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IMPACT ASSESSMENT

Accompanying the document

Commission Regulation

on the application of Articles 107 and 108 TFEU to de minimis aid in the agricultural sector

{C(2013) 8787 final}
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CONTENTS

Executive Summary Sheet

Impact assessment (hereafter "IA") on Commission Regulation on the application of Articles 107 and 108 Treaty on the Functioning of the European Union (hereafter "TFEU") to de minimis aid in the agricultural sector

A. Need for action

There is a general de minimis Regulation and an agricultural de minimis Regulation as the agricultural primary production sector is a sector with specific characteristics. The agricultural de minimis Regulation expires on 31 December 2013.

Both regulations have similar provisions on cumulation, transparency, monitoring and transitional measures. As the general de minimis Regulation is being modernized as part of State aid Modernisation (hereafter "SAM"), there is a need to bring these horizontal aspects of the two de minimis Regulations into line with each other.

In order to focus on the most distortive aid measures and to reduce the administrative burden, it is necessary to establish for the sector of agricultural production up to which individual ceiling and national cap aid measures are deemed not to have effects on trade and on competition (taking into account the economic developments in the internal agricultural market) and are therefore not subject to State aid rules.

State aid policy in the agricultural and forestry sector mainly affects two categories: public authorities granting the aid on the one hand and potential or actual beneficiaries of the aid and their competitors on the other.

The objective is to guarantee that an agricultural aid measure does not distort or threaten to distort competition on the internal market and that State aid policy is focused on the most distortive cases, ensuring administrative burden reduction.

The current agricultural de minimis Regulation should also be brought into line with the new general de minimis Regulation, streamlining the provisions as much as possible.

Pursuant to Article 3 TFEU the Union shall have exclusive competence in the establishing of the competition rules necessary for the functioning of the internal market. Articles 107 and 108 TFEU establish the State aid rules. Therefore the present action is not subject to a subsidiarity test.

B. Solutions

Not to prolong or change the current agricultural de minimis Regulation or to merge the agricultural de minimis Regulation with the general de minimis Regulation are not realistic options.

Option A) The baseline scenario is to prolong, without any change, the current agricultural de minimis Regulation.

Option B) To change the current agricultural de minimis Regulation. We assess the impact of the agricultural individual ceiling and national cap for de minimis aid measures. An individual ceiling of €10 000 and €15 000 is modelled.

B1) modelling of €10 000 individual ceiling for different national caps

B2) modelling of €15 000 individual ceiling for different national caps

Option B1 is the preferred option. There is no risk of distortion of competition in all modelled cases but we prefer an individual ceiling of €10 000 with a national cap of 1% for safety reasons as the practical experience with an individual ceiling of €15 000 concerned State aid in an extraordinary crisis situation (the Temporary Framework).

The public consultation showed a general request for an increase of the individual ceiling and an increase or even total elimination of the national cap. Suggestions for the individual ceiling range from €10 000 up to €200 000, with the most frequently quoted being €15 000. Suggestions for the national cap are to double the current one or to increase it by x2.5. Even though the public consultation results showed that the individual ceiling and national cap are not always reached, MS ask for an increase to be able to react quickly in case of serious problems, supporting growth and job creation taking into account the economic developments in the internal agricultural market discussion) and in order to reduce the administrative burden.

C. Impacts of the preferred option

Option B1 will contribute to enabling the State aid policy to focus on the most distortive State aid measures as the individual ceiling is increased up to €10 000 and the national cap up to 1%. It will also contribute to reducing the administrative burden.

Option B1 does not create any costs for the EU budget. It merely sets rules to be respected by the Member States (hereafter "MS") when deciding to grant de minimis aid.

Due to the small amounts covered, the de minimis Regulation is particularly favourable for Small and Medium sized Enterprises (hereafter "SMEs") and micro-enterprises. It will lead to simplification because an aid measure under de minimis is considered not to be State aid. Therefore, MS may grant de minimis aid very fast because there is no need to go through a notification procedure.

There is no direct impact for the national budgets because MS are not under any obligation to grant State aids.

State aid policy in the agricultural and forestry sector mainly affects two categories: public authorities granting the aid on the one hand and potential or actual beneficiaries of the aid and their competitors on the other. Based on practical experience, the primary producers of agricultural products seem to keep the small amounts of de minimis aid for themselves and distribution chains absorb the potential benefits of the aid not reducing prices for the consumers. Subsequently, consumers are not affected.

D. Follow up

The agricultural de minimis Regulation will apply from 1/1/ 2014 until 31/12/2020. For the monitoring and evaluation requirements reference is made to the IAR of the general de minimis Regulation.

List of abbreviations

IAR	Impact Assessment Report
IA	impact Assessment
TFEU	Treaty on the Functioning of the European Union
SAM	State aid Modernisation
MS	Member State(s)
SMEs	Small and Medium sized Enterprises
DG	Directorate-General
AGRI	Agriculture and Rural Development
SGIA	Steering Group Impact Assessment
IAB	Impact Assessment Board
CAP	Common Agricultural Policy
RD	Rural Development
EAFRD	European Agricultural Fund for Rural Development
WTO	World Trade Organization
AC	Advisory Committee(s)
FNVA	Farm Net Value Added
FADN	Farm Accountancy Data Network
COP	Cereals, oilseeds and protein crops
ha	hectare
LU	Livestock Unit

List of key terms

State aid = any aid granted by a Member State or through State resources in any form whatsoever which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods shall, in so far as it affects trade between Member States, be incompatible with the internal market

Agricultural product = the products listed in Annex I to the TFEU, except fishery and aquaculture products covered by Council Regulation (EC) No 104/2000; cork products and products intended to substitute or imitate milk and milk products, as referred to in Article 3(2) of Council Regulation (EEC) No 1898/87.

Processing of agricultural products = any operation on an agricultural product resulting in a product which is also an agricultural product, except on farm activities necessary for preparing an animal or plant product for the first sale.

Marketing of agricultural products = holding or display with a view to sale, offering for sale, delivery or any other manner of placing on the market, except the first sale by a primary producer to resellers or processors and any activity preparing a product for such first sale; a sale by a primary producer to final consumers shall be considered as marketing if it takes place in separate premises reserved for that purpose.

Transparent aid = aid measures in which it is possible to calculate precisely the gross grant equivalent as a percentage of eligible expenditure ex ante without need to undertake a risk assessment

Undertakings in difficulty = undertakings considered in difficulty within the meaning of the Community guidelines on State aid for rescuing and restructuring firms in difficulty

SMEs = small and medium-sized enterprises as defined in Annex I to Regulation (EC) No 70/2001

Procedural issues

1.1 Identification

This IAR will explore the need and the options for reviewing the existing agricultural de minimis Regulation[1] which provides conditions under which an aid measure is deemed not to be State aid. The agricultural de minimis Regulation applies to aid granted to undertakings active in the primary production of agricultural products except to those active in the fisheries sector.

The current Regulation is applicable until 31 December 2013.

The on-going revision of the agricultural de minimis Regulation is closely linked with the revision of the general de minimis Regulation[2] which is an important element of the SAM[3], launched on 8 May 2012 through a Commission Communication[4], which framed the political debate on the modernisation of State aid control.

1.2 Organisation and timing

The project has been led by the Directorate-General (hereafter "DG") for Agriculture and Rural Development (hereafter "AGRI").

The following services were part of the Steering Group Impact Assessment (hereafter "SGIA"):

DG Competition,
Secretariat General,
Legal Service,
DG Enlargement,
DG Regional Policy,
DG Mobility and Transport,
DG Climate Action,
DG Trade,
DG Environment,
DG Research and Innovation,
DG Maritime Affairs and Fisheries,
DG Enterprise and Industry,
DG Economic and Financial Affairs,
DG Health and Consumers, and
DG Energy.

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1 Commission Regulation (EC) No 1535/2007 on the application of Articles 87 and 88 of the EC Treaty to de minimis aid in the sector of agricultural production , OJ L 337, 21.12.2007, p.35

2 Commission Regulation (EC) No 1998/2006 of 15 December 2006 on the application of Articles 87 and 88 of the Treaty to *de minimis* aid, OJ L 379, 28.12.2006, p.5

3 http://ec.europa.eu/competition/state_aid/modernisation/index_en.html

4 Commission Communication COM (2012) 209 final, *EU State Aid Modernisation (SAM)*, 8.5.2012.

This SGIA met on:

- 15 November 2012 to discuss the roadmap, the IA project and the planning;
- 1 March 2013 to discuss the statistical report of DG AGRI unit L.3;
- 13 May 2013 to discuss the draft IAR;
- 30 May 2013 to discuss the final draft IAR.

For the consultation of interested parties, we refer to Chapter 3.

1.3 Opinion of the Impact Assessment Board (hereafter "IAB")

Overall opinion: POSITIVE

The report should be improved in a number of respects. First, it should explain what the problems posed by current thresholds are, given the specificities of the agricultural sector and taking into account that such thresholds are not reached in practice. Second, it should clarify the relative importance of each objective and explain how the criteria for comparing the options are linked to different objectives. Third, the report should better assess the impacts. In particular it should explain why a 20% difference in FNVA between countries is considered the right proxy (and level) to identify a significant change in competitive positions. It should better present the factors justifying the choice of the preferred option (B1). Finally, the report should better present the main concerns voiced by different stakeholder groups and explain how they have been addressed.

DG AGRI amended the report along the lines of the recommendations of the IAB. The policy context and problem definition is clarified by better explaining why there are separate de minimis rules for the agriculture sector and by explaining the relationship with the Common Agricultural and Rural Development Policy. The specific problem of legal uncertainty is addressed and the baseline scenario is completed as much as possible. The report explains why the individual ceiling and the national cap should be increased taking into account that these thresholds are not reached. The relative importance of objectives and the method of assessment are discussed more. For evaluation and monitoring, dependence on the general de minimis Regulation is explained better. The preferred option and non-analysed options are better justified and the main concerns of stakeholders are more specific presented.

1. Policy context

Article 107 to 109 TFEU set the legal framework for the granting of State aid and the development of a coherent policy approach in this respect. Under Article 107(1) TFEU, aid granted by a MS or through State resources in any form whatsoever which distorts or threatens to distort competition by favoring certain undertakings or the production of certain goods shall, in so far as it affects trade between MS, be incompatible with the internal market.

However, in application of Article 109 TFEU, the Council, by adopting Regulation (EC) No 994/985 ("Enabling Regulation") enabled the Commission to set out in a Regulation a ceiling below which aid measures are deemed not to meet all the criteria of Article 107(1) TFEU and are therefore not subject to the notification obligation under Article 108(3) TFEU (and are considered as not being State aid).

On the basis of the Enabling Regulation, and due to the differences of the agricultural and the fisheries sectors on the one hand and all other industrial sectors on the other, the Commission adopted in 2006/2007 three de minimis Regulations each replacing previous Regulations and one in 2012:

- Commission Regulation (EC) No 1998/2006 of 15 December 2006 on the application of Articles 87 and 88 of the Treaty to de minimis aid[6] ("the general de minimis Regulation");

- Commission Regulation (EC) No 875/2007 of 24 July 2007 on the application of Articles 87 and 88 of the EC Treaty to de minimis aid in the fisheries sector[7];

- Commission Regulation (EC) No 1535/2007 on the application of Articles 87 and 88 of the EC Treaty to de minimis aid in the sector of agricultural production ("the agricultural de minimis Regulation");

- Commission Regulation (EU) No 360/2012 of 25 April 2012 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid granted to undertakings providing services of general economic interest[8].

For different reasons, there is a separate de minimis Regulation for the agriculture sector. There is e.g. a strong link between the granting of aid and price fixing due to the seasonable aspect of agricultural production in the MS. The impact of a massive granting of de minimis aid in a MS combined with this aspect of the agricultural production can threaten to distort the competition with other MS, the beneficiaries being able to compete with producers from other MS at a period where they are not necessarily the most competitive on the market. Financial intervention by the EU is also much more significant in the agricultural and forestry sector than in other sectors because the Common Agricultural Policy (hereafter "CAP") itself is to a large extent an aid policy. The RD CAP expenditure in 2011 was €14 436 116 511 for all MS in total.
Concretely, the European Agricultural Fund for Rural Development (EAFRD) acts in the MS through RD programmes. These RD programmes implement a strategy to meet the Union

5 OJ L 142, 14.05.1998, p.1

6 OJ L 379, 28.12.2006, p.5

7 OJ L 193, 25.7.2007, p. 6.

8 OJ L114, 26.04.2012, p.8.

priorities for RD through a set of measures, for the achievement of which aid from the EAFRD will be sought. MS may also add additional national funds to the basic co-financing from EU and national funds. The State aid rules in the agricultural and forestry sector are needed as an instrument to allow aid (in particular for RD types of measures) to be granted. This explains why there is a direct need to mirror the RD Policy in the agricultural State aid rules. In addition to the State aid measures, de minimis aid can be granted to farmers. However, de minimis aid must be limited not to distort competition and not to put the objectives of the CAP policy at risk. Applying the much higher individual ceilings and no national cap of the general de minimis Regulation also to the agricultural sector is therefore not an option. So, the agricultural de minimis Regulation has a much lower individual ceiling and a national cap.

The present report assesses the impact of the options for the individual ceilings and national caps with regard to de minimis aid in the agricultural sector. However, certain aspects concerning the general de minimis Regulation need to be pointed out in this context, too, due to the close link, and in order to set out the demarcation line between the two regimes. The analysis of the aspects concerning the general de minimis Regulation, however, is being dealt with in the IAR of the general de minimis Regulation.

According to the de minimis Regulations, aid granted to the same undertaking over a given period of time that does not exceed a certain fixed amount is considered not to have an impact on competition and/or not to affect trade in the internal market. These aid measures are considered not to be State aid and therefore are not subject to the notification obligation under Article 108(3) TFEU, which makes the procedure of granting aid much simpler.

The general de minimis Regulation does not apply to aid granted to undertakings active in the primary production of agricultural products. Subject to certain exceptions, it does however apply to aid granted to undertakings active in the processing[9] and marketing[10] of agricultural products due to the similarities between those activities and industrial activities.

The agricultural de minimis Regulation applies to aid granted to undertakings active in the primary production of agricultural products except to those active in the fisheries sector.

The total de minimis aid granted on the basis of the general de minimis Regulation to any one undertaking must not exceed €200 000 over any period of three fiscal years. The total de minimis aid granted on the basis of the agricultural de minimis Regulation to any one undertaking shall not exceed €7500 over any period of three fiscal years (individual ceiling). In addition, the cumulative amount of de minimis aid granted per MS to undertakings in the agricultural production sector over any period of three fiscal years shall not exceed the value

9 Processing of agricultural products means any operation on an agricultural product resulting in a product which is also an agricultural product, except on farm activities necessary for preparing an animal or plant product for the first sale.

10 Marketing of agricultural products means holding or display with a view to sale, offering for sale, delivery or any other manner of placing on the market, except the first sale by a primary producer to resellers or processors and any activity preparing a product for such first sale; a sale by a primary producer to final consumers shall be considered as marketing if it takes place in separate premises reserved for that purpose.

set out in the annex to the agricultural de minimis Regulation (the national cap is 0.75% of annual output in the agriculture sector in the MS concerned).

Both Regulations exclude from their scope of application certain types of aid and firms in difficulty, they define rules on permissible aid instruments ("transparent aid") and their gross grant equivalent and contain an anti-cumulation rule that does not allow for cumulation if the aggregate amount exceeds an aid intensity fixed by the relevant block exemption Regulation or Decision.

Finally, for monitoring purposes, the de minimis Regulations allow MS to choose between a system of declarations (companies have to declare de minimis aid received during the ongoing and the two preceding years) and a central register of de minimis aid containing complete information on all de minimis aid granted by any authority within that MS.

On 8 May 2012, the Commission set out a State aid reform programme in the Communication on SAM[11] to make State aid policy simpler, stronger and smarter. State aid policy should focus on facilitating well-designed aid targeted at market failures and objectives of common European interest. With this initiative, the Commission also aims at focusing its enforcement on cases with the biggest impact on the internal market, as well as at simplification. The revision of the general de minimis Regulation is an important element of the SAM initiative as it helps the Commission focusing on cases which most distort the market. It is therefore directly linked to the objective of simplification.

Due to the links between the general and the agricultural de minimis Regulation, they should be revised in parallel as part of the SAM initiative. Moreover, the current agricultural de minimis Regulation expires on 31 December 2013.

It should furthermore be said that any de minimis aid for the agricultural sector must also be compatible with the EU's international obligations, in particular the World Trade Organization (hereafter "WTO") Agreement on Agriculture. As no big amounts of aid are involved the potential risk of de minimis aid for actionable WTO cases if they cause adverse effects is rather low.

2. Consultation

A first informal brainstorming session with the MS was held in Brussels in July 2012.

A public stakeholder consultation on the current agricultural de minimis Regulation was held from 20 December 2012 to 20 March 2013 on the basis of an online questionnaire (http://ec.europa.eu/agriculture/stateaid/policy/consultation/index_en.htm) in all EU languages. A press release communicated the launch of this public consultation and this press release was also forwarded to all Permanent Representations to the EU.

Institutions, public authorities, citizens, companies, organisations and all other stakeholders affected by the agricultural State aid instruments were invited to contribute to this consultation. Contributions were particularly sought from the national authorities dealing with the aid measures covered by the Regulation.

11 Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the EU State Aid Modernisation (SAM), COM/2012/0209 final

The purpose of this consultation was to obtain information on the application of the current de minimis Regulation. The questionnaire collected factual information on the use and technical design of the de minimis Regulation and on the individual ceiling and national cap, but also general policy questions and questions on monitoring and transitional provisions were included.

In response to this public consultation the Commission received 52 contributions. Of these, 10 from non-registered organisations, 9 from registered organisations, 27 from public (national and regional) authorities, 6 from contributors who asked for their identity not to be revealed and none from citizens.

In terms of regions, 2 contributions were received from EU-wide associations and all other contributions came from MS. The contributions per MS can be found in Annex I.

In general, all respondents throughout the public consultation consider the de minimis Regulation as a useful non-burdensome aid instrument for a public authority to react quickly in case of serious problems, and for supporting growth and job creation. In general, most of the contributors indicate no negative impact and no impact on trade of the de minimis Regulation. A negative impact, when mentioned, is considered limited because of the low ceiling. The MS who replied to the consultation confirmed that the amount spent on de minimis aid respects the national cap and many contributors replied that the individual ceiling and national cap are not reached. MS use de minimis aid to finance a large range of measures. Grants are the most frequently indicated used instrument. In the absence of a de minimis Regulation, MS would have either used a block exemption Regulation[12] or the Guidelines[13] although some MS pointed out that they used the de minimis Regulation to support some measures that they could not have financed through exempted aid schemes or aid schemes approved on the basis of the Guidelines or directly based on the Treaty, after notification. Due to the limited amount, most of the contributors consider de minimis aid as more favourable for SMEs than for large companies, because the amounts are so limited that they are not interesting for large companies.

Improvements of the de minimis Regulation are asked in the form of

- clarification of some definitions;
- review of the scope;
- review of the individual ceiling and national cap;
- clarification and review of the transparency condition;
- review of the cumulation rule;
- simplification of the monitoring system

12 Commission Regulation (EC) No 1857/2006 of 15 December 2006 on the application of Articles 87 and 88 of the Treaty to State aid to small and medium-sized enterprises active in the production of agricultural products and amending Regulation (EC) No 70/2001, OJ L358, 16.12.2006, p.3. or Commission Regulation (EC) No 800/2008 of 6 August 2008 declaring certain categories of aid compatible with the common market in application of Articles 87 and 88 of the Treaty (General block exemption Regulation), OJ L214, 9.8.2008, p.3.

13 Community guidelines for State aid in the agriculture and forestry sector 2007 to 2013, OJ C319, 27.12.2006, p.1.

The agricultural public consultation and Advisory Committee (hereafter "AC") results on the general provisions are similar to the results of the general de minimis Regulation. The responses concerning the general provisions will be dealt with in the IAR of the general de minimis Regulation.

The responses concerning the agricultural individual ceiling and national cap have been taken into account in the problem definition, the definition of the policy options and the analysis of their impact.

A general summary of the contributions is attached in Annex II.

For the general de minimis Regulation, and subsequently for the general provisions of the agricultural de minimis Regulation, an AC with the MS took place on 23 May 2013. For the results, we refer to the IAR of the general de minimis Regulation.

For the agricultural de minimis Regulation an AC with the MS took place on 15 July 2013 and on 11 October 2013. The comments made by the MS are similar to the results of the public consultation, and are taken into account in the problem definition, the definition of the policy options and the analysis of their impact. The minutes of the AC are attached in Annex III.

No external expertise was used for this IAR.

3. Problem definition

When does an aid measure not distort the internal agricultural market?

General problem

Ensure an effective control of State aid measures to avoid distortions of competitions that affect trade between MS. State aid control should focus on (the most) distortive aid measures and not on measures that have limited effect on competition, so as to focus resources on more distortive cases and to reduce administrative burdens.

Specific problems

Individual ceiling and national cap

In order to focus on the most distortive aid measures, it is necessary to establish presently for the sector of agricultural production up to which individual ceiling and national cap aid measures are deemed not to have effect on trade and on competition (taking into account the economic developments in the internal agricultural market) and are therefore not subject to State aid rules.

Setting the individual ceiling and national cap too low would lead to unnecessary administrative burden for the public authorities granting the aid. Aid measures with an amount exceeding the ceilings would have to be notified for approval or designed so that they can be covered by a block exemption Regulation.

Setting the individual ceiling and national cap too high would lead to an increased risk of the aid measure distorting competition and having an effect on trade in the internal market.

The individual ceiling and national cap should therefore be set at such a level that they can ensure that an aid measure that falls under the de minimis Regulation, can be deemed not to have effect on trade or competition in the internal market.

The public consultation and AC showed a general request for an increase of the individual ceiling and an increase or even total elimination of the national cap. Suggestions for the individual ceiling range from €10 000 up to €200 000, with the most frequently quoted individual ceiling being €15 000. Suggestions for the national cap are to double the current one, to increase it by x2.5 or to even eliminate it.
Even though the public consultation results showed that the individual ceiling and national cap are not always reached, MS ask for an increase to be able to react quickly in case of serious problems (e.g. in emergency situations brought about by natural disasters or adverse weather conditions), thus being able to avoid for example immediate bankruptcies thus, supporting growth and job creation taking into account the developments concerning the (net-decrease) of EU-funds that will be available under the Multiannual Financial Framework 2014-2020.
MS also ask for an increase of the individual ceiling and national cap in order to reduce the administrative burden. SAM wants to focus State aid control on the most important and most distortive aid cases with the biggest impact on the internal market. Aid with a significant impact on the single market has to be prioritized and stronger scrutinized and the analysis of cases of a more local nature and with little effect on trade should be simplified. As a de minimis aid measure is considered not to be State aid it leads to administrative simplification as MS do not even have to inform the Commission of their intention to block exempt such a measure, let alone to go through a notification procedure.

Some MS asked for the possibility to derogate from the individual ceiling in exceptional circumstances or in view of the nature of the activity.

DG AGRI has no case practice on de minimis aid because there is no need to notify de minimis aid. However, on the basis of contacts with MS it seems that MS ask for administrative burden reduction and a larger safety net to be able to react quickly in extreme situations.

<u>Need for simplification and legal certainty</u>

<u>Alignment with the general de minimis Regulation</u>

As set out above, there is a general and an agricultural de minimis Regulation for the primary production in agriculture as the agricultural primary production is a sector with specific characteristics.

2.0.1.2 Basic data — key agricultural statistics 2011 06/12/2012

Employment in the agriculture, forestry, hunting and fishing sector

	Utilized agricultural area(1 000 ha) 2011	Number of holdings(1000 holdings 2010(1)	UAA per holding(ha) 2010(1)	Number(1000 persons) 2011	Share in employed civilian working population(%) 2011	Output of the agricultural industry(Mio EUR) 2011	Consumption of inputs(Mio EUR) 2011	Gross value-added at basic prices(Mio EUR) 2011
1	2	3	4	5	6	7	8	9
Belgique/België	1 358	42	32.3	64	1.4	7 607	5 856	2 032
Bulgaria	4 476	357	12.5	677	19.9	4 349	2 725	1 624
Česká republika	3 484	23	151.5	152	3.0	4 834	3 417	1 417
Danmark	2 647	41	64.6	73	2.6	10 575	7 782	2 793
Deutschland	16 704	298	56.1	658	1.6	52 289	37 024	15 265
Eesti	941	19	49.5	26	4.4	811	500	310
Éire/Ireland	4 991	140	35.7	83	4.6	6 628	4 890	1 737
Elláda	3 478	717	4.9	513	11.6	10 926	5 634	5 292
España	23 753	967	24.6	755	4.1	41 375	19 972	21 402
France	27 837	507	54.9	753	2.8	72 224	43 392	28 832
Italia	12 856	1 616	8.0	965	3.9	47 508	22 348	25 161
Kýpros	118	38	3.1	18	4.6	706	381	325
Latvija	1 796	83	21.6	75	8.8	1 078	823	255
Lietuva	2 743	200	13.7	116	8.5	2 586	1 685	901
Luxembourg	131	2	65.5	:	:	352	257	95
Magyarország	4 686	534	8.8	291	7.2	7 760	4 835	2 926
Malta	11	12	0.9	5	2.8	129	71	58
Nederland	1 872	71	26.4	226	2.6	25 433	17 402	8 030
Österreich	2 878	149	19.3	202	4.9	7 154	4 185	2 969
Polska	14 447	1 499	9.6	2 036	12.7	22 570	13 878	8 692
Portugal	3 668	304	12.1	520	10.7	6 298	4 147	2 152
România	13 306	3 724	3.6	2 962	32.6	18 048	10 025	8 023
Slovenija	483	74	6.5	79	8.4	1 232	746	487
Slovensko	1 896	24	79.0	71	3.2	2 295	1 761	534
Suomi/Finland	2 291	63	36.4	114	4.6	4 633	3 171	1 462
Sverige	3 066	70	43.8	92	2.0	5 789	4 232	1 556
United Kingdom	15 686	183	85.7	408	1.3	27 017	17 060	9 956
EU-27	**171 603**	**11 757**	**14.6**	**11 935**	**5.3**	**392 205**	**238 198**	**154 289**
Hrvatska	1 326	177	:	186	13.0	2 861	1 564	1 297
Ísland	1 336	:	:	8	5.3	:	:	:
P J R Makedonija	1 120	:	:	116	18.1	:	:	:
Montenegro	783	:	:	11	5.6	:	:	:
Srbija	5 056	:	:	478	21.2	:	:	
Türkiye	38 247	3 077	13	5 618	24.0	:	:	:
USA	373 170	2 076	181.8	1 536	0.7	:	:	:
Japan	4 399	2 605	1.7	791	3.9	:	:	:

(1) Eurostat (Surveys of the structure of agricultural holdings) .

Sources: European Commission (Eurostat and Agriculture and Rural Development DG), FAO and UNSO.

However, both regulations have similar provisions on scope, cumulation, transparency and monitoring but the wording of the texts are not always similar. This creates confusion and legal uncertainty. For example, the demarcation between primary production and processing/marketing of agricultural products (and thus the demarcation between the general and the agricultural de minimis Regulation) needs to be clarified. For example, in the current de minimis Regulation for primary production, no definition is provided for processing and marketing of agricultural products, which makes it difficult for the reader/user (both MS and aid beneficiaries) to understand which de minimis Regulation (and which ceiling(s)) is(are) applicable.

As the general de minimis Regulation is being modernized as part of the SAM initiative, there is a need to keep these horizontal aspects of the two de minimis Regulations in line with each other and to align also the wording of the texts. This alignment ensures more legal certainty and less administrative burden for public authorities and beneficiaries.

