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1996-2000 report

**on the implementation of the long-term national aid scheme
for agriculture in the northern regions of Finland pursuant
to Commission Decision 95/196/EC**

*presented by the Commission to the Council pursuant to Article 143(2) of the Act of Accession
to the European Union of the Republic of Austria, the Republic of Finland
and the Kingdom of Sweden*

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ANNEX

1. INTRODUCTION

1.1. In general

Pursuant to Article 142 of the Act of Accession to the European Union of the Republic of Austria, the Republic of Finland and the Kingdom of Sweden, the Commission has authorised Finland to grant long-term national aid to ensure that agricultural activity is maintained in northern regions. Nordic aid is granted in particular to maintain traditional primary production and processing, to improve structures for the production, marketing and processing of agricultural products, to facilitate the disposal of such products and to ensure that the environment is protected and the countryside preserved.

This aid, which may vary by region and be related to physical production factors taking account of the ceilings imposed by the CMOs, must not be linked to future production or lead to an increase in production or the level of overall support recorded during a reference period prior to accession, to be determined by the Commission.

The Commission, pursuant to Decision 95/196/EC¹, as amended partly by Commission Decision 97/279/EC² issued on 4 April 1997, and Commission Decision 2000/405/EC³, issued on 7 June 2000, has:

- determined that the northern region of Finland comprise agricultural areas lying north of the 62nd parallel and some adjacent areas affected by comparable climatic conditions, rendering agricultural activity particularly difficult. When determining those areas, the Commission took special account of the low population density (maximum 10 persons/km²), the proportion of Utilised Agricultural Area (UAA) in relation to the overall area (less than 10 percent) and the proportion of the UAA given over to arable crops for human consumption. The northern region of Finland thus determined represents an area of 1 417 000 ha of UAA or 55.5% of Finland's total UAA.
- defined that the northern region comprises five sub-regions, i.e. C1, C2, C2 North⁴ (including the archipelago of Area C), C3 and C4 (Figure 1). Sub-regions C3 and C4 are subdivided further into sub-areas P1, P2, P3 and P4 (Sub-region C3) and P4 and P5 (Sub-region C4) in order to allow for a variation in the aid for bovine animals, sheep and milk. This subdivision makes it possible to modulate support for agriculture by taking account of the special features of the regions' agricultural economy and the severity of the natural handicaps. To that end, the Nikula index (also used for classification of less favoured areas), a synthetic agro-economic index which enables each municipality to be classified in a sub-region or sub-area, was used first and foremost.
- ratified the reference period used to establish that Nordic aid does not lead to an increase in agricultural production or in the total aid. Based on available national statistics with regard to quantities, the reference period for agricultural production and the total aid before accession is 1991-93. Exceptions are cow's milk and bovine animals for which 1992 is used to ratify the milk quota and reference herd of

¹ OJ L 126, 9.6.1995, p. 35

² OJ L 112, 29.4.1997, p. 34

³ OJ L 154, 27.6.2000, p. 23

⁴ The abbreviation C2N will be used henceforth to refer to the C2 North area and C-Area archipelagos.

Finland, and horticultural production, for which 1993 was taken as the basis because of reliable statistics available for that year.

- defined maximum aid amount by product and sector. The proposed aid of all plant products (cereals and other arable crops, fruit and vegetables, potatoes for starch production and sugar beet) is calculated per hectare. For livestock production, aid is expressed per livestock unit (LU) for bovine animals (except heifers), equines, ewes, goats, swine and poultry, while for milk it is expressed per kilogram, and for reindeer and heifers per head of livestock. Aid is also granted for the storage of fruit and vegetables produced in the northern region, expressed in FIM/m³/year. For young farmers (under 40 years of age), provision is made for flat-rate aid per hectare used for growing grass crops and cereals. Aid is also granted for all UAA kept for pasture, left fallow or used to sow food potatoes. The same aid is allocated for other crops but accounting is separate for each crop type.

The level of aid included in the aid system was estimated in such a way that the total aid by product during the reference period was compared to the aid applied after Accession. In calculating total aid during the reference period, account was taken of the difference between prices in Finland in 1993 and those in the Community (indirect support) on the one hand and the direct aid financed from the national budget in the same year.

Support after accession was understood to include not only Nordic aid and degressive national aids pursuant to Articles 138, 139 and 140 of the Act of Accession applied during a transitional period (1995-99), but also compensatory allowances, agri-environmental aid provided for by the Member State for farmers in the northern region and aid currently granted under the CMOs.

Any change in those amounts resulting in the level of support before Accession's being exceeded entails adjusting the permissible Nordic aid from the following calendar year.

The amounts are expressed in the national currency as on 1 January 1995 and may be adjusted each year. The Commission's Decision will have to be amended to reflect such adjustments.

Nordic aid, with the exception of that for cow's milk (for which there is a quota system), is not granted on the basis of quantities produced but on production factors within the regional limits shown in Annex 4 to Commission Decision No 95/196/EC.

In order to avoid an increase in production, a clause inserted in the Decision provides that, if the total production volume of a product is found to exceed that of the reference period, a proportional reduction in the aid for the product groups concerned will apply the following year. In the case of the production of arable crops, that clause is only applicable if production is 10% higher on average for two consecutive years.

In order to avoid penalising product groups or sub-regions (aid varies by sub-region) through the application across the board of a reduction in aid in the event of any excess production, the levels of production and support are presented by product and by sub-region.

Commission Decision No 95/196/EC was amended by Commission Decision No 97/279/EC, correcting factual errors, adding SLOM milk quantities, distinguishing between aid with regard to poultry meat and eggs and permitting the payment of aid for milk in accordance with Council Regulation (EEC) No 3950/1992, Article 2(1), and by Commission Decision No 2000/405/EC, in which the annual deadline was postponed from April to June, a joint review of aid for poultry was allowed again, SLOM milk quantities were increased and a move was

made to scrutinise meat production in its entirety in the first hand in advance of scrutiny based on products. These changes did not have any impact on the amount of unit aid, total aid or production volumes.

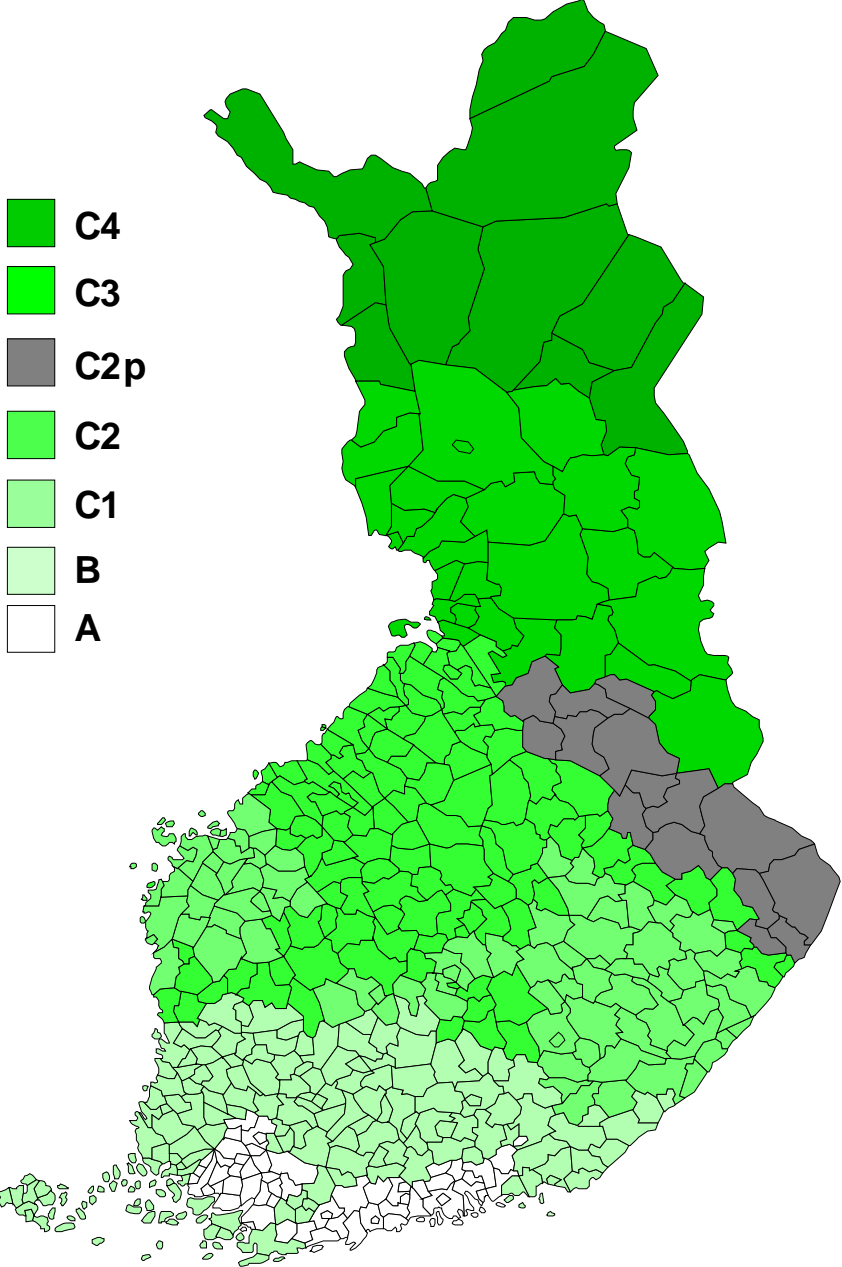


Figure 1. Agricultural aid areas (Sub-regions C1 to C4 are included in Nordic aid).

1.2. General principles of Nordic aid

Nordic aid has been disbursed to agricultural and horticultural producers in the form of aid for milk production, and as Nordic aid per hectare, general aid per hectare, Nordic aid to young farmers, Nordic aid for livestock units, Nordic aid for slaughtered heifers and male bovine animals, aid for reindeer owners, aid for the transport of milk and meat, aid for the storage of horticultural products, aid for plant production under permanent shelter and aid for the storage of wild berries and wild mushrooms.

Aid can be disbursed to farmers permanently resident in Finland, who are natural or legal persons singly or in a group, irrespective of the legal status of the group or its members. A community or trust domiciled in Finland is also considered to be resident in Finland.

Aid can be disbursed to a producer who (or whose spouse) is at least 18 years of age and not more than 65 years of age. For economic holdings in which several farmers are collectively engaged or those managed jointly, aid can be disbursed if at least one of the farmers, partners, members or shareholders engaged in agriculture or horticulture meets the age requirement.

