Common organisation of the markets in agricultural products 2014-2020. Single CMO Regulation

2011/0281(COD) - 17/12/2013 - Final act

PURPOSE : to lay down new rules on the Common Agricultural Policy (CAP) for the period 2014-2020 (Single CMO).

LEGISLATIVE ACT : Regulation (EU) n° 1308/2013 of the European Parliament and of the Council establishing a common organisation of the markets in agricultural products and repealing Council Regulations (EEC) No 922/72, (EEC) No 234/79, (EC) No 1037/2001 and (EC) No 1234/2007.

CONTENT : this Regulation is part of a series of measures aiming to **reform the Common Agricultural Policy (CAP).** The CAP reform package contains four main legal texts:

- the Regulation establishing **rules for direct payments** to farmers;
- the Regulation on the common organisation of the market in agricultural products;
- the Regulation on support for rural development;
- the Regulation on the financing, management and monitoring of the CAP (horizontal Regulation.)

The package also includes a transitional Regulation for 2014.

The **single common market organisation (Single CMO) Regulation** aims to streamline, expand and simplify the current provisions on public intervention, private storage, exceptional measures and aid to specific sectors, as well as to facilitate cooperation through producer and interbranch organisations.

The main points are as follows:

Public intervention and private storage: the Regulation lays down rules on market intervention under (i) public intervention, where products are bought in by the competent authorities of the Member States and stored by them until disposed of and (b) granting of aid for the storage of products by private operators.

The public intervention shall be available for: (a) common wheat, durum wheat, barley and maize, from 1 November to 31 May; (b) paddy rice, from 1 April to 31 July; (c) beef and veal, throughout the year; (d) butter and skimmed milk powder, from 1 March to 30 September.

There is an automatic adjustment for milk and powdered milk above the ceilings set. For butter, the maximum volume for buying-in at a fixed price increased to 50 000 tonnes.

Aid for private storage can also be granted for bovine animals aged eight months or more, as well as for certain cheeses benefiting from a protected designation of origin or from a protected geographical indication.

The Commission may adopt delegated acts so that products purchased in the framework of public intervention or subject to aid for private storage are suitable for long-term storage and are of sound, fair and marketable quality.

Food distribution to schools: aid schemes intended to improve the distribution of agricultural products and improving children's eating habits are aimed at children who regularly attend nurseries, pre-schools or primary or secondary-level educational establishments which are administered or recognised by the competent authorities of Member States.

- ***School fruit and vegetable schemes***: Member States wishing to participate in the scheme shall draw up, at national or regional level, a prior strategy for its implementation. Accompanying measures may include information on measures for education about healthy eating habits, about local food chains and about combating food wastage. The Union aid shall be allocated to each Member State on the basis of objective criteria based on their proportion of six- to ten-year old children.

- ***School milk scheme***: from 1 August 2015, Member States, at national or regional level, wishing to participate in the scheme shall have a prior strategy for its implementation. They shall draw up a list of milk and milk products that will be eligible under their respective schemes.

Food distribution to the most deprived: the existing scheme will be the subject of a separate regulation. Provision is nevertheless be made in the Regulation to allow for disposal of products held in public intervention by making them available for use in the scheme for the most deprived persons in the Union.

Vine plantings: in order to ensure an orderly growth of vine plantings, a scheme of authorisations for vine plantings is put in place **for the period between 2016 and 2030.**

Under this new system, authorisations may be granted without a cost to be charged to the producers, and should expire after three years if they are not used.

The growth of new vine plantings is framed by a safeguard mechanism at Union level based on the obligation for Member States to make available annually authorisations for new plantings representing **1 %** of the planted vine areas, while allowing for certain flexibility in order to respond to specific circumstances of each Member State.

The Regulation lays down the rules governing the attribution of Union funds to Member States and the use of those funds by Member States through five-year national support programmes to finance specific support measures to assist the wine sector.

Transitional provisions are laid down in order to ensure a smooth transition from the former planting rights regime to the new scheme, Member States have a certain flexibility to decide on the deadline for the submission of requests for conversion of planting rights into authorisations from 31 December 2015 to 31 December 2020.

Sugar: the quota scheme ends on 30 September 2017. The standard provision on agreements between sugar growers and undertakings will be maintained after the end of quotas. White sugar remains eligible for private storage.

Milk: it is confirmed that milk quotas will expire in 2015. The soft-landing "milk package" provisions agreed in 2011 are set out in the Regulation.

Fruit and vegetables: the Regulation lays down additional requirements regarding marketing in the fruits and vegetables sector.

Products of the fruit and vegetables sector intended to be sold fresh to the consumer should be marketed only if they are sound, fair and of marketable quality and if the country of origin is indicated.

Producer Organisations and Interbranch Organisations: provisions on producer organisations, association of producer organisations and interbranch organisations are extended to all sectors to **strengthen the role of farmers in the supply chain** to cope with market volatility and strengthen their price bargaining position.

POs in the olive oil, arable crops and beef sectors entitled to engage in **collective bargaining on behalf of their members**, under certain conditions and with safeguards for competition.

Exceptional measures: the Commission may adopt delegated acts in order to react efficiently and effectively against threats of market disturbance caused by significant price rises or falls on internal or external markets or other events and circumstances significantly disturbing or threatening to disturb the market.

It will be possible to obtain additional financial support for crises from the Crisis Reserve (any unused amounts returned to farmers through direct payments).

ENTRY INTO FORCE : 20.12.2013. The Regulation is applicable from 01.01.2014.

DELEGATED ACTS : the Commission may adopt delegated acts in order to supplement or amend certain non-essential elements of this Regulation. The power to adopt such acts is conferred on the Commission for a period of seven years from 20 December 2013. The European Parliament or the Council may raise objections with regard to a delegated act within two months of the date of notification (which may be extended by two months). If Parliament or Council raise objections, the delegated act will not enter into force.