



**COUNCIL OF
THE EUROPEAN UNION**

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NOTE

from:	General Secretariat of the Council
to:	Delegations
Subject:	Summary of the meeting of the Committee on Agriculture and Rural Development (AGRI) of the European Parliament, held in Brussels on 23 January 2012

The meeting was chaired by Mr de Castro (S&D, IT), the chairman of the Committee.

1. Election of the chair and the vice-chairs

The Committee elected by acclamation :

- Mr Paolo DE CASTRO (S&D, IT) as its Chair,
- Mr Czesław Adam SIEKIERSKI (EPP, PL) as its 1st Vice-Chair,
- Mr José BOVÉ (Greens/EFA, FR) as its 2nd Vice-Chair,
- Mr Janusz WOJCIECHOWSKI (ECR, PL) as its 3rd Vice-Chair, and
- Ms Marit PAULSEN (ALDE, SV) as its 4th Vice-Chair.

Mr DE CASTRO, Mr BOVÉ, Mr WOJCIECHOWSKI and Ms PAULSEN were re-elected and former Vice Chair, Mr NICULESCU, was replaced by Mr SIEKIERSKI.

2. Direct payments to farmers under support schemes within the framework of the CAP (item 4 of the agenda) (AGRI/7/07515)

– Exchange of views

In his introduction, the rapporteur, M Capoulas Santos (S&D, PT), recalled that the CAP was celebrating its 50th anniversary this year and the current reform was the most extensive one in its history. He said that although there had been a lot of criticism of the CAP reform package by Member States, NGOs and agricultural organisations, etc., very few concrete suggestions had so far been tabled for improving the current text. He suggested that the AGRI Committee should not be caught up in too many details while discussing the proposal as this could lead to a vast number of amendments. He suggested focusing only on the main political issues where improvements should be made to the text.

With regard to the timetable the rapporteur mentioned that although a report by the EP was requested by the end of April, the Council was not expected to have a position by then. However, the Presidency had been asked to table guidelines so that the positions of the EP and Council could be compared. This could ensure a more efficient working method and it could help avoid the two institutions moving too far apart when developing their positions. Mr Capoulas Santos also added that he aimed to reach a strong EP position on this proposal.

In the debate that followed, the interventions by the members of the committee focused on the following points:

- 1) Distribution of direct payment (DP between Member States)
- 2) Greening measures
- 3) Definition of "active farmer"
- 4) Other issues

1) Distribution of direct payments (DP) between MS

Mr Capoulas Santos (S&D, PT) considered this a highly sensitive issue and was of the view that a new balance in the financial support for Member States had to be found. At the same time he admitted that there was very little margin to achieve this goal since the new CAP foresees a smaller amount of financial support for more Member States.

Mr Häusling (Greens/EFA, DE), Mr Bové (Greens/EFA, FR) and Mr Dess (EPP, DE) also felt that a fairer DP distribution system needed to be put in place via the CAP reform. Ms McGuinness (EPP, IE) and Mr Jahr (EPP, DE) recalled that the budget available to Member States was still not known and they asked for it to be determined and made public so that concrete calculations could be made. Mr Rubiks (GUE/NGL, LV) called for abandoning existing inequalities between Member States and stressed that a new system of fair shares for small countries should be established.

Mr Silvestris (EPP, IT), Ms Dodds (NI, UK) and Ms Herranz-Garcia (EPP, ES) said that when looking at the distribution of DP both the area / region and the amount of food produced should be taken into account, and that otherwise a whole sector / region could suffer from an unbalanced DP distribution system. In addition, Ms Herranz-Garcia expressed her concerns regarding the current change from the traditional financial support system to a regional approach. In her view this could lead to "penalising" some countries in Europe which currently had an efficient agricultural system.

Mr Wojciechowski (ECR, PL) considered that the direct payments system should aim to avoid any sort of discrimination as regards the distribution of DP between Member States. He expressed his concern that the new system of DP as foreseen in the CAP could be a source of serious discrimination against some Member States.

