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**REPORT FROM THE COMMISSION TO THE COUNCIL AND THE EUROPEAN
PARLIAMENT**

**on the implementation of Articles 105 et seq of Council Regulation (EC) No 1234/2007
on measures improving the general conditions for the production and marketing of
apiculture products**

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TABLE OF CONTENTS

REPORT FROM THE COMMISSION TO THE COUNCIL AND THE EUROPEAN PARLIAMENT on the implementation of Articles 105 et seq of Council Regulation (EC) No 1234/2007 on measures improving the general conditions for the production and marketing of apiculture products	1
1. INTRODUCTION.....	3
2. IMPLEMENTATION OF HONEY PROGRAMMES.....	3
2.1 Census (Table 9)	3
2.2. Allocation of expenditure.....	4
2.3. Usage rate.....	6
2.4. Objectives.....	6
3. SUGGESTIONS BY MEMBER STATES.....	7
4. SUGGESTIONS MADE BY THOSE WORKING IN THE SECTOR.....	10
5. CONCLUSION	10

This report is accompanied by a Commission staff working paper containing the tables and figures mentioned in this report.

1. INTRODUCTION

Article 184 of Council Regulation (EC) No 1234/2007 establishing a common organisation of agricultural markets and on specific provisions for certain agricultural products¹ states that a report is to be submitted to the European Parliament and the Council, once every three years, on the application of measures to improve the conditions for the production and marketing of apiculture products, as provided for in Articles 105 et seq of that Regulation. This report meets that obligation, covering the marketing years 2006/07, 2007/08 and 2008/09. These three years correspond to the last year of the previous three-year period (2005-07) and the first two years of the current three-year period (2008-2010).

In March 2007, the Commission adopted the third report on the implementation of Council Regulation (EC) No 797/2004², evaluating the last three years of its implementation. Given that good use was made of these national programmes and in view of the general satisfaction of both Member States and operators, that report was not accompanied by any legislative amendments. However, since the last report, simplification measures have been introduced to Commission Regulation (EC) No 917/2004³ on detailed rules.

In keeping with the provisions of Community legislation, Member States have provided notification of their national programmes in respect of the period 2008-10.

It is important to note that all Member States, without exception, have provided notification of an apiculture programme; this is indicative of their interest in this area and the needs of the European apiculture sector.

Situation in the sector

The commercial context in which these programmes are applied has not changed significantly since 2007. The European market is still very dependent on imports (imports account for over 40% of produce consumed), albeit to a lesser extent than in the past. The most noticeable change on the world market is the significant increase in prices. These higher price levels, especially in Argentina (where production has fallen), which used to be the European Union's main supply source, has resulted in an increase in imports from China.

In addition to commercial factors, the sector continues to suffer from the problem of fewer bee colonies.

2. IMPLEMENTATION OF HONEY PROGRAMMES

2.1 Census (Table 9)

In accordance with the legislation, Member States provided notification of a study on the structure of the apicultural sector at the same time as their 2007 programmes.

¹ OJ L 299, 16.11.2007, p. 1.

² COM(2007) 131 final.

³ OJ L 163, 30.4.2004, p. 83.

According to figures provided by Member States in 2007, the total number of beekeepers in the EU was 595 775, 19 025 of whom were considered to be professional beekeepers (over 150 hives). Although the number of beekeepers has increased slightly since 2004, this is due to EU enlargement to include Bulgaria and Romania. Without beekeepers from these countries, the figure would have been considerably less.

The total number of hives is 13 602 719, of which 4 461 606 belong to professional beekeepers (3.2% of beekeepers have around 33% of hives). The number of hives in the EU has increased by 1 971 419 since the 2004 census. This is partly due to EU enlargement in 2007, as the number of hives recorded in the two new Member States was 1 646 736. Nevertheless, the number of hives in the EU-25 group of countries also increased between 2004 and 2007: according to beekeepers, this increase was necessary in order to offset bee mortality.

The Member States with the largest number of hives are Spain (17.06%), Greece (10.8%), France (10%) and Italy (8.5%) (figures 9a and 9b).

