Basic information

2009/2155(INI) INI - Own-initiative procedure	Procedure completed
Simplification of the CAP **Subject** 3.10 Agricultural policy and economies	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
AGRI Agriculture and Rural Development	ASHWORTH Richard (ECR)	02/09/2009

Committee for opinion	Rapporteur for opinion	Appointed
ENVI Environment, Public Health and Food Safety	The committee decided not to give an opinion.	

Council of the European Union

Council configuration	Meetings	Date
Agriculture and Fisheries	2986	2009-12-14

European Commission

Commission DG	Commissioner
Agriculture and Rural Development	CIOLOŞ Dacian

Key events

Date	Event	Reference	Summary
18/03/2009	Non-legislative basic document published	COM(2009)0128	Summary
22/10/2009	Committee referral announced in Parliament		
14/12/2009	Debate in Council		Summary
16/03/2010	Vote in committee		Summary
22/03/2010	Committee report tabled for plenary	A7-0051/2010	
19/04/2010	Debate in Parliament		
18/05/2010	Decision by Parliament	T7-0172/2010	Summary

18/05/2010	Results of vote in Parliament		
18/05/2010	End of procedure in Parliament		

Technical information	
Procedure reference	2009/2155(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Initiative
Legal basis	Rules of Procedure EP 55
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	AGRI/7/00913

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE428.319	28/01/2010	
Amendments tabled in committee		PE439.113	26/02/2010	
Committee report tabled for plenary, single reading		A7-0051/2010	22/03/2010	
Text adopted by Parliament, single reading		T7-0172/2010	18/05/2010	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2009)0128	18/03/2009	Summary
Commission response to text adopted in plenary	SP(2010)4416	16/09/2010	

National parliaments

Document type	Parliament /Chamber	Reference	Date	Summary
Contribution	IT_SENATE	COM(2009)0128	01/10/2009	

Simplification of the CAP

2009/2155(INI) - 18/03/2009 - Non-legislative basic document

PURPOSE: to simplify the Common Agricultural Policy with a view to reaching its objective to reduce the administrative burden in agriculture by 25% by 2012.

BACKGROUND: the Commission presented in 2005 a Communication on Simplification and Better Regulation for the Common Agricultural Policy (CAP) (COM(2005)0509). This set out an ambitious programme for a significant simplification of the CAP. The programme and its implementation are fully embedded in the overall Commission strategy on Better Regulation and in particular the Simplification Rolling Programme and the Action Programme for Reducing Administrative Burden.

In the meantime an impressive number of CAP-related simplification projects have been completed. It is now timely and appropriate to take stock and look at what has been accomplished.

The results of the simplification process show that the Commission's efforts to move towards a simpler CAP have been remarkably successful. Its active continuation in the future is a clear sign of the Commission's commitment to further simplification. On the basis of first results of the measurement exercise one can realistically expect **the objective of a 25% reduction of administrative burden in 2012 to be met**.

CONTENT: this communication will highlight the activities that have been carried out since 2005, and give indications of the resulting reduction in administrative burden for farmers and administrations3. Special attention will be paid to the rolling Simplification Action Plan, the single CMO, the 2007 study on administrative burden for farms and the results of the Health Check process. To conclude, the communication will explore paths to further simplification actions in the future.

Achievements since 2005: in 2005, the European Commission committed to taking on a series of activities that can be qualified as either technical or policy simplification:

- identification and elimination of obsolete Council and Commission legal acts is done continuously, as for example in the milk sector;
- the adoption of Council adopted Regulation (EC) No 1234/2007 also known as the single CMO which groups together all the sectoral common organisations of the market and replaces 45 Council Acts;
- the Commission modified and streamlined its policy on state aid in the agricultural sector;
- for the purpose of exchanging views on simplification and sharing ideas and experiences, several platforms were established;
- the sugar reform, formally adopted in the beginning of 2006, resulted in a tangible simplification of the system;
- in its first years of existence, the Single Payment Scheme has been adapted on several occasions with a view to simplifying its functioning and making it more "farmer friendly";
- reforms in the fruit and vegetable sector as well as in the wine sector have made rules simpler;

- during the past years, the instrument of impact assessment became an indispensable tool for preparing important reforms in the agricultural sector and comprises substantial involvement of stakeholders at an early stage.

The Common Agricultural Policy Simplification Action Plan: during the 2006 conference, the first version of the "rolling" Simplification Action Plan was presented. It set out 20 projects for technical simplification of the CAP. The plan has evolved to around 50 projects by January 2009 of which 43 have been implemented. The following projects deserve to be explained in greater detail as they are good examples for the positive impact simplification can have on operators and/or farmers.

