

COUNCIL REGULATION (EEC) No 2079/92

of 30 June 1992

instituting a Community aid scheme for early retirement from farming

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

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

Having regard to the proposal from the Commission ⁽¹⁾,

Having regard to the opinion of the European Parliament ⁽²⁾,

Having regard to the opinion of the Economic and Social Committee ⁽³⁾,

Whereas, given the medium to long-term outlook for Community agriculture and the reform of the market support mechanisms, a greater effort of adjustment is being required of farmers;

Whereas early retirement from farming should be encouraged in order to improve the viability of agricultural holdings;

Whereas an aid scheme for early retirement can help to provide an income for elderly farmers who decide to stop farming, to encourage the replacement of such elderly farmers by farmers able to improve the viability of the remaining agricultural holdings and to allow the reassignment of agricultural land to non-agricultural uses where there are no farmers likely to take it over in satisfactory conditions of viability;

Whereas elderly family helpers and paid workers may lose their employment and income if the agricultural holding employing them ceases to operate; whereas provision should therefore be made for an income source for such persons;

Whereas, in order to ensure the effectiveness of the scheme, the transfer and expansion of agricultural holdings and the reassignment of land to non-agricultural uses should be organized, while ensuring rational use of the countryside; whereas Member States can attain that objective by providing their existing services with the necessary resources or by helping to set up new services;

Whereas the diversity of the causes, nature and gravity of the structural problems in agriculture may call for solutions differentiated according to the region concerned and adaptable over time; whereas a contribution must be made to the overall economic and social development of each region concerned; whereas the best results will be obtained if Member States, applying Community criteria, implement the scheme in the form of multiannual programmes drawn up in consultation with the Commission, and adopt the laws, regulations and administrative provisions necessary for their implementation;

Whereas a procedure should be laid down for adopting, where necessary, detailed rules for the application of this Regulation, especially as regards monitoring arrangements;

Whereas the resources available for implementing the measures provided for in this Regulation must be additional to those available for the implementation of measures under the rules governing the Structural Funds, and in particular for measures applicable in regions covered by Objectives 1 and 5(b) as defined in Article 1 of Regulation (EEC) No 2052/88 ⁽⁴⁾,

HAS ADOPTED THIS REGULATION:

*Article 1***Objectives of the aid scheme for early retirement**

1. In order to accompany the changes to be introduced under the market organization rules, the Member States may institute a Community aid scheme for early retirement from farming, part-financed by the Guarantee Section of the European Agricultural Guidance and Guarantee Fund (EAGGF) under the conditions laid down in this Regulation.
2. Early retirement aid shall contribute simultaneously to the following objectives:
 - (a) providing an income for elderly farmers who decide to stop farming;
 - (b) encouraging the replacement of such elderly farmers by farmers able to improve the economic viability of the remaining agricultural holdings;
 - (c) reassigning agricultural land to non-agricultural uses where it cannot be farmed under satisfactory conditions of viability.

⁽¹⁾ OJ No C 300, 21. 11. 1991, p. 15.

⁽²⁾ OJ No C 94, 13. 4. 1992.

⁽³⁾ OJ No C 98, 21. 4. 1992, p. 25.

⁽⁴⁾ OJ No L 185, 15. 7. 1988, p. 9.

3. Early retirement aid may comprise measures to:

- (a) provide an income for elderly family helpers and elderly paid farm workers who lose their employment as a result of a farmer's early retirement;
- (b) organize the transfer and expansion of agricultural holdings and the reassignment of agricultural land to non-agricultural use and ensure rational use of the countryside.

(c) annual allowance per hectare of released land;

(d) retirement pension supplement where the amount paid under the national retirement scheme is too low to induce farmers to stop farming.

These forms of aid may be combined and may be paid in degressive annual amounts.

The total amount eligible for part-financing per holding shall be calculated on the basis of the following reference method:

- (a) aid is paid, from the age of early retirement to the normal retirement age, in the form of annual compensation at a rate of ECU 4 000 per holding, plus an annual allowance of ECU 250 per hectare, up to a maximum annual total of ECU 10 000 per holding;
- (b) aid is paid, as appropriate, in the form of an annual supplement to the normal retirement pension paid by the Member State in order to arrive at the same annual total amount as that specified in (a);
- (c) the duration of payment of aid as defined in (a) and (b) does not exceed 10 years and does not continue after the transferor's seventieth birthday.

