

Leaf tobacco: premiums and guarantee thresholds for the 2002, 2003 and 2004 harvests (amend. Regulation (EEC) No 2075/92)

2001/0276(CNS) - 13/10/2003 - Follow-up document

Following the Council Decision Regulation 546/20021/EC to amend the activities of the Community Tobacco Fund and according to Council Regulation 2075/92/EEC on the common organisation of the market in raw tobacco, the Commission must submit a report by 31 December 2003 on the use of Community Tobacco Fund appropriations. This is the purpose of this report. In particular, this report focuses on the use of appropriations deriving from the deduction applied to the 2002 harvest. Measures under the Fund are as follows: - measures to provide information on the harmful effects of smoking continue to be implemented, but their scope has been extended as regards health warnings, and the problems of passive smoking and giving up; - the other measures under the Fund have been entirely redefined. Agronomic research has been replaced by a new priority in the form of measures to support initiatives allowing tobacco growers wishing to withdraw from the sector to switch to other crops and economic activities which generate employment, as well as studies on conversion opportunities. The Fund continues to be financed by a deduction from the premium paid to tobacco producers. This deduction has been gradually increased, thus enabling more financial resources to be made available. On the basis of a 2% premium deduction for the 2002 harvest, the overall amount available for financing the Fund for 2003 stands at approximately EUR 19 million. The equal allocation of resources to the two categories of measures means that EUR 9.5 million is available for each. As regards the use of the Fund for information purposes, the increase in the premium clawback from 1% to 2% made it possible to consider larger-scale measures aimed at providing information on the harmful effects of smoking. Accordingly, a vast anti-smoking campaign targeted at adolescents in the 12-18 age group was launched in the fifteen Member States of the Community. This campaign will take place over three years at a projected annual cost of EUR 6 million, financed in full by the Fund. In 2001, the percentage of appropriations committed stood at 99.9 %. The percentage of appropriations committed in 2002 was 96.8%. With regard to conversion measures, the change in the scope of the activities of the Community Tobacco Fund in March 2002 was radical. Individual measures comprise: - switching to other crops and improving the quality of agricultural products other than tobacco, as well as providing incentives to holdings to diversify their activities; - training for producers for a switch to agricultural products other than tobacco; - establishing the infrastructure for marketing quality products other than tobacco, as well as services for the rural economy and rural people and diversifying agricultural or semi-agricultural activities with a view to creating a range of activities that generate alternative employment and income, and in particular promoting tourism and handicrafts activities. In the context of the quota buy-back programme for the 2002 harvest, quotas totalling 2 550 tonnes of tobacco were bought back and 1 335 producers withdrew from the sector. The buy-back was successful in Italy and Greece (56.8% and 39.4% of the total buy-back respectively), as well as in Portugal, Belgium and Austria. However, no quotas were bought back in Germany, Spain or France. By way of comparison with previous years, 2002 quota buy-backs were seven times greater than those for the 1999, 2000 or 2001 harvests. The improvement in the results of the buy-back programme may also be attributed to the opportunities offered by the Fund. The report concludes that the increase in funding from 1% to 2% has made it possible to achieve a budgetary threshold authorising assistance for media measures which now cover the entire EU. On the basis of the data and forecasts the 90% rate of use should also be exceeded this year. As regards the part of the Fund earmarked for conversion activities, the interest shown by producers in 2003 has confirmed that the amendment which resulted in the Tobacco Fund providing support for the conversion of tobacco-growing areas has fulfilled genuine needs in this field. The proof lies in the fact that the measures financed in 2003 entirely used up the budget resources allocated for this purpose.