Basic information

2013/2687(DEA) DEA - Delegated acts procedure	Procedure completed - delegated act enters into force
Basis of calculation for reductions to be applied to farmers by Member States due to the adjustment of payments in 2013 and financial discipline for calendar year 2013 Supplementing 2008/0103(CNS) **Subject** 3.10.14 Support for producers and premiums	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
AGRI Agriculture and Rural Development		

European Commission

Commission DG	Commissioner
Agriculture and Rural Development	CIOLOŞ Dacian

Key events

Date	Event	Reference	Summary
25/04/2013	Non-legislative basic document published	C(2013)02315	
25/04/2013	Initial period for examining delegated act 2 month(s)		
23/05/2013	Committee referral announced in Parliament		
29/10/2013	Delegated act not objected by Parliament		

Technical information

Procedure reference	2013/2687(DEA)
Procedure type	DEA - Delegated acts procedure
Procedure subtype	Examination of delegated act
Amendments and repeals	Supplementing 2008/0103(CNS)
Stage reached in procedure	Procedure completed - delegated act enters into force
Committee dossier	AGRI/7/13074

Documentation gateway

European Commission			
Document type	Reference	Date	Summary
Non-legislative basic document	C(2013)02315	25/04/2013	

Basis of calculation for reductions to be applied to farmers by Member States due to the adjustment of payments in 2013 and financial discipline for calendar year 2013

2013/2687(DEA) - 15/07/2008

The Council held a **policy debate** on the Health Check of the CAP, as reformed in 2003-2004. (See Council doc.*9656/08*). The debate was structured by a Presidency questionnaire relating to 4 important aspects of the proposal: modulation, market management mechanisms, dairy quotas and cross-compliance.

Regarding the **increase** in the rate of compulsory **modulation** proposed by the Commission, several delegations wanted to continue exploring the other options for the funding needed to meet the new challenges. Some Member States reiterated their preference for keeping a strong Pillar I, while others considered that Pillar II already took on board the new challenges. The co-financing of funds derived from modulation also raises questions from a number of Member States.

The discussion on **market management mechanisms** showed that maintaining a real safety net was a common objective. Nevertheless, a number of delegations expressed doubts regarding the abolition of intervention and the mechanism of buying-in under a tendering procedure.

Several delegations wished to maintain aid for private storage in the dairy sector, as well as intervention for pigmeat.

The "soft landing" principle for the phasing out of **milk quotas** is accepted by a majority of delegations, but on the other hand there is not yet any consensus on how to achieve it.

A number of delegations thus considered the level of the proposed annual increases (5 times 1 %) inadequate. The report envisaging a reassessment of the situation by the end of June 2011 was welcomed by some Member States, while others thought an immediate decision should be taken. The concern to provide for suitable accompanying measures was expressed by several Member States, especially in vulnerable areas.

All delegations welcomed the effort made to simplify the **cross-compliance rules** and pressed for the process to continue, making the rules more transparent both for operators and for the authorities monitoring their application.

A large number of delegations felt that **good agricultural and environmental practices** (GAEP) should remain indicative, in order to take account of the specific situations in the individual Member States.

The Council instructed the preparatory bodies to continue their technical and political proceedings with a view to reaching agreement on this matter in November 2008.

Basis of calculation for reductions to be applied to farmers by Member States due to the adjustment of payments in 2013 and financial discipline for calendar year 2013

2013/2687(DEA) - 23/06/2008

The Council held a **policy debate** on the proposed legislative package for the "Health Check" of the CAP since the 2003 reform. The debate focused on two questions drawn up by the Presidency, one on the proposal for further decoupling, and the other on the proposal for specific support measures under a revised version of Article 69 of Regulation 1782/2003.

- Most delegations welcomed the proposal for **further decoupling**, which is in the spirit of the 2003 reform, In their opinion, decoupling provides the necessary impetus to allow farmers to respond to market signals. However, several delegations considered that for certain vulnerable sectors **coupled or partial coupled payments may still be necessary** at least over a transitional period. In this context they highlighted the risks of land abandonment, loss of biodiversity and/or serious irreversible social impacts. With regard to the specific support provided for under a "**revised Article 69**" (new Article 68 in the proposal), several delegations reiterated their request for this to be **simpler and more flexible** so that each member state can choose how to target the support appropriately. Other delegations underlined the importance of ensuring that the measures would not distort trade or competition or reintroduce coupled payments and that to this end the measures envisaged should only be transitional.

