



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 25.10.2004
COM(2004) 710 final

2004/0253 (CNS)

Proposal for a

COUNCIL REGULATION

amending Regulation (EC) No 1782/2003 establishing common rules for direct support schemes under the common agricultural policy and establishing certain support schemes for farmers and Regulation (EC) No 1788/2003 establishing a levy in the milk and milk products sector

(presented by the Commission)

EXPLANATORY MEMORANDUM

Due to the geographic location of the Kleinwalsertal (Community of Mittelberg) and the Community of Jungholz, which are situated within the Austrian territory and only accessible by road from Germany, the milk of their producers (988 712 kg) has been delivered to German buyers.

Since the start of the Community milk quota system in 1984 the milk marketed by these producers has been taken into account in the establishment of the German milk reference quantities.

After Austria's Accession to the European Union in 1995, direct payments under the prevailing common agricultural policy (head-age premiums, arable crops) have been granted to the milk producers in Kleinwalsertal (Community of Mittelberg) and the Community of Jungholz and administered by the Austrian authorities.

Regulation (EC) No 1782/2003 has introduced direct payment for the dairy sector (dairy premium) starting from the calendar year 2004. These payments are based on the individual reference quantities of producers concerned which are administered by Germany whilst, under that Regulation the payment regarding the dairy premium should be carried out by the Austrian authorities within the limit of their national reference quantity and their budgetary ceiling. Both the reference quantity and the ceiling have been calculated for Austria without taking into account the individual reference quantities for those regions.

To permit a practical and correct administration of the dairy premium and its inclusion into the Single Payment Scheme (in Germany from 2005), Council Regulation (EC) No 1782/2003 needs to be amended in such a way that the reference quantities and the budgetary ceiling for Germany and Austria take into account the milk reference quantities of the producers of the regions concerned. Consequently, the German reference quantities of producers concerned under Council Regulation (EC) No 1788/2003 have to be converted into Austrian reference quantity as from milk quota year 2004/05.

The proposed amendments are clearly only technical adaptations that became necessary due to the recent reform of the milk sector.

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amending Regulation (EC) No 1782/2003 establishing common rules for direct support schemes under the common agricultural policy and establishing certain support schemes for farmers and Regulation (EC) No 1788/2003 establishing a levy in the milk and milk products sector

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular the third subparagraph of Article 37(2) thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament,

Whereas:

- (1) Due to the geographic location of the Kleinwalsertal (Community of Mittelberg) and the Community of Jungholz, which are situated within the Austrian territory and only accessible by road from Germany, the milk of their producers has been delivered to German buyers.
- (2) Since Regulation (EEC) No 804/68 of the Council of 27 June 1968 on the common organisation of the market in milk and milk products¹, as amended by Regulation (EEC) No 856/84², has introduced the Community milk quota system, the milk marketed by these producers has been taken into account in the establishment of the German milk reference quantities.
- (3) Council Regulation (EC) No 1782/2003³ has introduced direct payment for the dairy sector starting from the calendar year 2004. These payments are based on the individual reference quantities of producers concerned which are administered by Germany whilst, under that Regulation, the payment of the dairy premium should be carried out by the Austrian authorities within the limit of their national reference quantity for the 12-month period of 1999/2000 set out in Annex I to Council Regulation (EEC) No 3950/92⁴ establishing an additional levy in the milk and milk

¹ OJ L 148, 28.6.1968, p. 13. Regulation repealed by Regulation (EC) No 1255/1999 (OJ L 160, 26.6.1999, p. 48).

² OJ L 90, 1.4.1984, p. 10.

³ OJ L 270, 21.10.2003, p. 1. Regulation as last amended by Regulation (EC) No 864/2004 (OJ L 161, 30.4.2004, p. 48).

⁴ OJ L 405, 31.12.1992, p. 1. Regulation repealed by Regulation (EC) No 1788/2003 (OJ L 270, 31.12.2003, p. 123).

products sector and a budgetary ceiling provided for in Article 96(2) of Regulation (EC) No 1782/2003. Both the reference quantity and the ceiling have been calculated for Austria without taking into account the individual reference quantities for the Kleinwalsertal (Community of Mittelberg) and the Community of Jungholz.

- (4) Article 47(2) of Regulation (EC) No 1782/2003 provides for the inclusion of dairy payments in the single payment scheme provided for by that Regulation in 2007. Article 62 of the same Regulation authorises however the Member States to anticipate the inclusion of such payments from 2005. The inclusion of the dairy premium is foreseen in Germany as from 2005, while in Austria it will take place at a later stage.
- (5) To permit a practical and correct administration of the dairy premium and its inclusion in the Single Payment Scheme, Regulation (EC) No 1782/2003 should be amended in such a way that, for Germany and Austria, the reference quantities and the budgetary ceiling, referred to in Articles 95(4) and 96(2), take into account the milk reference quantities of the producers of the regions concerned. Consequently, it is also appropriate to modify the Annex I to Regulation (EC) No 1788/2003 in order to convert the reference quantities of producers concerned into Austrian reference quantities as from milk quota year 2004/05.
- (6) For the payments due in 2004, taking into account that the date for application has already expired, it is however appropriate to provide for a derogation to Article 2(b) of Regulation (EC) No 1782/2003 allowing Germany to pay the premium to farmers situated in the Austrian Kleinwalsertal (Community of Mittelberg) and the Community of Jungholz,

HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EC) No 1782/2003 is hereby amended as follows:

- (1) In Article 95(4), the following second subparagraph is added:

"However, for Germany and Austria the ceiling fixed on the basis of the reference quantities for the 12-month period of 1999/2000, shall be, respectively, 27 863 827,288 and 2 750 389,712 tonnes."
- (2) Article 96(2) is amended as follows:
 - (a) the row for Germany is replaced by the following:

"Germany	101,99	204,52	"306,78";
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 - (b) the row for Austria is replaced by the following:

"Austria	10,06	20,19	"30,28".
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Article 2

Annex I to Regulation (EC) No 1788/2003 is amended in accordance with the Annex to this Regulation.

Article 3

By way of derogation from Article 2(b) of Regulation (EC) No 1782/2003, Germany shall pay the dairy premium and additional payments for 2004 to farmers situated in the Austrian Kleinwalsertal (Community of Mittelberg) and the Community of Jungholz.

Article 4

This Regulation shall enter into force on the day of its publication in the *Official Journal of the European Union*.

It shall apply as follows:

- (a) Article 1 shall apply from 1 January 2005;
- (b) Article 2 shall apply from 1 April 2004;
- (c) Article 3 shall apply from 1 January 2004.

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

Done at Brussels,

For the Council
The President

ANNEX

Annex I to Regulation (EC) No 1788/2003 is amended as follows:

- (1) Point (a) is amended as follows:
 - (a) the row for Germany is replaced by the following:

"Germany	27 863 827,288";
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 - (b) the row for Austria is replaced by the following:

"Austria	2 750 389,712".
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- (2) Point (b) is amended as follows:
 - (a) the row for Germany is replaced by the following:

"Germany	27 863 827,288";
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 - (b) the row for Austria is replaced by the following:

"Austria	2 750 389,712".
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- (3) Point (c) is amended as follows:
 - (a) the row for Germany is replaced by the following:

"Germany	28 003 146,424";
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 - (b) the row for Austria is replaced by the following:

"Austria	2 764 141,661".
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- (4) Point (d) is amended as follows:
 - (a) the row for Germany is replaced by the following:

"Germany	28 142 465,561";
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 - (b) the row for Austria is replaced by the following:

"Austria	2 777 893,609".
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- (5) Point (e) is amended as follows:
 - (a) the row for Germany is replaced by the following:

"Germany	28 281 784,697";
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 - (b) the row for Austria is replaced by the following:

"Austria	2 791 645,558".
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FINANCIAL STATEMENT				
1. BUDGET HEADING: 05 03 01 10 and 05 03 01 11			APPROPRIATIONS: EUR 959 million EUR 431 million	
2. TITLE: Council Regulation amending Regulation (EC) No 1782/2003 establishing common rules for direct support schemes under the common agricultural policy and establishing certain support schemes for farmers and Regulation (EC) No 1788/2003 establishing a levy in the milk and milk products sector.				
3. LEGAL BASIS: Article 37(2)(3) of the Treaty				
4. AIMS: Transfer of quota and the corresponding premium payments from Germany to Austria.				
5. FINANCIAL IMPLICATIONS	12 MONTH PERIOD (EUR million)	CURRENT FINANCIAL YEAR 2004 (EUR million)	FOLLOWING FINANCIAL YEAR 2005 (EUR million)	
5.0 EXPENDITURE – CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTIONS) – NATIONAL AUTHORITIES – OTHER	–	–	–	
5.1 REVENUE – OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES) – NATIONAL	–	–	–	
	2006	2007	2008	2009
5.0.1 ESTIMATED EXPENDITURE	–	–	–	–
5.1.1 ESTIMATED REVENUE	–	–	–	–
5.2 METHOD OF CALCULATION: The measure has no impact on the budget for the EU, since it is a question of transfer of quota and the corresponding premium payments from Germany to Austria, for quota so far counted within the German milk quota but originating from Austrian territory.				
6.0 CAN THE PROJECT BE FINANCED FROM APPROPRIATIONS ENTERED IN THE RELEVANT CHAPTER OF THE CURRENT BUDGET?			YES	
6.1 CAN THE PROJECT BE FINANCED BY TRANSFER BETWEEN CHAPTERS OF THE CURRENT BUDGET?			YES	
6.2 WILL A SUPPLEMENTARY BUDGET BE NECESSARY?			NO	
6.3 WILL APPROPRIATIONS NEED TO BE ENTERED IN FUTURE BUDGETS?			NO	
OBSERVATIONS:				