- **Beef export licences**: the Commission adopted in 2007 a sector specific simplification measure in the beef and veal sector. Exports in this sector with or without an export refund used to be accompanied by a licence. While it is essential to continue monitoring trade in products exported with a refund, it no longer appeared necessary to monitor exports of goods traded without a refund. Therefore, the Commission removed the obligation to present an export licence for such exports. This measure reduces the costs of exporting beef by an average of around EUR 16 per tonne. In addition, it removes red tape and improves the business environment.

- **Egg labelling**: in 2007 the European Commission adopted a new set of detailed rules concerning marketing standards of eggs and in particular concerning the labelling of eggs. The new rules allow eggs to be collected, graded, marked and packed within 10 days of lay, rather than being collected every third working day. This helps the industry organise itself better, which is especially useful at busy times of year. The new flexibility reduces costs for producers and the downstream sector as well as control costs for Member States.
- **10-month rule**: Council Regulation (EC) No 1782/2003 stated that parcels declared by a farmer for direct payments have to be at the farmer's disposal for a period of at least 10 months.
- This provision has been abolished and the 10-month period replaced by a single date, which may be determined by the Member State. The abolition of the 10-month rule is likely to lead to a reduction in administrative burden for farms of around EUR 19 million.
- **Import-export licences**: in June 2008, the Commission eliminated the vast majority of licence obligations in the agricultural sector. The advantages for operators (importers and exporters) are: (i) they will save on the administrative costs of handling the paperwork associated with imports or exports; (ii) they will no longer incur the costs of depositing (and recovering) licence securities. This measure is likely to reduce the overall burden associated with licences to operators by approximately EUR 7.4 million.
- **Marketing standards fruit and vegetables**: the Commission reduced the number of specific marketing standards from 36 to 10 (apples, citrus fruit, kiwifruit, lettuces and endives, peaches and nectarines, pears, strawberries, sweet peppers, table grapes and tomatoes), rationalised the associated checking operations and established a general marketing standard covering most fruit and vegetables. As a result of this measure, operators no longer face compliance costs except for ensuring that their products are of sound, fair and marketable quality and national authorities no longer have to carry out controls for these 26 specific standards.
- **Cross-compliance**: to simplify the system, the Commission allowed advance notice for on-the-spot checks. These improvements allow farmers to better plan their activities, demand less paperwork to remedy small infringements and remove the threat to be penalised for trivial infractions. The measure also simplifies the task of national administrations. Providing advance notice for on-the-spot checks may lead to a reduction in dministrative burden to farms of up to EUR 5.7 million.

Special focus: this document outlines three CAP simplification activities of key importance. These projects relate to legislative simplification, administrative burdens and policy simplification and have a cross-sector impact: the single CMO, the study on administrative burden and the Health Check:

- **Single CMO**: the new regulation groups together and replaces all 21 individual common organisations of the market into one single regulation, thereby reducing the number of articles from around 920 to around 230 and repealing a total of 78 Council acts. On a macro level, the adoption of the single CMO has substantially reduced the number of acts governing the CAP. Lastly, the single CMO facilitates further simplification and reduction of administrative burden at the level of Commission implementing provisions.
- **Study on administrative burdens**: the results of the study indicate that administrative burden to farms will decrease substantially. One factor is the learning curve effect and the disappearance of the administrative costs associated with the start-up of the Single Payment Scheme. The changes decided in the Health Check also explain the disappearance of these costs.
- **Health Check**: the Health Check is likely to lead to a reduction in administrative burden to farms of around EUR 135 million as result of abolishing the special schemes for energy crops, crop area payment, durum wheat, nuts and starch potatoes. Moreover, the abolition of set-aside is estimated to reduce administrative burden to farms by EUR 146 million.

