

ARIB Yearbook 2001

Dear reader,

It is the first annual review of the Agricultural Registers and Information Board (ARIB) in your hands. The book gives overview of our activities in 2001.

The main tasks of ARIB in 2001 were as follows:

- ⌚ Administration and payment of 13 national agricultural supports;
- ⌚ Accreditation of the SAPARD-agency by the European Commission and commencement with payment of SAPARD-supports;
- ⌚ Development of animal register and database of fields, putting into operation of the register of supports.

2001 will also be remembered as the year of moving the centre of ARIB into a new modern building on 3, Narva Road, in Tartu. However, one has to start already now thinking of future needs and hence on the construction of additional premises for the centre. Most of our 15 regional bureaux also moved into new or newly renovated rooms.

In 2001, ARIB was responsible for the administration of the whole package of agricultural supports for the first time. The whole year was fulfilled with hard work under great pressure. Our regional bureaux acquired valuable practical experience in day-to-day activities.

Our IT Department, being responsible for smooth operation of the whole ARIB, achieved considerable pace of development in 2001 in cooperation with the Ministry of Agriculture. Because of the moving of the centre of ARIB to a new building the computer network of 140 users was installed together with data exchange connections between the Milk Recording Centre and databases of ARIB. The Internet pages of ARIB and SAPARD were improved to better meet the needs of users.

At this point I dare to say that we have been able to build sound basis for the development of databases meeting the European standards. The upgraded databases should also facilitate the development of applications for support by the farmers, which seems to be rather difficult for contemporary farmers in Europe.

One of the new challenges to be faced in the nearest future would be the foundation of a market regulation system similar to that of the European Union. The preparations have already been started, as there will be huge amount of new responsibilities lied upon ARIB in the framework of the system. Mostly, it relates to the intervention buying-ins, production quotas and export-import licensing.

By the end of 2001 we could say that ARIB has adequate structure and qualified staff for realisation of its tasks. This forms firm platform for further steps to be taken in the future.

Mati Kermas
Director General of ARIB

Supports are paid on the basis of laws

The coming into force of the Rural Development and Agricultural Market Regulation Act in the end of 2000 can be considered as an important milestone in the development of Estonian agricultural and rural development policy. The Act establishes types of agricultural and rural development supports and criteria for qualification to the support, as well as the principles of application, granting and payment of supports. The Act also serves as the ground of activities of ARIB.

In 2001 the administration of 13 different national agricultural support schemes was started in ARIB, having been established only about half a year before. The Rural Development and Agricultural Market Regulation Act provides the general framework for administration of support schemes but not the details. The Ministry of Agriculture drafted procedures for administration of every single support scheme and enforced the deadlines for submission of applications. It was often the case that the necessary secondary regulations came into force at the last minute. This caused much trouble and annoyance for both farmers and the staff of ARIB as the time for making preparations became very short. Before the launch of any support schemes the respective procedures, terms of reference of IT and computer programme for processing applications have to be developed.

On the basis of reports of the State Audit Office and internal audit units of the Ministry of Agriculture and ARIB it can be concluded that not all risks in the administration of different support schemes have so far been adequately diversified, and there is still a lot of development work to be done in this field.

The accession of Estonia to the EU is standing in front of us. The expectations of farmers and rural entrepreneurs in respect of supports are high. We can see now from our experience from the preparations to run the SAPARD-programme how important it is for a country hoping to profit from the common policies of the EU to have an adequate administration system. From one side it is a big challenge for ARIB, from another – huge preparatory work. It is our aim to approximate Estonian national support schemes to those of the EU within the next 2 years to be ready at the moment of accession of Estonia to the EU to administrate the supports of the EU in favour of Estonian agricultural and rural development sectors.

The year 2001 was exceptionally important for Estonia in respect of the SAPARD-programme. As the second candidate country Estonia was authorised in June 2001 to run the programme. It was expected by the entrepreneurs for the programme to commence already in the beginning of 2000. Unfortunately, preparations for implementation of the programme proved to be more complicated than expected, both for administrations of candidate countries and for the European Commission. However, Estonia was the first among 10 candidate countries to start payments to beneficiaries under the programme.

Good and efficient work of the staff of ARIB enabled to improve the overall understanding of the administrative capacity of the public sector in Estonia. The first year of running the SAPARD-programme gave valuable experience for entrepreneurs, agricultural advisers as well as officials. It gave good example and starting platform for ARIB for implementation of the common agricultural policy of the EU.