Aid recipients must be in possession of at least three hectares of arable land, which is under cultivation during the growing season. Nordic aid per hectare for horticultural plants and products is disbursable if the area under horticultural cultivation is at least half a hectare.

Nordic aid is not disbursable if the aid amount per category is less than FIM 500.

1.2.1. Aid based on cultivated area

The basis for the aid is arable land in the possession of the producer on 1 June and used for the cultivation of farm crops and horticultural plants during the growing season for which the aid is disbursed. For crops whose marketing requires that producers be listed in a plant protection register or a quality control register, disbursement of aid will be conditional on such a listing.

The aid can be disbursed only for a production area cultivated at least in accordance with the method of cultivation customary in the locality and with joint CAP regulations applying to direct aid in compliance with the environmental requirements intended for crop production as issued in Council Regulation (EC) No 1259/1999, Article 3.

1.2.2. Aid for livestock production

The basis for determining Nordic aid for livestock production is the total number of livestock units possessed or owned by the producer. If the quantity of livestock at the time of counting differs significantly from the quantity already established, the aid can be disbursed in accordance with the quantity of livestock established, provided that production is continuous. Aid is granted for suckler cows and ewes only up to the limit of a holding's ratified quota.

Aid is granted up to 300 livestock units in Area C2N, 200 livestock units in Area C3 and 100 livestock units in Area C4. Aid for poultry in Areas C1, C2, and C2N is granted up to 260 livestock units per recipient.

Nordic aid for milk production (in FIM per kg) is granted for milk delivered to dairies and for milk sold directly from holdings up to the quota available to them.

1.2.3. Young farmers

Aid per hectare is disbursable to young farmers. A young farmer is a producer (or spouse) not more than 40 years of age.

1.2.4. Aid for reindeer husbandry

Aid for reindeer husbandry per household is disbursable to reindeer owners in Areas C3 and C4 for each reindeer husbandry year. The year begins on 1 June and ends on 31 May of the following year.

1.2.5. Vegetables, flowers and plants grown under permanent shelter

Aid is based on the production under permanent shelter of tomatoes, cucumber, lettuce, dill, parsley, cut flowers, cut greenery, multiple plants and ornamental plants for indoor cultivation in pots, and of gherkins, Chinese cabbage and red peppers.

Aid disbursement is conditional on the permanent shelter's being heated and not less than 300 sq. m. in area. Aid can be disbursed only for products that are cultivated at least on a par with the general level of cultivation in the locality.

1.2.6. Aid for storage

Aid for the storage of horticultural products is disburseable annually on the basis of space used for the storage of outdoor vegetables and apples that are in the producer's possession between 1 October and 31 December, based on the average volume of space in use from October to December. The producer applying for the aid must have produced the products stored, they must meet minimum quality standards for plants and the cultivated area must be not less than half a hectare in area. Aid for the storage of wild berries and wild mushrooms is disburseable to persons in possession of storage space for such.

1.3. Management of Nordic aid

Fifteen regional Employment and Economic Development Centres (hereafter EEDC) operate as regional organisations for the administration of agriculture. The EEDC rural departments manage, in addition to aid-related supervisory tasks, other implementation tasks such as the training of municipal rural development officials and farmers, processing applications other than those processed within the municipality, approving payments and monitoring the activities of rural development officials by means of municipal inspections.

The rural development officials of municipalities receive applications for aid to farmers and record the application data in the IACS system. Aid calculations are made centrally, after which the rural development officials make the decisions on aid and deliver them to farmers. The participation of the municipalities in agricultural and rural development administration tasks has ensured customer awareness in administration and familiarity with local conditions.

Rural development officials from the EEDC exercise control over the recipients of national aid as it is for EU aid. Each year 5% of all aid applications are inspected. EEDC inspectors also control the activities of the rural development officials of municipalities.

2. IMPLEMENTATION OF NORDIC AID 1996-2000

Because the aid system covers many products and the level of aid for certain products varies from year to year, detailed analysis by product will be presented in the Annex. This chapter will examine the development of the overall amount of aid and show the level of aid in 2000.

2.1. Aid disbursed in 2000

The following table shows a summary of Nordic aid applied in 2000 as an example of years (Note: 1 FIM equals 0.168 euro).

Table 1a. Summary of aid amounts in 2000

Nordic aid granted, FIM mill.							Permissible Nordic aid FIM mill.	Excess/ Shortfall %	
Products									
Subregion							Total	FIM mill.	%
C1	C2	C2 North	C3	C4					
1. Livestock products									
Cattle, of which									
- suckler cows	5.47	6.67	0.74	0.58	0.13	13.6	31.0	-56 %	
- male bovine animals over 6 months of age	64.56	130.62	15.89	34.19	4.30	249.6	326.5	-24 %	
- slaughtered heifers	10.35	19.24	2.92	3.85	0.54	36.9	102.0	-64 %	
Ewes, goats	4.37	4.07	0.92	3.82	1.64	14.8	16.4	-10 %	
Swine	142.96	77.99	4.33	4.57	0.00	229.8	265.7	-13 %	
Poultry	44.53	10.17	0.60	0.52	0.00	55.8	81.1	-31 %	
Equines	5.07	5.78	0.76	0.80	0.15	12.6	15.0	-16 %	
Reindeer				4.59	12.31	16.9	36.6	-54 %	
Milk	268.78	549.81	65.00	167.64	32.70	1 083.9	1 207.6	-10 %	
Transport aid for milk and meat						9.8	13.5	-27 %	
TOTAL 1							1 723.7	2 095.3	
Difference in FIM mill.								-371.6	-18 %
2. Plant products									
- sugar beet	2.59	0.22	0.00	0.00	0.00	2.8	7.6	-63 %	
- potatoes for starch prod.	3.55	1.87	0.00	0.00	0.00	5.4	7.0	-23 %	
Cereals, other arable crops									
- barley, oats, mixed grain	0.00	41.61	2.92	2.86	0.05	47.4	54.5	-11 %	
- other cereals & arable crops	6.62	4.50	0.26	0.00	0.00	11.4	30.9	-63 %	

Table 1b. Summary of aid amounts in 2000

Nordic aid granted, FIM mill.							Permissible Nordic aid FIM mill.	Excess/ shortfall %	
Products									
Subregion							Total		
C1	C2	C2 North	C3	C4					
Horticulture									
- Cultivation under permanent shelter									
-- vegetables							99.6	107.0	-7 %
-- flowers and plants							30.8	39.8	-23 %
- Outdoor vegetables	3.17	1.33	0.09	0.18	0.00	4.8	5.1	-8 %	
- Apples	0.011	0.004	0.001			0.02	0.01	59 %	
Aid for storage							5.4	15.0	-64 %
Aid for storage of wild berries and wild mushrooms							0.9	2.0	-55 %
Utilised agricultural area (pasture, fallow land, etc.)	0.00	64.83	7.40	22.24	5.36	99.8	157.4	-37 %	
Young farmers	27.73	36.32	3.49	4.59	0.60	72.7	94.2	-23 %	
T O T A L 2							381.1	520.5	
Difference in FIM mill.								-137.4	-26 %
Other aid							0.0	22.7	-100 %
AID, TOTAL (1+2+others)							2 104.9	2 638.5	
Difference in FIM mill.								-531.7	-20 %

Note: At the total level, aid fell FIM 531.7 mill. (20%) short of the permissible level. The shortfall was FIM 371.6 mill. (18%) for livestock products and FIM 137.4 mill. (26%) for plant products.

2.2. Community aid

When calculating the level of Nordic aid, account was also taken of aid disbursed for products in accordance with the agricultural policy of common market organisations (CMOs), imputed compensatory allowances and the agri-environmental subsidy (with respect to the latter, the total amount of support paid was used).

Table 2. Aid for livestock products

Year	CMO payments Total, FIM mill.	Compensatory allowance Total, FIM mill.	Environmental measures for agriculture Total, FIM mill. ¹⁾	Total FIM mill.
1996	148.0	502.2	396.0	1 046.2
1997	196.8	207.5 ²⁾	394.2	772.3
1998	170.3	588.2	347.1	1 105.5
1999	163.4	632.7	343.2	1 139.3
2000	292.6	812.7	510.6	1 615.9
Reference period	199.6	707.0	277.4	1 184.0

1) The aid shown in the table equals the total aid paid to farmers and not only the 20% incentive portion.

2) The figure differs from other years (See also Table 3).

Note: The reference amounts for aid do not take account of the impact of the Agenda 2000 reforms on Community aid. Any increase in CMO payments compared to the reference period is attributable to compensation for a further reduction in producer prices.

Table 3. Aid for plant products

Year	Regulation (EC) No 1765/92 Total, FIM mill.	Compensatory allowance Total, FIM mill.	Environmental measures for agriculture Total, FIM mill. ¹⁾	Total Combined total FIM mill.
1996	399.9	481.6	179.6	1 077.9
1997	485.7	800.5 ²⁾	186.4	1 472.6
1998	504.7	405.6	249.6	1 159.9
1999	517.4	467.1	250.5	1 234.9
2000	766.8	542.0	291.7	1 600.5
Reference period	509.1	634.5	210.2	1 354.5

- 1) The aid shown in the table is the total aid paid to farmers and not only the 20% incentive portion.
2) The figure differs from other years.

Note: The reference amounts for aid do not take account of the impact of the Agenda 2000 reforms on Community aid. Any increase in CMO payments compared to the reference period is attributable to compensation for a further reduction in producer prices.

Community aid for livestock and plant products applied to northern areas in 2000 (CMO payments, compensatory allowances and agri-environmental measures) amounted to FIM 3 216.4 mill.

2.3. ANNEX II combination: Production and total aid by product

When calculating the level of Nordic aid, account was also taken both of Community aid and Nordic aid itself and this was compared to the level of total aid (direct aid disbursed and producer price differences) in 1993 (Commission Decision, Annex II). In the following table, the comparison is shown for 2000.

