

# Common agricultural policy (CAP): support schemes for farmers

2009/0084(CNS) - 29/06/2009 - Legislative proposal

**PURPOSE:** to amend Regulation (EC) No 73/2009 establishing common rules for direct support schemes for farmers under the common agricultural policy and establishing certain support schemes for farmers, amending Regulations (EC) No 1290/2005, (EC) No 247/2006, (EC) No 378/2007 and repealing Regulation (EC) No 1782/2003.

**PROPOSED ACT:** Council Regulation.

**CONTENT:** the aim of the proposal is to clarify two aspects of interpretation found in Articles 11 and 69 (5) of Council Regulation (EC) No 73/2009.

A technical correction has to be introduced to the calculation formula of Article 11 (Financial discipline) in order to take into account the transfers to Rural Development foreseen in Article 23 of Council Regulation (EC) No 479/2008 and Article 136 of Council Regulation (EC) No 73/2009. This adjustment has already been introduced in Article 12 of Council Regulation (EC) No 1290/2005.

In addition, an adjustment of Article 69(5) is proposed in order to comply with point 6.6 of the Final Presidency compromise on Health Check proposals.

More specifically,

- **Article 11 of Council Regulation (EC) No 73/2009** establishes the mechanism of financial discipline which provides for an adjustment of the direct payments when the forecasts indicate that the sub-ceiling for direct aids and market measures, under heading 2 of Annex I to the [Interinstitutional Agreement](#) between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management, with a safety margin of EUR 300 000 000, is exceeded. The sub-ceiling under heading 2 covers expenditure for direct aids before all transfers to rural development. Therefore, the expenditure to be compared with the ceiling for the adjustment should be done before modulation and the transfers to the rural development. Therefore, a correct comparison of expenditure to the ceiling should also include the possible transfer to the European Agricultural Fund for Rural Development, referred to in Article 136 of Regulation (EC) No 73/2009, and the amounts resulting from Article 190a(2) of Council Regulation (EC) No 1234/2007 of 22 October 2007 establishing a common organisation of agricultural markets and on specific provisions for certain agricultural products (Single CMO Regulation) concerning financial transfers to rural development in the wine sector.
- **The first sub-paragraph of Article 69(5) of Regulation (EC) No 73/2009** derogates from Article 69(4) of that Regulation in relation to the use of Articles 68 and 69 of Regulation (EC) No 1782/2003. The purpose of this derogation is to set a transitional period for a gradual adaptation of the support in the beef and veal sector. This derogation should therefore be limited to cases where Article 69 of Regulation (EC) No 1782/2003 has been used mainly for supporting the beef and veal sector.

**IMPACT ASSESSMENT:** not applicable.

**BUDGETARY IMPLICATIONS:** this measure does not involve any additional Community expenditure.