

Common agricultural policy (CAP): application of direct payments for farmers in respect of the year 2013

2011/0286(COD) - 18/06/2012

The Presidency presented to the ministers its progress report on the reform of the common agricultural policy (CAP) ([8949/12](#)).

Member states broadly welcomed the progress report and overall considered it a fair and accurate reflection of the debate in the Council, which would lay a solid foundation for the next steps in the process under the Cypriot and Irish Presidencies. They also noted that the next presidencies had to deepen discussions on the open issues. Some delegations commented on issues of importance to them, particularly in relation to **capping, convergence of direct payments and greening**.

This progress report highlights the progress achieved during the first half of 2012 on the CAP reform proposals. It has been drawn up under the responsibility of the Presidency on the basis of the positions expressed within the Council and its preparatory bodies during this semester. It makes clear that nothing is agreed until everything is agreed.

The report highlights the efforts made by the Presidency, especially on increased flexibility, simplification and greening. It indicates the main amendments suggested to the Commission proposals and on which the Presidency has noted broad support from delegations.

The Presidency's suggested amendments aim to resolve a number of issues raised by delegations, particularly with a view to ensuring that future CAP legislation is workable in practice and can be implemented in a cost-effective manner.

This report also identifies for each of the proposals the key issues which remain outstanding as at June 2012, including issues contained in the negotiating box for heading 2 of the Multiannual financial framework (MFF).

The report distinguishes between three categories of issues:

- issues on which there is broad support among delegations for the amendments suggested by the Presidency to the Commission proposals;
- issues which remain outstanding as at June 2012;
- issues which are included in the negotiating box of the Multi-Annual Financial Framework and which the European Council will ultimately decide upon.

As regards the transitional scheme of direct payments, the proposal aims to establish an adjustment mechanism for the calendar year 2013, so as to bridge the gap between the current system of modulation set to expire at the end of 2012, and the new CAP due to enter into force on 1 January 2014, while taking into account the phasing in of direct payments in the New Member States. At the informal trilogue on 24 May 2012 the representatives of the three institutions reached an agreement on a number of amendments including :

- the possibility in 2013 to apply a **voluntary adjustment** as a continuation of the voluntary modulation mechanism,
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to **continue the mechanism of transfer of unused funds to pillar II** for Member States having opted for this mechanism in 2009, for Member States applying the Single Area Payment Scheme as well as Cyprus to pay state aid and transitional national direct payments, as well as for Member States to review the specific support arrangements for 2013.