

TRAINING, INFORMATION AND DIFFUSION OF KNOWLEDGE

1. TITLE OF THE MEASURE

Training, information and diffusion of knowledge

2. LEGAL BASIS

Articles 20 (a) (1) and 21 of Regulation (EC) No 1698/2005.

Point 5.3.1.1 of Annex II of Regulation (EC) No .../2006.

3. OBJECTIVE

To broaden the scope of training, information and diffusion of knowledge activities to all adult persons dealing with agricultural, food and forestry matters. These activities cover issues under both the agricultural and forestry competitiveness and the land management and environment objectives.

The evolution and specialization of agriculture and forestry require an appropriate level of technical and economic training, including expertise in new information technologies, as well as adequate awareness in the fields of product quality, results of research and sustainable management of natural resources, including cross-compliance requirements and the application of production practices compatible with the maintenance and enhancement of the landscape and the protection of the environment.

4. SCOPE

Support is excluded for instruction of training that form part of the normal programmes or systems of agricultural and forestry education at secondary or higher levels.

5. MINIMAL COMMUNITY REQUIREMENTS

An assurance that no normal education system or programmes are being proposed for financial support.

MEASURE TEMPLATE

Name of the measure

Article (and paragraph) which covers the measure

Code of the measure (111)

Rationale for intervention

Objectives of the measure

Scope and actions

Beneficiaries

Description of the operations (including types of training)

Details on coverage of support

Definition of bodies providing the training and information actions (these can be public authorities or private bodies selected through a call for proposals)

Rate of support (up to 100%)

Demarcation role with other EU financial instruments (ESF)

Financing

- Total cost
- Public expenditure

Transition arrangements (including estimated amount)

Quantified targets for EU common indicators

Type of indicator	Indicator	Target 2007-13
Output	Number of participants to training	
	Number of training days received	
Result	Number of farmers or forest holders that successfully ended a training activity	
Impact	Change in gross value added per full time equivalent	

Additional programme-specific indicators and quantified targets

YOUNG FARMERS

1. TITLE OF THE MEASURE

Setting up of young farmers.

2. LEGAL BASIS

Articles 20 (a) (ii) and 22 of Regulation (EC) No 1698/2005.

Article 13 and 14, Annex II point 5.3.1.1.2 of Regulation (EC) No ... /2006.

3. OBJECTIVE

To facilitate both the initial establishment of the young farmers and the structural adjustment of their holding after their initial setting up (Recital 16 of Regulation 1698/2005).

4. MINIMAL COMMUNITY REQUIREMENTS

4.1. Beneficiaries:

- the farmer is under 40 years of age and is setting up for the first time on an agricultural holding as head of the holding,
- the farmer possesses adequate occupational skill and competence,
- the farmer submits a business plan for the development of their farming activities,

The above mentioned conditions for start-up assistance for young farmers must be met at the time when the application for support is lodged.

However, a period not exceeding 36 months may be allowed from the date the individual decision to grant support is taken in order to meet the conditions relating to occupational skills and competence, if the young farmer needs a period of adaptation in which to set up or to restructure the holding, provided that the business plan provides for such a need.

Specific conditions may be applied in a situation where the young farmer is not established as sole head of the agricultural holding. Those conditions must be equivalent to those required for a young farmer setting up as sole head of a holding.

4.2. Business plan:

It shall describe at least:

- (a) The initial situation of the agricultural holding and specific milestones and targets for the development of the activities of the new holding, and;
- (b) Details of investments, training, advice or any other action required for the development of the activities of the agricultural holding.

Compliance with the business plan shall be assessed by the competent authority no later than five years from the date of the individual decision granting support.

Member States, taking account of the circumstances in which the business plan is implemented, shall define the conditions for recovery of support already received if the young farmer fails to comply with the provision of the business plan at the time of the assessment.

4.3. Procedure

The individual decision to grant the aid shall be taken no later than 18 months after setting up as defined by the provisions in force in the Member States.

4.4. Support and payment calculation

The amounts of payments must be indicated. The setting-up aid may be given in the form of:

- a single premium in one or two instalments up to a maximum of EUR 40.000
- or in the form of an interest rate subsidy, the capitalised value of which may not exceed 40.000 EUR.

For both forms of support combined, the maximum may not exceed EUR 55.000.

In case of support under the form of a single premium, Member States may divide its payment up to five instalments.

4.5. Use of young farmer business plan for accessing other measures

Member states may decide where the business plan makes reference to the use of other rural development measures (included in Regulation 1698/2005), the approval of the young farmer's application by the competent authority gives also access to those other rural development measures. In such case, the information to be supplied by the applicant must be sufficiently detailed to enable supporting an application for support from those other measures.

MEASURE TEMPLATE

Title of the measure

Article which covers the measure

Measure code (112)

Rationale for intervention

Objectives of the measure

Scope and actions

Definition of beneficiaries

Definition of setting up used by the Member State/region

Summary of the requirements of the business plan, including in case of investments to comply with existing Community standards within a 36 months grace period, and details on frequency and treatment of reviews of the business plan

Use of the possibility to benefit from the grace period in order to reach the occupational skills and competence requirements

Use of the possibility to combine different measures through the business plan giving access of the young farmers to these measures

Amount of support (For both forms of support combined, the maximum may not exceed EUR 55.000)

Choice of payment (single premium in up to five instalments, interest rate subsidy or combination of both). In case of use of interest rate subsidies and capitalisation systems thereof, the arrangements in accordance with article 49 of the implementing Regulation

Quantified targets

Financing

- Total cost
- Public expenditure

Transition arrangements (including estimated total amount)

Quantified targets for EU common indicators

Type of indicator	Indicator	Target 2007-13
Output	Number of assisted young farmers	
	Total volume of investment	
Result	Increase in agricultural gross value added in supported farms	
Impact	Net additional value added expressed in PPS	
	Change in gross value added per full time equivalent	

Additional programme specific indicators and quantified targets

EARLY RETIREMENT OF FARMERS AND FARM WORKERS

6. TITLE OF THE MEASURE

Early retirement of farmers and farm workers

7. LEGAL BASIS

Articles 20 (a) (iii) and 23 of Regulation (EC) No 1698/1999.

Article 14 and point 5.3.1.1.3 of Annex II of Regulation (EC) No .../2006

8. OBJECTIVE

Early retirement from farming should target a significant structural change of the transferred holdings through the measure for the setting-up of young farmers according to the requirements of that measure, or by transferring the holding with a view to increasing its size, also taking into account the experience acquired in the implementation of previous Community schemes in this field. (Whereas 17 of Regulation 1698/2005).

9. MINIMAL COMMUNITY REQUIREMENTS

9.1. Beneficiaries

The beneficiaries are farmers and farm workers.

For the transferor the requirements are that the he/she is not less than 55 years old but not yet of normal retirement age at the time of transfer or not more than 10 years younger than the normal retirement age in the Member State concerned at the time of the transfer, stops all commercial farming activity definitively and has practised farming for the 10 years preceding transfer.

When a farm is transferred by several transferors, overall support for early retirement shall be limited to the amount provided for one transferor.

Non-commercial farming activity continued by the transferor shall not be eligible for support under the Common Agricultural Policy.

A tenant farmer may transfer the released land to the owner provided that the lease is terminated and the requirements relating to the transferee are complied with.

Member States may make provision for released land to be taken in charge by a body which undertakes to reassign it at a later date to transferees who satisfy the conditions laid down in article 23.2 of Regulation 1698/2005 (explained below).

