

Anti-competition agreements on agricultural fertilizers between cause and effect

ABSTRACT

The paper empirically investigates the overall relationship between plant protection products in agricultural production. A variety of studies show that organic farming tends to reduce fertilizer consumption, the paper provides data on the economic effects of growing fertilizer sales, so we ask serious questions about the reason for the growth, which generates this growth, need or excessive consumption. Fertilizer management and monitoring according to the CAP, applying the right amount of nitrogen at the right time as the basic requirement for good fertilizer management. The paper also investigates some effects of climate change in agriculture, research shows that carbon absorbers are as important as reducing emissions, being closely interdependent. The results and information on the efficiency of agricultural practices of high-performance farms ready to provide sustainable food supply systems, provide the confidence to stimulate the consumption of organic products to ensure the body healthy agricultural products. This article clarifies in a subject and predicate approach, the case of infringement of competition law in the case of imports of nitrogen-based fertilizers, in this case urea, as a product used in agriculture

Keywords: de minimis aid; forest area; forestry service; agricultural

1. INTRODUCTION

Agricultural practices affect the climate system. Sustainable land and forest management involves the use of land resources given an optimal balance between economic growth and environmental protection. Land use emissions are the second largest contribution to greenhouse gas emissions, after fossil fuel emissions. Their causes are many, but mainly due to deforestation, poor land management, cultivation of certain types of crops, use of fertilizers and pesticides. Reducing them is an objective of the European Union and, consequently, of Romania, which could be achieved by analyzing the evolution of land use emissions and their impact on humanity and natural capital, as well as by adopting concrete policies and strategies in the field of sustainable land management. This paper presents some observations on the impact of unfair competition in the case of urea pesticides used in agriculture. The deepening of the context in which there is a need to be concerned about the high level of fertilizer use is also given by concrete data such as the European Commission's anti-dumping investigation on imports into the Union of urea mixtures under Article 5 of Regulation 2016/1036.

This investigation was the result of a complaint lodged with producers representing more than 50% of the total Union

production of mixtures of urea and ammonium nitrate.

this is the basis of the anti-dumping investigation concerning imports into the Union of urea and ammonium nitrate

originating in X and

Y.

In general, current agricultural systems are increasingly focused on reducing fertilizers and promoting an environmentally friendly agriculture, biodiversity agricultural management aiming to ensure this harmony. Against the background of

increasing fertilizer sales we analyzed the market of plant protection products according to Eurostat data from 2020. Whether or not artificial fertilizer consumption was intensified or fertilizer management on the market was distorted, these simulations were due to dumping investigation in the case of the product urea. Research shows that carbon absorbers are just as important as reducing emissions, being closely interdependent so that high levels of fertilizer imports are not an effect of market demand or the attractive price of plant protection products. In the substantive analysis, we had as a starting point the investigation of urea import and the Commission's arguments in the investigated case. Thus, in the opinion of the Commission of Inquiry, issues related to the dumping conditions found to be similar between the three countries analyzed were considered relevant. Therefore, in connection with the analyzed urea product, it was found that the imports were made under the same conditions, thus being competitive, having the same potential suppliers on the same competitive market, reason for which it was appreciated that the products competed with each other because they are sold mainly by positioning and more favorable display of one's own product offer to the detriment of the offers of partners who marketed the same product and with whom it was in direct competition.

Comment [H1]: Add reference

In accordance with the principles governing aid falling within Article 107(1) of the Treaty, de minimis aid should be considered to be granted at the moment the legal right to receive the aid is conferred on the undertaking under the applicable national legal regime. Member States shall record and compile all the information regarding the application of this Regulation. Such records shall contain all information necessary to demonstrate that the conditions of this Regulation have been complied with. Records regarding individual de minimis aid shall be maintained for 10 fiscal years from the date on which the aid was granted. Records regarding a de minimis aid scheme shall be maintained for 10 years from the date on which the last individual aid was granted under such a scheme. State aid is defined as an advantage in any form whatsoever conferred on a selective basis to undertakings by national public authorities. Therefore, subsidies granted to individuals or general measures open to all enterprises are not covered by this prohibition and do not constitute State aid (examples include general taxation measures or employment legislation).

Comment [H2]: Introduction needs some improvement. It is not clearly understood.

2. MATERIAL AND METHODS

In this paper, time series have been used with regard to the evolution of vegetable prices from Tempo on line database. The study of production, yields and price variations in the vegetables sector was based on the variation coefficient. A simple modality to determine this coefficient is the calculation of standard deviation and of the average evolution of certain data series on vegetable production and prices. The standard deviation is given by the following formula Standard Dev. Several measures of statistical dispersion are defined in terms of the absolute deviation. The term "average absolute deviation" does not uniquely identify a measure of statistical dispersion, as there are several measures that can be used to measure absolute deviations, and there are several measures of central tendency that can be used as well.

Comment [H3]: Add the detailed methodology
 1. Where the research was conducted
 2. Countries or states for which the tempo online data base is used
 3. Sampling procedure
 4. Data base year (10 fiscal years from what to what? etc.
 5. Only vegetable commodities considered why other commodities are excluded please mention .

$$\frac{1}{n} \sum_{i=1}^n |x_i - m(X)|. \quad (1)$$

Standard Dev.

mX= considered time series

The choice of measure of central tendency, m (X) has a marked effect on the value of the mean deviation.

The variation coefficient is calculated as ratio of standard deviation to the mean as measure of data dispersion as against mean. The volatility is higher when the variation coefficient is higher. For the correct interpretation of the data, analysis and conclusions, we will briefly present some methodological provisions of the National Institute of Statistics and Eurostat. Thus, the statistical survey on existing production on 1 June 2020 was carried out in accordance with the provisions of Regulation of the European Parliament and of the Council of 19 November 2008 on statistics relating to the production of cereals where fertilizer use is inevitable. The statistical survey is exhaustive and is addressed to all agricultural producers in the whole country whose main or secondary activity is the production of cereals

