

Common agricultural policy (CAP): direct payments to farmers under support schemes 2014-2020

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Ministers held a **public debate on direct payments** within the framework of the common agricultural policy (CAP) reform.

(1) The first part of the debate focused on special measures proposed to support particular categories of farmers: young farmers, small farmers and farmers in areas with natural constraints.

With regard to scheme for young farmers:

- Member States broadly agreed on the need to increase the support to this category of farmers, as currently only 6 % of all farmers across the EU were under the age of 35, raising concerns for the future of farming. Most delegations however preferred a voluntary scheme, with the possibility to set additional conditions at national level.
- Several delegations suggested a better articulation between first and second pillar criteria for young farmers.

Measures relating to small farmers scheme:

- Although delegations agreed in general on the proposal for measures relating to small farmers scheme as a genuine simplification, a majority of Member States nevertheless preferred the scheme to be voluntary.
- A number of Member States would not like small farmers to be completely exempted from cross compliance and greening requirements.

For farmers in areas with natural constraints, Member States could accept the possibility of increased support, but wanted to look into how it would fit in with a similar programme under the rural development provisions. The delegations agreed with the Commission that this type of measure should stay voluntary.

Voluntary coupled support:

- Several Member States highlighted the importance of this support for specific farming sectors or regions as a response to economic, social and environmental difficulties.
- Some delegations regretted that this proposal went against past trend of CAP reform, to decouple support, while some others wanted the list of coupled sectors to be extended.

The diverging views expressed by ministers led the Presidency to conclude that the Commission proposal seemed to strike a balance.

(2) The second round table was organised on the definition of active farmer, the capping of direct payments to large farms and the internal redistribution of direct payments.

The 'active farmer' concept:

There was broad support for the Presidency's suggestion to avoid undue administrative burdens, by not requiring Member States to control the proportion of direct payments in the farmer's total income and to allow member states a greater margin of discretion.

Many delegations were prepared to examine a Commission suggestion to establish an additional "negative list" of certain landowners who would be excluded unless they could prove that they were engaged in agricultural production.

The capping of the direct payments received by the largest farms in the EU is one of the issues in the current negotiations on the multiannual financial framework for 2014-2020. In respect of the technical aspects of capping, several delegations called for a simpler approach to calculation, while some Member States remained opposed to the principle.

Internal redistribution: the Commission proposed that Member States achieve a uniform level of direct payments at regional or national level by 2019. A considerable number of ministers had concerns about the impact of this proposal and underlined the need to proceed carefully. The need for greater flexibility and appropriate transitional periods was also highlighted. The presidency conclusions from March 2011 already identified the need for flexibility at national/regional level, with appropriate transitional periods to avoid disruptive financial consequences.

It should be recalled that the Council had already held policy debates on the CAP reform relating to the proposals for regulations on direct payments, rural development and on the single common market organisation during the three last Agriculture Council meetings in November and December 2011 and January this year. In March this year ministers debated the simplification of the CAP.

The Presidency intends to organise further policy debates on thematic issues such as the greening of the CAP in May and the rural development policy in June 2012.