The farm worker shall be not less than 55 years old but not yet of normal retirement age or not more than 10 years younger than the normal retirement age in the Member State concerned; have devoted at least half of his working time to farm work, during the preceding five years, as a family helper or farm worker; 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.

The transferee shall succeed the transferor by setting up as young farmer, or be a farmer of less than 50 years old or a private law body and take over the agricultural holding released by the transferor to increase the size of the agricultural holding.

4.2 Amount of support

The maximum amount per farmer is 18,000 euro annually and 180,000 in total. When a farm is transferred by several transferors, overall support for early retirement shall be limited to the amounts provided for one transferor. The maximum amount per farm worker is 4,000 euro annually and 40,000 euro in total (no maximum limit of number of workers).

The total duration of early retirement support cannot exceed 15 years for the transferor and for the farm worker. It shall not go beyond the 70th birthday of the transferor and the normal retirement age of the farm worker.

Where, in the case of a transferor, a retirement pension is paid by the Member State, early retirement support shall be granted as a supplement taking into account the amount of the national retirement pension.

MEASURE TEMPLATE

Title of the measure

Article which covers the measure

Measure code

Rationale for intervention

Objective of the measure

Scope and actions

Definition of beneficiaries

Description of the link with national retirement schemes

Description of the link with the young farmers setting up measure (where this option has been chosen)

Duration of the aid

Use of the possibility to transfer released land to a body which undertakes to reassign it at a later date

Type of assistance

Amount of payments (respect of EU limits)

Financing

- Total cost
- Public expenditure

Transition arrangements (including estimated total amount)

Quantified targets for EU common indicators

Type of indicator	Indicator	Target 2007-2013
Output	Number of farmers early retired	
	Number of farm workers early retired	
	Number of hectares released	
Result	Increase in agricultural gross value added in supported farms	
Impact	Net additional value expressed in PPS	
	Change in gross value added per full time equivalent	

Additional programme specific indicators and quantified targets

USE OF FARM ADVISORY SERVICES

5. TITLE OF THE MEASURE

Use of farm advisory services

6. LEGAL BASIS

Articles 20(a)(iii) and 24 of Regulation (EC) No 1698/2005.

Article 15, Annex II point 5.3.1.1.4 of Regulation (EC) No /2006.

7. OBJECTIVE

To allow farmers and forest holders to improve the sustainable management of their holdings.

8. BENEFICIARIES

Farmers and forest holders.

9. SCOPE

Support will be granted to help farmers and forest holders to meet costs arising from the use of advisory services for the improvement of the overall performance of their holding.

At least, the use of farm advisory services as provided in Regulation 1782/2003 should help farmers to assess the performance of their agricultural holdings and identify improvements with regard to:

a) the statutory management requirements and the good agricultural and environmental conditions provided for in Articles 4 and 5 and in Annexes III and IV to Regulation 1782/2003

b) to Community standards relating to occupational safety.

The general purpose of the measure is to enable a stocktaking and accounting of material flows and processes at holding level related to at least the standards based on Community legislation as set in annex III and annex IV to R.1782/03. It is **not** a control tool but intended to increase farmers' awareness in order to improve performance in respect of these standards.

The advice given can refer for example to seeds including their treatment, fertilizer application (quantities, time), yield, crop storage and after-harvest treatment, marketed output, crop rotation, plant protection products, fodder, medication, veterinary treatment, housing and handling facilities for animals, or manure storage.

Similar to the auditing of companies, good practices and record-keeping are established and checked by outside experts.

10. OTHER COMMUNITY REQUIREMENTS

6.1. Amount and rate of support

Community aid is limited to a maximum of 80 % of eligible cost per advisory service up to 1,500 €/holding.

This expenditure should be proven by invoice(s) paid by the farmer for the advice. This invoice should articulate the individual fields of advice to ensure that **at least all** issues related to statutory environmental, public, animal and plant health and animal welfare standards were covered by the advice.

6.2. Competences of authorities and bodies providing advisory services to farmers

The authorities and bodies selected to provide advisory services to farmers shall avail of appropriate resources in the form of:

- qualified staff
- administrative and technical facilities and,
- advisory experience and reliability with respect to the statutory management requirements and the good agricultural and environmental conditions provided for in Articles 4 and 5 and in Annexes III and IV to Regulation 1782/2003 and to Community standards relating to occupational safety.

11. GOOD PRACTICES IN THE IMPLEMENTATION

7.1. Prioritisation of potential beneficiaries

Where there is limited capacity of advisory bodies or financial restrictions Member states may wish to prioritise certain target groups as potential beneficiaries, e.g. those with high stocking densities, those in environmentally sensitive areas, according to the size etc.

Priority should be given to farmers receiving more than 15.000 € of direct payments (article 14 of Regulation 1782/2003).

7.2. Frequency

The frequency of the advice could also be inserted in the programme. This frequency means the interval between two uses of farm advisory services covering the same issues for which Community support is granted.

With limitations in capacity and financial terms, a longer interval would enable more farmers to participate, whereas a shorter term, eventually with priority target groups, would enable to tackle specific problems identified.

7.3. Complementarity with other measures

It should be underlined, that implementing the measure “use of farm advisory services” should consider other relevant support possibilities of R.1698/2005 as for training and information actions and for setting up of farm advisory services with a view to a coherent programme setting.

7.4. Public authorities and bodies selected to provide advisory services

Public Authorities as Advisory bodies/systems

The advisory body can be public authorities or private bodies. In case a (designated) public authority is delivering the advice, normally the technical experience can be considered as proven, but the advice must **cover all aspects** of environment, public health etc. This is in many cases only ensured by the cooperation of different authorities/extension services (e.g. agriculture, veterinary, food inspection etc). To cover all fields of advice requires a particular coordination effort.

Advice by public authorities must be proven by invoices paid by the farmer. Nevertheless, it is not excluded that extension/advice services so far granted free to farmers will become subject to invoicing and thus to co-financing of the public administration from the Community budget, or it would lead to privatisation of extension services. Though there is no legal provision to prevent this, such an indirect replacing of national financing of public administration by Community funding is a not priority of the measure.

Non-Public Advisory bodies/systems

Where the farm advisory system is operated by private bodies, they should avail;

- Staff qualification: For professional skills a minimum level (e.g. university degree in relevant sciences; certification) can be set. It is essential that the body has sufficient manpower at disposal to **cover all aspects** of environment, public health etc.
- Administrative and technical facilities: This concerns not only suitable office equipment but also availability of analytical equipment (e.g. for soil analysis).
- Advisory experience and reliability with respect to the requirements, conditions and standards: Can be proven e.g. by reference list or inscription in advisor registers.

For the appropriate selection of advisory bodies various procedures can be envisaged, including tenders selecting on the basis of the relevant criteria. However, the risk of admitting advisors not able to meet the minimum professional requirements (notably to cover all relevant issues) is particularly high, if for example just the registration as an agronomic expert would be required.

Appropriate measures should be taken to exclude illicit invoicing.

Example: The sale of plant protection products or fertilizers includes often advice by the input industry on advantages of the use of the product. There could be a risk that this advice could be “popped up” on paper to receive aid.

Though there is no legal requirement, a kind of supervision of the activities of the selected private bodies seems appropriate. This supervision should ensure

that the body carries out its activities in an objective manner, verify the effectiveness of the body's activities, and lead to de-select the body if it fails to comply with the requirements set by the selecting authority. Tools for this supervision can be e.g. general (anonymous) reporting obligations and inspections in the body.