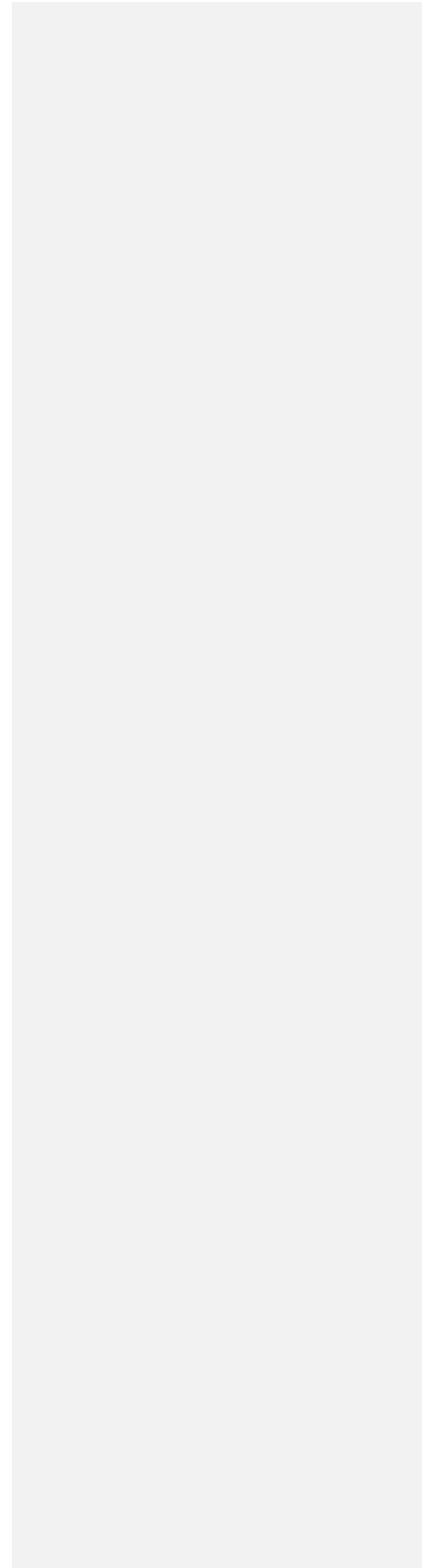
2.1 STRATEGIC OPTION

In accordance with the principles governing aid falling within Article 107(1) of the Treaty, de minimis aid should be considered to be granted at the moment the legal right to receive the aid is conferred on the undertaking under the applicable national legal regime.

Member States shall record and compile all the information regarding the application of this Regulation. Such records

shall contain all information necessary to demonstrate that the conditions of this Regulation have been complied with. Records regarding individual de minimis aid shall be maintained for 10 fiscal years from the date on which the aid was granted. Records regarding a de minimis aid scheme shall be maintained for 10 years from the date on which the last individual aid was granted under such a scheme. State aid is defined as an advantage in any form whatsoever conferred

UNDER PEER REVIEW



on a selective basis to undertakings by national public authorities. Therefore, subsidies granted to individuals or general measures open to all enterprises are not covered by this prohibition and do not constitute State aid (examples include general taxation measures or employment legislation).

To be State aid, a measure needs to have these features:

- there has been an intervention by the State or through State resources which can take a variety of forms (e.g. grants, interest and tax reliefs, guarantees, government holdings of all or part of a company, or providing goods and services on preferential terms, etc.);
- the intervention gives the recipient an advantage on a selective basis, for example to specific companies or industry sectors, or to companies located in specific regions
- competition has been or may be distorted;
- the intervention is likely to affect trade between Member States.

Despite the general prohibition of State aid, in some circumstances government interventions is necessary for a well-functioning and equitable economy. Therefore, the Treaty leaves room for a number of policy objectives for which State aid can be considered compatible. The legislation stipulates these exemptions. The laws are regularly reviewed to improve their efficiency and to respond to the European Councils' calls for less but better targeted State aid to boost the European economy. The Commission adopts new legislation is adopted in close cooperation with the Member States.

2.2. RURAL COMMUNITY DEVELOPMENT

Within our countryside and its precious natural resources, there are many jobs linked to farming. Farmers need machinery, buildings, fuel, fertilisers and healthcare for their animals, also known as 'upstream' sectors. Other people are busy in 'downstream' operations – such as preparing, processing, and packaging food, as well as in food storage, transport and retailing. The farming and food sectors together provide nearly 40 million jobs in the EU. To operate efficiently and remain modern and productive, farmers, upstream and downstream sectors need ready access to the latest information on agricultural issues, farming methods and market developments. During the period 2014-2020, the CAP is expected to provide high-speed technologies, improved internet services and infrastructure to 18 million rural citizens – the equivalent of 6.4% of the EU's rural population. Environmentally sustainable farming Soils are essential ecosystems that deliver valuable services such as the provision of food, energy and raw materials, carbon sequestration, water purification and infiltration, nutrient regulation, pest control and recreation. Therefore, soil is crucial for fighting climate change, protecting human health, safeguarding biodiversity and ecosystems and ensuring food security. Healthy soils are a key enabler to achieve the objectives of the European Green Deal such as climate neutrality, biodiversity restoration, zero pollution, sustainable food systems and a resilient environment. Farmers have a double challenge – to produce food whilst simultaneously protecting nature and safeguarding biodiversity. Using natural resources prudently is essential for our food production and for our quality of life – today, tomorrow and for future generations.

Comment [H4]: Write full form once then abbreviation

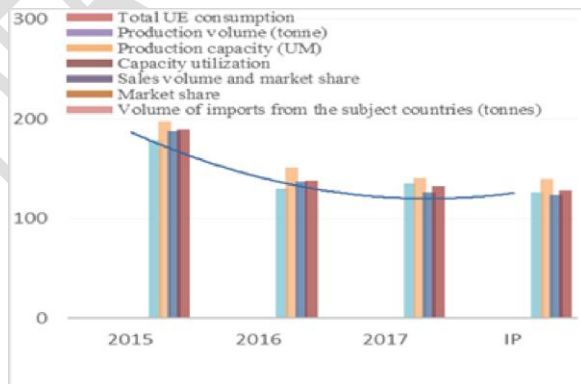


Fig. 1 Support for EU farmers from overall EU budget in 2018 Source owners rechers from Eurostat data

Source: Eurostat data 2021

Article 2 of Regulation (EC) No Council Regulation (EC) No 2015/1588 on the application of Articles 107 and 108 of the

TFEU to certain types of State aid allows the Commission to adopt, by regulation, a de minimis rule according to which low-value aid is not considered State aid because affects competition and / or trade between EU Member States; they should therefore not be notified under Article 108 (3) TFEU.

