WORLD TRADE ORGANIZATION

G/AG/N/EU/35

8 February 2017

(17-0765)



**Committee on Agriculture** Original: English

## NOTIFICATION

The following submission, dated 23 January 2017, is being circulated at the request of the Delegation of **European Union**. The notification concerns new or modified domestic support measures exempt from reduction (**Table DS:2**).

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This notification covers the following new measures:

- a set of Regulations covering the European Union's direct support schemes, rural development and market organisation policies referred to as the "2013 CAP reform" (Common Agricultural Policy);
- a Regulation for aid to the most deprived;
- two Regulations covering expenditure related to animal and plant health; and
- a Regulation covering the promotion of agricultural products.

**Table DS:2**

## DOMESTIC SUPPORT: EUROPEAN UNION

*Notification under Article 18:3 of the Agreement:*
*New or modified domestic support measures exempt from reduction*

### (1) FULL TITLE OF MEASURE: 2013 CAP reform

Following the agreement on the EU's multiannual perspective for financial planning (Council Regulation (EU, EURATOM) No 1311/2013 laying down the multiannual financial framework), the 2013 CAP concerns the policy for the period 2014-2020. The 2013 CAP reform package maintains the two pillars of the CAP, whilst increasing the links between them, thus offering a more holistic and integrated approach to policy support. It introduces a new architecture of direct payments - better targeted, more equitable and greener - an enhanced safety net and strengthened rural development. As a result the policy is adapted to meet the challenges ahead by being more efficient and contributing to a more competitive and sustainable EU agriculture.

Most CAP support to farmers continues to be granted in the form of decoupled income support with no obligation to produce.

### (2) DOMESTIC LEGISLATION REFERENCE:

- **Regulation (EU) No 1305/2013** of the European Parliament and of the Council of 17 December 2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and repealing Council Regulation (EC) No 1698/2005;
- **Regulation (EU) No 1306/2013** of the European Parliament and of the Council of 17 December 2013 on the financing, management and monitoring of the common agricultural policy and repealing Council Regulations (EEC) No 352/78, (EC) No 165/94, (EC) No 2799/98, (EC) No 814/2000, (EC) No 1290/2005 and (EC) No 485/2008;
- **Regulation (EU) No 1307/2013** of the European Parliament and the of the Council establishing rules for direct payments under support schemes within the framework of the common agricultural policy and repealing Council Regulation (EC) No 637/2008 and Council Regulation 73/2009;
- **Regulation (EU) No 1308/2013** of the European Parliament and the of the Council establishing a common organisation of the markets in agricultural products and repealing Council Regulations (EC) No 922/72, No 234/79, (EC) 1037/2001 and (EC) No 1234/2007;
- **Regulation (EU) No 1310/2013** of the European Parliament and of the Council of 17 December 2013 laying down certain transitional provisions on support for rural development by the European Agricultural Fund for Rural Development (EAFRD), amending Regulation (EU) No 1305/2013 of the European Parliament and of the Council as regards resources and their distribution in respect of the year 2014 and amending Council Regulation (EC) No 73/2009 and Regulations (EU) No 1307/2013, (EU) No 1306/2013 and (EU) No 1308/2013of the European Parliament and of the Council as regards their application in the year 2014.

### (3) DETAILED DESCRIPTION OF MEASURE WITH REFERENCE TO CRITERIA:

**Direct Payment schemes**

Direct payments are aimed at supporting and stabilising farmers' incomes. They also ensure the provision of environmental public goods (through cross compliance and greening). The 2013 CAP reform provides a completely new architecture of direct payments in order to better target support.

The basic rules on direct payments and the applicable eligibility criteria are contained in Regulation (EU) No 1307/2013. For the 2013 and 2014 application years, transitional Regulations (Regulations (EU) No 671/2012 and 1310/2013) applied. Regulation (EU) No 1307/2013 applies from application year 2015.