Spain, with approximately 130 000 fewer hives than in 2004, has seen its share of the Community total population fall significantly (17.1% as opposed to 21.9%).

2.2. Allocation of expenditure

Budget per Member State

As provided for in Article 2 of Regulation (EC) No 917/2004, Member States provide notification of their programmes to the Commission before 15 April once every three years (the submission in 2007 relating to the programmes for 2008, 2009 and 2010).

On the basis of Member States' expenditure forecasts, Commission budget funds available are distributed with reference to each Member State's share in the total number of beehives in the Community, as shown in Annex I to Regulation (EC) No 917/2004. The hives belonging to each Member State, calculated as a percentage of the total number of hives, determine the theoretical maximum percentage of the budget to which each Member State is entitled, before any allocation of amounts not requested.

The percentage of each Member State set out in figure 9b therefore represents its theoretical share of the budget. However, figure 9d indicates that the actual distribution of the budget for 2008 differs slightly from the share in the population. This can be explained by the fact that some Member States have not claimed all of their theoretical shares. In accordance with the legislation, the balance is distributed between Member States claiming more than their theoretical share. For example, Spain received a share of the budget equivalent to 18% of the total, although it only accounted for 17.1% of the hives.

In 2008, seven Member States claimed less than their theoretical budget.

In 2008, three Member States (Spain, Greece and France) used nearly 40% of the available budget. The Member States with the largest number of hives are therefore those which ask to use these programmes to a larger extent.

It should be noted that the impact of EU enlargement to include Bulgaria and Romania, in terms of diluting the share enjoyed by 'older' Member States, has been offset by an increase

in the annual budget, from EUR 23 million to EUR 26.3 million. The reduction in the budget applicable for some Member States is purely due to a reduction in the number of hives.

Expenses incurred per type of action and per Member State (table 10)

The analysis of expenses incurred is based on the figures provided by Member States each year under Article 6(2) of Regulation (EC) No 917/2004. This obligation has been introduced since the last report, in order to enable the Commission to analyse the way in which Member States actually spend their budget. This is because the way in which expenses are actually incurred can differ from forecast figures, on the basis that greater flexibility for amending programmes has been introduced by the Commission regulation.

With regard to the period 2007-09, the two most common measures continue to be varroasis prevention and technical assistance (figures 10a and 10b). Even though technical assistance expenditure continues to be relatively stable, accounting each year for approximately 26-27% of the budget used, a sharp reduction in the share of the budget used for varroasis prevention has been seen (this fell from 37% in 2007 to 27% in 2009).

Technical assistance measures were used by the vast majority of Member States (figures 10a and 11a), with Italy being the main user of this measure in terms of budget, with over EUR 900 000 per year. The other main users of this measure were Greece, France, Germany and the Czech Republic. It can be noted that the new Member States (Bulgaria and Romania) did not use this measure at all, preferring to focus their programme on other measures.

Varroasis prevention measures were also used by all Member States, with the exception of Slovenia (figures 10a and 11b); the Member States making most use of this measure were Spain, Hungary and Poland. After having been a major user of varroasis prevention measures in 2007, Portugal saw a significant reduction in its budget allocated to this measure. By contrast, Slovenia had made very little use of this measure in 2007 and 2008 but saw its budgetary allocation to this kind of measure rise significantly in 2009.

Measures designed to ensure rationalisation of transhumance continued to be the third most common measure, accounting for 18% of expenditure (figures 10a and 11c). Southern European countries, with diversified vegetation and a long period of cultivation are traditionally those which had made most use of this measure. Greece had chosen to clearly redirect aid towards this measure, in particular from 2008 and 2009 (more than half of its budget). By contrast, Spain, Italy and Hungary reduced investment in this measure from 2008 onwards.