Comment [H5]: Write full form once then abbreviation

UNDER PEER REVIEW

Regulation (EU) no. 360/2012 completes the general de minimis regulation [Regulation (EU) no. 1407/2013] and applies to aid granted to undertakings providing services of general economic interest. Such aid shall not be notified if the total amount of de minimis aid granted to an organization providing services of general economic interest does not exceed EUR 500 000 over a period of three fiscal years and if the cumulation conditions are met. Instead, the exempted aid ceiling provided for in Regulation (EU) no. 1407/2013 is only 200,000 euros. Before analyzing the importance and relevance of state aid regulation for forestry with particular consequences for improving the level of greenhouse gas emissions in agriculture, we need to understand the notions to familiarize ourselves with the terms for analyzing the procedure for de minimis aid.

The Commission compared the weighted average normal value of each product type similar to the weighted average export price of the product.

There is a very high probability that anti-dumping measures will cause some farmers to stop producing and / or continue to harm an agricultural sector that cannot transfer costs and need to remain competitive in a globalized market, fertilizer circumvention is not a successful method of the use of counterfeit or low quality fertilizers can have irreversible effects on agricultural systems that affect the environment, creating an imbalance in the biosphere. For some, the parties' anti-dumping measures would be a compromise with the common agricultural policy, and the latter will make it insufficient to guarantee farm incomes and competition between farmers in selling products on the market.

In fact, our opinion is that in the sale or not of a product such as urea, the impact could vary depending on the type of farm or agricultural practice used in production without affecting other sensitive elements such as tradition, good practices, trade relations or why not the attractiveness of the goods.

In addition, the Commission found in the investigation that urea represents around 1% of the total costs of Union agriculture. It has thus been shown that a possible increase in the price of the product as a consequence of the imposition of measures, if any, understanding that there are no unequivocal reasons for such a measure, which does not justify evidence, should not have a significant impact on the agricultural sector overall in the Union, but the Commission does not rule out this possibility, the latter.

In fact, the Commission even notes that a single company that previously produced UAN in France is fully switching to other fertilizers and therefore confines itself to offering UAN production in the Union so as not to justify dumping as an alleged increase in UAN demand and implicitly the disappearance of traditional sources of supply with UAN in the Union, the statement of this hypothesis demonstrates that the orientation towards UAN is the effect of lack of supply and not of market distortion the justification of the distortion in this case being relative in the opinion.

2.3. PROVISIONAL DUMPING MARGIN

The Commission compared the weighted average normal value of each product type similar to the weighted average export price of the product.

There is a very high probability that anti-dumping measures will cause some farmers to stop producing and / or continue to harm an agricultural sector that cannot transfer costs and need to remain competitive in a globalized market, fertilizer circumvention is not a successful method of the use of counterfeit or low quality fertilizers can have irreversible effects on agricultural systems that affect the environment, creating an imbalance in the biosphere. For some, the parties' anti-dumping measures would be a compromise with the common agricultural policy, and the latter will make it insufficient to guarantee farm incomes and competition between farmers in selling products on the market.

In fact, our opinion is that in the sale or not of a product such as urea, the impact could vary depending on the type of farm or agricultural practice used in production without affecting other sensitive elements such as tradition, good practices, trade relations or why not the attractiveness of the goods.

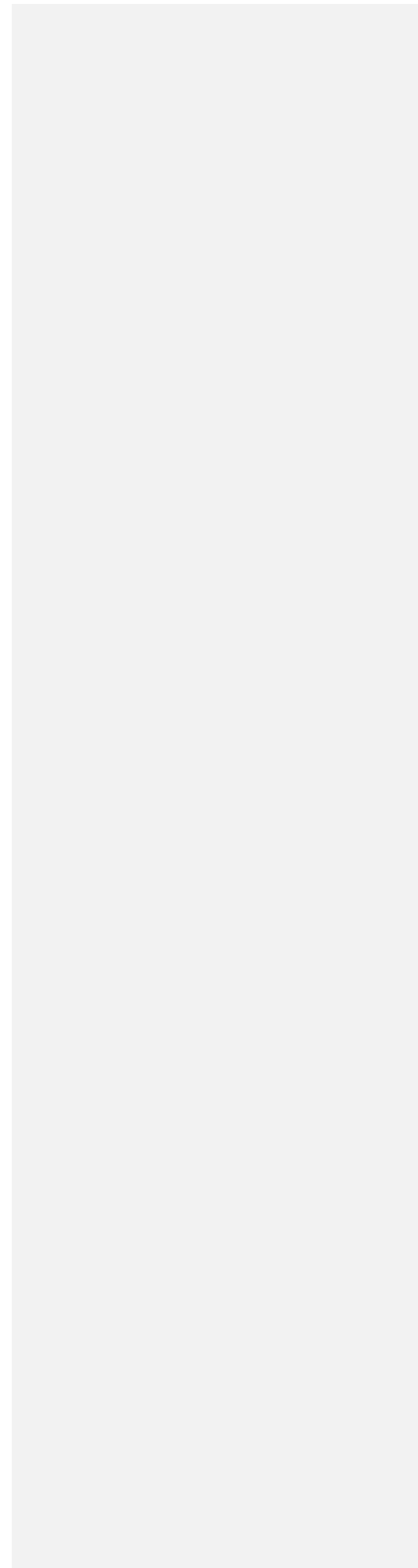
In addition, the Commission found in the investigation that urea represents around 1% of the total costs of Union agriculture. It has thus been shown that a possible increase in the price of the product as a consequence of the imposition of measures, if any, understanding that there are no unequivocal reasons for such a measure, which does not justify evidence, should not have a significant impact on the agricultural sector overall in the Union, but the Commission does not rule out this possibility, the latter.

In fact, the Commission even notes that a single company that previously produced UAN in France is fully switching to other fertilizers and therefore confines itself to offering UAN production in the Union so as not to justify dumping as an alleged increase in UAN demand and implicitly the disappearance of traditional sources of supply with UAN in the Union, the statement of this hypothesis demonstrates that the orientation towards UAN is the effect of lack of supply and not of market distortion the justification of the distortion in this case being relative in the opinion.

