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

**on the implementation of Council Regulation (EC) No 1221/97
laying down general rules for the application of measures
to improve the production and marketing of honey**

TABLE OF CONTENTS

1.	Introduction.....	3
2.	World situation.....	3
2.1.	Production.....	3
2.2.	Trade.....	4
2.2.1.	Exports.....	4
2.2.2.	Imports.....	4
3.	Situation in the European Union.....	4
3.1.	Supply balance.....	4
3.2.	Structure of output.....	5
3.2.1.	Inventory of producers.....	5
3.2.2.	Production costs.....	5
3.3.	Market structure.....	6
3.3.1.	Features of the honey market.....	6
3.3.2.	Marketing.....	6
3.3.3.	Producer prices.....	7
3.3.4.	Import prices.....	7
3.3.5.	Market access.....	8
4.	National programmes.....	8
4.1.	Expenditure forecasts.....	8
4.2.	Programme expenditure.....	9
4.3.	Assessment.....	9
4.3.1.	Objectives of the measure.....	9
4.3.2.	Analysis of expenditure by measure - results achieved.....	10
4.3.3.	Suggestions made by the Member States.....	11
5.	The industry's difficulties and demands.....	13
6.	Outlook and proposals.....	14
6.1.	Outlook.....	14
6.2.	Proposals.....	14
7.	Annexes.....	16

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1. INTRODUCTION

In June 1997 the Council adopted Regulation (EC) No 1221/97¹ with a view to improving the production and marketing of honey in the European Union. Under this Regulation, the Member States may draw up annual national programmes in close collaboration with representative organisations and beekeeping cooperatives, comprising measures relating to one or more of the following five priorities: technical assistance, control of varroasis, rationalisation of transhumance, measures to support laboratories carrying out analyses on honey, and applied research to improve the quality of honey.

In November 1997, Commission Regulation (EC) No 2300/97² laid down detailed rules implementing the Council Regulation. Among other things, the implementing rules specify the items that must be included in the national programmes, the date on which programmes must be notified, the apportionment formula for Community contributions to the financing of the programmes, and details of the studies of the structure of the sector.

The Member States have carried out studies of the structure of the sector with a view to providing full statistical data on beekeeping. The studies relate to production structures, marketing and price formation.

Under Article 6 of Regulation (EC) No 1221/97, the Commission must present a report to the European Parliament and the Council every three years on the application of the Regulation. This is the first such report.

2. WORLD SITUATION

The world's major producer region is Asia, followed by Europe and Northern and Central America (see Table 1). In the context of world trade, China is the major exporter and the European Union is the major import market.

2.1. Production

According to FAO statistics (see Table 1), world honey production in 1999 was 1 173 000 tonnes. Global output increased by 30% from 1979 to 1989, subsequently stabilising in the following decade, with an increase of 3% from 1989 to 1999.

¹ OJ L 173, 1.7.1997, p. 1. Regulation amended by Regulation (EC) No 2070/98 (OJ L 265, 30.9.1998, p.1).

² OJ L 319, 21.11.1997, p. 4. Regulation last amended by Regulation (EC) No 1438/2000 (OJ L 161, 1.7.2000, p.65).

The European Union was the third largest producer in 1999, with 116 000 tonnes, after China (214 000 tonnes) and the Community of Independent States (134 000 tonnes) (see Table 2). Other major producers are the United States (101 000 tonnes) and Argentina (85 000 tonnes).

2.2. Trade

World trade involves about 25% of global honey production.

2.2.1. Exports

Global exports of honey were almost 300 000 tonnes in 1998 (see Table 3(a)). China exported 37% of its output in 1998, accounting for 26% of total world trade.

The main markets for Chinese honey are, in order of importance, Japan, the United States and Germany (see Table 3(b)). In 1994, Japan was China's major customer, but the situation has now changed and the largest volume of exports is to the European Union. The reason for the change was apparently the substitution of sweeteners other than honey in certain soft drinks consumed in large quantities in Japan.

