Resolution on the mid-term review of the common agricultural policy CAP

2002/2598(RSP) - 28/11/2002

The Council held a policy debate on three horizontal items of the Communication from the Commission to the Council and the European Parliament on the mid-term review of the Common Agricultural Policy, namely decoupling, dynamic modulation and cross-compliance. After four debates on the mid-term review held under the Danish Presidency, delegations pursued a thorough examination of these items on the basis of a presidency questionnaire. The Council and the Commission took note of the range of views expressed by delegations at this stage of the process. The Commission, having heard this debate, would now prepare its legislative proposals. The approach adopted by the Commission on these three topics could be summarised as follows: - decoupling: the Commission envisaged a single, direct payment per holding, decoupled from production, paid to farmers having a past reference period of production. Beginning in 2004, its scope would cover existing and new direct payments for cereals, oilseeds, protein crops, grain legumes, starch potatoes, beef, sheep, rice, durum wheat and dried fodder; - dynamic modulation: in its Communication, the Commission suggested that dynamic modulation would be obligatory in all Member States from 2004, meaning that all direct payments to holdings would be reduced progressively in annual steps of 3% until the total reduction reached 20%. Under a so-called ‘franchise’ system, holdings receiving less than EUR 5 000 of direct payments per annum would be excluded from the reduction. After the application of the franchise and modulation, the maximum level of direct payments for a holding would be EUR 300 000 (‘capping’); - cross-compliance: the Commission envisaged that the full award of direct payments would be linked with compliance, on the entire holding, with regulatory standards on environment, animal health and welfare, food safety and occupational safety for farm workers.