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Subject: State Aid SA.114771 (2024/N) – France
TCTF: Exceptional compensation scheme for beekeeping farms

Excellency,

1. PROCEDURE

- (1) By electronic notification of 26 June 2024, France notified aid in the form of limited amounts of aid (TCTF: “*Dispositif exceptionnel de prise en charge des pertes économiques des exploitations apicoles engendrées par les conséquences de l’agression de la Russie contre l’Ukraine*”, “the measure”) under the Temporary Crisis and Transition Framework for State aid measures to support the economy following the aggression against Ukraine by Russia (the “Temporary Crisis and Transition Framework”) ⁽¹⁾.

⁽¹⁾ Communication from the Commission on the Temporary Crisis and Transition Framework for State Aid measures to support the economy following the aggression against Ukraine by Russia (OJ C 101, 17.3.2023, p. 3), as amended by Commission Communication C(2023)8045 (OJ C1188, 21.11.2023, ELI: <http://data.europa.eu/eli/C/2023/1188/oj>). (“First Amendment to the Temporary Crisis and Transition Framework”) and C(2024)3113 (OJ C3113, 2.5.2024, ELI: <http://data.europa.eu/eli/C/2024/3113/oj>) (“Second Amendment to the Temporary Crisis and Transition Framework”). This Temporary Crisis and Transition Framework replaces the Temporary Crisis Framework adopted on 28 October 2022 (OJ C 426, 9.11.2022, p. 1), (‘Temporary Crisis Framework’), which had already replaced the previous Temporary Crisis Framework adopted on 23 March 2022 (OJ C 131I, 24.3.2022, p. 1), as amended on 20 July 2022 (OJ C 280, 21.7.2022, p. 1). The Temporary Crisis Framework was withdrawn with effect from 9 March 2023.

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- (2) France exceptionally agrees to waive its rights deriving from Article 342 of the Treaty on the Functioning of the European Union (“TFEU”), in conjunction with Article 3 of Regulation 1/1958 ⁽²⁾ and to have this Decision adopted and notified in English.

2. DESCRIPTION OF THE MEASURE

- (3) France considers that the Russian aggression against Ukraine and its direct and indirect effects, including the sanctions imposed and the countermeasures taken for example by Russia, have economic repercussions on the entire internal market (“the current crisis”). According to the French authorities, the current crisis has created significant economic uncertainties, disrupted trade flows and supply chains and led to exceptionally large and unexpected price increases, especially in natural gas and electricity, but also in numerous other input and raw materials and primary goods, including fertilisers, highly relevant for the agricultural sector.
- (4) The French authorities have explained that the current crisis has direct and indirect repercussions on the French economy in general and in particular, on the agricultural sector. Thus, the measure aims at addressing the liquidity shortage faced by certain categories of farmers in the sector concerned who are directly affected by the serious disturbance of the economy.
- (5) France confirms that the aid under the measure is not conditioned on the relocation of a production activity or of another activity of the beneficiary from another country within the European Economic Area (“EEA”) to the territory of the Member State granting the aid. This is irrespective of the number of job losses actually occurred in the initial establishment of the beneficiary in the EEA.
- (6) The compatibility assessment of the measure is based on Article 107(3), point (b), TFEU, in light of sections 1 and 2.1 of the Temporary Crisis and Transition Framework.

2.1. The nature and form of aid

- (7) The measure provides aid on the basis of a scheme in the form of direct grants.

2.2. Legal basis

- (8) The legal basis for the measure is the draft of the Decision of the Director General of FranceAgriMer relating to the procedures for implementing the exceptional scheme for covering part of the economic losses of beekeeping farms caused by the consequences of Russia’s aggression against Ukraine ⁽³⁾.

⁽²⁾ Regulation No 1 determining the languages to be used by the European Economic Community (OJ 17, 6.10.1958, p. 385).

⁽³⁾ *Projet de décision de la directrice générale de FranceAgriMer relative aux modalités de mise en œuvre d’un dispositif exceptionnel de prise en charge d’une partie des pertes économiques des exploitations apicoles engendrées par les conséquences de l’agression de la Russie contre l’Ukraine.*

2.3. Administration of the measure

- (9) The public agency FranceAgriMer ⁽⁴⁾ is responsible for administering the measure.