**Annex 2, paragraph 6**

Basic Payment Scheme(BPS): The 2013 CAP reform introduced the Basic Payment which entered into force from 2015.

The Basic Payment Scheme is operated on the basis of payment entitlements allocated to active farmers in the first year of application of the scheme. Under the Basic Payment Scheme (BPS), eligible farmers must hold entitlements and activate them each year on a corresponding number of eligible hectares (either used for production or maintained in a state suitable for grazing or cultivation without preparatory action going beyond usual agricultural methods and machinery) to receive payments. In general, each entitlement in a member State or region should have the same value from 2015 (the flat rate value determined by dividing the envelope for BPS in the member State by the number of eligible hectares declared by farmers) but member States may derogate from this rule provided the values of entitlements converge towards a flat rate by 2019. Where convergence towards a flat rate value is opted for, the value of payment entitlements is still established based on individual reference amounts in 2014. According to Article 34 of Regulation (EU) No 1307/2013, payment entitlements may be transferred to other farmers. Farmers are not required to produce in order to be eligible for payment under the BPS.

Based on the budget limits applying to each member State, and taking into account each member State's decisions regarding the level of funding for different schemes, the Commission sets annual national envelopes for the BPS which could be between approximately 25% to 70% of the national ceiling for direct payments.

According to Regulation (EU) No 1307/2013, member States decide on the shares of their financial ceiling for direct payments (as set in its Annex II) they will allocate to each scheme:

1. The young farmer payment (up to 2%);
2. Where applied, the redistributive payment (up to 30 %);
3. Where applied, the payment for areas with natural constraints (up to 5 %); and
4. The remaining amount, after deduction of the 30% to be allocated to the compulsory "greening payment", forms the ceiling available for the basic payment.

Eligibility to the Basic Payment is a precondition for eligible farmers to receive other direct payments such as the greening payment, the redistributive payment, the payment for areas with natural constraints, the payment for young farmers, and the small farmer scheme. The Basic Payment is granted with no requirement to produce. It is a decoupled income support which is granted in the form of decoupled direct payments and not related to price support. Eligibility for the Basic Payment is a precondition for the complementary payments under the decoupled income scheme: the greening payment, the young farmers payment, the payment for Areas with Natural Constraints, the small farmers scheme and the redistributive payment. Payments under the BPS comply with paragraph 1 of Annex 2 to the Agreement on Agriculture as well as with the relevant criteria of paragraph 6.

Payment for agricultural practices beneficial for the climate and environment (The greening payment):

The 2013 CAP reform introduced several instruments to promote environmental sustainability and combat climate change. Under direct payments the "greening" direct payment, which is a subsidy granted to farmers on the condition that they undertake practices that are beneficial to the climate and to the environment (Article 43 of Regulation (EU) No 1307/2013). It should be underlined that farmers may only be paid the full BPS and greening payment if they have fulfilled the obligations under greening and undertaken the necessary practices that are beneficial to climate and the environment.

The agricultural practices under greening include the maintenance of existing permanent grassland, application of crop diversification and the establishment of ecological focus areas on the agricultural area. Subject to a decision by member States a farmer can, instead of applying these basic practices, undertake practices which are considered equivalent (such as crop rotation instead of crop diversification). These requirements have been chosen in such a way as to bring real environmental enhancement whilst limiting the additional costs and burdens in the operation of the farm. Member States must allocate 30% of their direct payment envelope to green direct payments.

By respecting these greening practices, farmers contribute to long-term competitiveness and for an economically, environmentally and socially sustainable way of managing their farms. The greening payment is therefore a new element of the EU's response to the global challenge of sustainable management of natural resources and climate action which is of particular importance to agriculture.

On top of these mandatory instruments, agri-environmental policy encourages the introduction and/or maintenance of extensive, environmentally friendly farming systems programmed and targeted towards regional needs. These instruments will be accompanied by broad support from the Farm Advisory System and applied research.

