

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

2011/0280(COD) - 20/11/2013 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 440 votes to 238 with 10 abstentions, a legislative resolution on the proposal for a regulation of the European Parliament and of the Council establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy (CAP).

Parliament adopted its position in first reading following the ordinary legislative procedure. The amendments adopted in plenary were the result of a compromise between Parliament and Council. They amend the Commission proposal as follows:

Scope: specific rules should concern: (i) 'the basic payment scheme' and a transitional simplified scheme ('the single area payment scheme'); (ii) a voluntary redistributive payment ('the redistributive payment'); (iii) voluntary transitional national aid for farmers.

Active farmer: direct payments should only be granted to active farmers. To ensure that **support is better targeted**, no direct payments shall be granted to natural or legal persons, or to groups of natural or legal persons, who operate airports, railway services, waterworks, real estate services, permanent sport and recreational grounds, unless such persons can demonstrate that their agricultural activity is not marginal. Member States should also have the option of not granting direct payments to other natural and legal persons whose agricultural activity is marginal.

Payment reductions: the amount of direct payments to be granted to a **farmer will be reduced by at least 5 % for the part of the amount exceeding EUR 150 000**. Before applying this provision, Member States may subtract the salaries linked to an agricultural activity actually paid and declared by the farmer in the previous year, from the amount of payments to be granted to a farmer in a given calendar year.

Flexibility between pillars: with a view to strengthening their **rural development policy**, Member States may decide to make available as additional support for measures under rural development programming financed under the EAFRD, up to **15 %** of their annual national ceilings for calendar years 2014 to 2019. At the same time, Member States should be given the possibility to transfer funds from their support assigned for rural development to their direct payments ceiling.

Member States will be given the opportunity to review their initial decision once with effect as from claim year 2018 provided such review does not entail any decrease in the amounts assigned for rural development.

Transitional period: Member States applying in 2014 the single area payment scheme may, under the conditions set out in this Regulation, continue the application of that scheme until 31 December 2020 at the latest. The Member States applying the single area payment scheme may decide to grant **transitional national aid in 2015-2020**.

Specific provisions are provided for the first allocation of payment entitlements and the calculation of the value of payment entitlements.

Support for smaller holdings: to support to farmers with **smaller holdings**, Member States should be allowed to redistribute direct support between farmers by granting them an **extra payment for the first hectares** on which they activate payment entitlements.

A greener CAP: besides the three greening measures established in the Regulation, there were provisions recognizing practices covered by **agri-environment-climate measures** that yield an equivalent or higher level of benefit for the climate and the environment.

The agricultural practices beneficial for the climate and the environment shall be:

- **crop diversification:** obligations under this measure should be applied in a way that takes into account the difficulty of diversifying for smaller farms, while still leading to an enhanced environmental protection, and in particular the improvement of soil quality;
- **maintaining existing permanent grassland:** for the sake of environmental protection of permanent grassland and in particular carbon sequestration, provisions should be made for the maintenance of permanent grassland. This protection should consist of a ban on ploughing and conversion on environmentally most sensitive areas in "Natura 2000" areas, and of a more general safeguard, based on a ratio of permanent grassland, against conversion to other uses;
- **having ecological focus area on the agricultural area:** these should be established, in particular, in order to safeguard and improve biodiversity on farms. These areas should therefore consist of areas directly affecting biodiversity such as land lying fallow, landscape features, terraces, buffer strips, afforested areas and agro-forestry areas or indirectly affecting biodiversity through a reduced use of inputs on the farm.

Payment for young farmers: a compulsory European mechanism is provided in order to grant farmers who are no more than 40 years of age an addition payment of **25% for their first 25 – 90 hectares**.

Member States shall set the amount of the annual payment for each farmer participating in the small farmers scheme. The amount shall not be higher than an amount fixed by the Member State between EUR 500 and EUR 1 250.

Coupled support: Member States should be allowed to use part of their national ceilings for direct payments for coupled support in certain sectors or regions in clearly defined cases. The resources that may be used for any coupled support should be limited to an appropriate level, while allowing such support to be granted in Member States in their specific sectors or regions facing particular situations where specific types of farming or specific agricultural sectors are particularly important for economic, environmental and /or social reasons. Member States should be allowed to use up to **8 %** of their national ceilings for this support, or **13 %** in case their level of coupled support in at least one of the years of the period 2010-2014 exceeded 5 %.