Table 1. Provisional dumping margin case 1

Society	Provisional dumping margin
MH Limited	55,9 %
All other companies	34,0 %

UNDER PEER REVIEW



Source DG Competition

Table 2. Provisional dumping margin case 2

Society	Provisional dumping margin
Grupul A	31,9 %
Grupul E	34,0 %
All other companies	34,0 %

Source DG Competition

In order to benefit from support according to the law, the associations of forest owners and the associative forms provided in art. 92 para. (1), must be registered in the National Register of forest owners associations, kept at the level of the central public authority responsible for forestry. By the Decision of the High Court of Cassation and Justice no. 36/2015, the notification regarding the resolution of some legal issues was admitted and it was established that for the granting of the compensations provided by art. 97 para. (1) lit. b) of Law no. 46/2008, republished, and by art. 4 lit. s) point 4 of the Government Ordinance no. 14/2010, after January 1, 2010, there must be a favorable decision of the European Commission on state aid and the subsequent methodological norms must be adopted, under the conditions of art. 5 of the Government Ordinance no. 14/2010. Increasing the degree of accessibility of the national forest fund is a basic condition of sustainable forest management, in compliance with the provisions of management plans approved by law, in the case of protected natural areas.

Forest roads are technological transport routes, of private utility, used for: forest management, hunting and sport fishing activities, interventions in case of damages, calamities or disasters, being closed to public traffic, except for sports, recreation and tourism activities which can be practiced only with the consent of the owner, and in the case of forests public property of the state, with the consent of their administrator.

The development of the national forest fund and the expansion of forest areas is an obligation of the central public authority responsible for forestry and a national priority, in order to ensure ecological balance at local, national and global level, and is achieved through the National Afforestation Program.

The national afforestation program is approved by a decision of the Government, at the proposal of the central public authority responsible for forestry.

The implementation of the National Afforestation Program is done through afforestation works of lands outside the national forest fund and agricultural lands, in order to improve environmental conditions and optimize the landscape, ensure and increase agricultural crops, prevent and combat soil erosion, the protection of roads, dams and banks, localities and economic, social and strategic objectives, aiming at afforestation of land with a destination other than forestry, in an area of 2 million ha, by 2035.

Thus, the National Directorate of Forests - Romsilva can acquire lands for afforestation, with priority degraded lands, so that the surface of the forest fund public property of the state to increase. The financing of the actions is ensured from: own funds of the National Forests Authority - Romsilva, the fund for the improvement of the forest land fund, the forest conservation and regeneration fund, as well as from the state budget.

In the acceptance of the present norm, the national forest fund represents, as the case may be, public or private property and constitutes an asset of national interest.

In order to sustainably manage the forest fund, private property of natural and legal persons and public and private property of administrative-territorial units, the state allocates annually from the budget, through the budget of the central public authority responsible for forestry, amounts for full insurance from the state budget of the costs of forestry services for the forest fund private property of natural and legal persons, if the surface of the forest property is less than or equal to 30 ha, regardless of whether or not it is included in an association; payment is made to the forest district that provides forest services, as appropriate; the forestry works are executed by the forestry district nominated on a contract basis, for a fee, at the request of the owner / successor in rights. Thus, the notion of state aid designates any support measure that meets all the criteria provided in art. 107 para. (1) of the Treaty on the Functioning of the European Union; which does not distort competition and / or trade with Member States. * Agricultural products are defined / listed in Annex I to the Treaty on the Functioning of the European Union(TFEU).

Comment [H7]: Change Letter font

Fig. 2. The EU supports farmers with €58.82 billion in 2018.

Source DG Competition

Farmers have a double challenge – to produce food whilst simultaneously protecting nature and safeguarding biodiversity. Using natural resources prudently is essential for our food production and for our quality of life – today, tomorrow and for future generations.

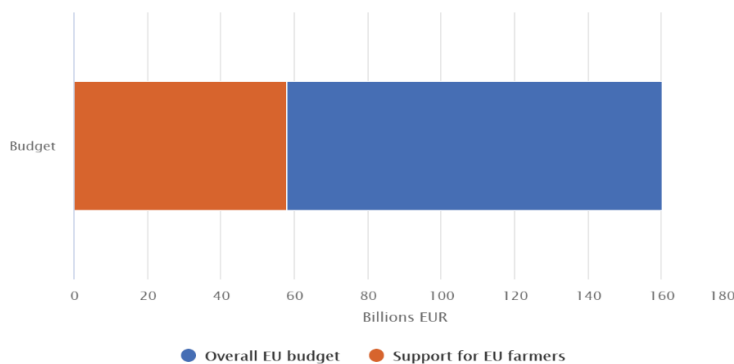


Fig 3. Support for EU farmers from overall EU budget in 2018 Source: DG Competition

In order to meet the eligibility conditions, the scheme administrators check whether the applicant falls into the category of eligible beneficiaries. This scheme shall apply from the date of entry into force of this Decision until 31 December 2020.

In order to create the possibility of ex-ante verification of the eligibility of potential beneficiaries of aid measures, in accordance with the provisions of art. 29 of the Regulation on the State Aid Register, implemented by the Order of the President of the Competition Council no. 437/2016, the provider / administrator of the state aid / de minimis measure has the obligation to upload in the General Register of state aid granted in Romania, hereinafter referred to as RegAS, this scheme within 5 working days from the date of entry into force of and the contracts, deeds of grant, payments, obligations to recover the aid and the effective reimbursement of the respective obligations, related to this measure, will be uploaded to RegAS within 7 working days from the date of signing the contract / act or publishing them in The Official Gazette of Romania, respectively from the date of establishment of the payments, of the obligations to recover the aids or of the effective reimbursement of the respective obligations. The beneficiaries of the de minimis aid granted by this scheme are enterprises, legal and natural persons carrying out economic activities, which own forest fund with a total area less than or equal to 30 ha, which cumulatively meet the eligibility criteria provided in this scheme. Under this scheme, the de minimis aid will be granted in the form of forestry services in favor of legal and natural persons carrying out economic activities, forest fund owners with a total area of no more than 30 ha, whose payment.