The greening payment is a payment granted with no requirement to produce. It is a decoupled income support and not related to price support.Payments under the greening measure comply with paragraph 1 of Annex 2 to the Agreement on Agriculture as well as with the relevant criteria of paragraph 6.

Small farmers scheme:

The Small Farmers Scheme (SFS) is a simplified direct payment scheme. It is optional for member States, and where implemented, it is also optional for farmers.

Any farmer claiming support may decide to participate in the SFS and thereby receive an annual payment calculated in accordance with the policy decision taken by the member State in this respect. Such payment can never exceed EUR 1,250 per farmer (some member States opted for a lower maximum level of payment). Member States may choose from different methods to calculate the annual payment, including an option whereby farmers would simply receive the amount they would have received if they had not opted for the SFS. This scheme is expected to result in a significant simplification for the farmers concerned and for national administrations. The small farmers' scheme includes simplified administrative procedures. Participants will also be exempted from greening and from the cross compliance penalties (however they still have to respect the rules in relation to the environment, public health, animal health, plant health and animal welfare). It is an administrative simplification linked to management and control of direct payments. Farmers can opt for participation in the small farmers scheme only once (in 2015) and remain under that scheme, unless they opt out. Expenditure under the SFS is financed from the funds allocated to the other direct payment schemes.

The Small Farmers Scheme is a payment granted with no requirement to produce. It is a decoupled income support and not related to price support. Payments under the SFS comply with paragraph 1 of Annex 2 to the Agreement on Agriculture as well as with the relevant criteria of paragraph 6.

Payment for young farmers:

In order to encourage generational renewal, provision is made for a compulsory payment for Young Farmers. This payment is intended to support the first years following the initial setting up of farmers not older than 40 years of age in the year of submitting their first application for direct payments and for the first time setting up an agricultural holding as head of the holding (the setting up may have taken place either in the year of application or in the period during the preceding five years). The payment is granted for a maximum of five years.

Member States have the option to introduce additional eligibility criteria in terms of appropriate skills and/or training requirements.

This is in addition to other measures available for young farmers under rural development.

The Young Farmers Payment is a payment granted with no requirement to produce. It is a decoupled income support and not related to price support. Payments under the Young Farmers

Scheme comply with paragraph 1 of Annex 2 to the Agreement on Agriculture as well as with the relevant criteria of paragraph 6.

Payment for areas with natural constraints:

The 2013 CAP reform defines "Areas with Natural or Other Specific Constraints" with specific criteria under Article 32 of Regulation (EU) No 1305/2013. These are areas where farming is handicapped by a natural or other specific constraint and where farmers face higher costs of production. There are three different categories of such areas:

1. Mountain areas, which are handicapped by altitude, difficult climatic conditions and a short growing season;

2. Areas, other than mountain areas, facing significant natural constraints;

3. Other areas which face specific constraints and where the land needs to be managed in order to conserve or improve the environment, to maintain the countryside, to preserve the potential for tourism or to protect the coastline.

The areas have to be delimited by member States on the basis of eight biophysical criteria (e.g. slope), with some flexibility to use other criteria for up to 10% of their agricultural area. The 2013 CAP reform developed a set of common biophysical indicators, as part of the new legal framework for rural development, which is to be used by member States for identifying "areas, other than mountain areas facing significant natural constraints.

As provided for in Article 49 of Regulation (EU) No 1307/2013, up to 5% of the national envelope for direct payments may be reserved for additional payments to farmers operating in areas with natural constraints as designated by each member State.

The payment for areas with natural constraints is a voluntary payment granted with no requirement to produce. It is a decoupled income support and not related to price support. Payments under the BPS comply with paragraph 1 of Annex 2 to the Agreement on Agriculture as well as with the relevant criteria of paragraph 6.

Redistributive Payment:

Member States have the option to further target direct payments through a redistributive payment targeted at small and medium-sized farms eligible to the Basic Payment.

