



EUROPEAN COMMISSION

Brussels, 14.08.2009
C(2009)6489

**Subject: State aid n° N 225/2009 - United Kingdom
Agriculture and Horticulture Development Board — Advertising and
Promotion Scheme**

Sir,

I have the honour to inform you that, having examined the information supplied by your authorities, the Commission has decided to raise no objection to the State aid scheme mentioned above.

In reaching this decision, the Commission based itself on the following considerations:

I. PROCEDURE

- (1) The measure was notified by letter dated 14 April 2009, registered as received on the same date. Additional information was received by letters of 10 June 2009 and 30 July 2009, registered on the same date.

II. DESCRIPTION

2.1. Title

- (2) Agriculture and Horticulture Development Board — Advertising and Promotion Scheme

2.2. Budget

- (3) Overall budget: £180 million (around €210 million)

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- (4) The UK authorities state that the Agriculture and Horticulture Development Board is expected to spend £180 million of its budget over the six-years period on the present scheme, including on project management, and a further £25 million of its budget over that period on non-economic government duties connected with this particular Scheme. Thus, the overall budget for State aid amounts to £180 million (€210 million).

2.3. Duration

- (5) From the date of the Commission Decision until 31 March 2015

2.4. Beneficiaries

- (6) Over 1000 farmers; producer groups and/or producer organisations; enterprises active in the processing and marketing of agricultural products.

2.5. Measure

- (7) The aim of this scheme, which will be administered by the Agriculture and Horticulture Development Board (AHDB) and its six sector companies, is the promotion and advertising of products in the agricultural sectors subject to statutory levy. Under the present scheme, the Agriculture and Horticulture Development Board will undertake promotional activities that will involve a variety of measures aimed at consumers, trade buyers and retailers to raise awareness of the qualities, including notably the nutritional qualities and health benefit, of the products, and to increase consumption. In addition, the Agriculture and Horticulture Development Board structure will provide consumers, trade buyers and retailers with technical information on the products with the aim of raising consumption.
- (8) With the present notification the UK authorities intend to modify the existing State aid scheme N 529/2007 ‘Agriculture and Horticulture Development Board — Advertising and Promotion scheme¹.’ The modifications consist of extending the life of the existing aid scheme, amending the aid for quality advertising, and updating the approved logos for the existing scheme.
- (9) The scheme will cover Annex I products, including potatoes other than starch potatoes. Further, support for non-Annex I products will be provided. The UK authorities have given commitments that the conditions of Commission Regulation (EC) No 1998/2006 of 15 December 2006 on the application of Articles 87 and 88 of the Treaty to de minimis aid will be honoured.²
- (10) The scheme will apply to England, Wales and Scotland in the milk, horticulture and potato sector; to England, Wales, Scotland and Northern Ireland in the cereals and oilseeds sector; and to England only in the pig, beef and lamb sectors.

¹ Adopted on 15.01.2008 by Commission Decision C(2007) 6886 final; OJ C/101/2008.

² OJ L 379, 28.12.2006, p. 5.

- (11) On 1 April 2008 the new statutory levy arrangements came into force, and the previous levy bodies (the British Potato Council, the Home-Grown Cereals Authority, the Horticultural Development Council, the Meat and Livestock Commission and the Milk Development Council) were abolished and replaced by an overarching levy body and six sector companies. The Agriculture and Horticulture Development Board covers the cereals and oilseeds sector in the United Kingdom, the British milk, potato and horticulture sectors, and the English pig and English beef and lamb sectors.

3.5.1. Agriculture and Horticulture Development Board and sector companies

- (12) The Agriculture and Horticulture Development Board is appointed by UK Ministers. It consists of ten members: the chair, three independent directors, and six members representing the sectors covered by the statutory levy. The chair and three directors are independent of the agricultural and horticultural sectors.
- (13) The Agriculture and Horticulture Development Board wholly owns six subsidiary sector companies in which there is no private share capital. Financial accountability for the sector companies rests with the Agriculture and Horticulture Development Board, and as a Non-Departmental Public Body, the Agriculture and Horticulture Development Board is required to lay consolidated Annual Reports and Accounts before Parliament. Under the Companies Act, each sector company is required to produce its own annual report and accounts. The Agriculture and Horticulture Development Board does not have line management responsibility for the sector companies. The CEO of the Agriculture and Horticulture Development Board reports to the chair of the Agriculture and Horticulture Development Board, who in turn reports to the permanent secretary of DEFRA (Department for Environment, Food and Rural Affairs).
- (14) The Agriculture and Horticulture Development Board, as owner of the sector companies, appoints members of the sector companies' boards, which have a maximum of 15 members, including a majority of members representing the interests of farmers or growers, and at least one independent board member.
- (15) The UK authorities have given assurances that the UK Government exercises control over the expenditures of the Agriculture and Horticulture Development Board and its companies by exercising a right of approval of the business plan for all its activities. An agreement between the UK Government and the Agriculture and Horticulture Development Board ensures that the Board will act in accordance with public sector requirements.

3.5.2. Governmental and commercial activities of the Agriculture and Horticulture Development Board and its sector companies

- (16) The Agriculture and Horticulture Development Board and its sector companies are established for the specific purpose of meeting needs in the general interest, not having an industrial or commercial character. More particularly, the purposes of the Agriculture and Horticulture Development Board (and its companies) include increasing the efficiency or productivity of the industry, improving marketing in the industry, improving or developing services that such an industry provides or could

provide to the community, and improving the ways in which such an industry contributes to sustainable development.

- (17) The Agriculture and Horticulture Development Board will collect and administer the levy on behalf of the UK Government.
- (18) In addition to its governmental duties, the Agriculture and Horticulture Development Board will provide corporate services for the Agriculture and Horticulture Development Board and its sector companies (e.g. human resources, administration).
- (19) Services may be provided by the sector companies and the Agriculture and Horticulture Development Board themselves, but only where appropriate. Alternatively, services may be procured from private sector organisations. Contracts will be awarded in accordance with EU procurement rules.
- (20) The Agriculture and Horticulture Development Board may engage in commercial activities, but such activities will be undertaken by a wholly owned commercial subsidiary company of the Agriculture and Horticulture Development Board. Thus, separate accounts will be kept for such activities in order to prevent cross-subsidisation.

3.5.3. Administrative costs of government activities

- (21) According to information provided by the UK authorities, the governmental duties of the Agriculture and Horticulture Development Board include the collection and administration of the levy. The total budget for these activities (including staff costs) will be around £105 million over the period of six years.