Irrespective the source of financing the support schemes, whether the EU or national budget, it is still the desire of taxpayers to see the use of that money for agreed purposes and transparently. This should be guaranteed by adopted legislation and detailed procedures developed in ARIB.

Katrin Noorkõiv

Deputy Director of ARIB

Registers are needed for payment of supports

One of the main functions of ARIB is the operation of registers in the agricultural sector. The registers contain data on animals, fields and applicants of supports.

ARIB is the authorised operator of the national register of agricultural animals. The register includes data on bovines, sheep, goats and pigs of the main herd. 2001 was the first full year of operation for the register. However, there were several problems hindering the smooth operation of the register, mostly related to the late submission of register formulae and incorrect data presented.

In 2001 preparations were made for installation of the register of supports. Since the beginning of 2002 the register of supports includes data on applicants of supports, and amounts of supports applied for and paid. This will give good overview of all applicants and enables the pre-printing of data on support application forms.

In the nearest future it is planned to put into operation the register of field massifs, forming one part of the register of supports. The Bureau of Fields' Register completed the digitalisation of layer of field massifs of Saaremaa island by May 2001. In 2001, the printouts of ortophotos and layer of field massifs prepared in the Bureau of Fields' Register were used for the first time in the administration of cereal support scheme, to facilitate the location and marking of fields. The digitalisation process was continued during the whole year and by the end of the year there was the layer of field massifs of 3 counties completed.

The registers form an important basis for direct payments. In case the data on fields and animals of the farmer are registered it will be possible to guarantee administrative control on the correct payment. The data recorded in the registers give also good material for statistical analyses.

The whole development of ARIB is closely related to that of the IT. The administration of every support scheme is based upon special software development. Our own developers program most of the software used in ARIB. In 2001 for the first time the software development for 3 support schemes was procured from outside the ARIB. This is the first important step, as according to our long-term strategy it is planned to procure most of software solutions required from specialised companies in the future.

There were major changes taking place also in respect of hardware in 2001. All new workstations were equipped with new hardware. In addition, the e-mail server and firewall were renewed. A lot of efforts were put on the improvement of IT security. The security was significantly improved also in relation to moving the ARIB into new location.

Looking back to 2001 it can be said that it was a year of hard work and enormous development. I hope that the administration of support schemes can still be further improved by the installation of register of supports and field massifs and new IT solutions.

Ahti Bleive

Deputy Director of ARIB

About the Agricultural Registers and Information Board

The Agricultural Registers and Information Board (ARIB) is a government institution subordinated to the Ministry of Agriculture. The Board was founded on 20 July 2000.

ARIB is responsible for the administration and payment of national agricultural and rural development supports and supports of the EU SAPARD-programme, as well as the operation of agriculture-related national registers (register of animals) and databases, and processing and analysing of data.

The Internal Audit Department controls the conformity of management, administrative and financial activities of ARIB to the legislation in force, takes measures to prevent the violation of legislation and supervises the activities of other departments.

In 2001 altogether 7 audits were carried out. 5 audits concerned national supports and 1 public procurement. In addition, the re-performance report was prepared on the real preparedness for administration of the SAPARD programme, as required by the European Commission. The report did not bring out essential deficiencies in the control systems but made some suggestions on the further improvement of control sheets.

The activities of the

General Department included daily office management, personnel management, provision of different services, but also activities related to budget and bookkeeping, payment of national supports, administration of assets and public relations.

The main task of the **Information and Secretarial Bureau** is to organise internal and external exchange of information of the ARIB by collecting, disseminating and restoring the information. With the objective of communicating the activities of ARIB to the wider public altogether 41 press releases and 10 articles were prepared in 2001. In addition, several information materials were developed and disseminated.

The **Bookkeeping Bureau** is responsible for bookkeeping and respective reporting, including transactions with procurers, development of periodical and annual reports on fulfilment of the budget of ARIB, calculation of fees of staff and storing of accounting documents.

The **Administrative Bureau** organises the public procurement, provides utilities to the administrative building of ARIB, ensures the provision of working tools and equipment and adequate working environment to the staff of ARIB.

