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from: General Secretariat
to: Special Committee on Agriculture / Council

Subject: Proposal for a Regulation of the European Parliament and of the Council
establishing rules for direct payments to farmers under support schemes within the
framework of the common agricultural policy
– Outcome of the European Parliament's proceedings
(Strasbourg, 11 to 14 March 2013)

I. INTRODUCTION

The Rapporteur, Mr. Luis Manuel CAPOULAS SANTOS (S&D, PT), presented a proposal for a decision on the opening of, and mandate for interinstitutional negotiations to the proposal for a Regulation, on behalf of the Committee on Agriculture and Rural Development.

The proposal was tabled in accordance with the recently established Rule 70 a of the Parliament's Rules of Procedure and it was the first time that the plenary was asked to debate and decide on a negotiating mandate in that context.

The proposal contained 98 amendments (amendments 1-98). In addition 96 other amendments (amendments 99 - 198¹) had been tabled by political groups (EPP, S&D, ALDE, Greens/EFA, ECR, EUL/NGL) or groups of 40 or more individual MEPs.

II. DEBATE

The debate which was held on 12 March 2013 was a joint debate on four proposals under the ordinary legislative procedure:

- Proposal for a Regulation of the European Parliament and of the Council establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy (2011/0280 COD);
- Proposal for a Regulation of the European Parliament and of the Council establishing a common organisation of the markets in agricultural products (Single CMO Regulation) (2011/0281) COD;
- Proposal for a Regulation of the European Parliament and of the Council on the financing, management and monitoring of the common agricultural policy (horizontal regulation) (2011/0288 COD);
- Proposal for a Regulation of the European Parliament and of the Council on support for rural development by the European Agricultural Fund for Rural development (EAFRD) (2011/0282 COD).

The rapporteur for two of the proposals (direct payments and rural development), Mr. Luis Manuel CAPOULAS SANTOS (S&D, PT) opened the debate and:

- Labelled the reports on the two proposals as a good basis for negotiations and underscored those elements of the proposals that would make the CAP greener, fairer and closer to farmers and citizens.
- In this context highlighted:
 - 30 % of direct payments for ecological purposes, maintenance of pastures and diversification

¹ Four amendments had been cancelled or withdrawn.

- De-bureaucratising measures to the advantage of farmers and authorities.
 - Preserving 25 % of the national budgets for ecological/biological products
 - Definition of the active farmer, excluding subsidies for those surfaces that are not serving agricultural purposes (airports, golf courses).
 - The capping of 300.000 EURO.
 - Incentives for young people to become farmers, including incentives to move to rural areas.
- In his capacity as co-ordinator for the S&D group stated that his group supported the compromises struck but had tabled amendments on four fundamental issues, including on transparency rules ensuring that information on the use of public funding (i.e. the beneficiaries) should be published. There should be no double financing - farmers should only receive support for land that is used for agricultural purposes.

The rapporteur for the proposal on the Common Market Organisation (CMO), Mr. Michel DANTIN (EPP, FR):

- Pointed out that the proposals on the Common Market Organisation reflected a situation with limited budgets and opened up new possibilities for producers to organise themselves in order to have greater leverage in commercial negotiations.
- Stated that the Committee had judged it necessary to complement the proposals to take account of a number of recent developments, e.g. the increased volatility in the price of raw materials. The markets in agriculture could thus not be left totally unmanaged. In a situation with less market intervention, the producers' position should be strengthened and this called for a reflection on competition rules that often went against the common initiatives of the producers.
- Recalled that the EU was bound by international agreements and in this context argued in favour for keeping export subsidies, albeit only for serious crisis situations, unless abandoned by the other main exporters of agricultural products. In the same vein and in order to protect consumers, the same standards for imports should be applied as for internally produced products.

- In relation to some sector policies, spoke in favour of protecting planting rights in the vine sector, the phasing out of sugar quotas allowing for the producers to become competitive on the world markets and to complement the abolition of milk quotas with measures to mitigate the serious problems this will entail for certain regions.

The rapporteur for the proposal for a horizontal regulation, Mr. Giovanni LA VIA (EPP, IT):

- Stated that the Parliament had come up with solutions that would simplify the administrative burdens for farmers that were still in a very difficult economic situation, in the form of simple instruments that should ensure the observance of rules and the better use of funds.
- Argued that there was a need to distinguish between fraud and irregularities and in this context highlighted that, for greening, the administrative fines should not go beyond the basic payments.
- Underlined the important role of Member States in implementation (proper controls and certification and on-the-spot checks, including some sort of "premium" for better performing Member States).
- Supported the suggestion that if regions cannot use regional development funds, those funds should remain in-country and be passed on to the most deserving causes.
- As concerns transparency, advocated that farmers should not bear more administrative burdens than others that receive aid.

Commissioner CIOLOS :

- Hoped for agreement by June this year. As concerns the main themes in the upcoming negotiations, he:
- Stated that on the key issue of "equity" and distribution of direct payments (capping, rebalancing of payments between Member States, concept of active farming, regression of aid, internal convergence to be achieved by 2019), this should be complemented with a number of measures such as compulsory EU-wide incentives for young farmers, a simplified scheme for small farms and maintenance of farming in less developed regions.

- Underlined the importance of greening as a necessary development both in terms of good management of natural resources as well as for the farmers and their economic competitiveness which actually was linked to the quality of soil and water. He warned against "greenwashing", but acknowledged and supported the principle of equivalence of certain agro-environmental practices under certain conditions.
- Highlighted the importance of 7 % of land being reserved for ecological purposes as a stabilising factor for ecosystems and as synonymous with productivity and competitiveness in the long term. He called for a credible sanctions system going beyond the loss of 30 % (aligned to the sanction system under pillar I in general)
- In parallel called for a strengthening of agriculture in the economy and in this context for a clarification of the competition rules as well as for measures for quickly responding to situations of crisis.
- Stated the need for establishing a tool for stabilisation of revenue in the context of pillar II. It was in this context that the end to sugar and vine quotas should be viewed.
- Labelled transparency of the financial support as the foundation for support by the taxpayers to the system of support to agriculture in the EU.

Ms. Birgit SCHNIEBER-JASTRAM (EPP, DE), rapporteur for the opinion of the Committee on Development, stated that from a development perspective the reform should have been different and that, in that context, her Committee had made some proposals to accommodate developing countries. Efforts should be made to create synergies between the two policies without undermining the legitimate aims of the agricultural policy. Within the agricultural policy, the actors should nevertheless recognise that it was not in their long term interest to unequivocally defend individual interests that went against those of developing countries.

Mr. Georgios PAPASTAMKOS (EPP, GR), rapporteur for the opinion of the Committee on Budgets, called for a strong CAP, including support to farmers, strengthening producers as market actors, actions for rural development and with imported products to follow the same standards as those within the EU.

Ms. Monika HOHLMEIER (EPP, DE), rapporteur for the opinion of the Committee on Budgetary Control, stated that on the one hand it was important to simplify rules for farmers and to have clear and transparent rules that farmers could understand and implement. On the other hand, it was equally important to ensure the quality of expenditure, pointing e.g. at the establishment of clear criteria for crisis situations and fair distribution of the burden amongst Member States so that focus was kept on the support to crisis and not on a struggle for money between Member States.

Mr. Tamás DEUTSCH (EPP, HU), rapporteur for the opinion of the Committee on Budgetary Control, underlined that the CAP was an important element in the budget. It should be guaranteed that payments reflected the interest of the weakest. He cited as an example tobacco farming in Hungary, which represented a livelihood for many people in poor regions and a way of keeping jobs in rural areas.

Mr. Dan JØRGENSEN (S&D, DK), rapporteur for the opinion of the Committee on Environment, Public Health and Food Safety, welcomed the Commission proposal that would make direct payments dependent on measures that make farming more green. Unfortunately the proposal was now about to be watered down, not by his Committee which had made proposals to strengthen the greening aspect, but by the AGRI Committee. He recalled that the Commissioner for the Environment, Mr. Potočník, had characterised some of the amendments as damaging for the European Environment.

Ms. Karin KADENBACH (S&D, AT), rapporteur for the opinion of the Committee on Environment, Public Health and Food Safety, supported her colleague and called for a turnaround in agricultural policy, not only because of the many food scandals but also because some of the scandals symbolise an outdated way of farming. Although some of the compromises were going in the right direction, they did not go far enough in many areas to ensure sustainability.

Ms. Catherine GRÈZE (EFA/Greens, FR), rapporteur for the opinion of the Committee on Regional Development, stated that these proposals would not change the orientation of the CAP, and that this would be to the detriment of farmers, the equilibrium of the land and to future generations. She mentioned her own constituency in the South West of France which suffered from pollution of water caused by monoculture and asked how long the Parliament would continue to support modern epidemics linked to an agriculture more focused on profit than the health of our children.

Mr. Younous OMARJEE (EUL/NGL, FR), rapporteur for the opinion of the Committee on Regional Development, spoke out against the abolition of sugar quotas. Market liberalisation would leave sugar planters at the mercy of the markets which hailed blind productivity and social dumping. In this context, he recalled the fate of the banana producers.

Ms. Elisabeth SCHROEDTER (EFA/Greens, DE), rapporteur for the opinion of the Committee on Regional Development, stated in the context of the proposal on rural development that the question was how the financial resources could be employed optimally for the sustainable development of the rural communities, thereby raising the living standards of the rural population. Her Committee had therefore made proposals to increase synergies between the various financing schemes.

Mr. Giommara UGGIAS (ALDE, IT), rapporteur for the opinion of the Committee on Regional Development, welcomed the proposals, highlighting in particular the horizontal regulation that was designed to increase effectiveness and meet the needs of farmers and rural communities. He also underlined the call for a greener and fairer CAP, for interoperability of resources and structures, as well as for a sustainable and less bureaucratic CAP.

Ms. Elisabeth KÖSTINGER, speaking on behalf of the EPP political group:

- Pointed out that the challenge of CAP reform was to take into account and, indeed, to accommodate the diverse structures of European agriculture. For many countries, rural development was the green heart of agriculture and the following day's vote would be a commitment to making agriculture more ecological in the future.

- In relation to one of the key points, the greening requirements, spoke in favour of taking into account farmer's participation in the EU's environment programmes. This would simplify administration and avoid penalising those who have already on a voluntary basis taken on greater burdens. It would be misleading to call that double payment in this context.
- Stated that calculations indicated that the proposal to introduce new criteria for determining the less developed regions would have a massive impact and criticised the Council for not having presented complete simulations in this regard.

Ms. Iratxe GARCÍA PÉREZ (S&D, ES), speaking on behalf of the S&D political group:

- Stated that the Commission proposals did not take account of European agricultural diversity and the need for flexible instruments adapted to the different realities that exist in the EU. A good job had nevertheless been done to find some compromises.
- Underlined that greening was indispensable.
- Supported coupled payments in order to support areas and sectors in crisis, to limit the number of hectares in relation to certain measures, to keep sugar quotas until 2020 and the wine quotas until 2030 and to reintroduce dairy quotas.

Mr. George LYON (ALDE, UK), speaking on behalf of the ALDE political group:

- Believed that the CAP should be the main driver in developing a more sustainable EU agricultural policy, one that can meet the growing demand for food production while at the same time cutting its energy use, cutting its resource use and cutting its greenhouse gas emissions.
- Stated that his group would support the compromises, both in the horizontal regulations and the direct payments, but that it wanted to see some changes, including:
 - ensuring that flexibility is given to Member States, and that greening is not used to water down the environmental impact of "greying". Any flexibility used by Member States should deliver the same environmental impact. Double funding was unjustifiable in these economic times.
 - having transparency measures so that the public can clearly see what its money is being spent on and who the recipients are.

Mr. Martin HÄUSLING (Greens/EFA, DE), speaking on behalf of the EFA/Greens political group:

- Called for a different orientation of CAP towards protection of resources, away from cheap mass production towards quality and towards a fair CAP for developing countries.
- Stated that the Commission's proposals were on the right track, but had unfortunately been watered down by the AGRI Committee. Compulsory greening was needed (ensuring crop rotation, 7 % of land reserved for ecological production and maintenance of pastures).
- Supported a capping of 100.000 EURO to ensure that the farmers and not the agricultural industry benefitted. The savings should be directed towards other areas. 3.5 million farmers had given up farming and it was time to reflect upon redistribution of funds and looking at whether payments were reaching the right destinations.

Mr. James NICHOLSON (ECR, UK), speaking on behalf of the ECR political group:

- Was of the opinion that the work in the Committee had improved the original Commission proposals, especially on greening, where the requirements for farmers had become more workable and realistic. However, greening was best delivered through the Pillar II schemes. Unfortunately Pillar II took a major hit in MFF negotiations.
- Expressed support for the line taken on direct payments, including on internal convergence (between Member States) and hoped that the Council will agree on the regions moving towards a flat-rate payment with an adequate transition period to allow for the necessary adjustments for the future.
- Despite the efforts put in, opposed the Dantin report on the Single CMO, as it would take Europe's agricultural sector back to the 1980s situation of butter mountains and milk lakes, an approach for which the money was no longer there. In addition, he had concerns over the measures that would give producer organisations the ability to regulate the supply of certain products and he objected to the extension of the sugar regime.

Mr. John Stuart AGNEW (EFD, UK), speaking on behalf of the EFD political group:

- Believed that the combination of 27 Member States and the Parliament being co-legislator was bound to lead a series of shambolic compromises that made a nonsense of the word ‘simplification’.
- Opposed measures to combat the non-existing problem of man-made global warming which will reduce food production at a time when major world commodities are in a state of under-supply. British farmers should not be told by the green lobby that they do not rotate crops properly, because there is no evidence to suggest this. Despite a strong demand for sugar, the reform proposals could make life difficult for both the sugar cane and the sugar beet sectors in the UK.
- Concluded that the EU was simply too big and diverse to adopt a common agricultural policy. This was evident from the issue on capping and ‘eligible farmers’. British taxpayers deserved a better return on their investment.

Mr. Patrick LE HYARIC (EUL/NGL, FR), speaking on behalf of the EUL/NGL political group:

- Stated that the proposed CAP reform did not respond to the challenges that confronted the farmers and the consumers. The proposals neither went against the global speculation in agricultural raw materials, leading to destruction of the environment and degrading of food security, nor the injustices linked to the decoupling of price from the labour put in.
- Supported capping at 100.000 EURO in order to ensure a fair distribution in favour of family-based rural farms, employment and sustainable development. The French suggestion of a premium for the first hectares would be a positive step.
- Spoke in favour of measures that would guarantee prices beyond the proposed crisis intervention, notably those maintaining dairy quotas.

More than 60 speakers then took the floor to comment on the proposals. Many of the observations echoed statements made by the speakers above. However, the following themes and comments could be highlighted to provide a flavour of the debate:

A number of speakers addressed the question of the market orientation of the CAP reform in general, including

- Ms. Britta REIMERS (ALDE, DE) who deplored that these proposals represented a step backwards, turning to old methods of regulation such as fixed prices. She was against deviating from the EU competition rules for this sector, including by compulsory membership of producers associations that would become dominant in the market. Farmers had in most areas proved that they could be competitive and, in those areas where they were not, support and help in this direction should be given.
- Mr. João FERREIRA (EUL/NGL, PT) by contrast found that the present proposals promoted a model that was too focused on market and competitiveness. They would not solve the problems but create more problems. He highlighted alternative proposals that had been put forward, including quota systems adjusted to the needs of every country, helping Member States with biggest deficits, redistribution to help small and medium sized farmers who farm in a sustainable way as well as national preference systems.

In this context, the issue of capping of direct payments was mentioned by several MEPs, including

- Mr. Marc TARABELLA (S&D, BE) who supported going further on capping, e.g. 100.000 or 200.000 EURO. 300.000 was a step in the right direction but not sufficient. He supported the proposed differentiated aid for the first hectares that would allow for redistribution of aid towards the smallest farms that were most in need of aid and the most worker intensive, thus supporting employment.
- Mr. Peter JAHR (EPP, DE) saw capping as going against the entrepreneurial spirit and as a form of socialism. He was opposed in principle to capping. If aid were needed, it should be part of social policy.

Further, several speakers criticised the allocation of payments between the different Member States, including:

- Mr. Jarosław KALINOWSKI (EPP, PL), who deplored the fact that there was no fair competition in agriculture because of the disparities in direct payments. The proposed changes were mostly symbolic. Direct payments should be based on objective criteria rather than based on the location of farmers.
- Ms Sandra KALNIETE (EPP, LV), who stated that the Baltic countries in particular were treated unfairly because they received the least support whereas costs were pretty much the same as in other countries and that there was a need to address the issue.