The redistributive payment is granted with no requirement to produce. It is a decoupled income support and not related to price support. Payments under the redistributive scheme comply with paragraph 1 of Annex 2 to the Agreement on Agriculture as well as with the relevant criteria of paragraph 6.

**Annex 2, paragraph 5**

Single Area Payment Scheme:

The ten of the 13 member States joining the EU after 2004 that applied the Single Area Payment Scheme (SAPS) until 2014 continue to apply it for the 2015-2020 period (Cyprus, Estonia, Latvia, Lithuania, Poland, Czech Republic, Slovakia, Hungary, Romania and Bulgaria). These member States are also allowed to grant Transitional National Aid for those sectors which in the past years were allowed to receive Complementary National Direct Payments. The level of the amounts to be paid will be gradually reduced and in application year 2020 will reach 50% of the amount payable in 2013.

The payments linked to greening, young farmers, small farmers, natural constraints and redistributive payments in the countries using SAPS will be notified together with SAPS payments.

Payments under the SAPS comply with paragraph 1 of Annex 2 to the Agreement on Agriculture as well as with the relevant criteria of paragraph 5.

**Article 6.5**

Voluntary Coupled Support:

Within the framework of the direct payments system, voluntary coupled support (VCS) can be applied in up to 21 agricultural sectors and type of production at the choice of each member State. The support is limited in terms of both amounts available and objectives. VCS is granted within defined quantitative limits and based on fixed areas and yields or on a fixed number of animals. Member States decide on the shares of their direct payments financial ceiling to be assigned to the scheme. Where applied, the share for Voluntary Coupled Support is defined as a general rule up to a maximum of 8 or 13 % (+2% for protein crops) for each member State as a percentage of its direct payments ceiling.

All the eligible sectors and types of production (out of the list of 21) have been targeted, by at least one member State, under this scheme for the 2015-2020 period with the exception of cane sugar and chicory, short rotation coppice and dried fodder. The sectors most often supported by member States are beef and veal, milk and dairy products, sheep and goat meat, protein crops, fruit and vegetables and sugar beet.

Member States may only grant VCS in clearly defined cases where specific types of farming or specific agricultural sectors that are particularly important for economic and/or social and/or environmental reasons undergo certain difficulties in terms of risk of decline or of abandonment of production. Payments shall be granted to the extent necessary to create an incentive to maintain current levels of production. The decision to use the maximum allowance for voluntary coupled support is valid during the period 2015-2020. Member States had the possibility to review their initial decisions by 1 August 2016 with effect from 2017.

Payments under VCS comply with Article 6.5 of the Agreement on Agriculture.

Crop specific payment for cotton:

The current regime is designed to encourage a competitive, sustainable and market-driven cotton sector, while safeguarding the legal commitments of supporting the production of cotton in regions of the EU where it is important for the agricultural economy. Crop-specific payments for cotton are available in accordance with Article 58 of Regulation (EU) No 1307/2013 in four member States. To be eligible for crop-specific aid, farmers must only grow cotton on land authorised by the member States, using authorised varieties of seed and subject to minimum quality of cotton actually harvested. The crop-specific payment for cotton is paid for cotton of sound, fair, and marketable quality. The payments are based on fixed areas and yields and they are made on 85% or less of the base level of production. If the eligible cotton area exceeds the base area, aid is reduced proportionally to the overshoot.

Payments under crop-specific scheme for cotton comply with Article 6.5 of the Agreement on Agriculture.

**Rural Development**

Rural development programmes define multi-annual strategies in selected programming areas, based on a thorough analysis of their socio-economic and environmental needs. The strategies implemented under each programme aim at meeting EU priorities for rural development through a number of selected measures. The programmes also lay down the conditions that potential beneficiaries have to meet if they are to benefit from rural development funds.

