

National aid granted by Finland for seeds and cereal seed

2007/0109(CNS) - 22/10/2007 - Final act

PURPOSE: to discontinue the possibility for Finland to grant national aid for seeds and cereal seed after a transitional period.

LEGISLATIVE ACT : [Council Regulation \(EC\) No 1247/2007 amending Regulation \(EC\) No 1947/2005 as regards national aid granted by Finland for seeds and cereal seed](#)

CONTENT: pursuant to the Council Regulation (EC) No 1947/2005, Finland may grant aid respectively for certain quantities of seeds and for certain quantities of cereal seed produced solely in Finland because of its specific climatic conditions.

A recent report has shown that seeds and cereal seed producers in Finland have access to other aid schemes and can therefore benefit from subsidies aimed at compensating Finnish farmers for the climatic conditions in which they operate. The report also shows that the production volume of cereal seed in Finland has experienced an upward trend and that the quantity of imported cereal seed is small compared to the domestically produced quantity. Furthermore, the report points out that when domestic seeds production has decreased, imports have increased and vice versa, leading to the conclusion that substitution of imports for domestically produced seeds is possible and that national Finnish aid may distort competition with imported products.

Timothy seed is multiplied in Finland in nearly optimal and relatively competitive conditions. Maintaining coupled aid for timothy production will undoubtedly permit a high level of timothy seed production to be maintained in Finland. National aid for timothy seed production should therefore be abolished.

For these reasons and for the proper functioning of the internal market, this Regulation discontinues the possibility for Finland to grant national aid for seeds and cereal seed. However, in order to enable farmers in Finland to prepare for the new situation created by the abolition of national aid, aid for the production of seeds and cereal seed, with the exception of timothy seeds, is maintained during a final transitional period, i.e. the 2010 harvest, after which it will be abolished.

By 31 December 2008 at the latest, Finland must transmit to the Commission a detailed report on the results of the aid authorised.

ENTRY INTO FORCE : 29/10/2007