Hive restocking measures come in fourth place. Use of this measure is rising, and a large increase was noted between 2007 and 2009 (from 10% of expenditure to 15%) (figures 10a and 11e). Since being introduced in 2005, expenditure for this measure has increased from 6.2% to 15%. An explanation for this is the disappearance of colonies, which has become more acute in recent years. Beekeeping organisations, which work together in order to prepare programmes, are very interested in these measures to offset this loss of colonies. These measures are most often used by Poland and Romania; however, Poland has seen a sharp fall in allocation for this measure from 2009 onwards.

Measures in favour of honey analysis and applied research are used less than in the past, and now only account for 6-7% in 2009 (figures 10a, 11d and 11f).

France allocates the largest budget to applied research, allocating approximately EUR 900 000 in 2009, which represents more than half of the total sum allocated to this measure at Community level.

Spain is the country which sets aside the largest amounts to honey analysis (a very large increase between 2007 and 2009). Other Member States, with the exception of Austria, allocate very small amounts to this area.

2.3. Usage rate

The comments on the degree of use are based on figures communicated by the Member States on the implementation of the budget per type of measure, figures which have also been used with reference to the making of payments (table 10). These figures sometimes differ from EAGF data (tables 12a, b and c).

In 2007, the average usage rate was 90%. This very good usage rate can be explained by the fact that it was the third time for the EU-25 countries and the 10 Member States which joined the EU in 2004 had acquired the necessary experience. The usage rate for most Member States was between 90% and 100%. The Member States with the lowest usage rate were Cyprus (38%) and Luxembourg (56%). Portugal, Slovenia and Slovakia also had relatively low usage rates (between 69 and 76%).

Although usage rates fell significantly in 2008, from 90% to 80%, this reduction can be clearly explained by under-use in Bulgaria and Romania, for which this was the first year of experience. As in 2005 for the 10 new Member States, lack of experience was reflected in low usage rates (only 34% in Bulgaria and 17% in Romania). Portugal also had a very low usage rate (36%). As in previous years, the greatest beneficiaries were very effective in their use of budgets, with the exception of France, where only 74% of budget was used. Cyprus and Luxembourg, whose usage rate in 2007 was very low, reversed this trend, using their budgets very effectively.

Since 2009, we have been pleased to notice a significant increase in the use of the budget (88%). Bulgaria and Romania have significantly improved usage rates, even if Romania's rate (54%) was well below the Community average. Of the major beneficiaries of the Community budget, France significantly improved its performance compared to 2008. By contrast, Poland, after two years of very high usage rates, only used 74% of its budget. Despite making progress, Portugal's rate remained very low (58%) and Luxembourg's rate was once again low (60%).

2.4. Objectives

All measures proposed by the Member States are eligible, provided that they are undertaken solely to achieve the objectives of one of the priority measures.

Specific objectives for eligible measures

Since the last report, the objectives of measures eligible for Community support have not changed.

Technical assistance is designed to enhance the efficiency of production and marketing by introducing better techniques. Courses and other training measures for beekeepers and those

responsible for groupings or cooperatives relate in particular to such areas as breeding and disease prevention, collection and packaging, storage and transport of honey and marketing.

The aim of **varroasis prevention** is to reduce expenditure incurred in treating hives or to ensure that part of the cost is met. This disease is caused by a parasite and at the present time is severely diminishing the honey yield in the EU, leading to the loss of bee colonies if not treated. As varroasis cannot be completely eradicated, the only way to avoid its consequences is to treat hives with approved products (those that do not leave any residue in the honey). A financial contribution was also considered necessary to ensure that beekeepers do not treat hives with unauthorised chemicals or ineffective remedies.

Aid for the **rationalisation of transhumance** is intended to assist with managing the movement of hives in the Community and with providing locations for the strong concentration of beekeepers during the flowering season. Transhumance management can be facilitated by such measures as a transhumance register, investment in equipment and maps of honey varieties.

Support measures for carrying out **analyses of honey** are intended to improve the marketing of honey. Financing of analyses of the physico-chemical properties of honey according to its botanical origin provides beekeepers with precise knowledge of the quality of the honey harvested, and enables them to get a higher price for their product.