3. RESULT

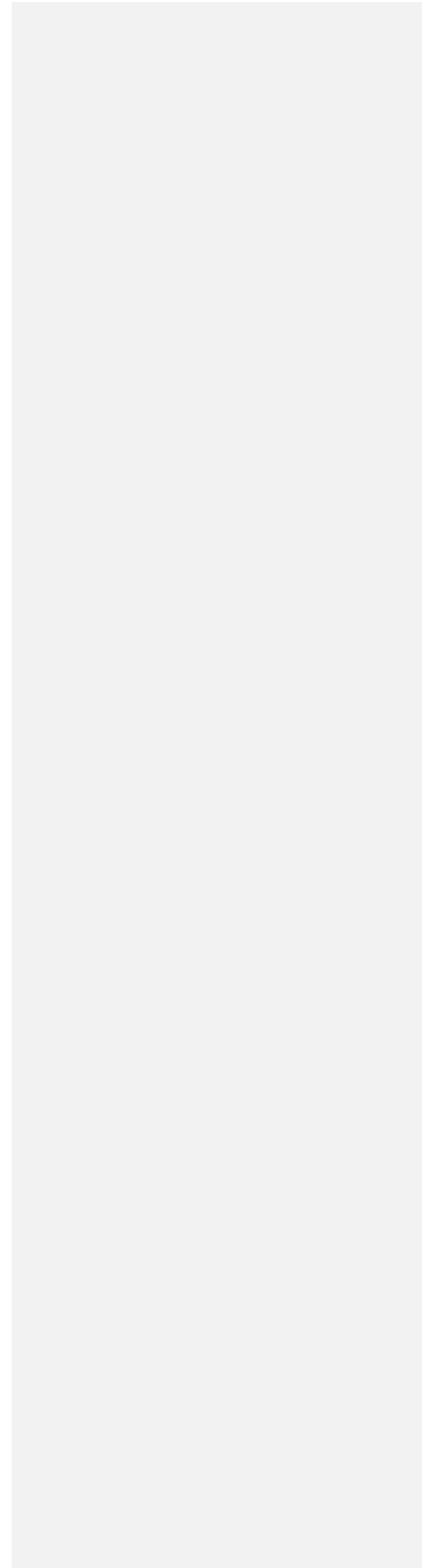
The recovery of the de minimis aid is made by the supplier / administrator at the supplier's disposal, according to the provisions of the Government Emergency Ordinance no. 77/2014, approved with amendments and completions by Law no. 20/2015, with subsequent amendments, and the Government Emergency Ordinance no. 66/2011 on the prevention, ascertainment and sanctioning of irregularities in obtaining and using European funds and / or national public funds related to them, approved with amendments and completions by Law no. 142/2012, with subsequent amendments and completions. If the Commission concludes that the aid already granted is incompatible with the internal market and orders its recovery, the Member State concerned must cancel the aid and recover it, where appropriate within the time limit set by the Commission. Recovery after the deadline cannot be considered as fulfilling the requirements of European Union law and is a non-execution of the recovery decision.

In any case, the Member State concerned remains under an obligation to ensure the recovery of the unlawful aid and to put an end to the infringement of European Union law as soon as possible after the expiry of the recovery period. In the recovery decision, the Commission shall set two deadlines for the Member State concerned: (i) to provide precise information on the measures it has planned and on the measures it has already taken to implement the decision (generally 2 months after communication) and (ii) fulfill the obligation to recover.

In particular, in the first instance, the Member State is generally obliged to provide complete information on the identity of the beneficiaries, if they are not already identified in the recovery decision, the amount to be recovered and the applicable national procedure for fulfilling the recovery obligation. The Member State concerned shall be free to choose the national procedure for implementing a recovery decision, provided that it allows the immediate and effective execution of the recovery decision. Identification of the beneficiaries from whom the aid is to be recovered. Illegal aid considered

incompatible with the market must be recovered from the beneficiaries who actually benefited from it. Where the beneficiaries of the aid are not identified in the recovery decision, the Member State concerned must analyze the individual situation of each undertaking concerned.

UNDER PEER REVIEW



In accordance with Article 345 TFEU, private and public undertakings are subject to the same State aid rules; therefore, there is no difference between them when it comes to recovering illegal aid.

4. DISCUSSION

Despite all the hypotheses considered in the investigation, our opinion is that the statements made by some Russian producers exporting urea product, that some Union producers actually sell urea at prices below market price but there has never been any confirmed evidence. Some exporting producers claimed that the investigation was discriminatory, given the distortions of the raw material market in the natural gas market. It is also relevant to mention the importance of using this product urea especially used in agriculture as there are limited offers in plant protection products that can not be replaced being compatible with the biosphere or are used by farmers tradition even being an insufficient production of nitrogen fertilizers on the market. However the survey did not consider these aspects does not prove an actual lack of fertilizers and are numerous sources of supply of products and fertilizers such as calcium ammonium nitrate, ammonium nitrate or urea.

In the case of Ec, based on the representativeness test, it was found that the like product was sold in representative quantities on the domestic market. The investigation found that during the IP, EC produced, sold on the domestic market and exported to the Union only one product type, UAN with a nitrogen content of 32%.

On the other hand, in view of the common agricultural policy, it must be ensured that farm incomes and competitiveness are guaranteed independently of the effects of uncompromising anti-dumping measures.

The analysis of domestic sales showed that less than 15% of total domestic sales were profitable and that the weighted average sales price was lower than the cost of production. Consequently, normal value was calculated as a weighted average exclusively of profitable sales. Manufacturing costs, which are part of the cost of production used for the verification of normal business operations (VOCN), have been adjusted. Ec stated that when calculating the net domestic sales price, an additional quota should be applied to the VAG costs incurred by the domestic affiliated trader, as well as to

part of the VAG costs of the two producers in the same group. Ec claimed that these costs resulted from a different level of marketing of domestic sales compared to export sales, namely that, through its affiliated traders, most domestic sales are sold directly to farmers. However, such a quota would not adequately reflect the net domestic sales price when, normally, the VAG costs incurred by affiliated domestic traders and producers are not deducted to adequately reflect the price paid, or to be paid in full competition in the internal market. Therefore, the claim was rejected.

Natural gas is the main raw material in the UAN manufacturing process and represents a significant proportion, over 50%, of the total production cost. Following the applicant's request and the findings of previous investigations of fertilizers originating in X, the Commission finally considered that the price Y (US Henry Hub Index), proposed by X stakeholders as an alternative benchmark, would not be appropriate, taking into account the different geographical region, the different types of natural gas sources (such as shale gas) and the limited possibilities of Y to export natural gas in gaseous form (compressed natural gas or CNG).