Table 4a. Total aid in 2000 for Nordic aid areas (Livestock husbandry)

Line Number	Product	Total aid 2000 FIM mill.	Total aid 1993 FIM mill.	Excess/ Shortfall %
	1. Livestock products			
1.1.	Beef	811	1 216	-33 %
1.2.	Mutton and goat meat	32	35	-8 %
1.3.	Pork	230	301	-24 %
1.4.	Eggs	21	109	-81 %
1.5.	Poultry meat	35	44	-21 %
1.6.	Reindeer	17	41	-59 %
1.7.	Equines	36	32	12 %
1.8.	Milk	2 312	2 648	-13 %
	TOTAL 1	3 494	4 426.2	-21 %

Table 4b. Total aid in 2000 for Nordic aid areas (Crop cultivation)

Line Number	Product	Total aid 2000 FIM mill.	Total aid 1993 FIM mill.	Excess/ Shortfall %
	2. Crop products			
2.1.	Sugar beet	6	24	-75 %
2.2.	Starch	12	40	-69 %
2.3.	Cereals and other arable crops	1 802	1 858	-3 %
2.4.	Barley, oats and mixed grains		(1 616)	
2.5.	Other cereals and arable crops		(242)	
	<u>Horticulture</u>			
2.6.	Greenhouse vegetables	100	187	-47 %
2.7.	Flowers	31	71	-57 %
2.8.	Outdoor vegetables	7	44	-84 %
2.9.	Apples	0.0	0.3	-84 %
2.10.	Wild berries & mushrooms, storage aid	6.3	17.0	-63 %
	TOTAL 2	1 964.4	2 241.3	-12 %
	COMBINED TOTAL	5 457.9	6 667.5	-18 %

Note: Total income subsidies disbursed in 2000 for northern areas amounted to FIM 5 457.9 mill. i.e. 18% below the 1993 reference level. 2000 figures include the higher amounts brought by the Agenda 2000 reforms on Community aid (i.e. compensation for further price decreases), whereas this further producer price difference is not taken into account as regards 1993 figures.

3. IMPACT OF NORDIC AID AND ITS SIGNIFICANCE 1995 – 2000

3.1. Basis of report

The Department of Agriculture and Forestry of the Research Centre for Agriculture and Foodstuffs has produced a comprehensive report⁵ on the Impact and Significance of Nordic Aid 1995-2000, on which the conclusions of this chapter are based.

The objectives set for the aid system and the socio-economic status of primary production and the aid region in the introductory phase of the aid system were considered as the starting point for an analysis of the development occurring in agriculture as a livelihood and in the northern economy in a broader sense. Indicators for the assessment of development and change were used which were available from general statistical sources and administrative registers (The Information Centre of the Ministry of Agriculture and Forestry and Statistics Finland). The central data sources were combined with the Integrated Administration and Control System (IACS) and the General Aid Management System (GAMS). An assessment of the impact at farm level was based on the results of the Farm Accountancy Data Network survey (FADN).

⁵ Impact and Significance of Nordic Aid 1995-2000, The Research Centre for Agriculture and Foodstuffs.

The locally resident population, enterprises situated in the area, including holdings, and the development of the environment situation served as the criteria for preserving the countryside.

The Nordic aid system forms part of the management of agricultural policy as a whole. It is difficult to make a distinction between this whole and the effect of any particular measure with respect to agricultural production, the processing of agricultural products, the distribution and trading of products and production input and their effect in turn on the environmental situation and the preservation of the countryside.

3.2. Disbursement of Nordic aid

Roughly 78% of the payment authorisations available for Nordic aid in 1995 – 2000 were put to use (Table 5). The shortfall compared to the total available was attributable to several factors. The production volumes of products and sectors remained lower to some extent than during the reference period. The limitations on Nordic aid for certain products prevented the disbursement of aid in the full amount. Due to thrift measures implemented in the national economy, the unit amount of aid could not be disbursed for every product in conformity with the payment authorisations in the decisions of the Commission. In addition, on account of joint aid policy, it was considered desirable to keep the difference in the level of aid between the southern and northern regions of Finland to a reasonable level because, based on the Act of Accession, Article 141, the livestock aid payment authorisation in southern Finland has been at a decidedly lower level than in the Nordic aid area.

Table 5. Amount of Nordic aid 1995 – 2000

	1995	1996	1997	1998	1999	2000
<i>Nordic aid payment authorisation, FIM mill.</i>	950	950	1 330	1 787	2 209	2 639
Nordic aid in Area C, FIM mill. ¹⁾	811	789	1 070	1 325	1 665	2 105
- as a percentage of all aid for Area C ²⁾	-	25	24	30	37	39

1) Aid provided targeted at the production year.

2) Total aid financed or partially financed by the EU and national aid.

3.3. Trends in prices of production input and products

Measuring the national aid package ensuing from membership of the EU was based on both the expected price level of products and production input in membership.

In accordance with membership conditions, producer prices were adapted to the price level of the Community without a transition period, which entailed a considerable drop in market prices and sales income at the start of 1995. During 1995 – 2000, producer prices remained considerably weaker in certain respects than expected when fitting the national aid package (Table 6). Price expectations have remained unfulfilled for given products. The price of beef remained at 26% below the expected level. Prices for feed grains, eggs and sheep meat also remained below anticipated levels. Against that, prices for poultry meat and bread grains exceeded expectations and the price of milk was almost in line with estimates.

Table 6. Expected and actual producer prices for given agricultural products during EU membership

		Price before EU membership ¹⁾	Anticipated EU price ¹⁾	Implemented prices ²⁾					
				1995	1996	1997	1998	1999	2000
Milk	FIM/l	2.93	2.04	2.00	2.02	2.07	2.05	2.04	2.07
Beef ³⁾	FIM/kg	24.74	16.00	15.25	14.08	13.60	14.54	14.09	13.61
Beef, male bo- vine animal ⁴⁾	"	27.63	19.00	15.77	14.53	14.06	15.07	14.60	14.12
Cow's meat	"	20.60	13.99	12.28	10.67	9.15	10.04	9.58	8.79
Pork	"	16.29	8.36	7.83	7.80	8.16	7.36	6.60	7.56
Sheep meat	"	24.20	16.80	10.04	8.73	8.54	9.58	9.10	9.96
Poultry meat	"	13.36	6.20	6.40	6.70	6.80	6.90	6.67	6.61
Eggs	FIM/kg	8.79	5.17	2.83	4.18	3.62	3.84	4.42	4.85
Bread grains	FIM/kg	2.19	0.75	0.82	0.86	0.83	0.80	0.77	0.76
Bread rye	"	2.26	0.75	0.84	0.85	0.84	0.82	0.80	0.75
Malt barley	"	1.87	0.83	0.80	0.82	0.86	0.79	0.76	0.72
Feed barley	"	1.63	0.75	0.68	0.70	0.69	0.68	0.68	0.66
Feed oats	"	1.54	0.75	0.65	0.69	0.65	0.61	0.63	0.68

¹⁾ Source: Ministry of Agriculture and Forestry (MAF).

²⁾ Source: MAF Information Centre (For comparison purposes, the price of beef was taken to be minus the warm carcass weight reduction and grain prices minus the estimated transport costs).

³⁾ Beef, without cow's meat.

⁴⁾ Male bovine animals, slaughtered weight over 130 kg.

The second element in fitting the national aid package was the expectation that the prices of production input in agriculture would fall as a result of membership. The fall in prices was due to reduced prices for agricultural goods (seeds, forage and bought-in livestock) and the elimination of different taxes and payments (production-input value-added tax and fertilisers). The expectations about price changes for essential production inputs were as follows: bought-in forage -40%, bought-in seeds -36%, bought-in livestock -33% and fertilisers -27%.

From 1994 to 1995, the prices for the above production input changed as follows: bought-in forage -29%, bought-in seeds -35%, bought-in livestock -30% and fertilisers -17%. On average, the prices of essential production input in agriculture fell by roughly one fifth during the first year of membership compared to the year before. The aggregate index of production input rose by a good 7% between 1995 and 2000. The steepest price rise was in 2000 when input prices increased almost 6% compared to the previous year.

The starting point in fitting the national aid package for agriculture was the loss of income that was expected to occur as a result of the reduction in market prices. In estimating the need for aid, account was also taken of estimates for a drop in production costs. The income losses with respect to some products consequent on accession were due to the fact that the prices of these products remained lower than their expected levels and those of production input fell less. The yield and cost structure of holdings had a bearing on the impact of price deviations on different types of farming from one holding to the next.

3.4. Number of holdings

There are now fewer holdings in the Nordic aid area but no significant changes have occurred in products by and large with respect to production volumes or share of production in proportion to the country as a whole. The significance of Nordic aid for the income formation of holdings rose during the assessment period as it partially compensated for the reduction in other aid during the transitional period. The number of holdings obtaining Nordic aid (Tables 7, 8) was reduced by 5 600 or 13% from 1997, when such aid was extended to swine and poultry in Areas C1 and C2, to 2000. In 2000, about half of the 77 900 holdings obtaining income support (either CAP or national) also received Nordic aid.

Table 7. Number of holdings obtaining Nordic aid and % change 1996-2000¹⁾.

Aid area	1996	1997	1998	1999	2000	Change 1997 – 2000 %	
C1	10 835	12 922	12 237	11 744	10 954	-1 968	-15
C2	22 675	22 362	21 302	20 422	19 654	-2 708	-12
C2N	2 704	2 604	2 435	2 314	2 157	-447	-17
C3	3 591	3 498	3 323	3 235	3 047	-451	-13
C4	668	700	682	686	688	-12	-2
Total	40 473	42 086	39 979	38 401	36 500	-5 586	-13

¹⁾ The change in the number of holdings is calculated from 1997 to 2000 because aid per livestock unit was not extended to swine and poultry until 1997, when swine and poultry holdings in Areas C1 and C2 came under the scope of Nordic aid in a more comprehensive way.

Table 8. Number of holdings obtaining Nordic aid by production trend¹⁾ 1996-2000²⁾.

Type of farming	1996	1997	1998	1999	2000	Change 1997 – 2000 %	
Milk production	18 608	17 672	17 215	15 968	15 423	- 2 249	-13
Other cattle	4 893	4 267	4 170	3 764	3 534	-733	-17
Pork production*	1 751	2 344	2 331	2 165	1 965	-379	-16
Cereal cultivation	6 271	9 044	8 710	8 366	7 029	-2 015	-22
Other	8 950	8 760	7 553	8 139	8 549	-211	-2
Total	40 473	42 086	39 979	38 401	36 500	-5 586	-13

* Total for piglet production, pig meat production and other swine husbandry.

¹⁾ Production trend of holding determined by farmer's declaration.

²⁾ The change in the number of holdings is calculated from 1997 to 2000 because aid per livestock unit was not extended to swine and poultry until 1997, when swine and poultry holdings in Areas C1 and C2 came under the scope of Nordic aid in a more comprehensive way.