Member States or regions design their own multi-annual programmes on the basis of the EU legal framework set for the period 2014-2020. The new structure based on EU priorities is to provide more flexibility for member States in their decisions on how and with which tools to address their specific needs and problems, including the environmental ones, identified in the analysis of the situation. On the other hand, the list of priorities also ensures that the programmes contribute to the overall EU priorities for rural development as well as the overall goals for EU Structural Funds.

The rural development programmes are co-funded from national envelopes. The allocation of national envelopes is set out in the Regulation (EU) No 1305/2013, as part of the overall 2013 CAP reform agreement. Co-financing can have different rates from 53% up to 95% for certain measures/regions even up to 100% for measures financed with funds transferred from the CAP 1st pillar (direct payments). In order to further underline the importance of using rural development for the environment and climate-related issues, member States have to spend at least 30% of their rural development funding from the EU budget, at the level of each programme, on certain measures related to land management, environmental issues and climate change mitigation and adaptation.

Agri-environment-climate payments which represent the most important rural development measure in terms of environmental payments can only be granted for commitments which are set at the level going beyond mandatory requirements. This guarantees that the payments for this measure deliver the environmental and climate-related public goods additional to those provided by mandatory requirements. Member States and regions decide about the exact content of agri-environment-climate measures to address their specific needs. Member States and regions have a large menu of measures to respond to the needs and priorities of their rural areas.

The EU priorities for rural development are the following:

1. fostering knowledge transfer and innovation in agriculture, forestry, and rural areas;
2. enhancing farm viability and competitiveness of all types of agriculture in all regions and promoting innovative farm technologies and the sustainable management of forests;
3. promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture;
4. restoring, preserving and enhancing ecosystems related to agriculture and forestry;
5. promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors;
6. promoting social inclusion, poverty reduction and economic development in rural areas.

All those priorities should contribute to the cross-cutting objectives of innovation, environment and climate change mitigation and adaptation.

The different elements/measures of the new rural development programmes cover the following elements within the scope of Annex 2 to the Agreement on Agriculture:

**Annex 2 paragraph 2**

- Fostering knowledge transfer and innovation;
- Advisory Service, farm management and farm relief service;
- Quality schemes for agricultural products and foodstuffs;
- Co-operation between farmers/entities on pilot projects, sharing facilities and resources, innovations, horizontal and vertical integration and development of short supply chains;
- Mutual funds for adverse climatic events, animal and plant diseases, pest infections and environmental incidents.

**Annex 2 paragraph 7**

- Risk management;
- Income stabilisation tool

**Annex 2 paragraph 8**

- Crop, animal and plant insurance;
- Mutual funds;
- Restoring agricultural production damaged by natural disasters.

**Annex 2, paragraph 11**

- Investments in physical assets;
- Farm and business development;
- Setting-up producer groups and organisations.

**Annex 2 paragraph 12**

- Agri-environment and climate;
- Organic farming;
- Natura 2000 and Water Framework directive payments;
- Payments to areas facing natural or specific constraints;
- Animal welfare.

**Annex 2, paragraph 13**

- Basic services and village renewal in rural areas;
- Payments to areas facing natural or other specific constraints;

Payments under rural development comply with paragraph 1 of Annex 2 to the Agreement on Agriculture as well as with the relevant criteria of paragraphs 2, 7, 8, 11, 12 and 13.

**Promotion measures within the Common Market Organisation**

**Annex 2 paragraph 2 (f) to the Agreement on Agriculture**

Wine National Support Programmes:

Member States may allocate a part of their EU Wine National Support Programmes for projects aimed at providing information on the responsible consumption of wines and the risks associated with harmful alcohol consumption, including about EU quality system covering designations of origin and geographical indications (PDO/PGI).

These campaigns must run inside the EU and EU financing cannot exceed 50 % of the eligible expenditure of a campaign. Member States may also contribute.

Legal provisions for this scheme are contained in Article 45 of Regulation (EU) No 1308/2013.