3.5.4. The statutory levy

- (22) The scheme will be funded by a statutory levy. Additionally, UK government departments and other public bodies (e.g. Rural Development Agencies) may add to the money available under this scheme using funds from their general budgets.
- (23) The statutory levy will be collected by the Agriculture and Horticulture Development Board from farmers and, in some cases, from the processors and dealers in the sectors covered by the levy (milk, potatoes, horticulture, cereals and oilseeds, pigmeat, beef and lamb).
- (24) The rate of levy and the method of collection vary between the sectors. The system operates under the Agriculture and Horticulture Development Board Order 2008. This sets out the maximum rates for each sector. The Agriculture and Horticulture Development Board will set the rate of levy at or below these maximum levels. All the revenue raised will be fully utilised to fund the Agriculture and Horticulture Development Board activities.
- (25) The UK authorities state that the levy rates are set taking into account the views of operators in the relevant sectors, such that they will not result in the creation of a barrier to trade or to higher prices of the products. To this end, the maximum levy rate as set by the Agriculture and Horticulture Development Board Order does not exceed approximately 1% of the purchase price of the product in most sectors, and

the actual levy is rather less than this figure. The levy rate is set and applies on an annual basis, being recommended by the Agriculture and Horticulture Development Board and specifically authorised each year by the UK authorities. Further, this levy is applied on a non-discriminatory basis, and any impact on trade is compensated for by the products (and the producers, processors and marketers thereof) benefiting from activities funded by the levy.

- (26) The UK authorities confirm that exporters will benefit as much from the scheme's measures as will operators selling products solely on the UK market, since their products will be promoted on export markets within the EU. The UK authorities give their assurances, in accordance with the judgements on *Niels Nygård v Svineafgiftsfonden*³ and *Freskot AE v Ellinko Diomosio*⁴ cases, that, where exported products are disadvantaged compared to products placed on the domestic market, appropriate steps will be taken to refund part of the levy at an appropriate rate. The levy will not be raised on imported products.

2.5.4.1. Potato sector

- (27) The levy will be collected from any person or partnership growing three hectares or more of potatoes in any calendar year.
- (28) Further, this levy must be paid by any person who buys one thousand tonnes or more of potatoes grown in Great Britain (excluding seed potatoes) in any year, based on the weight of potatoes bought (tonnage levy). Any person buying potatoes to be sold by retail or catering establishments (including fish fryers) will be excluded from paying the levy unless they buy the potatoes direct from the grower. Cooperatives are exempt from paying this levy. Tonnage levy will not be payable on potatoes once they have been processed, except where they are processed by the producer. Producers of seed potatoes will pay a levy based on planted area; however, no levy will be payable at any subsequent stage on seed potatoes.
- (29) Maximum levy rates will be as follows: £50 per hectare for growers of potatoes; £0.25 per tonne for buyers of potatoes.

2.5.4.2. Cereals and oilseeds sector

- (30) Levy will be payable on cereals (wheat, barley, oats, rye, maize and triticale) and oilseeds (rapeseed, linseed, soyabean and sunflower seed) grown in the United Kingdom.
- (31) Furthermore, levy will be collected from any person in the United Kingdom who buys cereals or oilseeds grown in the United Kingdom from the grower. This will apply to all buyers, including other farmers purchasing the product directly as an alternative to buying from a merchant, as well as processors buying directly from farmers. The levy will be based on the weight of cereals or oilseeds bought, and

³ *Niels Nygård v Svineafgiftsfonden* (Case C-234/1999) [2002] ECR I-3657.

⁴ *Freskot AE v Ellinko Dimosio* (Case C-355/00), [2003] ECR I-5263.

will be collected at the point of purchase when the cereals or oilseeds are transferred to the buyer.

- (32) In the case of cereals, the levy will be in two parts: the grower levy and the buyer levy.
- (33) In the case of oilseeds there will be a grower levy only.
- (34) In the case of cereals, any person who carries out industrial processes on cereals grown in the United Kingdom by way of business must pay a processor levy, based on the weight of the cereals to be processed.
- (35) Cereal processors producing animal feed will pay a lower rate of levy than standard cereal processors, as the value added to cereals when made into animal feed is lower than the value added to cereals when made into food for human consumption. Levy will not be collected from oilseed processors.
- (36) The maximum rate of the levy will be: 60 pence per tonne for cereal growers; 5 pence per tonne for cereal buyers; 12 pence per tonne for cereal processors producing non-feedingstuffs; 6 pence per tonne for cereal processors producing feedingstuffs; 98 pence per tonne for oilseed growers.

2.5.4.3. The horticulture sector

- (37) A levy will be collected from any person or partnership in Great Britain that grows the horticultural products listed below.
- (38) Further, a levy will be collected from any person who sells those products grown by him or anything derived from them.
- (39) The horticultural products subject to levy are:
 - a) All vegetables grown in the open and sold for human consumption, including watercress but excluding potatoes.
 - b) All soft fruit and orchard fruit, including nuts but excluding varieties of cider apples and perry pears (as certified by the Agriculture and Horticulture Development Board and/or horticultural sector company), hops and grapes.
 - c) All flowers, whether cut or in pot, foliage, bulbs, corms, tubers and rhizomes.
 - d) All hardy nursery stock including:
 - fruit trees, bushes and canes, strawberries for runner production and other fruit stock for transplanting
 - roses (including stock for budding)
 - shrubs and hedging plants
 - ornamental trees and trees for sale for amenity purposes
 - perennial herbaceous plants
 - aquatic plants
 - e) All other nursery stock, seedlings and cuttings for propagation
 - f) All crops grown in glasshouses and other forms of protection, including pot plants, bedding plants and plants being propagated for growing elsewhere
 - g) All species of herbs

- (40) A levy will also be collected from any person who buys more than 700 litres of mushroom spawn, and any person who buys compost containing more than 700 litres of mushroom spawn, on an annual basis.
- (41) The maximum levy rates will be 0.75% of the adjusted sales figure for the general growers' levy, 20 pence per litre of spawn used or sold for agaricus spawn, and 8 pence per litre for non-agaricus spawn.