Advice from several specialized bodies on individual parts of the annex III-requirements

Indeed this possibility is not excluded. As the invoices must ventilate the fields of advice, the public authority can check if all issues were covered. Appropriate care should be taken, however, for the farm management activities to be considered as a whole (there is a certain risk of lacking co-ordination between the different bodies).

It should be ensured

- that every individual advisor is selected by the authorities (in this case the minimum criteria/requirement for the selection are of particular importance),
- that the same advice is not double-financed, and
- that the payment (max. 1500 €) covers the entire issues to be addressed and is paid only after all individual parts of the advice are delivered (the latter also to avoid difficulties for the authorities if the farmer - having been already reimbursed for only a first part - would renounce on advice concerning the remainder of the areas to be addressed).

MEASURE TEMPLATE

Title of the measure

Measure code (114)

Article which covers the measure

Rationale for intervention

Objectives of the measure

Scope and actions

Definition of beneficiaries

Description of the farm/forestry advisory systems put in place by the Member State, including the procedure for the selection of the bodies responsible for the provision of those services to farmers/forest holders

Amount (maximum 1500 per holding) **and rate of support** (maximum of 80% of the eligible cost per advisory service)

Financing

- Total cost
- Public expenditure

Transition arrangements (including estimated total amount)

Quantified targets for the EU Common indicators

Type of indicator	Indicator	Target 2007-2013
Output	Number of farmers supported	
	Number of forest holders supported	
Result	Increase in agricultural GVA in supported farms	
Impact	Change in gross value added per full time equivalent	

Additional programme-specific indicators and quantified targets

**SETTING UP OF FARM MANAGEMENT, FARM RELIEF AND FARM ADVISORY SERVICES, AS
WELL AS FORESTRY ADVISORY SERVICES**

10. TITLE OF THE MEASURE

Setting up of farm management, farm relief and farm advisory services, as well as forestry advisory services

11. LEGAL BASIS

Articles 20(a)(iv) and 25 of Regulation (EC) No 1698/1999.

Article 16 and point 5.3.1.1.5 of Annex II of Regulation (EC) No .../2006,

12. OBJECTIVE

Setting up of farm management, farm relief and farm advisory services, as well as forestry advisory services for farmers and forestry advisory services for forest holders should help them to adapt, improve and facilitate management and improve the overall performance of their holdings by further enhancing the human potential operating in agriculture and forestry sectors. (Recital 19 of Regulation 1698/2005).

13. SCOPE OF SUPPORT

Support is paid for setting up costs of services and shall be degressive over a maximum period of five years from setting up. It shall be provided in equal steps from the first year of support, in a way that support is completely phased out in the sixth year at the latest from the setting up of those services.

A degressive rate of support for the setting up shall be established in the rural development programmes providing for a reduction of support in equal steps from the first year of support, in a way that support is completely phased out in the sixth year at the latest from the setting up of those services.

MEASURE TEMPLATE

Title of the measure

Measure code (115)

Article which covers the measure

Rationale for intervention

Objectives of the measure

Scope and actions

Definition of beneficiaries

Description of the setting up procedures

Description of the status of service providers

Description of the type of services covered

Description of the type of eligible expenditures

Level of support (according to state aid rules)

Financing

- Total cost
- Public expenditure

Transition arrangements (including estimated amount)

Quantified targets of EU common indicators

Type of indicator	Indicator	Target 2007-2013
Output	Number of newly set up management services	
	Number of newly set up relief services	
	Number of newly set up advisory services	
Result	Increase in agricultural gross value added by supported farm/forest holders	
Impact	Change in gross value added per full time equivalent	

Additional programme specific indicators and quantified targets

MODERNISATION OF AGRICULTURAL HOLDINGS

14. TITLE OF THE MEASURE

Modernisation of agricultural holdings.

15. LEGAL BASIS

Articles 20(b)(i) and 26 of Regulation (EC) No 1698/1999.

Article 17 and point 5.3.1.2.1 of Annex II of Regulation (EC) No .../2006

16. OBJECTIVE

The purpose of Community farm investment aid is to modernize agricultural holdings to improve their economic performance through better use of the production factors including the introduction of new technologies and innovation, targeting quality, organic products and on/off farm diversification, including non-food sectors and energy crops as well as improving the environmental, occupational safety, hygiene and animal welfare status of agricultural holdings. (Recital 21 of Regulation 1698/2005).

17. MINIMAL COMMUNITY REQUIREMENTS

17.1. Scope

Support will be provided for tangible or intangible investments which:

- a) improve the overall performance of the agricultural holding; and
- b) respect the Community standards applicable to the investment concerned.

17.2. Investments and respect of standards

- Where investments are made in order to comply with community standards, support may be granted only to those which are made in order to comply with newly introduced Community standards. In that case, a period of grace not exceeding 36 months from the date on which the standard becomes mandatory for the agricultural holding, may be provided to meet that standard. The relevant standards shall be met by the end of the period of grace.
- In the case of young farmers receiving support from the measure "Setting up of young farmers", support may be granted for investments to comply with existing Community standards, when identified in the business plan. The period of grace within which the standard needs to be met, may not exceed 36 months from the date of setting up. The relevant standards shall be met by the end of that period of grace.

17.3. Aid intensity

- Maximum public support (percentage of eligible investment). There is a differentiation of ceilings: 40% (normal) and 50% (less favoured areas) that can be increased respectively to 50% and 60% if the investments are undertaken by young farmers.

17.4. Eligible investments.

They shall be limited

- (a) the construction, acquisition, including through leasing, or improvement of immovable property
- (b) the purchase or lease-purchase of new machinery and equipment, including computer software up to the market value of the asset. Other costs connected with the leasing contract, such as lessor's margin, interest refinancing costs, overheads and insurance charges, shall not be eligible expenditure
- (c) general costs linked to expenditure referred to in points (a) and (b), such as architects, engineers and consultation fees, feasibility studies, the acquisition of patent rights and licences

In duly substantiated cases and by way of derogation from point (b) of the first subparagraph Member States may establish the conditions where the purchase of second-hand equipment may be regarded as eligible expenditure only for micro, small and medium-sized enterprises within the meaning of Commission Recommendation 2003/361/EC.

The purchase of agricultural production rights, animals, annual plants and their planting shall not be eligible for support.

Simple replacement investments shall not be eligible for support.

4.5. Targeting of investments

Support for these investments shall be targeted on clearly defined objectives reflecting identified structural and territorial needs and structural disadvantages.

18. LESSONS LEARNED FROM IMPLEMENTATION (EXPECTED DIFFICULTIES)

- (1) Difficulty for the farmer to “pre-finance” 100% of the project before submitting payment claims with receipted invoices. The payment claim must be based as a general rule on expenditure already incurred by the recipient but it is possible to make payments in several stages (without necessarily waiting for the completion of the whole investment project).

Member States may decide to grant advance payments to beneficiaries up to 20% of the public expenditure related to the eligible costs of the investment once such advance is covered by appropriate guarantee. Advance payments are intended to

facilitate carrying out the investment. The programme should mention the intention of the Managing authority to grant advance payments to beneficiaries.

