Basic information

2014/0097(COD) COD - Ordinary legislative procedure (ex-codecision procedure) Regulation	Procedure lapsed or withdrawn
Common agricultural policy (CAP): adjustment rate for direct payments in respect of the year 2014 **Subject** 3.10.14 Support for producers and premiums	

Key players

Council of the European Union	
European Commission	Commission DG: Agriculture and Rural Development Commissioner: CIOLOŞ Dacian
European Economic and Social Committee	

Key events

Date	Event	Reference	Summary
21/03/2014	Legislative proposal published	COM(2014)0175	Summary
02/04/2014	Committee referral announced in Parliament, 1st reading		
07/03/2015	Proposal withdrawn by Commission		

Technical information

Procedure reference	2014/0097(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Regulation
Legal basis	Treaty on the Functioning of the European Union TFEU 043-p2
Mandatory consultation of other institutions	European Economic and Social Committee
Stage reached in procedure	Procedure lapsed or withdrawn
Committee dossier	AGRI/8/00395

Documentation gateway

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2014)0175	21/03/2014	Summary

National parliaments

Document type	Parliament /Chamber	Reference	Date	Summary
Contribution	IT_SENATE	COM(2014)0175	12/05/2014	
Contribution	ES_PARLIAMENT	COM(2014)0175	19/05/2014	

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
EESC	Economic and Social Committee: opinion, report	CES2897/2014	04/06/2014	

Additional information		
Source	**Document**	**Date**
European Commission	EUR-Lex	

Common agricultural policy (CAP): adjustment rate for direct payments in respect of the year 2014

2014/0097(COD) - 21/03/2014 - Legislative proposal

PURPOSE: to fix an adjustment rate for direct payments provided for in Council Regulation (EC) No 73/2009 in respect of calendar year 2014.

PROPOSED ACT: Regulation of the European Parliament and the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: Regulation (EU) No 1306/2013 of the European Parliament and of the Council lays down that a reserve intended to provide additional support for the agricultural sector in the case of major crises affecting the agricultural production or distribution has to be established by applying, at the beginning of each year, a reduction to direct payments with the financial discipline mechanism referred to in the Regulation.

Article 26(1) of Regulation (EU) No 1306/2013 lays down that in order to ensure that the annual ceilings set out in Council Regulation (EU, Euratom) No 1311/2013 for the financing of the market related expenditure and direct payments are respected, an adjustment rate for direct payments has to be determined when the forecasts for the financing of the measures financed under that sub-ceiling for a given financial year indicate that the applicable annual ceilings will be exceeded.

The amount of the reserve for crises in the agricultural sector, foreseen to be included in the Commission 2015 Draft Budget, amounts to EUR 433 million in current prices. To cover this amount, the financial discipline mechanism has to apply to direct payments listed in Annex I to Council Regulation (EC) No 73/2009 in respect of calendar year 2014.

CONTENT: the proposed Regulation **sets the financial discipline adjustment rate** to be applied to the amounts of direct payments to be granted to farmers in excess of **EUR 2 000 for aid applications lodged in respect of calendar year 2014**.

The amounts of direct payments to be granted to a farmer in excess of EUR 2 000 for an aid application submitted in respect of calendar year 2014 shall be reduced by **1.301951%.**

Since direct payments in **Bulgaria, Romania and Croatia**, are in the process of phasing-in in calendar year 2014, the financial discipline will not apply to these Member States as a consequence.

BUDGETARY IMPLICATION: the calculation of the financial discipline adjustment rate is part of the preparation of the 2015 Draft Budget.

The amount of the reserve for crises in the agricultural sector, foreseen to be included in the Commission 2015 Draft Budget, amounts to EUR 433 million in current prices. The first estimates of budget appropriations for direct aids and market related expenditure showed that the EAGF sub-ceiling for 2015 after financial transfers between EAGF and EAFRD is not likely to be exceeded. The net balance available for EAGF expenditure for 2015 used as a basis for this calculation is EUR 44 190 million.

Thus the total reduction resulting from the application of financial discipline amounts to **EUR 433 million**. T

The application of this adjustment rate (1.301951%) will result in the reduction of the amounts of direct payments for budget lines covering expenditure relating to aid applications submitted by farmers in respect of calendar year 2014 (financial year 2015).