The average area of holdings increased during the assessment period in all the main types of farming. In 2000, the biggest holdings were engaged in pig meat production, averaging more than 35 hectares in area. The area of holdings producing milk averaged 30 hectares and other cattle holdings a little over 25 hectares. Holdings engaged in cereal cultivation averaged about 23 hectares in area and the average for other types of farming was about 14 hectares. Holdings engaged in the production of pig meat increased most from 1996 to 2000, the average increase in area being 6.7 hectares. The total area of holdings producing milk increased by 3.8 hectares on average and holdings for other cattle by 4.7 hectares on average. The average area of holdings specialising in cereal production increased by less than three hectares.

3.5. Development of production

The Nordic aid area's share of livestock production in proportion to the country as a whole has remained fairly stable for the majority of products during the assessment period (Table 9). About three-quarters of the milk and beef is produced within the aid area. The proportionate share of milk production has increased by 3%. The share of beef fluctuated between 72-76%. A little more than half of the sheep meat is still produced within the area but its share fell between 1995 and 2000. About 40% of pork is produced within the aid area and its share has remained almost unchanged between 1995 and 2000. A good third of poultry meat is produced within the aid area. Most of the poultry production is concentrated outside the Nordic aid area. About a quarter of the eggs are produced within the area. However, egg production tends to concentrate mainly outside the Nordic aid area.

Table 9. Nordic aid area's percentage share of key livestock products compared to the country as a whole 1995-2000.

Product	1995	1996	1997	1998	1999	2000
Milk	73	73	74	75	76	76
Pork	40	40	41	40	41	42
Beef	73	72	72	72	72	76
Poultry meat	30	30	30	33	36	34
Sheep meat	62	60	64	59	53	52
Eggs	33	28	29	27	26	27

Since the number of units obtaining Nordic aid for livestock production, with the exception of poultry intended for meat production, declined each year from 1997 onwards, any growth is attributable to increased productivity.

The extent of plant cultivation in the Nordic aid area from 1995-2000 is shown in Table 10. The cultivation of bread cereals (especially wheat cultivation) is mainly centred outside the aid area. It is the source of about a fifth of the rye produced. The quality of the rye is heavily dependent on autumn weather conditions. Nearly all malting barley and sugar beet production lies outside the Nordic aid area. Against that, the cultivation of pasture is proportionately more common in the Nordic aid area due to the area's heavy concentration on milk and beef production. Over half of all feed grains is produced in the aid area. The proportion of feed grains cultivated has also risen. Most of the potatoes intended for starch production are cultivated in Areas C1 and C2 (being 60% of the total area under such cultivation).

Table 10. Percentages of Nordic aid areas under key crop cultivation, left fallow or under horticultural cultivation compared to the rest of the country, 1995-2000

Crop	1995	1996	1997	1998	1999	2000
Wheat	4	3	2	2	3	5
Rye	25	18	23	21	34	21
Feed grains	50	51	53	53	55	56
Malting barley	5	5	6	6	6	8
Sugar beet	10	9	9	8	8	8
Potatoes for starch prod.	65	65	66	62	60	60
Other arable crops	15	20	26	29	30	36
Pasture	74	74	74	75	75	73
Fallow land	38	40	42	44	42	41
<i>Horticultural cultivation:</i>						
Outdoor production	38	38	38	38	39	39
Greenhouse production	43	44	44	44	44	45

Cereal crop harvest levels and annual fluctuations have an impact on the production volumes of cereal crops and indirectly on livestock production and profitability. Naturally, the impact is higher on holdings specialising in crop cultivation than those engaged in livestock farming.

The annual fluctuation in weather conditions is the most critical reason for crop variations. In 1995 – 2000, annual changes in harvest yields per hectare in the Nordic aid area varied from 1 900 – 3 400 kg for barley, 2 100 – 3 200 kg for oats, 2 200 – 3 600 kg for spring wheat and 1 300 – 2 100 kg for rye. Dry hay hectare yields varied from 3 200 – 4 100 kg and silage hectare yields from 17 400 – 20 000 kg.

3.6. Economic impact of aid

The share of Nordic aid in the income formation of holdings increased during the 1995 – 2000 assessment period. Correspondingly, transitional aid gradually decreased and was terminated at the start of 2000. The significance of Nordic aid was greater for holdings with livestock than for those engaged in crop cultivation. In 2000, when Nordic aid reached its long-term level, its proportion to the net agricultural income of farming families was, based on calculations, 50 – 90% for dairy farming, about 50% for pig farming and 10 – 20% for crop farming, depending on the area.

Based on bookkeeping results available up to 1998, the profitability of milk, pig meat and cereal holdings generally tended to decline compared to the average situation in the three years prior to accession. None of the objectives for farming family pay or capital interest was achieved in post-1994 production trends examined, in other words the profitability coefficient was less than one. Pig farming and cereal farming appeared to be the most profitable and dairy farming the least profitable among holding groups. However, the proportionate difference in profitability between dairy and pig farming remained fairly stable throughout the period, so that the introduction of new income subsidy systems in 1995 would not appear to have altered the central role of these two key production trends in 1995.

While holdings on average have almost succeeded in preserving their previous income level, *inter alia* by increasing their size, the aid system has not been able to ensure the retention of profitability at the level prevalent before accession to EU membership. Without Nordic aid, the profitability of holdings would have fallen sharply.

3.7. Impact on food chain

The wholesale and retail trade, processing and marketing situation of products belonging to the Nordic aid system remained fairly stable in the particular area. Among food industry enterprises, the number of dairies and slaughterhouses purchasing raw materials from agriculture has fallen during the assessment period in the Nordic aid area. The northernmost areas can be somewhat problematic from the standpoint of processing enterprises operating nation-wide: raw material volumes obtainable from the area are low compared to the overall volumes of such enterprises, transport costs are high and the markets are at a great distance.

Transport aid for milk and meat within the Nordic aid system is indispensable because it helps maintain production in the most peripheral regions. It is true that a number of small slaughterhouses (so-called holding slaughterhouses) have been established in the aid area and other small enterprises whose processing is mainly based on own raw material or for the purpose of local demand. However, in the sparsely populated, extensive peripheral regions, economically viable production cannot be based solely on local consumption.

3.8. Impact on the state of the environment

One aim of the Nordic aid system was that it should positively influence the implementation of environmental protection and preservation by tying the disbursement of aid to conditions such as the use of arable land (good farming practices) and livestock quantities (maximum livestock density). Because several different operational programmes have an impact on the environment, the influence of any individual programme cannot be separated from the whole. While changes in the environment occur relatively slowly, research into such changes demonstrates the direction of environmental change. The use of fertilisers and pesticides has fallen appreciably. The incidence of nitrate-related denudation has diminished by 4 – 15% in several areas and phosphorus erosion by 5 – 13%. Soluble phosphorus levels have persisted or have risen slightly. The impact of different measures has been apparent in a positive sense in the landscape of the countryside and the extent of natural diversity.

3.9. Socio-economic impact

The Nordic aid system is part of measures taken by which an effort is being made to retain the population in the northern and eastern regions. The greatest threat to preserving the rural way of life over wide stretches of the area is the ongoing outward migration. Except for a few growth centres in the region, migration has been mainly in the direction of the south of Finland. Since the people migrating are young and educated, the result is a reduction in the average educational level of the labour force in the areas from which migration occurs and a demographic bias in the age structure of the population. The decline in population produces a multiplier effect: maintaining the infrastructure is made difficult and services become dearer. The negative consequences of dwindling populations on the local economy of the areas are considerable in the long run. Without Nordic aid, farming activities would no longer be profitable and many holdings would probably be forced to cease production, which in turn would add to the loss of population in rural areas.

4. CONCLUSIONS

Pursuant to Article 142 of the Act of Accession, the Commission, by Decision No 95/196/EC of 4 May 1995, authorised Finland to grant long-term national aid in agricultural areas lying north of the 62nd parallel and certain adjacent areas affected by comparable climatic conditions, rendering agricultural activity particularly difficult.

This report gives an account of the authorisations granted and the results achieved. It was compiled on the basis of data supplied by the Finnish authorities in compliance with Article 143 (2) of the Act of Accession and is intended to be presented to the Council. Based on the report, main features are as follows:

- (1) Regarding most of the sectors receiving Nordic aid, permissible production levels or aid limits were not exceeded in the assessment period. However, the production level was exceeded in the following occasions:
 - in 1996/97 sheep meat production levels were exceeded; the aid was reduced by a corresponding amount the following years;
 - in 1997 production levels of pork were exceeded; the aid was reduced by a corresponding amount the following year;
 - in 1996/97 poultry meat production levels were exceeded; the aid was reduced by a corresponding amount the following years;
 - in 1998-2000 milk production levels were exceeded; the aid was reduced by a corresponding amount the following years.
- (2) Community aid by product (market aid, compensatory allowances and agri-environment measures) were below the levels taken into account when agreed aid levels were ratified. For this reason, their application did not lead to the level of aid agreed before Accession being exceeded.
- (3) The controls carried out by the Member State demonstrate that the aid was applied properly.
- (4) The aid granted was important from the standpoint of environmental protection and the preservation of the countryside. Therefore, they comply with Article 142(3) of the Act of Accession.

On the basis of the information provided by the Finnish authorities, the Commission considers that in general the Finnish authorities have applied Commission Decision No 95/196/EC on aid to northern regions properly. On the rare occasions when the maximum production volumes were exceeded, the aid has been or is to be deducted in accordance with the said decision.

ANNEX

Development of aid and production by product 1996-2000

In the following section, the development of aid and production will be examined by product. In this context, it should be noticed that the level of aid for some products gradually rises until 2000. This unit increase partially compensates for the progressive reduction in aid during the transition period in compliance with Articles 138-140.

1. LIVESTOCK PRODUCTION

1.1. Beef

Roughly 72% of all beef production derives from the Nordic aid area.

Table 1.1. Production 1996-2000 (t) ¹⁾						
	Subregion					
	C1	C2	C2 North	C3	C4	Total
1996	14 337	26 850	2 611	4 043	426	48 267
1997	15 065	27 760	2 613	4 027	439	49 904
1998	13 249	25 500	2 370	3 740	408	45 267
1999	12 544	24 771	2 272	3 816	423	43 826
2000	12 855	25 571	2 445	3 748	391	45 011
During reference period	18 400	31 700	3 600	5 600	600	59 900

1) except for cow's meat, the production figures for which were 22 693 t in 2000 (26 300 t in the reference period).

Note: Beef production remained lower throughout the assessment period than it had been in the reference period.