Therefore, and as there are no specificities in following general issues also relating to agriculture, comments of stakeholders on following points are all being dealt with in the IAR of the general de minimis Regulation:

- *Scope of the beneficiaries*

The current de minimis Regulation does not apply to undertakings in difficulty within the meaning of the Community Guidelines on State aid for rescuing and restructuring firms in difficulty[14] since any financial support to such undertakings should be dealt with in the context of a rescue operation or a restructuring plan in accordance with the rescuing and restructuring guidelines. Furthermore, there are difficulties linked to determining the gross grant equivalent of aid granted to undertakings of this type
During the public consultation, four MS asked to make de minimis aid eligible for undertakings in difficulty, too so that de minimis aid can also be granted to undertakings in difficulty. Also, a bonus was asked for the least favoured areas and a special status for hobby producers.

- *Guarantees and loans*

Individual aid provided under a guarantee scheme to undertakings which are not undertakings in difficulty are treated under the current agricultural de minimis Regulation as transparent de minimis aid by applying the same methodology as is foreseen in the general de minimis Regulation. It is foreseen to align the agricultural de minimis Regulation also in respect of other forms of transparent aid, in particular loans, for which the general de minimis Regulation as amended shall foresee an amount up to which the aid measure is treated as transparent.

Guarantees, however, seem to be the main source of concern to the contributors of the public consultation. Some contributors point out that the lump amount for guarantees is too low and should be increased, others would like guarantees with safe-harbour premiums to be automatically considered as transparent.

- *Cumulation*

In order to avoid circumvention of maximum aid intensities laid down in different Community instruments, it is currently not possible for de minimis aid to be cumulated with State aid in respect of the same eligible costs if such cumulation would result in an aid intensity exceeding that laid down by Community rules in the specific circumstances of each case.

Whereas many MS and stakeholders replying to the public consultation are satisfied with the current cumulation provisions, some contributors plead for the elimination of restrictions on cumulation between State aid and de minimis aid, as de minimis aid is considered as being not State aid. Also no cumulation rules for de minimis aid below an individual ceiling (€2 000) has

[14] OJ C244, 1.10.2004, p.2.

been asked during the public consultation. The application of the cumulation rules implies pursuant to these stakeholders frequent controls and administrative burden that might not be justified.

Where the total amount of aid granted for an aid measure exceeds the individual ceiling none of that amount – not even the fraction not exceeding the ceiling – may benefit from this Regulation. In such cases no aid may be claimed for the measure under the current agricultural de minimis Regulation, either at the time aid is granted or subsequently. During the public consultation some contributors, however, asked that only the amount exceeding the individual ceiling has to be reimbursed.

Contributors underline the administrative burden deriving from the cumulation rules.

- *Lack of quantative data on de minimis aid (monitoring)*

The current agricultural de minimis Regulation – in the same way as the general de minimis Regulation – imposes on the MS to record and compile all the information regarding the application of this Regulation. The records have to contain all information necessary to demonstrate that the conditions of this Regulation have been complied with. MS can choose to set up a central register of de minimis aid containing complete information on all de minimis aid or to ask a declaration from each beneficiary demonstrating that the amount of aid received by it does not exceed the individual ceiling. A central register relieves beneficiaries from sending declarations but is burdensome for public authorities at national level.

Although most of the MS have created a register (only for de minimis aid, only for de minimis aid in the agricultural sector or part of a register concerning public aid in general) some MS carry out controls on the basis of declarations sent by beneficiaries, which increases the administrative burden for beneficiaries. The central register is also perceived as difficult to keep up to date. Therefore, there is a lack of quantitative comprehensive and comparable data on agricultural de minimis aid. The situation is different under the general de minimis Regulation where only some MS have a central register. This can be explained by the fact that currently no national cap but only an individual ceiling applies pursuant to the general de minimis Regulation.

- *Administrative burden reduction*

The existence of the agricultural and general de minimis Regulation as such is a simplification, as de minimis aid measures are considered not to be State aid and therefore do not need to be notified nor block exempted.

Extending the scope of the de minimis Regulation by e.g. increasing the individual ceiling and/or national cap and/or by including companies in difficulty as requested by the contributors to the public consultation subsequently means a reduction in administrative burden.

During the public consultation and the AC, further efforts are requested in order to clarify the rules and reduce the administrative burdens:

- clarification of following definitions and conditions has been asked:

  - transparent aid;

  - processing and marketing:
    Some participants pointed out the need to clarify the demarcation between primary production and processing/ marketing of agricultural products (and thus the demarcation between the general and the agricultural de minimis Regulation);

  - export oriented activities;

  - aid based on prices or quantities put on the market;

  - whether it is allowed to grant de minimis aid to operations/operators in third countries;

  - the concept of activities giving preference to national products.

- a review of the reference period of scope has been asked:
  Some participants prefer the calendar year among others because the fiscal year may either be general or depend on the company;

- Most of the contributors asked to reduce the monitoring requirements. A central register relieves beneficiaries from sending declarations but is considered burdensome for public authorities at national level. According to the public consultation the estimated cost of setting up and running the register ranges from €6 500 to €150 000 and the workload varies largely from one MS to another (from one person full time up to 10 days a year). The central register is perceived as an efficient and transparent tool but also as difficult to keep up to date. The setting up and updating of such a register is administrative burdensome for the public authorities. MS also asks to limit the period of keeping information to 7 years instead of 10 years.

The agricultural public consultation and AC results on the general provisions are similar to the public consultation and AC results of the general de minimis Regulation. The public consultation and AC results concerning the general provisions of the de minimis Regulations will be discussed in the IAR of the general de minimis Regulation.

The agricultural de minimis Regulation also expires on 31 December 2013.

Who will be affected

State aid policy in the agricultural and forestry sector mainly affects two categories: public authorities granting the aid on the one hand and potential or actual beneficiaries of the aid and their competitors on the other.

In the 27 MS, authorities financing the aid measures at all levels of government (MS, regions, cities and municipalities) are affected. The public consultation showed that in decentralised MS, the way the de minimis is used can be different between regions. In centralised MS de minimis aid is used in more similar ways although slight differences may appear (e.g. in Sweden de minimis aid is more focused on the north-east of the country, in UK de minimis aid is rather granted to remote regions).

During the public consultation, public authorities were asked to provide the total amount of de minimis aid granted and the average amount per beneficiary. The results per MS can be found in Annex IV.

(Potential) beneficiaries of aid in the agricultural and forestry sector (individual farmers, farmers' associations etc) and their competitors are also affected. The results of the public consultation showed that as a general rule SMEs form the major part of the beneficiaries, which reflects the structure of the agricultural sector where many farms are of small size. The average number of beneficiaries a year is according to the public consultation not very high (between 33 and 6 000), except in Romania (more than 150 000). According to the public consultation, many MS and stakeholders consider de minimis aid more favourable for SMEs than for large companies due to the (low) individual ceiling and national cap.

Based on practical experience, the primary producers of agricultural products seem to keep the small amounts of de minimis aid for themselves and distribution chains absorb the potential benefits of the aid not reducing prices for the consumers. Subsequently, consumers of agricultural products are not affected.

During the public consultation public authorities were asked to provide the number of beneficiaries. The reported average number of beneficiaries per year per MS can be found in Annex V.

Conferral and subsidiarity

Pursuant to Article 3 TFEU the Union shall have exclusive competence in the establishing of the competition rules necessary for the functioning of the internal market. Articles 107 and 108 TFEU establish the State aid rules. Therefore the present action is not subject to a subsidiarity test.

Baseline scenario

The baseline scenario is to prolong, without any change, the current agricultural de minimis Regulation and to maintain the current scope (with companies in difficulty excluded), the individual ceiling of maximum €7 500 over any period of three fiscal years, the conditions (de minimis aid only for transparent aid instruments as currently defined and exclusion of cumulation with other State aid) and the monitoring (choice between central de minimis register or system of declarations).

In that case, the agricultural de minimis Regulation would not be aligned with the new general de minimis Regulation. Conditions would not be clarified and/or reviewed. This would lead to more legal uncertainty for beneficiaries and public authorities. The individual ceiling and national cap would not reflect the economic developments in the internal agricultural market, so enforcement on the most distortive aid measures would not be optimized. The monitoring system would also not be simplified.

4. Objectives

The objectives of the agricultural de minimis Regulation are based on the objectives of the general de minimis Regulation, as part of the SAM initiative. SAM is an ambitious reform of State aid control, which aims at facilitating well-designed aid targeted at market failures and objectives of common European interests and at focusing its enforcement on cases with the biggest impact on the internal market, as well as at streamlining rules and taking faster decisions. Strengthening the competitiveness of European agriculture and simplify administrative procedures are also main objectives of the currently discussed CAP reform proposals of the Commission.

The main objectives of the agricultural de minimis Regulation are:

Guarantee that an agricultural aid measure does not distort or threaten to distort competition on the internal market

Minimise distortions of competition and effect on trade in the internal agricultural market

Guarantee that State aid policy is focused on the most distortive cases

Increase the efficiency of State aid control by focusing the Commission's ex ante action on the most important and most distortive cases with the biggest impact on the internal market. Aid with a significant impact on the single market, including those covering large and potentially distortive aid, has to be prioritised and stronger scrutinized and the analysis of cases of a more local nature and with little effect on trade should be simplified.

The focus on the most distortive aid measures is in fact an administrative simplification objective as for de minimis aid there is no notification obligation and no State aid control.

Both objectives (no distortion of competition and focus on most distortive measures) have the same importance. These objectives have to be balanced against each other. In order to focus on the most distortive aid measures, it is necessary to establish as of which level the Commission would consider a risk for distortion of competition, i.e. up to which individual ceiling and national cap aid measures are not likely to have an effect on trade and on competition and may therefore ab initio be excluded from the application of State aid rules.

The individual ceiling and national cap should be set at such a level that they can ensure that each single aid measure that will fall under the de minimis Regulation, can be deemed not to have effect on trade or competition in the internal agricultural market.

Additional objectives are:

Align with the general de minimis Regulation

Bring the current agricultural de minimis Regulation into line with the new general de minimis Regulation, streamlining the provisions as much as possible.

The objective of alignment with the general de minimis Regulation for reasons of legal certainty and administrative simplification is relatively less important than the objectives of no distortion of competition and focus on most distortive cases (including the aspect of administrative simplification related thereto).

Simplify

Reduce the administrative burdens for public authorities and beneficiaries

- streamline the scope and the provisions of the general and agricultural de minimis Regulation;
- reduce the administrative burdens of the monitoring requirements;
- clarify and review some definitions and provisions (e.g. cumulation rules, adapting the ceiling for the guarantee provisions and possibly for other transparent forms of aid (e.g. loans)).

As this concerns the general provisions of the de minimis Regulations, however, this is being dealt with in the IAR of the general de minimis Regulation.

5. <u>Options</u>

Not to prolong or change the current agricultural de minimis Regulation after expiry, so not to have an agricultural de minimis Regulation anymore, which means that MS cannot grant de minimis aid for agricultural measures from 2014 on is not a realistic option as there is a need to enforce State aid control on the most distortive aid measures and to reduce administrative burdens. Without agricultural de minimis Regulation, there would be a legal gap, i.e. MS would not be able to grant any minimum aids which would be considered as non-aid, thus not falling under State aid control mechanisms and so a focus on the most distortive aid measures and administrative burden reduction is not enforced. On top, many of such aids would not be compatible with State aid rules and would therefore have to be interrupted until a new Regulation enters into force.

To merge the agricultural de minimis Regulation with the general de minimis Regulation and not having a separate de minimis Regulation for agriculture is not a realistic option either as the specific characteristics of the more volatile agricultural sector create a need for a separate agricultural de minimis Regulation. State aid in the agricultural sector is linked with developments in the volatile agricultural markets and must be aligned at any time with the

CAP and with the RD policy. These policies can cause more regular changes to the agricultural de minimis Regulation than this is the case for the general de minimis Regulation. As discussed in the problem definition, there is also a need for a much lower individual ceiling and a national cap for agricultural de minimis aid as applying the (much higher) aid ceiling and no national cap of the general de minimis Regulation to the agricultural sector, would almost double the financial support already granted under the CAP itself (see p.8) and would, therefore, put the objectives of that policy at risk. On top, agricultural de minimis aid is being dealt with by different ministries in the MS than the ministries dealing with general de minimis aid. Subsequently, a separate de minimis Regulation ensures more legal certainty, more transparency and more clarity for the MS and for the beneficiaries.

Option A) The baseline scenario is to prolong, without any change, the current agricultural de minimis Regulation and to maintain the current scope (with companies in difficulty excluded), the individual ceiling of maximum €7 500 over any period of three fiscal years and national cap of 0.75% MS envelope, the conditions (de minimis aid only for transparent aid instruments as currently defined and exclusion of cumulation with other State aid) and the monitoring (choice between central de minimis register or system of declarations).

Option B) To change the current agricultural de minimis Regulation.

As all the conditions, besides the individual ceiling and national cap, in the agricultural de minimis Regulation depend on the conditions as defined in the general de minimis Regulation, we refer to the IAR of the general de minimis Regulation for the assessment of

- conditions of application (notion of undertaking and firms in difficulty);
- cumulation rules;
- provisions on transparent aid instruments (loans, guarantees etc.);
- monitoring requirements.

The public consultation and AC results concerning the general provisions will be discussed in the IAR of the general de minimis Regulation. The agricultural public consultation and AC results on the general provisions are similar to the results of the general de minimis Regulation.

Therefore, this IAR will only focus on the impact of the agricultural individual ceiling and national cap for de minimis aid measures. An individual ceiling of €10 000 and €15 000 with different national caps of 0.75%, 1% and 1.5% is modelled.

The public consultation showed a general request for an increase of the individual ceiling and an increase or even total elimination of the national cap. Suggestions for the individual ceiling range from € 10000 up to € 200 000. During the public consultation, the most frequently quoted individual ceiling is €15000 and most MS asked to double the national cap. The Commission should, however, take an approach of prudence in this context. A relatively high ceiling would enable MS to concentrate a part of their de minimis amount on the sectors that are at risk whilst using the remaining part for granting "normal" de minimis aid, i.e. the higher the ceilings, the more flexibility and thus risk there is that distortive aid would be granted. De minimis ceilings should therefore be allowed at the most up to a level for which the Commission can be reasonably assured that the risk of distortion will be low. Therefore, for safety reasons, a maximum individual ceiling of €15000 is analysed as we only have practical experience with an individual ceiling of € 5000 under the Temporary Framework. Under the Temporary Framework €15 000 was the limit of State aid being compatible and for which no complaints about distortion of competition were received. From a legal perspective the Temporary Framework measure was though different since it was qualified as compatible aid, while de minimis aid does not constitute aid under Art. 107(1)TFEU. It also concerned an extraordinary crisis situation and this Temporary Framework only applied for a limited period of time. There is no practical experience on individual ceilings above €15 000. As mentioned before the option of no national cap is not analysed because applying the general de minimis ceilings would basically double the financial support already granted under the CAP itself.

Suboptions are:

B1) modelling of €10 000 individual ceiling with different national caps

- 0.75% national cap, all aid concentrated on one type of farming;
- 1% national cap, all aid concentrated on one type of farming;
- 1.5% national cap, all aid concentrated on one type of farming;
- 1.5% national cap, aid distributed evenly among all farms in a MS.

B2) modelling of €15 000 individual ceiling with different national caps

- 0.75% national cap, all aid concentrated on one type of farming;
- 1% national cap, all aid concentrated on one type of farming;
- 1.5% national cap, all aid concentrated on one type of farming;
- 1.5% national cap, aid distributed evenly among all farms in a MS.

6. Assessment of impacts of options

7.1 Method of assessment

The new amount of aid, considered as not being State aid (de minimis ceiling and national cap), shall ensure that there is no distortion or threat of distortion of the agricultural markets. Aid measures above this ceiling and national cap are subject to the State aid notification obligation under Article 108(3) TFEU.

For the current de minimis Regulation the impact of an individual ceiling of €6000 and a national cap of 1 % of the annual output in the agriculture sector in the MS concerned had been tested on the trade flows between MS and the disturbance on agricultural markets.

The new individual ceiling and national cap are set on a more thorough assessment than the one carried on which the current de minimis Regulation is based.

In this assessment the impact of different ceilings and national caps of de minimis aid on trade flows between MS and the disturbance on agricultural markets is being tested by comparing them with the current situation (option A, baseline scenario) and with the scenario of absence of de minimis aid.

First, MS competitive position without de minimis aid is indicated in all main agricultural sectors. Then subsequent amounts of aid are gradually added up to see if the competitive position of MS is changed in consequence. Finally, where significant changes (= when the performance indicators change from originally being smaller or not much higher (max. 10%) than in other MS, into being higher by more than 20%) take place we conclude if they have a potential to disrupt the markets.

The chosen level of 20% difference is used in conjunction with the level of 10%. Namely, the change is flagged for further analysis where the Income indicator Farm Net Value Added (hereafter "FNVA") indicators change from originally being smaller or not much (max. 10%) higher than in other MS into being higher by more than 20% in consequence of the tested scenarios. So actually, we pick up cases of advantage gains of at least 10% (i.e. 20% - 10%) provided that the situation of the resulting significant advantage (>20%) is new. The actual trigger for further analysis is the "jump" in the profitability advantage from less than 10% to more than 20%. Focussing on the new cases, we do not flag situations where the existing advantage of >10% is expanded, or where the existing gap is narrowed or turned into a small advantage only of up to 20%. The choice of 20% threshold was dictated by several considerations. First, it had to be clearly different from what was regarded as no advantage or at most little advantage, set at max. 10%. Second, the calculations were based on Farm Accountancy Data Network (hereafter "FADN") data which comes from a sample survey, and the sample of farms and their weighting partly change each year. By this nature the FADN data are a representation of the farming populations, and not their exhaustive census. It is a practice in dealing with the FADN data, and that comes from a long-running experience, to focus on changes of at least 20% as these certainly go beyond the possible variability of the FADN sample and data. Adopting the same threshold in the analysis of de minimis options was motivated by the need to pick up, for a long-term perspective, changes of significance only. Obviously, a higher level of 30% or 40% would also allow finding cases of a significant change, too, but that would remove from the view those potentially important from between 20% and 30% (40%) levels. Similarly for the 10% threshold, a different value could be imagined. And actually, the lower 5% threshold was tested while analysing the option of € 10000 /farm. Such a filter (<5% & >20%), although it provided a similar overall picture of where there was more potential impact, was less "sensitive" as it picked up about one third fewer cases than the filter "<10% & >20%". Again for the benefit of a more comprehensive and thus a more cautious approach, the more "sensitive" mechanism "<10% & >20%" was used.

A number of factors were analysed to conclude whether there might be an impact on competition and/or trade in the internal market.

First, farmers most often do not trade internationally and only a part of primary agricultural products can be subject of such trade directly. So the impact of de minimis aid on trade and markets of all crop and animal sectors is approximated through profitability of production and the impact of de minimis aid on that profitability. The logic is that in cases where de minimis aid can durably and significantly increase relative profitability there would be more production and supply of profitable products, with subsequent effects on prices and trade, possibly also distortive ones. Such an approximation implies that not all the observed impact on profitability can be translated into new trade flows, and in particular into distortive ones. So the profitability indicator could be overreacting in that sense, but at least it should include the areas where there could be, possibly, a distortion.

Second, the analysis uses an artificial but necessary assumption of concentration on one sector of all available aid. Thus it focusses on a potentially most distortive scenario. It is unrealistic, because de minimis aid is a versatile instrument which is applicable and in practice applied to many sectors, and the actual use of the aid by MS is much lower than the potential maximum. But the above assumption is necessary in order to obtain a clearer, reinforced picture, and – by taking into account the extreme cases – contain the whole spectrum of possibilities. The non-concentration scenarios were also calculated. They signalled no significant relative changes in profitability and as such these scenarios could actually be closer to the current practice of MS in providing the de minimis aid. The currently applied limits of de-minimis aid do not trigger the tests in the non-concentration scenarios, and by contrast they do in the concentration scenarios. Judging by the lack of complaints to DG AGRI, the current de minimis limits do not give rise to competition/trade distortions. That could mean that the current MS' practice of non-concentrating the aid may indeed be "safe" in terms of avoiding distortions to the markets. The conclusions from analysis of the no concentration scenarios and the current-levels scenarios demonstrate the same. Yet by making no distinction between the susceptibility of particular sectors, the no-concentration scenario has little analytical capacity. Thus the need for the less realistic, concentrated-aid scenario which, however, has the advantage of providing a clearer, more contrasted picture. One should not, however, forget that this picture is artificially overstated.

According to the public consultation results MS use de minimis aid to finance a large range of measures, which underlines the assumption of sharing the envelope among sectors.

Then, the production potential of the affected sectors in particular MS is taken into account. It is represented by agricultural area used by the respective specialist farms or by the number of LU in those farms. This data is provided as columns in the charts. It is assumed that MS with a small production potential is unlikely to distort market of a MS with a big production potential, even if the one with the small production potential gets a profitability advantage over the big one.

Most of the contributors to the public consultation consider de minimis aid as more favourable for SMEs than for large companies, because the amounts are so limited that they are not interesting for large companies. This underlines the assumption of little impact on large producers and traders.

Similarly, the distance between the markets is considered as a factor. The longer the distance the less potential impact as the transportation costs reduce effects of the potential advantage. Related to this is a question of traditional trade links. A changed production profitability position may occur in relation to a certain MS, but the profitability position is improved versus all trade partners, including traditional ones. So any potential gains of the situation are likely to be realised on traditional markets first, and the trade effect would not be concentrated on the potentially new markets what would lessen the possible impact on those and reduce the risk of a distortion. So the cases when there were no traditional trade flows of products originating from the MS triggered by the FNVA indicator were regarded as having less potential to distort the markets.

Finally, the nature of the potentially traded products was taken into account. Products may originate from the same sectors, but they may be in many cases complementary rather than competing (e.g. some fruit and vegetables between north and south of Europe), or they may co-exist rather than compete (e.g. quality wines from various MS) where the consumer preference is a strong factor. In such cases a possible greater availability of produce from one MS would mainly benefit the consumers in the other MS and not necessarily change the market patterns there, and in any case it would be far from creating a market distortion.

So in order to result in a distortion, all these rather narrow possibilities of potential distortions would have to coincide and last for an extended period so that the production, marketing and trade have time to react. We found such coincidences rather unlikely for the analysed options, although with a different risk level between them.

No agricultural production and trade model was used in the sense of a system of simultaneous equations that are characterized by a number of data and behavioural relationships designed to simulate the real world. Indeed, high costs and time needed for developing and using such models for a limited exercise would not be justified.

The analysis concentrates maximum aid on one affected sector at a time and this for the main agricultural sectors:

- Cereals, oilseeds and protein crops *(*COP)
- Other field crops
- Horticulture
- Wine
- Orchards – fruits
- Olives
- Milk
- Sheep and goats
- Cattle
- Granivores

Country envelopes or national caps (Annex VI) were calculated on the basis of Eurostat's data on output of the agricultural 'industry' (production value at basic price, millions of euro), from 2007-2009.

FNVA, without and with various amounts of de minimis aid, were calculated first for farms in 10 types of specialised farming representing all major agricultural sectors. FNVA equals total output of the farm + balance of subsidies and taxes (e.g. those on investment) – specific costs – farm overheads – depreciation. It does not take into account costs of external and own factors. Thus FNVA represents remuneration of the fixed factors of production (work, land and capital), whether they be external or family factors. As such it is a measure of farming income which provides results comparable between counties irrespective of the organisation of farming activities in particular MS. If expressed in relation to 1 hectare (ha) or

1 livestock unit (hereafter "LU"), the measure becomes a profitability indicator independent from farm size. In addition, the farming sector is analysed and compared by its specialist sectors, which brings the analysis closer to actual agricultural products obtained in farms. Certainly, not all farm output even in specialised farms consists of tradable and marketed products. But definitely, profitability of farming is the basis of production and sales of agricultural goods. Durable gains in farming profitability may well lead to the expansion of the profitable activity, and thus, for example, to increased production and sales. So obtained increased supply of produce may, under certain conditions, be sold abroad and affect the trade and markets of these products in other EU MS. The effect on trade may take a distortive character in extreme cases. For that reason the indicators of FNVA/ha and FNVA/LU were chosen to represent profitability of farming, and significant relative changes in the level of this indicator is where it is further analysed whether these could create a potential for distorting markets in other MS.

Average data for the 2007-2009 years available in the FADN database were used to represent recent but possibly typical situation in farms.

All the tests are done on the same FADN dataset and the same reference years for calculating the national caps (2007-2009). These data series were chosen in order to achieve consistent results by using comparable data sets. An alternative approach would be using more recent data sources, but referring to different periods. For example, data on agricultural production are now available from Eurostat for up to 2011 or 2012 (estimated). The latest available dataset from FADN refers to 2010, but due to changes in farm classification it is not a direct extension of the data series up to 2009.

The reported figures of the public consultation serve only for information purposes and are not used for the assessment as they are not reliable enough because not every MS answered and because not every MS has a central register.

7.2 Impacts of options

Detailed results of the analysis are presented further in the form of tables (Annex VII) and charts (Annex VIII) for each analysed type of farms, plus two summary tables. For farms of each type, the tables are composed of two parts. The first one presents economic performance indicators for all scenarios. The second one shows the number of instances when the performance indicators change from originally being smaller or not much higher (max. 10%) than in other MS, into being higher by more than 20% in consequence of the tested scenarios. Such significant changes, eventually, may or may not have consequences in terms of impact on the markets. These cases of significant changes are further analysed to conclude if they can potentially lead to a competition distorting effect of de minimis. Relative importance, distance and links between the markets, as well as complementary or competitive character of the sector's products are considered.

In general most of the contributors to the public consultation indicate no negative impact and no impact on trade of the de minimis Regulation. A negative impact, when mentioned, is considered limited because of the low ceiling which underlines the assumption of limited size of de minimis envelope.

Suboption B1)

Sector of COP

(Table 12 and 22 Annex VII and chart 11 Annex VIII)

Increasing the countries' de minimis national caps (at MS and farm levels) would have little impact on relative competitiveness of COP producers. Only in two cases, of Italy and Slovenia, concentrating de minimis aid on specialised COP farms would give them significant advantages. Italy would gain advantage over Austria and Slovenia over Italy. That would have no consequences for the markets. In the first case, Italy would not change its position as a major COP products importer as those products' deficit is structural in Italy. In the second case Slovenia's COP production potential, even if spurred by extra profitability, cannot disrupt the Italian market.

Sector of other fieldcrops (root crops, field vegetables, tobacco, cotton)

(Table 13 and 22 Annex VII and chart 12 Annex VIII)

In the "other fieldcrops" sector the application of higher de minimis aid would significantly change competitiveness in Latvia, Hungary, Romania and Slovenia. Of these, only Slovenia could gain advantage over its close neighbour's market (Austria), but that would not have a potential to create a market disruption given the relative sizes of the sectors. The other three countries' possible advantages would be over their more distant markets of Slovakia (in the case of Latvia), Finland (for Hungary) and Denmark (for Romania).

Sector of horticulture

(Table 14 and 22 Annex VII and chart 13 Annex VIII)

In the horticultural sector there is one MS – Romania – whose competitiveness can be significantly boosted by application of the current de minimis limits already, and even more when those limits are raised. In cases of Portugal, Bulgaria and Poland only the higher limits of aid could provide them an advantage.