These payments from the wine national support programme comply with paragraph 1 of Annex 2 to the Agreement on Agriculture as well as with the relevant criteria of paragraph 2 (f).

**Annex 2 paragraph 4 to the Agreement on Agriculture**

School Fruit and Vegetable Scheme:

This scheme allows the European Union to support the distribution of fruit and vegetables to children in nursery, primary and secondary schools under the Common Market Organisation (Regulation (EU) No 1308/2013). The objective is to introduce balanced diets and good eating habits. The definitive allocation of aid per member State participating in the scheme is decided on a yearly basis and is based on the overall EU budget. The scheme is co-financed, which means that EU funds must be matched by national or private contributions. The overall budgetary envelope from the EU budget for the Scheme is EUR 150 million from 2014.

The scheme also supports educational accompanying measures explaining the potential benefits of fruit and vegetable consumption and reinforcing the link with agriculture.

Payments from the school fruit and vegetable scheme comply with paragraph 1 of Annex 2 to the Agreement on Agriculture as well as with the relevant criteria of paragraph 4.

School Milk Scheme:

The School Milk Scheme is an aid provided by the European Union, under the Common Market Organisation (Regulation (EU) No 1308/2013). The scheme aims at supplying milk and certain milk products to children in nursery, primary and secondary schools and aims to encourage consumption among children of healthy dairy products containing important vitamins and minerals. Member States may match EU funding with additional amounts from national budgets. The scheme does not only have a nutritional character but also an educational character and contributes therefore to the fight against obesity among children. The School Milk Scheme is there to provide quality products for children, to contribute to a healthy way of living and to nutritional education with a better knowledge on products.

Payments from the school milk scheme comply with paragraph 1 of Annex 2 to the Agreement on Agriculture as well as with the relevant criteria of paragraph 4.

### (4) COST OF MEASURE:

The overall ceiling for the agricultural budget for the period 2014 to 2020 was fixed in the Multiannual Financial Framework (Council Regulation (EU, Euratom) No 1311/2013).

Budget year 2016 will be the first budget year in which the new direct payments are made. For that year:

- The overall ceiling for direct payments and market related expenditure support (1st pillar) will be EUR 43.95 billion. Direct payments will count for nearly 96% of total 1st pillar expenditure without taking into account assigned revenue.
- Rural development (2nd pillar) will have an annual ceiling around EUR 14.4 billion (commitment), before reprogramming (due to late approval of some programmes during 2014). This ceiling includes some forestry measures, which are not covered by the Agreement on Agriculture.

### (5) DATE OF ENTRY INTO EFFECT:

- Rural development for 2015-2020 (Regulation (EU) No 1305/2013): applied from 1 January 2014;
- Cross cutting issues such as funding and controls (Regulation (EU) No 1306/2013): applied from 1 January 2014 (with some exceptions set out in its Article 121);
- Direct payments (Regulation (EU) No 1307/2013): applied from 1 January 2015;
- Common Market Organisation (Regulation (EU) No 1308/2013): applied from 1 January 2014 (with some exceptions set out in its Article 232);
- Transitional rules (Regulation (EU) No 1310/2013): applied from 1 January 2014.

### (6) PERIOD OF APPLICATION:

- Rural development (Regulation (EU) No 1305/2013): 2014-2020;
- Cross-cutting issues such as funding and controls (Regulation (EU) No 1306/2013): indefinite;
- Direct payments (Regulation (EU) No 1307/2013): indefinite (budgets set 2015-2020);
- Common Market Organisation (Regulation (EU) No 1308/2013): indefinite;
- Transitional rules (Regulation (EU) No 1310/2013): 2014 only.

### (7) PRODUCTS TO PRINCIPALLY BENEFIT (IF ANY INDIVIDUAL PRODUCT(S)):

Support under direct payments (BPS, SAPS, greening, small farmers scheme, young farmers scheme and redistributive payments under Regulation (EU) No 1307/2013) are decoupled payments and not provided for individual products.