2.2.2. Imports

World honey imports amounted to about 300 000 tonnes in 1998 (see Table 4). The main import market is the European Union, which absorbed 47% of global honey imports in 1998. Almost 70% of the EU's total honey imports in 1999 went to Germany (85 000 tonnes) and the United Kingdom (21 000 tonnes) (see Table 6).

Global imports have been rising steadily since the end of the 1970s (see Figure 2) with increased consumption of natural and dietary products, efforts on the part of certain traders to introduce speciality honey, or low-price honey, usually in the form of blends, and increased industrial use of honey in certain countries.

3. SITUATION IN THE EUROPEAN UNION

Production and marketing structures in the beekeeping sector vary widely across Europe.

3.1. Supply balance

The honey output of the European Union is insufficient to cover demand, so that about half of the honey consumed has to be imported. The rate of self-sufficiency fell below 50% for the first time in 1998/99, when it stood at 47.4% (see Table 5).

The European Union's three major honey producers are Spain, France and Germany, with 33 000 tonnes, 27 000 tonnes and 16 000 tonnes of honey respectively in 1998/99. Honey production in the European Union was steady from 1997 to 1999 (see Figure 3).

Imports of honey increased by 11.5% over the same period (see Figure 4). Argentina became the main exporter to the European Union in 1999, accounting for 30% of total Community imports, while China slipped into second place with 23% and Mexico came third with 12% (see Table 6).

Community exports of honey to third countries, on the other hand, total about 6 000 tonnes, amounting to only 5% of output in 1999 (see Table 7).

3.2. Structure of output

3.2.1. Inventory of producers

According to data notified by the Member States, the total number of beekeepers in the European Community of twelve was 435 000 in 1992, 13 000 of whom were declared as professional beekeepers. In order to be regarded as a professional, a beekeeper must operate at least 150 hives³.

By 1999, according to the same sources, the total number of beekeepers had increased to 460 071, with the number of professional beekeepers estimated at 14 351. This corresponds to an increase of 5.7% in the total number of European beekeepers, and of 10% in the number of professionals (see Table 8).

Over the same period, 1992-99, the number of hives increased by 11% to 8 652 643. Over three million hives, or 42.4% of all European hives, are operated by professionals. The percentage of professionally-operated hives in the Community total has remained unchanged from the 1992 inventory. The Member State with the largest number of hives is Spain, with over two million, followed by France with almost one and a half million.

The highest ratio of professional beekeepers to the total number of beekeepers is found in Spain, with 16.4%, followed by Greece (12.5%) and Portugal (6.9%). These three Member States account for 73% of professionally-operated hives in the European Union. The other Member States with a large number of hives show lower rates of professional operation.

In absolute terms, professional beekeepers are concentrated in three Member States: Spain (32% of the total number of professional beekeepers), France (21%) and Greece (also 21%).

The increase observed would seem to result rather from improved statistics for the sector than from actual expansion. The proportion of professionally-operated hives has remained unchanged, as has the rate of professional operation in each country.

3.2.2. Production costs

The Member States have provided data on production costs as shown in point 4 of Annex II to Commission Regulation (EC) No 2300/97. Production costs are broken down into fixed and variable costs. Costs regarded as “fixed” for the purposes of this exercise include expenditure on working and transport equipment, buildings, depreciation, insurance and taxes. Variable costs include winter feeding, disease control and treatment, packaging, locations and transhumance.

On the basis of the information received, the Member States can be classified into three categories (no estimate is available for Ireland):

- high cost: EUR 112 to 142 per hive (D, S, FIN, UK, NL),
- medium cost: EUR 56 to 91 per hive (A, DK, B, L, P),
- low cost: EUR 20 to 41 per hive (EL, E, F, I).

³ This figure was proposed by COPA (the Committee of agricultural organisations in the EU) and COGECA (the General Committee for agricultural cooperation in the EU).