The above possibilities have little chance to translate into market disturbance, though. For the markets of Portugal and Bulgaria the distance is a sufficient buffer. By contrast, Romania's and Poland's horticultural markets are much closer. Any amount of de minimis aid, if concentrated on the horticultural sector, may significantly raise the Romania's position against Poland's. So in principle there exists a potential of disrupting the Polish market by the effects of de minimis aid to horticulture in Romania. This is however mitigated by two factors. First, concentrating the de minimis aid on the horticultural sector would largely consume Romania's envelope national cap of the aid (by 50% to 99%, depending on the scenario) leaving little for other sectors. Such policy would be unlikely. Second, the offer of horticultural products in Romania and Poland is largely complementary. These allow concluding that the markets should not be disrupted in practice. Even less probable would be a disturbance created by the de minimis aid in Poland on the Romanian market – in the two highest aid amount scenarios this would reach 84% to 100% of the Polish de minimis envelope.

Sector of wine

(Table 15 and 22 Annex VII and chart 14 Annex VIII)

In the wine sector, there are two pairs of MS where the de minimis aid could tip the current balance if applied in one MS of the pair and not in the other. In the first case, even the current amount of Hungary's de minimis aid could provide its wine farms advantage over those in Portugal, and raising the aid limits would reinforce that edge. Yet these two markets are not in direct competition. And in addition, such policy would be costly, consuming 65% to 100% of the Hungary's de minimis envelope, what is unlikely. In Portugal, only the highest amount of aid would let its wine farms become clearly more profitable than those in Hungary. But for the reasons just mentioned it is not threatening to disrupt markets either.

The other pair of MS is that of Cyprus and Slovenia. Application of higher than the current amounts of aid in Cyprus or the highest limits scenario them in the case of Slovenia would significantly change their relative profitability of wine farming. Yet little connections or competition between those markets and small potential of their wine production sectors dispel any possibility of a consequent market disturbance.

Sector of orchard fruit

(Table 16 and 22 Annex VII and chart 15 Annex VIII)

In the sector of orchard fruit there are several MS, like Bulgaria, Portugal, Poland, Cyprus and Slovenia, where de minimis aid would significantly increase competitiveness of the sector. For most of those MS already the current de minimis amounts, if utilised in full, would make a difference. But that would be with no adverse effect on the markets. It is mainly because these MS have either a relatively small production potential, like Bulgaria, Cyprus or Slovenia, or their orchard fruit markets are not in direct competition, like between Portugal and Poland.

Sector of olives

(Table 17 and 22 Annex VII and chart 16 Annex VIII)

In Cyprus concentration of the de minimis aid on the olive sector would increase profitability of its production very significantly, even if the aid were applied at the current amounts. However, production of olives is very concentrated in the EU, with Spain, Italy and Greece providing majority of the production, and Cyprus being one of the smallest olives producers. For that reason none of the analysed amounts of de minimis aid in Cyprus has a potential to prompt market disturbance.

Sector of milk

(Table 18 and 22 Annex VII and chart 17 Annex VIII)

Application of de minimis aid in dairy farms would raise in varying degrees the profitability of MS producers in this sector. In all but one of the cases that would not significantly change their relative competitivity in production. In one instance, however, that of the highest amount of aid the Portuguese milk farms would gain a clear advantage over the Polish ones.

Obviously without any practical consequences because of the remoteness of the markets and Portugal being a net importer of dairy products.

Sector of sheep and goats

(Table 19 and 22 Annex VII and chart 18 Annex VIII)

In the sheep and goats sector there are several MS with close levels of profitability indicators. For those with their sheep and goat herd rather small the de minimis could be relatively important. Its application could then make a significant difference in countries like Portugal, Bulgaria, Finland, Slovenia and Latvia. However, by the same token their sectors' influence on the European market can only be small and negligible as a source of market disturbance.

Yet there are two cases where higher amounts of de minimis aid, if applied and concentrated on the sector, would substantially raise their profitability of production. The first one is Ireland where with the highest de minimis limits the sector would see its profitability rising high over that in Hungary. No market disturbance can be expected in consequence, though. These two sectors are not in direct competition, and their main export markets are different (the UK in case of Ireland and Italy I case of Hungary). In addition, application of de minimis aid to such extent in the sheep and goats sector in Ireland would take up its whole de minimis envelope – in principle a non-desirable situation as leaving MS no flexibility in other sectors.

The other case is Italy. There, any de minimis amount higher than the current one, if focused on the sheep and goats farms, would lift the profitability of sheep and goat production significantly higher than in the Czech Republic. Again, that would be with no disturbing consequences for the markets. First, Italy is a major importing market in the sheep & goat sector despite a high profitability of production, so a further hike in it is not likely to change Italy's trading position. In addition, the Czech Republic is not a major exporter in the sector so it is immune to any possible changes on the Italian market.

Sector of cattle rearing

(Table 20 and 22 Annex VII and chart 19 Annex VIII)

As it was the case of the sheep and goats sector, also in the cattle sector the de minimis aid could improve competitive positions of producers in several MS. Here again it would be with no adverse impact on the stability of the markets because of the little size of the relevant sectors in Estonia, Latvia and Lithuania. In Romania and Portugal the specialist cattle farms have larger herds, but they too are no match to major players in specialist cattle production and trade like France, Ireland, the UK and several others. So any major increase of cattle farming profitability caused by de minimis aid in Romania and Portugal should not translate into market disturbance.

For these two grazing animals sectors, cattle and sheep-and-goats, there is also another obstacle to their possible expansion following the production profitability improved by the de minimis aid. Namely their production is more dependent on favourable natural conditions (which exist for example in Romania) and they are less suited to intensive methods of production than granivores.

Sector of granivores (pigs and poultry)

(Table 21 and 22 Annex VII and chart 20 Annex VIII)

Focused application of de minimis aid could make a significant difference in two MS, Romania (any amount of aid) and Bulgaria (doubling the current amounts). The Bulgaria's so gained advantage over production in France should not lead to disrupting the pig or poultry markets there due to a large size of those French markets. The changed situation in Romania, too, should not directly influence production or trade in Denmark, Germany, Malta and Latvia. Production and trade of these MS is influenced by other stronger factors than possible competition from Romania. In addition, in both cases such application of de minimis aid would have to engage 93%-100% of the countries de minimis envelopes, making implementation of such policy not very likely.

All sectors – the scenario of spreading the aid to all farms

(All tables Annex VII and all charts Annex VIII)

In the case when the country de minimis envelope is distributed among all farms, no significant changes in relative profitability in any sectors in any MS are observed.

Suboption B2)

In the case when the de minimis national cap is not concentrated on one sector, but spread to all farms in the FADN focus, the least impact is observed and none significant for any tested scenarios.

By contrast, if the aid is focused on a single sector and applied to the limit, even with the current de minimis amounts it can lead to significant increases in the relative profitability in some sectors in MS applying the aid. Raising the current maximum amounts would further increase competitive advantage of those MS's sectors and create similar advantages in several other cases. So the analysed options for aid limits differ not so much qualitatively but rather in a quantitative manner.

Significant effects of concentrated application of de minimis aid seem to occur more in some agricultural sectors and in some MS than in others.

Same assessment per sector as for suboption B1 was done (tables 1 - 11 Annex VII and charts 1 – 10 Annex VIII) and three sectors stand out as more sensitive to significant profitability changes with application of de minimis aid. These are cattle rearing farms (tables 9 and 11 Annex VII and chart 9 Annex VIII), sheep-and-goats farms (tables 8 and 11 Annex VII and chart 8 Annex VIII) and orchard fruit farms (tables 5 and 11 Annex VII and chart 5 Annex VIII). Among MS, Romanian farmers seem the most susceptible to benefit from potential effects of de minimis aid application.

Most of the effect on beef cattle production profitability comes from Romanian farms which, if the sector is awarded up to 100% of the national cap, can gain a competitive advantage over, for example, production in Greece. Also French cattle producers could gain an advantage over those in the UK under the highest aid amount scenario, but using in the process three-quarters of the country's de minimis national cap.

In the sheep and goat sector there are many possible changes in profitability under the tested scenarios, but only in one situation this could possibly affect bigger markets. French sheep and goat specialists could get an advantage over Irish ones under certain scenarios.

But again, that would require systematically devoting large parts (from 29% to 58%) of French de minimis national cap to the sector.

In the orchard fruit production, one case requires more attention – Polish producers gaining advantage over Czech producers if awarded 100% of de minimis budget. A similar situation can be found in the specialist horticulture sector, between Romanian and Polish producers.

The new de minimis scenarios differ in their potential effect on changing relative profitability of production. Overall, at the discussed scale of de minimis aid, doubling the farm limit amount with the national cap unchanged triggers less increase in the number of significant changes in profitability than doubling the national cap amount with the farm limit unchanged. However, there are differences in this respect depending on a sector or a MS. For example, the national cap that has more impact for the orchard fruit sector, but for the sheep and goats sector it is the individual ceiling limit which has a stronger overall effect on changes in levels of competitiveness. Similar differences can be observed between MS.

It should be noted that while the two lower scenarios (€15 000/0.75%, €15 000/1.00%) "only" about double the potential significant impacts of the current limits (€7 500/0.75%), the highest aid scenario (€15 000/1.50%) triples the significant effects of the current arrangements.

More fundamentally, doubling the national cap can facilitate concentration of de minimis aid which is the main risk factor in creating a potential for distortions. A larger envelope of de minimis money could allow for concentrating the extra funds on selected sectors without disrupting any other beneficiaries of the aid. The same would not be possible in case of raising the farm limit only. There, concentrating more aid on a selected sector would require withdrawing support from other beneficiaries, which could be in practice more difficult.

7.3 Administrative burden reduction

The de minimis Regulation does in principle not impose any administrative burden on undertakings, including SME and micro-enterprises, but only on public authorities. Given the fact that the de minimis Regulation is based on an individual ceiling per undertaking, the de minimis Regulation is particularly favourable for SMEs and micro-enterprises (confirmed by the public consultation).

Due to the small amounts covered, the de minimis Regulation is particularly favourable for SMEs and micro-enterprises (confirmed by the public consultation). It will lead to simplification because an aid measure under de minimis is considered not to be State aid. Therefore, MS may grant de minimis aid very fast because there is no need to go through a notification procedure and not even a procedure of registering the aid under block-exemption rules.

All respondents to the public consultation and members of the AC consider the de minimis Regulation as a useful non-burdensome aid instrument for a public authority to react quickly in case of serious problems.

The monitoring of respect of the individual ceiling and national cap depends on the monitoring provision of the general de minimis Regulation.

Therefore, for the administrative burden reduction and monitoring/compliance costs of the monitoring requirement we refer to the IAR of the general de minimis Regulation.

7. Comparison of the impacts of the options

Option A:
The agricultural de minimis Regulation would not be aligned with the new general de minimis Regulation. Conditions mentioned in the problem definition would not be clarified and/or reviewed. The wording of the agricultural and general de minimis Regulation will not be similar and as the general de minimis Regulation is being modernized as part of the SAM initiative, the horizontal aspects of the two de minimis Regulations (scope, cumulation, transparent aid, monitoring) will no longer be into line with each other. This would lead to more legal uncertainty for beneficiaries and public authorities. For example, the demarcation between primary production and processing/marketing of agricultural products (and thus the demarcation between the general and the agricultural de minimis Regulation) will not be clarified. For example, in the current de minimis Regulation for primary production, no definition is provided for processing and marketing of agricultural products, which makes it difficult for the reader/user (both MS and aid beneficiaries) to understand which de minimis Regulation (and which ceiling(s)) is(are) applicable. It will create a lot of confusion for the stakeholders as the general provisions for de minimis aid will differ between the agricultural sector and the other sectors.
The individual ceiling and national cap would not be increased as requested by MS to reflect the economic developments in the internal agricultural market, so enforcement on the most distortive aid measures would not be optimized and administrative burdens will not be reduced. MS will be less able to react quickly in case of serious problems (e.g. in emergency situations brought about by natural disasters or adverse weather conditions), thus being able to avoid for example immediate bankruptcies thus, supporting growth and job creation taking into account the developments concerning the (net-decrease) of EU-funds that will be available under the Multi-annual Financial Framework 2014-2020.

The monitoring system would also not be aligned with the general de minimis Regulation..

All respondents to the public consultation consider the de minimis Regulation as a useful non-burdensome aid instrument for a public authority to react quickly in case of serious problems (e.g. in emergency situations brought about by natural disasters or adverse weather conditions). In general most of the contributors indicate no negative impact and no impact on trade of the de minimis Regulation. A negative impact, when mentioned, is considered limited because of the low ceiling which underlines the assumption of limited size of de minimis envelope.

So the preferred option is to change the current agricultural de minimis Regulation (option B) by adapting the individual ceiling and national cap in order to ensure concentration of the most distortive aid measures, to take into account the current economic developments in the agricultural markets and to ensure administrative burdens reduction.

Suboption B1)

In the case when the de minimis country envelope is not concentrated on one sector, but spread to all farms in the FADN focus, the least impact is observed and none significant.

By contrast, if the aid is focused on a single sector and applied to the limit, even with the current de minimis amounts in numerous instances it can lead to significant increases in the relative profitability in sectors in MS applying the aid. Raising the current maximum amounts would further increase competitive advantage of those MS's sectors and create similar advantages in several other cases. So the analysed options for aid limits differ not so much qualitatively but rather in a quantitative manner.

Significant effects of concentrated application of de minimis aid seem to occur more in some agricultural sectors and some MS than in others. Three sectors stand out as more sensitive to significant profitability changes with application of de minimis aid. These are cattle rearing farms *(Table 20 and 22 Annex VII and chart 19 Annex VIII)*, orchard fruit farms *(Table 16 and 22 Annex VII and chart 15 Annex VIII)* and sheep-and-goats farms *(Table 19 and 22 Annex VII and chart 18 Annex VIII)*.

Most of the effect on cattle production profitability comes from Romanian farms, with production in Lithuania also clearly prone to significant changes in profitability. In the orchard fruit production Bulgaria stands out, with Polish and Portuguese production also susceptible. In the sheep and goats sector, farms in Latvia dominate the result. Overall, production profitability in Romania seems to be by far most easily affected by de minimis aid, with that in Portugal and Latvia, and to a lesser extent in Bulgaria and Slovenia, following.

The three de minimis scenarios differ in their potential effect on changing relative profitability of production. The limits of 0.75% and € 10 000 seem to have an effect very similar to that of the current limits 0.75% and € 7 500. The option with doubled envelope (1.50%, € 10 000) has about a double effect of the two above mentioned options. Potential effect of the intermediate option 1.00% envelope and € 10 000 farm limit rests in the middle as well. This may suggest that, while the farm limit matters for some sectors, it is the amount of the country envelope which steers the overall effect.

The analysed new scenarios of de minimis aid do not seem to threaten to distort competition. The main reasons for that are: a limited size of the de minimis envelope, likely "sharing" of the envelope among sectors, and little impact on larger producers or traders.

This is confirmed by the results of the public consultation and the AC. In general most of the contributors indicate no negative impact and no impact on trade of the de minimis Regulation. A negative impact, when mentioned, is considered limited because of the low ceiling which underlines the assumption of limited size of de minimis envelope.

Most of the contributors consider de minimis aid as more favourable for SMEs than for large companies, because the amounts are so limited that they are not interesting for large companies. This underlines the assumption of little impact on large producers and traders.

According to the public consultation results MS use de minimis aid to finance a large range of measures, which underlines the assumption of sharing the envelope among sectors.

Suboption B2)

The assessment is based on farm level data concerning potential changes in profitability of farming that may influence competitive advantage of particular types of agricultural production. The assessment does not analyse directly the markets which might be affected by the proposed new limits of de minimis aid. Neither data on agricultural markets and trade nor data on application of de minimis aid are taken into account in the calculations. So the analysis does not focus on actual trade flows or markets of agricultural products but on the profitability of farms which produce those. It should be noted that the increase in profitability and/or the decrease of costs is expected to have some effect on trade only if and when the aid is awarded systematically to the same beneficiaries over extended period of time. One-off payment is highly unlikely to make any trade distortions.

The analysed new scenarios of de minimis aid do not seem to allow for market disturbance by application of de minimis aid. The main reasons for that are:

- likely "sharing" of the aid envelope among sectors in a MS,
- small impact on larger producers or traders, and
- a limited size of the de minimis envelope.

This is confirmed by the results of the public consultation and the AC. In general most of the contributors indicate no negative impact and no impact on trade of the de minimis Regulation. A negative impact, when mentioned, is considered limited because of the low ceiling which underlines the assumption of limited size of de minimis envelope.

Most of the contributors consider de minimis aid as more favourable for SMEs than for large companies, because the amounts are so limited that they are not interesting for large companies. This underlines the assumption of little impact on large producers and traders.

According to the public consultation results MS use de minimis aid to finance a large range of measures, which underlines the assumption of sharing the envelope among sectors.

Increasing the national caps has generally more potential for creating higher risk of significant changes in relative competitiveness of production than increasing the farm amount limits for the de minimis aid.

Option B1 is the preferred option.

The analyses for both options show that if the aid is focused on a single sector and applied to the limit it can lead to significant increases in the relative profitability in some sectors in MS applying the aid. Raising the current maximum amounts would further increase competitive advantage of those MS's sectors and create similar advantages in several other cases. Significant effects of concentrated application of de minimis aid would occur more in some agricultural sectors and in some MS than in others.

We conclude however that the analysed scenarios of de minimis aid would pose very little risks to distort or threaten to distort competition on the basis the assumptions mentioned, in Chapter 7.1 Method of assessment, However, there is a risk that these assumptions are not in place and in that case the risk for distortion of competition is higher for option B2 than for option B1. Judging by the number of cases of new competitive advantage, which in certain circumstances could lead to distortions; option B2 is potentially about 40% more risky than option B1. The difference is even higher for the sheep & goats and cattle sectors where option B2 triggers about 50% more cases than option B1.

The analysis also showed that increasing the national cap has generally more potential for creating higher risk of significant changes in relative competitiveness of production than increasing the individual ceiling.

The Commission should take an approach of prudence in this context. If a relatively high ceiling was fixed, this would enable MS to concentrate a part of their de minimis ceilings on the sectors that are at risk whilst using the remaining part for granting "normal" de minimis aid, i.e. the higher the ceilings, the more flexibility and thus risk there is that distortive aid would be granted. De minimis ceilings should therefore be allowed at the most up to a level for which the Commission can be reasonably assured that the risk of distortion will be low. Therefore, for safety reasons a national cap of 1% instead of 1.5% and a maximum individual ceiling of € 10000 instead of € 15000 is preferred as the practical experience with de minimis aid measures with an individual ceiling of €15 000 concerned State aid in an extraordinary crisis situation (the Temporary Framework).

<u>Overview of impacts assessed:</u>

	Option A (baseline)	Option B1	Option B2
Individual ceiling	€7 500	€10 000	€15 000
Risk of distortion of internal market	0	++	+
Focus State aid control on most distortive cases	0	+	++
Legal certainty	0	+	+
Alignment with general de minimis Regulation	0	+	+
Administrative burden reduction	0	+	+

0: no significant positive or negative impact

--: Very negative impact

-: Negative impact

+: positive impact

++: Very positive impact

8. <u>Monitoring and evaluation</u>

The agricultural de minimis Regulation will apply from 1 January 2014 until 31 December 2020.

For the monitoring and evaluation requirements reference is made to the IAR of the general de minimis Regulation. Considering the application of the de minimis regulations for 7 years, an evaluation takes place previously to a prolongation or amendment. A mandatory reporting obligation on MS in the general de minimis Regulation could provide additional data on the amount of de minimis aid granted by a MS in total and per beneficiary for such evaluation but the current de minimis Regulation does not foresee this and until now data was gathered by public consultations and requests to MS. A reporting obligation on MS could only be foreseen after an implementation period of several years as in case of the introduction of a mandatory register an implementation period would be foreseen for its set-up and MS would have a complete register only 3 years after setting it up. Such reporting obligation would also serve the evaluation purposes.

As the core indicators and the evaluation possibilities depend on the monitoring provisions in the general de minimis Regulation, we refer for the monitoring and evaluation of the agricultural de minimis Regulation to the IAR of the general de minimis Regulation.

9. Annexes

I: Contributions for public consultation per MS

II: General summary of the public consultation results on the agricultural de minimis Regulation

III: Minutes AC with the MS on the agricultural de minimis Regulation

IV: Public consultation results on total amount of de minimis aid granted and on average amount per beneficiary per MS

V: Public consultation results on average number of beneficiaries per year per MS

VI: Country envelopes or national caps, calculated on the basis of Eurostat's data on output of the agricultural 'industry' (production value at basic price, millions of euro), from 2007-2009

VII: Tables

VIII: Charts

Annex I: Contributions public consultation per MS

MS	**De minimis**
AT	2
BE	0
BG	0
CY	0
CZ	1
DE	7
DK	1
EL	1
ES	4
ET	1
FI	3
FR	4
HU	2
IR	1
IT	1
LT	14
LU	0
LV	1
MT	0
NL	0
PL	1
PT	0
RO	1
SE	1
SK	0
SL	1
UK	3
Other (European organisations)	2
Total	52

Annex II: General summary of the public consultation results on the agricultural de minimis Regulation

Amounts

MS who replied to the public consultation confirmed that amounts spent on de minimis aid respect in all cases the individual ceiling and national cap established by Regulation (EC) No 1535/2007. In many cases, the individual ceiling and national cap aren't reached. France seems to be the main user of the national cap provided for any period of three fiscal years (it is almost totally used). Only two MS pointed out some cases, where the individual ceiling could have been exceeded, but in those cases, the exemption regulation has been used.

Beneficiaries

As a general rule SME'ss seem to be the beneficiaries of de minimis aid. In fact, this reflects the structure of the agricultural sector, where many farms are of small size. The reported average number of beneficiaries a year is not very high (between 33 and 6,000), except in Romania (more than 150,000).

Measures supported

MS claim to use de minimis aid to finance a large range of measures. Among those measures which could have been financed through other aids than de minimis, compensatory measures following natural disasters, adverse weather conditions or diseases are often quoted.

In absence of a de minimis Regulation, MS say they would have either used the block exemption Regulation or the Guidelines. However, several MS and stakeholders pointed out that de minimis is a useful tool to support some measures that them could not have been financed through exempted aid schemes or schemes approved after notification (for example, short-term subsidized loans).

Instrument

According to the replies, grants are by far the most frequently used instrument. Other instruments frequently mentioned are guarantees and soft loans. To a lesser extent, some MS said they use tax deferment or reductions.

Differences between regions

In MS where administration is decentralized, there is difference between regions in the way de minimis is used. It is less the case in countries with centralized administration, although slight differences may appear (for example in Sweden, where de minimis aid is more focused on the north-east of the country, or in the UK, where de minimis aid is rather granted to remote regions).

Impact of the financial crisis

The financial crisis seems to have had various and sometimes opposite effects in MS. In some cases, it has triggered the use of de minimis to bring some cash in agricultural holdings. In others, it has deterred MS to use de minimis. Between those two extreme scenarios, some MS replied that they have limited the amounts granted or reduced the number of schemes to be funded under de minimis.

Positive impact of de minimis

Many MS and stakeholders who replied to the public consultation consider de minimis as a useful tool to react quickly in front of serious problems with less administrative costs. When granted in the form of guarantees, de minimis aid is often perceived as facilitating access to credit for SMEs, which otherwise would have to face much higher costs. It also said to support growth and job creation.

Negative impact of de minimis

According to a large majority of replying MS and stakeholders, de minimis has no negative impact. Other replies go in various directions (for example, risk of distortion of competition if de minimis is used extensively or deadweight effect) but the general idea is that this impact is limited by the fact that de minimis ceilings are quite low.

Impact on trade

Opinions on that point are almost unanimous: there's no impact on trade both in absolute terms and when considering de minimis aid granted in other MS. The only caveat is the case where a given MS supports a measure using de minimis and has therefore limited possibilities due to the ceiling and national cap, while another Member State supports the same measure using an approved or exempted scheme with aid rates and higher amounts. However, this is a question of internal political choice.

Advantage to SMEs

According to the replies, MS and stakeholders consider de minimis as more favourable for SME's than for large companies due to the limited amounts that can be used individually and nationally.

Definitions

Many contributors are satisfied with the definitions. However, some participants in the public consultation pointed out a need to clarify the following concepts: the limit between primary production and processing/marketing of agricultural products, the concept of export-oriented activities and of aid based on prices or quantities put on the market. Some MS and stakeholders would also like that companies in difficulty be eligible for de minimis aid.

Ceilings and reference periods

As far as ceilings are concerned, the general opinion of the participants pleads for an increase of the individual ceiling, the most frequently quoted figure being EUR 15,000 (suggestions range from EUR 10,000 to 200,000), and for the doubling or the elimination of the national cap. Some MS indicated they would also appreciate derogation to the ceilings in exceptional circumstances.

Opinions concerning the reference periods are divided: some participants would prefer the calendar year, among others because the fiscal year may either be general or depend on the company.

Transparency

Guarantees seem to be the main source of concern to the participants. Some pointed out that the lump amount for guarantees is too low and should be increased, others would like guarantees with safe- harbour premiums to be automatically considered as transparent, and it should be possible to block exempt methods used to calculate the gross grant equivalent of guarantees. More clarity is also asked for in the way discounting works.

Cumulation

Whereas many participating MS and stakeholders are satisfied with the current cumulation provisions, some participants plead for the elimination of restrictions on cumulation between State aid and de minimis aid, the argument being that de minimis aid is not a State aid.

Register and controls

Many MS said to have created a register and use it for control purposes. The register itself may be either totally earmarked for de minimis aid or part of a larger register concerning public aid in general. According to the replies, the estimated cost of setting up and running the register ranges from EUR 6,500 to EUR 150,000 and the workload varies largely from one Member State to the other (from one person full time to 10 days a year). The register is perceived as an efficient and transparent control tool but also as difficult to keep up to date. From an administrative point of view, it relieves farmers which no longer need to send declarations, but it is said to be burdensome at national level.

On the basis of the replies, four MS do not have any register. They carry out control on the basis of declarations sent by beneficiaries.

Other general remarks of the participants

If an individual ceiling is exceeded, only the amount exceeding it should be reimbursed.

There should be a bonus for the least favoured areas.

Records should be kept for 7 years instead of 10.

There should be one single de minimis regulation for all sectors.

There shouldn't be any cumulation rules for de minimis aid below EUR 2,000.

Annex III: Minutes AC MS on the agricultural de minimis Regulation

Annex IV: Public consultation results of total amount of de minimis aid granted and average amount per beneficiary per MS

MS	Total amount in EUR	Average amount per beneficiary in EUR per year
EL	25 000 000	max. 7 500
FI	2 500 000	909,2
ET	1 657 000	1 750
CZ	1 230 000 (2010-2012	659
SE	3 589 663 (2008-2012)	118
HU	48 220 307 (2008-2012)	523
UK	7 493 094 (2011-2013) 51 830 506 for 2007-2013	No results reported by MS during public consultation
SI	8 279 837 (2008-2012)	1 054
FR	492 000 000 (2009-2012)	less than 7 500 /beneficiary/3 years
IE	6 014 129 (2008-2012)	751
IT	170 000 000 (2008 -2012)	No results reported by MS during public consultation
RO	118 311 270 (2008-2012)	No results reported by MS during public consultation
PO	155 444 968 (2008-2012)	No results reported by MS during public consultation
LV	29 383 (2010-2012)	295

Annex V: Public consultation results of average number of beneficiaries per year per MS

MS	Average number of beneficiaries per year
ET	195
CZ	1 859
SE	6 050
HU	18 342
SI	2 154
IE	1 863
RO	156 315
LV	11

Annex VI: Country envelopes or national caps, calculated on the basis of Eurostat's data on output of the agricultural 'industry' (production value at basic price, millions of euro), from 2007-2009.