Outlook: the progress made over recent years will by no means lead to a standstill of simplification activities for the agricultural sector. Simplification and reduction of unnecessary administrative burden are permanent tasks that do not take care of themselves. To keep the momentum going and to create an environment which establishes appropriate conditions for further simplification of the CAP, the following elements and projects are scheduled for the coming years:

- **common starting date**: the start of application of legislative modifications in the CAP is generally centred on fixed dates, such as the beginning of the marketing year. To further facilitate an easier monitoring of policy and policy changes as well as anticipating them, the possible introduction of common starting dates21 for legislative changes in the CAP will be further examined;
- **cross-compliance**: the idea of developing a proposal for one single legal act on cross-compliance by harmonising the current rules will be further evaluated;
- **communications**: the Commission will endeavour to simplify and harmonise the legal framework for communication and conservation of information and documents in the context of shared management of the CAP;
- **"Harvest Experience"**: as from 2010, a training programme will be set up for officials from the Directorate General for Agriculture and Rural Development which involves a farm stay;
- **quality policy**: the Green Paper on agricultural product quality (COM(2008)0641) initiates a broad public consultation on quality policy and addresses the issue of simplification and reduction of administrative burden, in particular with regard to marketing standards, certification schemes and geographical indication systems. The Commission will issue a Communication in May 2009, at the end of the public consultation;
- **continuation of the Action Plan**: the Action Plan will continue to "roll" and new projects will be added and implemented. One of these new projects concerns the hops sector.

Lastly, the Commission will continue organising meetings with Member States and stakeholders to discuss and further develop activities on simplification of the CAP. It is also in this context that possibilities for further simplification of cross-compliance may be elaborated.

Simplification of the CAP

2009/2155(INI) - 18/05/2010 - Text adopted by Parliament, single reading

The European Parliament adopted a resolution on the simplification of the CAP in response to the Commission Communication entitled “A simplified CAP for Europe - a success for all”.

General Principles: firstly, the resolution underlines that **further simplification of the CAP is necessary** to reduce its implementation costs for EU institutions, Member States and the beneficiaries themselves.

Members ask the Commission, when introducing new regulation, to simultaneously seek to remove unnecessary burdens. The Commission is called upon to harmonise CAP rules by eliminating the duplication of tasks and reducing bureaucracy, with a view to increasing the competitiveness of the agricultural sector in all the Member States. CAP measures should be proportionate to the objective and that the legislative path should be chosen only where it is genuinely justifiable, thereby avoiding a legal construction which is difficult for farmers to understand. Parliament expects that, in line with the principles of better regulation, all future legislation will be accompanied by a full impact assessment with consideration for regulatory and administrative burdens.

Member States should allow **self-certification** where possible and they should have the option, in rural development plans, to introduce a flat-rate land parcels scheme, particularly for small farms, on condition that compliance with the obligations entered into is guaranteed.

Parliament calls for the European Union to introduce efficient mechanisms to **curb price volatility** with a view to the future.

As regards **error correction**, the resolution calls for the possibility of autonomous error correction which would allow recipients of payments who unintentionally broke the rules to inform the authorities without becoming liable to fines as a result. It points out that the system of fines for farmers for errors in payment claims should be commensurate with the scale of the infringement and that penalties should not be applied in the case of minor mistakes, and particularly not in the case of errors that are not the fault of the farmer.

Parliament points out the problem of farmers with **spouses** who run separate agricultural holdings, who should therefore have separate rights and obligations with respect to claims for CAP payments.

Parliament points out that any administrative fines, including the obligation to pay back any payments obtained by the farmer, should not be based on circumstances objectively beyond the farmer’s control.

Cross Compliance (CC): the resolution emphasises that, according to the UN, global food production must increase by 70% by 2050 to meet the demands of nine billion people. Parliament believes that the basic aim of inspections is to give advice to farmers and put them on the right track in order to better comply with the legislative requirements with as little encumbrance as possible.

Members consider that cross-compliance requirements should be laid down and should also take farm size into account so as to reduce the burden on small farms, where the risk is lower. The number of CC requirements should be reduced and their **scope updated**.

The resolution insists on the following issues:

- inspections should continue to be carried out by the **public authorities** to ensure they are independent and impartial;
- penalties to farmers for failure to comply with regulations should be applied in a transparent, simple and proportionate manner which takes account of the realities on the ground;
- the statutory requirements for CC control should be **easily understandable** for farmers and control authorities;
- Members consider that Member States, or regional and local authorities, as appropriate, should be allowed to **reduce the inspection quota to a specific lower limit** if they have a risk analysis framework that complies with Community law requirements, along with evidence of high compliance;
- more help and advice through efficient information and advisory tools, such as a **telephone helpline** or the use of the Internet, would help prevent infringements and give Member States the means to steadily reduce their inspection quota;
- the controls carried out – or due to be carried out – at farms by the various parties whose job or statutory duty it is to conduct them should be coordinated with a view to **reducing the number of farm inspection visits**.