The **Legal Bureau** provides legal services to the ARIB by consulting, drafting documents and contracts, assisting in finding legal solutions to problems, representing the Board in legal disputes and participating in drafting of legal acts.

The **Personnel Bureau** organises the selection and recruitment of new staff, keeps files and accounts on personnel, analyses training needs, prepares training plans and organises training. In addition, it is the Bureau's responsibility to coordinate the development of job descriptions and attestation requirements, development-assessment interviews, and establishment of principles of salary system.

The main task of the **IT Department** is to develop, service and administrate the IT of ARIB. The **Technical Bureau** provides the staff of ARIB with daily assistance concerning the IT. Following the moving of ARIB into another location the computer network with 140 users was established. In 2001 the web pages of ARIB and SAPARD on the Internet were improved to better meet the user needs.

The **Bureau of Databases** operates and develops the databases used within ARIB.

In the **Programming Bureau** the software for administration of 8 national support schemes paid in 2001 was developed and that of 3 national support schemes was improved.

The **Registers Department** collects original data for national registers and institutional databases, processes them, prepares reports on supports and analyses the impact of supports to the economic sectors.

The **Field Register Bureau** develops and digitalises the field register. In 2001, 46,000 field massifs were digitalised, covering the total of 380,000 ha.

The **Animal Register Bureau** operates the register of animals. In 2001, there were 210,816 entries made in the register. These included entries of data of animals on the basis of 2001 applications, and issue of 3,751 certificates of register inventory and 2,327 certificates of registration. Data on killed animals were submitted to the Veterinary and Food Board at monthly basis.

The **Supports' Register Bureau** operates the register on applicants and applications for support.

The **Bureau of Statistics and Data Control of Registers** collects, processes and analyses the statistical data of applicants of supports. As a result the overviews on the agricultural sector and reports on the supports paid and impacts of supports are prepared.

The **Department of Supports** covers the administration of both national supports and investment supports given under the SAPARD-programme for the development of Estonian agriculture and rural life.

The **Bureau of National Supports** receives the applications for national supports, monitors their movement and prepares the lists of those receiving and not receiving the supports. In 2001, the supports were paid in the framework of 13 different national support schemes: in total 14,572 applications were received, out of which 13,266 applicants were paid.

The **Bureau of SAPARD Supports** receives the applications for investment supports, and analyses, assesses and approves the applications. In total 248 applications were submitted in the framework of the SAPARD programme in 2001. 130 of them were approved (52% out of all applications submitted) in the total amount of planned investment of EEK 290m. The support under the SAPARD programme equals EEK 123m. The practical experiences acquired have been realised in the amendments to the legislation. The peak of submission of suggestions to amend the regulations of SAPARD was in November 2001 when more than 100 suggestions were made. In cooperation with specialists from the Ministry of Agriculture these suggestions were incorporated as amendments to the respective regulations. The

Control Department supervises the use of supports paid both under the SAPARD-programme and national agriculture support schemes. The Department consists of Bureau of Control of National Supports and Bureau of Control of SAPARD supports. 2 inspectors of the Department are working in every county.

The **Bureau of Control of National Supports** checks the documents submitted by the applicants of national supports, and inspects the applicant on the spot. Depending on the nature of support, the Plant Production Inspectorate or amelioration bureaux are also involved in the inspection. In 2001, altogether 1,173 objects were inspected on the spot.

The main task of the **Bureau of Control of SAPARD Supports** is to control the applicants and recipients of investment support before the investment, on the realisation of investment and after the investment. The preliminary control contains 2 stages: (1) checking of documents submitted by the applicant in the application file, and (2) inspection of activities of the entrepreneur on the spot. In 2001, there were 248 preliminary controls carried out. The objective of control of realisation of investment is to check the correctness of documented data submitted by the applicant and actual realisation of investment. In 2001, there were 17 such controls carried out. The objective of the post control is to verify the use of investment support received according to the specified purpose. The post control of supports received in 2001 will commence in 2002.

The work of inspectors is supervised: all inspections made by the regional senior or chief inspector during the previous calendar month (preliminary controls, controls of realisation of

investment and post controls) are re-inspected. In 2001 there were 12 regional senior inspectors controlled. All these controls covered the inspection of preliminary controls.

