

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

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Ministers held **three orientation debates** within the framework of the common agricultural policy (CAP) reform. The discussions focussed on specific issues in:

- the **proposal for a regulation** establishing rules for direct payments to farmers within the framework of the reform of the CAP (Direct Payments Regulation);
- the [proposal for a regulation](#) establishing a common organisation of the markets in agricultural products (Single CMO Regulation).

The debate on direct payments revolves around the two following aspects of the proposal:

1. The issue of internal convergence (achieving a uniform level of direct payments at regional or national level by 2019).

The Presidency noted the concerns of many Member States applying the Single Payment Scheme about the difficulties in achieving a uniform level of distribution of direct support at national or regional level (internal convergence) by 2019. It also noted the Commission's openness to address these concerns and to consider suggestions for some flexibility in the rhythm and methodology of progress, without prejudice to the principle of achieving internal convergence.

The Presidency addressed a **questionnaire** on internal convergence to the delegations with a view to structuring the debate held in the Agriculture and Fisheries Council meeting on 22 and 23 October 2012.

- Many delegations confirmed their view that a direct payment system based on purely historical payment levels was outdated and that Member States applying the single payment scheme (SPS) should achieve significant and irreversible progress towards internal convergence by 2019.
- While some delegations supported the rhythm and methodology proposed by the Commission, most delegations requested adjustments, particularly a smaller first step in 2014, taking account of greening payments, a longer transition period (beyond 2019) and a parallel approach on internal and external convergence.
- Some delegations, however, expressed the view that any flexibility on internal convergence should imply less generous possibilities for coupled aid.
- Lastly, a number of Member States applying the Single area payment scheme (SAPS) made clear that their support for the flexibility requested by Member States applying the Single payment scheme was conditional on a satisfactory reply to their request for some recent historical elements (national top-ups, coupled support) to be taken into account in their transition to the new payment scheme.

2. The young farmers' scheme proposed to address the issue of the ageing farm population.

The CAP reform proposals of the Commission provide for a young farmers scheme under both pillars of the CAP. The scheme under the first pillar was designed to be of mandatory nature. However, the Progress report drawn up under the Danish Presidency noted that "while the special scheme for young farmers is

broadly welcomed, a majority of delegations want a voluntary scheme, leaving Member States to decide whether to operate the scheme and how to shape it according to their needs, while other delegations could support the proposed mandatory scheme."

A new proposal was recently debated at Working Party level that in effect implies that Member States would be required to implement a scheme in favour of young farmers either under the first or under the second pillar.

Given the highly political nature of this topic, the Presidency addressed a **questionnaire** on the nature of the young farmers' scheme with a view to a debate to be held in the course of the Agriculture and Fisheries Council meeting on 22 and 23 October 2012.

Concerning the scheme for young farmers, almost all delegations acknowledged that ageing of the farming population is an issue which Member States have to address in an effective and appropriate manner. While many delegations had an open position on how best to achieve this, there was **insufficient support** for a mandatory 1st pillar scheme alongside the voluntary second pillar scheme (as proposed by the Commission), or for the alternative suggestion of a mandatory 1st pillar scheme with an opt-out for Member States supporting young farmers under the second pillar.

The Council is expected to adopt a partial general approach on the single CMO and on the other CAP reform proposals **by the end of the year** under the Cypriot Presidency.