Voluntary Coupled Support (Regulation (EU) No 1307/2013) may be applied (depending on member State decision and European Commission approval) to 21 products: beef and veal, milk and dairy products, sheep and goat meat, protein crops, fruit and vegetables, sugar beet, cereals, olive oil, rice, grain legumes, starch potato, nuts, oilseeds, seeds, hops, hemp, silkworms, flax, cane and chicory, short rotation coppice and dried fodder.

The cotton crop specific payment (Regulation (EU) No 1307/2013) is for cotton.

Rural development (Regulation (EU) No 1305/2013): the support is not provided for individual products.

**Table DS:2**

## DOMESTIC SUPPORT: EUROPEAN UNION

*Notification under Article 18:3 of the Agreement:*
*New or modified domestic support measures exempt from reduction*

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### (1) FULL TITLE OF MEASURE: European aid to the most deprived.

The Fund for European aid to the most deprived may deliver basic material assistance including food for the personal use of the most deprived persons within the Union.

### (2) DOMESTIC LEGISLATION REFERENCE:

**Regulation (EU) No 223/2014** of the European Parliament and of the Council of 11 March 2014 on the Fund for European Aid to the Most Deprived.

### (3) DETAILED DESCRIPTION OF MEASURE WITH REFERENCE TO CRITERIA:

The Fund promotes social cohesion, enhances social inclusion and contributes to the objective of eradicating poverty. The Fund supports national schemes whereby food and/or basic material assistance are distributed to the most deprived persons through partner organisations selected by the member States.

**Annex 2 Paragraph 4 to Agreement on Agriculture**

Payments compensate for cost incurred or revenue foregone in relation to the provision of domestic food aid. Eligibility to receive the food aid is based on clearly-defined criteria related to nutritional objectives. Food purchases for the schemes are made at current market prices or lower.

Payments from the Fund for European aid to the most deprived comply with paragraph 1 of Annex 2 to the Agreement on Agriculture as well as with the relevant criteria of paragraph 4.

### (4) COST OF MEASURE:

The total annual expenditure for the Fund will be in the order of EUR 485 million (2011 prices) and the total amount for the full period 2014-2020 may not exceed EUR 3.396 billion (2011 prices).

### (5) DATE OF ENTRY INTO EFFECT:

11 March 2014.

### (6) PERIOD OF APPLICATION:

The Fund covers the period 2014-2020.

### (7) PRODUCTS TO PRINCIPALLY BENEFIT (IF ANY INDIVIDUAL PRODUCT(S)):

The fund is not intended to support individual products.

**Table DS:2**

## DOMESTIC SUPPORT: EUROPEAN UNION

*Notification under Article 18:3 of the Agreement:*
*New or modified domestic support measures exempt from reduction*

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### (1) FULL TITLE OF MEASURE:

Management of expenditure relating to the food chain, animal health and animal welfare, and relating to plant health and plant reproductive material.

These new Regulations manage the financing of the measures linked to EU food and food safety as well as feed and feed safety at all stages of production. It also lays down requirements regarding the prevention and control of transmissible diseases in animals and zoonosis, as well as on animal welfare, animal by-products, plant health and plant reproductive material.

### (2) DOMESTIC LEGISLATION REFERENCE:

- **Regulation (EU) No 652/2014** of the European Parliament and of the Council of 15 May 2014 laying down provisions for the management of expenditure relating to the food chain, animal health and animal welfare, and relating to plant health and plant reproductive material, amending Council Directives 98/56/EC, 2000/29/EC and 2008/90/EC, Regulations (EC) No 178/2002, (EC) No 882/2004 and (EC) No 396/2005 of the European Parliament and of the Council, Directive 2009/128/EC of the European Parliament and of the Council and Regulation (EC) No 1107/2009 of the European Parliament and of the Council and repealing Council Decisions 66/399/EEC, 76/894/EEC and 2009/470/EC.