2.5.4.4. The English pigmeat sector and the English beef and lamb sector

- (42) A levy will be payable on a monthly basis on pigs, cattle and sheep slaughtered in slaughterhouses in England and on exports of live pigs, cattle and sheep that were reared in England.
- (43) The levy will be based on the number of animals slaughtered or exported, and will consist of two parts: the producer levy and the slaughter or export levy. The slaughterhouses or exporters will act as collection agents for the producer levy.
- (44) Levy will not be payable for animals imported from another Member State and slaughtered within three months in the case of cattle, and two months in the case of pigs or sheep.
- (45) The maximum rate of levy will be:
- Cattle (slaughterer or exporter) £1.75 per head
 - Cattle (producer) £5.25 per head
 - Calves (slaughterer or exporter) £0.50 per head
 - Calves (producer) £0.50 per head
 - Sheep (slaughterer or exporter) £0.60 per head
 - Sheep (producer) £0.60 per head
 - Pigs (slaughterer or exporter) £0.275 per head
 - Pigs (producer) £1.075 per head

2.5.4.5. The dairy sector

- (46) All producers of cow's milk in Great Britain will be liable to pay a levy to the milk sector company, based on the volume in litres of liquid milk sold off-farm.
- (47) The maximum rate of levy will be 0.08 pence per litre of milk.

3.5.5. Use of names, logos and quality marks of the Agriculture and Horticulture Development Board and sector companies

- (48) The UK authorities have submitted the names and logos of the Agriculture and Horticulture Development Board and of the sector companies that may be used for promotion and advertising⁵:

⁵ The logos on figures 1a, 2, 3, 4, 5 and 6 were already approved under Aid scheme N 529/2007. Logo 7 was not yet available at the time of the approval of scheme N 529/2007.



Figure 1a: The logo of the Agriculture and Horticulture Development Board approved under State aid scheme N 529/2007



Figure 1b: New logo of the Agriculture and Horticulture Development Board that will gradually replace the current logo (figure 1a).



Figure 2: EBLEX Ltd — Beef and lamb sector company



Figure 3: BPEX Ltd — Pig sector company



Figure 4. Horticultural Development Company Ltd — Horticultural sector company



Figure 5: HGCA Ltd — Cereals and oilseeds sector company



Figure 6: Potato Council Ltd — Potato sector company



Figure 7: Dairyco Ltd — milk sector company

- (49) The UK authorities confirm that neither the AHDB logo nor the logos of its sector companies and divisions will, when used in generic advertising campaigns and promotion, contain any reference to the geographical origin of products. They will not be used for self-promotion of AHDB, its sector companies or its divisions under this scheme. The logos will only be included in so far as it is necessary to inform consumers about the origin of the information in the advertisement or promotion. In campaigns, the logos will be used in a peripheral way (e.g. in small characters legible at short distances, in the corner of the poster/screen). The UK authorities undertake unreservedly to ensure that such logos will be used in the provision of objective information about the bodies concerned and about any of their statutory activities other than under the scheme. The UK authorities state that any published website addresses will contain no reference to origin in so far as a territory code is a feature of higher-level domains (e.g. .eu or .co.uk or .uk.com). In particular there will be no reference to geographical origin in such names as britishpotatoes.co.uk, and no other pictorial or verbal reference to the geographical origin (such as a regional symbol) will be made.

- (50) The UK authorities confirm that the AHDB logo, and the logos of its sector companies and divisions, will be subsidiary in relation to the overall message in the advertising of quality products. The logos will be limited in size in the advertisements and will relate to AHDB or its sector companies as the organisers of the campaign.

3.5.6. Technical support

2.5.6.1. Organisation of and participation in forums to share knowledge between businesses — Export trade missions in third countries and the UK

- (51) The levy organisations, as providers of preferential services, will arrange and participate in export trade missions with the aim of opening new markets or improving trade relations with existing markets for products from the sectors covered by the statutory levy.
- (52) Forums to share knowledge between businesses will be organised and coordinated by levy organisation representatives in third countries or in the UK.
- (53) Export trade missions will be organised in the form of formal or informal discussions with officials or trade representatives, accompanied by officials from the UK Government and/or representatives of producers, processors and others in the food supply chain. Technical information on the UK market situation and the quality and attributes of products will be in the form of written material and presentations. Catalogues of suppliers will be provided. Further workshops will be held for trials of the products by prospective purchasers. Local media will be used where it is deemed appropriate.
- (54) Industry delegates will be selected by way of appropriate selection procedures based on objectively defined conditions. Selection will be primarily on a first-come, first-served basis, but also taking into consideration other objective factors (e.g. previous participation, geographical spread in the UK).
- (55) Export forums will be organised in the UK as formal or informal discussions and in the form of visits to production, processing and export facilities to enable officials and trade representatives from the target export markets to visit the UK and to tour production, processing and export facilities. Such forums will reassure visitors about quality assurance, availability of supply and other aspects of UK supply. Participants will be informed about other establishments in addition to those visited, e.g. by providing them with an appropriate catalogue.
- (56) Seminars for foreign buyers will be organised in the UK and in third countries on products covered by the statutory levy. Speakers will be drawn from the sectors concerned. Where the seminars are held overseas, the UK embassies will defray the cost of the speakers.
- (57) Eligible costs: travel costs and participation expenses, participation fees, cost of publications and rental of exhibition premises.
- (58) Support for measures mentioned above for businesses active in the processing and marketing of Annex I products, or active in business or industry, will be paid in

accordance with Commission Regulation 1998/2006. The UK authorities have given assurances that the conditions of Regulation 1998/2006 will be honoured. Support for measures mentioned above for large primary producers in agriculture will be paid in accordance with Commission Regulation (EC) No 1535/2007 of 20 December 2007 on the application of Articles 87 and 88 of the EC Treaty to de minimis aid in the sector of agricultural production⁶. The UK authorities have given assurances that the conditions of Regulation 1535/2007 will be honoured.