1.1.1. Suckler cows

About 55% of all suckler cows are raised in the Nordic aid area.

	Subregion					
	C1	C2	C2 North	C3	C4	Total
Table 2.1. Disbursed unit aid 2000						
Permissible aid (FIM/LU)	1 900	1 950	2 400	2 850	3 950	
Applied aid (FIM/LU)	1 000	1 000	1 450	1 900	3 000	
Table 2.2. Production units 1996-2000 (LU)						
1996	6 982	7 635	553	476	37	15 683
1997	7 163	7 956	589	467	40	16 215
1998	6 743	7 610	558	460	41	15 412
1999	6 181	7 247	562	376	41	14 406
2000	5 570	6 729	518	321	42	13 180
During reference period	6 550	7 100	650	900	150	15 350
Table 2.3. Aid 1996-2000 (FIM mill.)						
1996	0.7	1.1	0.3	0.5	0.1	2.7
1997	3.5	4.2	0.5	0.6	0.1	9.0
1998	4.4	5.5	0.7	0.7	0.1	11.4
1999	5.1	6.4	0.7	0.7	0.1	13.0
2000	5.5	6.7	0.7	0.6	0.1	13.6
Permissible total aid at 2000 level	12.4	13.8	1.6	2.6	0.6	31.0

Note: The suckler cow LU total remained below the reference period level throughout the assessment period, with the exception of years 1996-97. The total aid disbursed likewise remained below the permissible level.

1.1.2. Male bovine animals

About 75% of all male bovine animals are raised in the Nordic aid area.

	Subregion					Total
	C1	C2	C2 North	C3	C4	
Table 3.1. Applied unit aid 2000						
Permissible aid (FIM/LU)	2 450	2 500	2 950	4700- 5200	6300- 7800	
Applied aid (FIM/LU) ¹⁾	2 450	2 500	2 950	4700- 5200	6300- 7800	
Table 3.2. Production units 1996-2000 (LU)						
1996	28 168	53 184	5 554	7 622	774	95 302
1997	27 912	53 415	5 365	7 608	752	95 052
1998	27 630	54 552	5 306	7 776	781	96 046
1999	26 843	53 164	5 222	7 830	753	93 813
2000	26 597	52 748	5 391	7 811	704	93 251
During reference period	36 000	62 300	7 250	11 100	1 050	117 700
Table 3.3. Aid 1996-2000 (FIM mill.)						
1996	18.2	37.0	6.4	20.0	4.2	85.7
1997	30.4	60.9	8.6	15.5	2.4	117.8
1998	42.3	86.2	10.8	28.9	3.9	172.1
1999	53.1	107.2	12.9	32.7	4.5	210.3
2000	64.6	130.6	15.9	34.2	4.3	249.6
Permissible total aid at 2000 level	88.2	155.8	21.4	54.4	6.7	326.5

1) The payment per livestock unit for slaughtered male bovines in subregion C3, subarea P1-P2 was FIM 780; in subarea P3-P4, FIM 1 080, and in subregion C4, in parts of subarea P4, FIM 1 080 and subarea P5 FIM 1 980.

Note: The male bovine animal LU total remained below the reference period level throughout the assessment period. The total aid disbursed likewise remained below the permissible level.

1.1.3. Heifers for slaughter

About 77% of all heifers for slaughter are raised in the Nordic aid area.

	Subregion					Total
	C1	C2	C2 North	C3	C4	
Table 4.1. Applied unit aid 2000						
Permissible aid (FIM per head)	1 680	1 720	2 000	2 240	2 720	
Applied aid (FIM/per head)	1 150	1 150	1 440	1 690	2 200	
Table 4.2. Production units 1996-2000 (heads of livestock)						
1996	11 808	21 277	2 164	3 372	343	38 964
1997	10 508	18 136	1 939	2 585	328	33 496
1998	9 132	16 462	1 726	2 385	288	29 993
1999	8 743	15 931	1 711	2 488	245	29 118
2000	9 001	16 727	2 030	2 278	246	30 281
During reference period	17 390	30 020	3 380	5 440	810	57 040

	Subregion					Total
	C1	C2	C2 North	C3	C4	
Table 4.3. Aid 1996-2000						
1996	4.2	8.3	1.7	3.1	0.5	17.8
1997	7.6	13.4	2.0	3.4	0.6	27.0
1998	9.9	18.1	2.4	4.1	0.6	35.2
1999	10.5	19.5	2.6	4.4	0.6	37.7
2000	10.4	19.2	2.9	3.8	0.5	36.9
Permissible total aid at 2000 level	29.2	51.6	6.8	12.2	2.2	102.0

Note: The total number of heifers remained below the reference period level throughout the assessment period. The total aid disbursed likewise remained below the permissible level.

1.2. Ewes and she-goats

The sheep meat production in northern regions corresponds 52% of the total production.

	Subregion					Total
	C1	C2	C2 North	C3	C4	
Table 5.1. Applied unit aid in 2000						
Permissible aid (FIM/LU)	2 450	2 500	2 950	4900- 5500	6600- 8200	
Applied aid (FIM/LU) Ewes	2 450	2 500	2 950	4900- 5500	6600- 8200	
Applied aid (FIM/LU) She-goats	2 310	2 360	2 460	3060- 3260	3600- 4100	
Table 5.2. Production units 1996-2000 (LU)						
1996	2 071	2 023	328	599	179	5 201
1997	2 063	2 093	407	655	169	5 388
1998	1 924	1 849	375	727	204	5 079
1999	1 688	1 569	313	689	222	4 480
2000	1 839	1 679	312	772	270	4 873
During reference period	2 027	2 116	540	827	376	5 886
Table 5.3. Production 1996-2000 (t)						
1996	293	364	52	73	16	798
1997	290	342	41	60	10	741
1998	244	269	45	56	8	622
1999	174	177	43	41	6	441
2000	128	147	44	32	0	351
During reference period	223	276	60	111	41	711
Table 5.4. Aid 1996-2000 (FIM mill.)						
1996	1.3	1.4	0.4	2.0	0.9	6.0
1997	2.2	2.3	0.6	2.4	0.9	8.3
1998	2.6	2.7	0.7	3.0	1.1	10.2
1999	3.2	3.1	0.8	3.1	1.3	11.5
2000	4.4	4.1	0.9	3.8	1.6	14.8
Permissible total aid at 2000 level	4.2	4.6	1.4	4.1	2.1	16.4

Note: The total number of LU of ewes and she-goats remained below the reference period level throughout the assessment period. The total aid disbursed likewise remained below the permissible level. Production of sheep meat exceeded permissible levels in 1996-97, due to which the aid was reduced in 1997 and 1998.

1.3. Swine

40-42% of all swine are raised in the Nordic aid area.

	Subregion					
	C1	C2	C2 North	C3	C4	Total
Table 6.1. Applied unit aid in 2000						
Permissible aid (FIM/LU)	2 450	2 500	2 950	2 950	3 400	
Applied aid (FIM/LU)	2 000	2 000	2 480	2 480	2 900	
Table 6.2. Production units 1996-2000 (LU)						
1996	76 091	40 453	2 071	2 422	7 121 044	
1997	79 228	44 177	2 056	2 452	2 127 915	
1998	78 271	43 596	1 933	2 371	0 126 172	
1999	71 113	39 057	1 845	1 942	0 113 958	
2000	71 478	38 996	1 747	1 842	0 114 062	
During reference period	63 700	37 600	2 100	3 150	40 106 590	
Table 6.3. Production 1996-2000 (t)						
1996	43 001	23 644	1 144	1 395	10 69 193	
1997	45 226	25 433	1 094	1 345	2 73 100	
1998	46 782	25 072	1 160	1 339	0 74 354	
1999	46 523	23 715	1 091	1 230	0 72 560	
2000	47 011	23 517	1 160	1 047	0 72 735	
During reference period ¹⁾	42 900	24 700	1 300	2 000	6 70 906	
Table 6.4. Aid 1996-2000 (FIM mill.)						
1996	0.0	0.0	1.0	1.2	0.0	2.2
1997	28.0	16.3	1.9	2.3	0.0	48.5
1998	65.8	37.5	2.7	3.3	0.0	109.3
1999	95.6	53.3	3.5	3.7	0.0	156.0
2000	143.0	78.0	4.3	4.6	0.0	229.8
Permissible total aid at 2000 level	156.1	94.0	6.2	9.3	0.1	265.7

1) Including sow meat (3 100 t).

Note: The total number of pigs (LU) exceeded the reference period level throughout the assessment period and pig meat production exceeded permissible level in 1997. Against that, the total aid for swine was lower than permissible levels throughout the assessment period. Unit aid was reduced in 1998 because the permissible production level was exceeded in 1997.

1.4. Poultry

1.4.1. Egg production

About 27% of all eggs are produced in the Nordic aid area.

	Subregion					Total
	C1	C2	C2 North	C3	C4	
Table 7.1. Applied unit aid in 2000						
Permissible aid (FIM/LU)	2 450	2 500	2 950	3 400	4 500	
Applied aid (FIM/LU)	1 705	1 720	2 230	2 630	3 800	
Table 7.2. Production units 1996-2000 (LU)						
1996	10 227	3 398	253	186	1	14 065
1997	11 563	4 516	345	224	0	16 648
1998	9 851	4 015	296	201	0	14 364
1999	8 630	3 714	282	198	1	12 825
2000	8 185	3 488	198	199	1	12 071
During reference period	16 000	6 300	680	330	4	23 314
Table 7.3. Production 1996-2000 (t)						
1996	14 589	4 856	300	223	1	19 969
1997	15 121	5 906	451	293	0	21 771
1998	12 882	5 250	388	263	0	18 783
1999	11 285	4 857	368	259	1	16 771
2000	10 704	4 561	259	260	1	15 785
During reference period	16 950	8 000	1 000	1 000	2	26 952
Table 7.4. Aid 1996-2000 (FIM mill.)						
1996	0.0	0.0	0.3	0.1	0.00	0.4
1997	4.5	1.8	0.3	0.3	0.00	6.9
1998	6.8	2.9	0.4	0.3	0.00	10.4
1999	10.0	4.4	0.5	0.4	0.00	15.2
2000	13.9	6.0	0.5	0.5	0.00	20.9
Permissible total aid at 2000 level	39.2	15.8	2.0	1.1	0.02	58.1

Note: The total number of poultry hens (LU) remained below the reference period level throughout the assessment period. The total aid disbursed and production totals likewise remained below the permissible level.

