

# COMMISSION OF THE EUROPEAN COMMUNITIES

COM(92) 348 final

Brussels, 28 July 1992

Proposal for a  
COUNCIL REGULATION (EEC)

on special measures for farmers affected by  
the 1991/92 drought in Portugal

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(presented by the Commission)

EXPLANATORY MEMORANDUM

Portugal suffered a severe drought during the period autumn 1991 to spring 1992 entailing losses for producers of up to two thirds of their winter cereals harvests. The drought also severely affected fodder production, thus causing problems for the Portuguese livestock sector. This situation has had a serious effect on the incomes of the Portuguese producers concerned.

In order to remedy the situation the Portuguese Government has requested compensatory aid schemes to be introduced.

In the case of cereals, it is proposed to authorize the Portuguese Republic to grant aid per hectare to compensate for yield losses up to a maximum which will vary according to the cereal concerned.

In the case of the livestock sector, it is proposed to authorize the Portuguese Republic to grant aid to supplement the existing Community premiums for farmers with suckler cows, ewes and she-goats and aid for small milk producers and producers holding horses.

It is proposed that the EAGGF make a financial contribution to the aids, excepting the aid for producers holding horses, which is to be financed from the national budget. That contribution will not exceed the amounts entered for the purpose in the budget. The Commission contemplates proposing a limit of ECU (agricultural) 35 million for the cereals sector and ECU 47 million for the livestock sector.

This draft package of measures has no impact on small and medium-sized enterprises.

Proposal for a  
COUNCIL REGULATION (EEC)

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THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,  
and in particular Articles 42 and 43 thereof,

Having regard to the proposal from the Commission<sup>1</sup>,

Having regard to the opinion of the European Parliament<sup>2</sup>,

Whereas Portugal suffered a severe drought between autumn 1991 and spring 1992 resulting in cereals harvest losses which may be almost total in certain regions, and in particularly high additional costs for the feeding of cattle, sheep, goats and/or horses in certain regions; whereas, in order to mitigate the resulting loss of income to the producers concerned, special aid schemes should be provided for; whereas the detailed rules for such schemes should be laid down;

Whereas the spring drought has a smaller effect on late-harvest cereals, such as maize and sorghum; whereas the aid should accordingly be restricted to winter cereals; whereas durum wheat already benefits from large amounts of aid per hectare independent of output; whereas the aid should therefore be restricted to common wheat, barley, rye and triticale;

Whereas, in the case of cereals, the compensation should be restricted to producers with low productivity; whereas compensation payable to such producers should be determined on the basis of their production losses and the production costs for the various cereals;

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Whereas, in the case of stockfarmers, provision should be made for special aid for producers holding suckler cows, ewes and she-goats, and for small milk producers in the regions affected; whereas the aid should be limited to an amount sufficient to offset expenditure on the purchase of fodder supplements during the period when, in normal years, there is sufficient grass growth to supply the basic feed needs of the animals concerned;

Whereas, as regards compensation to stockfarmers for additional costs, a list of regions should be drawn up according to the severity of the drought therein, on the basis of the shortage of rainfall compared with normal levels and the effects of exceptionally high temperatures; whereas the maximum aid authorized should be limited in accordance with the severity of the drought and on the basis of the animal species concerned;

Whereas, in order to allow speedy payment of the aid, the Community suckler cow, ewe and she-goat premiums granted to individual farmers for the 1991 marketing year should be taken as the reference figure; whereas, however, provision should be made for new producers who did not submit an application for the 1991 marketing year;

Whereas the economic consequences of the drought could slow down the integration of Portuguese agriculture into the common organization of the markets; whereas, in order to support Portuguese efforts to overcome the difficulties, the EAGGF Guarantee Section should make a financial contribution not exceeding the appropriations entered for the purpose in the budget to the aid in question;

Whereas the Portuguese authorities should be authorized to grant aid from the national budget for producers holding horses in the regions most severely affected by the drought,

HAS ADOPTED THIS REGULATION:

TITLE I

Measures to assist cereals producers

Article 1

1. Portugal is authorized to grant special aid to producers of common wheat, barley, rye and triticale particularly affected by the drought in Portugal during the period covering autumn 1991 to spring 1992.
2. Cereals producers who obtained an average per hectare of less than 1 000 kg of common wheat, 850 kg of barley and triticale and 650 kg of rye on their holdings in 1992 shall be considered to be particularly affected.

Article 2

Farmers who have submitted a crop declaration under the special aid scheme provided for in Council Regulation (EEC) No 3653/90<sup>3</sup> and, in duly substantiated cases, other farmers who can prove that their cereals crops have been affected shall be eligible for the aid.

