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NOTE

From:	General Secretariat of the Council
To:	Council
Subject:	Call to abolish or increase the individual limit of an enterprise in primary agricultural production under the Temporary Crisis and Transition Framework for State Aid <i>- Information from the Bulgarian delegation, on behalf of the Bulgarian and Romanian delegations, and supported by the Polish delegation</i>

Delegations will find in the Annex a note received from the Bulgarian delegation, on behalf of the Bulgarian and Romanian delegations, and supported by the Polish delegation, on the above-mentioned subject, to be dealt with under "Any other business" at the meeting of the "Agriculture and Fisheries" Council on 24 June 2024.

Call to abolish or increase the individual limit of an enterprise in primary agricultural production under the Temporary Crisis and Transition Framework for State Aid

Information from the Bulgarian delegation, on behalf of the Bulgarian and Romanian delegations, and supported by the Polish delegation

Bulgaria, Romania and Poland would like to draw attention again to the impact of the war in Ukraine on agricultural production, namely the increase and retention of high prices of used fertilizers, plant protection products, feed and energy sources and the need for support for all affected farmers. In response to the urgent need to provide liquidity in the agriculture sector, our countries have notified several State aid measures in compliance with the requirements of the Temporary Crisis and Transition Framework for State Aid measures to support the economy following the aggression against Ukraine by Russia ('Crisis Framework').

According to point 62, letter (a) of the Crisis Framework, the individual limit of an enterprise in primary agricultural production for the period of application of the Crisis Framework amounts to 280,000 euros. Moreover, this ceiling applies cumulatively with the previous Crisis Framework, and accordingly, some larger farmers already reached this ceiling in 2022. When applying the state aid with the current ceiling of 280 000 euros in 2023, some of the farms in the Livestock and Plant Breeding sectors, who raise larger numbers of animals and/or cultivate larger areas with agricultural crops, will be completely excluded from the support. When the support schemes were implemented in 2023 or 2024, more farms reached the ceiling, and accordingly, the possibility of receiving support under the support measures notified in 2024 or envisaged, is lost. This is especially true for mixed farms that raise animals and cultivate land. This puts farms with a larger number of animals and/or more arable land at a disadvantage compared to other farms, not giving them the opportunity to receive funds to cover the increase in the costs of production of agricultural products. As a result, a significant number of farm animals, areas with perennial and vegetable crops, as well as greenhouse production are completely excluded from this support.

In this regard, Bulgaria, Romania and Poland insist again on amending the Crisis Framework by:

- Elimination of the individual limit of an enterprise in primary agricultural production of 280 000 euros, **or**
- Increase of the individual limit of an enterprise in primary agricultural production up to 560 000 euros.

It is our belief that this would allow support to be provided to all producers affected by the crisis.

We consider that in this way the sector will be able to be adequately supported in view of the situation and we rely on your understanding and support.

A joint letter by the Ministers of Agriculture of Bulgaria and Romania with the above proposals has been sent to the Executive Vice-President of the European Commission Mrs. Vestager and the European Commissioner for Agriculture Mr. Wojciechowski.