2.5.6.2. Trade fairs

- (59) The levy organisations, as providers of preferential services, will participate in trade fairs on both the domestic and export markets to promote the specific qualities of products covered by the statutory levy to consumers or buyers; they will make use of posters or leaflets with technical information on the products to communicate their messages. All materials used will be generic in nature and will focus on the specific qualities of the products.
- (60) The levy organisations, as providers of preferential services, may organise trade fairs as a means of reducing participation costs and enabling more small businesses to attend them. Participants will be selected on the basis of objectively defined conditions. Selection will be primarily on a first-come, first-served basis, but will also take into consideration other objective factors (e.g. previous participation, geographical spread in the UK).
- (61) The levy organisations, as providers of preferential services, may organise a specific area or pavilion for the use of SMEs, on the basis of objectively defined conditions. Selection will be primarily on a first-come, first-served basis, but will also take into consideration other objective factors (e.g. previous participation, geographical spread in the UK).
- (62) Eligible costs: participation fees (actual costs of organising the fairs, including venue and equipment hire, speakers' fees and travel and subsistence costs of the fairs' organisers and speakers) that will either not be charged to the beneficiary or will be charged at a reduced rate; plus cost of publications.
- (63) Support for measures mentioned above for businesses active in the processing and marketing of Annex I products or active in business or industry will be paid in line with Commission Regulation (EC) No 1998/2006. The UK authorities have given assurances that the conditions of Commission Regulation (EC) No 1998/2006 will be honoured. Support for measures mentioned above for large primary producers in agriculture will be paid in line with Commission Regulation (EC) No 1535/2007. The UK authorities have given assurances that the conditions of Commission Regulation (EC) No 1535/2007 will be honoured.

2.5.6.3. Catalogues

- (64) The levy organisations, as providers of preferential services, will develop and maintain databases that list the variety of produce available from the UK market

⁶ OJ L 337, 21.12.2007, p. 35.

and the suppliers of such produce. These databases will be used to produce objective catalogues aimed at interested parties in Member States and outside the EU, and will be made available in print and/or electronically. The databases and catalogues will be factual and neutral in presentation. All producers concerned will have equal opportunities to be represented in the publications.

- (65) Eligible costs: costs of obtaining and compiling the information; costs of production and dissemination, electronically or in hard copy.
- (66) Support for measures mentioned above for businesses active in the processing and marketing of Annex I products or active in business or industry will be paid in accordance with Commission Regulation (EC) No 1998/2006. The UK authorities have given assurances that the conditions of Commission Regulation (EC) No 1998/2006 will be honoured. Support for measures mentioned above for large primary producers in agriculture will be paid in accordance with Commission Regulation (EC) No 1535/2007. The UK authorities have given assurances that the conditions of Commission Regulation (EC) No 1535/2007 will be honoured.

2.5.6.4. Factual information

- (67) The levy organisations, as providers of preferential services, will provide factual information on the beneficial properties of the products covered by the statutory levy. This will be aimed specifically at consumers.
- (68) Eligible costs: costs of obtaining and compiling the information on the nutritional qualities of the products; costs of production and dissemination, electronically or in hard copy.
- (69) Support for measures mentioned above for businesses active in the processing and marketing of Annex I products or active in business or industry will be paid in line with Commission Regulation (EC) No 1998/2006. The UK authorities have given assurances that the conditions of Commission Regulation (EC) No 1998/2006 will be honoured. Support for measures mentioned above for large primary producers in agriculture will be paid in accordance with Commission Regulation (EC) No 1535/2007. The UK authorities have given assurances that the conditions of Commission Regulation (EC) No 1535/2007 will be honoured.

2.5.6.5. Encouraging consumption through education

- (70) The levy organisations, as providers of preferential services, will supply educational material to the public on the specific nutritional qualities and characteristics of products from the sectors covered by the statutory levy. The material will be generic in nature and will not refer to the geographic origin of the products.
- (71) Eligible costs: costs of printed material such as wallcharts, leaflets and information sheets, or internet-based material such as websites dealing with specific issues concerning the health benefits to consumers; costs of health pages in newspapers or other media to communicate information to consumers.

2.5.6.6. Encouraging consumption by highlighting the uses of products

- (72) The levy organisations, as providers of preferential services, will produce materials that highlight the uses of the products covered by the statutory levy. All materials will be designed with the aim of increasing consumption, and will be displayed at points of sale or, in the case of cards or leaflets, as fliers in targeted magazines or newspapers. All materials will be generic in nature and will not refer to the geographic origin of the products. They will not relate directly to any products produced by private companies.
- (73) Eligible costs: costs of recipe cards, leaflets, fliers or posters, or other information material (e.g. ideas for parties or barbecues).

2.5.6.7. Educational programmes

- (74) The levy organisations, as providers of preferential services, will design school programmes to promote the consumption of products covered by the statutory levy as part of a healthy lifestyle. Education packs for use in schools will be designed to educate pupils about the origins and the nutritional characteristics of the products, and their role as part of a healthy balanced diet. The materials produced will be generic in nature and will not refer to individual companies, brands or the geographic origin of products.
- (75) Eligible costs: production and dissemination of printed material; production of electronic material; presentations and/or events aimed at schoolchildren; education packs for use in schools (information sheets, wallcharts, materials for practical activities to develop health, fitness and a knowledge of the products, educational games, DVDs and CD-ROMs); packs for teachers (lesson plans and teaching resources such as equipment and ideas for cookery lessons and demonstrations, ideas for holding a ‘themed’ day and games centred around specific products and healthy eating); website dedicated to developing knowledge of the products covered by the statutory levy in schools and increasing uptake among pupils, electronic games, ideas for practical activities such as growing plants or recipes that can be made in the classroom, and links to other websites; costs for consultants to go into schools and communicate information or distribute educational material to pupils; costs of materials for school caterers to promote the products from the sectors covered by the statutory levy and linked to the school curriculum (ideas for holding product ‘theme days’ in the school canteen, recipe ideas, posters and stickers).

3.5.7. Advertising in the EU

- (76) The levy organisations, as providers of preferential services, will undertake advertising on the home market and on the market of any another Member State.

2.5.7.1. Generic advertising and PR work

- (77) The levy organisations, as providers of preferential services, will undertake the generic advertising of products from the sectors covered by the statutory levy. The advertising will involve both printed and media-based material, such as posters, fliers and advertisements in targeted magazines and newspapers, or internet,

television, cinema and radio advertising. Advertising material will also be available at the point of sale.

