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**NOTE**

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to: Delegations

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Subject: Summary record of the meeting of the European Parliament **Committee on Agriculture and Rural Development (AGRI)**, held in Brussels on 25 June 2012  
– Interparliamentary committee meeting on the reform of the CAP

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The meeting was chaired by Mr de CASTRO (S&D, IT) and by Mr SIEKIERSKI (EPP, PL) for the EP's agriculture committee and by René Christensen, Chair of the Danish Parliament's Food, Agriculture and Fisheries Committee.

The purpose of the meeting, which was organised for the second time within one year, was to pursue the debate between Members of the national Parliaments in the EU and of the European Parliament on the CAP reform, which had entered a decisive stage. At the beginning of the meeting the rapporteurs for the four main regulations on the CAP repeated the main points of the draft reports which had been presented at the meeting of the AGRI Committee of 18 and 19 June.<sup>1</sup>

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<sup>1</sup> For the summary record of the presentation of the draft reports on the proposals for Regulations on Direct Payments and Rural Development, please refer to 11653/12.

Firstly, Mr CHRISTENSEN (DK), Chair of the Committee on Food, Agriculture and Fisheries, believed two important objectives of the CAP reform were to boost competitiveness in the agricultural sector in a sustainable way and to include environmental and ecological aspects. The Danish Presidency supported those objectives but in order to achieve them enhanced cooperation in the field of new technologies was required. He found it equally important that farmers could draw upon the right support to ensure their existence. They should be able to benefit from innovation and research to meet environmental concerns and to overcome difficult times, Mr Christensen said. With regard to greening measures he was in favour of including 7 % of arable land as proposed but more flexibility should be left to Member States to decide how they wanted to meet this criterium. On the subject of an 'active farmer', he believed that only those farms actively operating should be eligible for support, which would mean that some of the present beneficiaries should be excluded.

Subsequently, a great number of representatives of national Parliaments took the floor<sup>2</sup> and expressed their views on the ongoing discussion of the CAP reform. *Inter alia*, the following participants took the floor:

Mr GAVRIEL (CY), Chair of the Standing Committee on Agriculture and Natural Resources, acknowledged that the budget dedicated to agricultural spending was under considerable pressure at present, but warned that cuts in it should be avoided as smaller countries could be hit hard. He urged for more flexibility with regard to direct payments and said that Member States should be allowed to choose the instruments to achieve the objectives of the CAP, e.g. in the area of greening.

Ms MCINTOSH (UK, House of Commons), Chair of the Committee on Environment, Food and Rural Affairs, said that one of the objectives of the reform should be to acknowledge the role of the Commission, which set the overarching objectives. At the same time its powers should be limited and more flexibility should be given to Member States with regard to how they want to achieve the objectives of the CAP.

Ms Margaret RITCHIE (UK, House of Commons) called for a simplification of the current rules for single farm payments as these were far too complex in terms of inspections. She said that the CAP should be tailored to local circumstances and should place more emphasis on the 'active farmer' who owns and farms the land.

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<sup>2</sup> The draft reports and written contributions by national Parliaments can be found on the website of the European Parliament under the following link:  
[http://www.europarl.europa.eu/meetdocs/2009\\_2014/organes/agri/agri\\_20120625\\_1500\\_pna\\_t.htm](http://www.europarl.europa.eu/meetdocs/2009_2014/organes/agri/agri_20120625_1500_pna_t.htm)

Lord CAMERON OF DILLINGTON (UK, House of Lords), Sub-Committee on EU Agriculture, Fisheries, Environment and Energy, agreed with the Commission's objective to include environmental conditionality in the CAP but proposed to widen its scale. He also said that a strong and well funded pillar 2 was essential in order to ensure competitiveness, therefore a bigger budget should be provided under this pillar. More emphasis should be put on innovation, diversification and small-scale manufacturing, he said. Finally, a scheme protecting farmers from natural disasters and from market fluctuation in prices should also form part of the CAP reform.

Mr SCARPA BONAZZA BUORA (IT), Chair of the Committee on Agriculture, noted that the redistribution of resources could lead to a reduction in the budget available to countries which as a consequence would suffer from a substantial reduction in the maximum funds available for direct payments. He found it was therefore necessary to ensure a more gradual transition from the present system of direct payments to the system envisaged in these proposals.

With regard to direct payments, he suggested raising the minimum threshold of entitlement applying to all Member States in order to ensure greater simplification and cost-effective management, while it should be emphasised that a gradual reduction and levelling-down were likely to introduce unjustified discriminatory measures against holdings. Mr SCARPA also stressed that, while taking acreage as the basis for calculations of direct payment was feasible, other factors should also be considered such as the cost of living, land ownership and the quality and nature of agriculture.

Mr GOLDMANN (DE, Bundestag), Chair of the Committee on Food, Agriculture and Consumer Protection, was opposed to the idea of capping and he also believed it was not necessary to change the rules of competition law. He disagreed with introducing special provisions for young and active farmers as these would not help achieve the objectives of the reform. With regard to greening he pointed out that the CAP did not need specific rules as environmental issues already formed part of agricultural policy in Germany.