As a consequence the result of anti-dumping measures would affect production and the agricultural sector by transferring additional costs being forced to farmers to stop producing under the conditions must remain competitive in a globalized market. For some, the parties' anti-dumping measures would be a compromise with the common agricultural policy, and the latter will make it insufficient to guarantee farm incomes and competitiveness. The Commission rejected those arguments.

The Commission examined these allegations and provisionally concluded that:

- the alleged subsidization of natural gas purchases used by the urea producer is not subject to distortions of the raw material.

With regard to the dilution costs specific to this case, the Russian exporting producers only exported UAN with a nitrogen content of 32% during the IP. However, the related importers sold UAN with a maximum nitrogen content of 32% to independent customers. Therefore, if the product concerned was diluted with water to obtain a lower nitrogen content, the adjustment also included the additional dilution costs incurred by the related importer.

Table 3 *Volume of imports (tonnes) and market share*

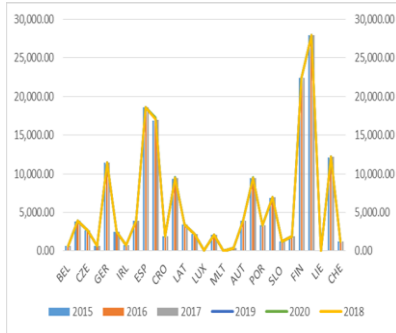
	2015	2016	3027	PA
Total Union consumption	4 803 732	4 658 736	4 783 671	4 571 721
Index	100	97	100	95

Source: Eurostat

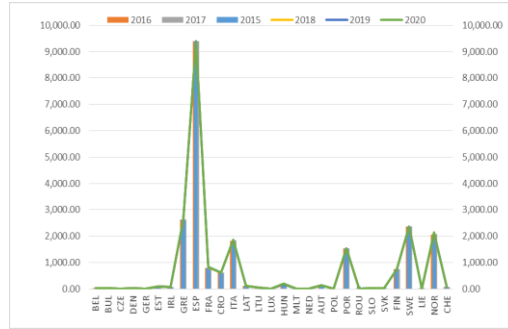
Table 4. *Import prices (EUR/tonnes)*

Column1	2015	2016	2017	IP
Import prices (EUR/tonnes)	179	130	135	126
Index	100	73	75	70
from TT (tonnes)	197	151	141	14
Index	100	77	72	71
Z	188	137	126	12
Index	100	73	67	66
Worried countries from Y (tonnes)	189	138	133	12
Index	100	73	70	68

Source: Verified questionnaire replies of the sample of Union producers



(a) Change in forest area 2015-2028



(b) Area of wooded land Forest area in EU 2016-2020

Fig 4. Change in forest area 2015-2020

Source: Owner recherche from data European Environment Agency and Eurostat data (2021)

The granting of the de minimis aid provided by this scheme is made at the written request of the owner of the property right or his proxy which is submitted to the designated forest district that provides forest services in the vicinity of the area for which the request is made.

The calculation of the budgetary allocations destined to the forestry services, for the forest fund owners, is made according to the calculation methodology, with the specification that when framing on relief forms the maximum altitude is taken into account, when it is variable.

The monitoring, reporting and keeping of records of aid granted under this scheme are done in accordance with European legislation and the provisions of the Regulation on procedures for monitoring state aid, implemented by the Order of the President of the Competition Council no. 175/2007. The Provider / Administrator shall keep detailed records of the aid granted under this scheme for a period of 10 years from the date on which the last specific allocation was granted under this scheme. This record must contain the information necessary to demonstrate compliance with the conditions imposed by European State aid law, such as: the beneficiary's identification data, the amount of support, the time and manner of granting the aid, its origin, duration, method of calculating the aid granted.

The provider and the administrator of the scheme have the obligation to permanently monitor the de minimis aid granted, in progress, and to order the necessary measures in case of non-compliance with the conditions imposed by this scheme or by the national or European legislation applicable at that time.

The Ministry of Environment, Waters and Forests, based on the data and information received from the administrator, has the obligation to submit to the Competition Council all data and information necessary for monitoring state aid at national level, in the format and deadline provided by the Regulation on monitoring procedures of state aid, implemented by the Order of the President of the Competition Council no. 175/2007. If the data and information submitted to the Competition Council by the supplier show that the conditions for granting the de minimis aid have not been met or the supplier does not clarify the issues notified by the Competition Council, it may make on-the-spot checks.

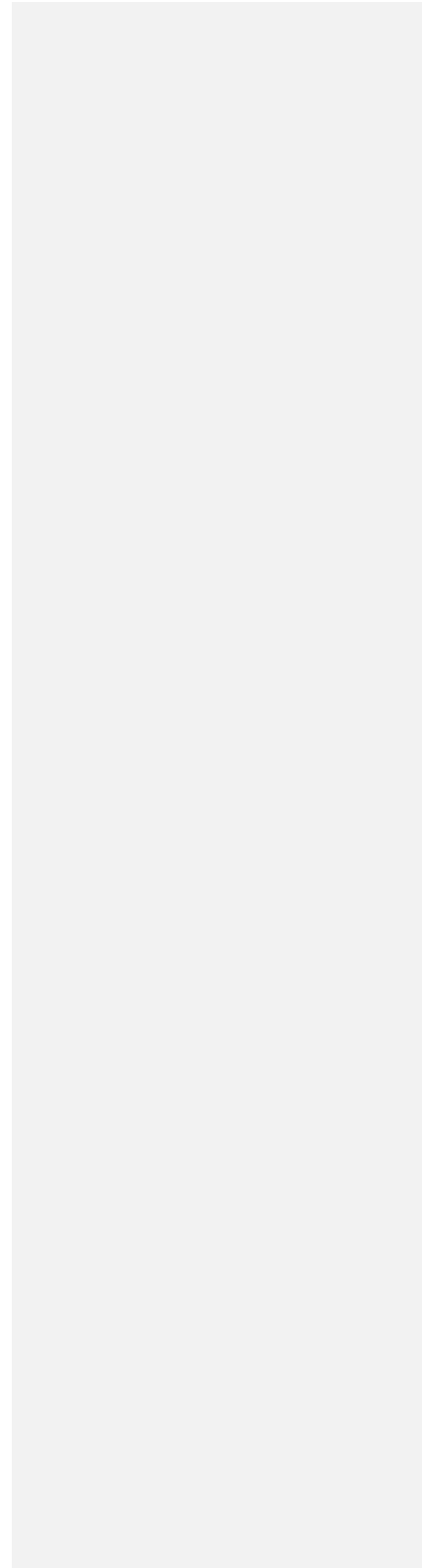
The supplier will send, for information, to the Competition Council this scheme, within 15 days from the date of its entry into force, according to art. 17 of the Government Emergency Ordinance no. 77/2014 on national procedures in the field of state aid, as well as for amending and supplementing the Competition Law no. 21/1996, approved with modifications and completions by Law no. 20/2015, with subsequent amendments.