- (78) The advertising will be generic in nature. The geographic origin of the products will not be mentioned in the advertising, and the campaigns will not feature any negative references to similar products from other Member States. No references will be given to specific products of one or more particular firms.
- (79) Names and logos of levy organisations as described in section 2.5.5. above will be used in the advertising campaign. According to information provided by the UK authorities, names and logos do not contain *prima facie* a message of geographic origin, as names and logos of the new levy board and its sector companies are neutral and give no indication of origin.
- (80) Eligible costs: production of printed materials, including advertisements, leaflets, posters, fliers, information sheets, recipe cards, wall charts, school information packs; production of electronic material, including advertisements for radio, TV, cinema and the internet, DVDs and CD-ROMs; costs of placing printed advertisements in newspapers and magazines, or securing advertising space, e.g. on advertising hoardings; costs of securing a slot for advertising on radio, TV, cinema or internet; costs of placing printed fliers in newspapers or magazines and displaying material at point of sale; distribution of printed material, such as information packs to schools; hiring consultants in generic advertising or PR work, e.g. advertisement designers or consultants to assist with PR work; arranging and running presentations to assist with PR work, e.g. presentations in schools; administering advertising and PR work.
- (81) The UK authorities have given a commitment that the advertising will comply with other regulatory requirements, including the provisions of Article 2 of Directive 2000/13/EC of the European Parliament and of the Council of 20 March 2000 on the approximation of the laws of the Member States relating to the labelling, presentation and advertising of foodstuffs⁷ and any specific labelling rules.
- (82) The UK authorities have provided information to be conveyed in the advertising, e.g. the health and nutritional benefit, convenience and versatility, recipes and cooking guidance, and will highlight the convenience of these foodstuffs.
- (83) The levy organisations will normally provide up to 100% of the funding for the advertising through parafiscal levies.

2.5.7.2. Events

- (84) The levy organisations, as providers of preferential services, will hold events to encourage consumers to buy generic products from the sectors covered by the statutory levy by staging roadshows in various locations (e.g. shopping malls). Activities and materials will be specifically tailored to the expected audience. Such events may be held on a national, regional or local scale, and will be time-specific.

⁷ OJ L 109, 6.5.2000, p. 29, as amended.

- (85) Eligible costs: hiring space at locations, e.g. space in shopping malls; administering, setting up and running events: producing materials for the event, e.g. advertisements or printed materials; securing advertising space or publicity for the event in the media; involving consultants in events, e.g. to help run events/distribute materials; hiring celebrities to assist with the event or to endorse printed material for the event.
- (86) The levy organisations will normally provide up to 100% of the funding for the advertising via parafiscal levies.
- (87) The UK authorities have given a commitment that the advertising will comply with other regulatory requirements, including the provisions of Article 2 of Directive 2000/13/EC and any specific labelling rules.

2.5.7.3. Defending products against adverse publicity

- (88) The levy organisations, as providers of preferential services, will defend products covered by the statutory levy against adverse publicity or a negative message about a product, i.e. publicity that threatens to impact negatively on consumers. (Such defence may, for example, take the form of reassurance about the safety, quality or other characteristics of the product or unhealthy characteristics).
- (89) Measures will be taken to counter any perceived lack of balance in the media, in particular where this could have an adverse effect on the consumption of the product. The levy organisations will endeavour to join and influence the debate.
- (90) Eligible costs: costs of one-to-one contact with the media, press releases, use of experts/celebrities, making spokespersons available.
- (91) The levy organisations will ordinarily provide up to 100% of the funding for advertising via parafiscal levies.
- (92) The UK authorities have given commitments that the advertising will comply with other regulatory requirements, including the provisions of Article 2 of Directive 2000/13/EC and any specific labelling rules.

2.5.7.4. Advertising of quality products

- (93) The levy organisations, as providers of preferential services, will advertise quality schemes and quality products meeting the scheme's specifications.
- (94) Measures to encourage the development of quality products are covered by State aid scheme N 338/2007 — Agriculture and Horticulture Development Board — Quality Products.
- (95) The UK authorities explain that the modifications to this sub-measure in comparison to the same sub-measure in existing scheme N 529/2007 consist of enabling AHDB to use, in the advertising for quality products, logos indicating compliance with Food Quality Schemes other than its own schemes, thus boosting the Community-wide nature of the measures. These additional schemes will comprise the Community schemes relating to protected food names and organic

foods⁸ (cf. figure 8), and industry-created Food Quality Schemes such as the Assured Food Standards (AFS) scheme (cf. figure 9). Insofar as any quality logo used by an additional quality scheme incorporates an indication of geographic origin, the UK authorities have undertaken to notify the Commission prior to any use of such a logo under the present scheme.



Figure 8: Examples of Community scheme logos



Figure 9: Examples of Assured Food Standards scheme logos

- (96) The AFS Quality Label will only be used in relation to Food Quality Schemes and Quality agricultural products compliant with such schemes. AHDB will apply the Scheme to a broad range of such products, giving consumers a more consistent quality message and enhancing its impact. This consistent quality message will be sought under the present scheme by gradually substituting the AFS Quality Label for the Quality Labels currently in use under existing aid scheme N 529/2007⁹ (cf. figures 10 and 11) and by extending the AFS Quality system to cover a wider range of quality foods. The UK authorities state that the AFS Quality Label will complement, rather than replace, the Community Quality Labels.

⁸ Traditional Specialities Guaranteed (TSG) under Council Regulation (EC) No 509/2006 (OJ L 93, 31.3.2006, p. 1); Protected Designations of Origin (PDO) and protected Geographical Indications (PGI) under Council Regulation (EC) No 510/2006 (OJ L 93, 31.3.2006, p. 12); Organic foods under Council Regulation (EC) No 834/2007 (OJ L 189, 20.7.2007, p. 1). Each scheme has an associated Community Quality Label.

⁹ The quality schemes approved under State aid scheme N 529/2007 are: the English Quality Beef Standard, the English Quality Lamb Standard and the British Quality Pork Standard for Pork, Bacon and Ham.



Figure 10: Examples of quality standard mark logos — beef and lamb



Figure 11: Examples of quality standard mark logos — pork

- (97) The UK authorities have given assurances that only national quality schemes that are established pursuant to Article 32 of Council Regulation (EC) No 1698/2005 and that satisfy the requirements of Article 22(2) of Regulation 1974/2006 are covered. The quality schemes are open to products from other Member States.
- (98) The UK authorities have provided information and given assurances that the quality advertising will include only a subsidiary message of origin, provided by the inclusion of the geographic origin of products within the quality standard mark logo. Advertising will be generic in nature, indicating the quality of the scheme and of the compliant products as the predominant message. The origin reference within the logo will be small in relation to the rest of the logo.
- (99) The schemes are open to operators throughout the EU, and logos are available for all national and regional variations; there is also an EU variant to cover products crossing national frontiers.
- (100) The UK authorities have provided assurances that, if quality labels are used or referred to in written information material directed at the public, any references to the names and logos will remain a subsidiary message in relation to the main communication.
- (101) The UK authorities have provided assurances that, if the advertising campaign is geared to EU-recognised denominations with reference to the geographic origin of the products, the said reference will correspond exactly to the references that have been registered by the Community.
- (102) The UK authorities have given assurances that individual products will not be promoted.
- (103) Eligible costs: costs of advertising for the quality standard mark for pigmeat, beef, lamb and their products that satisfy the scheme specifications.
- (104) The levy organisations will ordinarily provide up to 100% of the funding for advertising through parafiscal levies.
- (105) If the advertising is entrusted to third parties, the firms concerned will be selected in accordance with EU procurement rules.
- (106) The UK authorities have given a commitment that the advertising will comply with other regulatory requirements, including the provisions of Article 2 of Directive 2000/13/EC and any specific labelling rules.