Some speakers criticised the maintenance of export subsidies (e.g. Ms. Ulrike RODUST (S&D, DE), some linking this to the lack of consideration for developing countries (Bas EICKHOUT, Greens/EFA, NL).

On the issue of quotas, those who made comments included:

- Ms. Esther HERRANZ GARCIA (EPP, ES), who underlined that the proposal on wine would undermine the ongoing efforts of producers under the present scheme to improve production and conquer new markets.
- Ms. Maria do Céu PATRÃO NEVES (EPP, PT), who called for a review of sugar and dairy quotas from the perspective of fairness and competitiveness.
- Ms. Isabelle DURANT (EFA/Greens, BE), who argued that over-production of milk was not a valid model but suicidal; suicidal for the farmers as they sell with a loss and suicidal for Europe which should distinguish itself by high-quality production rather than by selling its surplus to India, China or elsewhere.

On the proposal on rural development, a number of speakers addressed the issue of transferring money between Pillars I and Pillar II, including:

- Mr. Liam AYLWARD (ALDE, IE), who stated that it was important to ensure that any transfers from Pillar II to Pillar I are co-financed by the Member State in order to avoid hollowing-out Pillar I.
- Ms. Elisabeth JEGGLE (EPP, DE), who supported the strengthening of Pillar II by opening up the possibility to transfer funds from Pillar I.

On greening:

- Mr. Ivari PADAR (S&D, ET) called for a review of how the greening measures are implemented in Member States and the bureaucracy that it could entail.
- Mr. José BOVÉ (EFA/Greens, FR) stated that the suggestions in the report would allow the use of hormones and endanger the EU's rules on nitrates and water. He did not believe that the proposal on crop diversification (which would still allow one crop for 80% of the land) would change anything.

Mr. Paolo DE CASTRO (S&D, PT), Chairman of the Committee on Agriculture and rural development:

- Described the vote due to take place the following day, as the end of a long process in the Parliament which had permitted an open and democratic discussion on CAP reform with input from experts, lobbyist, interested circles, Commissioners and even with 27 ministers feeding in
- Congratulated the rapporteurs and shadows and everybody else involved in this huge democratic effort. 8000 amendments were discussed. The Parliament was now called upon to provide a remit to negotiate with Council and Commission in order to have a new CAP as soon as possible.
- Recalled that the vote would reflect difficult compromises on the basis of the Commission proposals aiming at simplifying bureaucracy, providing more instruments for market regulation and promoting a greener CAP. Some would have liked more greening but at least a majority was gathered in favour of 30 % greening in the first pillar.
- Called on the Commissioner to state whether the Commission overall supported the work of the Committee.

In his closing remarks, Commissioner CIOLOS noted that there was agreement on the objectives and principles. Views were aligned on many points. He addressed a number of comments critical to the Commission's proposals:

- He underlined the need to harmonise the 140 or so different criteria for determining what constitutes a less developed region.
- On the quotas, he argued that the future of the sectors concerned could not be shaped with the tools of the past. The situation should be monitored and other measures should be applied to frame these sectors.
- On the elimination of export subsidies, he recalled that these have not been used as a primary instrument for years but that their unilateral renunciation would weaken the EU's hand in negotiations to eliminate these worldwide.

Mr. Luis Manuel CAPOULAS SANTOS (S&D, PT) at the end of the debate:

- Concluded that, despite differences, there was vast common ground for the basic aims in the reform.
- Stated that a strong negotiation position was needed. This in turn required both the confirmation of the compromises that had been reached, and further reflection on some problems such as double-funding (which was not acceptable), problems of finance and cross-compliance to strengthen environmental aspects of the reform.

Mr. Michel DANTIN (EPP, FR) in his final statement:

- Recalled the drastic cut in the budget, which meant that it was no longer possible to use the tools and measures of the past.
- Clarified that the compromise would not maintain export subsidies because the budget line is set at zero. This tool was to be kept in reserve for crisis situations only. Agriculture was not being exempted from the competition rules, but the Member States should apply rules uniformly. Sugar quotas are to be abolished but producers should be given some time to adapt.

Mr. Giovanni LA VIA (EPP, IT) closed the debate and:

- Concluded that, divergences exist on some points and the vote would show whether the right balance has been struck.
- Recalled the issue of resources and the budget cuts proposed by the Council which go against what the Parliament wants. Further discussions should take into account the difficulty of doing more with less.
- Stated that nobody was against transparency but that the same rules should apply for all receivers of structural funds. The Commission's proposal went somewhat further in the field of agriculture.

III. VOTE

The vote took place on 13 March 2013 and lasted for two hours for the four proposals. In total some 1100 amendments to the Commission's proposals were voted on¹.

The European Parliament adopted a negotiation mandate containing 100 amendments to the proposal for a Regulation on direct payments.

All but three of the Committee's amendments (amendments 10, 62 and 81) were approved for inclusion in the negotiation mandate, together with five other amendments (amendments 104 and 105 by the S&D political group and amendments 139, 161 and 197 by groups of 40 or more individual MEPs).

The text of the European Parliament's decision on the opening of negotiations and the text of the negotiation mandate itself are set out in the annex to this note.

¹ See also docs. 7258/13, 7259/13 and 7260/13.

Direct payments to farmers under support schemes within the framework of the CAP (Decision on the opening of interinstitutional negotiations)

European Parliament decision of 13 March 2013 on the opening of, and on the mandate for, interinstitutional negotiations on the proposal for a regulation of the European Parliament and of the Council establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy (COM(2011)0625/3 – C7-0336/2011 – COM(2012)0552 – C7-0311/2012 – 2011/0280(COD) – 2013/2528(RSP))

The European Parliament,

- having regard to the proposal of the Committee on Agriculture and Rural Development,
- having regard to Rules 70(2) and 70a of its Rules of Procedure,

whereas the financial envelope specified in the legislative proposal is only an indication to the legislative authority and cannot be fixed until agreement is reached on the proposal for a regulation laying down the multiannual financial framework for the years 2014-2020;

decides to open interinstitutional negotiations on the basis of the following mandate:

MANDATE

Amendment 1

Proposal for a regulation

Recital 1

Text proposed by the Commission

(1) The Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on “The CAP towards 2020: Meeting the food, natural resources and territorial challenges of the future” sets out potential challenges, objectives and orientations for the Common Agricultural Policy (CAP) after 2013. In the light of the debate on that Communication, the CAP should be reformed with effect from

Amendment

(1) The Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on “The CAP towards 2020: Meeting the food, natural resources and territorial challenges of the future” sets out potential challenges, objectives and orientations for the Common Agricultural Policy (CAP) after 2013. In the light of the debate on that Communication, the CAP should be reformed with effect from

1 January 2014. That reform should cover all the main instruments of the CAP, including Council Regulation (EC) No 73/2009 of 19 January 2009 establishing common rules for direct support schemes for farmers under the common agricultural policy and establishing certain support schemes for farmers, amending Regulations (EC) No 1290/2005, (EC) No 247/2006, (EC) No 378/2007 and repealing Regulation (EC) No 1782/2003. In view of the scope of the reform, it is appropriate to repeal Regulation (EC) No 73/2009 and to replace it with a new text. The reform should also, **as far as possible**, streamline and simplify provisions.

1 January 2014. That reform should cover all the main instruments of the CAP, including Council Regulation (EC) No 73/2009 of 19 January 2009 establishing common rules for direct support schemes for farmers under the common agricultural policy and establishing certain support schemes for farmers, amending Regulations (EC) No 1290/2005, (EC) No 247/2006, and (EC) No 378/2007 and repealing Regulation (EC) No 1782/2003. In view of the scope of the reform, it is appropriate to repeal Regulation (EC) No 73/2009 and to replace it with a new text. The reform should also streamline and simplify provisions.

Amendment 2

Proposal for a regulation

Recital 1 a (new)

Text proposed by the Commission

Amendment

(1a) It is necessary to have a strong CAP, backed by a sufficient budget with a real-terms increase over the period from 2007 to 2013, in order to enable the European Union, at all times, to produce the necessary quantity and variety of high-quality foodstuffs and to help promote employment, conserve and produce environmental goods, combat climate change, and manage territory. The CAP should, furthermore, be based on provisions readily understandable to farmers, other stakeholders, and citizens in general, to ensure transparency of implementation, allow oversight, and reduce costs to operators and administrators.

Amendment 3

Proposal for a regulation

Recital 1 b (new)

Text proposed by the Commission

Amendment

(1b) One of the core objectives and key requirements of the CAP reform is the reduction of the administrative burden. This aim should be taken firmly into account when shaping the relevant provisions for the direct support scheme. The number of support schemes should not exceed the extent necessary and farmers and Member States should be able to fulfil respective requirements and obligations without excessive bureaucracy. Practice-oriented levels of tolerance, reasonable de minimis limits and an appropriate balance between trust and control should be used to reduce the future administrative burden of Member States and the beneficiaries.

Amendment 4
Proposal for a regulation
Recital 8

Text proposed by the Commission

Amendment

(8) In order to take into account new legislation on support schemes that may be adopted after the entry into force of this Regulation, the power to adopt acts in accordance with Article 290 of the Treaty should be delegated to the Commission for the purpose of amending the list of support schemes ***covered by*** this Regulation.

(8) In order to take into account new legislation on support schemes that may be adopted after the entry into force of this Regulation, the power to adopt acts in accordance with Article 290 of the Treaty should be delegated to the Commission for the purpose of amending the list of support schemes ***set out in Annex I to*** this Regulation.

Amendment 5
Proposal for a regulation
Recital 9

Text proposed by the Commission

Amendment

(9) In order to take into account specific new elements and to guarantee the protection of the rights of beneficiaries, the power to adopt acts in accordance with Article 290 of the Treaty should be

(9) In order to take into account specific new elements and to guarantee the protection of the rights of beneficiaries, the power to adopt acts in accordance with Article 290 of the Treaty should be

delegated to the Commission *for the purpose of laying down further definitions regarding the access to support under this Regulation*, establishing the *framework within* which Member States shall define the minimum activities to be carried out on areas naturally kept in a state suitable for grazing or cultivation as well as the criteria to be met by farmers in order to be deemed to have respected the obligation of maintaining the agricultural area in the state suitable for production *and the criteria to determine the predominance of grasses and other herbaceous forage as regards permanent grassland*.

delegated to the Commission *in respect of* establishing the *criteria with* which Member States shall define the minimum activities to be carried out on areas naturally kept in a state suitable for grazing or cultivation as well as the *framework within which Member States are to define* criteria to be met by farmers in order to be deemed to have respected the obligation of maintaining the agricultural area in the state suitable for production.

Amendment 6

Proposal for a regulation

Recital 10

Text proposed by the Commission

(10) In order to guarantee the protection of the rights of beneficiaries the power to adopt acts in accordance with Article 290 of the Treaty should be delegated to the Commission for the purpose of adopting of rules on the basis for calculation of reductions to be applied by Member States to farmers pursuant to the application of the financial discipline.

Amendment

deleted

Amendment 7

Proposal for a regulation

Recital 13

Text proposed by the Commission

(13) Experience from the application of the various support schemes for farmers has shown that support was in a number of cases granted to *beneficiaries* whose business purpose was not or only marginally targeted at an agricultural activity, such as airports, *railway companies*, real estate companies *and* companies managing sport grounds. *To ensure the better targeting of support,*

Amendment

(13) Experience from the application of the various support schemes for farmers has shown that support was in a number of cases granted to *natural and legal persons* whose business purpose was not or only marginally targeted at an agricultural activity. *To ensure the better targeting of support and to reflect national situations as closely as possible, it is important that responsibility for the definition of an*

Member States should refrain from granting direct payments to such natural and legal persons. Smaller part-time farmers contribute directly to the vitality of rural areas, for that reason they should not be prevented from being granted direct payments.

"active farmer" be given to the Member States. They should thus refrain from granting direct payments to entities such as transport companies, airports, real estate companies, companies managing sport grounds, campsite operators and mining companies; unless such entities can prove that they meet the criteria for definition as active farmers. Smaller part-time farmers contribute directly to the vitality of rural areas, for that reason they should not be prevented from being granted direct payments.

Amendment 8

Proposal for a regulation

Recital 15

Text proposed by the Commission

(15) The distribution of direct income support among farmers is characterised by the allocation of disproportionate amounts of payments to a rather small number of large beneficiaries. Due to economies of size, larger beneficiaries do not require the same level of unitary support for the objective of income support to be efficiently achieved. Moreover, the potential to adapt makes it easier for larger beneficiaries to operate with lower levels of unitary support. It is therefore fair to introduce a system for large beneficiaries where the support level is gradually reduced and ultimately capped to improve the distribution of payments between farmers. Such system should however take into account ***salaried*** labour ***intensity*** to avoid disproportionate effects on large farms with high employment numbers. Those maximum levels should not apply to payments granted to agricultural practices beneficial for the climate and the environment since the beneficial objectives they pursue could be diminished as a result. In order to make capping effective, Member States should establish some criteria in order to avoid abusive operations by farmers seeking to evade its effects. The

Amendment

(15) The distribution of direct income support among farmers is characterised by the allocation of disproportionate amounts of payments to a rather small number of large beneficiaries. Due to economies of size, larger beneficiaries do not require the same level of unitary support for the objective of income support to be efficiently achieved. Moreover, the potential to adapt makes it easier for larger beneficiaries to operate with lower levels of unitary support. It is therefore fair to introduce a system for large beneficiaries where the support level is gradually reduced and ultimately capped to improve the distribution of payments between farmers. Such ***a*** system should however take into account labour ***employed, including salaries and contractor costs,*** to avoid disproportionate effects on large farms with high employment numbers. Those maximum levels should not apply to payments granted to agricultural practices beneficial for the climate and the environment since the beneficial objectives they pursue could be diminished as a result. In order to make capping effective, Member States should establish some criteria in order to avoid abusive operations

proceeds of the reduction and capping of payments to large beneficiaries should remain in the Member States where they were generated and should be used for financing projects with a significant contribution to innovation under Regulation (EU) No [...] of the European Parliament and of the Council of...on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) [RDR].

by farmers seeking to evade its effects. The proceeds of the reduction and capping of payments to large beneficiaries should remain in the Member States where they were generated and should be used for financing projects with a significant contribution to innovation **and rural development** under Regulation (EU) No [...] of the European Parliament and of the Council of...on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) [RDR]. ***It will then be possible for Member States to allocate the sums generated by the capping to larger beneficiaries, who were subject to the capping exercise, for purposes of investment in innovation.***

Amendment 9

Proposal for a regulation Recital 20

Text proposed by the Commission

(20) In order to ensure a better distribution of support amongst agricultural land in the Union, including in those Member States which applied the single area payment scheme established under Regulation (EC) No 73/2009, a new basic payment scheme should replace the single payment scheme established under Council Regulation (EC) No 1782/2003 of 29 September 2003 establishing common rules for direct support schemes under the common agricultural policy and establishing certain support schemes for farmers , and continued under Regulation (EC) No 73/2009, which combined previously existing support mechanisms into a single scheme of decoupled direct payments. ***Such a move should entail the expiry of payment entitlements obtained under those Regulations and the allocation of new ones, although still based on the number of eligible hectares at the disposal of farmers in the first year of implementation of the scheme.***

Amendment

(20) In order to ensure a better distribution of support amongst agricultural land in the Union, including in those Member States which applied the single area payment scheme established under Regulation (EC) No 73/2009, a new basic payment scheme should replace the single payment scheme established under Council Regulation (EC) No 1782/2003 of 29 September 2003 establishing common rules for direct support schemes under the common agricultural policy and establishing certain support schemes for farmers , and continued under Regulation (EC) No 73/2009, which combined previously existing support mechanisms into a single scheme of decoupled direct payments. ***Member States should modify their existing support systems in order to align them with this Regulation, without necessarily abolishing their current direct payments models.***

Amendment 139

Proposal for a regulation

Recital 21

Text proposed by the Commission

(21) *Due to the successive integration of various sectors into the single payment scheme and the ensuing period of adjustment granted to farmers, it has become increasingly difficult to justify the presence of significant individual differences in the level of support per hectare resulting from use of historical references. Therefore direct income support should be more equitably distributed between Member States, by reducing the link to historical references and having regard to the overall context of the Union budget. To ensure a more equal distribution of direct support, while taking account of the differences that still exist in wage levels and input costs, the levels of direct support per hectare should be progressively adjusted. Member States with direct payments below the level of 90 % of the average should close one third of the gap between their current level and this level. This convergence should be financed proportionally by all Member States with direct payments above the Union average. In addition, all payment entitlements activated in 2019 in a Member State or in a region should have a uniform unit value following a convergence towards this value that should take place during the transition period in linear steps. However, in order to avoid disruptive financial consequences for farmers, Member States having used the single payment scheme, and in particular the historical model, should be allowed to partially take historical factors into account when calculating the value of payment entitlements in the first year of application of the new scheme. The debate on the next Multiannual Financial Framework for the period starting in 2021 should also focus on the objective of complete convergence through the equal*

Amendment

(21) *In addition to the convergence of support payments at national and regional levels, the national envelopes for direct payments should also be adjusted so that in Member States with a current level of direct payments per hectare below 70 % of the Union average, that shortfall is reduced by 30 %. In Member States with a level of direct payments between 70 % and 80% of the average, the shortfall should be reduced by 25 %, and in those Member States where the level is more than 80 % of the average it should be reduced by 10 %. Following application of these mechanisms, the level received should not, in any Member State, be less than 55 % of the Union average in 2014 and 75 % of the Union average in 2019. In the case of Member States with payment levels above the Union average, the convergence effort should not pull those levels below the average. The convergence should be financed proportionally by all Member States with direct payments above the Union average.*

distribution of direct support across the European Union during that period.