2.4. Budget and duration of the measure

- (10) The estimated budget of the measure is EUR 4.3 million financed from the State budget.
- (11) France has confirmed that the Decision of the Director General of FranceAgriMer will only be adopted following – and thus aid may be granted under the measure only as from – the notification of the Commission’s decision approving the measure until no later than 31 December 2024.

2.5. Beneficiaries

- (12) The final beneficiaries of the measure are SMEs ⁽⁵⁾ active in the beekeeping sector that are affected by the current crisis (the “beneficiaries”). In order to benefit from the measure, the beneficiaries must fulfil the following eligibility criteria:
- (a) they declared for 2023 at least 200 beehives in Continental France, 125 in Corsica or 100 in the Outermost regions and departments;
 - (b) they justify supported by an accounting certificate that they suffered a loss of turnover in 2023 greater than or equal to 30% compared to the period of reference ⁽⁶⁾.
- (13) France confirms that the aid under the measure is not granted to undertakings under sanctions adopted by the Union, including but not limited to: (i) persons, entities or bodies specifically named in the legal acts imposing those sanctions; (ii) undertakings owned or controlled by persons, entities or bodies targeted by sanctions adopted by the Union; or (iii) undertakings active in industries targeted by sanctions adopted by the Union, insofar as the aid would undermine the objectives of the relevant sanctions.
- (14) France confirms that the measure may not in any way be used to undermine the intended effects of sanctions imposed by the Union or its international partners and will be in full compliance with the anti-circumvention rules of the applicable regulations ⁽⁷⁾. In particular, natural persons or entities subject to the sanctions will not benefit directly or indirectly from the measure.

⁽⁴⁾ *Établissement national des produits de l’agriculture et de la mer.*

⁽⁵⁾ As defined in Annex I to the Commission Regulation (EU) 2022/2472 of 14 December 2022 declaring certain categories of aid in the agricultural and forestry sectors and in rural areas compatible with the internal market in application of Articles 107 and 108 of the Treaty on the Functioning of the European Union (OJ L 327, 21.12.2022, p. 1).

⁽⁶⁾ The period of reference corresponds to the average yearly turnover for years 2018 to 2022, excluding the highest and the lowest values (‘the period of reference’). In the case of applicants recently established in beekeeping who cannot calculate the reference turnover for the period 2018-2022 according to the methodology set out, they must provide proof of references according to the rules specified in the legal basis.

⁽⁷⁾ For example, Article 12 of Council Regulation (EU) No 833/2014 of 31 July 2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine (OJ L 229, 31.7.2014, p. 1).

2.6. Sectoral and regional scope of the measure

- (15) The measure is open to undertakings active in the primary agricultural sector, specifically in beekeeping farming, as mentioned in recital (12). It applies to the whole territory of France. France confirms that credit institutions or other financial institutions are excluded from being beneficiaries of the aid.

2.7. Basic elements of the measure

- (16) The measure aims to provide assistance to the beekeeping farmers that are at risk of losing financial liquidity due to the difficulties in the market provoked by the current crisis.
- (17) The aid under the measure will be equal to 80% of the amount resulting of the difference between the turnover of the beneficiary for year 2023 and the average turnover for the period of reference ⁽⁸⁾. The maximum aid will be EUR 80 per beehive with a maximum of EUR 25 000 per beneficiary, except in the case of beneficiaries justifying the status of young farmer or in the case of a GAEC ⁽⁹⁾ then the maximum will be EUR 30 000 ⁽¹⁰⁾.
- (18) The aid will not be paid if the resulting amount is less than EUR 1 000. The overall nominal value of the direct grants under the measure will not exceed EUR 280 000 per undertaking per Member State, at any given point in time; all figures are gross, that is, before any deduction of tax or other charges.
- (19) The French authorities confirm that the aid is not fixed on the basis of the price or quantity of products put on the market.

2.8. Compliance with relevant provisions of Union law

- (20) The French authorities confirm that the proposed measures do not by themselves, or by the conditions attached to them or by their financing method constitute a non-severable violation of Union law.

⁽⁸⁾ For the calculation, see footnote 6, with special rules for new installed beekeepers and beekeepers who have experienced a significant change in their livestock over the period 2018-2023.