3.5.8. Advertising in third countries

- (107) The levy organisations, as providers of preferential services, will undertake advertising in third countries. The UK authorities confirm that in case the advertising is entrusted to third parties, the firms concerned will be selected in accordance with the EU procurement rules.
- (108) The UK authorities have provided assurances that the advertising campaign would be in line with the principles of Council Regulation (EC) No 3/2008 of 17

December 2007 on information provision and promotion measures for agricultural products on the internal market and in third countries¹⁰. They are keen to ensure in particular that all measures are decided in the common interest and such that all the eligible beneficiaries are able to benefit from them. In addition, no publicity campaign will be organised for the benefit of an individual enterprise. The UK authorities guarantee that the messages of the campaigns are not liable to compromise the sales of products from other Member States or to denigrate them.

- (109) The UK authorities state that any action will involve the measures referred to in Article 2(1) of Council Regulation 3/2008; these may take the form of participation in events, fairs and exhibitions of international importance, in particular by running stands to boost the image of Community products; of new market research, necessary for creating new outlet channels; and of commercial missions at a high level. They will all be related to products and countries listed in Annex II to Commission Regulation (EC) No 501/2008 of 5 June 2008 laying down detailed rules of the application of Council Regulation (EC) No 3/2008 on information provisions and promotion measures for agricultural products on the internal market and third countries¹¹.

2.6. Legal basis

- (110) Sections 97-91, 93, 94, 06 and 97 of the Natural Environment & Rural Communities Act 2006; Agriculture and Horticulture Development Board Order 2008.

2.7. Aid intensity

- (111) Up to 100%

III. EVALUATION

- (112) Under Article 87(1) of the EC Treaty, any aid granted by a Member State or through State resources in any form whatsoever which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods is prohibited, insofar as it affects trade between Member States. It is obvious that there is substantial crossborder trade in agricultural products.¹²
- (113) The aid measure is financed by a parafiscal levy imposed by the Agriculture and Horticulture Development Board. Therefore, it has to qualify as aid granted through State resources.

¹⁰ OJ L 3, 5.1.2008, p. 1.

¹¹ OJ L 147, 6.6.2008, p. 3.

¹² The United Kingdom's trade in agricultural products with other Member States in 2005: imports €25 604 million, exports €9 933 million (source: Eurostat).

(114) The aid measure favours companies in the agriculture sector in the United Kingdom. It is therefore liable to distort competition and to affect trade between Member States.

(115) Therefore, Article 87(1) of the EC Treaty applies.

(116) According to Article 87(3)(c) of the EC Treaty, aid to facilitate the development of certain economic activities or of certain economic areas may be considered to be compatible where such aid does not adversely affect trading conditions to an extent contrary to the common interest. Sections IV.K. and VI.D. of the Community guidelines for State aid in the agriculture and forestry sector 2007-2013 (hereinafter: guidelines)¹³ apply in respect of such aid.

3.1. Agriculture and Horticulture Development Board

(117) The activities of the Agriculture and Horticulture Development Board concern administrative activities, such as collection of levies, policy development and implementation of State aid measures, and also project management, technical support, encouraging the development of quality products and advertising.

(118) The Commission has consistently held that administrative activities are to be regarded as a non-economic activity because a part of State activity is outsourced and there is no intention to offer goods or services on a particular market.¹⁴ There is therefore no need for this activity to be assessed under the competition rules of the EC Treaty.

(119) Project management activities of the Agriculture and Horticulture Development Board are to be regarded as an economic activity. The UK authorities have stated that related overheads will be included in the calculation of aid to the beneficiaries.

(120) This decision in no way prejudices any further analysis by the Commission as far as compliance with public procurement rules is concerned.

3.2. Agriculture and Horticulture Development Board parafiscal levy

(121) This scheme is financed by Agriculture and Horticulture Development Board parafiscal levies, with some grants from government and its agencies. The Agriculture and Horticulture Development Board levy is charged on domestic production. In general, it is not charged on imported goods, with the exception of imported live animals and then only after a three-month period of stay in the UK (sheep and pigs: two months). The levy is charged, on the other hand, on exported goods.

(122) Parafiscal levies are regarded as discriminatory internal taxation prohibited by Article 90 of the EC Treaty if, and is so far as, charges imposed on the items

¹³ OJ C 319, 27.12.2006, p. 5.

¹⁴ See e.g. N 175/2003 — United Kingdom — MLC Generic Advertising Scheme or N 230/2003 — United Kingdom (Scotland) — Meat Quality Advertising Scheme.

produced and processed on the national market are only partially offset by advantages deriving from the use made of its revenue and thereby disadvantaging exported domestic products.¹⁵ The levy is charged at the point of production, sale, slaughter or export, excluding imported goods. The UK authorities have provided assurances that, where exporters receive less benefit from the advertising and promotion activities than those selling their products on the domestic market, the levy organisations will refund the levy at an appropriate rate.

- (123) Therefore, on the basis of the information provided by the UK authorities, the financing of this scheme by way of an Agriculture and Horticulture Development Board parafiscal levy raises no objections.