MEASURE TEMPLATE

Title of the measure

Measure code

Article which covers the measure

Rationale for intervention

Objectives of the measure

Scope and actions

Description of the requirements and targets with regard to the improvement of the overall performance of the agricultural holdings

Type of investments (tangible-intangible)

Definition of the type of beneficiaries

Designation of the newly introduced Community standards (and of existing standards in the case of young farmers receiving setting up support) for which support may be granted, justification related to the specific problems involved in complying with these standards and duration and justification of the grace period per standard concerned

Type of support. In case of using interest rated subsidies as well as of financial engineering systems, the arrangements in accordance with Articles 49 to 52 of the Implementing Regulation. In case of advance payments, description of the arrangements required by article 56 of the implementing rules (rate of advance, guarantee covering advances, conditions for releasing the guarantee)

Aid intensities (max 50/60% +10% for young farmers)

Financing

- Total cost
- Public expenditure

Transition arrangements (including estimated support)

Coherence with first pillar. Criteria and administrative rules for ensuring that operations benefiting exceptionally from rural development support in the support schemes listed in Annex I of the implementing regulation are not also supported by other relevant instruments of the Common Agricultural policy.

Quantified targets for EU indicators

Type of indicator	Indicator	Target 2007-2013
Output	Number of farm holdings supported	
	Total volume of investment	
Result	Number of holdings introducing new products or techniques	
Impact	Net additional value expressed in PPS	
	Change in gross value added per full time equivalent	

Additional programme specific indicators and quantified targets

IMPROVING THE ECONOMIC VALUE OF THE FOREST

19. TITLE OF THE MEASURE

Improving the economic value of the forest.

20. LEGAL BASIS

Articles 20(b)(ii) and 27 of Regulation (EC) No 1698/1999.

Article 18 and point 5.3.1.2.2. of Annex II of Regulation (EC) No .../2006.

21. OBJECTIVE

Private forests play an important role in economic activity in rural areas and, therefore, Community aid is important for improving and broadening their economic value, for increasing diversification of production and enhancing market opportunities, in sectors such as that for renewable energy, while maintaining the sustainable management and the multifunctional role of forests. (Recital 22 of Regulation 1698/2005).

22. MINIMAL COMMUNITY REQUIREMENTS

4.1. Beneficiaries

Investment support is paid for forests owned by private owners or their associations or by municipalities or their associations. This limitation does not apply to the tropical or subtropical forests and to the wooded areas of the territories of the Azores, Madeira, the Canary Islands, the smaller Aegean Islands within the meaning of Regulation (EEC) No 2019/93 and the French overseas departments.

The following forest shall be excluded from support:

- (a) forest or other wooded land owned by central or regional governments, or by government-owned corporations
- (b) forest and other wooded land owned by the Crown;
- (c) forest owned by legal persons at least 50% of whose capital is held by one of the institutions referred in points (a) and (b).

4.2. Requirement of forest management plans

Investments shall be based on forest management plans for forest holdings above a certain size to be defined by the Member States in their programmes.

Forest management plans appropriate to the size and use of the forest area shall be based on relevant national legislation as well as existing land use plans and they shall adequately cover the forest resources.

4.3. Eligible investments

Operations for the improvement of the economic value of forests shall concern investments at the level of the forestry holding, and may include investments for harvesting equipment.

Activities related to regeneration after final felling shall be excluded from support.

Investments shall be limited

- (a) the construction, acquisition, including through leasing, or improvement of immovable property
- (b) the purchase or lease-purchase of new machinery and equipment, including computer software up to the market value of the asset. Other costs connected with the leasing contract, such as lessor's margin, interest refinancing costs, overheads and insurance charges, shall not be eligible expenditure
- (c) general costs linked to expenditure referred to in points (a) and (b), such as architects, engineers and consultation fees, feasibility studies, the acquisition of patent rights and licences

In duly substantiated cases and by way of derogation from point (b) of the first subparagraph Member States may establish the conditions where the purchase of second-hand equipment may be regarded as eligible expenditure only for micro, small and medium-sized enterprises within the meaning of Commission Recommendation 2003/361/EC.

4.4. Aid intensity

Support shall be limited normally to 50% of the investment costs. In less favoured areas and NATURA 2000-areas support is limited to 60%. In the outermost regions support is limited to 85%.

MEASURE TEMPLATE

Title of the measure

Measure code

Article which covers the measure

Rationale for intervention

Objectives of the measure

Scope and actions

Type of beneficiaries

Types of investments

Type of support. In case of using interest rate subsidies or financial engineering systems, reference to the arrangements in accordance with articles 49 to 52 of the Implementing regulation. In case of advance payments, description of the arrangements required by article 56 of the implementing rules (rate of advance, guarantee covering advances, conditions for releasing the guarantee)

Aid intensities (maximum 50%, 60% in LFA and 85% in outermost regions)

Financing

- Total cost
- Public expenditure

Transition arrangements (including estimated support)

Quantified targets for EU common indicators

Type of indicator	Indicator	Target 2007-2013
Output	Number of forest holdings receiving investment support	
	Total volume of investment	
Result	Number of holdings introducing new products or techniques	
Impact	Net additional value expressed in PPS	
	Change in gross value added per full time equivalent	

Additional programme-specific indicators and quantified targets

ADDING VALUE TO AGRICULTURAL AND FORESTRY PRODUCTS

23. TITLE OF THE MEASURE

Adding value to agricultural and forestry products.

24. LEGAL BASIS

Articles 20(b) (iii) 28 of Regulation (EC) No 1698/1999.

Article 19 and point 5.3.1.2.3 of Annex II of Regulation (EC) No .../2006.

25. OBJECTIVE

Improvements in the processing and marketing of primary agricultural and forestry products should be encouraged by means of support for investments aimed at improving efficiency in the processing and marketing sector, promoting the processing of agricultural and forestry production for renewable energy, introducing new technologies and innovation, opening new market opportunities for agricultural and forestry products, putting emphasis on quality, improving environmental protection, occupational safety, hygiene and animal welfare, as appropriate, by targeting, as a general rule, micro, small and medium-sized enterprises and other enterprises under a certain size, which are better placed to add value to local products.

26. MINIMAL COMMUNITY REQUIREMENTS

26.1. Beneficiaries

The beneficiaries are limited to micro, small and medium-sized enterprises within the meaning of Commission Recommendation 2003/362/EC. For the territories of the Azores, Madeira, the Canary Islands, the smaller Aegean Islands and the French overseas departments, no size limits apply for the maximum rate. Enterprises that are not covered by Article 2(1) of that recommendation with less than 750 employees or with a turn over of less than EUR 200 million. In the case of forestry, support shall be limited to micro-enterprises.

26.2. Scope

Support will be granted to tangible and/or intangible investments which:

- a) improve the overall performance of the enterprise;
- b) concerns the processing and/or marketing of products covered by Annex I to the Treaty, except fishery products, and of forestry products, and/or the development of new products, processes and technologies linked to products covered by Annex I to the Treaty, except fishery products, and to forestry products
- c) respect the Community standards applicable to the investment concerned. Where investments are made in order to comply with Community standards, support may be granted only to those which are made by micro-enterprises, in order to comply with a newly introduced Community standard. In that case a period of grace, not exceeding 36 months from the date on which the standard becomes mandatory for the enterprise, may be provided to meet the standard. The relevant standard shall be met at the end of the period of grace.

4.3. Aid intensity

The aid intensity will be of maximum 50% in Convergence objective areas; 40% in non Convergence areas; 75 in outermost regions; 65% in the smaller Aegean islands.

For enterprises that are not covered by Article 2(1) of that recommendation with less than 750 employees or with a turn over of less than EUR 200 million the maximum aid intensity is halved.

The above rates apply to enterprises where the input (raw material) and the output are products included in Annex I of the Treaty. In case where at least the output is not an Annex I product, general state aid rules apply.

4.4. Eligible investments

In case of support for investments for adding value to forestry products, investments related to the use of wood as a raw material shall be limited to all working operations prior to industrial processing.