The **restocking of hives** makes it possible to compensate for losses of bees, and therefore of production, by funding activities to promote queen production or purchasing of bee colonies.

The opportunity provided by the Regulation for including specific **applied research** projects for improving honey quality in the honey programmes, and dissemination of the results of such projects, can help to increase producer incomes in particular regions.

3. SUGGESTIONS BY MEMBER STATES

Overall, Member States are very satisfied with the way in which the programmes are run and there have been no persistent requests to amend Regulation (EC) No 1234/2007. Very often there are calls for measures to ensure that these programmes can continue.

Since the last report, the Commission has amended the implementing rules in order to simplify the implementation of programmes by giving Member States greater flexibility, especially with regard to modifying programmes which have already begun. The Commission removed the rule of 20%, which involved the opinion of the management committee being required if this percentage was exceeded, in order to enable funds initially allocated to one particular measure being used for other measures. From now on, provided that funds have been reallocated to measures initially provided for in national programmes, Member States are free to effect this reallocation without having to comply with a specific procedure. In the case of new measures not initially notified to the Commission, the Commission's opinion is still required. In exchange, the Commission has made it compulsory for Member States to provide notification, at the end of each year, in order to know exactly which type of measure the funds have been used for. This means programmes can be assessed more effectively. Member States have indicated that they are very satisfied with this simplification and increased flexibility.

However, the Commission has received a number of requests from Member States in anticipation of the drafting of this report; the requests set out below were already made during the previous report:

- some Member States asked for measures to support laboratories conducting analyses of the physico-chemical properties of honey to be extended to other apiculture products.

The Commission's response was the same as that given in 2004: in view of the limited budget, this is not a priority, particularly considering the volumes sold. The cost of these analyses can be borne more easily by high added-value products than by honey. There is no major reason to amend the regulation in this respect.

- prevention of bee diseases other than varroasis; it must be clear that it is not the objective of this scheme to create a health policy in the sector. The 2004 amendment made diseases related to varroasis ineligible for apiculture programmes precisely in order to avoid any confusion with veterinary policy.
- improvement of the statistical instrument: in order to benefit from the cofinancing of their programmes, the Member States must already provide notification of a structural study of the sector. It would be administratively cumbersome for Member States to forward an annual review of the statistics, and this would not be desirable. The Commission regularly notifies operators, during a series of committees, of the statistics at its disposal regarding imports and exports;
- making it possible to carry out projects of a European nature across several Member States. The Commission recognises the benefit of such projects and points out that they may also be approved, as there is nothing to prevent several Member States collaborating on a single project. Each Member State participating in the project should contribute from the budget which it has been allocated individually. Reallocating unrequested funds to these specific projects would run contrary to administrative simplification, something which is sought by most Member States and the Commission.

Other suggestions which have been made:

- The repair or rehabilitation of demonstration hives could be covered by financing. This is already possible through technical assistance or through restocking of hives measures.
- Certain measures could concern new products (marketing, processing, etc.): this is already possible under technical assistance. There is no reason why the financing of a group of producers wishing to place new products or new types of packaging on the market should be prevented. In addition to improving production, programmes are also aimed at improving marketing.
- The ability to recover amounts which have not been used by certain Member States by others, or to extend payment deadlines. The annual nature of the budget makes this difficult to implement, since the usage rate is only known after the event.
- Informing beekeepers more effectively on the results of applied research. The Commission shares this objective but it is difficult to provide a legal framework for

it. It should be noted that beekeeping organisations are involved in preparing programmes in each Member State and they are therefore able to ask for this information and possibly can share with their European organisations.