It is difficult to determine average production costs for the Community on the basis of the data available in most of the Member States (see Table 9). Recorded costs vary widely, with a disparity of over EUR 120 per hive from the highest to the lowest cost. This is particularly true of fixed costs, comparing neighbouring countries (S and FIN, with EUR 109 and EUR 38 per hive, respectively; NL, B and D , with EUR 16.5, EUR 45 and EUR 65 per hive, respectively) and for certain Member States (NL and FIN) where variable costs are not, or not precisely, specified. It is possible, however, to deduce an approximate figure from the data for the three Member States accounting for 56% of the total bee population of the European Union: the average of the production costs notified by Greece, Spain and France is EUR 36.5 per hive.

3.3. Market structure

3.3.1. Features of the honey market

The honey market deals in two quite separate products: table honey and industrial honey.

Table honey is used in the home, mainly as a spread, but also as a sweetener in cooked dishes, beverages or home baking.

Consumers assess table honey on the basis of factors such as its origin, colour, texture and botanical origin.

Most of the honey consumed is of this type; it is estimated that 85% of all honey marketed is table honey.

Industrial honey is used in the food industry (bakery, confectionery, cereals, beverages) as a sweetener or flavouring and in the pharmaceutical and cosmetics industries, and the tobacco sector. Despite the emergence of low-cost substitutes⁴, honey is still used in food products both for its characteristic taste and because there is value in mentioning honey in the list of ingredients.

It is estimated that industrial honey accounts for 15% of total honey consumption in the European Union. The percentage varies from one Member State to another: it is highest in Italy, where industrial honey accounts for 40% of all honey marketed.

3.3.2. Marketing

Packers, importers and industry are all represented on the European honey market. More and more packers now prefer to import some honey themselves. Honey reaches consumers through normal food distribution channels after packing (see Figure 5).

Three distinct types of packers are to be found in the sector:

1. packer-producers are beekeepers with facilities for processing and packing honey. They sell direct to consumers or to retailers. They are usually small businesses, and do not market imported honey;

⁴ Industrial honey competes with substitute products such as invert sugar syrup and corn syrup.

2. packer-cooperatives are groupings of beekeepers which purchase, process, pack and market honey, often under their own brand label. They sometimes purchase imported honey;
3. packers purchase honey both from beekeepers and from importers. They have their own brand label, although they may pack honey for other brands. They sell both to retailers and to industry.

Estimates of the relative importance of the various ways in which honey is marketed (see Table 10) show that in most Member States except Spain at least half of the honey produced is sold direct to consumers and retailers. Direct sales to consumers account for 35.7% and direct sales to retailers 22%, which means that over 50% of the honey marketed by producers is sold direct. Indirect sales account for about 38% of all honey marketed by European producers, including 32% for sales to honey packers.

3.3.3. Producer prices

As a rule, prices at the production stage are inversely proportional to the total volume of output: an abundant harvest increases the honey supply on the market, and tends to bring the price down.

Prices paid to beekeepers vary appreciably from one Member State to another. The variation is partly due to the lack of harmonised criteria for quoting prices, and to the wide disparity in marketing arrangements. However, in 1997 the following trends could be identified (see Table 11):

- prices for direct sales to consumers are highest in Germany and Austria, at about EUR 8 per kg; prices in the other Member States vary from EUR 5 to EUR 3.5 per kg,
- prices to packing centres are lowest in the Member States with the highest rates of professional operation. In Spain, France and Portugal, the price per kg for honey sold to packing centres is EUR 1.58, EUR 1.88 and EUR 1.95 respectively, compared with EUR 5 per kg in Germany, and about EUR 3 per kg in Austria, the United Kingdom and Finland.

Average selling prices for honey in the European Union, weighted for volume, stand at EUR 5.1 per kg for honey sold direct by producers to consumers, and EUR 2.05 per kg for honey sold by producers to packers (see Table 11).

3.3.4. Import prices

On average, prices quoted for honey imported into European ports declined by about 18% in 1998-1999 (see Figure 6). Customs data for all Community imports give a smaller decline, averaging 11% over the same period (see Table 12).