1.4.2. Poultry meat production

About one third of all poultry meat production occurs in the Nordic aid area.

	Subregion					Total
	C1	C2	C2 North	C3	C4	
Table 8.1. Applied unit aid in 2000						
Permissible aid (FIM/LU)	2 450	2 500	2 950	3 400	4 500	
Applied aid (FIM/LU)	1 610	1 640	2 180	2 580	3 780	
Table 8.2. Production units 1996-2000 (LU)						
1996	8 524	1 052	20	23	0	9 619
1997	11 254	1 712	21	4	0	12 991
1998	13 232	1 962	23	0	0	15 217
1999	17 152	2 360	51	1	0	19 564
2000	18 999	2 436	53	0	0	21 489
During reference period	7 700	1 400	170	25	1	9 296

	Subregion					Total
	C1	C2	C2 North	C3	C4	
Table 8.3. Production 1996-2000 (t)						
1996	12 698	1 667	0	0	0	14 365
1997	14 038	1 788	0	0	0	15 826
1998	16 800	2 211	0	0	0	19 012
1999	20 347	2 842	0	0	0	23 189
2000	18 794	2 817	0	0	0	21 611
During reference period	8 335	1 075	10	20	1	9 441
Table 8.4. Aid 1996-2000 (FIM mill.)						
1996	0.0	0.0	0.2	0.0	0.0	0.2
1997	4.3	0.7	0.0	0.0	0.0	5.0
1998	7.6	1.2	0.0	0.0	0.0	8.8
1999	16.6	2.3	0.1	0.0	0.0	19.0
2000	30.6	4.2	0.1	0.0	0.0	34.9
Permissible total aid at 2000 level						44.0

Note: The number of poultry hens (LU) exceeded the reference period level throughout the assessment period and poultry meat production exceeded the permissible level. Against that, the total aid remained below the permissible level throughout the period. Unit aid was reduced in 1997-1998 because production totals were exceeded during previous years.

1.4.3. Poultry, total

	Subregion					Total
	C1	C2	C2 North	C3	C4	
Aid 1996-2000 (FIM mill.)						
1996	0.0	0.0	0.5	0.1	0.00	0.6
1997	8.7	2.5	0.3	0.2	0.00	11.8
1998	14.5	4.1	0.4	0.2	0.00	19.3
1999	26.6	6.7	0.6	0.4	0.00	34.3
2000	44.5	10.2	0.6	0.5	0.00	55.8
Permissible total aid at 2000 level	58.1	19.3	2.5	1.2	0.02	81.1

Note: The total aid remained below the permissible level throughout the assessment period.

1.5. Horses

Roughly 61% of Finnish horses are raised in the Nordic aid area.

	Subregion					
	C1	C2	C2 North	C3	C4	Total
Table 9.1. Applied unit aid in 2000						
Permissible aid (FIM/LU)	2 500	2 500	2 500	2 500	2 500	
Applied aid (FIM/LU)	1 600	1 600	1 600	1 600	1 600	
Table 9.2. Production units 1996-2000 (LU) ¹⁾						
1996	4 108	4 337	692	694	109	9 940
1997	4 152	4 626	676	770	102	10 325
1998	3 356	3 748	525	543	95	8 267
1999	3 286	3 641	507	561	92	8 087
2000	3 184	3 641	481	499	100	7 906
During reference period	2 400	2 800	340	390	70	6 000
Table 9.3. Aid 1996-2000 (FIM mill.)						
1996	0.0	0.0	0.0	0.0	0.00	0.0
1997	0.0	0.0	0.0	0.0	0.00	0.0
1998	0.0	0.0	0.0	0.0	0.00	0.0
1999	2.1	2.4	0.3	0.4	0.06	5.2
2000	5.1	5.8	0.8	0.8	0.15	12.6
Permissible total aid at 2000 level	6.0	7.0	0.9	1.0	0.18	15.0

1) Breeding mares, Finnish coldblood horses and other horses 1-3 years old.

Note: The total number of horses (LU) exceeded the reference period level throughout the assessment period. The total aid disbursed remained below the permissible amount during the period (Note: Nordic aid for horses was disbursed for 1999-2000 only).

1.6. Reindeer

Reindeers are raised only in the Nordic aid area.

	Subregion					
	C1	C2	C2 North	C3	C4	Total
Table 10.1. Applied unit aid in 2000						
Permissible aid (FIM/per head)				160	160	
Applied aid (FIM/per head)				100	100	
Table 10.2. Production units 1996-2000 (number)						
1996				71 200	141 600	212 800
1997				68 000	134 616	202 616
1998				65 824	130 314	196 138
1999				67 815	127 617	195 432
2000				70 576	132 813	203 389
During reference period				71 500	157 500	229 000

	Subregion					
	C1	C2	C2 North	C3	C4	Total
Table 10.3. Reindeer meat production 1996-2000 (t)						
1996				933	1 987	2 920
1997				620	1 380	2 000
1998				620	1 380	2 000
1999				746	1 404	2 150
2000				729	1 371	2 100
During reference period				1 073	2 370	3 443
Table 10.4. Aid 1996-2000 (FIM mill.)						
1996				6.7	17.3	24.0
1997				5.9	13.9	19.8
1998				4.1	10.9	15.0
1999				4.3	11.8	16.1
2000				4.6	12.3	16.9
Permissible total aid				11.4	25.2	36.6

Note: The number of reindeer remained below the reference period level throughout the assessment period. Disbursed aid and reindeer meat production likewise remained below the permissible amounts.

1.7. Summary of meat production in the Nordic aid area

Pursuant to Commission Decision No 2000/405/EC meat production should first be scrutinised at the aggregate level. The following table presents a summary:

Table 11.1. Development of meat production in the Nordic aid area, 1996-2000

Production, in tonnes	Beef	Sheep and goat meat	Pork	Poultry meat	Reindeer meat	Total	
1996	48 267	798	69 193	14 365	2 920	135 543	
1997	49 904	741	73 100	15 826	2 000	141 572	
1998	45 267	622	74 354	19 012	2 000	141 255	
1999	43 826	441	72 560	23 189	2 150	142 166	
2000	45 011	351	72 735	21 611	2 100	141 808	
During reference period		59 900	711	70 906	9 441	3 443	144 401

Note: A check of meat production totals for Sub-region C (Nordic aid area) shows that they remained below the permissible level throughout the assessment period.

1.8. Milk

A total of 15 423 holdings produced milk in the Nordic aid area in 2000, amounting to 76% of all milk holdings in Finland. They produced roughly 75% of all milk.

	Subregion					
	C1	C2	C2 North	C3	C4	Total
Table 12.1. Applied unit aid in 2000						
Permissible (FIM/kg)	0.62	0.63	0.74	0.92-1.17	1.44-1.96	
Applied (FIM/kg) ¹⁾	0.51	0.54	0.62	0.79-1.04	1.31-1.84	

	Subregion					Total
	C1	C2	C2 North	C3	C4	
Table 12.2. Milk production 1996-2000 (t) ²⁾						
1996	516 232	909 480	100 175	163 321	22 616	1 711 824
1997	516 377	927 869	101 220	162 335	22 631	1 730 433
1998	515 772	961 009	99 286	169 132	23 137	1 768 336
1999	518 861	987 671	104 568	172 007	22 996	1 806 103
2000	526 961	1018 021	104 820	173 331	23 218	1 846 351
During reference period ³⁾	534 234	922 953	104 024	165 651	24 000	1 750 862
Table 12.3. Aid 1996-2000 (FIM mill.)						
1996	84.3	156.6	28.2	104.3	24.4	397.8
1997	134.6	259.8	37.5	116.4	26.2	574.4
1998	165.0	334.4	43.2	132.3	28.3	703.2
1999	212.7	434.6	54.4	149.2	30.2	881.1
2000	268.8	549.8	65.0	167.6	32.7	1 083.9
Permissible total aid at 2000 level	331.2	581.5	77.0	181.4	36.5	1 207.6

- 1) FIM per kg in Subregion C3; P1=0.79; P2=0.89; P3-P4=1.04; in Sub-region C4: P4=1.31; P5=1.84.
- 2) The aid applies only to cow's milk.
- 3) This figure may be increased where an increase is decided in the quantities of milk allocated in accordance with the Act of Accession, from the reserve decided on for the Finnish SLOM quota.

Note: Total milk production exceeded the permissible volume in 1998, 1999 and 2000. In this context, it must be taken into account that the reference quantities included the SLOM additions for quota periods 1997/98 and 1998/99, but not for quota periods 1999/2000 and 2000/01, corresponding in total 2 067 tonnes. The total aid disbursed remained below the permissible amount throughout the assessment period. Unit aid was reduced in 1999 and 2000 due to the production totals' being exceeded.

1.9. Aid for transport

Aid for milk transport is disbursable in Kainuu, the Province of Lapland and Koillismaa region. Aid for meat transport is disbursable in the Province of Lapland. Aid for transport is disbursed to compensate for transport costs between holdings and the first degree processing location. Such aid is declared in FIM per tonne (the average actual cost estimate being FIM 54.00/t for milk transport and FIM 0.50/kg for meat transport). The average amount delivered per farm to dairies, the average density of holdings in the dairy catchment area and the average distance between holdings and dairies are taken into account when calculating volumes.

Aid disbursed for milk and meat transport in peripheral regions of the Community can be regarded as aid facilitating the sale of products in accordance with Article 142 (3), in the third paragraph and therefore to be acceptable.

Table 13.1. Aid for transport in Nordic aid areas, Total

FIM mill.	1996	1997	1998	1999	2000
Permissible	13.5	13.5	13.5	13.5	13.5
Applied	9.6	9.6	9.5	9.8	9.8

Note: Aid for transport remained below the permissible level throughout the assessment period.

2. PLANT PRODUCTION

2.1. Sugar beet

Eight percent of all sugar beet is cultivated in the Nordic aid area.

Besides the aid per hectare applying to general Nordic aid, a separate aid per hectare is disbursable for sugar beet.