Based on a written request issued by the European Commission, the Ministry of Environment, Waters and Forests will send it, through the Competition Council, within 20 working days or within the deadline set in the request, all information that the European Commission deems necessary for assessment of compliance with the conditions of this de minimis aid scheme.

The Beneficiary has the obligation to make available to the administrator / supplier, in the format and within the term requested by him, all the necessary data and information in order to fulfill the reporting and monitoring procedures that are the responsibility of the administrator and / or supplier. The beneficiary is required to keep for at least 10 years from the date on which the last specific allocation was granted all documents relating to the de minimis aid received under the scheme. This record must contain the information necessary to demonstrate compliance with all the conditions imposed by the act of granting, such as: identification data of the beneficiary, duration, eligible costs, amount, time and method of granting aid, its origin, duration, method of calculation of aid granted.

Procedure for granting from the state budget the costs of forestry services for the forest fund private property of legal and natural persons who do not carry out economic activities, if the surface of the forest property is less than or equal to 30 ha. The granting of state aid provided by this procedure is made at the written request of the holder of the property right or his proxy by notarial deed, which is submitted to the designated forest district that provides forest services in the vicinity of

UNDER PEER REVIEW



a forest area public or private property of a unit administrative-territorial or private property of natural and legal persons within an administrative-territorial unit.

The holder of the property right submits on the date of application, at the nominated forest district, a series of documents, application, documents regarding the property certified according to the original certificates regarding the proof of forest land registration at the administrative-territorial unit and that he is the holder of this registration, issued by the administrative unit. -territorial, copy of the identity document / registration certificate at the trade register office of the holder of the property right, certified according to the original by the holder of the original document; in order to verify the identity of the copy with the original, the owner of the property right or his proxy is obliged to present at the forest district and the original document, declaration on his own responsibility of the owner of the property right which shows that he does not own a forest fund with a larger total area. of 30 ha ; declaration on the own responsibility of the holder of the property right from which to result that it does not carry out economic activity according to art. 5 lit. b) from the scheme.

5. CONCLUSION

The consumption of pesticides according to recent data provided by Eurostat is worrying and therefore our guidance must also include alternative methods to reduce the consumption of pesticides by switching to organic fertilizers, and here we are talking about grasslands that should not be neglected. The EU Green Deal Communication announced that "To ensure that the EU plays a key role, the Commission will present a Biodiversity Strategy by March 2020, to be followed up by specific action in 2021. The strategy will outline the EU's position for the Conference of the Parties, with global targets to protect biodiversity, as well as commitments to address the main causes of biodiversity loss in the EU, underpinned by measurable objectives that address the main causes of biodiversity loss. The biodiversity strategy will identify specific measures to meet these objectives. These could include quantified objectives, such as increasing the coverage of protected biodiversity-rich land and sea areas building on the Natura 2000 network.

Member States should also reinforce cross-border cooperation to protect and restore more effectively the areas covered by the Natura 2000 network. The Commission will identify which measures, including legislation, would help Member States improve and restore damaged ecosystems to good ecological status, including carbon-rich ecosystems."

In turn, the EU Biodiversity Strategy for 2030 followed up these commitments and specifically for soil stated that "It is therefore essential to step up efforts to protect soil fertility, reduce soil erosion and increase soil organic matter. This should be done by adopting sustainable soil management practices, including as part of the CAP. Significant progress is also needed on identifying contaminated soil sites, restoring degraded soils, defining the conditions for their good ecological status, introducing restoration objectives, and improving the monitoring of soil quality. To address these issues in a comprehensive way and help to fulfil EU and international commitments on land-degradation neutrality, the Commission will update the EU Soil Thematic Strategy in 2021." Additionally, the Farm to Fork project. Strategy aimed to ensure that the food chain has a neutral or positive environmental impact, including to preserve, protect and restore land and soil.

Temporary removal from the agricultural circuit or if for the meadows used in hay or mixed regime the conditions of cross-compliance are conditions that can be respected, for the meadows exploited by grazing the legislative aspects could be overcome by the factual situation or the preparation of farmers and their education / ethics by measures not necessarily sanctions but incentives.

Coercive measures pay off in an already innovative rural environment where all the rules are followed, in a rural communion where if a single farmer did not align, it would cause disturbances and imbalances. That is why there may be situations in which large areas of pastures in the mountain area, especially, which although subsidies are received, things are not fully respected to the environmental standard, the meadows being neglected, a minimum of maintenance work is required maintenance in order to maintain and increase productivity and biodiversity, for which the European Union provides substantial agri-environmental subsidies. All these concerns constitute the need for us to impose in a communion those cumulative and measurable legislative measures, not just conventional pejorative ones, even with the application of sanctions. The inclination of the Commission's arguments towards evasive indicators proves that atypical forms of circumvention can occur in practice, with clarifications or guidance given by the courts being an invaluable source of rules that regularize and expose situations that have arisen in practice. For example, plant pests will be subject to further investigation at any time, so it is good to understand and clarify issues such as increasing the consumption of a particular protection product in a certain form, and it will be less relevant to simulate raw materials production of the product, they are indicative.

The study shows a number of practical conclusions that need to be taken into account in order to ensure increased agricultural activity without distorting the growing fertilizer market in 2020, according to recent Eurostat data. In accordance with the zero pollution hierarchy, soil remediation should be the solution of last resort, when prevention, minimization and source control of pollution has failed and when contaminants have been able to reach the soil and pose risks for the environment and human health. If these increases are the consequence of a method of forced price increase

in the Eurostat analysis, even urea fertilizers and similar products are rejected as confidential. The Sustainable Use of Pesticides Directive will be revised by 2022 to significantly reduce use, risk and dependency on pesticides and enhance Integrated Pest Management. In the coming years, the Commission will also review the waste legislation and revise the Mercury Regulation, the Air Quality Directives, which will further contribute to the prevention of diffuse soil pollution and atmospheric deposition. The assessment of competition is analyzed by the causal relationship between the uncoordinated horizontal effects, such as the Commission's assessment of the uncoordinated horizontal effects, and whether the transaction will not create a significant obstacle to effective competition.