Member States may, however, use a method of payment different from the reference method defined in the third subparagraph, including the payment of smaller annual amounts, possibly on a degressive scale and for a period exceeding 10 years or continuing beyond the transferor's seventieth birthday. In such cases, the amount eligible for part-financing shall not exceed the amount which would be obtained by using the reference method. Furthermore, where the aid scheme includes a retirement grant, the maximum amount of the grant eligible for part-financing shall not exceed ECU 12 000, plus ECU 750 per hectare of released land, up to a limit of ECU 30 000 per holding; this amount shall be considered as within the total amount eligible for part-financing calculated by the reference method.

2. Early retirement aid granted to workers may take the following forms:

- (a) retirement grant;
- (b) annual compensation.

These forms may be combined.

The total amount eligible for part-financing per worker shall be calculated on the basis of the following reference method:

- (a) aid is paid, from the age of early retirement to the normal retirement age, in the form of annual compensation at a rate of ECU 2 500;
- (b) the duration of payment of compensation as referred to in (a) does not exceed 10 years and does not continue after the worker's normal retirement age.

Article 2

Definitions

For the purposes of this Regulation:

- 'transferor' shall mean a farmer who stops all commercial farming activity definitively pursuant to this early retirement aid scheme,
- 'workers' shall mean a family helper or paid farm worker who was employed on a transferor's agricultural holding before his early retirement and who stops all farm work definitively,
- 'farming transferee' shall mean the person who succeeds the transferor at the head of the agricultural holding and expands it, or a farmer who takes over all or part of the land released by a transferor in order to expand his own agricultural holding,
- 'non-farming transferee' shall mean any other person or body who takes over all or part of the released land to use it for non-agricultural purposes, forestry or the creation of ecological reserves,
- 'released land' shall mean land which was farmed by a transferor before he stopped farming commercially and is no longer farmed by him,
- 'farming as a main occupation' shall mean farming in accordance with Article 5 (1) (a) of Council Regulation (EEC) No 2328/91 of 15 July 1991 on improving the efficiency of agricultural structures ⁽¹⁾.

Article 3

Aid scheme

1. Early retirement aid granted to transferors may take the following forms:

- (a) retirement grant;
- (b) annual compensation not dependent on the area of land released;

⁽¹⁾ OJ No L 218, 6. 8. 1991, p. 1.

Member States may, however, use a method of payment different from the reference method defined in the third subparagraph, including the payment of smaller annual amounts, possibly on a degressive scale and for a period exceeding 10 years or continuing beyond the worker's normal retirement age. In such cases, the amount eligible for part-financing shall not exceed the amount which would be obtained by using the method of reference. Furthermore, where the aid scheme includes a retirement grant, the amount of the grant eligible for part-financing shall not exceed ECU 7 500 per worker; this amount shall be considered as within the total amount eligible for part-financing calculated by the reference method.

Early retirement aid shall be eligible for part-financing by the Community for two workers per agricultural holding.

3. Member States may grant start-up aid for services and networks responsible for organizing the transfer and expansion of agricultural holdings and the reassignment of agricultural land to non-agricultural uses while ensuring rational use of the countryside; such aid shall be intended to contribute towards operating costs.

The services may carry out surveys of agricultural holdings to be transferred, compile a directory of land and agricultural holdings available or wanted, and draw up documents relevant to the planning of the use of land released by transferors. They may also take charge of released land and reconvey it at a later date to a transferee satisfying conditions laid down in this Regulation.

To qualify for aid, such services must be approved by the Member State and employ at least one full-time person fully qualified for the duties he must perform.

The start-up aid eligible for part-financing by the Community shall be ECU 36 000 per full-time employee. Payment of this amount shall be spread over the first five years of employment of each person.

Article 4

Aid programmes

1. Member States shall implement the aid scheme throughout their territory by means of multiannual programmes drawn up at national or regional level.

2. Each programme shall include at least the following:

- the geographical limits of the area covered,
- a description of the structural situation of the area, including statistical data on the number of agricultural holdings, by size and by age of farmer, and on incomes,

- a description of the early retirement and retirement schemes existing in the area, the degree of take-up in recent years and problems encountered,
- an indication, with explanatory comments, of the rates and conditions of grant of aid, by type of beneficiary,
- an estimate of the number of transferors, transferees and workers who will be concerned by such aid,
- an estimate of the number of hectares which will be released by the transferors and the proportions which will be transferred to farming transferees (successors or other farmers) and non-farming transferees,
- an estimate of the expected costs of the various types of aid envisaged and the financial means required, together with the expected schedule of expenditure,
- the proposed timetable for implementing the various types of aid.

Article 5

Conditions applicable to persons concerned

Member States shall lay down the conditions to be met by the persons concerned, which shall include at least the following:

1. A transferor must:

- be not less than 55 years old but not yet of normal retirement age at the time of transfer,
- have practised farming as a main occupation for the 10 years preceding transfer.