⁽⁹⁾ *Groupement agricole d'exploitation en commun*.

⁽¹⁰⁾ If the beneficiary has received some aid granted under state aid scheme SA.112829 (2024/N) 'TCTF: Second exceptional scheme for covering the economic losses of farms specialised in organic production' (approved by Commission Decision C(2024) 1636 of 8 March 2024), the aid under the current measure will be reduced by the amount received under SA.112829. Similarly, for beneficiaries who would have benefited from the national solidarity allowance (*Indemnité de solidarité nationale*, ISN) for their beekeeping production for the year 2023, the amount received will be deducted in full from the maximum aid calculated above. The ISN aims to provide farmers who have suffered a crop loss due to climate change and who meet the eligibility conditions, with compensation financed by the National Fund for Agricultural Risk Management (FNGRA).

2.9. Cumulation

- (21) The French authorities confirm that aid granted under the measure may be cumulated with support under *de minimis* Regulations ⁽¹¹⁾ or aid under the Block Exemption Regulations ⁽¹²⁾ provided the respective cumulation rules are respected.
- (22) The French authorities confirm that aid under the measure will not be cumulated with other forms of Union financing.
- (23) The French authorities confirm that aid under the measure may be cumulated with aid under the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak ⁽¹³⁾ (“COVID-19 Temporary Framework”) provided the respective cumulation rules are respected.
- (24) The French authorities confirm that aid granted under the measure may be cumulated with aid granted under other measures approved by the Commission under other sections of the Temporary Crisis and Transition Framework provided the provisions in those specific sections are respected.
- (25) France confirms that for aid granted under section 2.1 of the Temporary Crisis and Transition Framework and the previous Temporary Crisis Framework, the aid ceilings provided in the respective sections of the Temporary Crisis and Transition Framework are respected at any point in time.
- (26) The French authorities confirm that if a beneficiary receives aid on several occasions or in several forms under the measure or aid under other measures approved by the Commission under section 2.1 of the Temporary Crisis and Transition Framework, the overall maximum cap per undertaking per Member State, as set out in points 61(a) and in 62(a) of that framework, will be respected. Aid granted under the measure and other measures approved by the Commission under section 2.1 of the previous Temporary Crisis Framework or under the Temporary Crisis and Transition Framework which has been reimbursed before granting of new aid under that section will not be taken into account in determining whether the relevant ceiling is exceeded.

⁽¹¹⁾ Commission Regulation (EU) 2023/2831 of 13 December 2023 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to *de minimis* aid (OJ L 2023/2831, 15.12.2023), Commission Regulation (EU) No 1408/2013 and Commission Regulation (EU) 2023/2832 of 13 December 2023 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to *de minimis* aid granted to undertakings providing services of general economic interest (OJ L 2023/2832, 15.12.2023).

⁽¹²⁾ Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (OJ L 187, 26.6.2014, p. 1) and Commission Regulation (EU) 2022/2472.

⁽¹³⁾ Communication from the Commission - Temporary framework for State aid measures to support the economy in the current COVID-19 outbreak (OJ C 91I, 20.3.2020, p. 1), as amended by Commission Communications C(2020) 2215 (OJ C 112I, 4.4.2020, p. 1), C(2020) 3156 (OJ C 164, 13.5.2020, p. 3), C(2020) 4509 (OJ C 218, 2.7.2020, p. 3), C(2020) 7127 (OJ C 340I, 13.10.2020, p. 1), C(2021) 564 (OJ C 34, 1.2.2021, p. 6), C(2021) 8442 (OJ C 473, 24.11.2021, p. 1) and C(2022) 7902 (OJ C 423, 7.11.2022, p. 9).

2.10. Monitoring and reporting

- (27) The French authorities confirm that they will respect the monitoring and reporting obligations laid down in section 3 of the Temporary Crisis and Transition Framework (including the obligation to publish relevant information on each individual aid above EUR 10 000 granted under the measure on the comprehensive national State aid website or Commission's IT tool within twelve months from the moment of granting ⁽¹⁴⁾).

3. ASSESSMENT

3.1. Lawfulness of the measure

- (28) By notifying the measure before putting it into effect, the French authorities have respected their obligations under Article 108(3) TFEU (recital (11)).

