by the veterinary responsible of the exploitation shall be submitted to the competent authority. The programme is supervised by a veterinary.	The additional costs originate from the application of programmes for prevention of pathologies to animals kept in extensive regime. It is an animal welfare commitment.	40	60
7. The applicant will have to undertake training courses or academic qualifications covering the content and objectives of the present aid (agri-environment and animal welfare).	The farmer shall provide documentation proving the attendance of such training.		
8. Registration of minimum 50% of the reproductive animals in the farm in the herd-books; this number will have to be increased			

³ "Registro general de Explotaciones Ganaderas" (REGA).

to 75% in 5 years.			
9. Compliance with the specific rules on the hygiene of food of animal origin laid down in Regulation (EC) 853/2004.			
10. Breed minimum 60% of animals in the own farm.			
11. Regarding female bovine animals, the minimal aid for first birth shall be 24 months. Animals can be sold only 5 months after nursing. Regarding female sheep and goats, the minimal aid for first birth shall be 12 months. Animals can be sold only 2 months after nursing.			

(21) The Spanish authorities underlined that for the calculation of the aid amount only the commitments which are objectively quantifiable were taken into account.

(22) As for the animal welfare commitments relating to the setting of water points, the improvement of the housing condition and of the access to pastures, the Spanish authorities explained that the indicated aid amounts represent maximum amounts and that in each case the extra expenditure has to be substantiated by means of invoices (when the works are carried out by third parties) or by costs reports which will be verified by the competent authorities (when the beneficiary carries out the works himself).

(23) The Spanish authorities have explained in detail the complementarity and the compatibility of the various agri-environment and animal welfare commitments at issue. may be combined provided that they are complementary and compatible. It was also confirmed that where commitments are combined, the level of support shall take account of the specific income foregone and additional costs resulting from the combination.

(24) According to the legal basis, the aid support is fixed at the following annual compensation rates per breeding animal:

- EUR 100 per LU;

- a digressive payment calculation method is used to determine the aid amount per beneficiary

Number of animals per farm	Aid amount (EUR/LU)
< 60	100
61-80	60
81-100	40
> 100	0

- (25) No aid would be granted towards the transaction costs. The Spanish authorities have provided their assurances that the compensation is calculated in accordance with Article 27(5) of Commission Regulation (EC) No 1974/2006⁴.
- (26) The Spanish authorities have engaged that there will be no compensation exceeding the limits specified in Article 39(4) and Article 40(3) of Regulation 1698/2005⁵ which refer to the limits per hectare/livestock unit as reported in its Annex⁶. The rate of aid will not be increased beyond the limit specified in Article 39(4) and Article 40 of Regulation (EC) No 1698/2005.
- (27) The Spanish authorities have informed that, in accordance with Article 39(3) and Article 40(2) of Regulation 1698/2005, the beneficiary will comply with agri-environmental and animal welfare commitments going beyond the compulsory requirements laid down in Articles 4 and 5 of Regulation 1782/2003 and in Annexes III and IV, the requirements for the use of minimum fertiliser and plant protection resources and other compulsory requirements which are laid down in state legal acts and in the rural development programme.
- (28) The commitments comply with the following conditions: grassland management continues, the whole of the grazed area per livestock unit is maintained, therefore avoiding both over-grazing and under-utilisation, and livestock density is defined taking into account all grazing livestock kept on the farm.
- (29) The Spanish authorities have accurately proved the coherence, the complementary character and the compatibility of the current aid scheme with the Rural Development program of Aragon (2007 – 2013). The Spanish authorities explained that the agri-environmental and animal welfare commitments as stake are complementary to the above mentioned RDP, in particular to its measure M.4.4, maintenance of autochthonous Spanish breeds in danger of being lost to farming. Double founding is excluded.
- (30) The Spanish authorities have confirmed that the present scheme would be adapted to accommodate any modifications of Regulation (EC) No 1698/2005 or its implemented rules adopted by the Commission.

2.8 Cumulation and engagements

- (31) According to the information provided, the present aid can be cumulated with other aid regimes that could cover the same eligible costs. In that regard, the Spanish authorities have taken formal and specific engagement to comply with Articles 39 and 40 of Regulation 1698/2005 and with the ceilings under its Annex. Engagement has been taken to respect the cumulation rule under Article 19 of Regulation 1857/2006⁷ and the ceilings under the Annex of Regulation 1698/2005.
- (32) The commitments set in the scheme in question are identical to those approved under a national aid scheme authorised by the Commission under aid number N 10/2008⁸, except three different conditions: (1) in addition to autochthonous breeds the present scheme refers also to local breeds, (2) it contains the obligation to register minimum 50% of the

⁴ OJ L 368, 23.12.2006, p. 15.