Article 3

1. The aid per hectare shall not exceed:
  - ECU 215/ha for common wheat;
  - ECU 165/ha for barley and triticale; and
  - ECU 120/ha for rye.
2. The aid must be granted in such a way that producers particularly affected who have obtained an output per cereal of less than the quantities specified in Article 1(2) shall be entitled to part thereof. In that case the amounts stated in paragraph 1 shall be reduced in proportion to the difference between the actual yield obtained and the figures specified in Article 1(2).

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3 OJ No L 362, 27.12.1990, p. 28.

Article 4

Where necessary, the detailed rules for giving effect to this Title, in particular those relating to controls, shall be laid down in accordance with the procedure set out in Article 26 of Regulation (EEC) No 2727/75<sup>4</sup>.

Title II

Measures to assist stockfarmers

Article 5

Portugal is authorized to introduce a scheme for special drought aid for producers holding suckler cows, dairy cows, ewes and she-goats in regions affected by the severe drought in Portugal during the period covering autumn 1991 to spring 1992 who undertake to keep the herd or flock until at least 31 December 1992.

For the purposes of this Regulation:

- the particularly affected regions shall be as listed in Annex I;
- the very severely affected regions shall be as listed in Annex II;
- the severely affected regions shall be as listed in Annex III.

Article 6

Where Article 5 applies, special drought aid may be granted to producers holding suckler cows who received, for 1991, the suckler cow premium introduced by Council Regulation (EEC) No 1357/80<sup>5</sup>.

When the number of suckler cows held at 1 September 1992:

- is equal to the number for which the premium was paid for 1991, the aid may be granted for no more than that number of animals;
- is less than the number for which the premium was paid for 1991, the aid shall be granted for that lower number;

<sup>4</sup> OJ No L 281, 1.11.1975, p. 1.

<sup>5</sup> OJ No L 140, 5.6.1980, p. 1.

- is greater than the number for which the premium was paid for 1991, the aid shall be granted for that higher number, provided that the animals were already held at 1 January 1992 and subject to appropriate checks by the competent authorities.

Aid may also be paid to producers holding suckler cows as referred to in Article 5 who did not receive the suckler cow premium for the 1991 marketing year but who can prove to the satisfaction of the competent authority that they actually held suckler cows eligible under Regulation (EEC) No 1357/80 at least for the period 1 January to 1 September 1992. The aid may be paid for no more than that number of suckler cows.

#### Article 7

Where Article 5 applies, special drought aid may be granted to producers delivering or directly selling milk or milk products whose individual reference quantities as referred to in Article 5(c) of Regulation (EEC) No 804/68<sup>6</sup> are not more than 60 000 kg. The aid shall be granted only to producers within the particularly affected regions or very severely affected regions referred to in Article 5 who can prove to the satisfaction of the competent authority that they actually held dairy cows at least for the period 1 January to 1 September 1992. The aid shall be granted for no more than that number of dairy cows. The total number of dairy cows eligible for the aid shall not in any case exceed 17.

#### Article 8

Where Article 5 applies, special drought aid may be granted to producers holding ewes and/or she-goats who have received the premium referred to in Article 5 of Council Regulation (EEC) No 3013/89<sup>7</sup> for the 1992 marketing year. The aid may be granted for no more than the number of eligible ewes and/or she-goats subject to an appropriate check by the competent authorities.

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6 OJ No L 148, 28.6.1968, p. 13.

7 OJ No L 289, 7.10.1989, p. 1.

Article 9

1. The special drought aid shall not exceed:
  - (a) in particularly affected regions, ECU 145 per suckler cow, ECU 14.5 per ewe and ECU 14.5 per she-goat;
  - (b) in very severely affected regions, ECU 110 per suckler cow, ECU 11 per ewe and ECU 11 per she-goat;
  - (c) in severely affected regions, the amounts at (b) less 32%;
  - (d) in particularly or very severely affected regions, ECU 75 per dairy cow.
  
2. If the animals were not present for the whole of the period 1 January to 1 May 1992 in the regions referred to in Article 5, the maximum amounts set out in paragraph 1 shall be reduced in proportion to the time during which they were present.

Article 10

Where necessary, the Commission may lay down detailed rules to give effect to this Title in accordance with the procedure set out in Article 27 of Council Regulation (EEC) No 805/68<sup>8</sup> in the case of suckler cows, Article 30 of Council Regulation (EEC) No 804/68 in the case of dairy cows and Article 30 of Council Regulation (EEC) No 3013/89 in the case of ewes and/or she-goats.

TITLE III

Other provisions

Article 11

In addition to the special drought aid, Portugal is authorized to grant, from the national budget, aid not exceeding ECU 110 per breeding horse more than 12 years old in particularly and very severely affected regions.