Import prices depend on the category of honey, the destination market and the economic situation in the exporting countries, which may supply honey at low prices so as to attract the strong currencies their economies need.

China, Argentina and Mexico together accounted for 70% of the European Union's honey imports in 1998 and 66% in 1999 (see Table 6). In 1998, average import prices for honey from China and Argentina were 17.5% and 5.5% respectively below the average price for

honey imported into the Community; the figures for 1999 were 24% for China and 6.3% for Argentina (see Table 12).

Over recent years, competition has intensified between Community-produced honey and imported honey. Certain types of neutral honey, easy to blend, imported at a low price, may affect the price of Community output, especially that of mixed-flower honey.

3.3.5. *Market access*

As a rule, in order to be marketed within the Community, all honey must comply with the definitions and standards laid down in Directive 74/409/EEC⁵. In June 2000, the Council reached political agreement on a new honey Directive introducing the following changes:

- definitions and criteria for the composition of honey are adapted to the specifications laid down for table honey in the Codex Alimentarius,
- the origin of the honey, whether in the Community or a third country, must be indicated,
- implementing arrangements harmonise methods of analysis.

Moreover, the common customs tariff duty applicable in the European Union is 17.3% *ad valorem* following the gradual reduction in rates granted under the Marrakech agreement. Products (including honey) originating in the ACP countries that are parties to the Lomé Convention and in the least developed countries are exported to the Community market free of duty.

The bilateral agreement with Mexico, applicable from 1 July 2000, provides for the grant of a quota of 30 000 tonnes of honey at a reduced rate of customs duty of 50% MFN⁶.

4. NATIONAL PROGRAMMES

The national programmes drawn up pursuant to Regulation (EC) No 1221/97 to improve the production and marketing of honey were adopted for the first four marketing years. It should be mentioned that, because national programmes for the first year were adopted with some delay, Community funds had to be transferred to the following budget year as an exceptional measure to enable the programmes to be implemented.

4.1. Expenditure forecasts

As provided for in Article 2 of Regulation (EC) No 2300/97, the Member States notify their programmes to the Commission by 15 April each year. The programmes notified must state estimated costs and provide a financing plan.

On the basis of the Member States' expenditure forecasts, itemised by measure, available funds are distributed as a function of each Member State's share in the total number of beehives in the Community, as shown in Annex I to Regulation (EC) No 2300/97. The decisions approving national programmes come into force on 1 September each year.

⁵ OJ L 221, 12.8.1974, p.10.

⁶ Most-favoured nation.

In the first three years of implementation of the programmes, four Member States with a large bee population, Spain, France, Greece and Italy, used up almost three quarters of the Community funds available each year. For the 2000 programme, Spain's planned expenditure corresponds to 26% of Community funding, France's to 18%, and Greece's and Italy's to 14% each (see Table 13).

Control of varroasis is the largest expenditure item in most Member States, accounting for 40% of programmed expenditure at European level. Technical assistance comes next with 25%, followed by transhumance, with 17% in eight Member States, and honey analysis and applied research projects with 10% each.

Expenditure forecasts for the five types of measure do not show much change at Community level (see Figure 7), but there are changes at the level of individual Member States.

In terms of the different measures making up the programmes, Greece and Italy plan to spend 31% and 20% respectively of total Community expenditure on technical assistance for beekeepers. Spain estimates that 25% of total Community expenditure will be used for control of varroasis, followed by Portugal with 13% and France with 11%. Spain intends to devote 63% of total Community expenditure to the rationalisation of transhumance, France 22% and Italy 21%. Measures to support laboratories carrying out analyses will account for 30% of total Community expenditure in France, 16% in Greece and 12% in Spain. France plans to devote 38% of total Community expenditure to research projects to improve the quality of honey, Greece 14% and Spain 10%.

4.2. Programme expenditure

Programme expenditure must be executed before 31 August each year, and the relevant payments must be made by 15 October, as provided for in Article 2 of Regulation (EC) No 2300/97. At the time of drafting this report, final data for the 2000 programme are not yet available.