Parliament considers that a **communication plan on cross-compliance** should be drawn up in order to provide as much information as possible, for both farmers and consumers, about cross-compliance requirements and the benefits arising from the public goods and services delivered by farmers whose activities comply with those requirements.

The resolution calls for the authorisation of a **practicable and transparent system of indicators** with the aim of simplifying the assessment instruments for CC checks and calls for abolition of the current system and of the possibility of two or more penalties being imposed for a single error. It is also considered that a **single legislative text** should be drawn up on cross-compliance and that the positive externalities generated by farms, in terms of public goods and services, should be fairly remunerated.

Direct payments: Members consider that farmers must have access to workable systems that allow them easily and without needless bureaucracy to submit applications for direct payments, typically in the place in which they live. In order to simplify the rules for the single payment scheme, the provision of the same detailed information on an annual basis should be abolished. They call for more flexible payment arrangements to be permitted which make it possible to make payments even before all checks have been definitively completed. They believe that the current definition of agricultural activity for the purposes of single payment should be reviewed in order to ensure that claimants who are not active farmers are not eligible. The Commission should also review the system of control and settlement of accounts as well as adopt a more proportionate and, ultimately, a risk-based approach to the application of regulatory controls, the conduct of compliance audits and the imposition of financial corrections. The Commission is invited to come forward with proposals by means of which the audit and control framework for the CAP might be improved.

Rural development: Members stress that simplification of the CAP must go hand-in-hand with simplification of its implementation, and calls on the Member States to minimise the bureaucratic formalities required of potential CAP beneficiaries, especially in the area of rural development. They call on Member States, in their national rural development programmes, to place at the disposal of potential beneficiaries systems that guarantee transparency, and to grant them the necessary time to prepare applications for financing and meet the various eligibility criteria for the aid schemes. The resolution notes with concern the **high level of errors in applications for direct payments** recorded in some Member States. These errors are attributable mainly to the orthophotographic equipment used, rather than to farmers. They call for such errors to be punished only in cases of clear attempted fraud.

They also consider that legislation which presents a conflict with other legislation should be regularised before being imposed on the farmer (e.g. environment legislation and single payments scheme). The resolution considers that the rules concerning eligibility of the VAT to be financed under Pillar II of the CAP, especially for activities performed by bodies governed by public law, should be harmonised with those used for the Structural Funds.

Animal identification: the resolution urges the Commission to examine the system of animal identification used in each Member State and to work towards a uniform system of animal identification ensuring that unnecessary regulation is removed: in particular, examination of producer numbers and holding numbers, the number of registers required and the difference between producer and holding. It calls for **far-reaching harmonisation of the currently very differentiated animal identification regulations**. It also calls for the deferment of the obligation on the electronic identification of sheep and goats starting from 31 December 2009, given its excessive cost in a time of economic crisis.

Lastly, Parliament calls for an amnesty of three years on cross-compliance penalties relating to electronic identification of sheep and goats, given that this is a new and complex technology and will require some time for farmers to become accustomed to and road-test. The Commission is called upon to conduct a thorough review of the regulation.

Simplification of the CAP

2009/2155(INI) - 14/12/2009

The Council took note of the views expressed by ministers on the Simplification of the Common agricultural policy (CAP) based on a Commission staff working document.

Under the Swedish Presidency, which had made a priority of it, the topic has been addressed in different ways and from different angles, in particular by the Chief Veterinary Officers and by the Conference of the Paying Agencies, as well ad during a workshop organised in Brussels in September.

The Council had adopted conclusions on simplification of the CAP in May, inviting the Commission to examine and assess by the end of the year a list 39 concrete simplification suggestions submitted by 16 Member States.

Today, **several Member States have expressed satisfaction on the outcome of the Commission's assessment of the 39 suggestions for simplification**, and have in particular welcomed the Commission's commitment to prepare in the coming months a number of draft acts and proposals to follow up on a number of suggestions made, including alternative solutions.

Others, however, pointed out that the Commission's assessment did not lead to a positive follow-up on a number of suggestions made and would like to see those suggestions being reviewed through a political process.

Moreover, several delegations have indicated areas where they see scope for further simplification, and have asked the Commission in particular to take a more proportionate and risk-based approach to carrying out controls, conducting compliance audits and imposing financial corrections.

As regards the functioning of the Commission's Simplification Experts Group, a number of suggestions for improvement have been made. The Commissioner has noted those carefully.

For the near future, the Council would like to invite the Commission services to come forward with the draft acts and proposals indicated in the working document, and to continue working on the various ongoing simplification projects, in particular through the Simplification Experts Group.