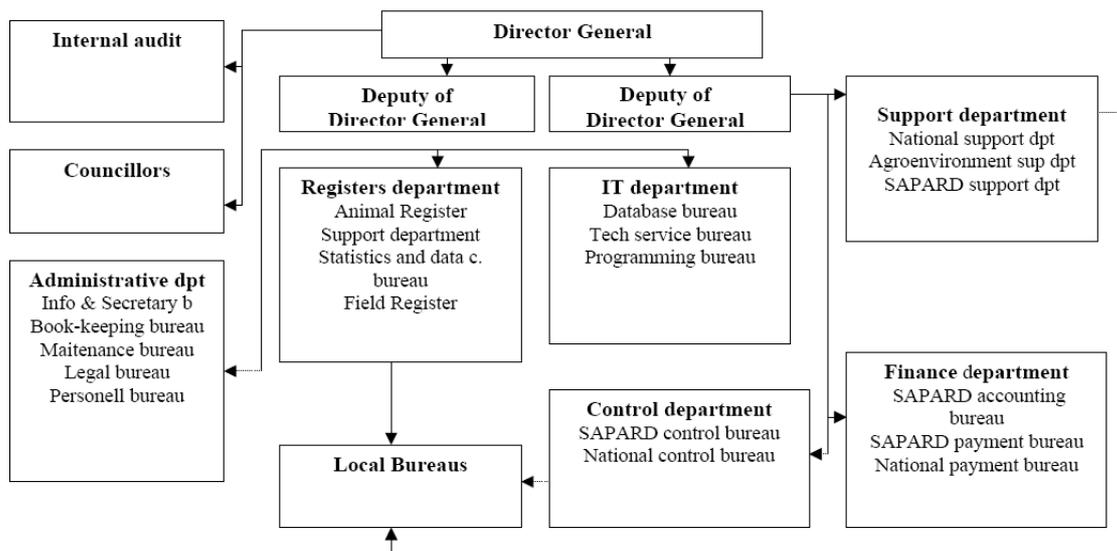
The **Financial Department** contains the SAPARD Accounting Bureau, the SAPARD Payment Bureau and the authorisers. The authorisers control the payment documents submitted for payment of SAPARD investment supports and the compatibility of these to business plans submitted by the applicants.

The **Accounting Bureau** organises the accounting of the SAPARD-programme: it keeps records on liabilities, payments and debtors and reports regularly to the Ministry of Finance. The Accounting Bureau inserts the data on applicants of support and application projects.

The **Payment Bureau** requests money from the Ministry of Finance for payment of SAPARD investment supports and transfers the support money to the bank accounts of applicants. In 2001, the budget for measures 1-4 of SAPARD totalled EEK 500,239,951. 130 projects were approved in the Accounting Bureau in the total amount of EEK 123,548,213. 16 projects were financed by the Payment Bureau in the total amount of EEK 6,148,107. The leftover of the budget by the end of the year was EEK 376,691,738.

In 2001, there were payment documents presented for payment of SAPARD investment support for 29 projects. The total amount of investment support allocated for these 29 projects was EEK 10,530,252. Altogether 10 requests of additional information were made to the applicants to correct the deficiencies of payment documents.

AGRICULTURAL REGISTERS AND INFORMATION BOARD 2001



Registers

One of the main tasks of ARIB is the administration of national agricultural registers. The data of registers are mainly used in relation to granting and controlling of supports, but also for veterinary and statistical purposes.

The existence and smooth operation of registers is an important factor in the process of preparation for accession to the European Union. By the moment of accession to the Union there must be Integrated Administration and Control System (IACS) established in Estonia, enabling the supervision of supports granted for the production of agricultural crops and animals.

Register of agricultural animals

The national register of agricultural animals was founded on 1 October 2000. Hence, 2001 was the first full year of operation of the register. The main purpose of the register is to establish sound basis for prevention of dissemination of zoonoses but the data of the register were used as well upon granting and controlling of animal supports.

The data on animals bearing ear tags are registered upon the written application of the owner of the animals. Since 1 January 2000 it is obligatory to register and tag all bovine animals, sheep, goats and main herd pigs.

For every animal the ear tag number, date of birth, sex, breed, ear tag numbers of its mother and father and data of the owner are registered. The register of animals must be notified within 7 days from tagging, selling, buying, missing, slaughtering or death of the animal.

The data of the register on animals are open to the public. The submission of statistical data must be anonymous.