3.3. Technical support

- (124) Aid for technical support is regarded by the Commission as ‘soft aid’, which contributes to the long-term viability of agriculture in the Community, while producing only very limited effects on competition. According to point 103 of the guidelines referring to Article 15 of Commission Regulation (EC) No 1857/2006, such aid may be granted at a rate of 100% of costs for primary producers (farmers). For the purpose of calculating the amount of aid, the person receiving the services is considered to be the beneficiary.
- (125) The aid has to be given as a service on preferential terms and must not involve direct payments to producers (point 103 of the guidelines referring to Article 15(3) of Commission Regulation (EC) No 1857/2006). The UK authorities have given these commitments.
- (126) The UK authorities have provided assurances that the aid is limited to small and medium-sized enterprises (point 106 of the guidelines).
- (127) The aid must be accessible to all those eligible for it in the area concerned, on the basis of objectively defined conditions. If the provision of services is undertaken by producer groups or agricultural mutual organisations, membership of such organisations must not be a condition for access to the service, and any contribution to the administrative costs must be limited to the proportional costs of providing the service (point 103 of the guidelines referring to Article 15(4) of Commission Regulation (EC) No 1857/2006). The UK authorities have given these commitments.
- (128) Taking into account the commitments of the UK authorities, the Commission notes that support for businesses active in the processing and marketing of Annex I products or active in business or industry is covered by Commission Regulation (EC) No 1998/2006. Support for large primary producers in agriculture is covered by Commission Regulation (EC) No 1535/2007.

¹⁵ Case C-234/99, *Nygård* [2002] ECR I-3657.

3.3.1. Organisation of and participation in forums to share knowledge between businesses — Export trade missions in third countries and the UK

- (129) According to point 103 of the guidelines with reference to Article 15(2)(d) of Commission Regulation (EC) No 1857/2006, aid of up to 100% may be granted for organising and taking part in forums to share knowledge between businesses. Eligible costs are: participation fees, travel costs, costs of publications, the rent of exhibition premises and the organisation of and participation in seminars.
- (130) Eligible costs for export forums and seminars described in section 2.5.6.1 above are covered by point 103 of the guidelines referring to Article 15(2)(d) of Commission Regulation (EC) No 1857/2006.
- (131) Therefore, the conditions of point 103 of the guidelines are met.

3.3.2. Trade fairs

- (132) According to point 103 of the guidelines referring to Article 15(2)(d) of Regulation 1857/2006, aid of up to 100% may be granted for organising and taking part in trade fairs. Eligible costs are participation fees, travel costs, costs of publications and the rent of exhibition premises.
- (133) Eligible costs for trade fairs as described in section 2.5.6.2 above are covered by point 103 of the guidelines referring to Article 15(2) (d) of Regulation 1857/2006.
- (134) Therefore, the conditions of point 103 of the guidelines are met.

3.3.3. Catalogues

- (135) According to point 103 of the guidelines referring to Article 15(2)(f) of Commission Regulation (EC) No 1857/2006, of up to 100% may be granted for producing and distributing catalogues with information about producers. Eligible costs are the costs of producing and distributing printed or internet-based material.
- (136) Eligible costs for catalogues as described in section 2.5.6.3 above are covered by point 103 of the guidelines referring to Article 15(2)(e)(ii) of Commission Regulation (EC) No 1857/2006.
- (137) Therefore, the conditions of point 103 of the guidelines are met.

3.3.4. Factual information

- (138) According to point 103 of the guidelines referring to Article 15(2)(e)(ii) of Commission Regulation (EC) No 1857/2006, aid of up to 100% may be granted for producing and distributing factual information. Eligible costs are the costs of producing and distributing printed or internet-based material.
- (139) Eligible costs for factual information as described in section 2.5.6.4 above are covered by point 103 of the guidelines referring to Article 15(2)(e)(ii) of Commission Regulation (No) 1857/2006.

(140) Therefore, the conditions of point 103 of the guidelines are met.

3.3.5. Encouraging consumption through education

(141) According to point 103 of the guidelines referring to Article 15(2)(e)(ii) of Commission Regulation (EC) No 1857/2006, aid of up to 100% may be granted for factual information, such as producing and distributing materials for encouraging consumption through education. Eligible costs are the costs of producing and distributing printed or internet-based material.

(142) Eligible costs for encouraging consumption through education as described in section 2.5.6.5 above are covered by point 103 of the guidelines referring to Article 15(2)(e)(ii) of Commission Regulation (No) 1857/2006.

(143) Therefore, the conditions of point 103 of the guidelines are met.

3.3.6. Encouraging consumption by highlighting the uses of products

(144) According to point 103 of the guidelines referring to Article 15(2) (e) (ii) of Commission Regulation (No) 1857/2006, aid of up to 100% may be granted for factual information such as producing and distributing materials for encouraging consumption by highlighting the uses of products. Eligible costs are the costs of producing and distributing printed or internet-based material.

(145) Eligible costs for encouraging consumption by highlighting the uses of products as described in section 2.5.6.6. above are covered by point 103 of the guidelines referring to Article 15(2)(e)(ii) of Commission Regulation (EC) No 1857/2006.

(146) Therefore, the conditions of point 103 of the guidelines are met.

3.3.7. Educational programmes

(147) According to point 103 of the guidelines referring to Article 15(2)(e)(ii) of Commission Regulation (EC) No 1857/2006, aid of up to 100% may be granted for factual information such as educational programmes. Eligible costs are the costs of producing and distributing printed or internet-based material.

(148) Eligible costs for educational programmes as referred to in section 2.5.6.7 above are covered by point 103 of the guidelines referring to Article 15(2) (e) (ii) of Commission Regulation (EC) No 1857/2006.

(149) Therefore, the conditions of point 103 of the guidelines are met.

3.4. Technical support for companies active in the processing and marketing of agricultural products

(150) In the light of undertakings given by the UK authorities, the Commission notes that technical support for companies active in the processing and marketing of agricultural products or in business and commerce is covered by Commission Regulation (EC) No 1998/2006 (*de minimis* aid).