3.2. Existence of State aid

- (29) For a measure to be categorised as aid within the meaning of Article 107(1) TFEU, all the conditions set out in that provision must be fulfilled. First, the measure must be imputable to the State and financed through State resources. Second, it must confer an advantage on its recipients. Third, that advantage must be selective in nature. Fourth, the measure must distort or threaten to distort competition and affect trade between Member States.
- (30) The measure is imputable to the State, since it is administered by the public agency FranceAgriMer (recital (9)) and it is based on the legal act mentioned in recital (8). It is financed through State resources since it is financed by public funds (recital (10)).
- (31) The measure confers an advantage on its beneficiaries in the form of direct grants (recital (7)). The measure thus confers an advantage on those beneficiaries which they would not have had under normal market conditions.
- (32) The advantage granted by the measure is selective, since it is awarded only to certain undertakings, i.e., undertakings active in the beekeeping sector, excluding among others the financial sector (recital (15)), while other undertakings in a comparable legal and factual situation within that sector or other sectors (considering that all economic operators should in principle cover their own costs), are not eligible for aid and thus will not receive the same advantage.
- (33) The measure is liable to distort competition, since it strengthens the competitive position of its beneficiaries. It also affects trade between Member States, since those beneficiaries are active in a sector in which intra-Union trade exists.
- (34) Therefore, the Commission concludes that the measure constitutes aid within the meaning of Article 107(1) TFEU. The French authorities do not contest that conclusion.

⁽¹⁴⁾ Referring to information required in Annex III to Commission Regulation (EU) 2022/2472.

3.3. Compatibility

- (35) Since the measure involves aid within the meaning of Article 107(1) TFEU, it is necessary to consider whether that measure is compatible with the internal market.
- (36) Pursuant to Article 107(3), point (b), TFEU the Commission may declare compatible with the internal market aid “*to remedy a serious disturbance in the economy of a Member State*”.
- (37) By adopting the Temporary Crisis and Transition Framework, the Commission acknowledged (in Section 1) that the current crisis has created significant economic uncertainties, disrupted trade flows and supply chains and led to exceptionally large and unexpected price increases, especially in natural gas and electricity, but also in numerous other input and raw materials and primary goods, including in the agricultural sector.
- (38) Those effects taken together have caused a serious disturbance of the economy in all Member States, including in the economy of France. The Commission concluded that State aid is justified and can be declared compatible with the internal market on the basis of Article 107(3), point (b), TFEU for a limited period if it serves to remedy the liquidity shortage faced by undertakings that are directly or indirectly affected by the serious disturbance of the economy.
- (39) The measure aims at providing liquidity to certain undertakings active in the primary agricultural production at a time when a wide range of economic sectors are affected, the normal functioning of markets is severely disturbed leading to severe disturbances of the real economy of Member States, including in the economy of France.
- (40) The measure is one of a series of measures conceived at national level by the French authorities to remedy a serious disturbance in their economy. The importance of the measure to ensure sufficient liquidity of the beneficiaries severely impacted by cost increases of energy, and other production inputs is widely accepted by economic commentators and the measure is of a scale which can be reasonably anticipated to produce effects across the entire French economy. Furthermore, the measure has been designed to meet the requirements of a specific category of aid (“*Limited amounts of aid*”) described in section 2.1 of the Temporary Crisis and Transition Framework.
- (41) The Commission accordingly considers that the measure is necessary, appropriate and proportionate to remedy a serious disturbance in the economy of a Member State and meets all the relevant conditions of the Temporary Crisis and Transition Framework. In particular:
- the aid takes the form of direct grants (recital (7));
 - the overall nominal value of the grants does not exceed EUR 280 000 per undertaking active in the primary production of agricultural products per Member State; all figures used are gross, that is before any deduction of tax or other charges (recital (18)). If the beneficiary receives aid on several occasions under the measure or aid under other measures approved by the Commission under section 2.1 of the Temporary Crisis and Transition Framework, the overall maximum cap per undertaking, per Member State, as set out in points 61(a) or 62(a) of that framework, will be respected (recital (25)). The measure therefore complies with point 62(a) of the Temporary Crisis and Transition Framework;