REFERENCES

1. Aznar-Sánchez, J. A., Piquer-Rodríguez, M., Velasco-Muñoz, J. F., & Manzano-Agugliaro, F. (2019). Worldwide research trends on sustainable land use in agriculture. *Land Use Policy*, 87, 104069.
2. Ramírez, P. B., Calderón, F. J., Fonte, S. J., & Bonilla, C. A. (2019). Environmental controls and long-term changes on carbon stocks under agricultural lands. *Soil and Tillage Research*, 186, 310-321.
3. COMMUNICATION FROM THE COMMISSION Communication from the Commission on the recovery of illegal and incompatible State aid (2019 / C 247/01)
4. Report (2020) European Commission, Eurostat and Directorate General for Agriculture and Rural Development, https://ec.europa.eu/info/departments/agriculture-and-rural-development_en
5. Government Decision no. 864/2016, published in the Official Gazette of Romania, Part I, no. 944 of November 23, 2016/Decision of the High Court of Cassation and Justice no. 36/2015 Official Gazette, Part I no. 107 of February 11, 2016.
6. Regulation (EU) no. 1407/2013 2013-12-18OJ: JOL_2013_352_R_0001_01
7. Corrigendum to Regulation (EU) no. Regulation (EC) No 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid (OJ L 352, 24.12.2013)
8. Regulation (EU) no. Commission Regulation (EC) No 702/2014 of 25 June 2014 declaring certain categories of aid in the agricultural and forestry sectors and in rural areas to be compatible with the internal market pursuant to Articles 107 and 108 of the Treaty on the Functioning of the European Union (OJ L 193, 1.7.2014, pp. 1).
9. Proposal for a Regulation of the European Parliament and of the Council laying down rules on support for strategic plans to be drawn up by the Member States under the common agricultural policy (CAP strategic plans) and financed by the European Agricultural Guarantee Fund (EAGF), and of the European Agricultural Fund for Rural Development (EAFRD) and repealing Regulations (EU) no. 1305/2013 and (EU) no. Regulation (EC) No 1307/2013 of the European Parliament and of the Council (COM (2018) 392 final)
10. Popescu, L. et al (2020), The impact of agricultural activities on gas effect generation, published in *Journal of Research and Innovation for Sustainable Society (JRISS)* Volume 2, Issue 1, ISSN: 2668-0416 Thoth Publishing House, DOI: 10.33727/JRISS.2020.1.13:87-102.
11. Pontius, R.G., E. Shusas, and M. McEachern. (2004), Detecting important categorical land changes while accounting for persistence. *Agriculture, Ecosystems & Environment* 101: 251–268. <https://doi.org/10.1016/j.agee.2003.09.008>.
12. Johan Swinnen, (2018) *The Political Economy of Agricultural and Food Policies* (Palgrave Macmillan, 2018), <https://link.springer.com/book/10.1057/978-1-137-50102-8>
13. The International Treaty on Plant Genetic Resources for Food and Agriculture (2004) and the Global Strategy for Plant Conservation (2011-2020) adopted by the Convention on Biological Diversity in 2002, Available at: https://ec.europa.eu/environment/pubs/pdf/biodiversity/cbd_en.pdf
14. Volkov, A., Balezentis, T., &orkunas, M., Streimikiene, D., (2019), Who Benefits from CAP. The Way the Direct Payments. System Impacts Socioeconomic Sustainability of Small Farms, Sustainability 11, <https://doi.org/10.3390/su11072112>
15. Regulation (EU) no. Commission Regulation (EC) No 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid (OJ L 352, 24.12.2013, pp. 1-8). Text republished in rectification (OJ L 126,29.4.2014, p. 58)
16. Council Regulation (EC) No. 1206/2001 of 28 May 2001 on cooperation between the courts of the Member States in the taking of evidence in civil or commercial matters is a European Union regulation in the field of judicial cooperation. It allows taking of evidence from one member state to another without recourse to consular and diplomatic channels,(accessed 13 march 2021) <https://eurlex.europa.eu/legalcontent/en/ALL/?uri=CELEX%3A32001R1206>
17. Council Regulation (EC) No 1206/2001 establishes an EU-wide system for the direct and rapid transmission of

requests for the taking and execution of evidence between courts and lays down precise rules as to the form and content of such requests, https://www.europarl.europa.eu/doceo/document/A-8-20180477_EN.html

18. Eurostat, (2020) Sales of pesticides by type of pesticide https://ec.europa.eu/eurostat/web/productsdatasets/product?code=tai02Case_DS493 - Ukraine - Anti-dumping measures on ammonium nitrate', L 100/10 EN Official Journal of the European Union

11.4.2019, <https://ustr.gov/sites/default/files/enforcement/DS/US.3d.Pt.y.As.Pn.pdf>

19. Regulation (EU) no. 1,306 / 2013 of the European Parliament and of the Council, (accessed 13 march 2021)

<https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:32013R1306>

UNDER PEER REVIEW

20. Aznar-Sánchez, J. A., Piquer-Rodríguez, M., Velasco-Muñoz, J. F., & Manzano-Agugliaro, F. (2019). Worldwide research trends on sustainable land use in agriculture. *Land Use Policy*, 87, 104069.
21. Huang, J., Chen, Y., Pan, J., Liu, W., Yang, G., Xiao, X., & Zhou, L. (2019). Carbon footprint of different agricultural systems in China estimated by different evaluation metrics. *Journal of Cleaner Production*, 225, 939-948.
22. Ramírez, P. B., Calderón, F. J., Fonte, S. J., & Bonilla, C. A. (2019). Environmental controls and long-term changes on carbon stocks under agricultural lands. *Soil and Tillage Research*, 186, 310-321.
23. Greening (2017), Greening: a more complex income support scheme, not yet environmentally effective <https://op.europa.eu/webpub/eca/special-reports/greening-2017/en/>
24. L. Popescu, et al. (2021), The role of phosphates in agriculture and highlighting key issues in agriculture from a climate change perspective <https://ea.bg.ac.rs/index.php/EA/index>, <https://doi.org/10.5937/ekoPolj2104001Ps>

UNDER PEER REVIEW