	Agricultural production value, € m				***National cap, € m***		
	2007	***2008***	***2009***	***avg. 2007-2009***	***0.75%***	***1.00%***	***1.50%***
Belgium	7 397.25	7 490.22	6 844.68	7 244.05	54.33	72.44	108.66
Bulgaria	3 314.89	4 494.10	3 811.38	3 873.46	29.05	38.73	58.10
Czech Republic	4 328.40	4 801.41	3 700.23	4 276.68	32.08	42.77	64.15
Denmark	9 136.63	9 160.41	8 538.00	8 945.01	67.09	89.45	134.18
Germany	46 319.02	50 049.37	43 737.33	46 701.91	350.26	467.02	700.53
Estonia	698.84	667.65	569.75	645.41	4.84	6.45	9.68
Ireland	5 940.56	6 098.64	5 013.85	5 684.35	42.63	56.84	85.27
Greece	10 894.44	10 512.30	10 153.46	10 520.07	78.90	105.20	157.80
Spain	42 489.67	41 589.34	37 945.75	40 674.92	305.06	406.75	610.12
France	66 542.10	68 547.50	63 352.50	66 147.37	496.11	661.47	992.21
Italy	44 990.36	47 842.70	43 863.93	45 565.66	341.74	455.66	683.48
Cyprus	637.21	634.28	665.28	645.59	4.84	6.46	9.68
Latvia	1 050.56	1 036.40	869.34	985.43	7.39	9.85	14.78
Lithuania	2 077.99	2 301.76	1 866.02	2 081.92	15.61	20.82	31.23
Luxembourg	359.32	365.39	324.69	349.80	2.62	3.50	5.25
Hungary	6 687.30	7 843.33	5 853.64	6 794.76	50.96	67.95	101.92
Malta	127.03	137.94	129.78	131.58	0.99	1.32	1.97
Netherlands	23 579.51	24 396.44	22 799.39	23 591.78	176.94	235.92	353.88
Austria	6 296.92	6 607.74	6 009.56	6 304.74	47.29	63.05	94.57
Poland	20 138.75	21 847.78	17 462.06	19 816.20	148.62	198.16	297.24
Portugal	6 194.91	6 467.85	6 115.73	6 259.50	46.95	62.59	93.89
Romania	14 301.54	18 192.01	14 134.39	15 542.65	116.57	155.43	233.14
Slovenia	1 126.90	1 177.52	1 061.17	1 121.86	8.41	11.22	16.83
Slovakia	2 015.72	2 355.74	1 858.07	2 076.51	15.57	20.77	31.15
Finland	4 059.67	4 192.36	3 995.27	4 082.43	30.62	40.82	61.24
Sweden	5 277.16	5 160.08	4 258.75	4 898.66	36.74	48.99	73.48
United Kingdom	23 190.88	25 073.07	21 811.29	23 358.41	175.19	233.58	350.38
European Union (27 countries)	359 173.54	379 043.33	336 745.29				

Annex VII: Tables

Table 1.

(13) Specialist COP		FNVA / UAA ('000 EUR/ha)									
	(0) no aid	(1) d.m. 0.75% €7500	(2) d.m. 0.75% €15000	(3) d.m. 1.00% €15000	(4) d.m. 1.50% €15000	(5) all farms d.m. 1.50% €15000	(1) d.m. 0.75% €7500	(2) d.m. 0.75% €15000	(3) d.m. 1.00% €15000	(4) d.m. 1.50% €15000	(5) all farms d.m. 1.50% €15000
CY	0.07	0.11	0.11	0.13	0.15	0.08					
EE	0.16	0.16	0.16	0.16	0.17	0.16					
SK	0.16	0.17	0.17	0.17	0.17	0.17					
LV	0.20	0.21	0.21	0.21	0.21	0.20					
BG	0.24	0.24	0.24	0.24	0.25	0.24					
RO	0.24	0.25	0.25	0.25	0.26	0.24					
FI	0.29	0.30	0.30	0.31	0.32	0.30					
LT	0.29	0.30	0.30	0.30	0.30	0.29					
CZ	0.30	0.31	0.31	0.32	0.33	0.31					
PL	0.33	0.36	0.36	0.36	0.38	0.33					
HU	0.33	0.34	0.34	0.35	0.35	0.34					
SE	0.34	0.36	0.36	0.36	0.38	0.35					
BE	0.34	0.38	0.42	0.42	0.42	0.35		3	3	3	
PT	0.39	0.44	0.50	0.50	0.50	0.39		1	1	1	
ES	0.39	0.41	0.41	0.42	0.43	0.40					
FR	0.46	0.48	0.48	0.49	0.51	0.47					
UK	0.50	0.51	0.52	0.52	0.53	0.51					
DE	0.50	0.51	0.52	0.52	0.52	0.50					
IE	0.57	0.62	0.65	0.67	0.67	0.58					
DK	0.63	0.66	0.66	0.67	0.69	0.65					
EL	0.65	0.68	0.68	0.69	0.72	0.66					
AT	0.69	0.73	0.75	0.78	0.78	0.70			1	1	
IT	0.75	0.81	0.81	0.83	0.87	0.76			1	1	
SI	0.82	0.97	0.97	1.01	1.11	0.83	1	1	1	1	
LU	--	--	--	--	--	--					
MT	--	--	--	--	--	--					
NL	--	--	--	--	--	--					
							1	**5**	**7**	**7**	**0**

Table 2.

(14) Specialist other fieldcrops	FNVA / UAA ('000 EUR/ha)										
	(0) no aid	(1) d.m. 0.75% €7500	(2) d.m. 0.75% €15000	(3) d.m. 1.00% €15000	(4) d.m. 1.50% €15000	(5) all farms d.m. 1.50% €15000	(1) d.m. 0.75% €7500	(2) d.m. 0.75% €15000	(3) d.m. 1.00% €15000	(4) d.m. 1.50% €15000	(5) all farms d.m. 1.50% €15000
EE	0.18	0.21	0.21	0.21	0.23	0.18					
SK	0.23	0.24	0.26	0.26	0.26	0.25					
LV	0.25	0.28	0.28	0.29	0.31	0.26	1	1	1	1	
LT	0.39	0.42	0.42	0.44	0.46	0.40					
FI	0.45	0.48	0.48	0.49	0.52	0.46					
SE	0.47	0.50	0.50	0.50	0.52	0.48					
HU	0.48	0.52	0.52	0.54	0.57	0.49				1	
CZ	0.48	0.49	0.51	0.51	0.51	0.49					
BG	0.61	0.65	0.65	0.67	0.70	0.62					
PL	0.63	0.66	0.66	0.66	0.68	0.63					
ES	0.74	0.79	0.82	0.84	0.84	0.75					
UK	0.80	0.81	0.83	0.83	0.83	0.81					
DE	0.81	0.83	0.85	0.85	0.85	0.82					
DK	0.83	0.86	0.88	0.89	0.89	0.85					
FR	0.85	0.87	0.90	0.90	0.90	0.86					
RO	0.90	0.95	0.95	0.97	1.01	0.91				1	
PT	1.11	1.23	1.23	1.27	1.35	1.12				2	
AT	1.11	1.16	1.17	1.18	1.21	1.12					
SI	1.11	1.31	1.35	1.43	1.51	1.11		2	3	3	
BE	1.15	1.19	1.22	1.23	1.23	1.17					
CY	1.28	1.34	1.34	1.35	1.39	1.29					
EL	1.34	1.37	1.37	1.38	1.40	1.35					
IT	1.40	1.46	1.46	1.48	1.52	1.41					
NL	1.89	1.94	1.98	1.98	1.98	1.93					
IE	--	--	--	--	--	--					
LU	--	--	--	--	--	--					
MT	--	--	--	--	--	--					
							1	**3**	**4**	**8**	**0**

Table 3.

(20) Specialist horticulture	FNVA / UAA ('000 EUR/ha)										
	(0) no aid	(1) d.m. 0.75% €7500	(2) d.m. 0.75% €15000	(3) d.m. 1.00% €15000	(4) d.m. 1.50% €15000	(5) all farms d.m. 1.50% €15000	(1) d.m. 0.75% €7500	(2) d.m. 0.75% €15000	(3) d.m. 1.00% €15000	(4) d.m. 1.50% €15000	(5) all farms d.m. 1.50% €15000
EE	0.90	1.02	1.13	1.13	1.13	0.92					
LV	1.65	1.79	1.92	1.92	1.92	1.65					
LT	2.05	2.23	2.42	2.42	2.42	2.07					
HU	2.75	3.03	3.12	3.25	3.30	2.79					
PT	3.44	4.04	4.15	4.38	4.65	3.50			1	1	
BG	3.53	3.89	3.89	4.02	4.26	3.62				1	
CZ	4.04	4.29	4.53	4.53	4.53	4.19					
RO	4.89	6.36	6.87	7.53	7.83	4.94	1	1	1	1	
PL	5.25	5.72	5.72	5.87	6.18	5.28			1	1	
ES	6.75	7.11	7.21	7.36	7.47	6.79					
MT	7.79	7.97	7.97	8.03	8.15	7.93					
EL	9.70	10.36	10.36	10.57	11.01	9.74					
UK	11.92	12.06	12.20	12.20	12.20	11.99					
FR	13.26	13.65	14.03	14.03	14.03	13.40					
SE	14.32	14.62	14.91	14.91	14.91	14.43					
BE	15.78	16.17	16.55	16.55	16.55	15.95					
DK	15.96	16.08	16.20	16.20	16.20	16.02					
DE	17.39	17.80	18.21	18.21	18.21	17.59					
FI	23.96	24.56	25.09	25.16	25.16	24.08					
IT	26.88	27.63	28.22	28.39	28.39	26.97					
NL	31.90	32.18	32.47	32.47	32.47	32.12					
CY	--	--	--	--	--	--					
IE	--	--	--	--	--	--					
LU	--	--	--	--	--	--					
AT	--	--	--	--	--	--					
SK	--	--	--	--	--	--					
SI	--	--	--	--	--	--					
							1	**1**	**3**	**4**	**0**

Table 4.

(31) Specialist wine		FNVA/ha vines ('000 EUR)									
	(0) no aid	(1) d.m. 0.75% €7500	(2) d.m. 0.75% €15000	(3) d.m. 1.00% €15000	(4) d.m. 1.50% €15000	(5) all farms d.m. 1.50% €15000	(1) d.m. 0.75% €7500	(2) d.m. 0.75% €15000	(3) d.m. 1.00% €15000	(4) d.m. 1.50% €15000	(5) all farms d.m. 1.50% €15000
BG	0.69	0.83	0.97	0.97	0.97	0.69					
ES	1.46	1.60	1.60	1.65	1.75	1.47					
RO	1.82	2.04	2.25	2.25	2.25	1.83					
PT	2.09	2.32	2.32	2.40	2.55	2.13				1	
HU	2.12	2.59	2.60	2.76	3.06	2.18	1	1	1	1	
CZ	3.07	3.28	3.49	3.49	3.49	3.13					
CY	4.44	5.14	5.14	5.38	5.84	4.48			1	1	
SI	4.46	4.95	4.95	5.12	5.45	4.48				1	
EL	5.74	6.49	6.49	6.73	7.23	5.77				1	
FR	6.00	6.18	6.24	6.32	6.36	6.05					
AT	6.07	6.45	6.45	6.57	6.83	6.09					
IT	6.74	6.98	6.98	7.05	7.21	6.78					
DE	7.44	7.72	8.00	8.00	8.00	7.54					
LU	12.46	12.87	13.17	13.27	13.27	12.57					
BE	--	--	--	--	--	--					
DK	--	--	--	--	--	--					
EE	--	--	--	--	--	--					
IE	--	--	--	--	--	--					
LT	--	--	--	--	--	--					
LV	--	--	--	--	--	--					
MT	--	--	--	--	--	--					
NL	--	--	--	--	--	--					
PL	--	--	--	--	--	--					
FI	--	--	--	--	--	--					
SE	--	--	--	--	--	--					
SK	--	--	--	--	--	--					
UK	--	--	--	--	--	--					
							1	**1**	**2**	**5**	**0**

Table 5.

(32) Specialist orchards - fruits	(0) no aid	(1) d.m. 0.75% €7500	(2) d.m. 0.75% €15000	(3) d.m. 1.00% €15000	(4) d.m. 1.50% €15000	(5) all farms d.m. 1.50% €15000	(1) d.m. 0.75% €7500	(2) d.m. 0.75% €15000	(3) d.m. 1.00% €15000	(4) d.m. 1.50% €15000	(5) all farms d.m. 1.50% €15000
	FNVA/ha perm. crops ('000 EUR)										
HU	0.71	0.99	1.02	1.12	1.27	0.76					
LT	1.13	1.29	1.45	1.45	1.45	1.14					
CZ	1.44	1.57	1.70	1.70	1.70	1.51					
BG	1.49	1.96	1.96	2.12	2.44	1.53	4	4	4	4	
PT	1.57	1.81	1.81	1.90	2.06	1.61	2	2	3	4	
PL	1.57	1.82	1.82	1.90	2.07	1.59	2	2	3	4	
CY	1.60	1.80	1.80	1.87	2.01	1.74	1	1	1	3	
RO	2.12	2.56	2.80	3.00	3.00	2.14			2	2	
DK	2.39	2.53	2.68	2.68	2.68	2.47					
SI	2.48	3.60	3.60	3.97	4.71	2.56	2	2	2	2	
ES	2.81	2.93	2.93	2.97	3.05	2.85					
UK	4.65	4.78	4.92	4.92	4.92	4.72					
DE	4.74	4.87	4.99	4.99	4.99	4.80					
EL	5.52	5.77	5.77	5.85	6.02	5.56					
FR	5.92	6.07	6.22	6.22	6.22	5.97					
IT	6.14	6.49	6.49	6.61	6.84	6.22					
AT	7.70	8.04	8.37	8.37	8.37	7.76					
BE	10.63	10.78	10.92	10.92	10.92	10.70					
NL	10.65	10.86	11.07	11.07	11.07	10.81					
EE	--	--	--	--	--	--					
IE	--	--	--	--	--	--					
LU	--	--	--	--	--	--					
LV	--	--	--	--	--	--					
MT	--	--	--	--	--	--					
FI	--	--	--	--	--	--					
SE	--	--	--	--	--	--					
SK	--	--	--	--	--	--					
							11	**11**	**15**	**19**	**0**

Table 6.

(33) Specialist olives	(0) no aid	(1) d.m. 0.75% €7500	(2) d.m. 0.75% €15000	(3) d.m. 1.00% €15000	(4) d.m. 1.50% €15000	(5) all farms d.m. 1.50% €15000	(1) d.m. 0.75% €7500	(2) d.m. 0.75% €15000	(3) d.m. 1.00% €15000	(4) d.m. 1.50% €15000	(5) all farms d.m. 1.50% €15000
	FNVA/ha perm. crops ('000 EUR)										
CY	0.51	0.99	0.99	1.15	1.47	0.57	1	1	1	1	
PT	0.68	0.81	0.91	0.95	0.95	0.69					
ES	1.50	1.57	1.57	1.59	1.63	1.53					
EL	2.29	2.34	2.34	2.36	2.40	2.32					
IT	2.99	3.24	3.24	3.32	3.48	3.06					
BE	--	--	--	--	--	--					
BG	--	--	--	--	--	--					
CZ	--	--	--	--	--	--					
DK	--	--	--	--	--	--					
DE	--	--	--	--	--	--					
EE	--	--	--	--	--	--					
FR	--	--	--	--	--	--					
HU	--	--	--	--	--	--					
IE	--	--	--	--	--	--					
LT	--	--	--	--	--	--					
LU	--	--	--	--	--	--					
LV	--	--	--	--	--	--					
MT	--	--	--	--	--	--					
NL	--	--	--	--	--	--					
AT	--	--	--	--	--	--					
PL	--	--	--	--	--	--					
RO	--	--	--	--	--	--					
FI	--	--	--	--	--	--					
SE	--	--	--	--	--	--					
SK	--	--	--	--	--	--					
SI	--	--	--	--	--	--					
UK	--	--	--	--	--	--					
							1	**1**	**1**	**1**	**0**

Table 7.

(41) Specialist milk		FNVA/LU ('000 EUR)									
	(0) no aid	(1) d.m. 0.75% €7500	(2) d.m. 0.75% €15000	(3) d.m. 1.00% €15000	(4) d.m. 1.50% €15000	(5) all farms d.m. 1.50% €15000	(1) d.m. 0.75% €7500	(2) d.m. 0.75% €15000	(3) d.m. 1.00% €15000	(4) d.m. 1.50% €15000	(5) all farms d.m. 1.50% €15000
BG	0.39	0.42	0.42	0.44	0.46	0.40					
SK	0.45	0.45	0.46	0.46	0.46	0.45					
MT	0.46	0.48	0.49	0.50	0.51	0.47					
FR	0.47	0.49	0.50	0.51	0.52	0.48					
LV	0.50	0.52	0.52	0.52	0.53	0.52					
IE	0.51	0.51	0.51	0.52	0.52	0.51					
SI	0.51	0.53	0.53	0.54	0.55	0.51					
UK	0.54	0.55	0.56	0.56	0.56	0.54					
LU	0.58	0.59	0.59	0.60	0.61	0.59					
PL	0.60	0.63	0.63	0.64	0.66	0.60					
EE	0.62	0.63	0.63	0.64	0.65	0.63					
LT	0.64	0.67	0.67	0.68	0.70	0.65					
PT	0.65	0.69	0.69	0.71	0.74	0.65				1	
DE	0.68	0.70	0.70	0.71	0.72	0.70					
HU	0.68	0.72	0.76	0.76	0.76	0.69		1	1	1	
RO	0.68	0.72	0.72	0.73	0.75	0.69					
SE	0.69	0.71	0.71	0.72	0.73	0.70					
BE	0.71	0.74	0.74	0.75	0.76	0.72					
CZ	0.72	0.74	0.76	0.76	0.76	0.73					
DK	0.78	0.80	0.81	0.81	0.81	0.79					
NL	0.79	0.81	0.82	0.82	0.83	0.81					
ES	1.03	1.08	1.11	1.13	1.13	1.04					
IT	1.18	1.22	1.25	1.25	1.25	1.18					
FI	1.21	1.23	1.23	1.24	1.25	1.22					
AT	1.24	1.26	1.26	1.26	1.28	1.25					
CY	--	--	--	--	--	--					
EL	--	--	--	--	--	--					
							0	**1**	**1**	**2**	**0**

Table 8.

(44) Specialist sheep and goats	FNVA/LU ('000 EUR)										
	(0) no aid	(1) d.m. 0.75% €7500	(2) d.m. 0.75% €15000	(3) d.m. 1.00% €15000	(4) d.m. 1.50% €15000	(5) all farms d.m. 1.50% €15000	(1) d.m. 0.75% €7500	(2) d.m. 0.75% €15000	(3) d.m. 1.00% €15000	(4) d.m. 1.50% €15000	(5) all farms d.m. 1.50% €15000
UK	0.28	0.29	0.30	0.31	0.31	0.29					
HU	0.33	0.38	0.42	0.42	0.42	0.34					
IE	0.36	0.38	0.38	0.39	0.40	0.37				1	
FR	0.37	0.40	0.44	0.44	0.44	0.38		1	1	1	
PT	0.39	0.45	0.45	0.47	0.51	0.40	2	2	2	3	
BG	0.40	0.44	0.44	0.45	0.47	0.41			2	3	
FI	0.43	0.49	0.56	0.56	0.56	0.44	2	6	6	6	
SI	0.44	0.49	0.49	0.50	0.53	0.45				1	
LV	0.45	0.56	0.66	0.67	0.67	0.45	4	5	6	6	
DE	0.45	0.47	0.50	0.50	0.50	0.46					
RO	0.45	0.48	0.48	0.49	0.51	0.45					
SK	0.47	0.48	0.50	0.50	0.50	0.49					
EE	0.56	0.67	0.67	0.71	0.79	0.58				1	
NL	0.61	0.66	0.71	0.71	0.71	0.65					
EL	0.73	0.76	0.76	0.77	0.78	0.74					
ES	0.75	0.80	0.81	0.82	0.84	0.76					
CY	0.76	0.79	0.79	0.81	0.83	0.76					
CZ	0.91	0.94	0.97	0.97	0.97	0.91					
AT	0.96	1.05	1.15	1.15	1.15	0.97		1	1	1	
IT	0.98	1.06	1.10	1.14	1.15	0.99		1	1	1	
PL	1.13	1.34	1.44	1.54	1.54	1.14					
BE	--	--	--	--	--	--					
DK	--	--	--	--	--	--					
LT	--	--	--	--	--	--					
LU	--	--	--	--	--	--					
MT	--	--	--	--	--	--					
SE	--	--	--	--	--	--					
							8	**16**	**19**	**24**	**0**

Table 9.

(45) Specialist cattle	FNVA/LU ('000 EUR) (0) no aid	(1) d.m. 0.75% €7500	(2) d.m. 0.75% €15000	(3) d.m. 1.00% €15000	(4) d.m. 1.50% €15000	(5) all farms d.m. 1.50% €15000	(1) d.m. 0.75% €7500	(2) d.m. 0.75% €15000	(3) d.m. 1.00% €15000	(4) d.m. 1.50% €15000	(5) all farms d.m. 1.50% €15000
NL	0.22	0.23	0.24	0.24	0.24	0.23					
UK	0.25	0.27	0.29	0.29	0.29	0.26					
FR	0.26	0.28	0.29	0.30	0.30	0.26				1	
RO	0.30	0.51	0.52	0.60	0.72	0.30	7	9	12	15	
EE	0.30	0.35	0.39	0.40	0.40	0.30		3	3	3	
IE	0.32	0.32	0.32	0.33	0.33	0.32					
LU	0.33	0.34	0.34	0.35	0.36	0.34				2	
EL	0.37	0.42	0.46	0.46	0.46	0.37		1	1	1	
SI	0.38	0.41	0.41	0.41	0.43	0.39					
PT	0.39	0.44	0.44	0.46	0.50	0.39			2	3	
SE	0.39	0.43	0.45	0.46	0.47	0.41			2	3	
LT	0.42	0.49	0.49	0.51	0.55	0.44	2	2	2	5	
SK	0.43	0.44	0.45	0.45	0.45	0.44					
BE	0.44	0.46	0.46	0.46	0.48	0.45					
DE	0.46	0.48	0.50	0.50	0.50	0.47					
FI	0.46	0.50	0.53	0.54	0.54	0.47		3	3	3	
PL	0.51	0.58	0.58	0.60	0.65	0.52					
LV	0.56	0.64	0.67	0.71	0.73	0.56	1	1	2	2	
ES	0.58	0.64	0.65	0.67	0.70	0.59			1	1	
CZ	0.68	0.71	0.74	0.74	0.74	0.69					
IT	0.91	0.95	0.96	0.98	0.99	0.91					
AT	0.98	1.02	1.02	1.03	1.06	0.99					
BG	--	--	--	--	--	--					
CY	--	--	--	--	--	--					
DK	--	--	--	--	--	--					
HU	--	--	--	--	--	--					
MT	--	--	--	--	--	--					
							10	**19**	**28**	**39**	**0**

Table 10.

(50) Specialist granivores	FNVA/LU ('000 EUR) (0) no aid	(1) d.m. 0.75% €7500	(2) d.m. 0.75% €15000	(3) d.m. 1.00% €15000	(4) d.m. 1.50% €15000	(5) all farms d.m. 1.50% €15000	(1) d.m. 0.75% €7500	(2) d.m. 0.75% €15000	(3) d.m. 1.00% €15000	(4) d.m. 1.50% €15000	(5) all farms d.m. 1.50% €15000
BG	0.06	0.09	0.09	0.10	0.12	0.06				2	
FR	0.09	0.10	0.10	0.10	0.10	0.09					
CZ	0.10	0.10	0.11	0.11	0.11	0.10					
NL	0.12	0.12	0.13	0.13	0.13	0.12					
EE	0.12	0.12	0.12	0.12	0.12	0.12					
BE	0.14	0.14	0.15	0.15	0.15	0.14					
ES	0.17	0.17	0.18	0.18	0.18	0.17					
LU	0.17	0.18	0.18	0.18	0.18	0.17					
PT	0.17	0.18	0.19	0.19	0.19	0.17					
SE	0.18	0.18	0.19	0.19	0.19	0.18					
DK	0.19	0.19	0.20	0.20	0.20	0.19					
RO	0.19	0.24	0.24	0.26	0.29	0.20	3	3	3	4	
MT	0.20	0.21	0.21	0.21	0.21	0.20					
DE	0.20	0.21	0.22	0.22	0.22	0.20					
LV	0.23	0.23	0.24	0.24	0.24	0.23					
UK	0.24	0.25	0.25	0.25	0.25	0.25					
HU	0.25	0.27	0.28	0.28	0.28	0.25		1	1	1	
FI	0.26	0.27	0.28	0.28	0.28	0.26					
PL	0.34	0.36	0.36	0.36	0.38	0.34					
IT	0.38	0.38	0.39	0.39	0.39	0.38					
AT	0.44	0.46	0.48	0.49	0.49	0.44					
EL	0.45	0.46	0.48	0.48	0.48	0.45					
CY	--	--	--	--	--	--					
IE	--	--	--	--	--	--					
LT	--	--	--	--	--	--					
SK	--	--	--	--	--	--					
SI	--	--	--	--	--	--					
							3	**4**	**4**	**7**	**0**

Table 11. Summaries of possible significant competitiveness gains by MS and by types of farming

All types of farms	(1) d.m. 0.75% €7500	(2) d.m. 0.75% €15000	(3) d.m. 1.00% €15000	(4) d.m. 1.50% €15000	(5) all farms d.m. 1.50% €15000
BE		3	3	3	
BG	4	4	6	10	
CY	2	2	3	5	
CZ					
DK					
DE					
EL		1	1	2	
ES			1	1	
EE		3	3	4	
FR		1	1	2	
HU	1	3	3	4	
IE				1	
IT		1	2	2	
LT	2	2	2	5	
LU				2	
LV	6	7	9	9	
MT					
NL					
AT		1	2	2	
PL	2	2	4	5	
PT	4	5	9	16	
RO	11	13	18	23	
FI	2	9	9	9	
SE			2	3	
SK					
SI	3	5	6	8	
UK					
Total MS	37	62	84	116	0

All Member States	(1) d.m. 0.75% €7500	(2) d.m. 0.75% €15000	(3) d.m. 1.00% €15000	(4) d.m. 1.50% €15000	(5) all farms d.m. 1.50% €15000
(13) Specialist COP	1	5	7	7	
(14) Specialist other fieldcrops	1	3	4	8	
(20) Specialist horticulture	1	1	3	4	
(31) Specialist wine	1	1	2	5	
(32) Specialist orchards - fruits	11	11	15	19	
(33) Specialist olives	1	1	1	1	
(41) Specialist milk		1	1	2	
(44) Specialist sheep and goats	8	16	19	24	
(45) Specialist cattle	10	19	28	39	
(50) Specialist granivores	3	4	4	7	
Total	37	62	84	116	0

Table 12.