Amendment 11

Proposal for a regulation
Recital 21 a (new)

Text proposed by the Commission

Amendment

(21a) In addition to the convergence of support payments at national and regional levels, the national envelopes for direct payments should also be adjusted so that in Member States with a current level of direct payments per hectare that is below 70 % of the Union average, that shortfall is reduced by 30 %. In Member States with a level of direct payments between 70% and 80% of the average, the shortfall should be reduced by 25 %, and in those Member States where the level is more than 80% of the average it should be reduced by 10%. After those adjustments have been made, the level received should not, in any Member State, be less than 65 % of the Union average. In the case of Member States with payment levels above the Union average, the convergence effort should not result in those levels falling below the average. The convergence should be financed proportionally by all Member States with direct payments above the Union average.

Amendment 12

Proposal for a regulation
Recital 22

Text proposed by the Commission

Amendment

(22) The experience gained with the application of the single payment scheme shows that some of its main elements should be kept, including the determination of national ceilings to ensure that the total level of support does not exceed current budgetary constraints. Member States should also continue to operate a national

(22) The experience gained with the application of the single payment scheme shows that some of its main elements should be kept, including the determination of national ceilings to ensure that the total level of support does not exceed current budgetary constraints. Member States should also continue to operate, ***at least in***

reserve that should be used to facilitate the participation of young **new** farmers in the scheme or may be used to take account of specific needs in certain regions. Rules on the transfer and use of payment entitlements should be kept but, where possible, simplified.

the first year of the new basic payment scheme, a national reserve ***which can be administered regionally*** that should be used to facilitate the participation of young farmers ***and new farmers*** in the scheme or may be used to take account of specific needs in certain regions. Rules on the transfer and use of payment entitlements should be kept but, where possible, simplified.

Amendment 13

Proposal for a regulation Recital 22 a (new)

Text proposed by the Commission

Amendment

(22a) Member States should be allowed to fix a reduction coefficient, which could be fixed at a zero value in order to have the opportunity to reduce the eligible areas with lower yield potential or for specific productions.

Amendment 14

Proposal for a regulation Recital 23

Text proposed by the Commission

Amendment

(23) In order to guarantee the protection of the rights of beneficiaries and in order to clarify the specific situations that may arise in the application of the basic payment scheme, the power to adopt acts in accordance with Article 290 of the Treaty should be delegated to the Commission for the purpose of adopting rules on eligibility and the access in respect of the basic payment scheme of farmers in case of inheritance and anticipated inheritance, inheritance under a lease, change of legal status or denomination and in the case of merger or scission of the holding; adopting rules on the calculation of the value and number or on the increase in the value of payment entitlements in relation to the allocation of payment entitlements,

(23) In order to guarantee the protection of the rights of beneficiaries and in order to clarify the specific situations that may arise in the application of the basic payment scheme, the power to adopt acts in accordance with Article 290 of the Treaty should be delegated to the Commission for the purpose of adopting rules on eligibility and the access in respect of the basic payment scheme of farmers in case of inheritance and anticipated inheritance, inheritance under a lease, change of legal status or denomination and in the case of merger or scission of the holding; adopting rules on the calculation of the value and number or on the increase in the value of payment entitlements in relation to the allocation of payment entitlements,

including rules on the possibility of a provisional value and number or of a provisional increase of payment entitlements allocated on the basis of the application from the farmer, on the conditions for establishing the provisional and definitive value and number of the payment entitlements and on the cases where a sale or lease contract could affect the allocation of payment entitlements; adopting rules on the establishment and calculation of the value and number of payment entitlements received from the national reserve; adopting rules on the modification of the unit value of payment entitlements in the case of fractions of payment entitlements and criteria for the allocation of payment entitlements pursuant to the use of the national reserve and to farmers who did not apply for support in 2011.

including rules on the possibility of a provisional value and number or of a provisional increase of payment entitlements allocated on the basis of the application from the farmer, on the conditions for establishing the provisional and definitive value and number of the payment entitlements and on the cases where a sale or lease contract could affect the allocation of payment entitlements; adopting rules on the establishment and calculation of the value and number of payment entitlements received from the national reserve; adopting rules on the modification of the unit value of payment entitlements in the case of fractions of payment entitlements and criteria for the allocation of payment entitlements pursuant to the use of the national reserve and to farmers who did not apply for support in *the period from 2009 to 2011*.

Amendment 15

Proposal for a regulation Recital 24 a (new)

Text proposed by the Commission

Amendment

(24a) Member States should be allowed to decide to use a part of their national ceilings to grant a complementary annual payment in respect of the first hectares to farmers in order to better take into consideration the diversity of farms with regard to their economic size, to their choice of production and to employment.

Amendment 16

Proposal for a regulation Recital 26

Text proposed by the Commission

Amendment

(26) One of the objectives of the new CAP is the enhancement of environmental performance ***through a mandatory "greening" component of direct payments which will support agricultural practices***

(26) One of the objectives of the new CAP is the enhancement of environmental performance. For that purpose, Member States should use part of their national ceilings for direct payments to grant an

beneficial for the climate and the environment applicable throughout the Union. For that purpose, Member States should use part of their national ceilings for direct payments to grant an annual payment, ***on top of the basic payment***, for compulsory practices to be followed by farmers addressing, as a priority, both climate and environment policy goals. Those *practises* should take the form of simple, generalised, non-contractual and annual actions that go beyond cross-compliance and are linked to agriculture such as crop diversification, maintenance of permanent grassland and ecological focus areas. ***The compulsory nature of those practises should also concern farmers whose holdings are fully or partly situated in "Natura 2000" areas covered by Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora and by Directive 2009/147/EC of the European Parliament and of the Council of 30 November 2009 on the conservation of wild birds, as long as these practises are compatible with the objectives of those Directives.*** Farmers who fulfil the conditions laid down in Council Regulation (EC) No 834/2007 of 28 June 2007 on organic production and labelling of organic products and repealing Regulation (EEC) No 2092/91 should benefit from the "greening" component without fulfilling any further obligation, ***given the recognised environmental benefits of the organic farming systems. Non-respect of the 'greening' component should lead to penalties on the basis of Article 65 of Regulation (EU) No [...] [HZR].***

annual payment for compulsory practices to be followed by farmers addressing, as a priority, both climate and environment policy goals. Those *practices* should take the form of simple, generalised, non-contractual and annual actions that go beyond cross-compliance and are linked to agriculture such as crop diversification, maintenance of permanent grassland ***and permanent pasture*** and ecological focus areas. Farmers who fulfil the conditions laid down in Council Regulation (EC) No 834/2007 of 28 June 2007 on organic production and labelling of organic products and repealing Regulation (EEC) No 2092/91, ***beneficiaries of agri-environment-climatic payments established pursuant to Article 29 of Regulation (EU) N° [...] [RDR] and farmers whose holdings are situated in "Natura 2000" areas*** should benefit from the 'greening' component without fulfilling any further obligation. ***On certain conditions, farmers whose holding is certified under national environmental certification schemes should also be able to benefit from the "greening" component. Farmers should be exempted from the obligation of crop diversification and from the obligations linked to ecological focus areas, where at least 75% of their farm is covered by permanent grassland or permanent pasture or crops under water. This exemption should only apply where the arable land of the remaining eligible agricultural land does not exceed 50 hectares.***

Amendment 17

Proposal for a regulation

Recital 28

Text proposed by the Commission

(28) In order to ensure that the land under permanent grassland is maintained as such

Amendment

(28) In order to ensure that the land under permanent grassland ***and permanent***

by *the farmers*, the power to adopt acts in accordance with Article 290 of the Treaty should be delegated to the Commission for the purpose of the adoption of rules concerning the application of the measure.

pasture is maintained as such by *Member States*, the power to adopt acts in accordance with Article 290 of the Treaty should be delegated to the Commission for the purpose of the adoption of rules concerning the application of the measure.

Amendment 18

Proposal for a regulation

Recital 29

Text proposed by the Commission

(29) In order to ensure the implementation of the ecological focus area measure in an efficient and coherent way, while taking into account Member States' specificities, the power to adopt acts in accordance with Article 290 of the Treaty should be delegated to the Commission *for the purpose* of the further definition of the types of ecological focus areas mentioned under that measure *and* the addition and definition of other types of ecological focus areas that can be taken into account for the respect of the percentage referred to in that measure.

Amendment

(29) In order to ensure the implementation of the ecological focus area measure in an efficient and coherent way, while taking into account Member States' specificities, the power to adopt acts in accordance with Article 290 of the Treaty should be delegated to the Commission *in respect* of the further definition of the types of ecological focus areas mentioned under that measure, the addition and definition of other types of ecological focus areas that can be taken into account for the respect of the percentage referred to in that measure *and to lay down an Union-wide framework of weighting coefficients for calculating the hectares represented by various types of ecological focus areas.*

Amendment 104

Proposal for a regulation

Recital 29 a (new)

Text proposed by the Commission

Amendment

(29a) In order to improve the environment, combat climate change and improve agronomic conditions, the Commission should, without delay, submit a strategic plan for the supply of vegetable proteins, which will also enable the Union to reduce its very heavy dependence on external sources of supply. The plan should provide for more oil-protein crops and legumes to be grown under the common agricultural policy and should

encourage agronomic research into suitable and productive varieties.

Amendment 19

Proposal for a regulation Recital 33

Text proposed by the Commission

(33) Member States should be allowed to use part of their national ceilings for direct payments for coupled support in certain sectors in clearly defined cases. The resources that may be used for any coupled support should be limited to an appropriate level, while allowing such support to be granted in Member States or in their specific regions facing particular situations where specific types of farming or specific agricultural sectors are particularly important for economic, environmental and/or social reasons. Member States should be allowed to use up to 5 % of their national ceilings for this support, ***or 10 % in case their level of coupled support in at least one of the years of the period 2010-2013 exceeded 5 %. However, in duly justified cases where certain sensitive needs in a region are demonstrated, and upon approval by the Commission, Member States should be allowed to use more than 10 % of their national ceiling.*** Coupled support should only be granted to the extent necessary to create an incentive to maintain current levels of production in those regions. This support should also be available to farmers holding, on 31 December 2013, special payment entitlements allocated under Regulation (EC) No 1782/2003 and Regulation (EC) No 73/2009 and who do not have eligible hectares for the activation of payment entitlements. As regards the approval of voluntary coupled support exceeding 10 % of the annual national ceiling fixed per Member State, the Commission ***should further be empowered to adopt implementing acts without applying Regulation (EU) No 182/2011.***

Amendment

(33) Member States should be allowed to use part of their national ceilings for direct payments for coupled support in certain sectors in clearly defined cases. The resources that may be used for any coupled support should be limited to an appropriate level, while allowing such support to be granted in Member States or in their specific regions facing particular situations where specific types of farming or specific agricultural sectors are particularly important for economic, environmental and/or social reasons. Member States should be allowed to use up to ***15 %*** of their national ceilings for this support. ***This percentage may be increased by three percentage points for those Member States which decide to use at least 3 % of their national ceiling in order to support the production of protein crops.*** Coupled support should only be granted to the extent necessary to create an incentive to maintain current levels of production in those regions, ***except where the purpose of the support is environmental.*** This support should also be available to farmers holding, on 31 December 2013, special payment entitlements allocated under Regulation (EC) No 1782/2003 and Regulation (EC) No 73/2009 and who do not have eligible hectares for the activation of payment entitlements. As regards the approval of voluntary coupled support, the ***power to adopt delegated acts should be assigned to the Commission in accordance with Article 290 TFEU.***

Amendment 20

Proposal for a regulation

Recital 38

Text proposed by the Commission

(38) A simple and specific scheme for small farmers ***should be put in place*** in order to reduce the administrative costs linked to the management and control of direct support. For that purpose, a lump-sum payment replacing all direct payments ***should be established***. ***Rules*** seeking simplification of formalities ***should*** be introduced by reducing, amongst others, the obligations imposed on small farmers such as those related to the application for support, to agricultural practices beneficial for the climate and the environment, to cross-compliance and to controls as laid down in Regulation (EU) No [...] [HZR] without endangering the achievement of the overall objectives of the reform, it being understood that Union legislation as referred to in Annex II to Regulation (EU) No [...] [HZR] applies to small farmers. The objective of that scheme should be to support the existing agricultural structure of small farms in the Union without countering the development towards more competitive structures. For that reason, access to the scheme should be limited to existing holdings.

Amendment

(38) ***Member States should be allowed to put in place*** a simple and specific scheme for small farmers in order to reduce the administrative costs linked to the management and control of direct support. For that purpose, ***Member States should be allowed to establish*** a lump-sum payment ***or a fix annual payment per beneficiary*** replacing all direct payments. ***Farmers with annual payments of not more than EUR 1 500 should be automatically included in that scheme. It should be possible for rules*** seeking simplification of formalities ***to*** be introduced by reducing, amongst others, the obligations imposed on small farmers such as those related to the application for support, to agricultural practices beneficial for the climate and the environment, to cross-compliance and to controls as laid down in Regulation (EU) No [...] [HZR] without endangering the achievement of the overall objectives of the reform, it being understood that Union legislation as referred to in Annex II to Regulation (EU) No [...] [HZR] applies to small farmers. The objective of that scheme should be to support the existing agricultural structure of small farms in the Union without countering the development towards more competitive structures. For that reason, access to the scheme should be limited to existing holdings.

Amendment 21

Proposal for a regulation

Recital 40

Text proposed by the Commission

(40) In the interest of simplification and to take into account the specific situation of the outermost regions, direct payments in

Amendment

(40) In the interest of simplification and to take into account the specific situation of the outermost regions, direct payments in

those regions should be managed within the support programmes established by Regulation (EC) No 247/2006. As a consequence, provisions in this Regulation relating to the basic payment scheme and related payments and to coupled support should not apply to those regions.

those regions should be managed within the support programmes established by Regulation (EC) No 247/2006. As a consequence, provisions in this Regulation relating to the basic payment scheme and related payments and to coupled support should not apply to those regions.

However, an assessment should be made of the impact that any changes to this Regulation could have on those regions.

Amendment 22

Proposal for a regulation Recital 40 a (new)

Text proposed by the Commission

Amendment

(40a) In certain isolated areas, the diversity of the farming sector coupled with the presence of inefficient production systems justifies the use of specific agricultural policy instruments, with which the Union has sufficient experience, in order to make the sector more market-oriented, to reduce the impact on the environment through the abandonment of farming activity and to preserve rural communities in accordance with the sustainability objective. Specific arrangements for those island territories of the Union which have similar features to territories in which such agricultural policy instruments have proven a success should be studied in depth.

Amendment 23

Proposal for a regulation Recital 43

Text proposed by the Commission

Amendment

(43) With a view to strengthening their rural development policy, Member States should be given the possibility to transfer funds from their direct payments ceiling to their support assigned for rural development. At the same time, Member States where the level of direct support

(43) With a view to strengthening their rural development policy, Member States should be given the possibility to transfer funds from their direct payments ceiling to their support assigned for rural development. ***All Member States should be able to supplement the transfer by a***

remains lower than 90 % of the Union average level of support should be given the possibility to transfer funds from their support assigned for rural development to their direct payments ceiling. Such choices should be made, within certain limits, **once and for the whole period of application of this Regulation.**

sum proportional to the unspent monies for “greening”, so as to provide additional support for agro-environmental climate measures. At the same time, Member States where the level of direct support remains lower than 90 % of the Union average level of support should be given the possibility to transfer funds from their support assigned for rural development to their direct payments ceiling. Such choices should be made, within certain limits, and ***should be reviewed either by 1 August 2015 or by 1 August 2017.***

Amendment 24

Proposal for a regulation

Article 1 – paragraph 1 – point b – point iii a (new)

Text proposed by the Commission

Amendment

(iiia) a new Union-funded scheme of payments for bee colonies in the apiculture sector;

Amendment 25

Proposal for a regulation

Article 2

Text proposed by the Commission

Amendment

The Commission shall be empowered to adopt delegated acts in accordance with Article 55 ***for the purpose of*** amending the list of support schemes set out in Annex I.