Register of agricultural supports

The statutes of establishment and operation of register of agricultural supports was endorsed in 2001, and the major preparations for putting the register into operation were started.

The register of agricultural supports is put into operation in the beginning of 2002. The main objective of the register is to ensure quick and accurate payment of supports and adequate control. The register shall contain data on all applicants of agricultural supports and all payments of supports. The register will provide overview on supports applied and received by a producer. It will also contain data on checking of the application documentation and reasons for rejection of applications. All those having submitted false data will be recorded.

The field register

The digitalised database of agricultural plots is required for payment of area supports from the budget of the European Union. The Bureau of Field Register of ARIB is responsible for development of digital maps of all arable land of Estonia. The digitalisation is based on orto-photos received from the National Land Board. According to the requirements of the EU the orto-photos used for such purposes must not be older than 5 years. Such photos cover now only half of the territory of the country.

Establishment of database of field massifs

By the end of 2001 there were more than 46,000 field massifs digitalised all over Estonia covering the total area of 380,000 ha. The Saare, Hiiu, Tartu, Valga and Lääne counties were fully digitalised. The objective of digitalisation is to register all arable land in Estonia. Separate records are kept on agricultural land under crops and in the future also on fallow land.

Participation in administration of supports

Cereal support

In Saare county a printout of ortophoto was made to every applicant (321), indicating fields covered by the application. The maps digitalised by the fields register and new field numbers were used.

On the spot control was performed by the Bureau of Field Register in Hiiu county. 6 applicants were controlled: all fields covered by applications for supports were re-measured using the GPS equipment. The total re-measured area in Saare and Hiiu counties was 71.71 ha. As a result problems were detected in respect of acreage of fields of one applicant.

Agri-environment support

The agri-environment support was implemented as a pilot project in 3 parishes of Estonia in 2001 (Kihelkonna and Lümända parishes in Saare county, and Palamuse parish in Jõgeva county). A printout of ortophoto was issued to every applicant (147) where objects covered by the application were marked.

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National supports

In 2001 the national agricultural supports were paid on the basis of Rural Development and Agricultural Market Regulation Act (RT I 2000, 82, 526) that came into force in the end of 2000. The main difference from the practice of previous years was the new obligation of the applicant to be registered as a sole entrepreneur or a business company in the Business Register or the Register of Tax Payers and Withholding Agents, to qualify for the support.

Milking cow production support

Conditions

The milking cow support could be applied by a sole entrepreneur or a business company possessing cows that were registered in the register of agricultural animals by 1 February and allocated to milk recording. The applicant was obliged to keep the animals in the herd until the payment of the support to enable the control of the number and real existence of animals. There was no separate support scheme implemented in 2001 for Estonian original cattle breed. The producers of endangered breeds were treated in the framework of the milking cow support scheme but with higher unit rate of support.

Application and payment

Altogether 2,886 producers applied milking cow support for 100,947 cows. The support was granted to **2,686 producers** with **98,105 cows**, including **296** cows of Estonian original breed. The support per cow was **EEK 1,129**, in case of Estonian original breed **EEK 1,700**. The total amount of milking cow support paid was **EEK 110,929,561**, including **EEK 503,200** paid to Estonian original breed.

Control

The ARIB sent the lists containing data on applicants of milking cow support to the Milk Recording Centre, Animal Breeding Inspectorate and the Tax Board for checking the conformity of the applicant to the requirements. It was obligatory for ARIB to control at least 5% of all applications. On the spot control was performed by regional inspectors of the Control Department of ARIB. The existence and adequate tagging of cows (ear tags) for which the support was applied for were checked. In many cases the tagging did not meet the requirements in force.

Support for production of young and beef bovines

Conditions

The support was paid for:

- o Cows of beef breed
- o Female calves of beef breed older than 8 months
- o Cows of milking breed under the recording of beef bovines and suckling a calf at least 50% of beef breed

Application and payment

The support for production of young and beef bovines was applied by 174 producers with 960 animals. The support was paid to **132** applicants with **714** young or beef bovines. The amount of support was **EEK 1,140** per animal and **EEK 813,960** in total.

Control

On the spot control was carried out by regional inspectors simultaneously with that of the ewe support. The main failures discovered were related to the fact that animals covered by the application were not cows of the beef breed or female calves older than 8 months.