(13) Specialist COP	FNVA / UAA ('000 EUR/ha)										
	(0) no aid	(1) d.m. 0.75% €7500	(2) d.m. 0.75% €10000	(3) d.m. 1.00% €10000	(4) d.m. 1.50% €10000	(5) all farms d.m. 1.50% €10000	(1) d.m. 0.75% €7500	(2) d.m. 0.75% €10000	(3) d.m. 1.00% €10000	(4) d.m. 1.50% €10000	(5) all farms d.m. 1.50% €10000
CY	0.07	0.11	0.11	0.13	0.15	0.08					
EE	0.16	0.16	0.16	0.16	0.17	0.16					
SK	0.16	0.17	0.17	0.17	0.17	0.17					
LV	0.20	0.21	0.21	0.21	0.21	0.20					
BG	0.24	0.24	0.24	0.24	0.25	0.24					
RO	0.24	0.25	0.25	0.25	0.26	0.24					
FI	0.29	0.30	0.30	0.31	0.32	0.30					
LT	0.29	0.30	0.30	0.30	0.30	0.29					
CZ	0.30	0.31	0.31	0.32	0.32	0.31					
PL	0.33	0.36	0.36	0.36	0.38	0.33					
HU	0.33	0.34	0.34	0.35	0.35	0.34					
SE	0.34	0.36	0.36	0.36	0.37	0.35					
BE	0.34	0.38	0.40	0.40	0.40	0.35					
PT	0.39	0.44	0.46	0.46	0.46	0.39					
ES	0.39	0.41	0.41	0.42	0.43	0.40					
FR	0.46	0.48	0.48	0.49	0.49	0.47					
UK	0.50	0.51	0.52	0.52	0.52	0.51					
DE	0.50	0.51	0.51	0.51	0.51	0.50					
IE	0.57	0.62	0.64	0.64	0.64	0.58					
DK	0.63	0.66	0.66	0.67	0.69	0.65					
EL	0.65	0.68	0.68	0.69	0.72	0.66					
AT	0.69	0.73	0.75	0.75	0.75	0.70					
IT	0.75	0.81	0.81	0.83	0.87	0.76			1	1	
SI	0.82	0.97	0.97	1.01	1.05	0.83	1	1	1	1	
LU	--	--	--	--	--	--					
MT	--	--	--	--	--	--					
NL	--	--	--	--	--	--					
							1	**1**	**2**	**2**	**0**

Table 13.

(14) Specialist other fieldcrops	FNVA / UAA ('000 EUR/ha)										
	(0) no aid	(1) d.m. 0.75% €7500	(2) d.m. 0.75% €10000	(3) d.m. 1.00% €10000	(4) d.m. 1.50% €10000	(5) all farms d.m. 1.50% €10000	(1) d.m. 0.75% €7500	(2) d.m. 0.75% €10000	(3) d.m. 1.00% €10000	(4) d.m. 1.50% €10000	(5) all farms d.m. 1.50% €10000
EE	0.18	0.21	0.21	0.21	0.23	0.18					
SK	0.23	0.24	0.25	0.25	0.25	0.25					
LV	0.25	0.28	0.28	0.29	0.31	0.26	1	1	1	1	
LT	0.39	0.42	0.42	0.44	0.45	0.40					
FI	0.45	0.48	0.48	0.49	0.51	0.46					
SE	0.47	0.50	0.50	0.50	0.51	0.48					
HU	0.48	0.52	0.52	0.54	0.55	0.49				1	
CZ	0.48	0.49	0.50	0.50	0.50	0.49					
BG	0.61	0.65	0.65	0.67	0.70	0.62					
PL	0.63	0.66	0.66	0.66	0.68	0.63					
ES	0.74	0.79	0.81	0.81	0.81	0.75					
UK	0.80	0.81	0.82	0.82	0.82	0.81					
DE	0.81	0.83	0.83	0.83	0.83	0.82					
DK	0.83	0.86	0.87	0.87	0.87	0.85					
FR	0.85	0.87	0.88	0.88	0.88	0.86					
RO	0.90	0.95	0.95	0.97	1.01	0.91				1	
PT	1.11	1.23	1.23	1.27	1.32	1.12					
AT	1.11	1.16	1.17	1.17	1.17	1.12					
SI	1.11	1.31	1.35	1.38	1.38	1.11		2	3	3	
BE	1.15	1.19	1.20	1.20	1.20	1.17					
CY	1.28	1.34	1.34	1.35	1.39	1.29					
EL	1.34	1.37	1.37	1.38	1.40	1.35					
IT	1.40	1.46	1.46	1.48	1.52	1.41					
NL	1.89	1.94	1.95	1.95	1.95	1.93					
IE	--	--	--	--	--	--					
LU	--	--	--	--	--	--					
MT	--	--	--	--	--	--					
							1	**3**	**4**	**6**	**0**

Table 14.

(20) Specialist horticulture		FNVA / UAA ('000 EUR/ha)									
	(0) no aid	(1) d.m. 0.75% €7500	(2) d.m. 0.75% €10000	(3) d.m. 1.00% €10000	(4) d.m. 1.50% €10000	(5) all farms d.m. 1.50% €10000	(1) d.m. 0.75% €7500	(2) d.m. 0.75% €10000	(3) d.m. 1.00% €10000	(4) d.m. 1.50% €10000	(5) all farms d.m. 1.50% €10000
EE	0.90	1.02	1.06	1.06	1.06	0.92					
LV	1.65	1.79	1.83	1.83	1.83	1.65					
LT	2.05	2.23	2.29	2.29	2.29	2.07					
HU	2.75	3.03	3.12	3.12	3.12	2.79					
PT	3.44	4.04	4.15	4.24	4.24	3.50			1	1	
BG	3.53	3.89	3.89	4.02	4.26	3.62				1	
CZ	4.04	4.29	4.37	4.37	4.37	4.19					
RO	4.89	6.36	6.85	6.85	6.85	4.94	1	1	1	1	
PL	5.25	5.72	5.72	5.87	6.03	5.28			1	1	
ES	6.75	7.11	7.21	7.23	7.23	6.79					
MT	7.79	7.97	7.97	8.03	8.15	7.93					
EL	9.70	10.36	10.36	10.57	10.89	9.74					
UK	11.92	12.06	12.10	12.10	12.10	11.99					
FR	13.26	13.65	13.78	13.78	13.78	13.40					
SE	14.32	14.62	14.71	14.71	14.71	14.43					
BE	15.78	16.17	16.29	16.29	16.29	15.95					
DK	15.96	16.08	16.12	16.12	16.12	16.02					
DE	17.39	17.80	17.93	17.93	17.93	17.59					
FI	23.96	24.56	24.76	24.76	24.76	24.08					
IT	26.88	27.63	27.88	27.88	27.88	26.97					
NL	31.90	32.18	32.28	32.28	32.28	32.12					
CY	--	--	--	--	--	--					
IE	--	--	--	--	--	--					
LU	--	--	--	--	--	--					
AT	--	--	--	--	--	--					
SK	--	--	--	--	--	--					
SI	--	--	--	--	--	--					
							1	**1**	**3**	**4**	**0**

Table 15.

(31) Specialist wine		FNVA/ha vines ('000 EUR)									
	(0) no aid	(1) d.m. 0.75% €7500	(2) d.m. 0.75% €10000	(3) d.m. 1.00% €10000	(4) d.m. 1.50% €10000	(5) all farms d.m. 1.50% €10000	(1) d.m. 0.75% €7500	(2) d.m. 0.75% €10000	(3) d.m. 1.00% €10000	(4) d.m. 1.50% €10000	(5) all farms d.m. 1.50% €10000
BG	0.69	0.83	0.87	0.87	0.87	0.69					
ES	1.46	1.60	1.60	1.65	1.70	1.47					
RO	1.82	2.04	2.11	2.11	2.11	1.83					
PT	2.09	2.32	2.32	2.40	2.55	2.13				1	
HU	2.12	2.59	2.60	2.74	2.74	2.18	1	1	1	1	
CZ	3.07	3.28	3.35	3.35	3.35	3.13					
CY	4.44	5.14	5.14	5.38	5.79	4.48			1	1	
SI	4.46	4.95	4.95	5.12	5.41	4.48				1	
EL	5.74	6.49	6.49	6.73	6.98	5.77					
FR	6.00	6.18	6.24	6.24	6.24	6.05					
AT	6.07	6.45	6.45	6.57	6.66	6.09					
IT	6.74	6.98	6.98	7.05	7.21	6.78					
DE	7.44	7.72	7.81	7.81	7.81	7.54					
LU	12.46	12.87	13.00	13.00	13.00	12.57					
BE	--	--	--	--	--	--					
DK	--	--	--	--	--	--					
EE	--	--	--	--	--	--					
IE	--	--	--	--	--	--					
LT	--	--	--	--	--	--					
LV	--	--	--	--	--	--					
MT	--	--	--	--	--	--					
NL	--	--	--	--	--	--					
PL	--	--	--	--	--	--					
FI	--	--	--	--	--	--					
SE	--	--	--	--	--	--					
SK	--	--	--	--	--	--					
UK	--	--	--	--	--	--					
							1	**1**	**2**	**4**	**0**

Table 16.

(32) Specialist orchards - fruits	(0) no aid	(1) d.m. 0.75% €7500	(2) d.m. 0.75% €10000	(3) d.m. 1.00% €10000	(4) d.m. 1.50% €10000	(5) all farms d.m. 1.50% €10000	(1) d.m. 0.75% €7500	(2) d.m. 0.75% €10000	(3) d.m. 1.00% €10000	(4) d.m. 1.50% €10000	(5) all farms d.m. 1.50% €10000
	FNVA/ha perm. crops ('000 EUR)										
HU	0.71	0.99	1.02	1.09	1.09	0.76					
LT	1.13	1.29	1.34	1.34	1.34	1.14					
CZ	1.44	1.57	1.61	1.61	1.61	1.51					
BG	1.49	1.96	1.96	2.12	2.22	1.53	4	4	4	4	
PT	1.57	1.81	1.81	1.90	2.06	1.61	2	2	3	4	
PL	1.57	1.82	1.82	1.90	2.07	1.59	2	2	3	4	
CY	1.60	1.80	1.80	1.87	2.01	1.74	1	1	1	3	
RO	2.12	2.56	2.71	2.71	2.71	2.14					
DK	2.39	2.53	2.58	2.58	2.58	2.47					
SI	2.48	3.60	3.60	3.97	4.51	2.56	2	2	2	2	
ES	2.81	2.93	2.93	2.97	3.05	2.85					
UK	4.65	4.78	4.83	4.83	4.83	4.72					
DE	4.74	4.87	4.91	4.91	4.91	4.80					
EL	5.52	5.77	5.77	5.85	6.02	5.56					
FR	5.92	6.07	6.12	6.12	6.12	5.97					
IT	6.14	6.49	6.49	6.61	6.84	6.22					
AT	7.70	8.04	8.15	8.15	8.15	7.76					
BE	10.63	10.78	10.82	10.82	10.82	10.70					
NL	10.65	10.86	10.93	10.93	10.93	10.81					
EE	--	--	--	--	--	--					
IE	--	--	--	--	--	--					
LU	--	--	--	--	--	--					
LV	--	--	--	--	--	--					
MT	--	--	--	--	--	--					
FI	--	--	--	--	--	--					
SE	--	--	--	--	--	--					
SK	--	--	--	--	--	--					
							11	**11**	**13**	**17**	**0**

Table 17.

(33) Specialist olives	(0) no aid	(1) d.m. 0.75% €7500	(2) d.m. 0.75% €10000	(3) d.m. 1.00% €10000	(4) d.m. 1.50% €10000	(5) all farms d.m. 1.50% €10000	(1) d.m. 0.75% €7500	(2) d.m. 0.75% €10000	(3) d.m. 1.00% €10000	(4) d.m. 1.50% €10000	(5) all farms d.m. 1.50% €10000
	FNVA/ha perm. crops ('000 EUR)										
CY	0.51	0.99	0.99	1.15	1.47	0.57	1	1	1	1	
PT	0.68	0.81	0.86	0.86	0.86	0.69					
ES	1.50	1.57	1.57	1.59	1.63	1.53					
EL	2.29	2.34	2.34	2.36	2.40	2.32					
IT	2.99	3.24	3.24	3.32	3.48	3.06					
BE	--	--	--	--	--	--					
BG	--	--	--	--	--	--					
CZ	--	--	--	--	--	--					
DK	--	--	--	--	--	--					
DE	--	--	--	--	--	--					
EE	--	--	--	--	--	--					
FR	--	--	--	--	--	--					
HU	--	--	--	--	--	--					
IE	--	--	--	--	--	--					
LT	--	--	--	--	--	--					
LU	--	--	--	--	--	--					
LV	--	--	--	--	--	--					
MT	--	--	--	--	--	--					
NL	--	--	--	--	--	--					
AT	--	--	--	--	--	--					
PL	--	--	--	--	--	--					
RO	--	--	--	--	--	--					
FI	--	--	--	--	--	--					
SE	--	--	--	--	--	--					
SK	--	--	--	--	--	--					
SI	--	--	--	--	--	--					
UK	--	--	--	--	--	--					
							1	**1**	**1**	**1**	**0**

Table 18.

(41) Specialist milk	FNVA/LU ('000 EUR)									
	(0) no aid	(1) d.m. 0.75% €7500	(2) d.m. 0.75% €10000	(3) d.m. 1.00% €10000	(4) d.m. 1.50% €10000	(5) all farms d.m. 1.50% €10000	(1) d.m. 0.75% €7500	(2) d.m. 0.75% €10000	(3) d.m. 1.00% €10000	(4) d.m. 1.50% €10000	(5) all farms d.m. 1.50% €10000
BG	0.39	0.42	0.42	0.44	0.46	0.40					
SK	0.45	0.45	0.46	0.46	0.46	0.45					
MT	0.46	0.48	0.49	0.49	0.49	0.47					
FR	0.47	0.49	0.50	0.50	0.50	0.48					
LV	0.50	0.52	0.52	0.52	0.53	0.52					
IE	0.51	0.51	0.51	0.52	0.52	0.51					
SI	0.51	0.53	0.53	0.54	0.55	0.51					
UK	0.54	0.55	0.55	0.55	0.55	0.54					
LU	0.58	0.59	0.59	0.60	0.61	0.59					
PL	0.60	0.63	0.63	0.64	0.66	0.60					
EE	0.62	0.63	0.63	0.64	0.65	0.63					
LT	0.64	0.67	0.67	0.68	0.70	0.65					
PT	0.65	0.69	0.69	0.71	0.73	0.65				1	
DE	0.68	0.70	0.70	0.71	0.72	0.70					
HU	0.68	0.72	0.74	0.74	0.74	0.69					
RO	0.68	0.72	0.72	0.73	0.75	0.69					
SE	0.69	0.71	0.71	0.72	0.73	0.70					
BE	0.71	0.74	0.74	0.74	0.74	0.72					
CZ	0.72	0.74	0.75	0.75	0.75	0.73					
DK	0.78	0.80	0.80	0.80	0.80	0.79					
NL	0.79	0.81	0.82	0.82	0.82	0.81					
ES	1.03	1.08	1.10	1.10	1.10	1.04					
IT	1.18	1.22	1.23	1.23	1.23	1.18					
FI	1.21	1.23	1.23	1.24	1.25	1.22					
AT	1.24	1.26	1.26	1.26	1.28	1.25					
CY	--	--	--	--	--	--					
EL	--	--	--	--	--	--					
							0	**0**	**0**	**1**	**0**

Table 19.

(44) Specialist sheep and goats	FNVA/LU ('000 EUR)									
	(0) no aid	(1) d.m. 0.75% €7500	(2) d.m. 0.75% €10000	(3) d.m. 1.00% €10000	(4) d.m. 1.50% €10000	(5) all farms d.m. 1.50% €10000	(1) d.m. 0.75% €7500	(2) d.m. 0.75% €10000	(3) d.m. 1.00% €10000	(4) d.m. 1.50% €10000	(5) all farms d.m. 1.50% €10000
UK	0.28	0.29	0.30	0.30	0.30	0.29					
HU	0.33	0.38	0.39	0.39	0.39	0.34					
IE	0.36	0.38	0.38	0.39	0.40	0.37				1	
FR	0.37	0.40	0.42	0.42	0.42	0.38					
PT	0.39	0.45	0.45	0.47	0.51	0.40	2	2	2	3	
BG	0.40	0.44	0.44	0.45	0.47	0.41			2	3	
FI	0.43	0.49	0.51	0.51	0.51	0.44	2	2	2	2	
SI	0.44	0.49	0.49	0.50	0.53	0.45				1	
LV	0.45	0.56	0.59	0.59	0.59	0.45	4	5	5	5	
DE	0.45	0.47	0.48	0.48	0.48	0.46					
RO	0.45	0.48	0.48	0.49	0.51	0.45					
SK	0.47	0.48	0.49	0.49	0.49	0.49					
EE	0.56	0.67	0.67	0.71	0.71	0.58					
NL	0.61	0.66	0.68	0.68	0.68	0.65					
EL	0.73	0.76	0.76	0.77	0.78	0.74					
ES	0.75	0.80	0.81	0.81	0.81	0.76					
CY	0.76	0.79	0.79	0.81	0.83	0.76					
CZ	0.91	0.94	0.95	0.95	0.95	0.91					
AT	0.96	1.05	1.08	1.08	1.08	0.97					
IT	0.98	1.06	1.09	1.09	1.09	0.99		1	1	1	
PL	1.13	1.34	1.40	1.40	1.40	1.14					
BE	--	--	--	--	--	--					
DK	--	--	--	--	--	--					
LT	--	--	--	--	--	--					
LU	--	--	--	--	--	--					
MT	--	--	--	--	--	--					
SE	--	--	--	--	--	--					
							8	**10**	**12**	**16**	**0**

Table 20.

(45) Specialist cattle	FNVA/LU ('000 EUR)										
	(0) no aid	(1) d.m. 0.75% €7500	(2) d.m. 0.75% €10000	(3) d.m. 1.00% €10000	(4) d.m. 1.50% €10000	(5) all farms d.m. 1.50% €10000	(1) d.m. 0.75% €7500	(2) d.m. 0.75% €10000	(3) d.m. 1.00% €10000	(4) d.m. 1.50% €10000	(5) all farms d.m. 1.50% €10000
NL	0.22	0.23	0.24	0.24	0.24	0.23					
UK	0.25	0.27	0.27	0.27	0.27	0.26					
FR	0.26	0.28	0.29	0.29	0.29	0.26					
RO	0.30	0.51	0.52	0.58	0.58	0.30	7	9	12	12	
EE	0.30	0.35	0.36	0.36	0.36	0.30		1	1	1	
IE	0.32	0.32	0.32	0.33	0.33	0.32					
LU	0.33	0.34	0.34	0.35	0.36	0.34					
EL	0.37	0.42	0.43	0.43	0.43	0.37					
SI	0.38	0.41	0.41	0.41	0.43	0.39					
PT	0.39	0.44	0.44	0.46	0.46	0.39			2	2	
SE	0.39	0.43	0.44	0.44	0.44	0.41					
LT	0.42	0.49	0.49	0.51	0.55	0.44	2	2	2	5	
SK	0.43	0.44	0.44	0.44	0.44	0.44					
BE	0.44	0.46	0.46	0.46	0.46	0.45					
DE	0.46	0.48	0.49	0.49	0.49	0.47					
FI	0.46	0.50	0.51	0.51	0.51	0.47		1	1	1	
PL	0.51	0.58	0.58	0.60	0.65	0.52					
LV	0.56	0.64	0.67	0.67	0.67	0.56	1	1	1	1	
ES	0.58	0.64	0.65	0.66	0.66	0.59					
CZ	0.68	0.71	0.72	0.72	0.72	0.69					
IT	0.91	0.95	0.96	0.96	0.96	0.91					
AT	0.98	1.02	1.02	1.03	1.06	0.99					
BG	--	--	--	--	--	--					
CY	--	--	--	--	--	--					
DK	--	--	--	--	--	--					
HU	--	--	--	--	--	--					
MT	--	--	--	--	--	--					
							10	**14**	**19**	**22**	**0**

Table 21.

(50) Specialist granivores	FNVA/LU ('000 EUR)										
	(0) no aid	(1) d.m. 0.75% €7500	(2) d.m. 0.75% €10000	(3) d.m. 1.00% €10000	(4) d.m. 1.50% €10000	(5) all farms d.m. 1.50% €10000	(1) d.m. 0.75% €7500	(2) d.m. 0.75% €10000	(3) d.m. 1.00% €10000	(4) d.m. 1.50% €10000	(5) all farms d.m. 1.50% €10000
BG	0.06	0.09	0.09	0.10	0.12	0.06				1	
FR	0.09	0.10	0.10	0.10	0.10	0.09					
CZ	0.10	0.10	0.10	0.10	0.10	0.10					
NL	0.12	0.12	0.12	0.12	0.12	0.12					
EE	0.12	0.12	0.12	0.12	0.12	0.12					
BE	0.14	0.14	0.14	0.14	0.14	0.14					
ES	0.17	0.17	0.17	0.17	0.17	0.17					
LU	0.17	0.18	0.18	0.18	0.18	0.17					
PT	0.17	0.18	0.19	0.19	0.19	0.17					
SE	0.18	0.18	0.19	0.19	0.19	0.18					
DK	0.19	0.19	0.19	0.19	0.19	0.19					
RO	0.19	0.24	0.24	0.26	0.28	0.20	3	3	3	4	
MT	0.20	0.21	0.21	0.21	0.21	0.20					
DE	0.20	0.21	0.21	0.21	0.21	0.20					
LV	0.23	0.23	0.23	0.23	0.23	0.23					
UK	0.24	0.25	0.25	0.25	0.25	0.25					
HU	0.25	0.27	0.27	0.27	0.27	0.25					
FI	0.26	0.27	0.27	0.27	0.27	0.26					
PL	0.34	0.36	0.36	0.36	0.38	0.34					
IT	0.38	0.38	0.39	0.39	0.39	0.38					
AT	0.44	0.46	0.47	0.47	0.47	0.44					
EL	0.45	0.46	0.47	0.47	0.47	0.45					
CY	--	--	--	--	--	--					
IE	--	--	--	--	--	--					
LT	--	--	--	--	--	--					
SK	--	--	--	--	--	--					
SI	--	--	--	--	--	--					
							3	**3**	**3**	**5**	**0**

Table 22: Summaries of possible significant competitivity gains by MS and by types of farming

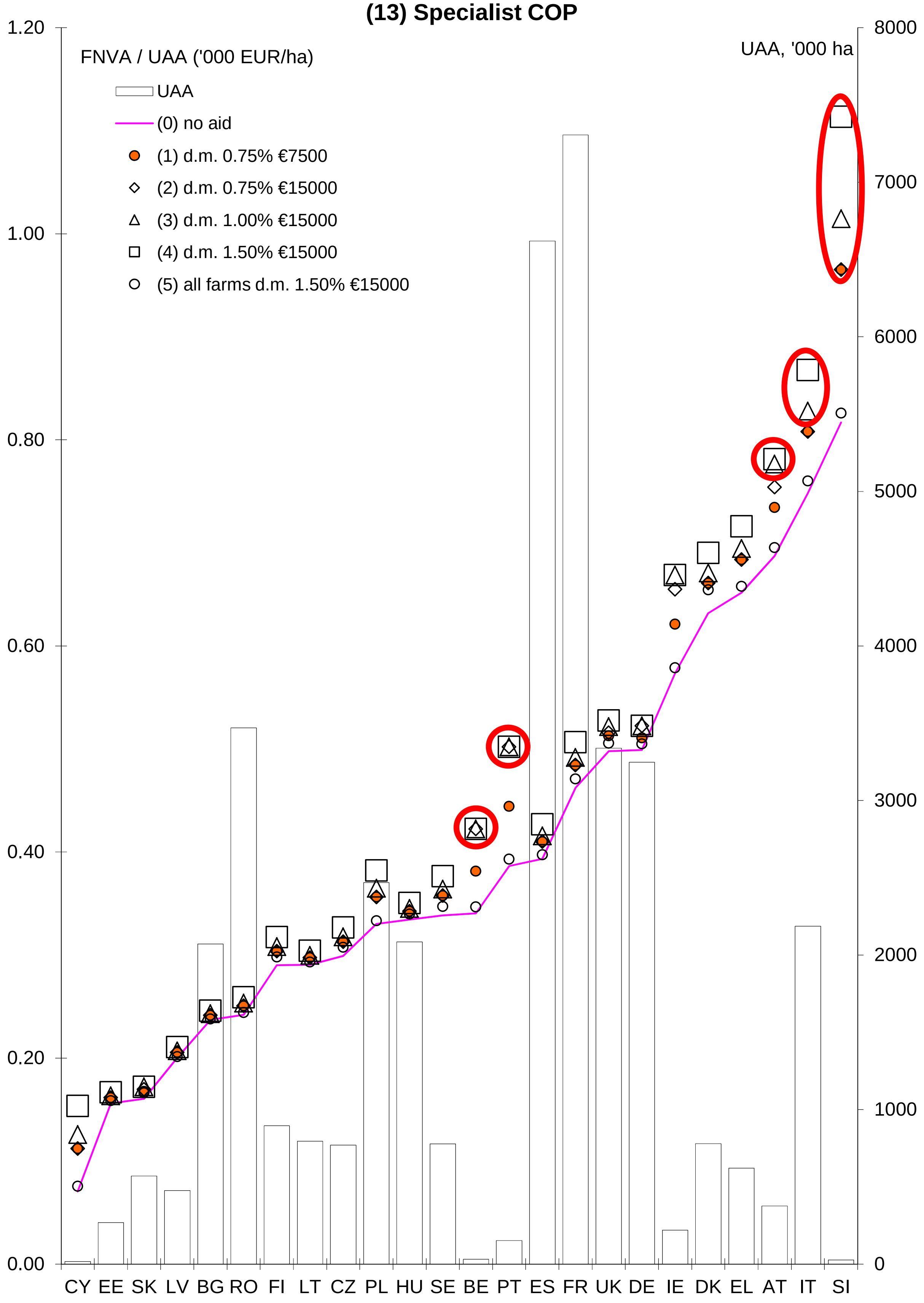
All types of farms	(1) d.m. 0.75% €7500	(2) d.m. 0.75% €10000	(3) d.m. 1.00% €10000	(4) d.m. 1.50% €10000	(5) all farms d.m. 1.50% €10000
BE					
BG	4	4	6	9	
CY	2	2	3	5	
CZ					
DK					
DE					
EL					
ES					
EE		1	1	1	
FR					
HU	1	1	1	2	
IE				1	
IT		1	2	2	
LT	2	2	2	5	
LU					
LV	6	7	7	7	
MT					
NL					
AT					
PL	2	2	4	5	
PT	4	4	8	12	
RO	11	13	16	18	
FI	2	3	3	3	
SE					
SK					
SI	3	5	6	8	
UK					
Total MS	37	45	59	78	0

All Member States	(1) d.m. 0.75% €7500	(2) d.m. 0.75% €10000	(3) d.m. 1.00% €10000	(4) d.m. 1.50% €10000	(5) all farms d.m. 1.50% €10000
(13) Specialist COP	1	1	2	2	
(14) Specialist other fieldcrops	1	3	4	6	
(20) Specialist horticulture	1	1	3	4	
(31) Specialist wine	1	1	2	4	
(32) Specialist orchards - fruits	11	11	13	17	
(33) Specialist olives	1	1	1	1	
(41) Specialist milk				1	
(44) Specialist sheep and goats	8	10	12	16	
(45) Specialist cattle	10	14	19	22	
(50) Specialist granivores	3	3	3	5	
Total	**37**	**45**	**59**	**78**	**0**

Annex VIII: Charts

The highlighted results on the charts are those where a significant relative change occurs under the scenario. Such significant changes, eventually, may or may not have consequences in terms of impact on the markets.

Chart 1.



(13) Specialist COP
FNVA / UAA ('000 EUR/ha)
UAA, '000 ha
UAA
(0) no aid
(1) d.m. 0.75% €7500
(2) d.m. 0.75% €15000
(3) d.m. 1.00% €15000
(4) d.m. 1.50% €15000
(5) all farms d.m. 1.50% €15000
1.20
1.00
0.80
0.60
0.40
0.20
0.00
8000
7000
6000
5000
4000
3000
2000
1000
0
CY EE SK LV BG RO FI LT CZ PL HU SE BE PT ES FR UK DE IE DK EL AT IT SI

Chart 2.