In order to ensure legal certainty, the Commission shall be empowered to adopt delegated acts in accordance with Article 55 amending the list of support schemes set out in Annex I ***to the extent necessary to take into account changes introduced by new legislative acts on support schemes adopted after the entry into force of this Regulation.***

Amendment 26

Proposal for a regulation

Article 4 – paragraph 1 – point c – indent 1

Text proposed by the Commission

- rearing or growing of agricultural products including harvesting, milking, breeding animals and keeping animals for farming purposes,

Amendment

- **agricultural production that includes** rearing or growing of agricultural products including harvesting, milking, breeding animals and keeping animals for farming purposes,

Amendment 27

Proposal for a regulation

Article 4 – paragraph 1 – point c – indent 2

Text proposed by the Commission

– maintaining the agricultural area in a state which makes it suitable for grazing or cultivation ***without any particular preparatory action going beyond traditional agricultural methods and machineries, or***

Amendment

– maintaining the agricultural area in a state which makes it suitable for grazing or cultivation, ***subject, in the case of agricultural areas naturally kept in such a state, to the establishment of a minimum activity by Member States;***

Amendment 28

Proposal for a regulation

Article 4 – paragraph 1 – point c – indent 3

Text proposed by the Commission

– carrying out a minimum activity to be established by Member States on agricultural areas naturally kept in a state suitable for grazing or cultivation;

Amendment

– carrying out a minimum activity, ***based where appropriate on a minimum stocking density,*** to be established by Member States, on agricultural areas naturally kept in a state suitable for grazing or cultivation;

Amendment 29

Proposal for a regulation

Article 4 – paragraph 1 – point e

Text proposed by the Commission

(e) ‘agricultural area’ means any area taken

Amendment

(e) ‘agricultural area’ means any area taken

up by arable land, permanent grassland or permanent crops;

up by arable land, permanent grassland **and permanent pasture** or permanent crops;

Amendment 30

Proposal for a regulation

Article 4 – paragraph 1 – point g

Text proposed by the Commission

(g) "permanent crops" means non-rotational crops other than permanent grassland that occupy the land for five years or longer and yield repeated harvests, including nurseries, and short rotation coppice;

Amendment

(g) "permanent crops" means non-rotational crops other than permanent grassland **and permanent pasture** that occupy the land for five years or longer and yield repeated harvests, including nurseries, **traditional orchards** and short rotation coppice;

Amendment 31

Proposal for a regulation

Article 4 – paragraph 1 – point h

Text proposed by the Commission

(h) "permanent grassland" means land used to grow **grasses or other** herbaceous forage naturally (self-seeded) or through cultivation (sown) and that **has not been** included in the crop rotation of the holding for **five** years or longer; it may include other **species suitable for grazing provided that the grasses and other herbaceous forage remain predominant**;

Amendment

(h) "permanent grassland **and permanent pasture**" means land used to grow **for forage herbaceous plants, shrubs and/or trees or any other species suitable for grazing**, naturally (self-seeded) or through cultivation (sown), and that **is not** included in the crop rotation of the holding **and not ploughed** for **seven** years or longer; it may include other **features of importance for the characterisation of the land as permanent pasture**;

Amendment 32

Proposal for a regulation

Article 4 – paragraph 1 – point i

Text proposed by the Commission

(i) "**grasses or other herbaceous forage**" means **all herbaceous plants traditionally found in natural pastures or normally included in mixtures of seeds for pastures or meadows in the Member State (whether**

Amendment

deleted

or not used for grazing animals);

Amendment 33

Proposal for a regulation

Article 4 – paragraph 1 – point j a (new)

Text proposed by the Commission

Amendment

(ja) “traditional orchards” means land on which fruit trees grow that is of environmental and cultural importance;

Amendment 34

Proposal for a regulation

Article 4 – paragraph 2 – point a

Text proposed by the Commission

Amendment

(a) laying down further definitions regarding the access to support under this Regulation;

deleted

Amendment 35

Proposal for a regulation

Article 4 – paragraph 2 – point b

Text proposed by the Commission

Amendment

(b) establishing the ***framework within*** which Member States ***shall*** define the minimum activities to be carried out on areas naturally kept in a state suitable for grazing or cultivation;

(b) establishing the ***criteria with*** which Member States ***are to*** define the minimum activities to be carried out on areas naturally kept in a state suitable for grazing or cultivation;

Amendment 36

Proposal for a regulation

Article 4 – paragraph 2 – point c

Text proposed by the Commission

Amendment

(c) establishing the criteria to be met by farmers in order to be deemed to have respected the obligation of maintaining the agricultural area in a state suitable for grazing or cultivation as referred to in point

(c) establishing ***the framework within which Member States are to define*** the criteria to be met by farmers in order to be deemed to have respected the obligation of maintaining the agricultural area in a state

(c) of paragraph 1;

suitable for grazing or cultivation as referred to in point (c) of paragraph 1;

Amendment 37

Proposal for a regulation

Article 4 – paragraph 2 – point d

Text proposed by the Commission

Amendment

(d) establishing the criteria to determine the predominance of grasses and other herbaceous forage for the purpose of point (h) of paragraph 1.

deleted

Amendment 38

Proposal for a regulation

Article 7 – paragraph 2

Text proposed by the Commission

Amendment

2. For each Member State and each year, the estimated product of capping as referred to in Article 11, which is reflected by the difference between the national ceilings set out in Annex II, to which is added the amount available in accordance with Article 44, and the net ceilings set out in Annex III, is made available as Union support for measures under rural development programming financed under the EAFRD as specified in Regulation (EU) No [...] [RDR].

2. For each Member State and each year, the estimated product of capping as referred to in Article 11, which is reflected by the difference between the national ceilings set out in Annex II, to which is added the amount available in accordance with Article 44, and the net ceilings set out in Annex III, is made available as Union support for measures ***to be chosen by the Member State*** under rural development programming financed under the EAFRD as specified in Regulation (EU) No [...] [RDR].

Amendment 197

Proposal for a regulation

Article 8 – paragraph 1

Text proposed by the Commission

Amendment

1. The adjustment rate determined in accordance with Article 25 of Regulation (EU) No [...] [HZR] shall ***only*** apply to direct payments ***in excess of EUR 5 000*** to be granted to farmers in the corresponding calendar year.

1. The adjustment rate determined in accordance with Article 25 of Regulation (EU) No [...] [HZR] shall apply to ***all*** direct payments to be granted to farmers in the corresponding calendar year.

Amendment 39

Proposal for a regulation

Article 8 – paragraph 3

Text proposed by the Commission

3. The Commission shall be empowered to adopt delegated acts in accordance with Article 55 concerning rules on the basis for calculation of reductions to be applied by Member States to farmers pursuant to paragraphs 1 and 2 of this Article.

Amendment

deleted

Amendment 40

Proposal for a regulation

Article 9

Text proposed by the Commission

Article 9

Active farmer

1. No direct payments shall be granted to natural or legal persons, or to groups of natural or legal persons, where one of the following applies:

(a) the annual amount of direct payments is less than 5 % of the total receipts they obtained from non-agricultural activities in the most recent fiscal year; or

(b) their agricultural areas are mainly areas naturally kept in a state suitable for grazing or cultivation and they do not carry out on those areas the minimum

Amendment

Article 9

Active farmer

1. Member States shall draw up a legal framework and definitions, based on objective and non-discriminatory criteria to ensure, where appropriate, that direct payments are only granted to farmers whose agricultural areas are mainly areas naturally kept in a state suitable for grazing or cultivation on condition that they carry out on those areas the minimum activity established by Member States in accordance with Article 4(1)(c).

activity established by Member States in accordance with Article 4(1)(c).

Entities such as transport companies, airports, real estate companies, companies managing sport grounds, campsite operators and mining companies or other non-agricultural enterprises, to be defined accordingly by Member States on the basis of objective and non-discriminatory criteria, shall not, a priori, be regarded as active farmers nor shall they be the beneficiaries of any direct payments. Member States may decide that those entities can claim to be eligible if they can provide verifiable evidence that their agricultural activities form a significant part of their overall economic activities or that their principal business or company objects consist of exercising an agricultural activity.

After having duly notified the Commission, Member States may decide to add to and to withdraw from their list of eligible entities other entities than those listed in the second subparagraph, providing objective and non-discriminatory grounds of justification motivating their decision.

2. *Paragraph 1 shall not apply* to farmers who received less than EUR 5 000 of direct payments for the previous year.

3. The Commission shall be empowered to adopt delegated acts in accordance with Article 55 for the purposes of laying down:

(a) criteria to establish the amount of direct payments relevant for the purpose of paragraphs 1 and 2, in particular in the first year of allocation of payment entitlements where the value of the payment entitlements is not yet definitively established as well as for new farmers;

(b) exceptions from the rule that the receipts during the most recent fiscal year

2. *Member States may decide not to apply this Article* to farmers who received less than EUR 5 000 of direct payments for the previous year.

3. The Commission shall be empowered to adopt delegated acts in accordance with Article 55 for the purposes of laying down *criteria to establish when a farmer's agricultural area is to be considered as mainly areas naturally kept in a state suitable for grazing or cultivation.*

are to be taken into account where those figures are not available; and

(c) criteria to establish when a farmer's agricultural area is to be considered as mainly areas naturally kept in a state suitable for grazing or cultivation.

Amendment 41

Proposal for a regulation

Article 11 – paragraph 1 – indent 3 a (new)

Text proposed by the Commission

Amendment

- the amount obtained after applying those reductions shall be capped at EUR 300 000.

Amendment 42

Proposal for a regulation

Article 11 – paragraph 1 – indent 4

Text proposed by the Commission

Amendment

- by 100 % for the tranche of more than EUR 300 000.

deleted

Or. en

Amendment 43

Proposal for a regulation

Article 11 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. Paragraph 1 shall not apply in respect of cooperatives or other legal entities which group together a number of beneficiaries of direct payments and which receive and channel the payments before distributing them in full to their members who, as individuals, are subject to paragraph 1.

Amendments 44 and 105

Proposal for a regulation
Article 11 – paragraph 2

Text proposed by the Commission

2. The amount referred to in paragraph 1 shall be calculated by subtracting the salaries effectively paid and declared by the farmer in the previous year, including taxes and social contributions related to employment, from the total amount of direct payments initially due to the farmer without taking into account the payments to be granted pursuant to Chapter 2 of Title III of this Regulation.

Amendment

2. The amount referred to in paragraph 1 shall be calculated by subtracting the salaries effectively paid and declared by the farmer in the previous year, including taxes and social contributions related to employment, ***as well as costs incurred as a result of the use of contractors for specific farming operations***, from the total amount of direct payments initially due to the farmer without taking into account the payments to be granted pursuant to Chapter 2 of Title III of this Regulation.

Amendment 45

Proposal for a regulation
Article 11 – paragraph 3 a (new)

Text proposed by the Commission

Amendment

3 a. Any funds from progressive reduction or capping shall remain in the region or Member State where they were obtained and shall be used for measures under the second pillar.

Amendment 46

Proposal for a regulation
Article 14

Text proposed by the Commission

Amendment

Article 14

Article 14

Flexibility between pillars

Flexibility between pillars

1. Before 1 August 2013, Member States may decide to make available as additional support for measures under rural development programming financed under the EAFRD as specified under Regulation (EU) No [...] [RDR], up to **10 %** of their annual national ceilings for calendar years 2014 to 2019 as set out in Annex II to this

1. Before 1 August 2013, Member States may decide to make available as additional support for measures under rural development programming financed under the EAFRD as specified under Regulation (EU) No [...] [RDR], up to **15%** of their annual national ceilings for calendar years 2014 to 2019 as set out in Annex II to this

Regulation. As a result, the corresponding amount shall no longer be available for granting direct payments.

The decision referred to in the first subparagraph shall be notified to the Commission by the date referred to in that subparagraph.

The percentage notified in accordance with the second subparagraph shall be the same for the years referred to in the first subparagraph.

2. Before 1 August 2013, Bulgaria, Estonia, Finland, Latvia, Lithuania, Poland, Portugal, Romania, Slovakia, Spain, Sweden and the United-Kingdom may decide to make available as direct payments under this Regulation up to **5 %** of the amount allocated to support for measures under rural development programming financed under the EAFRD in the period 2015-2020 as specified under Regulation (EU) No [...] [RDR]. As a result, the corresponding amount shall no longer be available for support measures under rural development programming.

The decision referred to in the first subparagraph shall be notified to the Commission by the date referred to in that subparagraph.

The percentage notified in accordance with the second subparagraph shall be the same for the years referred to in the first subparagraph of paragraph 1.

Regulation. As a result, the corresponding amount shall no longer be available for granting direct payments.

1a. Member States may add unallocated funds from the application of Article 33 to the transfers in favour of rural development measures referred to in the first paragraph in the form of Union support to agri-environment-climate measures under rural development programming financed under the EAFRD as specified in Regulation (EU) No [...] [RDR]

2. Before 1 August 2013, Bulgaria, Estonia, Finland, Latvia, Lithuania, Poland, Portugal, Romania, Slovakia, Spain, Sweden and the United-Kingdom may decide to make available as direct payments under this Regulation up to **10%** of the amount allocated to support for measures under rural development programming financed under the EAFRD in the period 2015-2020 as specified under Regulation (EU) No [...] [RDR]. As a result, the corresponding amount shall no longer be available for support measures under rural development programming.

The decision referred to in the first subparagraph shall be notified to the Commission by the date referred to in that subparagraph.

2a. In the case of regional implementation, different percentage rates may be applied to each region.

2b. Member States may decide, either by 1 August 2015 or by 1 August 2017, to review their decisions referred to in this Article with effect from the subsequent year.

Amendment 47

Proposal for a regulation Article 15 – paragraph -1 (new)

Text proposed by the Commission

Amendment

-1. In order to evaluate the new CAP, the Commission shall carry out a review of the implementation of the reforms and their impact on the environment and agricultural production by the end of 2017.

Amendment 48

Proposal for a regulation Article 15

Text proposed by the Commission

Amendment

Support schemes listed in Annex I shall apply without prejudice to a possible review at any time in the light of economic developments and the budgetary situation.

Support schemes listed in Annex I shall apply without prejudice to a possible review at any time **by a legislative act**, in the light of economic developments and the budgetary situation.

Amendment 49

Proposal for a regulation Article 18

Text proposed by the Commission

Amendment

Article 18

Article 18

Payment entitlements

Payment entitlements

1. Support under the basic payment scheme shall be available to farmers if they obtain payment entitlements under this Regulation through allocation pursuant to Article 17b(4), first allocation pursuant to Article 21, from the national reserve pursuant to

1. Support under the basic payment scheme shall be available to farmers if they obtain payment entitlements under this Regulation through allocation pursuant to Article 17b(4), first allocation pursuant to Article 21, from the national reserve pursuant to

Article 23 or by transfer pursuant to Article 27.

2. Payment entitlements obtained under the single payment scheme in accordance with Regulation (EC) No 1782/2003 and with Regulation (EC) No 73/2009 shall expire on 31 December 2013.

Article 23 or by transfer pursuant to Article 27.

2. By way of derogation from paragraph 1,

(a) Member States that, on 31 December 2013, are operating the single payment scheme on the basis of the regional model laid down in Article 59 of Regulation (EC) N° 1782/2003 may decide, by 1 August 2013, to maintain the payment entitlements allocated in accordance with Regulation (EC) N° 1782/2003 and/or with Regulation (EC) N° 73/2009,

(b) Member States that, on 31 December 2013, are operating the single area payment scheme may, by 1 August 2013, decide to keep their existing scheme as a transitional system until 31 December 2020.

Amendment 50

Proposal for a regulation Article 19

Text proposed by the Commission

Article 19

Basic payment scheme ceiling

1. The Commission shall, **by means of** implementing acts, **set** the annual national ceiling for the basic payment scheme by deducting from the annual national ceiling established in Annex II the annual amounts to be set in accordance with Articles 33, 35, 37 and 39. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 56(2).

