

State support for animal genetic resources

Hermann Schulte-Coerne
hermann@schulte-coerne.de

Part 1: Support from EU-funds (EAFRD)

1. Council Regulation (EC) 1698/2005
2. Commission Regulation (EC) 1974/2006 (with detailed rules to apply Reg. 1698/2005)
3. Draft of a new EAFRD-regulation expected to come into force in 2014

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1. Council Regulation (EC) 1698/2005 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD)

SECTION 2 Axis 2 Improving the environment and the countryside

Article 36 Measures

Support under this section shall concern:

(a) measures targeting the sustainable use of agricultural land through:

- (i) natural handicap payments to farmers in mountain areas;
- (ii) payments to farmers in areas with handicaps, other than mountain areas;
- (iii) Natura 2000 payments and payments linked to Directive 2000/60/EC;

(iv) agri-environment payments;

- (v) animal welfare payments;
- (vi) support for non-productive investments;

(b) measures targeting the sustainable use of forestry land ...

Comment:

Support for AnGR is only a very minor part of EAFRD-funding.
It is even a minor and specific part of the agri-environmental measures

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1. Council Regulation (EC) 1698/2005

Article 39 Agri-environment payments paragraphs 1 to 4

Comment:

- Para's 1 to 4 relate to agri-env. measures in general,
- these allow, among others, for payments for keeping animals of an endangered breed (per head premia).
- This had been the only measure explicitly for AnGR in the preceding Council Regulation 2078/92

There are important restrictions for measures under para's 1 – 4:

- Agri-environment payments can only be granted to farmers who make ... agri-environmental commitments.
- Support shall be limited to the maximum amount laid down in the Annex (200 EURO per livestock unit)

Article 39 (continued) paragraph 5:

Support may be provided for the conservation of genetic resources in agriculture for operations not covered by the provisions under paragraphs 1 to 4.

Comment:

- Para 5 was newly introduced with Reg 1698/2005
- is much more broad and flexible and is not restricted by rules on para 2 -4. i.e.
 - can be given to non-farmers, e.g to breeding associations
 - other limits and payments as the 200 EURO per LU
 - more measures than just per head premia, i.e.
 - = pay for herdbook keeping, cryoconservation, ...

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1. Council Regulation (EC) 1698/2005

Article 70 Fund contribution

3. The EAFRD contribution rate shall be established for each axis.

(b) In the case of axis 2 (improving the environment and the countryside) and axis 4 (Leader) the following ceilings shall apply respectively:

- (i) 80 % of the eligible public expenditure in the regions eligible under the Convergence Objective;
- (ii) 55 % of the eligible public expenditure in the other regions.

Comment:

As far as the region is eligible under the convergence objective (like Slovenia?) EU pays 80%, 20% is given by the national state.

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1. Council Regulation (EC) 1698/2005

Article 88 Application of the rules to State aid

1. Articles 87, 88 and 89 of the Treaty shall apply to support for rural development by Member States.

Comment:

art. 87 (now art. 107) Aids in any form granted by member states affecting trade between MS generally forbidden unless Commission explicitly allows for it, e.g. for agriculture by COMMUNITY GUIDELINES FOR STATE AID IN THE AGRICULTURE SECTOR (EC-document 2000/C 28/02)

art. 88 (now art. 108) Commission controls and punishes misuse
Article 88 para 1 continues:

However, Articles 87, 88 and 89 of the Treaty shall not apply to financial contributions provided by Member States as counterpart of Community support for rural development within the scope of Article 36 of the Treaty in accordance with this Regulation.

Comment:

national payments in the scope of art. 36 are allowed state aids.
Even national payments without EU-cofinancing may be allowed, if they follow the rules in art. 36

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1. Council Regulation (EC) 1698/2005

ANNEX

AMOUNTS AND RATES OF SUPPORT

Article	Subject	Amount in EUR
39 (4)	Local breeds in danger of being lost to farming	200 € per livestock unit

Comment:

these subject and amount DOES NOT REFER TO Art 39(5)-measures!

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2. Commission Regulation (EC) 1974/2006
laying down detailed rules for the application of Council Regulation
(EC) No 1698/2005 on support for rural development by the EAFRD

Article 27

1. For the purpose of Article 39(1) to (4) ...
of Regulation (EC) No 1698/2005 ...relevant:

4. Support may relate to the following commitments:

(a) **to rear farm animals of local breeds indigenous to the area and in danger of being lost to farming;**

(b) to preserve plant genetic resources naturally adapted to the local and regional conditions and under threat of genetic erosion.

The eligible species of farm animals and the criteria for determining the threshold of loss to farming of local breeds are defined in Annex IV.

13. The conversion rates of animals to livestock units (LU) are set out in Annex V.
Member States may differentiate those rates within the limits set in that Annex for the relevant categories, according to objective criteria.

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2. Commission Regulation (EC) 1974/2006

Article 28

1. **Support under Article 39(5) of Regulation (EC) No 1698/2005 may cover operations carried out by other beneficiaries than those referred to in Article 39(2) of that Regulation.**

2. **Activities** entering in agri-environmental commitments referred to in Article 27(4) of this Regulation **shall not be eligible for support under Article 39(5) of Regulation (EC) No 1698/2005.**

No support shall be granted under Article 39(5) of Regulation (EC) No 1698/2005 for activities eligible under the framework programme of the European Community for research, technological development and demonstration activities.