⁵ OJ L 277, 21.10.2005, p.1

⁶ EUR 450 x hectare (Agri-environmental commitments) and EUR 500 x Livestock Unit (Animal welfare commitments).

⁷ OJ L 358, 16.12.2006, p. 3.

⁸ Letter to the Spanish Minister of Foreign Affairs of 20.11.2008 not raising any objections to the notified measure n. N 10/2008.

animals for which an aid application is done in the herd-book and (3) the territorial scope of application of the present aid scheme covers exclusively the above indicated mountainous districts of Aragon. In this respect, the Spanish authorities underlined that aid under the present scheme can not be cumulated with aid under aid scheme N 10/2008.

(33) To that end, the legal basis includes a specific provision on the obligation towards the beneficiary to communicate to the competent authority any other State aid or other financial contribution in relation to the same eligible costs (Article 10(2)). Moreover, a control system for avoiding cases of cumulation of different funding sources is also described and it will consist of databases checks and in situ inspections.

(34) The Spanish authorities have given their assurances that agri-environment and animal welfare support for the same production shall not be precluded by environmental measures implemented under common market organisations or direct support schemes listed in Annex 1 to Regulation (EC) 1974/2006, animal and plant health measures or rural development measures other than agri-environment and animal welfare support, provided that such support is additional and consistent with the measures concerned.

2.9 Incentive effect

(35) The beneficiary will have to apply for the aid by submitting, as above explained, to the competent authorities a detailed application proving the respect of the requirements and conditions imposed under the scheme to which it will follow an official approval of the grant application by the competent granting authority.

(36) The Spanish authorities have given their assurances that payments under the present scheme would only be granted after the aid scheme has been declared compatible by the Commission.

3. Assessment

Presence of aid

(37) Pursuant to Article 107(1) of the TFEU, aid granted by a Member State or through state resources in any form whatsoever that distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods is prohibited, insofar as it affects trade between Member States.

(38) These conditions are fulfilled in the present case. The measure confers advantage on the recipients. As trade in agricultural products within the EU is extensive and highly competitive⁹, the measure distorts or threatens to distort¹⁰ competition and affects trade between Member States. The advantage is granted through State resources and it is selective, in that it favours certain agricultural undertakings in Aragon, Spain. Therefore, Article 107(1) of the TFEU applies.

(39) It should consequently be examined whether derogation from the general principle of the incompatibility of State aid under Article 107(1) of the TFEU might be granted.

⁹ There is a high level of intra-Community trade in the agriculture sector. In 2007, intra-Community trade in agricultural products (EU25) totalled some € 237 billion (imports) and some € 239 billion (exports) (Source: EUROSTAT).

¹⁰ According to the case law of the Court of Justice, improvement in the competitive position of an undertaking resulting from a State aid generally points to a distortion of competition compared with other competing undertakings not receiving such assistance, Case C-730/79, ECR 1980, p. 2671, paragraphs 11 and 12.

Compatibility of aid

(40) The Commission considers that State aid in the agriculture sector is compatible with the internal market if it complies with the applicable provisions for state aid in the agricultural sector. Aid such as the present for agro-environmental and animal welfare commitments is to be assessed on the basis of Chapter IV.C.2 of the Community Guidelines for State aid in the agriculture and forestry sector 2007-2013¹¹ (hereinafter: the Guidelines).

(41) In accordance with section IV.C.2.b "Policy on aid for agro-environmental and animal welfare commitments" of the Guidelines, agro-environmental and animal welfare aid will be regarded as compatible with Article 107(3) (c) of the TFEU if it fulfils all the requirements as set out in Article 39 (Agri-environment payments) and Article 40 (Animal welfare payments) of Regulation 1698/2005 and of the relevant implementing rules adopted by the Commission under Regulation 1974/2006.

(42) Articles 39 and 40 of Regulation 1698/2005 and Article 27 of Regulation 1974/2006 set the following conditions in respect of agro-environment and animal welfare payments:

1. Payments shall be granted to farmers who make on a voluntary basis agri-environmental and animal welfare commitments (respectively Article 39(2) and Article 40(1) of Regulation 1698/2005).