2. For each Member State and each year, the total value of all allocated payment entitlements and the national reserve shall equal the respective national ceiling adopted by the Commission pursuant to

Amendment

Article 19

Basic payment scheme ceiling

1. The Commission shall **adopt** implementing acts **setting for each Member State**, the annual national ceiling for the basic payment scheme by deducting from the annual national ceiling established in Annex II the annual amounts to be set in accordance with Articles 33, 35, 37 and 39. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 56(2).

2. For each Member State and each year, the total value of all allocated payment entitlements and the national reserve shall equal the respective national ceiling adopted by the Commission pursuant to

paragraph 1.

3. In case of modification of the ceiling adopted by the Commission pursuant to paragraph 1 as compared to the previous year, a Member State shall linearly reduce or increase the value of all payment entitlements in order to ensure compliance with paragraph 2.

The first subparagraph shall not apply where such a modification is due to the application of Article 17b(2).

paragraph 1.

3. In case of modification of the ceiling adopted by the Commission pursuant to paragraph 1 as compared to the previous year, a Member State shall linearly reduce or increase the value of all payment entitlements in order to ensure compliance with paragraph 2.

The first subparagraph shall not apply where such a modification is due to the application of Article 17b(2).

Amendment 51

Proposal for a regulation Article 20

Text proposed by the Commission

Article 20

Regional allocation of the national ceilings

1. Member States may decide, before 1 August 2013, to apply the basic payment scheme at regional level. In that case they shall define the regions in accordance with objective and non-discriminatory criteria such as their agronomic and economic characteristics and their regional agricultural potential, or their institutional or administrative structure.

2. Member States shall divide the national ceiling referred to in Article 19(1) between the regions in accordance with objective and non-discriminatory criteria.

3. Member States may decide that the regional ceilings shall be subject to annual progressive modifications in accordance with pre-established annual steps and objective and non-discriminatory criteria such as the agricultural potential or environmental criteria.

4. To the extent necessary to respect the applicable regional ceilings determined in accordance with paragraph 2 or 3, Member States shall make a linear reduction or increase in the value of the payment

Amendment

Article 20

Regional allocation of the national ceilings

1. Member States may decide, before 1 August 2013, to apply the basic payment scheme at regional level. In that case they shall define the regions in accordance with objective and non-discriminatory criteria such as their agronomic, ***environmental*** and ***socio***-economic characteristics and their regional agricultural potential, or their institutional or administrative structure.

2. Member States shall divide the national ceiling referred to in Article 19(1) between the regions in accordance with objective and non-discriminatory criteria.

3. Member States may decide that the regional ceilings shall be subject to annual progressive modifications in accordance with pre-established annual steps and objective and non-discriminatory criteria such as the agricultural potential or environmental criteria.

4. To the extent necessary to respect the applicable regional ceilings determined in accordance with paragraph 2 or 3, Member States shall make a linear reduction or increase in the value of the payment

entitlements in each of their regions.

5. The Member States shall notify the Commission by 1 August 2013 of the decision referred to in paragraph 1, together with the measures taken for the application of paragraphs 2 and 3.

entitlements in each of their regions.

5. The Member States shall notify the Commission by 1 August 2013 of the decision referred to in paragraph 1, together with the measures taken for the application of paragraphs 2 and 3.

Amendments 52 and 161

Proposal for a regulation Article 21

Text proposed by the Commission

Article 21

First allocation of payment entitlements

1. Subject to paragraph 2, payment entitlements shall be allocated to farmers if they apply for allocation of payment entitlements under the basic payment scheme by 15 May 2014 except in case of force majeure and exceptional circumstances.

2. Farmers who, **in 2011** or in the case of Croatia in 2013, activated at least one payment entitlement under the single payment scheme or claimed support under the single area payment scheme, both in accordance with Regulation (EC) No 73/2009, shall receive payment entitlements the first year of application of the basic payment scheme provided they are entitled to be granted direct payments in accordance with Article 9.

Amendment

Article 21

First allocation of payment entitlements

1. Subject to paragraph 2 **of this Article, and without prejudice to Article 18(2)**, payment entitlements shall be allocated to farmers if they apply for allocation of payment entitlements under the basic payment scheme by 15 May 2014 except in case of force majeure and exceptional circumstances.

2. Farmers who:

- in any of one of the three years 2009, 2010 or 2011, to be chosen by Member States, or in the case of Croatia in 2013, activated at least one payment entitlement under the single payment scheme or claimed support under the single area payment scheme, both in accordance with Regulation (EC) No 73/2009, or

- in 2012 received payment entitlements under Article 41 and 63 of Regulation (EC) No 73/2009 or

- submitted evidence of active farm production and who, in 2011, reared or grew agricultural products including harvesting, milking, breeding animals or kept animals for farming purposes, shall receive payment entitlements the first year of application of the basic payment scheme provided they are entitled to be granted direct payments in accordance with Article 9.

By way of derogation from the first subparagraph, farmers shall receive payment entitlements the first year of application of the basic payment scheme, provided they are entitled to be granted direct payments in accordance with Article 9 and that in 2011:

(a) under the single payment scheme, they did not activate any entitlement but produced exclusively fruits, vegetables and/or cultivate exclusively vineyard;

(b) under the single area payment scheme, they did not claim any support and had only agricultural land that was not in good agricultural conditions on 30 June 2003 as provided for in Article 124(1) of Regulation (EC) No 73/2009,

Except in the case of *force majeure* or exceptional circumstances, the number of payment entitlements allocated per farmer shall be equal to the number of eligible hectares, within the meaning of Article 25(2), the farmer declares in accordance with Article 26(1) for 2014.

By way of derogation from the first subparagraph, farmers shall receive payment entitlements the first year of application of the basic payment scheme, provided they are entitled to be granted direct payments in accordance with Article 9 and that in 2011:

(a) under the single payment scheme, they did not activate any entitlement but produced exclusively fruits, vegetables, ***seed and ware potatoes, ornamental crops*** and/or cultivated exclusively vineyard;

(b) under the single area payment scheme, they did not claim any support and had only agricultural land that was not in good agricultural conditions on 30 June 2003 as provided for in Article 124(1) of Regulation (EC) No 73/2009,

Except in the case of *force majeure* or exceptional circumstances, the number of payment entitlements allocated per farmer shall be equal to the number of eligible hectares, within the meaning of Article 25(2), the farmer declares in accordance with Article 26(1) for 2014.

By way of derogation from the previous subparagraph, where the total number of hectares declared in a Member State in accordance with Article 26(1) for 2014 entails an increase of more than 45% of the total number of eligible hectares declared in 2009 in accordance with Article 35 of Regulation (EC) No 73/2009, Member States may limit the number of payment entitlements to be allocated in 2014 to 145% of the total number of hectares declared in 2009 in accordance with Article 35 of Regulation (EC) No

73/2009.

When using this option, Member States shall allocate a reduced number of payment entitlements to farmers that shall be calculated by applying a proportional reduction to the additional number of eligible hectares declared by each farmer in 2014 compared to the number of eligible hectares in accordance with Article 34(2) of Regulation (EC) No 73/2009 he indicated in his aid application in 2011 in accordance with Article 19 of Regulation (EC) No 73/2009.

3. In case of sale or lease of their holding or part of it, **natural or legal persons** complying with paragraph 2 may, by contract signed before 15 May 2014, transfer the right to receive payment entitlements as referred to in paragraph 1 to **only one farmer** provided that the latter **complies** with the conditions laid down in Article 9.

4. The Commission shall, by means of implementing acts, adopt rules on applications for allocation of payment entitlements submitted in the year of allocation of payment entitlements where those payment entitlements may not be definitively established yet and where that allocation is affected by specific circumstances. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 56(2).

3. In case of sale, **merger, scission** or lease of their holding or part of it, **farmers** complying with paragraph 2 may, by contract signed before 15 May 2014, transfer the right to receive payment entitlements as referred to in paragraph 1 to **the farmers receiving the holding or part of it** provided that the latter **comply** with the conditions laid down in Article 9.

4. The Commission shall, by means of implementing acts, adopt rules on applications for allocation of payment entitlements submitted in the year of allocation of payment entitlements where those payment entitlements may not be definitively established yet and where that allocation is affected by specific circumstances. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 56(2).

Amendment 53

Proposal for a regulation

Article 22

Text proposed by the Commission

Article 22

Value of payment entitlements and convergence

1. For each relevant year, the unit value of payment entitlements shall be calculated by dividing the national or regional ceiling

Amendment

Article 22

Value of payment entitlements and convergence

1. For each relevant year, the unit value of payment entitlements shall be calculated by dividing the national or regional ceiling

established under Articles 19 or 20, after application of the linear reduction provided for in Article 23(1), by the number of payment entitlements allocated at national or regional level according to Article 21(2) for 2014.

2. Member States which applied the single payment scheme as provided for in Regulation (EC) No 73/2009, may limit the calculation of the unit value of payment entitlements provided for in paragraph 1 to an amount corresponding to no less than **40 %** of the national or regional ceiling established under Articles 19 or 20, after application of the linear reduction provided for in Article 23(1).

3. Member States making use of the possibility provided for in paragraph 2 shall use the part of the ceiling which remains after the application of that *paragraph* to increase the value of payment entitlements in cases where the total value of payment entitlements held by a farmers under the basic payment scheme calculated according to paragraph 2 is lower than the total value of payment entitlements, including special entitlements, he held on 31 December 2013 under the single payment scheme in accordance with Regulation (EC) No 73/2009. To this end, the national or regional unit value of each of the payment entitlement of the farmer concerned shall be increased by a share of the difference between the total value of the payment entitlements under the basic payment scheme calculated according to paragraph 2 and the total value of payment entitlements, including special entitlements, which the farmer held on 31 December 2013 under the single payment scheme in accordance with Regulation (EC) No 73/2009.

For the calculation of the increase, a Member State may also take into account the support granted in calendar year 2013 pursuant to Articles 52, 53(1), and 68(1)(b), of Regulation (EC) No 73/2009 provided that the Member State has

established under Articles 19 or 20, after application of the linear reduction provided for in Article 23(1), by the number of payment entitlements allocated at national or regional level according to Article 21(2) for 2014.

2. Member States which applied the single payment scheme as provided for in Regulation (EC) No 73/2009, may limit the calculation of the unit value of payment entitlements provided for in paragraph 1 to an amount corresponding to no less than **10 %** of the national or regional ceiling established under Articles 19 or 20, after application of the linear reduction provided for in Article 23(1).

3. Member States making use of the possibility provided for in paragraph 2 shall use the part of the ceiling which remains after the application of that *paragraph* to increase the value of payment entitlements in cases where the total value of payment entitlements held by a farmers under the basic payment scheme calculated according to paragraph 2 is lower than the total value of payment entitlements, including special entitlements, he held on 31 December 2013 under the single payment scheme in accordance with Regulation (EC) No 73/2009. To this end, the national or regional unit value of each of the payment entitlement of the farmer concerned shall be increased by a share of the difference between the total value of the payment entitlements under the basic payment scheme calculated according to paragraph 2 and the total value of payment entitlements, including special entitlements, which the farmer held on 31 December 2013 under the single payment scheme in accordance with Regulation (EC) No 73/2009.

For the calculation of the increase, a Member State may also take into account the support granted in calendar year 2013 pursuant to Articles 52, 53(1), and 68(1)(b), of Regulation (EC) No 73/2009 provided that the Member State has

decided not to apply the voluntary coupled support pursuant to Title IV of this Regulation to the relevant sectors.

For the purpose of the first subparagraph, a farmer is considered to hold payment entitlements on 31 December 2013 where payment entitlements were allocated or definitively transferred to him by that date.

4. For the purposes of *paragraph 3*, a Member State may, on the basis of objective criteria, provide that, in cases of sale or grant or expiry of all or part of a lease of agricultural areas after the date fixed pursuant to Article 35 of Regulation (EC) No 73/2009 and before the date fixed pursuant to Article 26 of this Regulation, the increase, or part of the increase, in the value of payment entitlements that would be allocated to the farmer concerned shall revert to the national reserve where the increase would lead to a windfall profit for the farmer concerned.

Those objective criteria shall be established in such a way as to ensure equal treatment between farmers and to avoid market and competition distortions and shall include, at least, the following:

- (a) a minimum duration for the lease;
- (b) the proportion of the payment received which shall revert to the national reserve.

5. As of claim year 2019 at the latest, all payment entitlements in a Member State or, in case of application of Article 20, in a region, ***shall have a uniform unit value.***

6. When applying paragraphs 2 and 3, Member States, acting in compliance with

decided not to apply the voluntary coupled support pursuant to Title IV of this Regulation to the relevant sectors.

For the purpose of the first subparagraph, a farmer is considered to hold payment entitlements on 31 December 2013 where payment entitlements were allocated or definitively transferred to him by that date.

4. For the purposes of *paragraph 3*, a Member State may, on the basis of objective criteria, provide that, in cases of sale or grant or expiry of all or part of a lease of agricultural areas after the date fixed pursuant to Article 35 of Regulation (EC) No 73/2009 and before the date fixed pursuant to Article 26 of this Regulation, the increase, or part of the increase, in the value of payment entitlements that would be allocated to the farmer concerned shall revert to the national reserve where the increase would lead to a windfall profit for the farmer concerned.

Those objective criteria shall be established in such a way as to ensure equal treatment between farmers and to avoid market and competition distortions and shall include, at least, the following:

- (a) a minimum duration for the lease;
- (b) the proportion of the payment received which shall revert to the national reserve.

5. As of claim year 2019 at the latest, all payment entitlements in a Member State or, in case of application of Article 20, in a region:

- (a) shall have a uniform unit value;***
- (b) may deviate from the average unit value by up to 20%.***

When applying paragraphs 2, 3 and this paragraph, Member States may take measures to ensure that, where payment entitlements at farm level are reduced, the level of those entitlements activated in 2019 is not more than 30% below that of 2014.

6. When applying paragraphs 2 and 3, Member States, acting in compliance with

the general principles of Union law, shall move towards approximating the value of the payment entitlements at national or regional level. To this end, Member States shall fix the steps to be taken by 1 August 2013. Those steps shall include annual progressive modifications of the payment entitlements in accordance with objective and non-discriminatory criteria.

The steps referred to in the first subparagraph shall be notified to the Commission by the date referred to in that subparagraph.

the general principles of Union law, shall move towards approximating the value of the payment entitlements at national or regional level. To this end, Member States shall fix the steps to be taken by 1 August 2013. Those steps shall include annual progressive modifications of the payment entitlements in accordance with objective and non-discriminatory criteria.

The steps referred to in the first subparagraph shall be notified to the Commission by the date referred to in that subparagraph.

Amendment 54

Proposal for a regulation Article 22 a (new)

Text proposed by the Commission

Amendment

Article 22a

Internal convergence

1. By way of derogation from Article 22, Member States may approximate the value of the payment entitlements at national or regional level so that the unit value of entitlements moves part of, but not all, the way to uniform national or regional values as of claim year 2021. Member States may use the formula for external convergence between Member States when exercising this option. This convergence shall be financed by the reduction of 2013 entitlement values above a threshold identified by Member States or above the national average.

2. Member States exercising the derogation referred to in paragraph 1 may decide that the payment for agricultural practises beneficial for the climate and the environment referred to in Chapter 2 of Title III, which shall represent 30 % of the national envelope in accordance with Article 33(1), is payable to farmers as a percentage relative to their basic payment.

3. When exercising the derogation referred to in paragraph 1, Member

States, shall, by 1 August 2013, fix the steps to be taken, acting in compliance with the general principles of Union law. Those steps shall include progressive modifications of the payment entitlements in accordance with objective and non-discriminatory criteria.

The steps referred to in the first subparagraph shall be notified to the Commission by 1 August 2013.

Amendment 55

Proposal for a regulation

Article 23

Text proposed by the Commission

Article 23

Establishment and use of the national reserve

1. Each Member State shall establish a national reserve. For that purpose, in the first year of application of the basic payment scheme, Member States shall proceed to a linear percentage reduction of the basic payment scheme ceiling at national level in order to constitute the national reserve. This reduction shall not be higher than 3 % except, if required, to cover the allocation needs laid down in paragraph 4 **for the year 2014**.

2. Member States may administer the national reserve at regional level.

3. Member States shall establish payment entitlements from the national reserve in accordance with objective criteria and in such a way as to ensure equal treatment between farmers and to avoid market and competition distortions.

4. Member States shall use the national reserve to allocate payment entitlements, as a matter of priority, to young farmers who commence their agricultural activity.

