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De minimis aid – ref: HT.100254

On behalf of Danish Agriculture & Food Council, representing the farming and food industries of Denmark including companies, trade and farmers' associations, please find below a contribution to the consultation on the review of rules on exemptions for small amounts of aid (de minimis aid) in agriculture.

Danish Agriculture & Food Council generally supports the European Commission's proposal for a revision on the de minimis-regulation for agriculture. We would in particular like to stress the following points:

- Specifically, Danish Agriculture & Food Council supports the Commission's proposal to increase the de minimis ceiling to €37,000 to reflect the inflationary pressure.

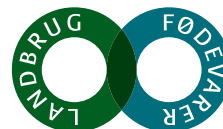
Further to that, it should be noted that we do not support an increase beyond €37,000. This is due on the fact that state aid by nature is a distortion of competition and consequently should be used with caution. This especially relevant for de minimis aid as it can be used without being notified and approved by the Commission. This means that it can legally be used even if it distorts the competition between farmers in different member states. Instead, Danish Agriculture & Food Council would instead like to highlight the possibility to use state aid approved in the General Block Exemption Regulation or notified state aid.

Consequently, the Danish Agriculture & Food Council also supports the continuation of the sector cap preventing member states from granting more than 50 per cent of the total cumulative amount of de minimis aid over any period of 3 years for measures that benefit only one specific product sector.

- In particular, Danish Agriculture & Food Council supports the proposal for a mandatory register, as this is in line with our request for a number of years. This call has had two main reasons:

If it is found that a farmer has received more de minimis aid than the ceiling he/she will – according to the rules – be forced to pay back the full amount, also if the breach is not due to the wrongdoing of the farmer. We have seen examples on that in Denmark where the Danish Paying Agency, having admitted they administrated the rules wrongly, demanded farmers to pay back already paid de minimis aid, leaving the farmers very frustrated and economically challenged. A mandatory register will be a very important tool for the farmers to check whether they are below the ceiling before applying for a de minimis aid.

But this also means that the farmers must be able to rely on such a register. If the national authorities fail to provide the complete information, the farmers must not be met with a demand



to pay back aid, if they have respected the ceilings as recorded in the national register.

Furthermore, a mandatory register will be a way of disciplining the member states to ensure that they do not circumvent the ceiling – and thus significantly distorts the competition between farmers in different member states.

The Danish Agriculture & Food Council hopes the European Commission will take abovementioned points into consideration.

Best regards,

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