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<sup>8</sup> OJ No L 148, 24.8.1968, p. 4.



Article 12

1. The Community shall make a financial contribution not exceeding the appropriations entered for the purpose in the budget to the aid provided for in Titles I and II of this Regulation. The aid shall be deemed intervention within the meaning of Article 1(2) of Council Regulation (EEC) No 729/70<sup>9</sup>.
2. The aid referred to in paragraph 1 shall be converted using the agricultural conversion rate applicable on 1 July 1992.

Article 13

Portugal shall take the measures necessary to ensure that the aid provided for in this Regulation is paid to those eligible only. The measures shall include appropriate penalties in the case of aid applications containing false information deliberately or as a result of gross negligence.

Portugal shall inform the Commission of measures taken to give effect to this Article.

Article 14

This Regulation shall enter into force on the third day following its application in the Official Journal of the European Communities.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the Council  
The President

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9 OJ No L 94, 28.4.1970, p. 13.

ANNEX I

Regions particularly affected by the drought

- Alentejo Region  
- Agricultural zone(\*) 61  
- Concelho: Mourão

ANNEX II

Regions very severely affected by the drought

- Beira Interior Region  
- Agricultural zones 33, 34, 35, 36 (except for Fornos de Algodres), 37, 38 and 39
- Ribatejo and Oeste Region  
- Concelho: Gavião
- Alentejo Region  
- Agricultural zones 53, 54, 55, 56, 57, 58 (except for Mourão), 59 and 60
- Algarve Region  
- Agricultural zones 64, 65 (except for Faro and Oihão) and 66  
- Concelho: Silves

ANNEX III

Regions severely affected by the drought

- Trás-os-Montes Region  
- Agricultural zones 12, 13, 20 (except for S. João de Pesqueira) and 21 (except for Carrazeda de Ansiães)  
- Concelho: Macedo de Cavaleiros
- Beira Interior Region  
- Agricultural zone 40  
- Concelho: Fornos de Algodres
- Beira Litoral Region  
- Agricultural zones 27, 28, 29, 30 and 31
- Ribatejo and Oeste Region  
- Agricultural zones 47, 48, 49 and 50 (except for Gavião)  
- Concelhos: Santarém, Cartaxo and Montijo
- Alentejo region  
- Agricultural zones 51 and 52
- Algarve Region  
- Agricultural zones 62, 63 (except for Silves) and 65 (except for Castro Marim)

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(\*) Under D.L. 46/89 of 15 February 1989.

# FINANCIAL STATEMENT

1. BUDGET HEADING: 102  
2129  
2229

APPROPRIATIONS: ECU 1 093 million  
p.m.  
p.m.

2. TITLE: Special measures for Portuguese farmers affected by the 1991/92 drought

3. LEGAL BASIS:  
EEC Treaty, and in particular Articles 42 and 43 thereof

4. AIMS OF PROJECT:  
Compensation for loss of income suffered by Portuguese farmers as a result of the 1991/92 drought

5. FINANCIAL IMPLICATIONS	Period of 12 months (ECU m)	Current Financial Year 1992 (ECU m)	Following Financial Year 1993 (ECU m)	
	1994	1995	1996	1997
5.0 EXPENDITURE				
- CHARGED TO THE EC BUDGET				
- (REFUNDS/INTERVENTION)	98	49		49
- NATIONAL ADMINISTRATION				
- OTHER				
5.1 REVENUE				
- OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES)				
- NATIONAL				
5.0.1 ESTIMATED EXPENDITURE				
5.1.1 ESTIMATED REVENUE				

5.2 METHOD OF CALCULATION:  
ECU (35 + 47) m(A) x 1 192 (DR) = ECU 98 m  
  
1992 (50%) = ECU 49 m  
1993 (50%) = ECU 49 m

6.0 CAN THE PROJECT BE FINANCED FROM APPROPRIATIONS ENTERED IN THE RELEVANT CHAPTER OF THE CURRENT BUDGET?  
(1) NO

6.1 CAN THE PROJECT BE FINANCED BY TRANSFER BETWEEN CHAPTERS OF THE CURRENT BUDGET? YES

6.2 IS A SUPPLEMENTARY BUDGET NECESSARY? NO

6.3 WILL FUTURE BUDGET APPROPRIATIONS BE NECESSARY? NO

**OBSERVATIONS:**

As a result of the drought in Portugal, only around 50% of the appropriations for special aid for Portuguese producers will be required - ECU 42 million according to the latest estimate of expenditure for such aid during the 1992/93 marketing year.

(1) Financing possible under Chapters 10 and 21.



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# DOCUMENTS

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**03**

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