Ewe and goat production support

Conditions

For qualification to the support the applicant of the support had to grow at least 5 ewes or goats older than 1 year, registered in the register of agricultural animals and adequately tagged.

Application and payment

For the first time the printouts of registry entries concerning their animals were distributed to sheep and goat producers by the bureaux of ARIB, that they could attach to their applications. In 2001, there were 847 applicants of ewe support. The applications covered 11,923 ewes or goats. The support was paid to **757** producers with **10,653** ewes or goats. The amount of support was **EEK 281** per animal and **EEK 2,993,493** in total.

Control

The applicant and his/her animals were controlled by the regional inspectors of Control Department of ARIB. It was checked whether the sheep and goats were adequately tagged and present in the herd. In West Estonia it was difficult to perform controlling as the sheep were still on the islets. In Valga county a sheep born naturally without ears was discovered. Few cases were also detected where support was applied for sheep already sold for meat in the summer. The most common reasons for rejection of applications were the tax debts of the applicants, the failure to keep animals in the herd for the period required and the missing ear tags.

Support for production cereals, legumes, rape, turnip rape and seed and fibre flax

Conditions

The support for production of cereals, legumes, rape, turnip rape and seed and fibre flax could be applied by the producers of the said crops on at least 5 ha of arable land where the rate of weeds would not exceed 15%. The support rate per ha was 30% higher in case of production of certified seeds and even 50% higher in case of production of endangered varieties. At the same time the support rate was reduced by 15% where the wild oats were discovered.

Application and payment

The regional specialists of the Department of Supports received 5,326 applications for cereal support. Those of the Registers' Department marked the fields of applicants subject of applications on the maps. The total area of applications for cereal support covered 271,293 ha.

In 2001 the digitalised maps and new field numbers were used for the first time in Saaremaa. All 321 applicants received printouts of ortophotos indicating their fields.

Out of the total number of applications **5,088** were accepted, covering in total **265,021.5 ha**. The total sum of cereal support paid was **EEK 110,250,556**, which is **EEK 398 per ha**.

On the basis of acreage of accepted applications barley was the most common crop, followed by wheat and oats.

Control

On the spot control of cereal production support was carried out by the Plant Production Inspectorate. The Department of Control of ARIB prepared the control sample, submission of these lists to the institution responsible for control, inserting of results and decision-making.

The specialists of Bureau of Field Register of ARIB performed additional local control of acreage in Hiiumaa using the GPS-technology.

The main reason for rejection of applications was the tax debts of applicants. The second big reason was the failure of applicants to register themselves as sole entrepreneurs. But there were also some cases of submission of false data and ignoring of requirements established by the Plant Protection Act.

Support for production of certified seed

Conditions

The support was paid to agricultural producers having grown certified seed in 2000 and met the requirement of minimum yield of seeds per ha.

Application and payment

ARIB received 30 applications covering 301.8 ha. **26** of them (87%) were accepted with the total area of **284.1 ha**. 16 of the applicants produced seed potato and 10 hayseeds. The support rate per ha became **EEK 6,932**. The rate was increased by 50% in case of production of seeds of endangered varieties. There were 3 producers who produced seed potato of endangered varieties ("Jõgeva kollane", "Ando") on 8.8 ha and received **EEK 10,397.52** per ha. The total amount of support paid was **EEK 1,999,997.60**.

Control

The Plant Production Inspectorate controlled all applications for support of production of certified seed. 4 applications out of 30 were rejected – 2 for production of hayseed and 2 for seed potato. One applicant had submitted false data and the rate of yield was lower than that required by the legislation, in other cases the seed subject to application was not certified. 3 applications were partly rejected because of the failure to reach the minimum yield of seeds per ha as required by the legislation.

Support for organic farming

Conditions

The support could be applied by agricultural producers approved and registered in the organic farming register and using at least 0.5 ha of agricultural land for organic plant or animal production. The support could be applied for agricultural land where cereals, technical crops, potatoes, green fertilising plants, open field vegetables, herbs and spices and frame yard crops were grown, as well as for permanent, short term and natural grassland, ploughed-up fallow, orchards and berry patches, and nursery gardens.