- Some Member States have also criticised the fact that it is difficult to prepare programmes without knowing in advance the budget that they will have available. The Commission understands this argument and will examine whether or not there is a way of rectifying it. Given that the budget is distributed depending on the number of hives in each Member State, and since the census is notified at the same time as programmes, it is not currently possible to inform Member States of the budget that they will have available. In order to avoid this, there could be a need to bring forward the publication of the structural study on Member States and the draft national programme.
- One Member State also criticised the fact that measures eligible for cofinancing must have been completed by 31 August of the year in question, and it is therefore difficult to finance an action during the month of September. This is because payments relating to measures must be made prior to the end of the year in question.
- Some countries dispute the fact that a measure cannot be the subject of payment, under these programmes and also under another Community aid scheme, although they do not dispute the ban on double payments, but feel that two programmes can complement each other. The Commission therefore has no other choice than to be very careful in order to avoid any cofinancing and therefore is not considering removing this limit.
- Others would like to see a more specific description of aid for investments which can be accepted. This would run contrary to ensuring flexibility and more straightforward implementation in recent years. It is not possible to make an exhaustive list of eligible measures; in principle, the Commission has always indicated its flexibility in so far as it can be demonstrated that the equipment in question was only to be used for meeting the objectives of the various measures eligible for cofinancing.

Finally, some Member States are calling for the Commission to make certain changes to the Regulation containing implementing measures, particularly in order to include definitions of other hive products. Now that these products are listed in an exhaustive manner in the single CMO, the Commission will be considering this issue.

It has also been requested that Commission activities (not necessarily only those of DG AGRI) to support the sector should be publicised to a much greater extent. The Commission is currently working on this issue, particularly since the November 2008 European Parliament Resolution. In order to ensure that the efforts taken by the various DGs can be coordinated more effectively and in order to tackle the problem of bee mortality, an inter-service group has been set up. This group's activities include, in particular, publicising the work of the Commission, which is often not very well known.

Finally, a range of more specific measures were mentioned but do not justify amending the Regulation. The eligibility of any specific measure would be assessed when the programmes are analysed and before they are accepted.

4. SUGGESTIONS MADE BY THOSE WORKING IN THE SECTOR

The sector's comments can be summarised as follows.

Only producers, and in particular COPA-COGECA, have sent certain comments to the Commission. Firstly, they stressed the importance of these programmes, the positive effect that they have had on the sector and ask that the programmes continue in the long term.

In addition to these general remarks, a number of improvements have been proposed, many of which have already been relayed by Member States:

- Better collaboration between Member States and beekeeping organisations at the time of preparing programmes. The organisations regret, in particular, that in some cases the lack of collaboration has resulted in the budget not always being used in the most appropriate manner. The Commission recognises the essential role that professional organisations must play in preparing these programmes, and reiterates that Member States are even obliged to respect this dialogue, with the aim of targeting eligible actions as effectively as possible.
- Technical assistance measures should not be used to promote research activity.
- The introduction of a technical assistance sub-measure to finance the implementation of a European platform for beekeeping, in order to encourage synergy. The Commission encourages dialogue between beekeepers from various Member States, but does not feel it necessary to set up a platform of this kind, since this would go against the very principle of cofinancing and simplification. Technical assistance measures in each Member State may however include measures promoting such intra-Community cooperation.
- More effective distribution of the results of applied research (see comments from Member States).
- Introduction of a definition of other beekeeping products (see comments from Member States).
- The increase in the budget and the share of Community financing.
- Finally, it is requested that Annex II to the relevant Regulation be amended in order to include statistics on bee mortality.

5. CONCLUSION

As was also the case in 2007, the mechanism for setting up national programmes in order to improve production and marketing in the European Union has been very beneficial for the beekeeping sector, both from the point of view of the Member States and beekeepers themselves.

The priority measures in Regulation (EC) No 797/2004, although being limited from a budget point of view, have been valuable in terms of quality for the beekeeping sector.

The simplification measures introduced by the Commission in 2007 have enabled Member States to easily adapt currently existing programmes in order to respond appropriately to difficulties that were not envisaged or which were underestimated when the programmes were notified.

Given the information presented in this report, and in order to avoid a further amendment to the Regulation, which would require a period of adaptation on the part of Member States, and would risk a less effective usage rate in the short term, the Commission considers that it is not appropriate to amend Council Regulation (EC) No 1234/2007. However, it will assess in due course whether a positive answer to the requests by Member States and operators vis-à-vis the implementing rules is possible.