2. Commitments have to go beyond the relevant mandatory standards established pursuant to Articles 4 and 5 and Annexes III and IV to Regulation 1782/2003 as well as minimum requirements for fertiliser and plant protection product use and other relevant mandatory requirements established by national legislation and identified in the rural development programme (Articles 39(3) and 40(2) of Regulation 1698/2005).

3. Commitments shall be undertaken, as a general rule, for a period between five and seven years. A longer period may be determined where necessary and justified (Articles 39(3) and 40(2) of Regulation 1698/2005). Under point 58 of the Guidelines, the Commission may approve state aid for agro-environment commitments of a shorter duration where a detailed justification has been provided including a demonstration that the full environmental effects of the measure can be realised in the shorter time proposed.

4. The payments shall be granted annually and shall cover only additional costs and income foregone resulting from the commitments made. Where necessary they may also cover transaction costs (Article 39(4) and Article 40(3) of Regulation 1698/2005). The reference level for calculating income foregone and additional costs resulting from the commitments given shall be the relevant standards and requirements referred to in Article 39(3) and Article 40(2) of the Rural Development Regulation (Article 27(8) of Regulation 1974/2006).

5. Support shall be limited to the maximum amount laid down in the Annex of Regulation 1698/2005 (Article 39(4) and Article 40(3) of Regulation 1698/2005). Under point 53 of the Guidelines, the Commission may approve additional aid exceeding the maximum amounts where a justification for the additional aid payments is provided including a detailed breakdown of the cost component involved on the basis of income foregone and additional costs resulting from the commitment given.

Where commitments are normally expressed in units other than those used in the Annex to Regulation (EC) No 1698/2005, Member States may calculate payments on the basis of

¹¹ OJ C 319, 27.12.06, p. 1.

those other units. In such cases, the Member States shall ensure that the maximum amounts per year eligible for community support set out in that Annex are complied with.

To this end the Member State may:

- (a) set a limit on the number of units per hectare of the farm to which the agri-environment commitments applies, or
- (b) determine the overall maximum amount for each participating farm and ensure that the payments for each farm are compatible with that limit (Article 27, paragraph 9 of Regulation (EC) No 1974/2006).

6. Agri-environment and/or animal welfare support for the same production shall not be precluded by environmental measures implemented under common market organisations or direct support schemes listed in Annex I, animal and plant health measures or rural development measures other than agri-environment and animal welfare support, provided that such support is additional and consistent with the measures concerned. Various agri-environment and animal welfare commitments may be combined provided that they are complementary and compatible. Where measures or commitments are combined, the level of support shall take account of the specific income foregone and additional costs resulting from the combination (Article 27(5) of the implementing Regulation 1974/2006).

7. Pursuant to Article 27(2) of Regulation 1974/2006, any commitment to extensify livestock farming or manage livestock farming differently shall comply with at least the following conditions:

- (a) grassland management shall continue;
- (b) the whole of the grazed area per livestock unit is maintained, therefore avoiding both over-grazing and under-utilisation;
- (c) livestock density shall be defined taking into account all grazing livestock kept on the farm or, in the case of a commitment to limit nutrient leaching, all animals kept on the farm which are relevant to the commitment in question.

8. Any animal welfare commitment shall provide upgraded standards in at least one of the following areas (Article 27(7) of Regulation 1974/2006):

- water and feed closer to their natural needs;
- housing conditions, such as space allowances, bedding, natural light;
- outdoor access;
- absence of systematic mutilations, isolation or permanent tethering;
- prevention of pathologies mainly determined by farming practices or/and keeping conditions.

9. Paragraphs 3, 4, 6, 10, 11, 12 and 13 of Article 27 of Regulation 1974/2006 do not apply to the notified scheme since the scheme does not foresee additional aid or options provided under the above paragraphs (commitments related to the use of fertilisers, to rear farm animals of local breeds indigenous to the area and in danger of being lost to farming, as well as to land set aside, transaction costs, conversion or adjustment of commitments, different conversion rate of animals to livestock unit).

(43) As regards the first condition above, the Spanish authorities have clearly demonstrated that State support would be granted only to farmers who voluntarily make the commitments, described under the present scheme, concerning both agro-environment and animal welfare (see paragraphs (12) and (13)). Therefore the first condition is complied with.

(44) As stated in paragraph (27), the Spanish authorities have also provided their assurances that the agri-environmental and animal welfare commitments would go beyond the mandatory standards established pursuant to Articles 4 and 5 of, and Annexes III and IV

to Regulation 1782/2003, or the minimum requirements for fertiliser and plant protection product use and other relevant mandatory requirements which are stipulated in state legal acts. Therefore the second condition is complied with.

