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**PE 494  
AGRI 732**

**NOTE**

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from: General Secretariat of the Council  
to: Delegations

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Subject: Partial summary record of the meeting of the **Committee on Agriculture and Rural Development (AGRI)** of the European Parliament, held in Brussels on 5 and 6 November 2012

– Items 7-12 on the agenda

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**Items 7 and 8 on the agenda**

- **Specific measures for agriculture in the outermost regions of the Union**  
AGRI/7/03904  
\*\*\*I 2010/0256(COD)COM(2010)0498 – C7-0284/2010  
Rapporteur: Gabriel Mato Adrover (PPE)  
Responsible: AGRI –
  - Presentation of the results of the trilogue
  
- **Specific measures in favour of agriculture in the smaller Aegean islands**  
AGRI/7/04948  
\*\*\*I 2010/0370(COD) COM(2010)0767 – C7-0003/2011  
Rapporteur: Georgios Papastamkos (PPE)  
Responsible: AGRI –
  - Presentation of the results of the trilogue

The discussion on these two agenda items was postponed to the next meeting of the Committee on 26-27 November.

### Items 9 and 10 on the agenda

- **Amendment to the Commission proposal COM(2011) 625 final/3 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(2012)0552)**
  - Consideration of amendments and report back on shadow meetings and exchange of views
- **Amendment to the Commission proposal COM(2011) 627 final/3 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) (COM(2012)0553)**
  - Consideration of amendments and report back on shadow meetings and exchange of views

Rapporteur on the draft regulations on direct payments and rural development, Mr CAPOULAS SANTOS (S&D, PT), presented the results of the ongoing work in the Committee, especially with regard to compromise amendments. He said that although no definitive consolidated compromise amendments could be tabled yet, the atmosphere between the parties involved was highly constructive and considerable progress could be made.

He highlighted the following aspects of the direct payment regulation on which an agreement within the EP was in sight:

- "Young farmers' scheme":
  - it was proposed to place this scheme under both the first and the second pillar<sup>1</sup>, while it should be compulsory under the first pillar;
  - an increased top-up payment of 25% impacting the first 100 hectares of a holding should be made available to young farmers;
  - 2% of the budget should be earmarked for young farmers and in case this money was not used, it should be made available to benefit new farmers (even if these were not young farmers).

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<sup>1</sup> Pillar 1 covers direct payments and market measures providing a basic annual income support to EU farmers and support in case of specific market disturbances  
Pillar 2 covers rural development where Member States draw up and co-finance multiannual programmes under a common framework

- "Small farmers scheme": farmers getting less than EUR 1 500 should be automatically included in this scheme. Those excluded could remain under the current regime;
- Flexibility between the pillars: the transfer up to 15 % of the funds from pillar 1 to pillar 2 should be allowed. There was no agreement yet on how much money could be transferred from pillar 2 to pillar 1, but compromise proposals varied between 5 % and 10 %.
- Coupled payments: coupling up to an amount of approximately 5 % should be maintained while those Member States currently receiving more than 5 % should receive more.

The rapporteur touched upon some issues which were divergent and on which reaching a compromise within the EP proved to be difficult:

- Greening: the Committee aimed to integrate the greening element into its compromise proposal while ensuring a simpler approach and one that was more practicable for farmers; the rapporteur's suggestion was to exempt farms up to an arable surface area of 10 hectares from greening measures. Those with an arable surface area between 10 and 30 hectares should have to cultivate at least two crops and farms bigger than 30 hectares should have to grow at least three different crops. Furthermore, certain agri-environmental measures which provided the same benefits, should be considered equivalent to those greening measures proposed by the Commission.
- Ecological Focus Areas (EFAs): there was no agreement on the figure yet; compromise suggestions varied between 3 %, 5 % and 7 % of the surface area. Mr CAPOULAS SANTOS stressed it was important to strike the right balance in order to achieve the best possible result. He was in favour of exempting farms smaller than 10 hectares from this measure and including only those over 10 hectares and whose surface represented more than 20 % of the total surface area of the holding;
- Internal convergence: the rapporteur recalled the difficulty of complying with this measure by 2019 for all Member States. He greatly believed that a mechanism should be put in place to help to avoid distortion and to find a solution to the problems and questions encountered by Member States.

Subsequently, Mr CAPOULAS SANTOS summarised the most important compromise amendments with regard to the rural development proposal:

- Co-financing of agri-environmental measures: the proposed figure was 55 % and at least 25 % of the budget should be earmarked for these measures and organic farming;

- Regions with natural constraints: the majority of the EP's political groups was in favour of extending the current regime. Reaching an agreement on this issue proved difficult;
- Risk management: another difficult issue to reach agreement on, due to the divergent views. A majority of the EP was in favour of keeping risk management under pillar 2, with the Environment Committee voting by a large majority in favour of moving it under pillar 1.

