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Confédération Européenne des Entrepreneurs de Travaux Techniques Agricoles, Ruraux et Forestiers

European Organisation of Agricultural and Rural Contractors

Europäischer Zentralverband der Lohnunternehmer

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European Commission
Directorate-General for Agriculture and Rural Development
Unit I.2 – Competition
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Brussels, 24 March 2014

RE : Comments on the draft new rules concerning exemptions per category on State aids in the agriculture and forestry sectors and in rural areas by CEETTAR

Dear Madam, dear Sir,

Please find enclosed our answer to the consultation in question. As we already indicated in our answer to the initial consultation, CEETTAR contributes with the aim of improving the competitiveness of the European agriculture. Improving the competitiveness has become one of the main priorities of the future CAP, especially by the implementation of the will of the Commission, The Council as well as the European Parliament to guarantee undistorted competition between the stakeholders of the agricultural sector. That's why we would like to submit to you following comments:

We would like the text underlined to be added to **article 14 §2** of the draft rules:

"The investment shall be carried out by one or more beneficiaries or concern a tangible asset or intangible asset used by one or more beneficiaries, except for the carrying out of agricultural works."

This proposal is on the one hand based on taking into account article 34 of the regulation on support for rural development [Regulation 1305/2013]. In order to guarantee the effectiveness, fairness and durable impact of the intervention of Feader, it is important to set up rules to ensure that the investments linked to the different operations are durable and that the support of Feader will not be used to distort the competition.

On the other hand, as we emphasise in our initial answer, this not being mentioned, article 14 doesn't contribute to the full implementation of this objective. Indeed, the community legislation doesn't take into account correctly the contribution to the European agriculture and to the economy of rural zones made by almost 84,000 agricultural works SMEs.

Thus the measure of granting aids by applying the community legislation would cause an obvious distortion of the competition and create conditions of unequal treatment between agents on the same level:

- between farmers and agricultural contractors, because they are not treated the same way, although they carry out similar activities;
- between co-operatives of agricultural machinery use and the contractors, because even though the aid to the investments of the co-operatives encourages them to invest more compared to their need and enter the market of services provision to use their machinery, even though this isn't their job.

Moreover, article 43 doesn't completely implement article 19 of the Regulation 1305/2013. In fact, article 43 only regards aids to the start-up of non-agricultural activities companies in rural zones, corresponding to article 19. a) of the Regulation 1305/2013, ignoring paragraph b of the same article which includes investments in the creation and the development of non-agricultural activities, open to already existing SMEs.

Ignoring this paragraph is also in contradiction with articles 40 and 47 of the draft Regulation ABER which both emphasise on the importance of SMEs in rural zones and the difficulties they face regarding the financing of the development of their activities.

Naturally, we stay at your disposal to give you any further information.

Yours faithfully

A handwritten signature in blue ink, appearing to be 'Eric DRESIN', written in a cursive style.

Eric DRESIN
Director