	Subregion					
	C1	C2	C2 North	C3	C4	Total
Table 14.1. Applied unit aid in 2000 ¹⁾						
Permissible (FIM/hectare)	2 000	200+2000	200+2000			
Applied (FIM/hectare)	1 200	200+1200	200+1200			
Table 14.2. Arable land 1996-2000 (ha)						
1996	3 119	133	3			3 255
1997	2 817	144	0			2 961
1998	2 496	152	0			2 648
1999	2 582	158	0			2 740
2000	2 159	159	0			2 318
During reference period	3 230	520	0	0	0	3 750
Table 14.3. Production 1996-2000 (t)						
1996	11 708	501	11			12 220
1997	10 219	490	0			10 709
1998	9 052	519	0			9 571
1999	12 049	418	0			12 467
2000	12 113	717	0			12 830
During reference period	17 570	2 270	0	0	0	19 840
Table 14.4. Aid 1996-2000 (FIM mill.)						
1996	1.5	0.1	0.0			1.6
1997	2.2	0.1	0.0			2.4
1998	2.5	0.2	0.0			2.6
1999	3.0	0.2	0.0			3.2
2000	2.6	0.2	0.0			2.8
Permissible total aid at 2000 level	6.5	1.1	0.0			7.6

1) Includes general aid per hectare and aid per hectare for sugar beet.

Note: Both production totals and total aid disbursed remained below the permissible amount during the assessment period.

2.2. Potatoes for starch production

Sixty percent of all potatoes for starch production are grown in the Nordic aid area.

Besides the aid per hectare applying to general Nordic aid, a separate aid per hectare is disbursable for potatoes for starch production.

	Subregion					Total
	C1	C2	C2 North	C3	C4	
Table 15.1. Applied unit aid in 2000 ¹⁾						
Permissible (FIM/hectare)	1 000	200+1000	200+1000			
Applied (FIM/hectare)	1 000	200+1000	200+1000			
Table 15.2. Arable land 1996-2000 (ha)						
1996	4 594	1 906				6 500
1997	4 132	1 701				5 832
1998	3 996	1 519				5 515
1999	3 406	1 387				4 792
2000	3 594	1 560				5 154
During reference period	4 490	2 090	0	0	0	6 580
Table 15.3. Production 1996-2000 (t)						
1996	19 778	9 298				29 076
1997	22 411	9 179	0			31 591
1998	17 730	8 441	0			26 171
1999	12 049	4 178	0			16 227
2000	21 458	9 431	0			30 889
During reference period	24 160	9 400				33 560
Table 15.4. Aid 1996-2000 (FIM mill.)						
1996	1.8	1.1	0.0			2.9
1997	2.0	0.8	0.0			2.9
1998	2.2	1.1	0.0			3.3
1999	2.0	1.1	0.0			3.1
2000	3.5	1.9	0.0			5.4
Permissible total aid	4.5	2.5				7.0

1) Includes both general aid per hectare and aid per hectare for starch production.

Note: The area cultivated remained less than that of the reference period throughout the assessment period. Production totals and the total aid disbursed remained below permissible levels throughout the assessment period.

2.3. Cereals and other arable crops (Summary of Tables 2.3.1. and 2.3.2.)

Holdings in the northern aid region area account for about 42% of all cereal production.

	Subregion					Total
	C1	C2	C2 North	C3	C4	
Table 16.1. Arable land 1996-2000 (ha)						
1996	238 855	196 809	14 297	8 861	285	459 107
1997	248 919	199 757	14 312	9 488	93	472 568
1998	256 368	208 165	14 368	9 512	56	488 469
1999	254 005	213 152	14 744	9 742	29	491 673
2000	260 028	220 710	15 052	9 736	84	505 609
During reference period (ha)	286 780	237 500	20 720	12 600	100	557 700

	Subregion					Total
	C1	C2	C2 North	C3	C4	
Table 16.2. Production 1996-2000 (t)						
1996	668 794	452 661	32 883	20 380	656	1 175 374
1997	815 927	597 839	39 895	22 892	210	1 476 763
1998	638 304	496 679	31 551	19 002	72	1 185 609
1999	683 045	553 282	36 833	23 369	50	1 296 580
2000	832 088	705 005	43 604	24 320	163	1 605 181
During reference period	900 400	717 800	52 500	32 500	0	1 703 200
Table 16.3. Aid 1996-2000 (FIM mill.)						
1996	0.0	39.4	2.9	3.5	0.2	46.0
1997	1.7	41.1	2.9	3.3	0.0	48.9
1998	6.1	35.6	2.4	3.0	0.0	47.1
1999	6.9	36.5	2.5	2.7	0.0	48.5
2000	6.6	46.1	3.2	3.8	0.0	59.8
Permissible total aid	23.4	52.7	4.2	5.0	0.1	85.4

Note: The area cultivated remained less than that of the reference period throughout the assessment period. Production totals and the total aid disbursed remained below permissible levels throughout the assessment period.

2.3.1. Barley, oats and mixed grain

About 55% of all feed grain is cultivated in the Nordic aid area.

	Subregion					Total
	C1	C2	C2 North	C3	C4	
Table 17.1. Applied unit aid in 2000						
Permissible (FIM/hectare)	0	200	200	400	800	
Applied (FIM/hectare)	0	200	200	300	600	
Table 17.2. Arable land 1996-2000 (ha)						
1996	218 428	191 277	14 050	8 820	283	432 858
1997	230 567	192 602	13 956	9 172	59	446 355
1998	230 203	198 935	14 092	9 399	56	452 684
1999	226 332	204 019	14 473	9 619	29	454 473
2000	221 695	208 039	14 600	9 546	82	453 962
During reference period	248 000	227 050	19 900	12 600	100	507 650
Table 17.3. Production 1996-2000 (t)						
1996	611 598	439 937	32 315	20 286	651	1 104 787
1997	760 870	577 805	39 078	22 196	142	1 400 090
1998	575 507	478 218	31 026	18 798	72	1 103 622
1999	611 096	530 451	36 183	23 086	50	1 200 866
2000	709 425	665 726	42 341	23 864	163	1 441 519
During reference period	809 400	680 000	52 000	32 000	0	1 573 400
Table 17.4. Aid 1996-2000 (FIM mill.)						
1996	0.0	38.3	2.8	3.5	0.2	44.8
1997	0.0	39.2	2.8	3.3	0.0	45.3
1998	0.0	31.9	2.3	3.0	0.0	37.1
1999	0.0	32.7	2.3	2.7	0.0	37.7
2000	0.0	41.6	2.9	2.9	0.0	47.4
Permissible total aid	0.0	45.4	4.0	5.0	0.1	54.5

Note: The area cultivated remained less than that of the reference period throughout the assessment period. Production totals and the total aid disbursed remained below permissible levels throughout the assessment period.

2.3.2. *Other cereals and other arable crops*

	Subregion					
	C1	C2	C2 North	C3	C4	Total
Table 18.1. Applied unit aid in 2000 ¹⁾						
Permissible (FIM/hectare)	800	200+800	200+800			
Applied (FIM/hectare) ²⁾	350-800	200+...	200+...			
Table 18.2. Arable land 1996-2000 (ha)						
1996	20 427	5 532	247	41	2	26 249
1997	18 352	7 155	355	316	34	26 213
1998	26 165	9 231	276	113	0	35 786
1999	27 673	9 133	271	123	0	37 199
2000	38 332	12 671	451	190	3	51 647
During reference period	38 780	10 450	820	0	0	50 050
Table 18.3. Production 1996-2000 (t)						
1996	57 196	12 724	568	94	5	70 587
1997	55 057	20 034	817	696	69	76 673
1998	62 797	18 461	525	204	0	81 987
1999	71 949	22 832	650	283	0	95 714
2000	122 663	39 279	1 264	456	0	163 662
During reference period	91 400	37 800	500	500		130 200
Table 18.4. Aid 1996-2000 (FIM mill.)						
1996	0.0	1.1	0.1	0.0	0.0	1.2
1997	1.7	1.9	0.1	0.0	0.0	3.6
1998	6.1	3.7	0.1	0.0	0.0	10.0
1999	6.9	3.8	0.1	0.0	0.0	10.8
2000	6.6	4.5	0.3	0.0	0.0	11.4
Permissible total aid at 2000 level	23.4	7.3	0.2			30.9

1) Includes general aid per hectare and aid per hectare for individual crops.

2) In Sub-regions C2 and C2N, aid amounted to FIM160 per hectare and FIM 210–400 per hectare, depending on the individual crop.

Note: The total aid disbursed remained below the permissible amount throughout the assessment period. In 2000, the area cultivated exceeded that of the reference period and production totals exceeded the permissible level. It should be recalled that, for arable crops, exceeding production totals only results in a reduction of aid if the excess averages more than 10% in two consecutive years.

2.4. **Vegetables, flowers and other plants grown under permanent shelter**

About 45% of all plant production grown under permanent shelter is in the Nordic aid area.

Aid is granted mainly for the cultivation of tomatoes, cucumber, lettuce, dill, parsley, pickled gherkins, cabbage, red pepper, cut flowers and vegetables.

The situation by category of product will be seen from 2.4.1. and 2.4.2.

2.4.1. Vegetables

	Subregion					Total
	C1	C2	C2 North	C3	C4	
Table 19.1. Production area 1996-2000 (ha)						
1996	116.0	26.0	1.2	0.7	0.7	144.6
1997	118.8	28.5	1.6	1.0	0.7	150.6
1998	116.2	28.8	1.4	1.2	0.7	148.2
1999	120.9	31.0	1.3	1.2	0.6	155.0
2000	120.5	31.2	1.4	1.0	0.6	154.7
During reference period	116.0	29.0	1.1	1.1	0.6	147.8
Table 19.2. Production 1996-2000 (t)						
1996	36 156	8 398	260	151	91	45 058
1997	37 179	7 767	351	193	98	45 588
1998	35 589	8 145	299	165	74	44 272
1999	40 014	10 317	290	160	82	50 863
2000	37 594	9 349	399	205	73	47 620
During reference period	41 000	10 000	400	400	200	52 000
Table 19.3. Aid 1996-2000 (FIM mill.)						
1996						0.0
1997						0.0
1998						22.9
1999						59.0
2000						99.6
Permissible total aid at 2000 level						107.0

Note: Production area exceeded the reference period level in 1997-2000. Production totals and the total aid disbursed remained below the permissible level throughout the assessment period.