In 1998, owing to the late adoption of the programmes and administrative problems in applying them in most of the Member States in the first year, barely 50% of planned expenditure was actually implemented (see Table 14). To enable the Member States to complete their programmed expenditure, funds were transferred, as an exceptional measure, to the 1999 budget.

In 1999, execution of measures under the Member States' programmes amounted to 68% of total planned expenditure (see Table 15). Three Member States implemented the full amount: Denmark, The Netherlands and Sweden. Among the Member States that account for the bulk of the budget, Spain implemented 89% of planned expenditure and Italy 68%. However, in both Greece and France a large share of the budget remained unutilised, with implementation at 28% and 50% respectively of estimated expenditure. These two Member States account for 18% of the unutilised share of the total Community part-financing made available in 1999.

4.3. Assessment

4.3.1. Objectives of the measure

The general objective is to improve production and marketing of honey. This can be achieved by setting up national programmes to implement the priority measures mentioned in the introduction. The specific objectives of each of these priority measures are different.

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. Most of the Member States considered that the resources of the beekeeping associations should be reinforced to enable them to respond to the great demand for these courses.

The aim of control of varroasis and related diseases is to reduce the expenditure incurred in treating hives. The disease is caused by a parasite and is severely diminishing the honey yield in the European Union, leading to the loss of entire bee colonies if not treated. Colonies weakened by varroasis are also prone to related diseases now emerging⁷. 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). Moreover, the financial contribution is intended 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 laboratories 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 variety provides beekeepers with precise knowledge of the quality of the honey harvested, and enables them to get a higher price for their product.

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

4.3.2. *Analysis of expenditure by measure - results achieved*

As a rule, forecasts of expenditure by type of measure (see Figure 7) show that the control of varroasis absorbs the major share (40%) of expenditure programmed in most of the Member States. Technical assistance comes next with 25%, and then transhumance with 17%, followed by honey analyses and applied research projects with 10% each.

The breakdown of implementation of expenditure by type of measures in 1999⁸ (see Table 16) shows that control of varroasis absorbed 42% of total expenditure under the Member States' programmes, followed by technical assistance (20%) and rationalisation of transhumance (19.5%). Applied research projects accounted for 10% of expenditure, and analyses of honey 8.5%.

It is difficult to assess the measures as a whole on the basis of the data provided by the Member States.

The information campaign is easy to measure, given that there were a relatively large number of courses with a high number of participants in relation to the total number of beekeepers

⁷ The term 'related diseases' refers to secondary infections whose transmission is directly linked to varroasis (e.g. *Acute Viral Paralysis* or AVP).

⁸ 1999 is taken as a reference year for expenditure because there were problems bringing the scheme into operation in 1998, while full data for 2000 are still not available.

(see Table 17-A). Several Member States, however, declared training courses indiscriminately under technical assistance and varroasis control, which makes assessment difficult.

For varroasis control, the wide variety of measures applied makes it difficult to compare results from one Member State to another to reach an assessment (see Table 17-B). As a rule, the national programmes followed three main types of approach: aid for the application of chemical treatments, experiments and research into alternative methods of control, and on-site monitoring by bee experts.

Rationalisation of transhumance seems to have been successful in certain Member States which invested in special equipment for this method of production or in improving locations (see Table 17-C). Other Member States interpreted the measure more restrictively, and concentrated on drawing up honey variety maps or on health checks when hives were moved.

In general, analyses of honey helped beekeepers to upgrade their honey prior to marketing.

Some Member States included in their programmes research projects on the qualitative improvement of honey. The results of the research are not yet available (see Table 17-D and E).

4.3.3. Suggestions made by the Member States

Most of the Member States had problems in the first year the national programmes were introduced, reflected in the low rate of implementation for the first two years. The main sources of difficulty were:

- adoption of the Commission's implementing Regulation towards the end of 1997,
- the request by certain Member States for more time to complete their study of the structure of the sector,
- the fact that this was a new kind of scheme, of which the Member States' administrations had no previous experience.

