Common agricultural policy (CAP): common rules for direct support schemes and certain support schemes for farmers; support for rural development by the European Agricultural Fund for Rural Development (EAFRD)

2007/0177(CNS) - 11/12/2007 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted a resolution drafted by Jan **MULDER** (ALDE, NL) and made some amendments to the proposal for amending Regulation (EC) No 1782/2003 establishing common rules for direct support schemes under the common agricultural policy and establishing certain support schemes for farmers and Regulation (EC) No 1698/2005 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD). The report adopted by 635 votes in favour to 21 against with 13 abstentions.

The main amendments were as follows:

Training: a new recital states that cross-compliance has linked the payment of support to farmers to complying with 18 different EU Directives and Regulations. By its very nature, the monitoring of cross-compliance is complex. The system of cross-compliance requires that those carrying out the checks have a full understanding of farming and are familiar with the different sectors of farming. Adequate training for those carrying out inspection of farmers' activities is vital. In addition, inspectors should have the discretion to take into account un-seasonal and sudden factors which mitigate against full compliance - due to no fault of the farmer.

Reduction or exclusion of direct payments: the reductions in payments applicable in cases of non-compliance with cross-compliance rules, obligations and requirements differ, depending on whether non-compliance is deemed an intentional act or the result of negligence. In the same way, those reductions should be proportionate to the importance of the sphere of activity concerned by the non-compliance at the farm holding, particularly where this is a mixed crop and stock farming holding. The Commission proposes that the Member States could decide not to apply a reduction in aid for sums less than or equal to EUR 50 per farmer per calendar year. MEPs believe this threshold should be set at EUR 100 or less. Any findings of non-compliance shall nevertheless be subject to a specific follow-up in the risk analysis.

Where a reduction or exclusion of payments is being applied following non-compliance registered during an on-the-spot check, no fine shall be imposed under the corresponding national legislation for the same case of non-compliance.

Where a fine has been imposed following non-compliance with national legislation, no reduction or exclusion of payments shall be imposed for the same case of non-compliance.

Controls on cross-compliance: Member States shall carry out on-the-spot checks to verify whether the farmer complies with his specific obligations. These controls shall take place within a period of not more than one day for a particular farm. Member States may make use of their existing administration and control systems to verify compliance with the statutory management requirements and good agricultural and environmental conditions referred to in Chapter 1. However, Member States shall endeavour to limit the number of controlling agencies and the number of persons carrying out the on-the-spot checks on a

particular farm.

These systems, and notably the system for identification and registration of animals set up in accordance with Directive 92/102/EEC, Regulation (EC) No 1782/2003, Regulation (EC) No 1760/2000 and Regulation (EC) No 21/2004, shall be compatible, with the integrated system.

Member States shall endeavour to plan controls in such a way that farms which can best be controlled in a particular period during the year, due to seasonal reasons, are indeed controlled in that particular period. However, if the controlling agency could not control a particular statutory management requirement or good agricultural and environmental conditions during an on-the-spot check, due to seasonal reasons, those requirements and conditions shall be deemed to be met.

10 month rule: Parliament did not object to the plans to scrap the 10-month rule but deleted the Commission's alternative solution that pieces of land should be available to farmers on 15 June each year if they wish to be entitled to the single payments. Instead it stated that, except in case of force majeure or exceptional circumstances, these parcels shall be at the farmer's disposal on the latest date for submission applicable in the Member State concerned of the year of submission of the aid application.

Harmonised transposition: in the case of directives, the Commission shall ensure that the statutory management requirements in the areas referred to in Article 4(1) are transposed in a harmonised manner in each Member State.

Review: by 31 December 2007 at the latest, and every two years thereafter, the Commission shall submit a report on the application of the cross-compliance system accompanied, if necessary, by appropriate proposals notably with a view to:

- amending the list of statutory management requirements set out in Annex III,

- simplifying, deregulating and improving the legislation under the list of statutory management requirements, special attention being paid to legislation concerning nitrates,

- simplifying, improving and harmonising the control systems in place, taking into account the opportunities offered by the development of indicators and bottleneck-based controls, controls already performed under private certification schemes, controls already performed under national legislation implementing the statutory management requirements, and information and communication technology.

The reports shall also contain an estimate of the total costs of control under the cross-compliance system of the year preceding the year in which the report will be published.

Extension of transition periods: some transition periods should be extended until 2013 and in some cases to 2016. For any new Member States the single area payment scheme shall be available for a period of application until the end of 2013.