- (45) The commitments are made by the beneficiaries for the period of five years this time-frame being in line with the applicable provision (see paragraph (13)). Thus, condition 3 is complied with.
- (46) According to the information provided by the Spanish authorities, the support for the agri-environmental and animal welfare commitments is calculated on the basis of additional costs and income foregone. The Spanish authorities provided calculations of the payments based on precise calculation methods used in order to evaluate the extra costs and the lost income. The reference level for calculating income foregone and additional costs resulting from the commitments given are the relevant standards and requirements referred to in Article 39(3) and Article 40(2) of Regulation 1698/2005. Moreover, the data and figures provided were certified by an independent organisation (see paragraphs (16)-(22)). As indicated in paragraph (25), no aid would be granted towards the transaction costs. Thus, condition 4 is fully complied with.
- (47) The Spanish authorities have indicated in respect of condition 5 that the annual payments under the present scheme would not exceed the maximum amount laid down in the Annex of Regulation 1698/2005: max EUR 450 per hectare (agri-environment commitments) and max EUR 500 (animal welfare commitments) per LU. The agri-environmental commitments at stake were expressed not per hectare but per LU, and therefore in units other than those in the above Annex. However, a limit of 1,5 LU per hectare was set and thus it was insured that the maximum amounts of the Annex are complied with (EUR 100 per LU, with 1,5 LU per hectare amounts to EUR 150 per hectare). The Spanish authorities have also taken appropriate measures and engagements, as above described, that the maximum ceiling of EUR 450 and EUR 500 will be respected also in case of cumulation of aids (see paragraphs (20), (24) and (26)). Therefore, condition 5 can be considered to be met.
- (48) Coherence with market measures as well as the complementarity and compatibility of commitments have been demonstrated. The proposed proper control system, regular reviews and independent verification of the calculations appear to provide sufficient guarantees that no overcompensation will occur (see paragraphs (31)-(34)).
- (49) Moreover, as the commitments are both relating to agri-environment and animal welfare, the Spanish authorities have also proved that the level of support will take account of the specific income foregone and additional costs resulting from the combination of the commitments (see paragraph (23)). Therefore, condition 6 can be considered to be met.
- (50) The Spanish authorities indicated that grassland management will continue, the whole of the grazed area per livestock unit is maintained, therefore avoiding both over-grazing and under-utilisation, and that the livestock density is defined taking into account all grazing livestock kept on the farm (see paragraph (28)). It follows that condition 7 is complied with.
- (51) As described in paragraph (20), the animal welfare commitments included in the notified scheme provide upgraded standards in the following areas: water and feed closer to the animals' natural needs and housing conditions, such as space allowances and bedding. In consequence, the requirements stressed out in condition 8 can be considered to be met.

- (52) The Spanish authorities have also demonstrated with detailed analysis the coherence and complementarity of the notified measure with the Rural Development Plan of Aragon, as required in point 26 of the Guidelines (see paragraph (29)).
- (53) According to point 52 of the Guidelines, when notifying State aid in favour of agro-environmental or animal welfare commitments, Member States must undertake to adapt such schemes to any relevant modification of Regulation 1698/2005 or its implementing rules adopted by the Commission. As shown in paragraph (30), the Spanish authorities have confirmed that they will comply with this commitment.
- (54) Pursuant to points 15 and 16 of the Guidelines, any aid measure must contain some incentive element or require some counterpart on the part of the beneficiary. The Spanish authorities proved that the incentive requirement, as set out in point 16 of the Guidelines, will be fully met (see paragraphs (35) and (36)).
- (55) Consequently, it may be concluded that the proposed aid measure complies with the relevant provisions of the Community Guidelines for State aid in the agriculture and forestry sector 2007 to 2013.

4. Conclusions

- (56) After examination of the notified individual aid in the light of the prevailing state aid rules, the Commission concludes that all relevant conditions for the application of article 107(3)(a) of the TFEU are fulfilled. The Commission has therefore decided not to raise objections to the measure as it is compatible with the internal market.
- (57) If this letter contains confidential information, which should not be published, please inform the Commission within fifteen working days from the receipt. If the Commission does not receive a reasoned request by the stipulated deadline, you will be deemed to have agreed to the publication of the full text of this letter in the authentic language on Internet site: http://ec.europa.eu/community_law/state_aids/state_aids_texts_es.htm. Any such request specifying the relevant information should be sent by registered letter or fax to:

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Yours faithfully,
For the Commission

Dacian CIOLOȘ
Member of the Commission