

National aid granted by Finland for seeds and cereal seed

2007/0109(CNS) - 13/06/2007 - Legislative proposal

PURPOSE: amending Regulation (EC) No 1947/2005 as regards national aid granted by Finland for seeds and cereal seed.

PROPOSED ACT: Council Regulation.

CONTENT: in accordance with Article 8(2) of Council Regulation (EC) No 1947/2005 the Commission shall forward to the Council a report on the results of the national aid authorised in Finland for certain quantities of seeds and for certain quantities of cereal seed together with any necessary proposals.

The findings on the results of the aid granted in Finland for seeds and cereal seed production are made clear in the report “on the results of the aid authorised in Finland for certain quantities of seeds and certain quantities of cereal seed”. The report describes the developments within the seed and cereal seed sectors in Finland during the period 2000 to 2005.

That report shows that seeds and cereal seed producers in Finland have access to and benefit from other aid schemes, which compensate Finnish farmers for the climatic conditions in which they operate.

The report also shows that the production volume of cereal seed in Finland experienced an upward trend and that the imported quantity of cereal seed is small compared to the domestically produced quantity. Furthermore, there is evidence in the report to show that when domestic seeds production decreased, imports increased and vice versa, leading to the conclusion that substitution of domestic seeds with imports is possible and that national Finnish aid may distort competition with imported products.

For the above reasons and for the proper functioning of the single market, the Commission considers it appropriate to discontinue the possibility for Finland to grant national aid for seeds and cereal seed starting from 2011.

However, in order to provide farmers in Finland with the opportunity to prepare for a situation without national aid, it is appropriate to grant aid for the production of seeds and cereal seed, with the exception of Timothy seeds, during a final, additional transitional period after which it will be abolished.

With a view to an interim review of the national aid system, Finland shall transmit, by 31 December 2008 at the latest, to the Commission a detailed report on the results of the aid authorised.