Eligible investments shall be limited to:

(a) the construction, acquisition including through leasing, or improvement of immovable property

(b) the purchase or lease-purchase of new machinery and equipment, including computer software up to the market value of the asset. Other costs connected with the leasing contract, such as lessor's margin, interest refinancing costs, overheads and insurance charges, shall not be eligible expenditure

(c) general costs linked to expenditure referred to in points (a) and (b), such as architects, engineers and consultation fees, feasibility studies, the acquisition of patent rights and licences

In duly substantiated cases and by way of derogation from point (b) Member States may establish the conditions where the purchase of second-hand equipment may be regarded as eligible expenditure only for micro, small and medium-sized enterprises within the meaning of Commission Recommendation 2003/361/EC.

The purchase of agricultural production rights, animals, annual plants and their planting shall not be eligible for support.

Simple replacement investments shall not be eligible for support.

4.5. Targeting of investment

Support for these investments shall be targeted on clearly defined objectives reflecting identified structural and territorial needs and structural disadvantages.

27. LESSONS LEARNED FROM IMPLEMENTATION (EXPECTED DIFFICULTIES)

Difficulties by smaller firms to prefinance the totality of the eligible investment.

To reduce these difficulties, Member States may decide to grant advance payments to beneficiaries up to 20% of the public expenditure related to the eligible costs of the investment once such advance is covered by appropriate guarantee. Advance payments are intended to facilitate carrying out the investment. The programme should mention the intention of the Managing authority to grant advance payments to beneficiaries

MEASURE TEMPLATE

Title of the measure

Measure code (123)

Article which covers the measure

Rationale for intervention

Objectives of the measure

Scope and actions

Type and size of beneficiary enterprise

Description of the requirements and targets with regard to the improvement of the overall performance of the enterprises

Primary production sectors

Type of investments (tangible-intangible)

Designation of the standards for which a period of grace can be granted to micro-enterprises in order to comply with a newly introduced standard

Type of support. In case of using interest rated subsidies as well as of financial engineering systems, the arrangements in accordance with articles 49 to 52 of the Implementing Regulation. In case of advance payments, description of the arrangements required by article 56 of the implementing rules (rate of advance, guarantee covering advances, conditions for releasing the guarantee)

Aid intensities (max 50% in Convergence objective areas; 40% in non Convergence areas; 75 in outermost regions; 65% in the smaller Aegean islands. For enterprises with less than 750 employees or with a turn over of less than EUR 200 million the maximum aid intensity is halved These aid intensities apply where both input raw material and output are Annex I products. Otherwise, general state aid rules apply and the programme shall indicate the aid rates according to those rules)

Financing

- Total cost
- Public expenditure

Transition arrangements (including estimated support)

Coherence with first pillar. Criteria and administrative rules for ensuring that operations benefiting exceptionally from rural development support in the support schemes listed in

Annex I of the implementing regulation are not also supported by other relevant instruments of the Common Agricultural policy.

Quantified targets for EU common indicators

Type of indicator	Indicator	Target 2007-2013
Output	Number of holdings supported	
	Total volume of investment	
Result	Number of holdings introducing new products or techniques	
Impact	Net additional value expressed in PPS	
	Change in gross value added per full time equivalent	

Programme specific indicators and quantified targets

COOPERATION FOR INNOVATION

12. TITLE OF THE MEASURE

Cooperation for development of new products, processes and technologies in the agriculture and food sector and in the forestry sector.

13. LEGAL BASIS

Articles 20 (b) (iv) and 29 of Regulation (EC) No 1698/2005.

Article 20 and point 5.3.1.2.4 of Annex II of Regulation (EC) No /2006.

14. OBJECTIVE

To ensure that the agriculture and food sector and the forestry sector can take advantage of market opportunities through widespread innovative approaches in developing new products, processes and technologies. For this purpose, cooperation between farmers, the food and the raw materials processing industry and other parties should be encouraged. (Whereas 24 of Regulation 1698/2005).

15. MINIMAL COMMUNITY REQUIREMENTS

15.1. Beneficiaries

Primary producers in agriculture and forestry, the processing industry and/or third parties (no limitation in size).

15.2. Eligible activities

Preparatory operations such as design, product, process or technology development and tests and other tangible and/or intangible investments related to the cooperation, before the use of the newly developed products, processes and technologies for commercial purposes.

In case of investments, eligible expenses shall be limited to:

- (a) the construction, acquisition, including through leasing, or improvement of immovable property
- (b) the purchase or lease-purchase of new machinery and equipment, including computer software up to the market value of the asset. Other costs connected with the leasing contract, such as lessor's margin, interest refinancing costs, overheads and insurance charges, shall not be eligible expenditure
- (c) general costs linked to expenditure referred to in points (a) and (b), such as architects, engineers and consultation fees, feasibility studies, the acquisition of patent rights and licences

In duly substantiated cases and by way of derogation from point (b) of the first subparagraph Member States may establish the conditions where the purchase of second-hand equipment may be regarded as eligible expenditure only for micro, small and medium-sized enterprises within the meaning of Commission Recommendation 2003/361/EC.

MEASURE TEMPLATE

Title of the measure

Measure code (124)

Article which covers the measure

Rationale for intervention

Objectives of the measure

Scope actions

Definition of sectors covered

Definition of types of the partners involved in the cooperation projects

Description of any distinction between cooperation projects in the fields of new products/new processes/new technologies

Types of eligible costs

Rate of support (according to state aid rules on research, development and innovation)

Type of support. In case of using interest rates subsidies as well as of financial engineering systems, the arrangements in accordance with articles 49 to 52 of the Implementing regulation. In case of advance payments, arrangements that the requirements of article 56 of the implementing rules (rate of advance, guarantee covering advances, conditions for releasing the guarantee)

Financing

- Total cost
- Public expenditure

Quantified target for indicators

Type of indicator	Indicator	Target 2007-13
Output	Number of cooperation initiatives supported	
Result	Number of holdings introducing new products or techniques	
Impact	Net additional value expressed in PPS	
	Change in gross value added per full time equivalent	

Additional programme-specific indicators (and quantified targets)

**INFRASTRUCTURE RELATED TO THE DEVELOPMENT AND ADAPTATION OF AGRICULTURE
AND FORESTRY**

28. TITLE OF THE MEASURE

Infrastructure related to the development and adaptation of agriculture and forestry.

29. LEGAL BASIS

Articles 20 (b) (v) and 30 of Regulation (EC) No 1698/1999.

Point 5.3.1.2.5 of Annex II of Regulation (EC) No .../2006.

30. OBJECTIVE

Agriculture infrastructure should contribute to the agriculture and forestry competitiveness axis. (Recital 25 of Regulation 1698/2005).

31. SCOPE

Support under this measure may cover notably operations related to (non-exhaustive list):

- Access to farm and forest land
- Land consolidation and improvement
- Energy supply and,
- Water management

MEASURE FICHE

Title of the measure

Measure code (125)

Article which covers the measure

Rationale for intervention

Objectives of the measure

Scope and actions

Description of the type of operations

Type of support. In case of advance payments being granted, description of the arrangements required by article 56 of the implementing rules (rate of advance, type of guarantee covering advances –ie. from the authorities supervising the beneficiaries/public bodies-, conditions for releasing the guarantee)

Financing

- Total cost
- Public expenditure

Quantified targets for EU common indicators

Type of indicator	Indicator	Target 2007-2013
Output	Number of operations supported	
	Total volume of investment	
Result	Increase in gross value added in supported holdings	
Impact	Change in gross value added per full time equivalent (GVA/FTE)	

Additional programme specific indicators and quantified targets

**RESTORING AGRICULTURAL PRODUCTION POTENTIAL DAMAGED BY NATURAL DISASTERS
AND INTRODUCING APPROPRIATE PREVENTIVE ACTIONS**

32. TITLE OF THE MEASURE

Restoring agricultural production potential damaged by natural disasters and introducing preventive actions.

