Outermost regions: specific supply arrangements for agricultural products which are essential for human consumption, for the manufacture of other products or as agricultural inputs

2004/0247(CNS) - 28/10/2004 - Legislative proposal

PURPOSE : to lay down specific measures on agriculture to remedy the difficulties caused by the remoteness, insularity and distant location of the regions of the Union.

PROPOSED ACT : Council Regulation.

CONTENT : on 28 June 2001, the Council, adopted a reform of the support schemes for agriculture in the EU's outermost regions. These measures have proved effective in promoting agriculture in and securing supplies to these regions. On the other hand, the administration of these arrangements leaves something to be desired: the management of the two strands of the Posei schemes, i.e. the specific supply arrangements and support for local lines of production in the outermost regions, has proved somewhat inflexible. Adapting the supply balances to take account of even small fluctuations in demand requires the Commission to adopt legislation. The arrangements for supporting local lines of production are, moreover, fragmented into 56 (micro-)measures established by Council regulations. It is not possible to adjust these measures without an interinstitutional legislative procedure, which slows down Community action and hampers attempts to react as quickly as possible to specific situations in the outermost regions, even though often only modest sums are involved.

That is why it is proposed to change the philosophy behind the way assistance is provided for these regions: by encouraging participation in decision-making and speeding up the response to their specific needs.

This draft Regulation provides for the submission by the Member States of one programme per outermost region. These programmes will include a section on the specific supply arrangements for those agricultural products which are essential in the outermost regions for human consumption, as agricultural inputs or for processing, and another section on support for local production.

The Regulation does not affect the sources of financing or the intensity of Community support.

The Community will finance the programme under the EAGGF Guarantee Section at 100% up to an annual ceiling established in the Council Regulation. Part of this aid will have to be reserved for local agricultural production. The amounts have been calculated on the basis of the average expenditure on financing the specific supply arrangements during the reference period 2001–2003 and on the basis of expenditure ceilings applicable to support for local production.

FINANCIAL IMPLICATIONS :

- Budget line concerned : 05 02 11 04; appropriations : EUR 268 million.

- Expenditure charged to the budget : EUR 289,3 million per year.

It should be noted that the appropriations for other lines of Title 05 are also concerned, especially as regards those payments which are made in the outermost Regions in the context of certain direct aid regimes throughout the Union. These payments notably concern beef, sheep and goat premiums (EUR 41,8 million) and arable crops (EUR 1,9 million), currently financed respectively from within the appropriations of 05 03 02, 05 03 03 and 05 02 03.