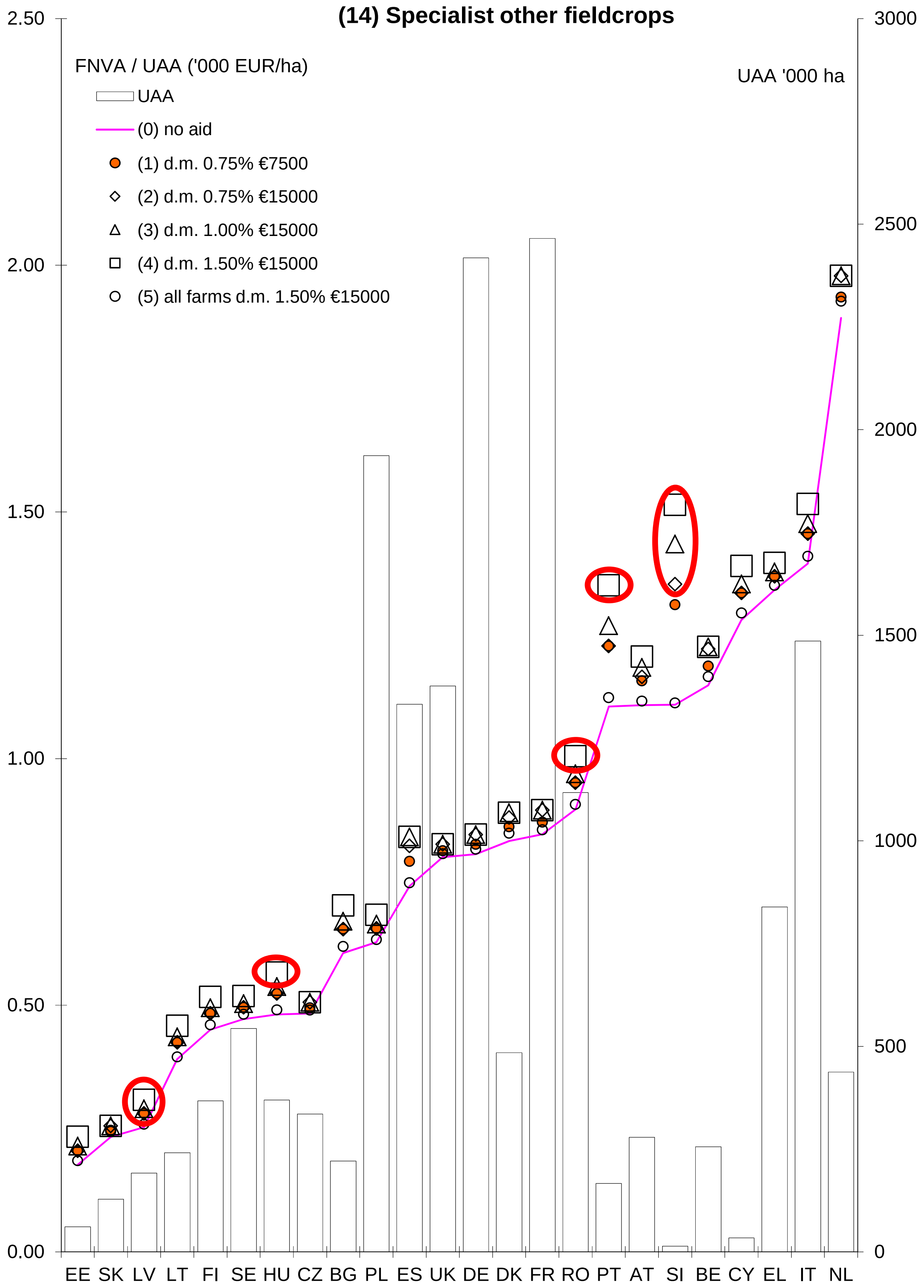
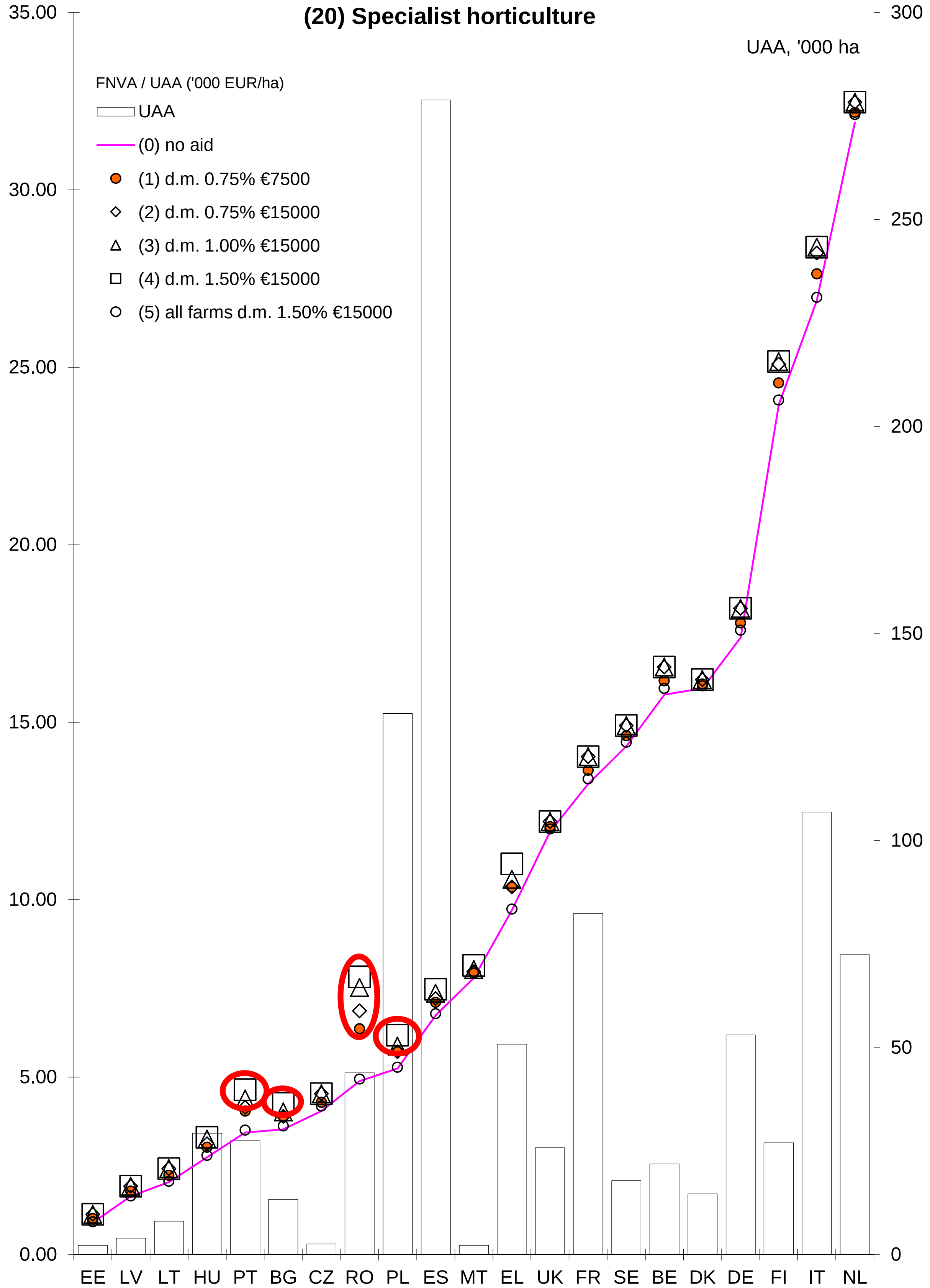
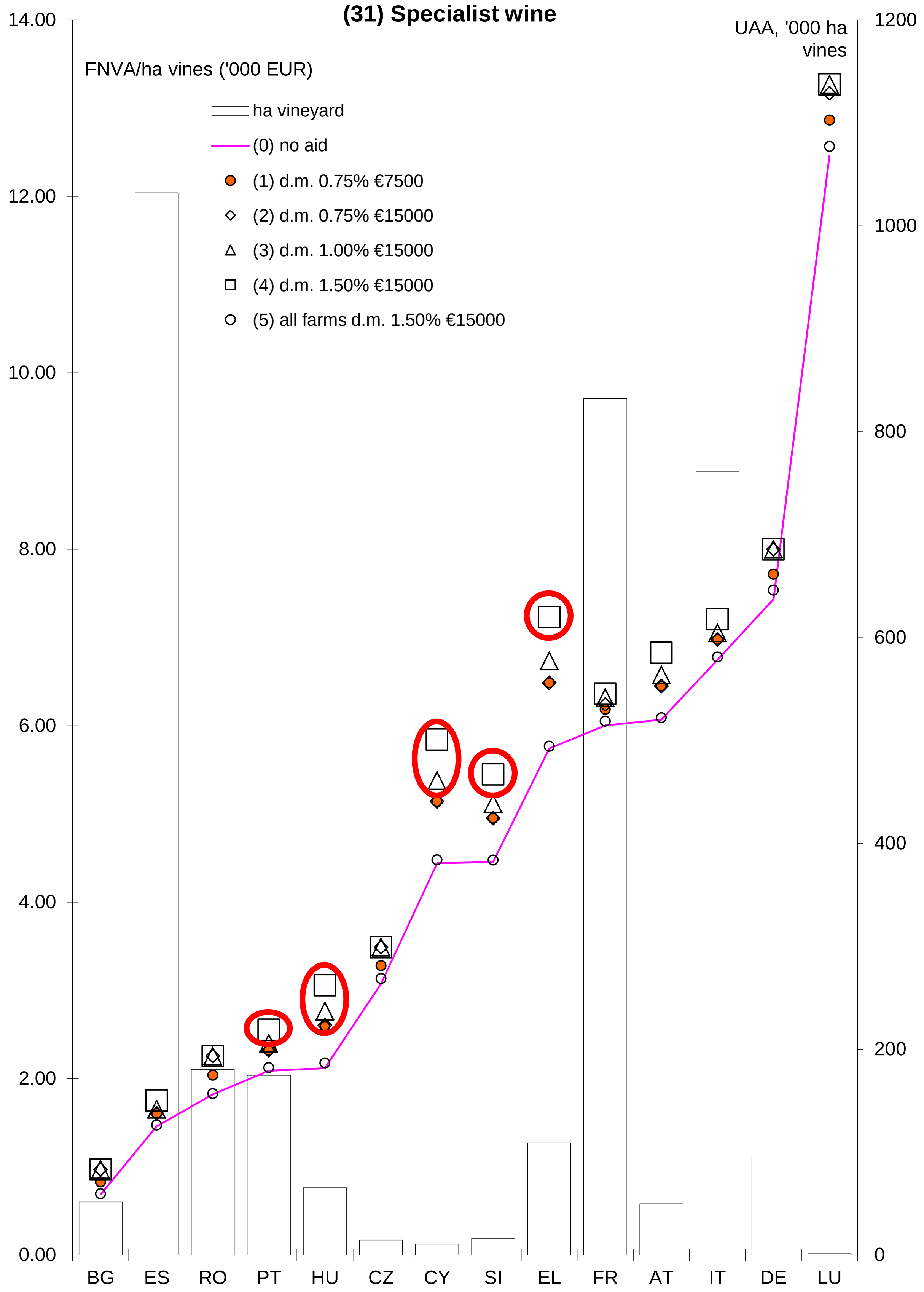

(14) Specialist other fieldcrops
FNVA / UAA ('000 EUR/ha)
UAA '000 ha
UAA
(0) no aid
(1) d.m. 0.75% €7500
(2) d.m. 0.75% €15000
(3) d.m. 1.00% €15000
(4) d.m. 1.50% €15000
(5) all farms d.m. 1.50% €15000
2.50
2.00
1.50
1.00
0.50
0.00
3000
2500
2000
1500
1000
500
0
EE SK LV LT FI SE HU CZ BG PL ES UK DE DK FR RO PT AT SI BE CY EL IT NL

Chart 3.



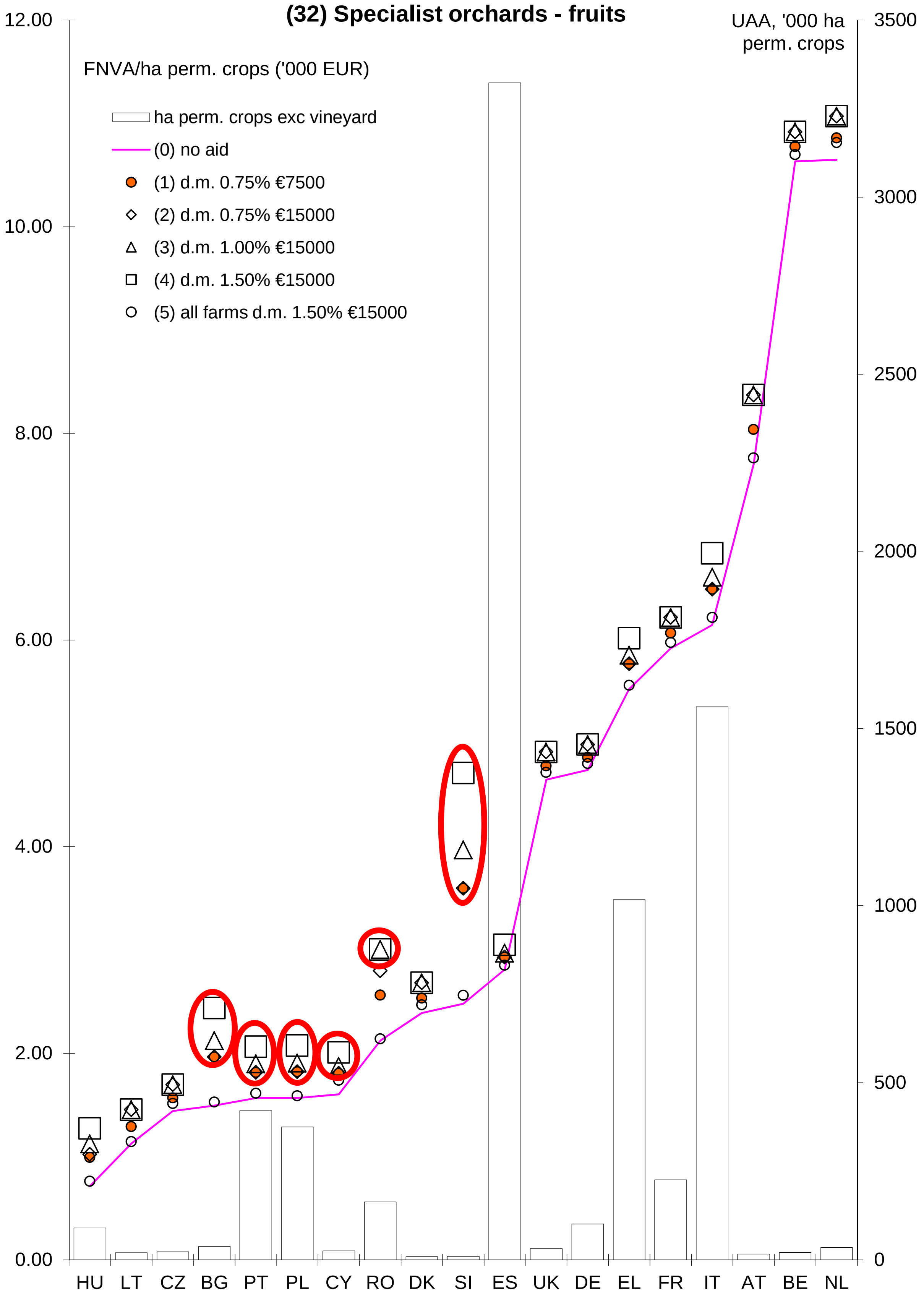
(20) Specialist horticulture
UAA, '000 ha
FNVA / UAA ('000 EUR/ha)
UAA
(0) no aid
(1) d.m. 0.75% €7500
(2) d.m. 0.75% €15000
(3) d.m. 1.00% €15000
(4) d.m. 1.50% €15000
(5) all farms d.m. 1.50% €15000
35.00
30.00
25.00
20.00
15.00
10.00
5.00
0.00
300
250
200
150
100
50
0
EE LV LT HU PT BG CZ RO PL ES MT EL UK FR SE BE DK DE FI IT NL

Chart 4.



(31) Specialist wine
FNVA/ha vines ('000 EUR)
UAA, '000 ha vines
ha vineyard
(0) no aid
(1) d.m. 0.75% €7500
(2) d.m. 0.75% €15000
(3) d.m. 1.00% €15000
(4) d.m. 1.50% €15000
(5) all farms d.m. 1.50% €15000
14.00
12.00
10.00
8.00
6.00
4.00
2.00
0.00
1200
1000
800
600
400
200
0
BG
ES
RO
PT
HU
CZ
CY
SI
EL
FR
AT
IT
DE
LU

Chart 5.



(32) Specialist orchards - fruits
FNVA/ha perm. crops ('000 EUR)
UAA, '000 ha
perm. crops
ha perm. crops exc vineyard
(0) no aid
(1) d.m. 0.75% €7500
(2) d.m. 0.75% €15000
(3) d.m. 1.00% €15000
(4) d.m. 1.50% €15000
(5) all farms d.m. 1.50% €15000
12.00
10.00
8.00
6.00
4.00
2.00
0.00
3500
3000
2500
2000
1500
1000
500
0
HU LT CZ BG PT PL CY RO DK SI ES UK DE EL FR IT AT BE NL

Chart 6.

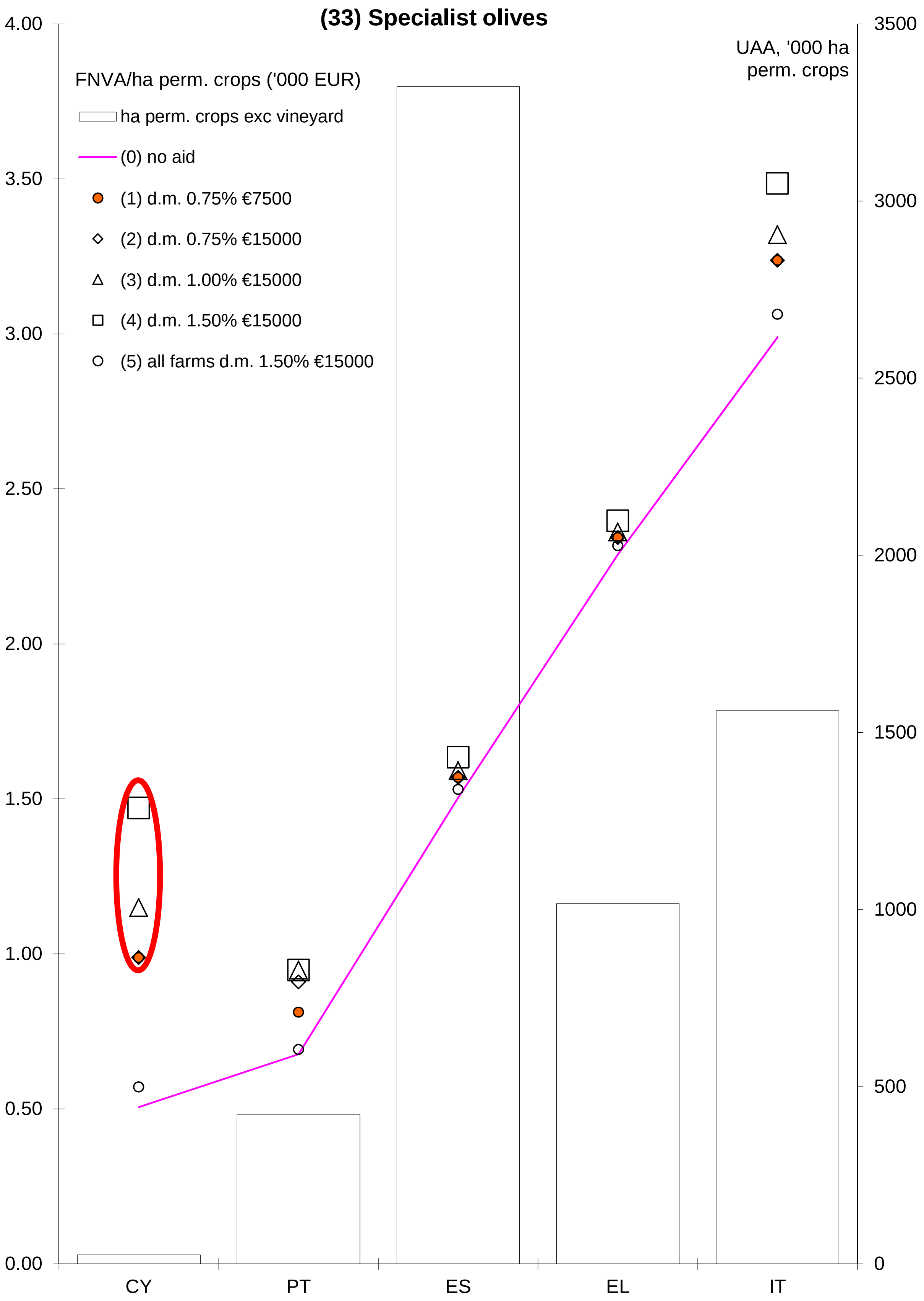

(33) Specialist olives
FNVA/ha perm. crops ('000 EUR)
UAA, '000 ha perm. crops
ha perm. crops exc vineyard
(0) no aid
(1) d.m. 0.75% €7500
(2) d.m. 0.75% €15000
(3) d.m. 1.00% €15000
(4) d.m. 1.50% €15000
(5) all farms d.m. 1.50% €15000
4.00
3.50
3.00
2.50
2.00
1.50
1.00
0.50
0.00
3500
3000
2500
2000
1500
1000
500
0
CY
PT
ES
EL
IT

Chart 7.

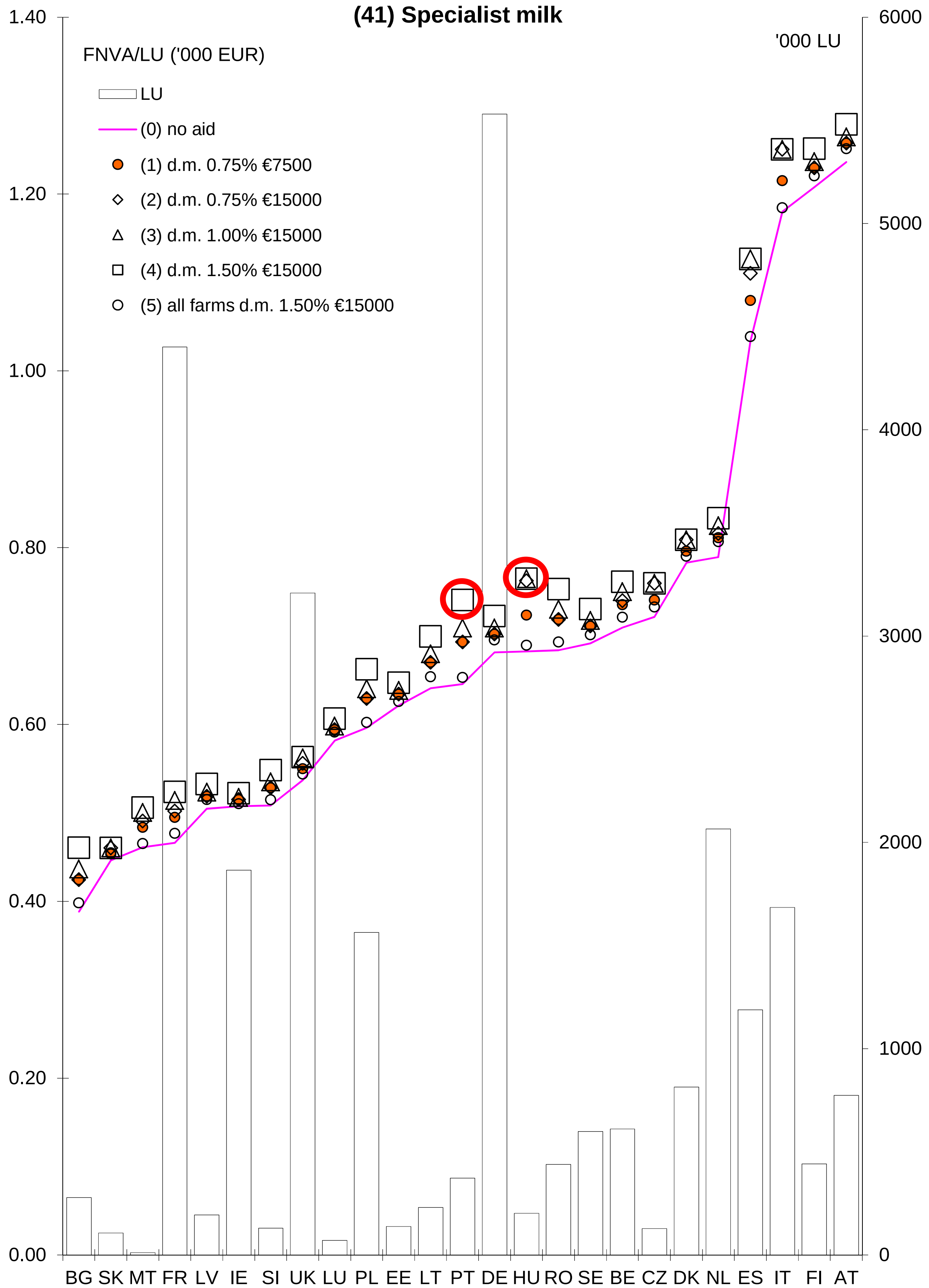
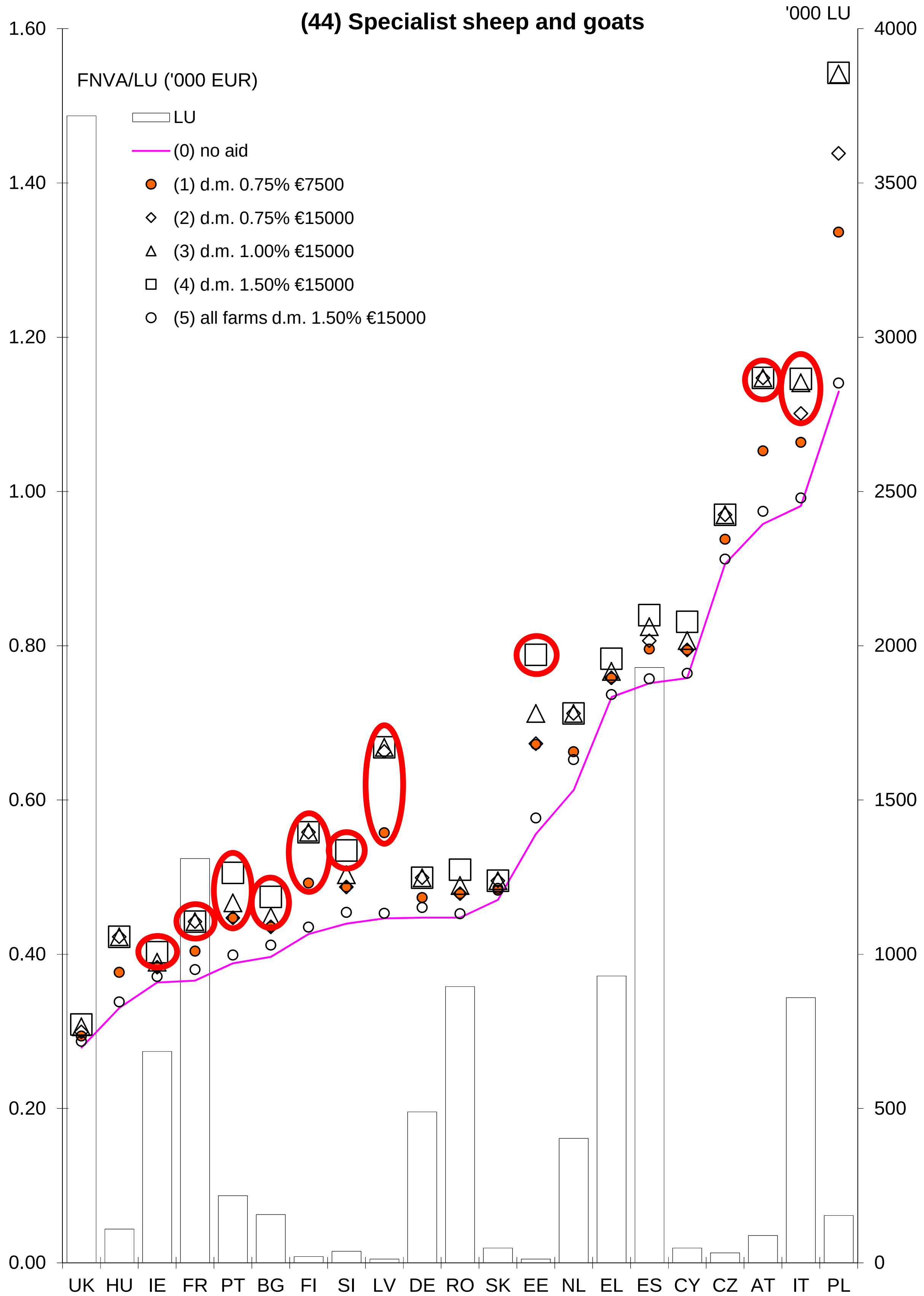
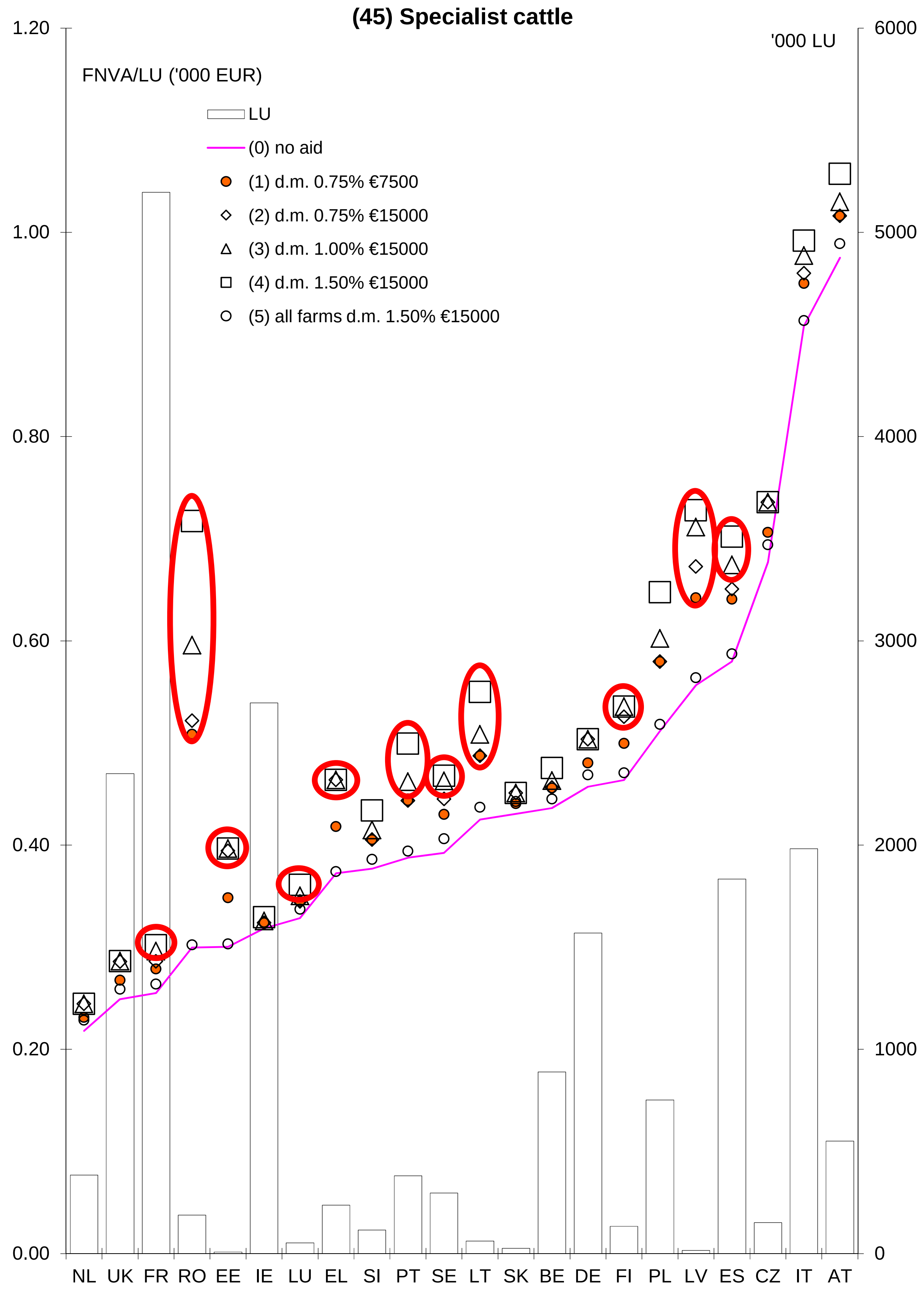