33. LEGAL BASIS

Article 20 (b) (vi) of Regulation (EC) No 1698/1999.

Point 5.3.1.2.6 of Annex II of Regulation (EC) No .../2006.

34. OBJECTIVE

Restorative and preventive measures against natural disasters should contribute to the agricultural and forestry competitiveness axis. (Recital 25 of Regulation 1698/2005).

MEASURE FICHE

Title of the measure

Measure code (116)

Article which covers the measure

Rationale for intervention

Objectives of the measure

Scope and actions

Definition of beneficiaries

Assurance that only investment expenditure is covered

Financing

- Total cost
- Public expenditure

Quantified targets for EU common indicators

Type of indicator	Indicator	Target 2007-2013
Output	Number of beneficiaries	
	Total volume of investment	
Result	Gross value added by supported farmers	
Impact	Change in gross value added per full time equivalent (GVA/FTE)	

Additional programme specific indicators and quantified targets

MEETING STANDARDS

16. TITLE OF THE MEASURE

Meeting standards based on Community legislation

17. LEGAL BASIS

Articles 20 (c)(i) and 31 of Regulation (EC) No 1698/2005.

Article 21 and point 5.3.1.3.1 of Annex II of Regulation (EC) No .../2006.

18. OBJECTIVE

To promote a more rapid implementation by farmers of demanding standards based on Community legislation concerning the environment, public health, animal and plant health, animal welfare and occupational safety and the respect of those standards by farmers. These standards may impose new obligations on farmers and consequently support should be provided to help cover partly the additional costs or income foregone arising from these obligations.

19. MINIMUM COMMUNITY REQUIREMENTS

4.1 Scope

Support under this measure will contribute partly to costs incurred and income foregone caused to farmers who have to apply standards in the fields of the environmental protection, public health, animal and plant health, animal welfare and occupational safety.

4.2. Newly introduced standards

Standards must be newly introduced in national legislation implementing Community law and impose new obligations or restrictions to farming practice which have a significant impact on typical farm operating costs and concern a significant number of farmers.

4.3. Support

The support shall be granted as a flat-rate, temporary and degressive aid on an annual basis, for a maximum duration of five years from the date the standard becomes mandatory in accordance with Community legislation.

Payments shall be phased out over the maximum duration of five years.

The level of support shall be modulated by the Member States per standard with regard to the level of obligations resulting from the application of the standard.

The maximum support is €10,000 per holding

Costs related to investments shall not be taken into account when determining the level of annual support for meeting standards based on Community legislation.

5. BEST PRACTICES IN IMPLEMENTATION

5.1. Choice of standards to support

The Member State may choose which EU standards to support under this measure, provided that they relate to the environment, public, animal and plant health, animal welfare and/or occupational safety and that compliance entails significant costs for the farmer. Because resources are limited and establishment of the level of support to be provided is quite complex, Member States will be obliged to select a limited number of standards to support. Priority should be given to allocating support where it will contribute most to achieving the objectives of the measure, i.e. provide the greatest aggregate benefits to society and the environment. It is suggested that the following factors should be taken into account when selecting the standards to be supported:

- EU and national priorities. Standards where non-compliance has the greatest impact on society and/or the environment. i.e. where there are the largest aggregate negative externalities.
- The costs incurred and income foregone for the farmer of compliance. Farmers are likely to have most difficulty in meeting standards where compliance entails major costs
- The date on which standards become mandatory for farmers (“compliance date”). One of the objectives of the measure is to ensure a rapid implementation of demanding standards.
- The losses to the farmer associated with non-compliance (which in many cases should be correlated with the impact on society and the environment). For example, the directives referred to in annex III of Council Regulation 1782/2003 constitute the statutory management requirements which a farmer must respect in order to receive direct payments (cross-compliance requirements). Any farmer not respecting these standards therefore risks financial losses (as set down in Articles 6 and 7 of Regulation 1782/2003). Non-compliance with certain directives may have a direct effect on the saleability of agricultural produce and hence farm income (e.g. standards in relation to milk quality and dairy hygiene).

5.2. Concept of “newly introduced standards”

Support may be granted to farmers who have to apply standards based on EU legislation and “**newly introduced**” in the national legislation. Normally, the 5 year maximum period during which support may be provided starts from the date when the standard becomes mandatory for a farmer under national legislation in accordance with EU legislation. If either the Member State transposes the legislation late, or the farmer applies for support under the measure later on (i.e. after it has become

mandatory for him), the period during which support may be provided will shorten accordingly.

5.3. Calculation of annual support for compliance with standards

For each standard, the measure fiche must show detailed methodology of calculations of the support to be provided based on additional costs incurred and income foregone each year due to respect of the specified standard. These must be calculated as additional to typical farm operating costs (in a similar way to the calculations of payments in relation to agri-environment commitments). This could include for example supplementary working hours, additional use of machinery or consumables, consumable material, reductions in yield etc. Only directly relevant real operational costs may be included: depreciation of buildings and/or equipment and bank interest are not eligible. The MS is not required to provide 100% support to cover the additional management obligations, but may do so.

5.4. Maximum support available

The support the holding receives in relation to each standard is calculated separately, taking account of the relevant standard costs, degressivity etc, and all are added to give the total support for the holding. If the total exceeds the ceiling, then the farmer receives the maximum payment for that year i.e. the ceiling (€10,000).

5.5. Degressivity

Support provided under the Meeting Standards measure is shall be phased out in equal instalments over the maximum duration of five years. This means that support is degressive throughout the period, reducing each year in equal steps (for 5 years, p.ex.: 1st year 100%, 2nd year 80%, 3rd year 60%, 4th year 40%, 5th year 20%). If a farmer receives support for costs incurred/income foregone for a shorter period than the maximum 5 years, the degressivity is adjusted accordingly so that payments decline in equal steps.

MEASURE TEMPLATE

Title of the measure

Measure code (131)

Objectives of the measures

Type of aid

Definition of beneficiaries

List of standards based on Community legislation eligible for support, date from which the standard is mandatory in accordance with Community legislation and justification of choice

Description of the significant impact on farm operating costs stemming from the obligations or restrictions imposed by the new standard

Amount of support per eligible standard and methodology used to determine this amount. Evidence as referred to in article 48(2) of the implementing rules allowing the Commission to check consistency and plausibility of the calculations

Total amount of support (maximum of 10.000 € per year per holding)

Rate of support

Financing

- Total cost
- Public expenditure

Transitional arrangements (including estimated amounts)

Quantified targets in EU common indicators

Type of indicator	Indicator	Target
Output	Number of beneficiaries	
Result	Gross value added by supported farmers	
	Value of agricultural production under recognised standards	
Impact	Net additional value expressed in PPS	
	Change in gross value added per full time equivalent	

Additional programme-specific indicators and quantified targets

FOOD QUALITY SCHEMES: PARTICIPATION OF FARMERS

20. TITLE OF THE MEASURE

Participation of farmers in food quality schemes

21. LEGAL BASIS

Articles 20(c) (ii) and 32 of Regulation (EC) No 1698/2005.

Article 22 and point 5.3.1.3.2 of Annex II of Regulation (EC) No... /2006.