Amendment

Article 23

Establishment and use of the national reserve

1. Each Member State shall establish a national reserve. For that purpose, in the first year of application of the basic payment scheme, Member States shall proceed to a linear percentage reduction of the basic payment scheme ceiling at national level in order to constitute the national reserve. **For the year 2014**, this reduction shall not be higher than 3% except, if required, to cover the allocation needs laid down in paragraph 4. **For subsequent years, Member States may every year set the ceiling of reduction on the basis of the allocation needs.**

2. Member States may administer the national reserve at regional level.

3. Member States shall establish payment entitlements from the national reserve in accordance with objective criteria and in such a way as to ensure equal treatment between farmers and to avoid market and competition distortions.

4. Member States shall use the national reserve to allocate payment entitlements, as a matter of priority, to young farmers **and new farmers** who commence their

For the purposes of the first subparagraph, 'young farmers who commence their agricultural activity' means farmers fulfilling the conditions laid down in Article 36(2) that did not have any agricultural activity in their own name and at their own risk or did not have the control of a legal person exercising an agricultural activity in the 5 years preceding the start of the new agricultural activity. In case of a legal person, the natural person(s) who has the control of the legal person must not have had any agricultural activity in his own name and at his own risk or must not have had the control of a legal person exercising an agricultural activity in the 5 years preceding the start of the agricultural activity by the legal person.

5. Member States may use the national reserve to:

(a) allocate payment entitlements to farmers in areas subject to restructuring and/or development programmes relating to a form of public intervention in order to prevent land from being abandoned and/or to compensate farmers for specific disadvantages in those areas;

agricultural activity.

For the purposes of the first subparagraph, 'young farmers who commence their agricultural activity' means farmers fulfilling the conditions laid down in Article 36(2) that did not have any agricultural activity in their own name and at their own risk or did not have the control of a legal person exercising an agricultural activity in the 5 years preceding the start of the new agricultural activity. In case of a legal person, the natural person(s) who has the control of the legal person must not have had any agricultural activity in his own name and at his own risk or must not have had the control of a legal person exercising an agricultural activity in the 5 years preceding the start of the agricultural activity by the legal person.

For the purposes of the first subparagraph, 'new farmers who commence their agricultural activity' means natural persons who have never been attributed entitlements. Member States may determine additional objective and non-discriminatory criteria that new farmers shall fulfil as regards, in particular, appropriate skills, experience and/or training requirements.

5. Member States may use the national reserve to:

(a) allocate payment entitlements to farmers in areas subject to restructuring and/or development programmes relating to a form of public intervention in order to prevent land from being abandoned and/or to compensate farmers for specific disadvantages in those areas;

(aa) allocate payment entitlements to farmers whose holding is situated in a Member State which has decided to exercise the option laid down in Article 18(2) and who did not obtain a payment entitlement in accordance with Regulation (EC) N° 1782/2003 or Regulation (EC) N° 73/2009 or both of them, when they declare eligible agricultural areas for the year 2014;

(ab) allocate payment entitlements to farmers who began their agricultural activity after 2011 and who operate in specific agricultural sectors to be defined by Member States on the basis of objective and non-discriminatory criteria;

(ac) increase the value of payment entitlements under the basic payment scheme up to the national or regional average unit value of payment entitlements to farmers who as a result of the transition to the basic payment scheme are placed in a special situation by virtue of the low value of their historical payment entitlements held under the single payment scheme in accordance with Regulation (EC) No 73/2009 or increase the value of payment entitlements to farmers who held special entitlements on 31 December 2013;

(ad) grant farmers, on an annual basis, compensation – which may be increased by an additional payment for small farmers – for the removal of the EUR 5000 allowance provided for in Article 7(1) of Regulation (EC) No 73/2009.

(b) linearly increase the value of payment entitlements under the basic payment scheme at national or regional level if the national reserve exceeds 3 % in any given year, provided that sufficient amounts remain available for allocations under paragraph 4, under point (a) of this paragraph and under paragraph 7.

(b) linearly increase the value of payment entitlements under the basic payment scheme at national or regional level if the national reserve exceeds 3 % in any given year, provided that sufficient amounts remain available for allocations under paragraph 4, under point (a) of this paragraph and under paragraph 7.

However, when increasing the value of payment entitlements under this point. Member States may decide to apply an alternative method to the linear method.

6. When applying paragraphs 4 and 5(a), Member States shall establish the value of payment entitlements allocated to farmers on the basis of the national or regional average value of payment entitlements in the year of allocation.

6. When applying paragraphs 4 and 5(a), Member States shall establish the value of payment entitlements allocated to farmers on the basis of the national or regional average value of payment entitlements in the year of allocation.

7. Where a farmer is entitled to receive payment entitlements or increase the value of the existing ones by virtue of a definitive court's ruling or by virtue of a definitive administrative act of the

7. Where a farmer is entitled to receive payment entitlements or increase the value of the existing ones by virtue of a definitive court's ruling or by virtue of a definitive administrative act of the

competent authority of a Member State, the farmer shall receive the number and value of payment entitlements established in that ruling or act at a date to be fixed by the Member State. However, this date shall not be later than the latest date for lodging an application under the basic payment scheme following the date of the court's ruling or the administrative act, taking into account the application of Articles 25 and 26.

competent authority of a Member State, the farmer shall receive the number and value of payment entitlements established in that ruling or act at a date to be fixed by the Member State. However, this date shall not be later than the latest date for lodging an application under the basic payment scheme following the date of the court's ruling or the administrative act, taking into account the application of Articles 25 and 26.

Amendment 56

Proposal for a regulation Article 25 – paragraph 1

Text proposed by the Commission

1. Support under the basic payment scheme shall be granted to farmers upon activation, by means of declaration in accordance with Article 26(1), of a payment entitlement per eligible hectare in the Member State where it has been allocated. Activated payment entitlements shall give a right to the annual payment of the amounts fixed therein, without prejudice to the application of financial discipline, progressive reduction and capping, linear reductions in accordance with Article 7, 37(2) and 51(1), and any reductions and exclusions imposed pursuant to Regulation (EU) No [...] [HZR].

Amendment

1. Support under the basic payment scheme shall be granted to farmers upon activation, by means of declaration in accordance with Article 26(1), of a payment entitlement per eligible hectare in the Member State where it has been allocated. Activated payment entitlements shall give a right to the annual payment of the amounts fixed therein, without prejudice to the application of financial discipline, progressive reduction and capping, linear reductions in accordance with Article 7, 37(2) and 51(1), and any reductions and exclusions imposed pursuant to Regulation (EU) No [...] [HZR]. ***By way of derogation from the first sentence, Member States that apply the single area payment scheme in 2013 may continue to apply the model for the implementation of the basic payment scheme.***

Amendment 57

Proposal for a regulation Article 25 – paragraph 2 – subparagraph 3 a (new)

Text proposed by the Commission

Amendment

For the purposes of point (a) of the first subparagraph, Member States may apply, according to objective and non-

discriminatory criteria, a reduction coefficient for areas with lower yield potential or specific productions when determining the size of the eligible agricultural area.

Amendment 58

Proposal for a regulation

Article 27 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2 a. Where payment entitlements are sold without land, Member States may, acting in compliance with the general principles of Union law, decide that part of the payment entitlements sold revert to the national reserve or that their unit value is reduced in favour of the national reserve.

Amendment 59

Proposal for a regulation

Article 28 – paragraph 1 – point e

Text proposed by the Commission

Amendment

(e) criteria to be applied by Member States to allocate payment entitlements to farmers who did not activate any entitlement in 2011 or did not claim support under the single area payment scheme in 2011 as provided for in Article 21(2) and to allocate payment entitlements in case of application of the contract clause referred to in Article 21(3);

(e) criteria to be applied by Member States to allocate payment entitlements to farmers who did not activate any entitlement in *any one of the years 2009, 2010 or 2011* or did not claim support under the single area payment scheme in *any of one the years 2009, 2010 or 2011* as provided for in Article 21(2) and to allocate payment entitlements in case of application of the contract clause referred to in Article 21(3), *with the exception of new farmers and young farmers;*

Amendment 60

Proposal for a regulation

Article 28 – point g

Text proposed by the Commission

Amendment

(g) rules on the declaration and activation

(g) rules on *the content of* the declaration

of payment entitlements;

and *on the requirements for the* activation of payment entitlements;

Amendment 61

Proposal for a regulation Chapter 1 a (new)

Text proposed by the Commission

Amendment

CHAPTER 1A

COMPLEMENTARY PAYMENT FOR THE FIRST HECTARES

Article 28a

General rules

1. Member States may decide to grant a complementary annual payment to farmers who are entitled to a payment under the basic payment scheme referred to in Chapter 1.

2. Member States shall determine the number of first hectares eligible for this provision, which shall correspond to the number of entitlements activated by the farmer in accordance with Article 26(1), up to a limit of 50 hectares.

3. In order to finance this provision, Member States shall use an amount up to a maximum of 30% of their annual national ceiling set out in Annex II.

4. Member States shall calculate each year the amount of complementary payment for the first hectares by dividing the amount referred to in paragraph 3 by the total number of hectares benefiting from this payment.

5. Member States shall ensure that no payment is made to farmers who, after the publication of the Commission proposal for this Regulation, are shown to have artificially created the conditions in order to benefit from the payment referred to in this Article.

6. Member States shall notify the Commission, by 1 August 2013, of their decisions referred to in paragraphs 1, 2

and 3.

Amendment 63

Proposal for a regulation Article 30

Text proposed by the Commission

Article 30

Crop diversification

1. Where the arable land of the farmer covers more than **3** hectares **and is not entirely used for grass production (sown or natural), entirely left fallow or entirely cultivated with crops under water for a significant part of the year**, cultivation on the arable land shall consist of at least three different crops. **None of those three crops shall cover less than 5 % of the arable land and the main one shall not exceed 70 % of the arable land.**

2. The Commission shall be empowered to adopt delegated acts in accordance with Article 55 laying down the definition of 'crop' and the rules concerning the application of the precise calculation of shares of different crops.

Amendment

Article 30

Crop diversification

1. **Where the arable land of the farmer covers between 10 and 30 hectares, cultivation on the arable land shall consist of at least two different crops. None of those crops shall cover more than 80 % of the arable land.**

Where the arable land of the farmer covers more than **30** hectares, cultivation on the arable land shall consist of at least three different crops **except for holdings situated north of the 62nd parallel. The main crop shall not cover more than 75 % of the arable land and together the two main crops shall not cover more than 95 % of the arable land.**

2. The Commission shall be empowered to adopt delegated acts in accordance with Article 55 laying down the definition of 'crop' and the rules concerning the application of the precise calculation of shares of different crops.

Amendment 64

Proposal for a regulation Article 31

Text proposed by the Commission

Article 31

Permanent grassland

Amendment

Article 31

Permanent grassland **and permanent**

pasture

1. **Farmers** shall *maintain as* permanent grassland the areas of *their* holdings declared as such in the application made pursuant to Article 74(1) of Regulation (EU) No XXX (HZ) for claim year 2014, hereinafter referred to as “reference areas under permanent grassland”.

The reference areas under permanent grassland shall be increased in cases where the farmer has an obligation to reconvert areas into permanent grassland in 2014 and/or in 2015 as referred to in Article 93 of Regulation (EU) No [...] HZR.

2. **Farmers shall be allowed to convert** a maximum of 5 % of *their* reference areas under permanent grassland. **That limit shall not apply in the case of force majeure or exceptional circumstances.**

3. The Commission shall be empowered to adopt delegated acts in accordance with Article 55 laying down rules concerning the increase of reference areas under permanent grassland as laid down in the **second** subparagraph of paragraph 1, the renewal of permanent grassland, the reconversion of agricultural area into permanent grassland in case the authorised decrease referred to in paragraph 2 is exceeded, as well as the modification of the reference areas under permanent grassland in case of transfer of land.

1. **Member States** shall *ensure that the ratio of the land under permanent grassland and permanent pasture to the total agricultural area is maintained.* **Member States may apply this obligation at national, regional or sub regional level.**

For the purpose of the first subparagraph, land under permanent grassland and permanent pasture shall be considered to correspond to the areas of *the* holdings declared as such in the application made pursuant to Article 74(1) of Regulation (EU) No XXX (HZ) for claim year 2014, and shall hereinafter referred to as “reference areas under permanent grassland *and permanent pasture*”.

The reference areas under permanent grassland *and permanent pasture* shall be increased in cases where the farmer has an obligation to reconvert areas into permanent grassland in 2014 and/or in 2015 as referred to in Article 93 of Regulation (EU) No [...] HZR.

2. **Conversion of** a maximum of 5% of *the* reference areas under permanent grassland *and permanent pasture shall be allowed, with the exception of carbon rich soils, wetlands and semi natural grassland and pastures. Under exceptional circumstances, this percentage may be increased to 7%.*

3. The Commission shall be empowered to adopt delegated acts in accordance with Article 55 laying down rules concerning the increase of reference areas under permanent grassland *and permanent pasture* as laid down in the **third** subparagraph of paragraph 1, the renewal of permanent grassland *and permanent pasture*, the reconversion of agricultural area into permanent grassland *and permanent pasture* in *the case that* the authorised decrease referred to in paragraph 2 is exceeded, as well as **concerning the exceptional circumstances referred to in paragraph 2 and** the modification of the reference areas under

permanent grassland **and permanent pasture**, in **the** case of **the** transfer of land.

Amendment 65

Proposal for a regulation Article 32

Text proposed by the Commission

Article 32

Ecological focus area

1. Farmers shall ensure that at least 7% of their eligible hectares as defined in Article 25(2), excluding areas under permanent grassland, is ecological focus area such as land left fallow, terraces, landscape features, buffer strips and afforested areas as referred to in article 25(2)(b)(ii).

Amendment

Article 32

Ecological focus area

1. ***Where the arable land covers more than 10 hectares***, farmers shall ensure, ***during the first year of implementation of the present regulation***, that at least 3% of their eligible hectares as defined in Article 25(2), excluding areas under permanent grassland ***and permanent pasture and permanent crops***, is ecological focus area such as land left fallow, terraces, landscape features ***including hedgerows, ditches, stonewalls, in field trees and ponds, land planted with nitrogen-fixing crops***, buffer strips and afforested areas as referred to in article 25(2)(b)(ii). ***Farmers may apply this measure to their entire holding.***

Farmers may use an ecological focus area for production without utilisation of pesticide or fertiliser application.

From 1 January 2016, the percentage indicated in the first subparagraph shall be raised to 5%.

1a. Before 31 March 2017, the Commission shall present an evaluation report of the measures under paragraph 1 to the European Parliament and the Council; accompanied by the necessary legislative proposals, in order to increase, if appropriate, up to 7% the percentage mentioned in paragraph 1 for the year 2018 and after taking into account the impact on the environment and agricultural production.

1b. By way of derogation from paragraph 1, from 1 January 2016, Member States may decide to implement up to three

percentage points of the ecological focus areas at a regional level in order to obtain adjacent ecological areas.

1c. Farmers may lease back from the local authority an agricultural area of high nature value which has entered public ownership as a result of land consolidation or similar procedures and may designate it as ecological focus area provided that it meets the criteria set out in paragraph 1.

1d. Ecological focus areas may be weighted on the basis of their ecological significance. The Commission shall approve the set of weighting coefficients submitted by Member States taking into account equivalent environmental and climatic performance criteria.

2. The Commission shall be empowered to adopt delegated acts in accordance with Article 55 to further define the types of ecological focus areas referred to in paragraph 1 of this Article **and** to add and define other types of ecological focus areas that can be taken into account **for the respect of** the percentage referred to in **that** paragraph.

2. The Commission shall be empowered to adopt delegated acts in accordance with Article 55 to further define the types of ecological focus areas referred to in paragraph 1 of this Article, **to lay down an Union-wide framework of weighting coefficients for the purpose of calculating the hectares represented by the various types of ecological focus area referred to in paragraph 1d of this Article and** to add and define other types of ecological focus areas that may be taken into account **when assessing** the percentage referred to in paragraph **1 of this Article and defining the regional level referred to in paragraph 1b of this Article.**

Amendment 66

Proposal for a regulation

Article 34 – paragraph 4

Text proposed by the Commission

4. The payment per hectare referred to in paragraph 1 shall be calculated by dividing the amount resulting from the application of Article 35 by the number of eligible hectares declared according to Article 26(1) **which are situated in the areas** to which Member States decided to grant a

Amendment

4. The payment per hectare referred to in paragraph 1 shall be calculated by dividing the amount resulting from the application of Article 35 by the number of eligible hectares declared according to Article 26(1) to which Member States decided to grant a payment in accordance with

payment in accordance with paragraph 2 of this Article.

paragraph 2 of this Article.

Amendment 67

Proposal for a regulation

Article 34 – paragraph 4 – subparagraph 1 a (new)

Text proposed by the Commission

Amendment

Member States may vary the payment per hectare on the basis of objective and non-discriminatory criteria.