(41) Specialist milk
FNVA/LU ('000 EUR)
'000 LU
LU
(0) no aid
(1) d.m. 0.75% €7500
(2) d.m. 0.75% €15000
(3) d.m. 1.00% €15000
(4) d.m. 1.50% €15000
(5) all farms d.m. 1.50% €15000
1.40
1.20
1.00
0.80
0.60
0.40
0.20
0.00
6000
5000
4000
3000
2000
1000
0
BG SK MT FR LV IE SI UK LU PL EE LT PT DE HU RO SE BE CZ DK NL ES IT FI AT

Chart 8.



(44) Specialist sheep and goats
'000 LU
FNVA/LU ('000 EUR)
LU
(0) no aid
(1) d.m. 0.75% €7500
(2) d.m. 0.75% €15000
(3) d.m. 1.00% €15000
(4) d.m. 1.50% €15000
(5) all farms d.m. 1.50% €15000
1.60
1.40
1.20
1.00
0.80
0.60
0.40
0.20
0.00
4000
3500
3000
2500
2000
1500
1000
500
0
UK HU IE FR PT BG FI SI LV DE RO SK EE NL EL ES CY CZ AT IT PL

Chart 9.



(45) Specialist cattle
FNVA/LU ('000 EUR)
'000 LU
LU
(0) no aid
(1) d.m. 0.75% €7500
(2) d.m. 0.75% €15000
(3) d.m. 1.00% €15000
(4) d.m. 1.50% €15000
(5) all farms d.m. 1.50% €15000
1.20
1.00
0.80
0.60
0.40
0.20
0.00
6000
5000
4000
3000
2000
1000
0
NL UK FR RO EE IE LU EL SI PT SE LT SK BE DE FI PL LV ES CZ IT AT

Chart 10.

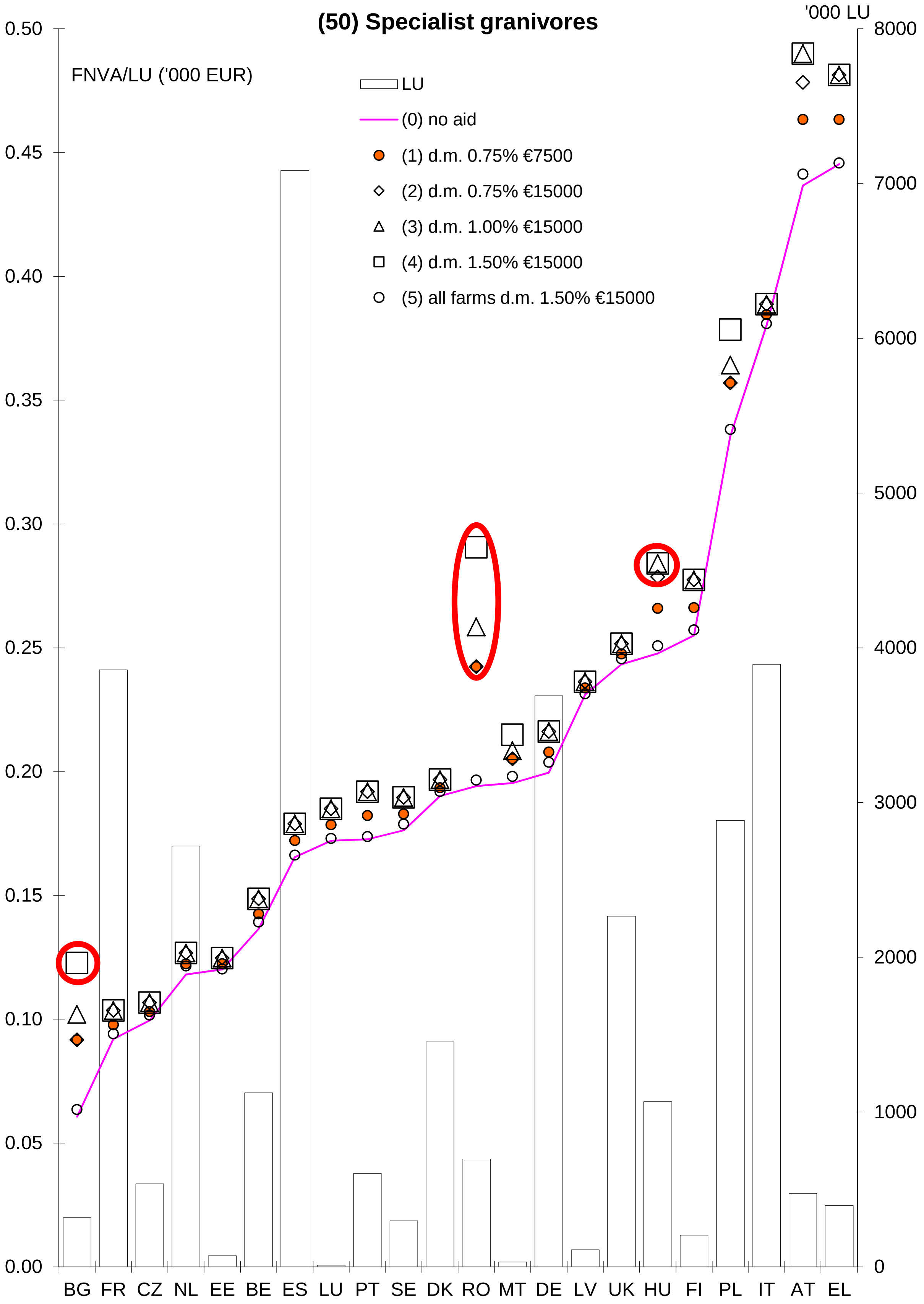
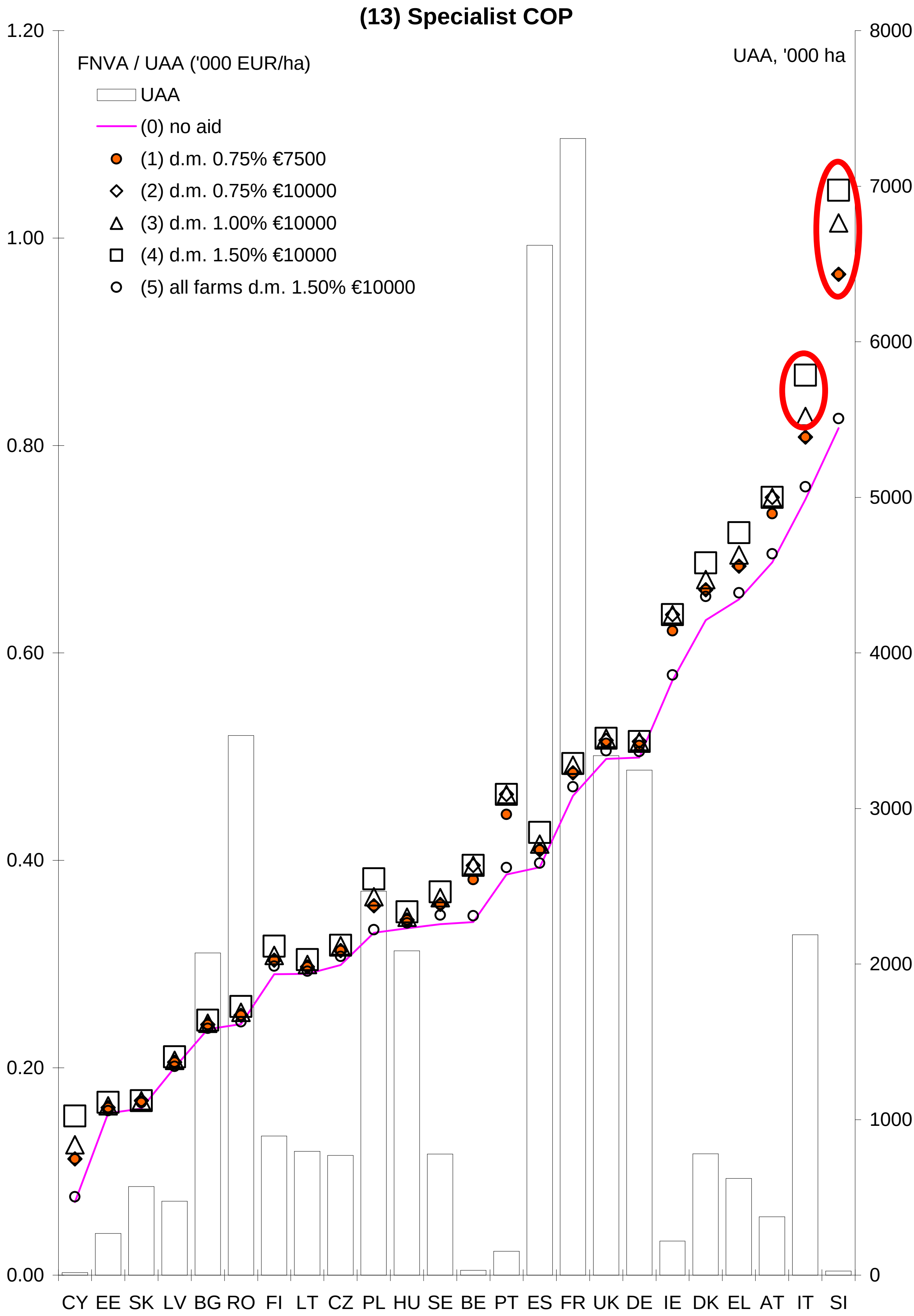
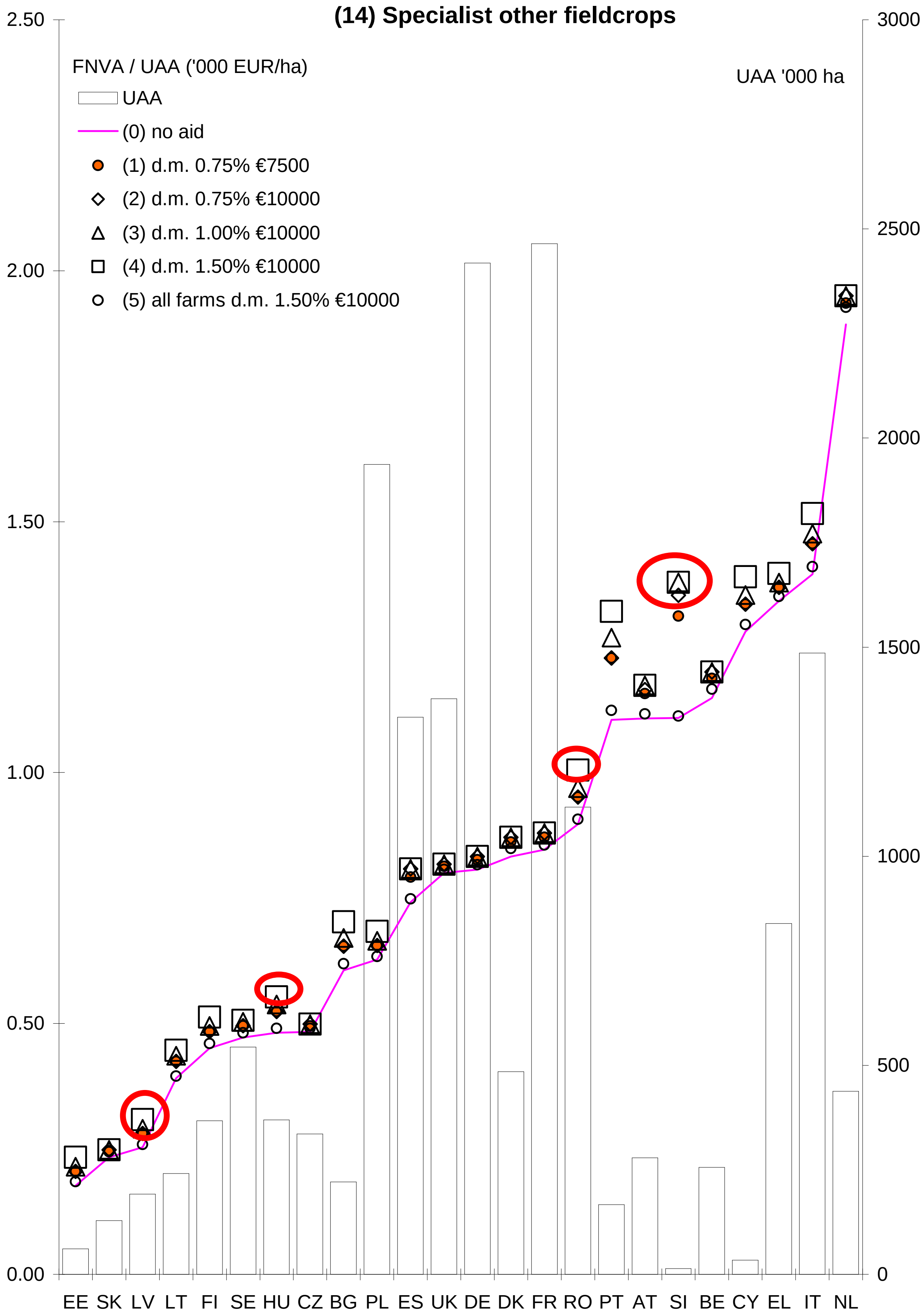

(50) Specialist granivores
FNVA/LU ('000 EUR)
'000 LU
LU
(0) no aid
(1) d.m. 0.75% €7500
(2) d.m. 0.75% €15000
(3) d.m. 1.00% €15000
(4) d.m. 1.50% €15000
(5) all farms d.m. 1.50% €15000
0.50
0.45
0.40
0.35
0.30
0.25
0.20
0.15
0.10
0.05
0.00
8000
7000
6000
5000
4000
3000
2000
1000
0
BG FR CZ NL EE BE ES LU PT SE DK RO MT DE LV UK HU FI PL IT AT EL

Chart 11.



(13) Specialist COP
FNVA / UAA ('000 EUR/ha)
UAA, '000 ha
UAA
(0) no aid
(1) d.m. 0.75% €7500
(2) d.m. 0.75% €10000
(3) d.m. 1.00% €10000
(4) d.m. 1.50% €10000
(5) all farms d.m. 1.50% €10000
1.20
1.00
0.80
0.60
0.40
0.20
0.00
8000
7000
6000
5000
4000
3000
2000
1000
0
CY EE SK LV BG RO FI LT CZ PL HU SE BE PT ES FR UK DE IE DK EL AT IT SI

Chart 12.



(14) Specialist other fieldcrops
FNVA / UAA ('000 EUR/ha)
UAA '000 ha
UAA
(0) no aid
(1) d.m. 0.75% €7500
(2) d.m. 0.75% €10000
(3) d.m. 1.00% €10000
(4) d.m. 1.50% €10000
(5) all farms d.m. 1.50% €10000
2.50
2.00
1.50
1.00
0.50
0.00
3000
2500
2000
1500
1000
500
0
EE SK LV LT FI SE HU CZ BG PL ES UK DE DK FR RO PT AT SI BE CY EL IT NL

Chart 13.

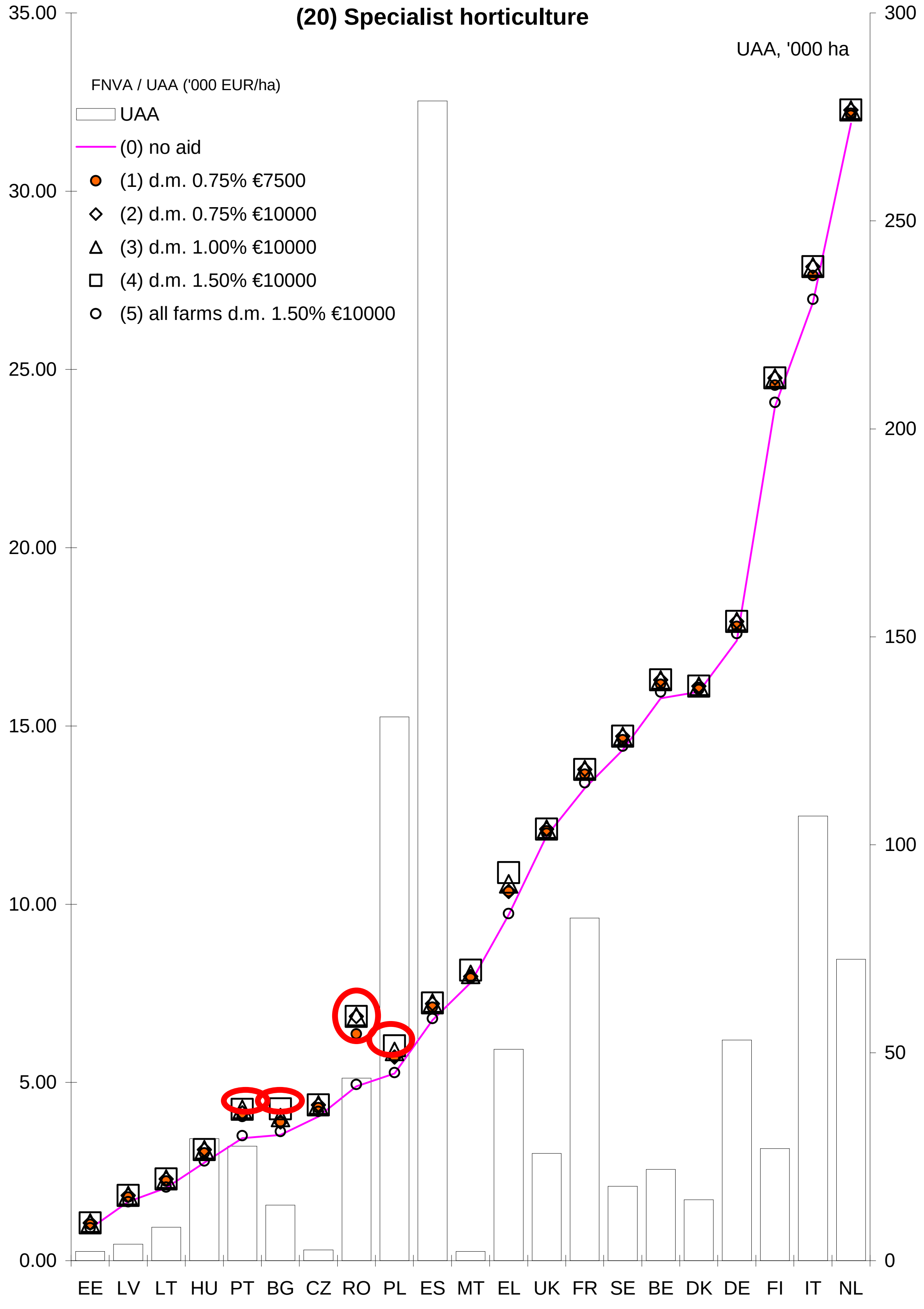
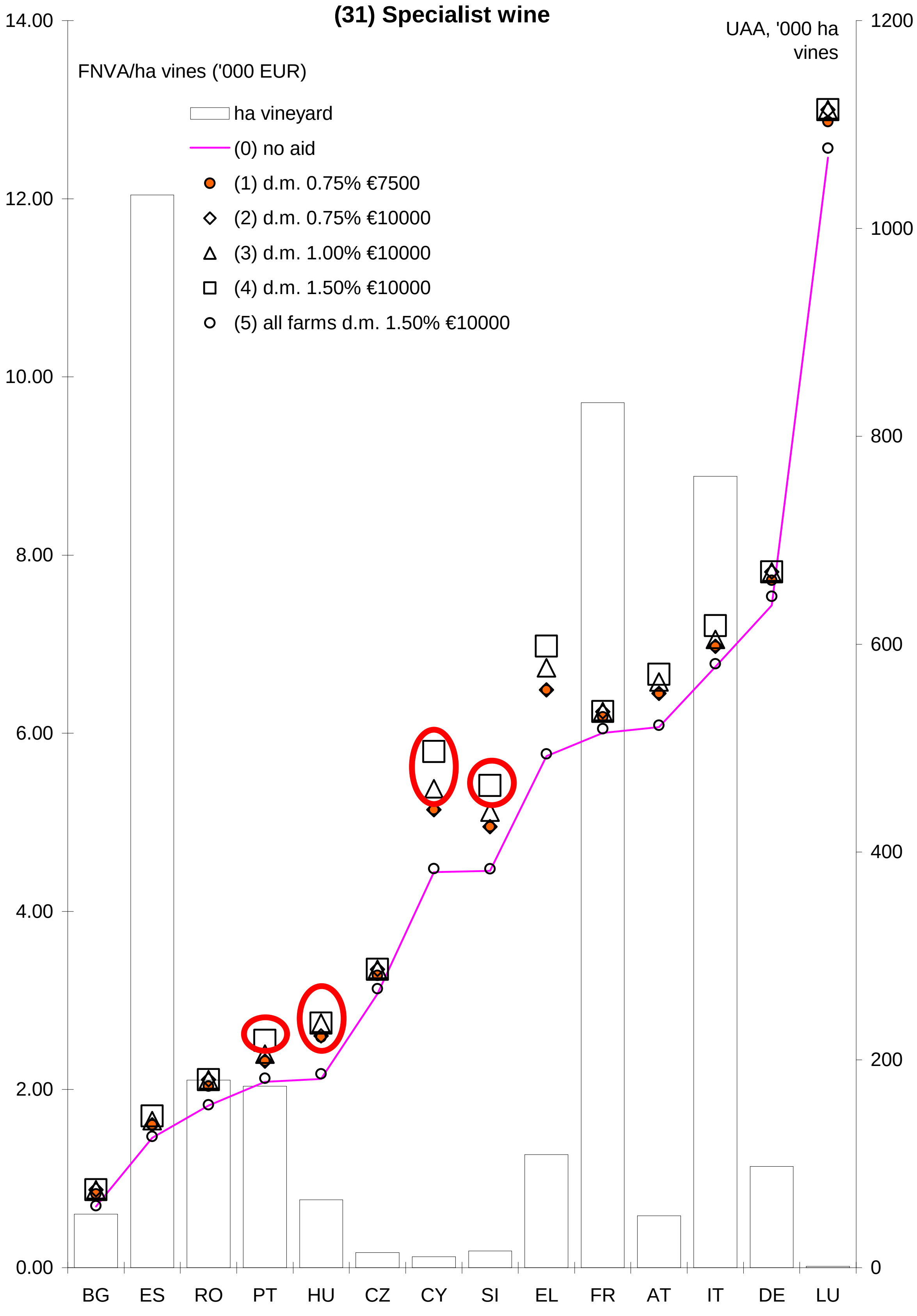
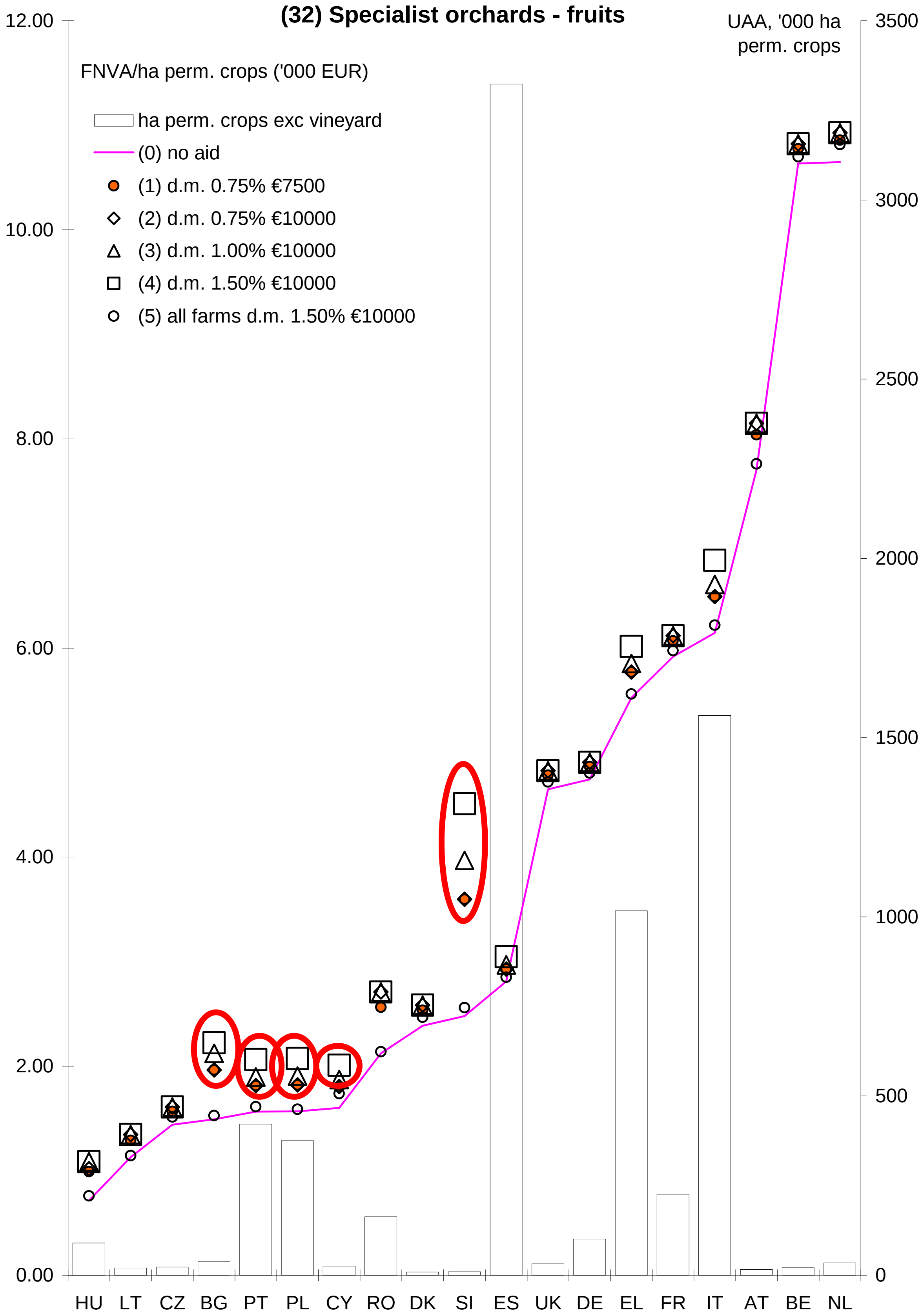

