Agricultural prices 1999/2000 : aid for seeds (amend. regul. 2358/71/EEC)

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This Report from the Commission to the Council concerns the results of Finnish aid for certain quantities of seeds and certain quantities of cereal seeds. The Report is based on the information communicated by the Finnish authorities in 26.10.1998 under Article 4 of Decision 95/282/EC on the amounts of aid actually granted, the area cultivated and the production and marketing of such species and variety for which aid is granted. Technical discussions were held between the Finnish Ministry of Agriculture and Forestry and the Commission on this information. With regard to aid for herbaceous seeds, the Finnish Ministry of Agriculture and Forestry requested the Commission for authorisation to fix maximum amounts on the basis of areas cultivated for herbaceous seeds and was permitted to do so because of the significant fluctuations in production per unit of area in this sector. This is down to climate effects, which result in very different per-hectare yields from one year to the next. The granting of area aid, with the amount fixed annually and calculated in such a way that the income of producers after receipt of the aid remains within the average income of producers during the reference period from 1989 to 1993, has proved effective and has helped maintain stability in this sector. Despite the severe climatic conditions which produce considerable differences in per-hectare production from one year to the next, area aid has helped guarantee a minimum income level for producers. Based on the results of the application of the national aid in Finland during the period 1995 to 1998, and in view of the fact that this aid has not affected trade between the Member States, the Commission considers that the system of area aid should be continued until 2006. With regard to aid for cereal seeds, as in the case of herbaceous seeds, authorisation was granted for aid for varieties listed in Finland's national catalogue which, with the exception of small quantities cultivated in bordering regions, are produced solely in that Member State. Seed production increased by around 14% from 1995 to 1997. However, production was only 58% of the maximum laid down by the Commission. No seed was exported, with the exception of a small quantity exported with the express authorisation of the Commission. Finally, should it prove necessary to maintain the system of national aid for the production of cereal seeds from 2000 on, Finland will have to present a special duly justified request under the common organisation of the market in cereals. In conclusion, on the basis of the information provided in this Report, a proposal for a Council Regulation is presented at the same time.