- Delegations also had concerns about the proposed restrictions on the financing of this measure. Some delegations considered that there were other possible financing solutions such as using unused funds earmarked for direct payments, reclassifying some of the measures under rural development, and increasing the ceilings imposed). Some delegations also criticised the proposal on mutual funds to provide financial compensation to farmers as a result of animal or plant disease crises and considered that the current text set out in Article 44 of the Single CMO Regulation (Regulation 1234/2007) was a more satisfactory tool.

The future French Presidency indicated its intention to take forward its preparatory work, with the aim of reaching political agreement in November. To that end, it will table policy debates Council level on this item, in July and September 2008.

Basis of calculation for reductions to be applied to farmers by Member States due to the adjustment of payments in 2013 and financial discipline for calendar year 2013

2013/2687(DEA) - 18/11/2008

The Council reached **political agreement** on this dossier, which pursues three essential objectives: to improve the single payment scheme, to modernise agricultural market management tools, and to respond to the new challenges of climate change such as bioenergy production, water management and the preservation of biodiversity.

The main elements of the agreement are as follows:

Additional modulation: the current 5 % modulation rate will be increased as set out in the following table, with a franchise of EUR 5 000.

Progressive modulation: a progressive modulation of 4 % will be added from 2009 (budget year 2010) onwards, for amounts above EUR 300 000.

Support for sectors in difficulty: from 2010, the Member States will be able to use up to 10 % of their national ceilings and up to 4 % of their unused national funds to grant support to farmers for certain types of agriculture which are important in terms of the protection or improvement of the environment, to improve the quality of agricultural products or their marketing and for the purposes of animal welfare and protection. This support may also be used to compensate for specific disadvantages in certain sectors.

Crop insurance and mutual funds: support from Member States may also take the form of a financial contribution to the payment of crop, animal and plant insurance premiums covering financial loss caused by unfavourable weather conditions and animal or plant diseases or parasitic infections, or of contributions to mutual funds in the case of animal or plant diseases or environmental incidents.

Abolition of set-aside: this abolition is to be compensated for by a strengthening of Community provisions to protect, where appropriate, special features of the landscape such as buffer strips along water courses.

Pace of decoupling: aid for arable crops, durum wheat, olive oil and hops will be decoupled on 1 January 2010. Aid for beef and veal (with the exception of suckling cows), rice, nuts, seed, protein plants and starch potato cultivation will be decoupled on 1 January 2012 at the latest. Finally, the decoupling of aid for the processing of dried fodder will take place by 1 April 2012 at the latest, and that for potato starch, hemp and flax on 1 July 2012.

Minimum conditions for the granting of aid: no payment for an amount of aid of less than EUR 100 or for an eligible area smaller than 1 hectare (with the possibility for Member States to refine the thresholds).

New challenges: besides the new challenges identified in the Commission proposal (climate change, renewable energy, management of water, biodiversity), the additional funds stemming from the increase in modulation may be used to finance measures such as innovation in the areas mentioned above, or accompanying measures in the dairy sector.

Dairy sector: to ensure that there is a "soft landing" for the milk quota scheme, an increase of 1 % per year in 2009, 2010, 2011, 2012, and for the marketing year 2013/2014, to prepare for their planned disappearance in 2015, has been accepted. Two interim reports by the Commission will assess the situation in the sector at the latest in December 2010 and December 2012. The status quo is maintained for aid for the private storage of butter.

Tobacco: the sector will be restructured through the rural development funds, with the assistance of the Commission.

Hemp and flax: aid for long fibres is set at: EUR 200 per tonne with effect from 1 July 2009; EUR 160 per tonne with effect from 1 July 2010, with total decoupling from 1 July 2012 and integration into the single payment scheme on 1 January 2012.

Intervention: the measures in force in the dairy sector will be maintained in a simplified form, with the maximum quantities being set at 30 000 tonnes for butter and 109 000 tonnes for skimmed milk powder. For soft wheat, intervention will take place from 1 November to 31 May, at the intervention price of EUR 101.31 per tonne, for a maximum quantity of 3 million tonnes, and purchase by tender beyond that. Finally, intervention for durum wheat, rice, barley and sorghum will be maintained as a market management instrument but with the thresholds set at zero as for intervention for maize.

Cross-compliance: the list of legislative texts setting conditions for payment of the full amount of Community aids has been adapted. The Council and the Commission have undertaken to continue the exercise of simplification of the cross-compliance rules, both for national administrations and for those they administer.