(20) Specialist horticulture
FNVA / UAA ('000 EUR/ha)
UAA, '000 ha
UAA
(0) no aid
(1) d.m. 0.75% €7500
(2) d.m. 0.75% €10000
(3) d.m. 1.00% €10000
(4) d.m. 1.50% €10000
(5) all farms d.m. 1.50% €10000
35.00
30.00
25.00
20.00
15.00
10.00
5.00
0.00
300
250
200
150
100
50
0
EE LV LT HU PT BG CZ RO PL ES MT EL UK FR SE BE DK DE FI IT NL

Chart 14.



(31) Specialist wine
FNVA/ha vines ('000 EUR)
UAA, '000 ha vines
ha vineyard
(0) no aid
(1) d.m. 0.75% €7500
(2) d.m. 0.75% €10000
(3) d.m. 1.00% €10000
(4) d.m. 1.50% €10000
(5) all farms d.m. 1.50% €10000
14.00
12.00
10.00
8.00
6.00
4.00
2.00
0.00
1200
1000
800
600
400
200
0
BG
ES
RO
PT
HU
CZ
CY
SI
EL
FR
AT
IT
DE
LU

Chart 15.



(32) Specialist orchards - fruits
FNVA/ha perm. crops ('000 EUR)
UAA, '000 ha
perm. crops
ha perm. crops exc vineyard
(0) no aid
(1) d.m. 0.75% €7500
(2) d.m. 0.75% €10000
(3) d.m. 1.00% €10000
(4) d.m. 1.50% €10000
(5) all farms d.m. 1.50% €10000
12.00
10.00
8.00
6.00
4.00
2.00
0.00
3500
3000
2500
2000
1500
1000
500
0
HU LT CZ BG PT PL CY RO DK SI ES UK DE EL FR IT AT BE NL

Chart 16.

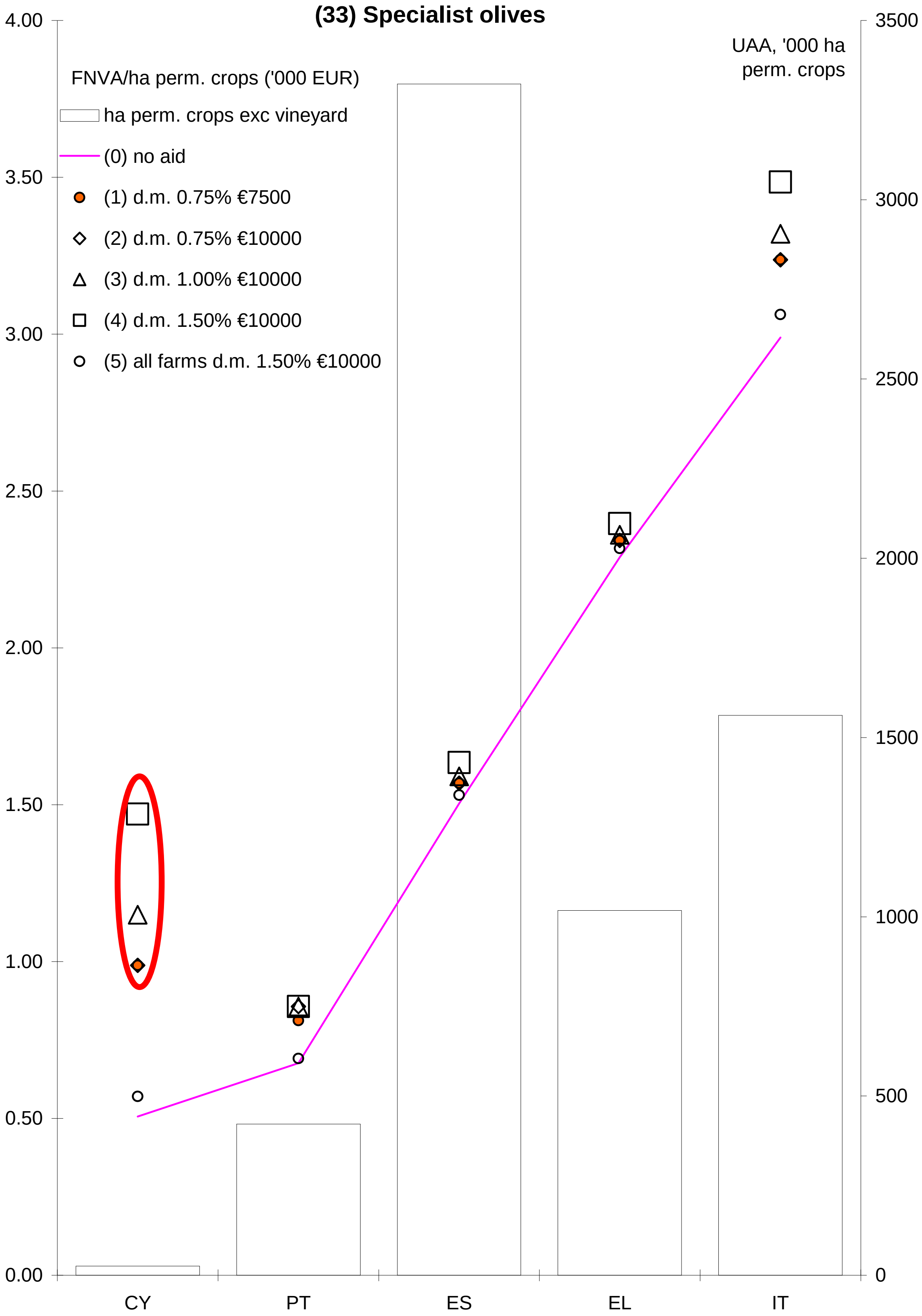

(33) Specialist olives
FNVA/ha perm. crops ('000 EUR)
UAA, '000 ha
perm. crops
ha perm. crops exc vineyard
(0) no aid
(1) d.m. 0.75% €7500
(2) d.m. 0.75% €10000
(3) d.m. 1.00% €10000
(4) d.m. 1.50% €10000
(5) all farms d.m. 1.50% €10000
4.00
3.50
3.00
2.50
2.00
1.50
1.00
0.50
0.00
3500
3000
2500
2000
1500
1000
500
0
CY
PT
ES
EL
IT

Chart 17.

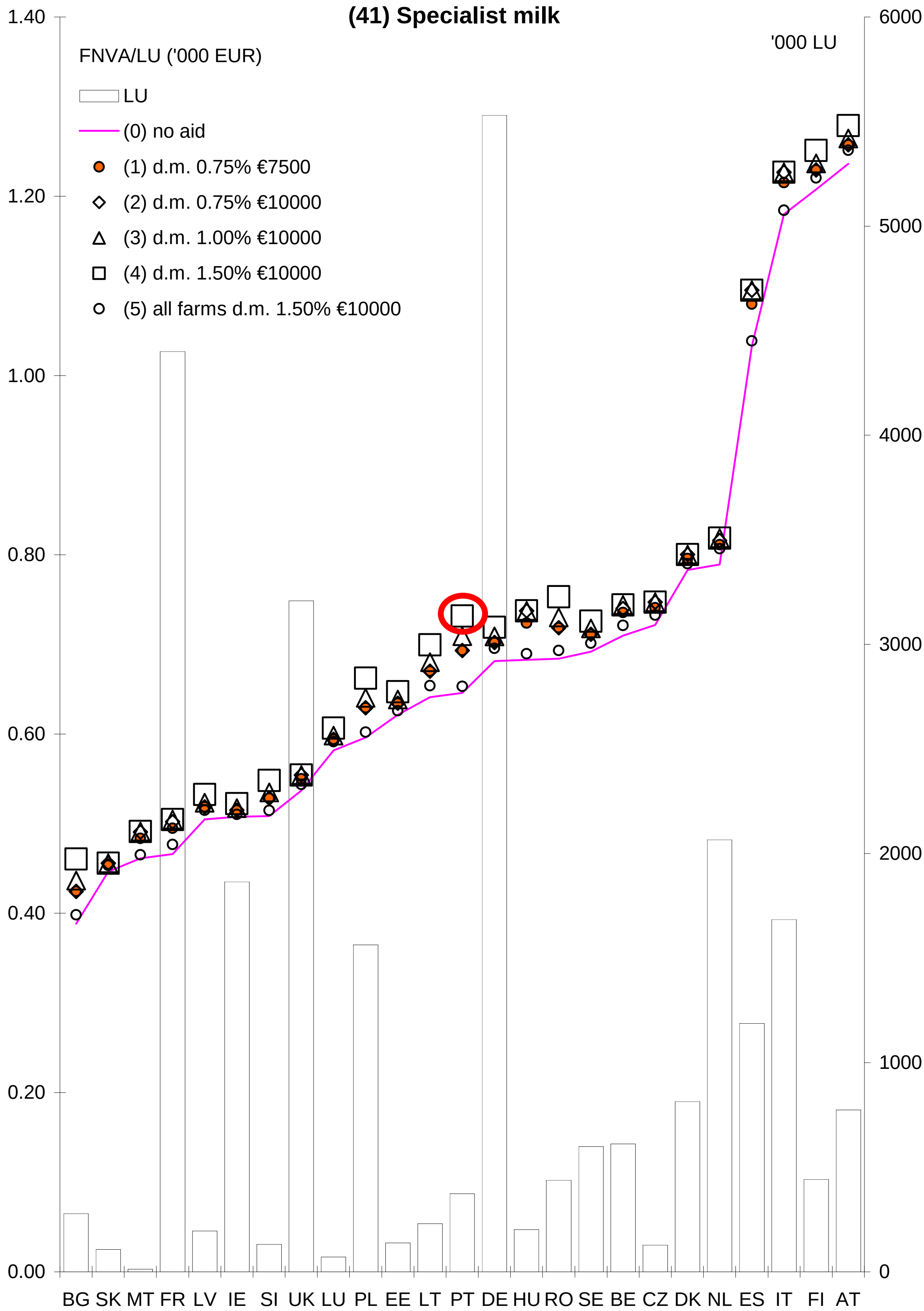

(41) Specialist milk
FNVA/LU ('000 EUR)
'000 LU
LU
(0) no aid
(1) d.m. 0.75% €7500
(2) d.m. 0.75% €10000
(3) d.m. 1.00% €10000
(4) d.m. 1.50% €10000
(5) all farms d.m. 1.50% €10000
1.40
1.20
1.00
0.80
0.60
0.40
0.20
0.00
6000
5000
4000
3000
2000
1000
0
BG SK MT FR LV IE SI UK LU PL EE LT PT DE HU RO SE BE CZ DK NL ES IT FI AT

Chart 18.

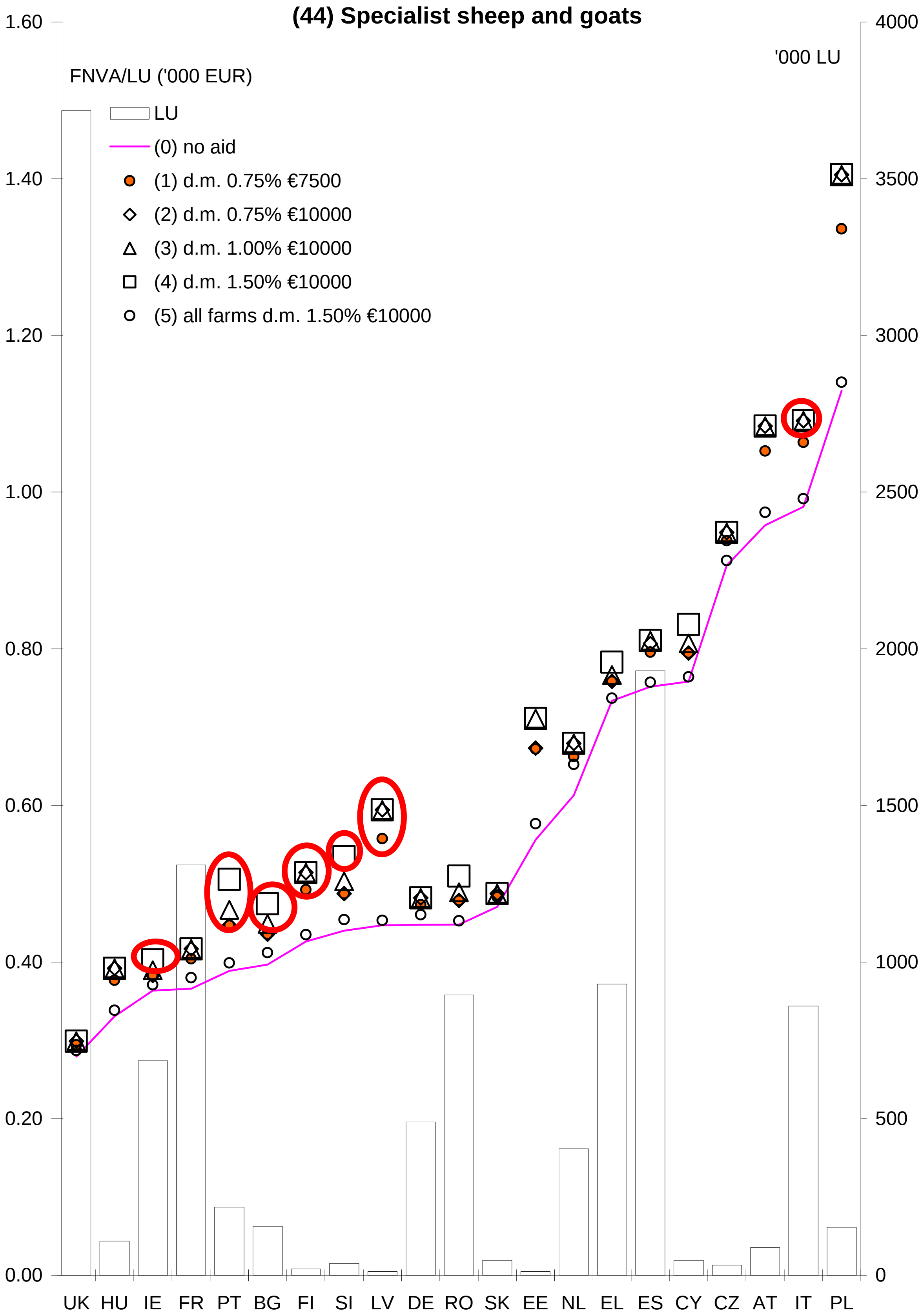

(44) Specialist sheep and goats
FNVA/LU ('000 EUR)
'000 LU
LU
(0) no aid
(1) d.m. 0.75% €7500
(2) d.m. 0.75% €10000
(3) d.m. 1.00% €10000
(4) d.m. 1.50% €10000
(5) all farms d.m. 1.50% €10000
1.60
1.40
1.20
1.00
0.80
0.60
0.40
0.20
0.00
4000
3500
3000
2500
2000
1500
1000
500
0
UK HU IE FR PT BG FI SI LV DE RO SK EE NL EL ES CY CZ AT IT PL

Chart 19.

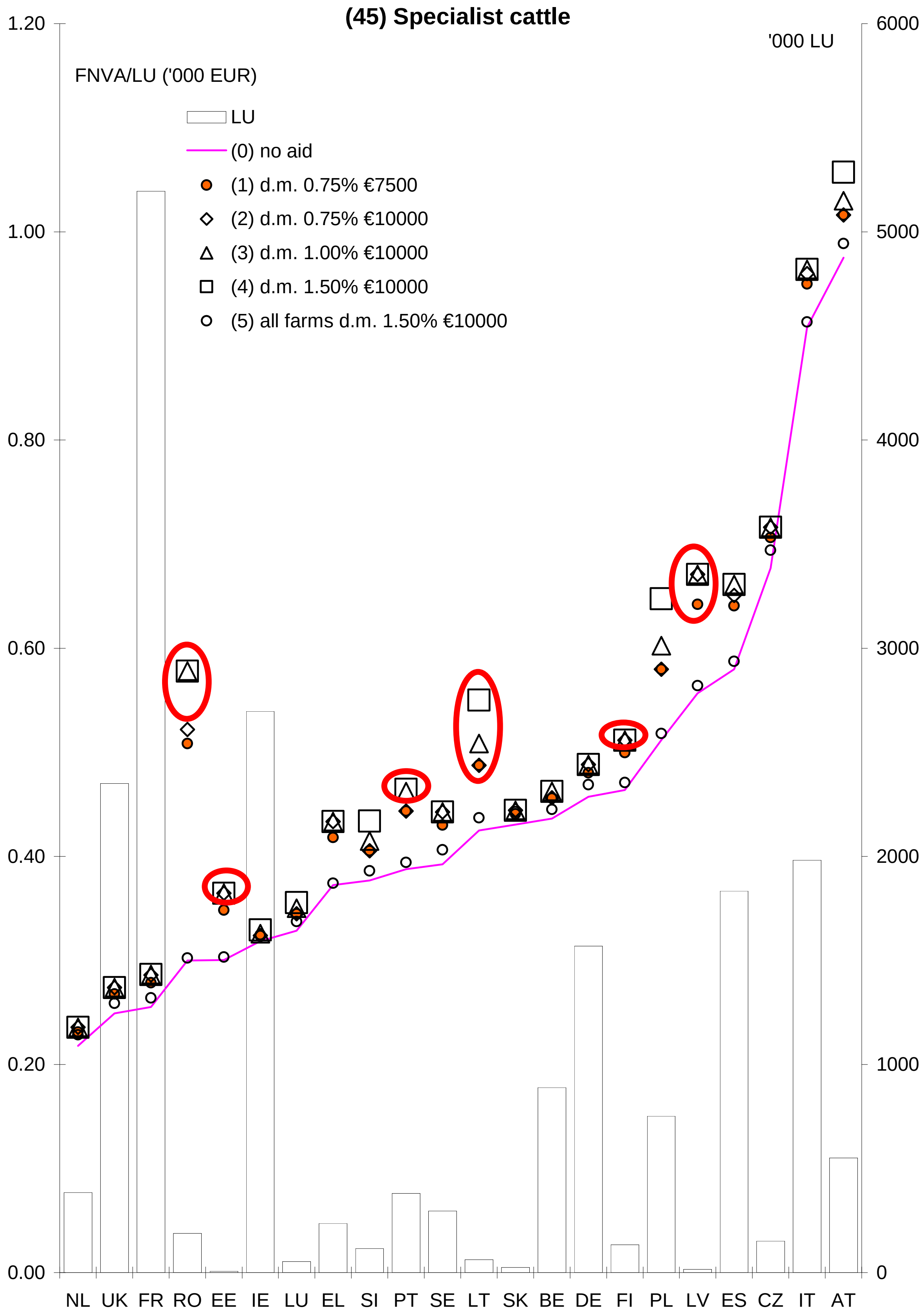
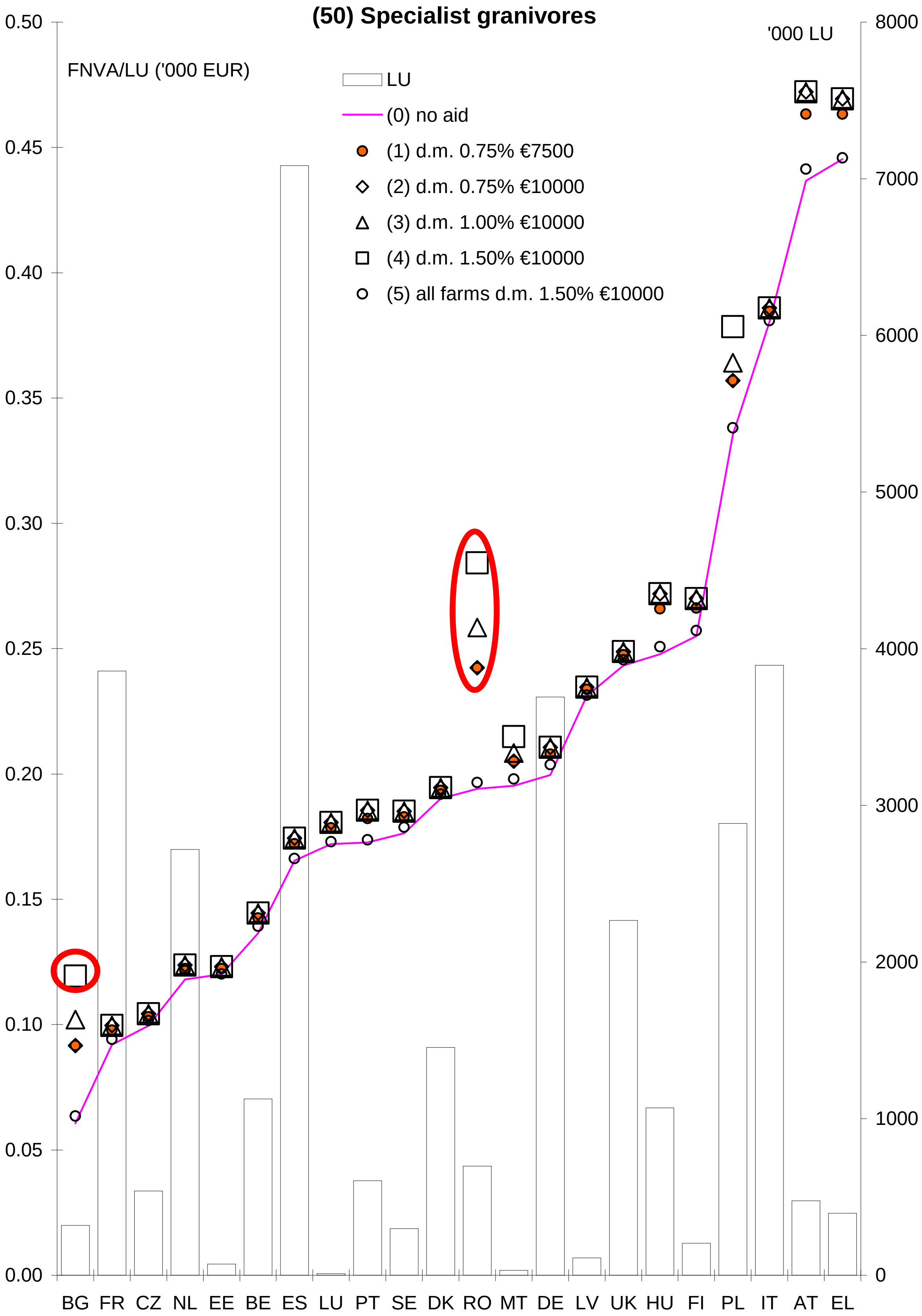

(45) Specialist cattle
FNVA/LU ('000 EUR)
'000 LU
LU
(0) no aid
(1) d.m. 0.75% €7500
(2) d.m. 0.75% €10000
(3) d.m. 1.00% €10000
(4) d.m. 1.50% €10000
(5) all farms d.m. 1.50% €10000
1.20
1.00
0.80
0.60
0.40
0.20
0.00
6000
5000
4000
3000
2000
1000
0
NL UK FR RO EE IE LU EL SI PT SE LT SK BE DE FI PL LV ES CZ IT AT

Chart 20.


(50) Specialist granivores
FNVA/LU ('000 EUR)
'000 LU
LU
(0) no aid
(1) d.m. 0.75% €7500
(2) d.m. 0.75% €10000
(3) d.m. 1.00% €10000
(4) d.m. 1.50% €10000
(5) all farms d.m. 1.50% €10000
0.50
0.45
0.40
0.35
0.30
0.25
0.20
0.15
0.10
0.05
0.00
8000
7000
6000
5000
4000
3000
2000
1000
0
BG FR CZ NL EE BE ES LU PT SE DK RO MT DE LV UK HU FI PL IT AT EL