Amendment 68

Proposal for a regulation

Article 34 – paragraph 4 – subparagraph 1 b (new)

Text proposed by the Commission

Amendment

If they apply the first subparagraph, Member States may set the maximum number of hectares per holding which are to be taken into account for the payment.

Amendment 69

Proposal for a regulation

Article 35 – paragraph 2

Text proposed by the Commission

Amendment

2. According to the percentage of the national ceiling to be used by Member States pursuant to paragraph 1, the Commission shall, ***by means of implementing acts***, fix the corresponding ceiling for that payment on a yearly basis. ***Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 56(2).***

2. According to the percentage of the national ceiling to be used by Member States pursuant to paragraph 1, the Commission shall ***be empowered to adopt delegated acts, in accordance with Article 55, to*** fix the corresponding ceiling for that payment on a yearly basis.

Amendment 70

Proposal for a regulation
Article 36

Text proposed by the Commission

Article 36
General rules

1. Member States shall grant an annual payment to young farmers who are entitled to a payment under the basic payment scheme referred to in Chapter 1.

2. For the purposes of this Chapter, 'young farmers', shall mean:

(a) natural persons who are setting up for the first time an agricultural holding as head of the holding, or who have already set up such a holding during the five years preceding the first submission of an application to the basic payment scheme as referred in Article 73(1) of Regulation (EU) No [...] [HZR], and

(b) who are less than 40 years of age at the moment of submitting the application referred to in point (a).

3. Without prejudice to the application of financial discipline, progressive reduction and capping, linear reductions as referred in Article 7, and any reductions and exclusions imposed pursuant to Article 65 of Regulation (EU) No [...] [HZR], the payment referred to in paragraph 1 of this Article shall be granted annually upon activation of payment entitlements by the farmer.

4. The payment referred to in paragraph 1 shall be granted per farmer for a period of maximum five years. That period shall be reduced by the number of years elapsed

Amendment

Article 36
General rules

1. Member States shall grant an annual payment, ***subject to the conditions laid down in this Chapter***, to young farmers who are entitled to a payment under the basic payment scheme referred to in Chapter 1.

2. For the purposes of this Chapter, 'young farmers', shall mean:

(a) natural persons who are setting up for the first time an agricultural holding as head of the holding, or who have already set up such a holding during the five years preceding the first submission of an application to the basic payment scheme as referred in Article 73(1) of Regulation (EU) No [...] [HZR], and

(b) who are less than 40 years of age at the moment of submitting the application referred to in point (a).

(ba) Member States may determine additional objective and non-discriminatory criteria that young farmers are to fulfil as regards, in particular, appropriate skills, experience and/or training requirements.

3. Without prejudice to the application of financial discipline, progressive reduction and capping, linear reductions as referred in Article 7, and any reductions and exclusions imposed pursuant to Article 65 of Regulation (EU) No [...] [HZR], the payment referred to in paragraph 1 of this Article shall be granted annually upon activation of payment entitlements by the farmer.

4. The payment referred to in paragraph 1 shall be granted per farmer for a period of maximum five years. That period shall be reduced by the number of years elapsed

between the setting up and the first submission of the application referred to in point (a) of paragraph 2.

5. Member States shall calculate each year the amount of the payment referred to in paragraph 1 by multiplying a figure corresponding to 25% of the average value of the payment entitlements ***held by the farmer*** by the number of entitlements he has activated in accordance with Article 26(1).

When applying the first subparagraph, Member States shall ***respect the following maximum limits in the number of activated payment entitlements that are to be taken into account:***

(a) in Member States where the average size of agricultural holdings as set out in Annex VI is lower than, or equal to, 25 hectares, a maximum of 25;

(b) in Member States where the average size of agricultural holdings as set out in Annex VI is higher than 25 hectares, a maximum that shall be no less than 25 and no greater than that average size.

6. The Commission shall be empowered to adopt delegated acts in accordance with Article 55 concerning the conditions under which a legal person may be considered eligible for receiving the payment referred to in paragraph 1, in particular the application of the age-limit set out in paragraph 2(b) to one or more natural persons participating in the legal person.

between the setting up and the first submission of the application referred to in point (a) of paragraph 2.

5. Member States shall calculate each year the amount of the payment referred to in paragraph 1 by multiplying a figure corresponding to 25 % of the average value of the payment entitlements ***in the Member State or region concerned*** by the number of entitlements the farmer he has activated in accordance with Article 26(1).

When applying the first subparagraph, Member States shall ***fix a limit which may be up to a maximum of 100 hectares.***

6. The Commission shall be empowered to adopt delegated acts in accordance with Article 55 concerning the conditions under which a legal person may be considered eligible for receiving the payment referred to in paragraph 1, in particular the application of the age-limit set out in paragraph 2(b) to one or more natural persons participating in the legal person.

Amendment 71

Proposal for a regulation Article 37

Text proposed by the Commission

Article 37

Financial provisions

1. In order to finance the payment referred to in Article 36, Member States shall use ***a percentage*** of the annual national ceiling

Amendment

Article 37

Financial provisions

1. In order to finance the payment referred to in Article 36, Member States shall use ***2 %*** of the annual national ceiling set out in

set out in Annex II ***which shall not be higher than 2%. They shall notify the Commission, by 1 August 2013, of the estimated percentage necessary to finance that payment.***

Member States may, by 1 August 2016, review their estimated percentage with effect from 1 January 2017. They shall notify the Commission of the reviewed percentage by 1 August 2016.

2. Without prejudice to the maximum of 2% set under paragraph 1, where the total amount of the payment applied for in a Member State in a particular year exceeds the ceiling set pursuant to paragraph 4, and where that ceiling is lower than 2% of the annual national ceiling set out in Annex II, Member States shall apply a linear reduction to all payments to be granted to all farmers in accordance with Article 25.

3. Where the total amount of the payment applied for in a Member State in a particular year exceeds the ceiling set pursuant to paragraph 4, and where that ceiling amounts to 2% of the annual national ceiling set out in Annex II, Member States shall apply a linear reduction to the amounts to be paid in accordance with Article 36 in order to

Annex II.

Where the estimated percentage necessary to finance the payment referred to in Article 36 is lower than 2 %, Member States may allocate the remainder of the respective amounts in order to linearly increase the value of payment entitlements of the national reserve, giving priority to young farmers and new farmers in accordance with Article 23(4).

By way of derogation from the first subparagraph, Member States may decide to increase the percentage mentioned in that subparagraph in order to give priority to chosen beneficiaries at national level, based on objective and non-discriminatory criteria. Such decision shall be notified to the Commission before 1 August 2013.

Member States may, by 1 August 2016, review their estimated percentage ***necessary to finance the payment referred to in Article 36*** with effect from 1 January 2017. They shall notify the Commission of the reviewed percentage by 1 August 2016.

2. Without prejudice to the maximum of 2% set under paragraph 1, where the total amount of the payment applied for in a Member State in a particular year exceeds the ceiling set pursuant to paragraph 4, and where that ceiling is lower than 2% of the annual national ceiling set out in Annex II, Member States shall apply a linear reduction to all payments to be granted to all farmers in accordance with Article 25.

3. Where the total amount of the payment applied for in a Member State in a particular year exceeds the ceiling set pursuant to paragraph 4, and where that ceiling amounts to 2% of the annual national ceiling set out in Annex II, Member States shall apply a linear reduction to the amounts to be paid in accordance with Article 36 in order to

comply with that ceiling.

4. On the basis of the estimated percentage notified by Member States pursuant to paragraph 1, the Commission shall, by means of implementing acts, set the corresponding ceiling for the payment referred to in Article 36 on a yearly basis. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 56(2).

comply with that ceiling.

4. On the basis of the estimated percentage notified by Member States pursuant to paragraph 1, the Commission shall, by means of implementing acts, set the corresponding ceiling for the payment referred to in Article 36 on a yearly basis. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 56(2).

Amendment 72

Proposal for a regulation

Article 38 – paragraph 1 – subparagraph 2

Text proposed by the Commission

Coupled support may be granted to the ***following*** sectors and productions: ***cereals, oilseeds, protein crops, grain legumes, flax, hemp, rice, nuts, starch potato, milk and milk products, seeds, sheepmeat and goatmeat, beef and veal, olive oil, silk worms, dried fodder, hops, sugar beet, cane and chicory, fruit and vegetables and short rotation coppice.***

Amendment

Coupled support may be granted to the sectors and productions ***referred to in Annex I to the Treaty, with the exception of fisheries products.***

Amendment 73

Proposal for a regulation

Article 38 – paragraph 1 – subparagraph 2 a (new)

Text proposed by the Commission

Amendment

Appropriations earmarked for coupled payments shall be allocated as a matter of priority to productions in respect of which coupled payments were made during the period 2010-2013 under Articles 68, 101 and 111 of Regulation (EC) No 73/2009.

Amendment 74

Proposal for a regulation Article 38 – paragraph 3 a (new)

Text proposed by the Commission

Amendment

3a. Member States may grant coupled support to farmers with special entitlements in 2010 in accordance with Articles 60 and 65 of Regulation (EC) No 73/2009 independently of the basic payment referred to in Title III, Chapter 1 of this Regulation.

Amendment 75

Proposal for a regulation Article 38 – paragraph 3 b (new)

Text proposed by the Commission

Amendment

3b. Member States may grant coupled support to livestock farmers who do not own the majority of the land they farm.

Amendment 76

Proposal for a regulation Article 38 – paragraph 3 c (new)

Text proposed by the Commission

Amendment

3c. The Commission shall be empowered to adopt delegated acts in accordance with Article 55 laying down the transitional measures to be applied to these farmers.

Amendment 77

Proposal for a regulation Article 38 – paragraph 4 – subparagraph 1 a (new)

Text proposed by the Commission

Amendment

By way of derogation from the first subparagraph, the limit for the grant of coupled support may be extended beyond that required to maintain existing

production levels, provided that the purpose of the coupled support is environmental. The Member State concerned shall set such a limit in accordance with specified environmental objectives or challenges. The limit thus set shall be notified to the Commission in accordance with Article 40 and shall be approved in accordance with Article 41.

Amendment 78

Proposal for a regulation Article 39 – paragraph 1

Text proposed by the Commission

1. In order to finance the voluntary coupled support, Member States may decide, by 1 August of the year preceding the first year of implementation of such support, to use up to **5 %** of their annual national ceiling set out in Annex II.

Amendment

1. In order to finance the voluntary coupled support, Member States may decide, by 1 August of the year preceding the first year of implementation of such support, to use up to **15 %** of their annual national ceiling set out in Annex II.

Amendment 79

Proposal for a regulation Article 39 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. The percentage of the national ceiling referred to in paragraph 1 may be increased by three percentage points for those Member States which decide to use at least 3 % of their national ceiling as defined in Annex II in order to support the production of protein crops under this Chapter.

Amendment 80

Proposal for a regulation Article 39 – paragraph 2

Text proposed by the Commission

2. By way of derogation from paragraph 1, Member States may decide to use up to

Amendment

deleted

10 % of the annual national ceiling set out in Annex II provided that:

(a) they applied, until 31 December 2013, the single area payment scheme as laid down in Title V of Regulation (EC) No 73/2009, or financed measures under Article 111 of that Regulation, or are concerned by the derogation provided for in Article 69(5), or, in the case of Malta, in Article 69(1) of that Regulation; and/or

(b) they allocated, during at least one year in the period 2010-2013, more than 5 % of their amount available for granting the direct payments provided for in Titles III, IV and V of Regulation (EC) No 73/2009, with the exception of Section 6 of Chapter 1 of Title IV, for financing the measures laid down in Section 2 of Chapter 2 of Title III of Regulation (EC) No 73/2009, the support provided for in points (i) to (iv) of paragraph 1(a) and paragraphs 1(b) and (e) of Article 68 of that Regulation, or the measures under Chapter 1, with the exception of Section 6, of Title IV of that Regulation.

Amendment 82

Proposal for a regulation

Article 39 – paragraph 4 – introductory part

Text proposed by the Commission

4. Member States may, by 1 August 2016, review their decision pursuant to paragraphs 1, 2 **and 3** and decide, with effect from 2017:

Amendment

4. Member States may, by 1 August 2016, review their decision pursuant to paragraphs 1 **and 1a**, and decide, with effect from 2017:

Amendment 83

Proposal for a regulation

Article 39 – paragraph 4 – point a

Text proposed by the Commission

(a) to increase the percentage fixed pursuant to paragraphs 1 **and 2**, within the limits laid down therein where applicable, and, where appropriate, modify the

Amendment

(a) to increase the percentage fixed pursuant to paragraphs 1 **and 1a**, within the limits laid down therein where applicable, and, where appropriate, modify the

conditions for granting the support;

conditions for granting the support;

Amendment 84

Proposal for a regulation Article 39 – paragraph 5

Text proposed by the Commission

5. On the basis of the decision taken by each Member State pursuant to paragraphs 1 *to* 4 on the proportion of the national ceiling to be used, the Commission shall, ***by means of implementing acts***, fix the corresponding ceiling for the support on a yearly basis. ***Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 56(2).***

Amendment

5. On the basis of the decision taken by each Member State pursuant to paragraphs 1, ***1a and*** 4 on the proportion of the national ceiling to be used, the Commission shall ***be empowered to adopt delegated acts, in accordance with Article 55, to*** fix the corresponding ceiling for the support on a yearly basis.

Amendment 85

Proposal for a regulation Article 39 a (new)

Text proposed by the Commission

Amendment

Article 39a

Optional additional national support

1. Member States which decide to introduce voluntary coupled support in the suckler cow sector in accordance with Article 38 may grant an additional national premium to farmers to top up the coupled support they receive for the same calendar year.

2. Member States shall notify farmers of the conditions governing the award of this additional national support at the same time as and using the same arrangements as for the notification of the coupled support.

Amendment 86

Proposal for a regulation Article 41 – paragraph 1 – introductory part

Text proposed by the Commission

1. The Commission shall, **by means of an implementing act**, approve the decision referred to **in Article 39(3), or, where appropriate**, in Article 39(4)(a), where one of the following needs in the region or sector concerned is demonstrated:

Amendment

1. The Commission shall **be empowered to adopt delegated acts, in accordance with Article 55, to** approve the decision referred to in Article 39(4)(a), where one of the following needs in the region or sector concerned is demonstrated:

Amendment 87

**Proposal for a regulation
Article 47**

Text proposed by the Commission

Article 47

General rules

1. Farmers holding payment entitlements allocated in 2014 pursuant to Article 21 and fulfilling the minimum requirements provided for in Article 10(1) **may opt for participation in a** simplified scheme under the conditions laid down in this Title, **hereinafter referred to as** 'small farmers scheme'.

2. Payments under the small farmers scheme shall replace the payments to be granted pursuant to Titles III and IV.

3. Farmers participating in the small farmers scheme shall be exempted from the agricultural practises provided for in Chapter 2 of Title III.

4. Member States shall ensure that no payment is made to farmers for whom it is established that, as from the date of publication of the Commission proposal for this Regulation, they divide their holding with the sole purpose of benefiting from

Amendment

Article 47

General rules

1. **Member States may set up a simplified small farmers scheme in accordance with the conditions laid down in this Title. If a Member State applies such a scheme**, farmers holding payment entitlements allocated in 2014 pursuant to Article 21 and fulfilling the minimum requirements provided for in Article 10(1) **shall participate in the** simplified scheme under the conditions laid down in this Title, ("small farmers scheme").

Farmers entitled pursuant to Titles III and IV to payments of less than EUR 1 500 shall automatically be included in such small farmers scheme.

2. Payments under the small farmers scheme shall replace the payments to be granted pursuant to Titles III and IV.

3. Farmers participating in the small farmers scheme shall be exempted from the agricultural practises provided for in Chapter 2 of Title III.

4. Member States shall ensure that no payment is made to farmers for whom it is established that, as from the date of publication of the Commission proposal for this Regulation, they divide their holding with the sole purpose of benefiting from

the small farmers scheme. This shall also apply to farmers whose holdings result from that division.

the small farmers scheme. This shall also apply to farmers whose holdings result from that division.

Amendment 88

Proposal for a regulation

Article 48

Text proposed by the Commission

Article 48

Participation

Farmers *wishing to participate in the small farmers scheme shall submit an application* by 15 October 2014.

Farmers *not having applied for participation in the small farmers scheme by 15 October 2014 or deciding to* withdraw from it after that date or selected for support under Article 20(1)(c) of Regulation (EU) No [...] [RDR] shall no longer have the right to participate in that scheme.