- **Regulation (EU) No 2016/429** of the European Parliament and of the Council of 9 March 2016 on transmissible animal diseases and amending and repealing certain acts in the area of animal health ("Animal Health Law").

### (3) DETAILED DESCRIPTION OF MEASURE WITH REFERENCE TO CRITERIA:

**Annex 2 paragraph 2 (b) to Agreement on Agriculture**

Both Regulations cover among others, the expenditure related to pest disease control (e.g.: quarantine eradication and prevention of the propagation of diseases) in terms of animal health, plant health and plant reproductive material. The general objective of EU law in those areas is to contribute to a high level of health for humans, animals and plants along the food chain, a high level of protection and information for consumers and a high level of protection of the environment. In order to pursuit this objective the EU must provide with the appropriate financial resources in the different areas, including for exceptional circumstances such as emergency situations related to animal and plant health, when the appropriations allocations are insufficient but emergency measures are necessary.

The payments related to the food chain, animal health and animal welfare, and relating to plant health and plant reproductive material comply with paragraph 1 of Annex 2 to the Agreement on Agriculture as well as with the relevant criteria of paragraph 2(b).

### (4) COST OF MEASURE:

Annual expenditure will be in the order of EUR 260 million. Total expenditure over the years 2014 to 2020 shall not be more than EUR 1.892 billion (2011 prices).

### (5) DATE OF ENTRY INTO EFFECT:

- Regulation (EU) No 652/2014 entered into force on the 30 June 2014 (with some exceptions set out in its Article 54).

- Regulation (EU) No 2016/429 enters into force on 21 April 2021, except for Articles 270(1) and 274, which apply from 20 April 2016.

## (6) PERIOD OF APPLICATION: Indefinite

## (7) PRODUCTS TO PRINCIPALLY BENEFIT (IF ANY INDIVIDUAL PRODUCT(S)):

The measure is not intended to support individual products.

**Table DS:2**

## DOMESTIC SUPPORT: EUROPEAN UNION

*Notification under Article 18.3 of the Agreement:*
*New or modified domestic support measures exempt from reduction*

### (1) FULL TITLE OF MEASURE:

Information provision and promotion measures concerning agricultural products implemented in the internal market and in third countries.

### (2) DOMESTIC LEGISLATION REFERENCES

**Regulation (EU) No 1144/2014** of the European Parliament and of the Council of 22 October 2014 on information provision and promotion measures concerning agricultural products implemented in the internal market and in third countries and repealing Council Regulation (EC) No 3/2008.

### (3) DETAILED DESCRIPTION OF MEASURE WITH REFERENCE TO CRITERIA:

The EU allocates financial support for campaigns to promote specific farm products/farm and food production methods and inform consumers about how these products has been produced. The campaigns can run inside the EU, or beyond its borders.

*Payments from the promotion scheme comply with paragraph 1 of Annex 2 to the Agreement on Agriculture as well as with the relevant criteria of paragraph 2(f)*.

### (4) COST OF MEASURE

EUR 60 million during 2014, to be increased to EUR 200 million by 2019. This budget applies to measures both inside and outside the EU.

### (5) DATE OF ENTRY INTO EFFECT

1 December 2015.

### (6) PERIOD OF APPLICATION

Indefinite.

### (7) PRODUCTS TO PRINCIPALLY BENEFIT (IF ANY INDIVIDUAL PRODUCT(S))

Campaigns can cover the promotion of: fresh, chilled and frozen beef, veal and pig meat, food preparations based on these products, sheep meat, milk products, olive oil and table olives, wines with a protected designation of origin or a protected geographical indication, wines with an indication of the wine grape variety, spirits drinks with a protected geographical indication, fresh and processed fruit and vegetables, products processed from cereals and rice, fibre flax, live plants and ornamental horticulture products, products covered by the schemes for protected designations of origin (PDO), protected geographical indications (PGI) or traditional specialties guaranteed (TSG) and organic farming and organic products.