3. The operations for the conservation of genetic resources in agriculture eligible for support under Article 39(5) of Regulation (EC) No 1698/2005 shall include the following:

- (a) targeted actions: ...
- (b) concerted actions: ...
- (c) accompanying actions: ...

4. For the purposes of this Article, the following definitions shall apply:

- (a) "in situ conservation" ...
- (b) "in situ/on-farm conservation" ...
- (c) "ex situ conservation" ...
- (d) "ex situ collection" ...

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2. Commission Regulation (EC) 1974/2006

ANNEX II Information to be given by MS

5.3.2.1.4. Agri-environment payments

....

- the list of local breeds in danger of being lost to farming and the number of breeding females concerned.

That number must be certified by a duly recognised technical body — or breeder's organisation/association — which must register and keep up-to-date the herd or flock book for the breed.

Evidence that the body concerned possesses the necessary skills and knowledge to identify animals of the breeds in danger,

- ...

- for conservation of genetic resources in agriculture (Article 39(5) of Regulation (EC) No 1698/2005): types of beneficiaries, of operations and details on eligible costs.

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2. Commission Regulation (EC) 1974/2006

ANNEX IV

THRESHOLDS FOR ENDANGERED BREEDS (REFERRED TO IN ARTICLE 27(4))

Eligible farm animal species	Thresholds under which a local breed is considered as being in danger of being lost to farming (number of breeding females*)
Cattle	7.500
Sheep	10.000
Goat	10.000
Pigs	15.000
Avian	25.000
Equidae	5.000

* Number, calculated for all Member States, of breeding females of the same breed available for pure-bred reproduction registered in a herd book kept by an approved breeding organisation recognised by the Member State in accordance with Community zootechnical legislation.

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3. Draft for a new EAFRD-regulation

A new EAFRD-regulation will succeed to COM-Regulation 1698/2005 for the period 2014 -2020

- a draft regulation was officially presented at 12. October 2011
- the final regulation has to be adopted by Council and EP
- this is expected not before autumn 2012.

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3. Draft for a new EAFRD-regulation

Article 29 Agri-environment-climate is similar to Article 39 in Reg 1698/2005

no change:

- former Art. 39 para 5 on general support for Genetic Resources is now Art. 29 para 9 with the same wording
- payment for keeping animals of an endangered breed is possible as an agri-environmental measure under para's 1 – 8,
- however the restrictions remain (only farmers, maximum amount 200 €/LU)

slight change:

- Article 29 now has 10 para's (before: 5)

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3. Draft for a new EAFRD-regulation

New, compared to existing regulation:

- Member states may finance operation-related expert advice and/or make support under this measure conditional to relevant training
- The Commission shall be empowered to adopt delegated acts concerning conditions applicable to commitments
 - to rear local breeds in danger of being lost to farming
 - as well as the concerning definition of eligible operations under paragraph 9. (i.e. for support to GR)

Comment:

„delegated acts“:

- similar to Commission regulations, laying down detailed rules
- however issued by COM without consultation with MS, Council or EP

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3. Draft for a new EAFRD-regulation

What can we do, to get optimal support from the new regulation ?

1. Lobbying for a good final regulation at EU-level

- watch, that the draft is not changed and that sufficient EU-money is reserved for agri-environmental measures
- watch, that the delegated acts allow for effective application of the regulation
 - no change in definitions of supported species, thresholds for endangered breeds
 - maintain broad flexibility of eligible operations
 - reduce administrative restrictions and burden

2. Lobbying for a good national implementation

National governments will decide, which measures of the EAFRD-regulation are implemented (and co-financed by national money), in the period from 2014 on, therefore

- watch, that national programmes to be sent to EU include all measures allowed under Article 29
- watch, that sufficient national money is reserved for that sector
- take influence, that only effective support operations are implemented

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END

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1. Council Regulation (EC) 1698/2005

Article 39 Agri-environment payments

- 1 Member States shall make available support provided for in Article 36(a)(iv) throughout their territories, in accordance with their specific needs.
- 2 Agri-environment payments shall be granted to farmers who make on a voluntary basis agri-environmental commitments. Where duly justified to achieve environmental objectives, agri-environment payments may be granted to other land managers.
- 3 Agri-environment payments cover only those commitments going beyond the relevant mandatory standards established pursuant to Articles 4 and 5 of and Annexes III and IV to Regulation (EC) No 1782/2003 as well as minimum requirements for fertiliser and plant protection product use and other relevant mandatory requirements established by national legislation and identified in the programme. These commitments shall be undertaken as a general rule for a period between five and seven years. Where necessary and justified, a longer period shall be determined according to the procedure referred to in Article 90(2) for particular types of commitments.
- 4 The payments shall be granted annually and shall cover additional costs and income foregone resulting from the commitment made. Where necessary, they may cover also transaction cost. Where appropriate, the beneficiaries may be selected on the basis of calls for tender, applying criteria of economic and environmental efficiency. Support shall be limited to the maximum amount laid down in the Annex.
- 5 Support may be provided for the conservation of genetic resources in agriculture for operations not covered by the provisions under paragraphs 1 to 4.

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