2.4.2. Flowers and ornamental plants

	Subregion					Total
	C1	C2	C2 North	C3	C4	
Table 20.1. Applied unit aid in 2000						
Permissible (FIM/per sq. m.)	40-80	40-81	40-82	40-83	40-84	
Applied (FIM/per sq. m.)	34 + 68	34 + 68	34 + 68	34 + 68	34 + 68	
Table 20.2. Production area 1996-2000 (ha)						
1996	26.8	19.0	2.2	4.3	0.4	52.7
1997	30.1	20.9	2.8	5.6	0.4	59.8
1998	28.1	19.8	2.6	5.0	0.0	55.4
1999	32.1	20.7	2.7	5.4	0.2	61.1
2000	33.2	21.3	2.7	5.4	0.3	62.9
During reference period	26.7	20.0	2.6	5.2	0.6	55.1
Table 20.3. Production 1996-2000 (units mill.)						
1996	27.8	17.4	1.7	2.9	0.2	50.0
1997	28.7	15.5	1.4	2.3	0.2	48.2
1998	30.8	15.9	1.4	2.1	0.2	50.4
1999	34.2	15.4	1.6	2.6	0.1	53.9
2000	30.9	14.6	1.4	2.3	0.1	49.3
During reference period	(*)	(*)	(*)	(*)	(*)	60.0

	Subregion					Total
	C1	C2	C2 North	C3	C4	
Table 20.4. Aid 1996-2000 (FIM mill.)						
1996						0.0
1997						0.0
1998						8.5
1999						18.4
2000						30.8
Permissible total aid at 2000 level						39.8

Note: Production area exceeded the reference period level in 1997-2000. Production totals and the total aid disbursed remained below the permissible level throughout the assessment period.

2.5. Field-scale vegetables

About 39% of all field-scale vegetable production occurs in the Nordic aid area.

	Subregion					Total
	C1	C2	C2 North	C3	C4	
Table 21.1. Applied unit aid in 2000 ¹⁾						
Permissible (FIM/hectare)	2 350	200+2350	200+2350	400+2350	800+2350	
Applied (FIM/hectare)	2 350	200+2350	200+2350	300+2350	600+2350	
Table 21.2. Production sector 1996-2000 (ha)						
1996	1 604	728	74	98	4	2 508
1997	1 317	513	53	44	2	1 930
1998	1 109	430	34	45	1	1 619
1999	1 253	496	42	48	1	1 840
2000	1 407	586	44	80	5	2 122
During reference period	1 285	678	52	68	2.0	2 085
Table 21.3. Production 1996-2000 (t)						
1996	28 617	9 362	895	859	25	39 758
1997	30 703	11 802	990	517	22	44 033
1998	22 515	7 067	550	317	5	30 454
1999	30 100	11 200	880	820	6	43 006
2000	31 899	12 158	1 021	929	20	46 027
During reference period	39 000	20 000	1 600	2 000	60	62 660
Table 21.4. Aid 1996-2000 (FIM mill.)						
1996	0.0	0.0	0.0	0.0	0.0	0.0
1997	1.1	0.5	0.1	0.1	0.0	1.8
1998	1.2	0.5	0.0	0.1	0.0	1.8
1999	2.3	1.0	0.1	0.1	0.0	3.4
2000	3.2	1.3	0.1	0.2	0.0	4.8
Permissible total aid at 2000 level	3.0	1.7	0.1	0.2	0.0	5.1

1) Includes general aid per hectare and aid per hectare for field-scale vegetables.

Note: Production area exceeded the reference period level in 1996 and 2000. Production totals and the total aid disbursed remained below the permissible level throughout the assessment period.

2.6. Apples

Only a small quantity of apples is cultivated in the Nordic aid area. The share of total production is 6% and there are 117 producers. This arable land is not linked to that used for other vegetable and fruit production, because the level of aid granted is different.

	Subregion				Total
	C1	C2	C2 North	C3	
Table 22.1. Applied unit aid in 2000 ¹⁾					
Permissible (FIM/hectare)	920	200+920	200+920		
Applied (FIM/hectare)	920	200+920	200+920		
Table 22.2. Production area 1996-2000 (ha)					
1996	5.8	3.2	0.0		9.0
1997	5.6	3.1	0.0		8.7
1998	6.9	4.8	0.0		11.7
1999	14.6	8.1	0.7		23.4
2000	17.9	12.4	1.5		31.8
During reference period	5.0	5.0	0.0		10.0
Table 22.3. Production 1996-2000 (t)					
1996	12.3	5.8			18.1
1997	30.4	13.9			44.3
1998	17.2	4.3			21.5
1999	21.9	12.2			34.1
2000	26.0	17.0			43.0
During reference period	50.0	50.0	0		100.0
Table 22.4. Aid 1996-2000 (FIM mill.)					
1996	0.00	0.00	0.00		0.00
1997	0.00	0.00	0.00		0.00
1998	0.00	0.00	0.00		0.00
1999	0.00	0.00	0.00		0.00
2000	0.01	0.00	0.00		0.02
Permissible total aid at 2000 level	0.01	0.01	0.00		0.01

1) Includes general aid per hectare and aid per hectare for apples.

Note: Production area exceeded the reference period level in 1998-2000. However, only 17.3 hectares received aid in 2000. The production totals remained below the permissible level throughout the assessment period. The total aid disbursed exceeded the permissible level in 2000 by about FIM 6,000 (1,000 euro).

2.7. Aid for storage of horticultural produce

2000	Subregion				Total
	C1	C2	C2 North	C3	
Table 23.1. Permissible and applied unit aid in 2000 FIM/m ³ /year					
Temperature controlled	120	120	120	120	120
Temperature not controlled	80	80	80	80	80

2000	Subregion				Total
	C1	C2	C2 North	C3	
Table 23.2. Method of storage 1996-2000 (m ³)					
Temperature controlled, 1996					45 047
Temperature not controlled, 1996					11 000
Temperature controlled, 1997					55 597
Temperature not controlled, 1997					12 052
Temperature controlled, 1998					42 293
Temperature not controlled, 1998					6 565
Temperature controlled, 1999					58 536
Temperature not controlled, 1999					9 820
Temperature controlled, 2000					57 318
Temperature not controlled, 2000					9 719
Table 23.3. Aid 1996-2000 (FIM mill.)					
1996					5.6
1997					5.3
1998					4.3
1999					5.5
2000					5.4
Permissible total aid					15.0

Note: The total aid remained below the permissible level throughout the assessment period.

2.8. Aid for storage of wild berries and wild mushrooms

	Subregion				Total
	C1	C2	C2 North	C3	
Table 24.1. Applied unit aid in 2000					
Permissible (FIM/per kg/per year)	2.50	2.50	2.50	2.50	2.50
Applied (FIM/per kg/per year)	Max.	Max.	Max.	Max.	Max.
	2.50	2.50	2.50	2.50	2.50
Table 24.2. Aid 1996-2000 (FIM mill.)					
1996					0.0
1997					0.9
1998					1.0
1999					2.0
2000					0.9
Permissible total aid					2.0

Note: The total aid remained below the permissible level throughout the assessment period.

2.9. Land for grazing, left fallow or used for food potatoes, etc.

About three-quarters of all pastureland lies in the Nordic aid area. A good 40% of all fallow land lies in the Nordic aid area.

	C1	C2	Subregion C2 North	C3	C4	Total
Table 25.1. Applied unit aid 2000						
Permissible (FIM/hectare)	0	200	200	400	800	
Applied (FIM/hectare)	0	200	200	300	600	
Table 25.2. Cultivated area 1996-2000 ha						
1996	211 452	327 589	39 848	58 189	8 998	646 076
1997	179 046	301 794	36 948	54 128	8 866	580 782
1998	185 263	303 518	35 961	53 761	8 138	586 640
1999	187 927	307 833	35 567	54 107	8 373	593 806
2000	212 993	324 135	36 989	55 600	8 939	638 656
During reference period	239 322	404 846	60 868	121 464	19 612	846 812
Table 25.3. Aid 1996-2000						
1996	0.0	65.5	8.0	23.3	7.2	104.0
1997	0.0	60.3	7.4	19.6	5.9	93.2
1998	0.0	48.7	5.8	17.2	5.1	76.8
1999	0.0	49.3	5.7	15.4	5.0	75.3
2000	0.0	64.8	7.4	22.2	5.4	99.8
Permissible total aid (FIM mill.)	0	81.0	12.2	48.6	15.7	157.4

Note: The area cultivated remained below that of the reference period and the total aid disbursed remained below the permissible level throughout the assessment period.

3. YOUNG FARMERS

About 55% of all young farmers live in the Nordic aid area.

	C1	C2	Subregion C2 North	C3	C4	Total
Table 26.1. Applied unit aid in 2000						
Permissible (FIM/hectare)	200	200	200	200	200	
Applied (FIM/hectare)	160	160	160	160	160	
Table 26.2. Arable land 1996-2000 (ha)						
1996	178 885	228 715	21 753	29 520	3 585	462 458
1997	176 505	226 512	21 472	29 305	3 560	457 353
1998	172 510	229 812	20 772	27 849	3 512	454 454
1999	169 960	227 563	21 074	28 288	3 566	450 451
2000	173 291	227 027	21 823	28 705	3 780	454 626
Table 26.3. Number of holdings 1996-2000						
1996	7 736	9 364	1 074	1 499	260	19 933
1997	7 283	8 849	1 011	1 430	281	18 854
1998	6 643	8 158	896	1 284	267	17 248
1999	6 161	7 594	820	1 240	271	16 086
2000	5 822	7 007	751	1 131	261	14 972

	Subregion					Total
	C1	C2	C2 North	C3	C4	
Table 26.4. Aid 1996-2000 (FIM mill.)						
1996	35.8	45.8	4.4	5.9	0.7	92.5
1997	31.7	41.1	3.9	5.3	0.6	82.6
1998	27.6	36.7	3.3	4.5	0.6	72.7
1999	27.2	36.4	3.4	4.5	0.6	72.0
2000	27.7	36.3	3.5	4.6	0.6	72.7
Permissible total aid	36.6	46.4	4.5	6.0	0.7	94.2

Note: The total aid disbursed remained below the permissible level throughout the assessment period.

4. UTILISED AGRICULTURAL AREA (UAA)

About 52% of the total UUA is in the northern regions.

Table 27. Utilised agricultural area (UAA), ha

	Subregion					Total
	C1	C2	C2 North	C3	C4	
Utilised area 1996	451 923	525 135	54 220	67 148	9 287	1 107 713
Utilised area 1997	436 386	503 961	51 354	63 667	14 961	1 070 330
Utilised area 1998	447 384	514 160	50 378	63 324	8 195	1 083 442
Utilised area 1999	449 340	523 085	50 358	63 904	8 404	1 095 090
Utilised area 2000	450 937	531 939	50 279	64 876	8 911	1 106 942
Reference period area	535 255	645 788	81 644	134 138	19 715	1 416 540

Note: The utilised agricultural area remained less than that of the reference period throughout the assessment period.