2. A farming transferee must:

- possess adequate occupational skill and competence within the meaning of Article 5 (6) of Regulation (EEC) No 2328/91,
- undertake to practise farming as a main occupation on the agricultural holding for not less than 5 years in accordance with the conditions laid down in Article 6 (3) and (4).

3. A worker must:

- be not less than 55 years old but not yet of normal retirement age,
- stop farming completely and definitively after having devoted at least half of his/her working time to it during the preceding five years,
- have worked on the transferor's agricultural holding for at least the equivalent of two years full-time

during the four-year period preceding the early retirement of the transferor,

— belong to a social security scheme.

4. A non-farming transferee must undertake to use the land in accordance with Article 6 (5).

Article 6

Conditions applicable to released land

1. The conditions laid down in this Article must be applied throughout the period during which the transferor receives early retirement aid.

2. Transferors may continue farming a maximum of 10 %, but not more than one hectare, of their agricultural land provided that they stop commercial production completely. The agricultural land to be retained by transferors may be adapted by the Commission according to the procedure provided for in Article 29 of Regulation (EEC) No 4253/88 ⁽¹⁾. Furthermore, transferors may, under conditions to be laid down by the Member State, retain the use of the area on which the buildings in which they will continue to live with their family are situated.

3. The size of the agricultural holdings resulting from the transfer of land released by the transferor must be increased so as to improve their economic viability, in compliance with conditions to be defined in terms in particular of the occupational skill of the transferee, of surface area, of volume of work or of income, according to the region and type of production. The Member States shall lay down these conditions and the deadline by which the beneficiary must satisfy them.

4. Released land transferred to farming transferees must be farmed for not less than five years, in harmony with the requirements of environmental protection.

5. Released land transferred to non-farming transferees must be used in a manner compatible with protection or improvement of the quality of the environment and of the countryside.

6. Released land may be included in a reparable operation or in a simple exchange of parcels. In such cases, the conditions laid down in this Article must be applied to areas equivalent to those of the released land.

In addition, Member States may make provision for released land to be taken in charge by a body which undertakes to reconvey it at a later date to a transferor who satisfied the conditions laid down in this Regulation.

⁽¹⁾ OJ No L 374, 31. 12. 1988, p. 1.

Article 7

National provisions

1. Member States shall adopt the necessary laws, regulations and administrative provisions to implement the programme. These provisions must ensure in particular:

- that the programme is sufficiently attractive compared with any early retirement schemes already existing in the area covered by the programme,
- the ease of transfer of released land, in particular by encouragement of appropriate forms of purchase or rental of land which ensure the conservation or improvement of the land,
- that the purchase or rental contracts of the land released contain clauses requiring compliance with the conditions laid down in Article 6 regarding use of the land,
- organization of the transfer and expansion of agricultural holdings and the rational use of the countryside by providing their existing services with the necessary resources or by helping to set up new services,
- a harmonious transition from the Community early-retirement aid scheme to the national retirement scheme.

2. This Regulation shall not preclude Member States from implementing additional aid measures, for which the conditions or granting of aid differ from those laid down herein or the amounts of which exceed the limits stipulated herein, provided that the said measures comply with Articles 92, 93 and 94 of the Treaty.

Article 8

Programme appraisal

1. The Member States shall communicate to the Commission the draft aid programmes and any existing or envisaged national provisions.

2. The Commission shall examine the text communicated by the Member States in order to determine:

- their compliance with this Regulation, taking account of its objectives and the links between the various measures,
- the nature of the measures eligible for part-financing,
- the total amount of expenditure eligible for part-financing.

3. The Commission shall decide on the approval of the programmes in accordance with the procedure laid down in Article 29 of Regulation (EEC) No 4253/88.

*Article 9***Rate of Community financing**

The rate of Community part-financing shall be 75 % in the regions covered by Objective 1 of Article 1 of Regulation (EEC) No 2052/88 and 50 % in the other regions.

*Article 10***Detailed rules of application**

Detailed rules for the application of this Regulation shall be adopted, where necessary, by the Commission in accordance with the procedure laid down in Article 29 of Regulation (EEC) No 4253/88.

*Article 11***Final provisions**

Regulation (EEC) No 1096/88 ⁽¹⁾ is hereby repealed. It shall, however, remain applicable to aid granted before 30 July 1993.

*Article 12***Entry into force**

This Regulation shall enter into force on the day of its publication 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 Luxembourg, 30 June 1992.

For the Council

The President

Arlindo MARQUES CUNHA

⁽¹⁾ OJ No L 110, 29. 4. 1988, p. 1.