Member States reported particular problems with the timetable for implementation and with the administration of programmes. The timetable for the Community beekeeping aid scheme (see point 4.1) is incompatible with the budget years of six Member States (Germany, Spain, France, Italy, The Netherlands and the UK). On the administrative side, three Member States reported general problems with introducing the scheme (Greece, France and Italy) and four experienced administrative problems relating to coordination with the regions (Germany, Spain, Italy and Portugal).

Apparently, some of these problems were due to the grouping of applications for reimbursement of expenditure around 15 October, the end of the EAGGF Guarantee Section financial year. However, the Member States must finalise implementation of expenditure by 31 August each year, which means that they should know by that date how much they need to pay. They then have 45 days to make the payments. Moreover, the Member States may make payments as and when measures are implemented, and apply for reimbursement from the EAGGF Guarantee Section without waiting for 15 October each year. This means that programmes can be managed promptly, in line with the financing requirements of the Member States.

In response to other suggestions put forward by the Member States, the following points are made.

- provision of administrative resources for management of the programmes (Spain and Portugal). In this case, the Member State must find the resources for applying the programme, as provided for in Council Regulation (EC) No 1258/1999⁹,
- advance payments to Member States (Italy and Austria). The EAGGF Guarantee Section is a reimbursement scheme in which the Member States incur the expenditure on the Fund's account, and the EAGGF Guarantee Section refunds the expenditure in accordance with a financial circuit determined by the Regulations governing the scheme,
- amendment of the system of allocating expenditure forecasts (Denmark and Austria). The expenditure forecasts enable Community financing to be allocated on the basis of the bee population in each Member State. However, after adoption of the programmes, the Member States have flexibility of 10% for transfer of expenditure between the various measures within their programmes,
- multiannual management of programmes (Germany, Greece and The Netherlands). The scheme comes under market policy, and budgetary management by the EAGGF Guarantee Section is carried out on an annual basis, moreover, as there is no expiry date provided for in the scheme, Member States may take a medium-term view when drawing up programmes. It would be possible to amend the Commission Regulation on the implementing arrangements, simplifying management so that each year, Member States could present only changes or adjustments to their programmes for the previous year, thus maintaining a permanent and consistent programme approach,
- control of other bee diseases (Denmark, Germany and The Netherlands). The scheme is intended to subsidise expenditure incurred for the treatment of hives against varroasis; its purpose is not to control other bee diseases (see 4.3.1). There is much more to be done in the case of varroasis (application and testing of control methods), which, moreover, is the only bee disease spread through all the Member States,
- increased flexibility in implementing forecast expenditure by measure (Italy and Austria). The flexibility rate of 10% seems appropriate, since more flexibility would neutralise the purpose of requiring Member States to commit themselves to their expenditure forecasts. However, it is possible in the course of implementation of the programmes for a management committee vote to amend by more than 10% the amount allocated to a measure, as long as the total allocated to the relevant national programme is not exceeded,
- other measures such as aid to young beekeepers (Germany) and financing of promotion (Spain). These requests are not within the scope of this Regulation, but come under general policy matters such as rural development or the promotion of agricultural products.

⁹ OJ L 160, 26.6.1999, p.103.

Most of the Member States report excellent working relations with sectoral organisations and associations. Only Austria found room for improvement, and a professional beekeepers association in the United Kingdom has requested that better account be taken of their requirements when programmes are drawn up.

All the Member States wanted the beekeeping aid scheme to continue, in view of its positive impact on the production and marketing of honey. Moreover, some Member States (Spain, Italy and Sweden) wanted to see an increase in the Community funds allocated to the scheme.

5. THE INDUSTRY'S DIFFICULTIES AND DEMANDS

The industry's comments can be summarised as follows.

- Because of the federal organisation of **Germany**, it is often complicated to break down expenditure as required by the implementing rules. The end-August deadline for implementing eligible measures is a problem, as is the mismatch between German and EU budget years. Important measures such as quality analyses and varroasis treatment cannot be applied until after the end of the bee season, i.e. the end of August.