Application and payment

The organic farming support was applied by 315 agricultural producers for the total of 17,873 ha. The applications of **294** applicants were accepted, covering in total **17,239 ha**. The total amount of organic farming support paid was **EEK 7,585,030**. The unit price in 2001 became **EEK 230** per ha. 3 groups of agricultural crops were established by the Minister of Agriculture for calculation of amounts of support together with coefficients for calculation of estimated area within the groups. Most of the agricultural lands used for organic farming by the receivers of support are permanent grasslands, followed by the production fields of cereals.

Control

The organic farming support was controlled by the Plant Production Inspectorate. The main reasons for rejection of applications were tax debts, failure of approval of the applicant's enterprise and registration in the organic farming register.

Agri-environment support

Conditions

The agri-environment support was a new support scheme implemented in 2001. The objectives of the agri-environment support are to enhance environment friendly agricultural production, maintenance of natural or cultural values and landscape elements illustrating the landscape or establishment of new landscape elements. The support scheme covered the environment friendly management, organic production, growing of horses of Estonian original breed, restoration and maintenance of stone fences, maintenance of agricultural land covered by brushwood, and in Palamuse parish also the foundation of multi-species bush stripes, ponds and wetlands. The environment friendly management was precondition for qualification for support.

Application and payment

In 2001 the agri-environment support scheme covered only the pilot areas of Kihelkonna and Lümända parishes in Saare county and Palamuse parish in Jõgeva county. For application of the support first the notification of interest had to be submitted to the ARIB. The regional bureaux of ARIB then issued the printouts of ortophotos to applicants for preparation of schematic maps of agricultural lands of their enterprises. On the basis of these maps those having submitted the notification of interest could apply for the agri-environment support.

There were altogether 147 notifications of interest received, followed by 126 real applications for support (83%). **64** applications were accepted and the amount of agri-environment support paid totalled **EEK 2,583,356**.

The main reason for disqualification of about half of the applicants was the limitation of the support sum foreseen in the state budget. This led to the ranking of applicants.

Control

The control of applications for agri-environment support was performed by regional inspectors of ARIB in cooperation with inspectors of Plant Production Inspectorate, Pedigree Breeding Inspectorate and Environmental Inspectorate. Altogether 62 applications were rejected mainly because of the lower ranking. All applicants having received positive decision were checked on the spot by the regional inspectors of ARIB. There were no mistakes discovered upon such checking that would have formed ground for rejection from payment of support.

Support for liming agricultural land

Conditions

The acidity of soil of agricultural land qualifying for support must not exceed 6.0. It was also required that the land parcel had not received support for fertilising with ameliorant during the past 4 years.

Application and payment

Firstly, the certificate of lime consumption of soil of the land parcel had to be acquired from the regional amelioration bureau by the applicant. The certificate had to be submitted to the regional bureau of ARIB together with the application. Before submission of the application a contract had to be concluded with an ameliorant for spreading the lime.

In total, 378 applications were received for liming support. 345 of them were accepted and the total support sum of EEK 16.3m was paid. The support was paid only after submission of document proving the execution of works. 21 applicants having received positive answer for their application failed to execute the works. Hence, the liming support was paid to **324** entrepreneurs in the total amount of **EEK 15,427,948** in 2001.

The Minister of Agriculture established different support rates of liming support by counties, depending on the costs of transportation of the ameliorant, between 65-80% of procurement, transportation and spreading costs.

Control

On the spot control of liming support for quality of works was carried out by the regional amelioration bureaux on the basis of lists of control samples prepared by the Department of Control of ARIB. For purposes of controlling it was required that the applicant would inform

the bureau 7 days before the commencement of works. There were no mistakes discovered in the course of on the spot control upon performance of works.

Agricultural insurance support

Conditions

The insurance support could be applied by agricultural producers and fish producers having insured agricultural crops, pedigree and production animals or fish grown in the fish hatchery against natural disasters. The period of insurance support was one calendar year from 20 June 2000 to 19 June 2001. The support covered 40% of insurance payments paid in the above-mentioned period.

Application and payment

Altogether 181 agricultural producers applied for the insurance support. The total amount of insurance payments applied to be recovered by the insurance support was EEK 1,569,011. **122** applications were accepted in the total amount of insurance payments of EEK 899,560. The insurance support paid to producers covered 40% of payments and totalled **EEK 359,824**.