3.5. Advertising on the home market and in other EU countries

3.5.1. Generic advertising

- (151) Under point 157 of the guidelines, State aid for generic advertising campaigns within the Community will be declared compatible with the Treaty if the following conditions are fulfilled:
- a) The advertising campaign must be generic in character and to the benefit of all producers of the type of product concerned.
 - b) Product origin may not be mentioned in such advertising.
 - c) The advertising can be carried out by producer groups or other organisations, regardless of their size.
 - d) The advertising campaign must comply with the provisions of Article 2 of Directive 2000/13/EC, as well as with the specific labelling rules which have been laid down for various products (such as wine, dairy products, eggs and poultry (point 152(j) of the guidelines)).
 - e) The aid rate may be up to 100%.
- (152) The UK authorities have provided information and assurances that the advertising measures, generic advertising and PR work, events, and defence of products from adverse publicity (cf. points 77-92 above) are generic in nature and to the benefit of all producers of the type of product concerned. The advertising is focused on encouraging consumers to buy products covered by the levy.
- (153) For generic advertising, an aid rate of up to 100% is permitted; however, the sector normally contributes 100% via a parafiscal levy.
- (154) Furthermore, the UK authorities have provided assurances that there will be no primary or secondary mention of the origin of the products in any generic advertising. The advertising will comply with labelling rules.
- (155) Names and logos of levy organisations may appear on advertisements or leaflets to indicate the organisation carrying out the advertising, provided that no reference is made to the product origin.
- (156) The use of names and logos that might have restrictive effects on the free movement of goods between the Member States is forbidden under Article 28 of the Treaty. If the origin is underlined by such a name or logo, this may encourage consumers to buy the products with the label to the exclusion of imported products.
- (157) The UK authorities have submitted logos and names that are neutral, do not contain a reference to the product origin and are subsidiary to the overall message. Thus, the risk of association with a particular origin is minimised. Further, point 157 of the guidelines provides that advertising may be carried out by other organisations. Thus, a degree of association with a public marketing organisation like the Agriculture and Horticulture Development Board, or its sector companies, can be accepted.

(158) The Commission therefore concludes that the conditions of point 157 of the guidelines are met.

3.5.2. *Quality advertising*

(159) Under point 153 of the guidelines, State aid for advertising campaigns within the Community will be declared compatible with the Treaty if the following conditions are fulfilled:

- a) The advertising campaign is geared to quality products, defined as products fulfilling the criteria to be established pursuant to Article 32 of Council Regulation (EC) No 1698/2005, for Community-recognised denominations (protected designations of origin (PDOs), protected geographical indications (PGIs) or other designations of origin which are protected under Community legislation) or for national or regional quality labels.
- b) The advertising campaign is not geared to products of a particular company or companies.
- c) The advertising campaign complies with the provisions of Article 2 of Directive 2000/13/EC, as well as with the specific labelling rules which have been laid down for various products (such as wine, dairy products, eggs and poultry (point 152(j) of the guidelines)).
- d) Reference may be made to the origin of the products provided that the reference corresponds exactly to those references which have been registered by the Community. In the case of national or regional quality labels, the origin of the products may be mentioned as a subsidiary message. In assessing whether or not the origin is a subsidiary message, the Commission will take into account the overall importance of the text and/or symbol, including pictures and general presentation, referring to origin and the importance of the text and/or symbol referring to the unique selling point of the advertisement, i.e. the part of the advertising message which does not focus on origin.
- e) The rate of direct aid does not exceed 50%. If the sector contributes at least 50% of the costs, whatever the form of the contribution, the rate of aid may be up to 100%.

(160) With regard to conditions a), b) and c) above, the Commission takes note of the information and assurances provided by the UK authorities (cf. points 93-106 above). The advertising campaign is geared to quality products established pursuant Article 32 of Council Regulation (EC) No 1698/2005; it does not constitute aid to particular products, and it complies with the labelling rules.

(161) As regards condition d) above, the UK authorities have provided assurances that, if the advertising campaign is geared to EU-recognised denominations with reference to the origin of the products, the said reference will correspond exactly to the references that have been registered by the Community (cf. point 101 above). In addition, the UK authorities have given assurances that any advertising for regional or national quality labels will include only a subsidiary message of origin, provided by the inclusion of the origin of products within the quality standard mark logo. Advertising will be generic in nature, indicating the quality of the scheme and of the compliant products as the predominant message. The origin reference within the logo will be small in relation to the logo as a whole (cf. point 98 above).

(162) As the regime is financed through parafiscal levies, aid intensity of 100% is allowed (cf. point 104 above).

(163) Thus, the Commission concludes that the conditions of point 153 of the guidelines are met.

3.6. Advertising in third countries

(164) Point 159 of the guidelines stipulates that the Commission declares State aid granted for advertising in third countries compatible with Article 87(3)(c) of the Treaty provided that such aid fulfils the conditions specified in Council Regulation (EC) No 2702/1999. Council Regulation (EC) No 2702/1999 has been replaced by Council Regulation (EC) No 3/2008 of 17 December 2007 on information provision and promotion measures for agricultural products on the internal market and in third countries. In particular, under point 159 of the Community Agriculture Guidelines, State aid for advertising campaigns in third countries will be declared compatible with the Treaty provided that the following conditions are fulfilled:

- a) The advertising campaign in third countries must be in line with the principles of Regulation No 2702/1999 (replaced by Regulation No 3/2008).
- b) The advertising campaign in third countries must exclude advertising which is geared to specific enterprises or might endanger sales of, or denigrate products from, other Member States.

(165) The Commission takes note of the information and assurances provided by the UK authorities (cf. points 108 and 109 above) that the advertising campaign in third countries will comply with the principles of Council Regulation (EC) No 3/2008. In particular, the UK authorities have given an undertaking that all measures will be in the common interest and such that all the eligible beneficiaries are able to benefit from them. In addition, no publicity campaign will be organised for the benefit of an individual enterprise. The UK authorities have guaranteed that the messages of the campaigns will not be liable to compromise the sales of products of other Member States or to denigrate these. Thus, the Commission concludes that the conditions of point 159 of the guidelines are met.

IV. DECISION

(166) The measure complies with the Community guidelines for State aid in the agriculture and forestry sector 2007-2013. The Commission has accordingly decided that the aid is compatible with Article 87(3)(c) of the EC Treaty. The Commission notes that technical support measures covering businesses active in the processing and marketing of agricultural products are covered by Commission Regulation (EC) No 1998/2006, and measures for large primary producers in agriculture are covered by Commission Regulation (EC) No 1535/2007. In addition, the Commission notes that non-Annex I products included in the present scheme will be supported under Commission Regulation (EC) No 1998/2006.

(167) If this letter contains confidential information which should not be disclosed to third parties, please inform the Commission within fifteen working days of the date of receipt. If the Commission does not receive a reasoned request by that deadline, you will be deemed to agree to disclosure to third parties and to publication of the

full text of the letter in the authentic language on the Internet site http://ec.europa.eu/community_law/state_aids/. Your request should be sent by registered letter or fax to:

European Commission
Directorate-General for Agriculture and Rural Development
Directorate M
Office: Loi 1305/98A
B-1049 Brussels
Fax No: 0032.2.2967672

Yours faithfully,
For the Commission

Janez POTOČNIK
Member of the Commission