It was not possible to take up all the aid in Germany. However, European Union assistance reached a large majority of beekeepers, and it is essential to continue the scheme;

- It is a major source of satisfaction in **Spain** that virtually all the aid allocated was utilised. This result was achieved thanks to pressure from the beekeepers' organisations to widen eligibility criteria under the various headings. However, the aid provided is insufficient, since investment needs and costs substantially exceed expenditure under Regulation (EC) No 1221/97;
- Despite the generally positive assessment of the scheme in **France**, beekeepers are unhappy not to have been able to take more advantage of the aid provided by the Regulation: in 1999 and 2000, France used barely 50% of the amount initially allocated.

The French beekeepers regret that much of the aid allocated to research was given to public bodies that could have been financed from other budget headings.

Local authorities contemplating a financial contribution are hampered by red tape (implementation procedures make it difficult to apply local measures). Deadlines for carrying out investment are too short (and the situation is further complicated because the European budget year does not correspond to the calendar year).

French beekeepers were pleased that beekeeping organisations were represented on the monitoring committee.

French beekeepers deeply regret that aid was underutilised. They fear that disparities between Member States in the uptake of aid allocated will distort competition and possibly eliminate beekeeping in some Member States;

- In **Italy**, the impact of Regulation (EC) No 1221/97 was regarded as positive;

- In **Finland**, information to beekeepers prevented major losses, and the scheme is therefore regarded as a great success.

It is still vital to have a European programme, to provide resources for essential tasks to prevent the demise of the sector owing to varroasis. There should be no cut in the amount of aid;

- All efforts in the **United Kingdom** were concentrated on a single measure: control of varroasis. This was a major disappointment to United Kingdom beekeepers.

Moreover, UK beekeepers regret that most of the aid used went to the Ministry of Agriculture itself, which carries out work meeting the requirements laid down in the Regulation. The beekeepers would like application of the Regulation to continue, but they would like the associations to be more closely involved in programme preparation.

6. OUTLOOK AND PROPOSALS

6.1. Outlook

Beekeeping contributes to the agricultural economy, rural development and ecological balance.

Beekeeping does not have available to it the instruments provided by a common market organisation, and one of the problems is that it is difficult to gather complete statistics and information on the sector. Nevertheless, the trend is towards a stationary level of output and an increase in the volume of imports. Although average import prices have increased slightly over recent years, it is estimated that there is a difference of about EUR 1.05/kg between average producer prices¹⁰ and average import prices¹¹.

At global level, Europe is clearly dependent on the external market, since internal consumption of honey is about twice Community output. The Union is the world's major import market, absorbing 47% of all honey imports. The Union has concluded bilateral agreements involving major concessions to producer countries such as Mexico and the central and eastern European countries.

6.2. Proposals

Regulation (EC) No 1221/97 to improve production and marketing of honey in the European Union seems to have helped the beekeeping sector. This sector is characterised by a wide diversity of production conditions, and by the dispersion and variety of players both at the production and at the marketing stage.

The priority measures in the Regulation, although limited from the budget point of view, have been valuable in terms of quality. After initial difficulties in introducing the scheme, the application of national programmes seems to have been satisfactory in the Member States.

¹⁰ Weighted average price for honey to packing centres (see Table 11).

¹¹ Average import price for 1994-99 (see Table 12).

In view of the successful application of the national programmes in the Member States, and of the present situation in the European Union, it would seem appropriate to maintain the Regulation unchanged.

It would also be desirable for certain Member States to reinforce collaboration between the authorities and the beekeepers' representative organisations and cooperatives on drawing up national programmes.

National programmes should continue to be drawn up as at present on an annual basis. However, in view of the similarities between programmes from one year to the next, the Commission intends to simplify the management provisions in the implementing rules so that each year Member States may submit a programme in the form of changes or adjustments to the previous year's programme. Accordingly, the Commission will shortly be presenting an amendment to Regulation (EC) No 2300/97.