

Exceptional market support measures in case of outbreaks of diseases

2004/0254(CNS) - 26/10/2004 - Legislative proposal

PURPOSE : to share the cost of exceptional market support measures in the case of epizootic outbreaks between the Commission and the Member States.

PROPOSED ACT : Council Regulation.

CONTENT : when serious and/or contagious outbreaks of animal diseases occur, such as Foot and Mouth Disease or Classical Swine Fever, the EU has in place exceptional market support measures to support those farmers affected by the restrictions imposed on them. A number of basic Regulations exist providing for legal measures. Those Regulations refer to pig meat, eggs, poultry meat, beef and veal, milk and milk products and sheep meat and goat meat. Detailed guidelines on the financing of these exceptional measures remains vague. In the 1980's and early 1990's 100% of the expenditure for the measures was financed by the FEOGA. In 1994 the Commission prepared provisions regarding the co-financing of the expenditure. At the time co-financing for measures in the pig meat sector was set at 70% for the Community budget and 30% for the national budget. Later, the same rate was used for measures in the beef sector due to BSE and Food and Mouth Disease. A 2001 ECJ court case, however, lodged by the Member States ruled that only a 100% financing by the Community budget would be allowable. The ruling applies to all market organisations for animal products given that most of the articles in the different market organisations are more or less the same.

The Commission is now proposing, through this Regulation, a system of co-financing. This would allow the Member States to share responsibility for the application of exceptional market measures as well as giving them an incentive to do their best to stamp out the disease as quickly as possible. In line with this policy the Commission proposes to amend the corresponding articles in the different Council Regulations by introducing clear legal provisions for such a system. The proposed co-financing would be based on a 50% share of the total amount split between the Community and the Member States.

FIANCIAL IMPLICATIONS:

- Budget lines and headings: 05 03 Animal products (in particular lines 05030199, 05030209, 05030399, 05030403 and 05030408).
- Appropriations budget 2004: EUR 239 million. It should be noted that the cost of the measure cannot be estimated, since it will depend on the importance of any outbreaks which may occur.