22. OBJECTIVE

To provide consumers with assurances on the quality of the product or the production process used as a result of their participation in such schemes, to achieve added value for agricultural primary products and enhance market opportunities. Since participation in such schemes may give rise to additional costs and obligations which are not fully rewarded by the market-place, farmers should be encouraged to participate in such schemes.

23. MINIMAL COMMUNITY REQUIREMENTS

23.1. Beneficiaries

Farmers

23.2. Scope of support

Support shall:

- (c) Cover agricultural products only intended for human consumption
- (d) Be for Community food quality schemes, or for those recognised by the Member States which comply with precise criteria. Schemes whose sole purpose is to provide a higher level of control of respect of obligatory standards under Community or national law shall not be eligible for support

4.3. Types of food quality schemes

Community food quality schemes

- Geographical indications and designations of origin for agricultural products and foodstuffs (Council Regulation 510/2006)
- Traditional specialities guaranteed (Council Regulation 509/2006)

- Organic production of agricultural products (Council Regulation 2092/91, in process of recasting)
- Quality wine produced in specified regions (Title VI of Council Regulation 1493/1999 on the common organisation of the market in wine).

National food quality schemes

Food quality schemes recognised by the Member States shall comply with the following criteria:

- The specificity of the final product under such schemes shall be derived from detailed obligations on farming methods that guarantee: Specific characteristics including the production process, or a quality of the final product that goes significantly beyond the commercial commodity standards as regards public, animal or plant health, animal welfare or environmental protection.
- The schemes involve binding product specifications and compliance with those specifications shall be verified by an independent inspection body
- The scheme shall be open to all producers
- The scheme shall be transparent and assure complete traceability of the products
- The scheme shall respond to current and foreseeable market opportunities

4.4. Recognition of the product under the quality scheme

Support may be granted to farmers participating in a quality scheme only if the quality product or foodstuff has been officially recognised under EU regulations or in a national scheme.

For products recognised as EU geographical indications, designations of origin and certificates of specific character, support may only be granted in respect of products registered on one of the Community registers. Products registered can be consulted on the following website:

http://europa.eu.int/comm/agriculture/foodqual/quali1_en.htm

4.5. Avoidance of double funding: organic farming

Avoidance of double funding of organic farming: when support is given for organic farming as quality scheme for a specific product included in a rural development programme, the fixed costs resulting from the participation in this quality scheme shall no more be taken into account in calculating the amount of support in the framework of an agrienvironment measure to support organic farming for the same product.

4.6. Level of support

The annual incentive payment shall be fixed according to the level of the fixed costs arising from participation in supported schemes for a maximum duration of 5 years.

Fixed costs mean the costs incurred for entering and the annual contribution for participating in such a scheme, including, where necessary, expenditure on checks required to verify compliance with the specifications of the scheme

The maximum annual amount of support per scheme is 3000 € maximum per holding

24. BEST PRACTICE IN IMPLEMENTATION

Regarding point 4.5, a farmer can receive support through the quality support measure (organic farming) and an agri-environmental measure on organic farming as long as both interventions are covering different costs. A quality measure could cover the participation costs in an organic farming scheme whereas an agri-environmental measure would cover income foregone or additional costs of an organic management.

MEASURE TEMPLATE

Title of the measure

Measure code (132)

Article which covers the measure

Rationale for intervention

Objectives of the measure

Scope and actions

Definition of beneficiaries

List of Community and national quality schemes eligible for support, including the list of products qualifying for support under the quality schemes chosen. For national schemes, description of the scheme regarding the criteria included in the implementing regulation

Indication of the official authorities responsible for the supervision of the functioning of the quality scheme and description of the organisational arrangements for the supervision

Amount of support per type of eligible scheme (3000 € maximum per holding per year)

Justification of the fixed costs

Financing

- Total cost
- Public expenditure

Transition arrangements (including estimated support)

Quantified targets for EU common indicators

Type of indicator	Indicator	Target 2007-2013
Output	Number of supported farm holdings participating in a quality scheme	
Result	Increased value of agricultural production under recognised quality scheme	
Impact	Net additional value expressed in PPS	
	Change in gross value added per full time equivalent	

Additional programme-specific indicators and quantified targets

Coherence with first pillar. Criteria and administrative rules for ensuring that operations benefiting exceptionally from rural development support in the support schemes listed in Annex I to this Regulation are not also supported by other relevant instruments of the Common Agricultural Policy.

FOOD QUALITY SCHEMES: INFORMATION AND PROMOTION ACTIVITIES

25. TITLE OF THE MEASURE

Information and promotion activities on food quality schemes

26. LEGAL BASIS

Articles 20(c)(iii) and 33 of Regulation (EC) No 1698/2005.

Article 23 and point 5.3.1.3.3 of Annex II of Regulation (EC) No ... /2006.

27. OBJECTIVE

As there is a need to improve consumers' awareness of the existence and specifications of products produced under the EU and national quality schemes, support can be provided to producer groups to inform consumers and promote products provided under these quality schemes.

28. MINIMUM COMMUNITY REQUIREMENTS

28.1. Beneficiaries

Producer groups. Producer group means an organisation of whatever legal form, which brings together operators actively participating in food quality scheme (EU or national) as referred to in Article 32 of Regulation 1698/2005 for a specific agricultural product or foodstuff. Professional and/or interprofessional organisations representing one or more sectors cannot qualify as "producer groups".

28.2. Type of quality schemes

Community food quality schemes

- Geographical indications and designations of origin for agricultural products and foodstuffs (Council Regulation 510/2006)
- Traditional specialities guaranteed (Council Regulation 509/2006)
- Organic production of agricultural products (Council Regulation 2092/91, in process of recasting)
- Quality wine produced in specified regions (Title VI of Council Regulation 1493/1999 on the common organisation of the market in wine).

National food quality schemes

Food quality schemes recognised by the Member States shall comply with the following criteria:

- The specificity of the final product under such schemes shall be derived from detailed obligations on farming methods that guarantee: Specific characteristics including the production process, or a quality of the final product that goes significantly beyond the commercial commodity standards as regards public, animal or plant health, animal welfare or environmental protection.
- The schemes involve binding product specifications and compliance with those specifications shall be verified by an independent inspection body
- The scheme shall be open to all producers
- The scheme shall be transparent and assure complete traceability of the products
- The scheme shall respond to current and foreseeable market opportunities

28.3. Eligible activities

Information and promotion activities eligible for support under this measure shall be activities designed to induce consumers to buy the agricultural products or foodstuffs covered by food quality schemes included in the rural development programme under article 32 of Regulation 1698/2005. This means that information and promotion activities are only limited to products benefiting from support under that article in the rural development programme.

Such activities shall draw attention to the specific features or advantages of the products concerned, notably the quality, specific production methods, high animal welfare standards and respect for the environment linked to the quality scheme concerned, and may include the dissemination of scientific and technical knowledge about these products.

Such activities shall include, in particular, the organisation of, and/or participation in, fairs and exhibitions, similar public relation exercises and advertising via the different channels of communication or at the points of sale.

Only information, promotion and advertising activities in the internal market shall be eligible for support. Such activities must not incite consumers to buy a product due to its particular origin, except for products covered by EU geographical indications and designation of origin and quality wines produced in specified regions. The origin of a product may nevertheless be indicated provided the mention of the origin is subordinate to the main message.

Activities related to the promotion of commercial brands shall not be eligible for support.

Member states shall ensure that all draft information, promotion and advertising materials drawn up in the context of a supported activity comply with Community

legislation. To that end, beneficiaries shall transmit all such draft materials to the competent authority of the Member State.