2) Greening measures

Views diverged on this item, with two main groups forming:

- a) those who thought that the use of greening measures should be made compulsory. This view was shared by Mr Häusling (Greens/EFA, DE) and by Ms Jeggle (EPP, DE)
- b) those who were of the view that greening measures should be implemented on a voluntary basis and should not entail any kind of sanctions for those Member States which decided not to integrate green solutions. This group included Mr Capoulas Santos (S&D, PT), Ms McGuinness (EPP, IE), Mr Lyon (ALDE, UK) and Mr Dušek (S&D, PL).

Ms Köstinger (EPP, AT) was opposed to greening as described in the Commission proposal as she considered that the 7% of "set-aside" land (also called "ecological focus areas") was too high and the "set-aside" area would be excluded from production subsidies. In her view this could result in billions of losses for farmers. Mr Agnew together with Mr Dušek (S&D, PL) and Mr Nicholson (ECR, UK) also believed that using 7% of land for this purpose was not acceptable. Mr Taraballa (S&D, BE) was of the view that greening per se benefited the whole of society and should therefore be kept in the proposal though the actual figures (7% or less) needed further discussion. Mr Bové (Greens/EFA, FR) and the Commission representative stressed that the 7% of land should not be regarded as "set-aside" land but rather as an "ecological focus area", which they felt would make a considerable contribution to biodiversity and environmental protection.

Ms McGuinness (EPP, IE), Mr Lyon (ALDE, UK) and Mr Dantin (EPP, FR) emphasised that although the Commission had only included three proposals concerning greening measures, the EP should take a much broader and more ambitious view, which should also be reflected in the text.

Mr Lyon (ALDE, UK), Ms Herranz-Garcia (EPP, ES) and Ms Dodds (NI, UK) considered that the greening measures as presented in the Commission proposal were not flexible enough to take account of the particular needs of certain Member States. They agreed that the concept described in the Commission proposal was designed for Central and Eastern European countries.

3) Definition of "active farmer"

There was general agreement between most of the committee members that the definition of "active farmer" needed to be included in the regulation, but they also agreed that the term would need to be better defined (Mr Häusling (Greens, EFA, DE), Ms Jeggle (EPP, DE), Mr Bové (EPP, IT), Mr Taraballa (S&D, BE), Ms Dodds (NI, UK), Mr Scotta (EFD, IT), Mr Agnew (EFD, UK) and Mr Nicholson (ECR, UK)). There was also agreement between these members of the Committee that it must be ensured that financial aid reached farmers and not commercial companies or conglomerates.

Mr Jahr (EPP, DE) and Mr Silvestris (EPP, IT) thought that the definition should be more flexible and not only based on the income of the farmer. Ms McGuinness (EPP, IE) called for a more practical and user-friendly definition.

Mr Capoulas Santos (S&D, PT) mentioned that the CAP was aimed at professional farmers, however there were problems with the practical interpretation of the term. Mr Jahr (EPP, DE) said that the definition should not be based on income and be more flexible. Mr Dušek (S&D, PL) was of the opinion that some flexibility should be left up to the Member States to decide what they considered to be an "active farmer".

Mr Lyon (ALDE, UK) stressed that the complexity of the requirements behind the definition raised serious questions about this measure and it would result in high costs and an additional administrative burden for Member States to enforce its implementation.

4) Other issues

- Speed of convergence/timeline

Mr Capoulas Santos (S&D, PT) said that subsidies had different effects on different regions and national balances should not be upset while applying them. According to him, it should be ensured that while convergence was in progress there was also balanced production in each individual Member States. This view was shared by Ms McGuinness (EPP, IE) and Ms Dodds (NI, UK) who also added that the timeline of 2014 and 2019 could be too ambitious for some Member States. Mr Lyon (ALDE, UK) considered that 2011 as the first claim year was too restrictive and if that deadline was missed farmers could be excluded from the new DP regime defined under the CAP.

- Capping

Mr Capoulas Santos (S&D, PT) questioned whether this measure was the most appropriate mechanism to pay for innovation. Mr Lyon (ALDE, UK), Mr Dušek (S&D, PL) and Mr Jahr (EPP, DE) also believed that such measures were far too complex. They felt there was a strong risk that capping would lead to a much higher administrative burden for Member States which would also end up resulting in high costs for them. Mr Häusling (Greens/EFA, DE) recommended extending the scope of this measure. He found that in its current form capping could only benefit a very limited number of large farms in the EU.