Amendment

Article 48

Participation

The list of farmers referred to in Article 47(1) shall be notified to the Commission by national authorities by 15 October 2014.

Farmers *referred to in Article 47(1) who decide* to withdraw from *the small farmers scheme* after that date or selected for support under Article 20(1)(c) of Regulation (EU) No [...] [RDR] shall no longer have the right to participate in that scheme.

Amendment 89

Proposal for a regulation

Article 49

Text proposed by the Commission

Article 49

Amount of the payment

1. Member States shall set the amount of the annual payment for the small farmers scheme at one of the following levels, subject to paragraphs 2 and 3:

- (a) an amount not exceeding **15%** of the national average payment per beneficiary;
- (b) an amount corresponding to the national average payment per hectare multiplied by a figure corresponding to the number of hectares with a maximum of **three**.

Amendment

Article 49

Amount of the payment

1. Member States shall set the amount of the annual payment for the small farmers scheme at one of the following levels, subject to paragraphs 2 and 3:

- (a) an amount not exceeding **25%** of the national average payment per beneficiary;
- (b) an amount corresponding to the national average payment per hectare multiplied by a figure corresponding to the number of hectares with a maximum of **five**.

By way of derogation from subparagraph 1, Member States may decide that the annual payment is to be equal to the amount that the farmer would be entitled to under Article 18, Article 29, Article 34, Article 36 and Article 38 in the year of entering into the scheme, but not higher than EUR 1 500.

The national average referred to in point (a) of the first subparagraph shall be established by the Member States on the basis of the national ceiling set in Annex II for calendar year 2019 and the number of farmers having obtained payment entitlements pursuant to Article 21(1).

The national average referred to in point (b) of the first subparagraph shall be established by the Member States on the basis of the national ceiling set in Annex II for calendar year 2019 and the number of eligible hectares declared in accordance with Article 26 in 2014.

2. The amount referred to in paragraph 1 shall not be lower than EUR 500 and not be higher than EUR **1 000**. Without prejudice to Article 51(1), where the application of paragraph 1 results in an amount lower than EUR 500 or higher than EUR **1 000**, the amount shall be rounded up or down, respectively, to the minimum or maximum amount.

3. By way of derogation from paragraph 2, in Croatia, Cyprus and Malta the amount referred to in paragraph 1 may be set at a value lower than EUR 500, but not less than EUR 200.

The national average referred to in point (a) of the first subparagraph shall be established by the Member States on the basis of the national ceiling set in Annex II for calendar year 2019 and the number of farmers having obtained payment entitlements pursuant to Article 21(1).

The national average referred to in point (b) of the first subparagraph shall be established by the Member States on the basis of the national ceiling set in Annex II for calendar year 2019 and the number of eligible hectares declared in accordance with Article 26 in 2014.

2. The amount referred to in paragraph 1 shall not be lower than EUR 500 and not be higher than EUR **1 500**. Without prejudice to Article 51(1), where the application of paragraph 1 results in an amount lower than EUR 500 or higher than EUR **1 500**, the amount shall be rounded up or down, respectively, to the minimum or maximum amount.

3. By way of derogation from paragraph 2, in Croatia, Cyprus and Malta the amount referred to in paragraph 1 may be set at a value lower than EUR 500, but not less than EUR 200.

Amendment 90

Proposal for a regulation Article 51

Text proposed by the Commission

Article 51

Financial provisions

1. In order to finance the payment referred to in this Title, Member States shall deduct

Amendment

Article 51

Financial provisions

1. In order to finance the payment referred to in this Title, Member States shall deduct

the amounts corresponding to the amounts to which the small farmers would be entitled as a basic payment referred to in Chapter 1 of Title III, as a payment for agricultural practises beneficial for the climate and the environment referred to in Chapter 2 of Title III and, where applicable, as a payment for areas with natural constraints referred to in Chapter 3 of Title III, as a payment for young farmers referred to in Chapter 4 of Title III and as coupled support referred to in Title IV from the total amounts available for the respective payments.

The difference between the sum of all payments due under the small farmers scheme and the total amount financed in accordance with the first sub-paragraph shall be financed by applying a linear reduction to all payments to be granted in accordance with Article 25.

The elements on the basis of which the amounts referred to in the first subparagraph are established shall remain the same for the entire duration of the participation of the farmer in the scheme.

2. If the total amount of payments due under the small farmers scheme exceeds **10** % of the annual national ceiling set out in Annex II, Member States shall apply a linear reduction to the amounts to be paid in accordance with this Title in order to respect that percentage.

Amendment 91

Proposal for a regulation

Article 53 – paragraph 2 – point d a (new)

Text proposed by the Commission

the amounts corresponding to the amounts to which the small farmers would be entitled as a basic payment referred to in Chapter 1 of Title III, as a payment for agricultural practises beneficial for the climate and the environment referred to in Chapter 2 of Title III and, where applicable, as a payment for areas with natural constraints referred to in Chapter 3 of Title III, as a payment for young farmers referred to in Chapter 4 of Title III and as coupled support referred to in Title IV from the total amounts available for the respective payments.

The difference between the sum of all payments due under the small farmers scheme and the total amount financed in accordance with the first sub-paragraph shall be financed by applying a linear reduction to all payments to be granted in accordance with Article 25.

Member States that exercise the option laid down in Article 20(1) may apply different reduction rates at regional level.

The elements on the basis of which the amounts referred to in the first subparagraph are established shall remain the same for the entire duration of the participation of the farmer in the scheme.

2. If the total amount of payments due under the small farmers scheme exceeds **15** % of the annual national ceiling set out in Annex II, Member States shall apply a linear reduction to the amounts to be paid in accordance with this Title in order to respect that percentage.

Amendment

(da) arrangements for the management of the information to be notified, as well as rules on content, form, timing, frequency and deadlines of the notifications;

Amendment 92

Proposal for a regulation

Article 53 – paragraph 3 – subparagraph 1 – point b

Text proposed by the Commission

Amendment

(b) arrangements for the management of the information to be notified, as well as rules on content, form, timing, frequency and deadlines of the notifications;

deleted

Amendment 93

Proposal for a regulation

Article 54 – paragraph 1

Text proposed by the Commission

Amendment

1. The Commission shall, **by means of implementing acts**, adopt the **measures** which are both necessary and justifiable in an emergency, in order to resolve specific problems. Such **measures** may derogate from provisions of this Regulation, but only to the extent that, and for such a period, as is strictly necessary. **Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 56(2).**

1. The Commission shall **be empowered to adopt delegated acts, in accordance with Article 55**, which are both necessary and justifiable in an emergency, in order to resolve specific problems. Such **delegated acts** may derogate from certain parts of this Regulation, but only to the extent that, and for such a period, as is strictly necessary.

Amendment 94

Proposal for a regulation

Article 54 – paragraph 2

Text proposed by the Commission

Amendment

2. **On duly justified imperative grounds of urgency relating** to the measures referred to in paragraph 1, **the Commission shall adopt immediately applicable implementing acts in accordance with the procedure referred to in Article 56(3).**

2. **Where, in relation** to the measures referred to in paragraph 1, **imperative grounds of urgency so require, the procedure provided for in Article 55a shall apply to delegated acts adopted pursuant to this Article.**

Amendment 95

Proposal for a regulation

Article 55 – paragraph 2

Text proposed by the Commission

2. The *delegation of power referred to in this Regulation* shall be conferred on the Commission for *an indeterminate period of time* from the entry into force of this Regulation.

Amendment

2. The power *to adopt delegated acts referred to in Articles [...]* shall be conferred on the Commission for *a period of five years* from the entry into force of this Regulation. *The Commission shall draw up a report in respect of the delegated power no later than nine months before the end of the five-year period. The delegation of power shall be tacitly extended for periods of an identical duration, unless the European Parliament or the Council opposes such extension not later than three months before the end of each period.*

Amendment 96

Proposal for a regulation Article 55 a (new)

Text proposed by the Commission

Amendment

Article 55a

Urgency procedure

1. Delegated acts adopted under this Article shall enter into force without delay and shall apply as long as no objection is expressed in accordance with paragraph

2. The notification of a delegated act to the European Parliament and to the Council shall state the reasons for the use of the urgency procedure.

2. Either the European Parliament or the Council may object to a delegated act in accordance with the procedure referred to in Article 55(5). In such a case, the Commission shall repeal the act without delay following the notification of the decision to object by the European Parliament or by the Council.

Amendment 97

Proposal for a regulation Article 58 a (new)

Text proposed by the Commission

Amendment

Article 58a

Reporting

By 1 March 2017, the Commission shall present a report to the European Parliament and to the Council on the implementation of this Regulation, accompanied, if necessary, by appropriate legislative proposals.

Amendment 98

**Proposal for a regulation
Annex II**

Text proposed by the Commission

(In thousands EUR)

Calendar year	2014	2015	2016	2017	2018	2019 and subsequent years
Belgium	553 521	544 065	534 632	525 205	525 205	525 205
Bulgaria	655 661	737 164	810 525	812 106	812 106	812 106
Czech Republic	892 698	891 875	891 059	890 229	890 229	890 229
Denmark	942 931	931 719	920 534	909 353	909 353	909 353
Germany	5 275 876	5 236 176	5 196 585	5 156 970	5 156 970	5 156 970
Estonia	108 781	117 453	126 110	134 749	134 749	134 749
Ireland	1 240 652	1 239 027	1 237 413	1 235 779	1 235 779	1 235 779
Greece	2 099 920	2 071 481	2 043 111	2 014 751	2 014 751	2 014 751
Spain	4 934 910	4 950 726	4 966 546	4 988 380	4 988 380	4 988 380
France	7 732 611	7 694 854	7 657 219	7 619 511	7 619 511	7 619 511
Croatia	111 900	130 550	149 200	186 500	223 800	261 100
Italy	4 023 865	3 963 007	3 902 289	3 841 609	3 841 609	3 841 609
Cyprus	52 273	51 611	50 950	50 290	50 290	50 290
Latvia	163 261	181 594	199 895	218 159	218 159	218 159
Lithuania	396 499	417 127	437 720	458 267	458 267	458 267
Luxemburg	34 313	34 250	34 187	34 123	34 123	34 123
Hungary	1 298 104	1 296 907	1 295 721	1 294 513	1 294 513	1 294 513
Malta	5 316	5 183	5 050	4 917	4 917	4 917
Netherlands	806 975	792 131	777 320	762 521	762 521	762 521

Austria	<i>707 503</i>	<i>706 850</i>	<i>706 204</i>	<i>705 546</i>	<i>705 546</i>	<i>705 546</i>
Poland	<i>3 038 969</i>	<i>3 066 519</i>	<i>3 094 039</i>	<i>3 121 451</i>	<i>3 121 451</i>	<i>3 121 451</i>
Portugal	<i>573 046</i>	<i>585 655</i>	<i>598 245</i>	<i>610 800</i>	<i>610 800</i>	<i>610 800</i>
Romania	<i>1 472 005</i>	<i>1 692 450</i>	<i>1 895 075</i>	<i>1 939 357</i>	<i>1 939 357</i>	<i>1 939 357</i>
Slovenia	<i>141 585</i>	<i>140 420</i>	<i>139 258</i>	<i>138 096</i>	<i>138 096</i>	<i>138 096</i>
Slovakia	<i>386 744</i>	<i>391 862</i>	<i>396 973</i>	<i>402 067</i>	<i>402 067</i>	<i>402 067</i>
Finland	<i>533 932</i>	<i>534 315</i>	<i>534 700</i>	<i>535 075</i>	<i>535 075</i>	<i>535 075</i>
Sweden	<i>710 853</i>	<i>711 798</i>	<i>712 747</i>	<i>713 681</i>	<i>713 681</i>	<i>713 681</i>
United-Kingdom	<i>3 624 384</i>	<i>3 637 210</i>	<i>3 650 038</i>	<i>3 662 774</i>	<i>3 662 774</i>	<i>3 662 774</i>

Amendment

	2014	2015	2016	2017	2018	2019 and subsequent years
Belgium	<i>554.701</i>	<i>548.646</i>	<i>542.261</i>	<i>535.640</i>	<i>535.640</i>	<i>535.640</i>
Bulgaria	<i>657.571</i>	<i>735.055</i>	<i>805.495</i>	<i>814.887</i>	<i>814.887</i>	<i>814.887</i>
Czech Republic	<i>891.307</i>	<i>892.742</i>	<i>893.686</i>	<i>894.054</i>	<i>894.054</i>	<i>894.054</i>
Denmark	<i>940.086</i>	<i>929.824</i>	<i>919.002</i>	<i>907.781</i>	<i>907.781</i>	<i>907.781</i>
Germany	<i>5.237.224</i>	<i>5.180.053</i>	<i>5.119.764</i>	<i>5.057.253</i>	<i>5.057.253</i>	<i>5.057.253</i>
Estonia	<i>113.168</i>	<i>125.179</i>	<i>137.189</i>	<i>149.199</i>	<i>149.199</i>	<i>149.199</i>
Ireland	<i>1.236.214</i>	<i>1.235.165</i>	<i>1.233.425</i>	<i>1.230.939</i>	<i>1.230.939</i>	<i>1.230.939</i>
Greece	<i>2.098.834</i>	<i>2.075.923</i>	<i>2.051.762</i>	<i>2.026.710</i>	<i>2.026.710</i>	<i>2.026.710</i>
Spain	<i>4.939.152</i>	<i>4.957.834</i>	<i>4.973.833</i>	<i>4.986.451</i>	<i>4.986.451</i>	<i>4.986.451</i>
France	<i>7.655.794</i>	<i>7.572.222</i>	<i>7.484.090</i>	<i>7.392.712</i>	<i>7.392.712</i>	<i>7.392.712</i>
Croatia	<i>111 900</i>	<i>130 550</i>	<i>149 200</i>	<i>186 500</i>	<i>223 800</i>	<i>261 100</i>
Italy	<i>4.024.567</i>	<i>3.980.634</i>	<i>3.934.305</i>	<i>3.886.268</i>	<i>3.886.268</i>	<i>3.886.268</i>
Cyprus	<i>52.155</i>	<i>51.585</i>	<i>50.985</i>	<i>50.362</i>	<i>50.362</i>	<i>50.362</i>
Latvia	<i>176.500</i>	<i>206.565</i>	<i>236.630</i>	<i>266.695</i>	<i>266.695</i>	<i>266.695</i>
Lithuania	<i>402.952</i>	<i>426.070</i>	<i>449.189</i>	<i>472.307</i>	<i>472.307</i>	<i>472.307</i>
Luxemburg	<i>33.943</i>	<i>33.652</i>	<i>33.341</i>	<i>33.015</i>	<i>33.015</i>	<i>33.015</i>
Hungary	<i>1.295.776</i>	<i>1.297.535</i>	<i>1.298.579</i>	<i>1.298.791</i>	<i>1.298.791</i>	<i>1.298.791</i>
Malta	<i>5.365</i>	<i>5.306</i>	<i>5.244</i>	<i>5.180</i>	<i>5.180</i>	<i>5.180</i>
Netherlands	<i>809.722</i>	<i>800.883</i>	<i>791.561</i>	<i>781.897</i>	<i>781.897</i>	<i>781.897</i>
Austria	<i>706.071</i>	<i>706.852</i>	<i>707.242</i>	<i>707.183</i>	<i>707.183</i>	<i>707.183</i>
Poland	<i>3.079.652</i>	<i>3.115.887</i>	<i>3.152.121</i>	<i>3.188.356</i>	<i>3.188.356</i>	<i>3.188.356</i>
Portugal	<i>582.466</i>	<i>598.550</i>	<i>614.635</i>	<i>630.719</i>	<i>630.719</i>	<i>630.719</i>
Romania	<i>1.485.801</i>	<i>1.707.131</i>	<i>1.928.460</i>	<i>2.002.237</i>	<i>2.002.237</i>	<i>2.002.237</i>

Slovenia	<i>140.646</i>	<i>139.110</i>	<i>137.491</i>	<i>135.812</i>	<i>135.812</i>	<i>135.812</i>
Slovakia	<i>391.608</i>	<i>397.576</i>	<i>403.543</i>	<i>409.511</i>	<i>409.511</i>	<i>409.511</i>
Finland	<i>533.451</i>	<i>535.518</i>	<i>537.295</i>	<i>538.706</i>	<i>538.706</i>	<i>538.706</i>
Sweden	<i>709.922</i>	<i>712.820</i>	<i>715.333</i>	<i>717.357</i>	<i>717.357</i>	<i>717.357</i>
United-Kingdom	<i>3.652.541</i>	<i>3.655.113</i>	<i>3.657.684</i>	<i>3.660.255</i>	<i>3.660.255</i>	<i>3.660.255</i>