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COVER NOTE

from:	General Secretariat
to:	Delegations
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	14483/12 - COM(2012) 552 final, 15426/11 + REV 1 (en, fr, de) - COM(2011) 628 final/2, 14314/12 - COM(2012) 551 final
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 (CAP Reform)
	Proposal for a Regulation of the European Parliament and of the Council on the financing, management and monitoring of the common agricultural policy (the horizontal regulation (CAP Reform)
	- Delegations comments

With a view to the <u>Agriculture and Fisheries Council</u> on 24 and 25 June 2013, delegations will find attached in <u>Annex</u> the comments from the <u>Czech delegation</u>.

11475/13 EW/ar 1 DGB 1B **EN**

Comments from the Czech delegation

CZ request on voluntary application of the direct payment amount based on which farmers may be exempt from fulfilling the active farmer obligations

- Article 9(4) of the Presidency consolidated draft Direct Payment Regulation (ST 10730/13)

The current Presidency consolidated draft Direct Payment Regulation (ST 10730/13) provides in Article 9 (4) for a certain amount not exceeding 5 000 €, that is to be fixed by Member States on the basis of objective criteria. All farmers receiving less direct payments than that amount are exempted from the obligation to fulfil the fundamental part of active farmer requirements. As the rule stands now, it is obligatory for Member States to fix this amount and administer it.

This settlement is different from the Council General Approach conclusions, as these made in Article 9 (2b) Member States free to fix the ceiling or not. Under this adjustment, a Member State was allowed eventually not to apply for any ceiling at all.

The Czech Republic is deeply concerned by the change of the legal text proposed. As the structures of the Member States agricultural economies vary considerably and may differ significantly from the average farm structure in the Union, Member States should be allowed to decide not to apply any thresholds at all. The necessity of introducing of additional requirement is connected with significant growth of administrative costs.

The Czech Republic has been for a long time refusing introduction of any measures distinguishing the level of support or introducing different requirements on different types of farms on the basis of artificially created criteria as these result into a higher administrative burden while they are in a direct conflict with the principles of simplification of the CAP.

On the ground of the abovementioned, the Czech Republic requests to <u>amend</u> the Article 9(4) of the Presidency consolidated draft Direct Payment Regulation (ST 10730/13):

Paragraphs 2 and 3 shall not apply to farmers who only received direct payments not exceeding a certain amount in the previous year. Such amount shall be fixed by Member States on the basis of objective criteria such as their national or regional specificities and shall not exceed an amount of EUR 5 000.

in the following way:

Member States may decide not to apply paragraph 2 and 3 to farmers who received direct payments in the previous year not exceeding a certain amount to be set by a Member State. This amount may take account of objective criteria such as their national or regional specificities and shall not exceed EUR 5 000.

Proposal of the Czech delegation on Article 77a of the draft regulation on the financing, management and monitoring of the common agricultural policy

As the new element of the direct payments represented by the payment for the practices beneficial for the climate and the environment will impose additional administrative and financial burden on Member States, the Czech Republic suggests insert the following new paragraph in Article 77a:

Member States may retain 25 % of the amounts resulting from the application of the reductions and exclusions referred to in Article 77a (5a).

This provision is fully in line with the provision of Article 100 applicable to amounts resulting from the application of the reductions and exclusions concerning cross-compliance and would certainly ease the burdens for the Member States.