Control

In total 59 applications were rejected. The main reason for rejection lied in the inadequate documentation presented by the applicant (60% of cases). On the spot control of applicants was performed by the inspectors of the Department of Control. The main deficiencies discovered in the course of such control were as follows:

- 1) payment document missing;
- 2) applicant had not paid the insurance payment;
- 3) incorrect sum of insurance payment, i.e. the insurance payment had not been followed.

Interest rate support

Conditions

The interest rate support could be applied by agricultural producers and fish producers having used long term loan (deadline of payment longer than 1 year) or concluded capital lease contract with credit or financial institutions for procurement or use of capital assets necessary for development of production. The interest rate support partly compensated the interests of loan or costs of capital lease paid by the applicant.

Application and payment

The applications for interest rate support were received in the centre of ARIB. The applications were submitted by 1,032 applicants for partly compensation of interests of 1,950 loans or capital leases. The support was paid to **825** applicants for 1,580 loans in the total amount of **EEK 16,993,141**.

Control

The checking of applications for compliance with requirements was carried out by the Bureau of Control of National Supports, as well as the performance of on the spot control. In addition to the staff of the centre also the inspectors of regional bureaux were involved in the on the spot control. The main deficiency discovered in the course of on the spot control was that the loan had not been used in conformity with the legislation.

Advisory support

Conditions

Advisory support could be applied by agricultural producers and fish producers having procured agricultural advisory service from an attested consultant of agriculture or rural development.

The rate of advisory support was fixed at 80% of the cost of the advisory service for amounts up to EEK 4,000, and at 50% of the cost for amounts over EEK 4,000. Maximal amount per applicant was fixed at EEK 7,200.

Application and payment

The Bureau of National Supports received 1,525 applications in the period of submission of applications. An advisory contract had to be concluded between the applicant and the consultant before submission of the application, describing the contents, amount and cost of the advice. The amounts of support allocated to producers were paid out during the year after presentation of report by the applicant on the delivery of the advice. 1,410 applications out of 1,525 were accepted. The support was paid out to 1,134 producers on the basis of reports presented.

Control

The payment of support was preceded by thorough checking of the applicant's report by the Department of Control. On the basis of results of such controls 277 applicants were disqualified.

In addition to the staff of the centre also the inspectors of regional bureaux were involved in controlling on the spot. The reasons of rejection of applications were as follows:

- 4) advice was delivered by the consultant to a group of producers;
- 5) adequate written report was not submitted;
- 6) applicant did not present all data required.

Support for common economic activity

Conditions

The support for common economic activity is a new support scheme installed in 2001. The support could be applied for partly compensation of foundation and running costs of profit cooperatives. The members of profit cooperatives must include at least 5 agricultural producers, professional fishermen or fish producers and the cooperative itself oriented to marketing or processing of agricultural produce or fish, sale of agricultural or fish products or capital or floating assets needed in agricultural or fish production.

Application and payment

Only 6 applications were received for the support of common economic activity. The support was paid to 2 applicants in the total amount of **EEK 16,824.13**.

Control

The control of applicants was carried out by the Department of Control of ARIB. The applications with accompanying documentation were checked and the applicants were controlled on the spot.

School milk support

The objective of the school milk support was to enhance the custom of drinking milk and healthy nutrition among the school children, and increase the consumption of milk and milk products produced in Estonia. The support scheme was installed in 2001.

Conditions

The school milk support could be applied by local governments for procurement of milk or milk products for children attending municipal or private schools within their territories. In the beginning of the year the support was oriented to procurement of milk products for pupils of I and II grade. In autumn those of III grade were included in the scheme.

The support rate was EEK 1.50 per pupil per school day, regardless of the number of days when milk or milk products were served.

Application and payment

The Bureau of National Supports received 948 applications for school milk support during all 4 quarters of school year fitting within 2001. The total amount of support paid in 2001 was **EEK 9,063,204**.

Control

The local governments are obliged to report on the use of school milk support allocated to them per quarter of a school year. Such reports have to be submitted to the Department of Control of ARIB two quarters after the reporting period.

In autumn 2001 (3rd quarter of school year for school milk support) there were many mistakes discovered upon the on the spot checking in the products used. However, the Ministry of Social Affairs made necessary amendments in the legislation in force and no schools were disqualified from the support scheme. In the 2nd quarter of school year 2001/2002 the schools were disqualified from the scheme for the first time because of the failure of submission of reports required or use of products not allowed.