4.4. Logos

When activities financed under this measure concern a product covered by a EU geographical indication, a designation of origin or a certificate of specific character, the community logo provided for under these schemes shall appear on information, promotion and/or advertising material.

4.5. Avoidance of double funding

Information and promotion activities supported under Council Regulation (EC) num. 2826/2000 cannot receive support under this measure.

4.6. Aid intensity

The intensity of aid for information and promotion activities will be of 70% of the eligible cost of the action.

MEASURE TEMPLATE

Title of the measure

Measure code (133)

Objectives of the measure

Rationale for the measure

Scope and actions

Type of aid

Definition of beneficiaries

List of products qualifying for support under the quality scheme chosen under Measure “Participation of farmers in food quality schemes”

Coherence with first pillar. Criteria and administrative rules for ensuring that operations benefiting exceptionally from rural development support in the support schemes listed in Annex I to the implementing Regulation and in the support established under Regulation (EC) N° 2826/2000

Procedure for ex-ante checks on information, promotion, and advertising materials

Summary description of the type of eligible costs

Rates of support (maximum of 70% of the eligible cost of the action)

Financing

- Total cost
- Public expenditure

Transitional arrangements (including estimated amount)

Quantified targets for EU common indicators

Type of indicator	Indicator	Target 2007-2013
Output	Number of supported actions	
Result	Value of agricultural production under recognized quality label	
Impact	Net additional value expressed in PPS	
	Change in gross value added per full time equivalent	

Additional programme-specific indicators and quantified targets

SEMI-SUBSISTENCE FARMING

29. TITLE OF THE MEASURE

Semi-subsistence farming.

30. LEGAL BASIS

Article 34 of Regulation (EC) No 1698/2005.

Article 34 and point 5.3.1.4.1 of Annex II of Regulation (EC) No .../2006.

31. OBJECTIVE

One of the characteristics of the agricultural sector in many of the new Member States is the large number of very small, semi-subsistence farms, where a considerable proportion of the output is consumed by the farm household. Whilst a proportion of these semi-subsistence farms do have the potential to develop into viable commercial enterprises, the restructuring process presents considerable challenges for the farm household, and so in addition to the standard package of support available, the semi-subsistence measure address this additional short-term support.

This aid is targeted at farms demonstrating the capacity and intention to restructure, but would not be tied to any particular type of expenditure.

32. MINIMAL COMMUNITY REQUIREMENTS

32.1. Beneficiaries

Semi-subsistence farmers in new member states. Semi-subsistence farms are the agricultural holdings which produce primarily for their own consumption and also market a proportion of their output.

32.2. Business plan

The business plan is necessary to ensure that recipients are capable and have the intention of restructuring their holding so that it becomes economically viable, and as a safeguard to prevent the measure serving simply as income aid (this would have no long-term benefit, and would act to slow down restructuring, even hindering the effectiveness of other measures). It shall:

- (e) Provide evidence that the farm can become economically viable, taking account, where applicable, of the complementarity of other sources of income of the farm household
- (f) Contain details of investment required
- (g) Describe specific milestone and targets

32.3. Combination with other rural development measures

Where the business plan makes reference to the use of other rural development measures, it must be sufficiently detailed to enable supporting an application for support from those other measures.

32.4. Implementation of the business plan

Progress in respect of the business plan shall be assessed after three years.

The member state, taking into account the circumstances in which the business plan is implemented, shall not make any further payment of support if the semi-subsistence farmer fails to comply with the provisions of the business plan at the time of the assessment.

MEASURE TEMPLATE

Title of the measure

Measure code (141)

Article which covers the measure

Rationale for intervention

Objectives

Scope and actions

Type of aid

Definition of beneficiaries

Definition of the semi-subsistence farm taking into account of the minimum and/or maximum size of the farm, the proportion of production marketed, and/or the level of income of the eligible farm

Definition of the future economic viability

Summary of the requirements of the business plan

Amount of support (Maximum of 1500 EUR per agricultural holding per year)

Duration of support

Financing

- Total cost
- Public expenditure

Transition arrangements (including estimated amount)

Quantified targets for EU common indicators

Type of indicator	Indicator	Target 2007-2013
Output	Number of semi-subsistence farms supported	
Result	Number of farms entering the market	
Impact	Net additional value expressed in PPS	
	Change in gross value added per full time equivalent	

Additional programme-specific indicators and quantified targets

SETTING UP OF PRODUCER GROUPS

35. TITLE OF THE MEASURE

Setting up producer groups.

36. LEGAL BASIS

Articles 20 (d) (ii) and 35 of Regulation (EC) No 1698/2005

Article 25, point 5.3.1.4.2 of Annex II and Annex III of Regulation (EC) No.../2006.

37. OBJECTIVE

To encourage the setting up of producer groups in the new member states. These producer groups should aim to adapt the production and output to market requirements, to support the jointly placing of goods on the market, including preparation for sale, the centralisation of sales and supply to bulk buyers and to establish common rules on production information, with particular regard to harvesting and availability.

38. MINIMAL COMMUNITY REQUIREMENTS

38.1. Beneficiaries

Producer groups formally recognised by the competent authorities of the new Member States.

These producer groups are created with the purpose of:

- a) adapting the production and output of producers who are members of such groups to market requirements,
- b) jointly placing goods on the market, including preparation for sale, centralisation of sales and supply to bulk buyers;
- c) establishing common rules on production information, with particular regard to harvesting and availability.

The support shall be granted to producer groups which are officially recognised by the Member State's competent authority by 31 December 2013.

38.2. Eligible costs

Setting up and administrative operation of producer group

38.3. Support scheme for producer group

- Flat-rate aid granted in annual instalments;
- It will be granted for the first five years following the date on which the producer group is recognised;
- It will be calculated on the basis of the group's annual marketed production and shall not exceed:
 - (a) 5%, 5%, 4%, 3% and 2% of the value of the production up to EUR 1 000 000 marketed respectively in the first, second, third, fourth and fifth year, and
 - (b) 2,5%, 2,5%, 2,0%, 1,5% and 1,5% of the value of the production exceeding EUR 1 000 000 marketed respectively in the first, second, third, fourth and fifth year.

The support shall not exceed the following amounts:

100 000 €	For the first year
100 000 €	For the second year
80 000 €	For the third year
60 000 €	For the fourth year
50 000 €	For the fifth year

MEASURE TEMPLATE

Title of the measure

Measure code (142)

Article which covers the measure

Objectives of the measure

Scope and actions

Type of aid

Definition of beneficiaries

Description of the official procedure for recognising the groups including selection criteria

Sectors concerned

For Malta, indication of the sector or sector benefiting from the derogation with the justification related to the extremely small total output, and the conditions of eligibility for the derogation; minimum percentage of the group's production compared to total production in the sector, minimum percentage of producers in the sector who are members of the group

For Malta, justification of annual amounts

Consistency with first pillar. Criteria and administrative rules for ensuring that operations benefiting exceptionally from rural development support in the support schemes listed in Annex I to this Regulation are not also supported by other relevant instruments of the Common Agricultural Policy.

Financing

- Total cost
- Public expenditure

Transition arrangements (including estimated amounts)

Quantified targets for the common indicators

Type of indicator	Indicator	Target 2007-13
Output	Number of supported producer groups	
	Turnover of supported producer groups	
Result	Gross value added by supported producer groups	
Impact	Net additional value expressed in PPS	
	Change in gross value added per full time equivalent	

Additional programme-specific indicators and quantified targets