- aid is granted under the measure on the basis of a scheme (recital (7)) with an estimated budget, as indicated in recital (10). The measure therefore complies with point 61(b) of the Temporary Crisis and Transition Framework;
 - aid will be granted under the measure no later than 31 December 2024, as indicated in recital (11). The measure therefore complies with point 61(c) of the Temporary Crisis and Transition Framework;
 - aid will be granted only to undertakings affected by the current crisis (recitals (3), (12) and (16)). The Commission notes that while the economic disturbance affects the economy widely across all Member States, the implementation of certain measures to effectively remedy these effects in the sector primary production of agricultural products are characterised by a particular high share of small undertakings. This sector is characterised by annual growths seasons and harvesting cycles, which are relevant sector-specific features to be considered, including the need to acquire inputs at a time of particularly high prices. Against this background, the Commission considers that those undertakings can be considered undertakings affected by the current crisis for the purpose of point 61(d) of the Temporary Crisis and Transition Framework without the notifying Member State having to provide any further justification, in line with point 7 of the Second Amendment to the Temporary Crisis and Transition Framework. The measure therefore complies with point 61(d) of the Temporary Crisis and Transition Framework;
 - aid granted is not fixed on the basis of the price or quantity of products put on the market (recital (19)). The measure therefore complies with point 62(b) of the Temporary Crisis and Transition Framework.
- (42) State aid measures that entail, by themselves, by the conditions attached to them or by their financing method a non-severable violation of Union law cannot be declared compatible with the internal market ⁽¹⁵⁾.
- (43) France confirms that the proposed measures do not by themselves, or by the conditions attached to them or by their financing method constitute a non-severable violation of Union law (see recital (20)). In addition, the Commission has no indications of any possible breach of Union law that would prevent the notified measure from being declared compatible with the internal market.
- (44) Therefore, the Commission considers that the measure does not infringe any relevant provisions of Union law.
- (45) France confirms that, in accordance with point 95 of the Temporary Crisis and Transition Framework, overall aid granted under section 2.1 of the previous Temporary Crisis Framework and the Temporary Crisis and Transition Framework will not exceed the aid ceilings provided in the respective section of the Temporary Crisis and Transition Framework at any point in time (see recital (25)).
- (46) The French authorities confirm that, pursuant to point 51 of the Temporary Crisis and Transition Framework, the aid under the measure is not conditioned on the relocation

⁽¹⁵⁾ Judgment of 31 January 2023, *Commission v Braesch and Others*, C-284/21 P, EU:C:2023:58, paragraphs 96 *et seq.*

of a production activity or of another activity of the beneficiary from another country within the EEA to the territory of the Member State granting the aid. This is irrespective of the number of job losses actually occurred in the initial establishment of the beneficiary in the EEA (recital (5)).

- (47) The French authorities confirm that, pursuant to point 52 of the Temporary Crisis and Transition Framework, the aid under the measure will not be granted to undertakings under sanctions adopted by the Union, including but not limited to: a) persons, entities or bodies specifically named in the legal acts imposing those sanctions; b) undertakings owned or controlled by persons, entities or bodies targeted by sanctions adopted by the Union; or c) undertakings active in industries targeted by sanctions adopted by the Union, insofar as the aid would undermine the objectives of the relevant sanctions (recitals (13) and (14)).
- (48) The French authorities confirm that the monitoring and reporting rules laid down in section 3 of the Temporary Crisis and Transition Framework will be respected (recital (27)). The French authorities further confirm that the aid under the measure may only be cumulated with other aid if the specific provisions in the relevant sections of the Temporary Crisis and Transition Framework and the COVID-19 Temporary Framework and the cumulation rules in the relevant Regulations are respected (recitals (21) to (24)).
- (49) The Commission therefore considers that the measure is necessary, appropriate and proportionate to remedy a serious disturbance in the economy of a Member State pursuant to Article 107(3), point (b), TFEU since it meets all the relevant conditions of the Temporary Crisis and Transition Framework.

4. CONCLUSION

The Commission has accordingly decided not to raise objections to the aid on the grounds that it is compatible with the internal market pursuant to Article 107(3), point (b), of the Treaty on the Functioning of the European Union.

The decision is based on non-confidential information and is therefore published in full on the Internet site: <https://competition-cases.ec.europa.eu/search?caseInstrument=SA>.

Yours faithfully,

For the Commission

Margrethe VESTAGER
Executive Vice-President