Mr ALONSO NÚÑEZ (ES, Congress), Committee on Agriculture, Food and Environment, said that the budget of the CAP as proposed by the Commission could only be accepted as a minimum. While positive corrections would be welcome, a cut in the budget would not be acceptable to Spain.

Mr ALONSO NÚÑEZ also pointed out that the greening component would have a negative effect on the budget distributed to farmers producing milk and keeping livestock. Finally, he said that the single CMO proposal was the major source of concern for Spanish farmers. He stressed that EU intervention needed to be flexible and quick in its response and it also had to be based on updated prices.

Mr COTILLAS LÓPEZ (ES, Senado) Chair of the Committee on Agriculture, Fish and Food, said it was important for the EU to keep its budget for the agricultural sector. He found that linking 30 % of the budget under pillar 1 to greening measures was disproportionate and represented a considerable burden for farmers. He agreed with measures which aimed at encouraging young farmers to enter the sector.

Mr BLUMFELDS (LV), EU Affairs Committee on Economic, Agricultural, Environmental and Regional Policy, regarded unfair distribution of direct payments and, as a result, unfair market competition as the major problem of the reform. He mentioned that the Baltic States would receive the lowest level of direct payments as a consequence of the proposed calculation method and he urged for the lowest level of payments to be raised to 80 % of the EU average.

Mr EBL (AT), Vice-Chair, Committee for Agriculture and Forestry, noted that farmers farming in steep upland areas of Austria would need the top-up payment in order to be able to fully benefit from the agricultural aid. He also called for revised definitions with regard to less favoured areas, as he found that the proposal by the Commission was not acceptable. In the context of greening he said that already functioning schemes, especially in the area of organic farming, should be recognised under greening measures.

Ms OSKAESSON (SE), Committee on the Environment and Agriculture, called for the fairest possible distribution of the budget in order to have healthy agriculture in Europe. She said that greening measures needed to be based on common rules and enforced at European level in order to ensure fairer competition.

Mr RĂDULESCU (RO), Chair of the Committee on Agriculture, Forestry, Food Industry and Specific Services, believed that the current Commission proposal supported and deepened already existing differences between regions, and between small and large holdings. He suggested introducing two levels of direct payments which were based a) on the basic payment; and b) on a delayed payment for greening. On the subject of ecological focus areas he was in favour of a figure of 3 % up to a holding of 20 hectares and he urged for more support for new Member States. Concerning co-funding he was in favour of 7 % instead of 4 %.

Mr BAPTISTA (PT), Vice-Chair, Committee on Agriculture and the Sea, considered that regional differences and the specificities of Mediterranean countries should be taken into account in the area of greening, and especially the question of irrigation. He said due support was vital for Member States to implement greening measures. He also stressed that greening should be used more as an incentive than as a compulsory measure that is linked to fines in the event of non-implementation.

Mr SATONEN (FI), Committee on the Agriculture and Forestry, considered that coupled support had to continue in order to guarantee the production of agricultural products. He expressed his concerns about the removal of sugar quotas in the Commission proposal which, in his view, should be maintained at least until 2020.

### Simplification

There was broad agreement between the representatives on the issue of simplification and on the need to reduce the administrative burden for farmers: *inter alia* Mr CHRÓŚCIKOWSKI (PL, Senat), Chair, Committee on Agriculture and Rural Development; Mr EßL (AT), Mr RĂDULESCU (RO), Mr VAN GERVEN (NL, House of Representatives), Committee on Economic Affairs, Agriculture and Innovation, Mr PEETERS (BE, Flemish Parliament), Committee on Agriculture, Fisheries and Rural Policy.

The speakers also urged that further steps be taken to exhaust the possibilities of simplification, especially in the area of greening.

### Discrimination in connection with direct payments

Some of the participants (Mr CHRÓŚCIKOWSKI (PL, Senat), Chair of the Committee on Agriculture and Rural Development, Mr KÕVA (ET), Chair of the Committee on Rural Affairs) emphasised the need to overcome large discrepancies between Member States in the system of direct payments.

Mr Krzysztof JURGIEL (PL, Sejm), Chair of the Committee on Agriculture and Rural Development, stressed that using historical payments as a basis for determining the level of direct aid was to the disadvantage of Poland and therefore unacceptable for it. He said that the way the system of direct payments was laid out could lead to discrimination and inequalities between Member States that should be avoided. In connection with the principle of non-discrimination he referred to Articles 18 and 48 of the TFEU.

Members of the AGRI Committee of the European Parliament reiterated their views *inter alia* on:

- greening (Ms KÖSTINGER (EPP, AT), Mr LYON (ALDE, UK), Mr HÄUSLING (Greens/EFA, DE), Ms RODUST (S&D, DE) and Ms KADENBACH (S&D, AT));
- simplification (Ms KÖSTINGER (EPP, AT); Mr DESS (EPP, DE), Ms RODUST (S&D, DE)); and
- discrimination (Mr WOJCIECHOWSKI (ECR, PL), Mr DESS (EPP, DE)).

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