With regard to the timetable, Mr CAPOULAS SANTOS said that compromise amendments should be sent for translation by 15 December. The Committee would subsequently vote at its meeting on 23 and 24 January 2013 and a confirmation by the Plenary would be sought at its session in March. The rapporteur stressed that it was crucial for the Committee to secure a majority on the most important amendments of the Commission proposal.

### **Item 11 on the agenda**

**Amendment to the Commission proposal COM(2011) 626 final/3 for a Regulation of the European Parliament and of the Council establishing a common organisation of the markets in agricultural products (Single CMO Regulation) (COM(2012)0535)**

- Consideration of amendments and report back on shadow meetings and exchange of views

Rapporteur on this file, Mr DANTIN (EPP, FR), briefly presented some of the issues on which compromise agreements had been reached. These covered the first 100 articles of the proposal and related in particular to the following areas: school milk; reference pricing; public intervention; private storage; market standards; olive oil, fruit and vegetable and vine sector (especially the question of rights of planting/no rights of planting).

### **Item 12 on the agenda**

**Amendment to the Commission proposal COM(2011) 628 final/2 for a Regulation of the European Parliament and of the Council on the financing, management and monitoring of the common agricultural policy (COM(2012)0551)**

- Consideration of amendments and report back on shadow meetings and exchange of views

Rapporteur, Mr LA VIA (EPP, IT), indicated that in the majority of cases common ground between all political groups could be found on the tabled compromise amendments concerning the first part (up to Article 56) of the Commission proposal. Compromise could be reached on issues such as certification, bodies, monitoring and local innovative cooperation. Still subject to negotiations were e.g. conditionality, the pesticide and water directive and cross-compliance.

Mr LA VIA pointed out that in the amendment to the Commission proposal aimed at applying the rules on the publication of information on the beneficiaries of European agricultural funds (transparency), it was crucial to ensure non-discrimination of farmers and to strike a balance between transparency and the protection of privacy. In order to achieve this he suggested replacing first and surnames of beneficiaries by codes.

In the subsequent debate members of the Committee spoke on a number of aspects of the draft regulations. The main points can be summarised as follows:

### Greening

Mr DESS (EPP, DE) was opposed to dedicating any percentage of land to greening, as a matter of principle. He firmly believed the Commission's approach was wrong and the proposed figures lacked sufficient justification. He called for improvements, more flexibility and more suitable solutions in order to achieve the desired objectives. Speaking for himself he warned the Committee that he would not be willing to agree to the current compromise amendments. Ms KALNIETE (EPP, LV) was also opposed to the figure of 7% when it came to greening. She saw no justification for this figure and urged the Committee to take a more regionalised approach.

### Ecological Focus Areas

Mr WOJCIECHOWSKI (ECR, PL) stressed that the creation of EFAs should not in any way restrict the cultivation of crops or limit the agricultural activity or food production of a farm.

Ms PAULSEN (ALDE, SE) recalled that EFAs had an important role to play in preserving biodiversity. She stressed that these areas should not be regarded as set-aside-land, neither should they include arable land that would be taken out of production. Instead she suggested re-considering EFAs as edges, fringes or margins including areas such as shores, forests, shorelines to rivers, etc., which were biologically most active and where genetic DNA could be preserved and passed on.

### Transparency

Mr SIEKIERSKI (EPP, PL), Ms KALNIETE (EPP, LV) and Mr HÄUSLING (Greens/EFA, DE) supported the proposal by the Commission to publish the names of the beneficiaries of agricultural aid since these payments formed part of public money and as a consequence transparency was to be exercised in a broad sense.

Mr NICHOLSON (ECR, UK) and Ms REIMERS (ALDE, DE) took a more careful view and believed that a compromise should be found in order to avoid too much transparency which could be misused.

In reply to the points raised by the members of the Committee, the Commission representatives intervened as follows:

- Young farmers' scheme: The Commission representative (Director Mr PACHECO) explained that the Commission was seriously concerned about the upper limit of the top-up payment, which, if it was too high, could be a source of discrimination between farmers in the EU;
- Greening: the Commission supported a simple and flexible approach, while it stressed it was also vital to find a common one. Mr PACHECO was optimistic about the suggestion to include greening equivalence in agri-environmental measures;
- EFAs: The Commission's main objective was to maintain biodiversity while assuring food security. The Commission representative was supportive of the idea of collective achievements of the goals by farmers;
- Areas with natural constraints: the Commission representative (Director Mr PLEWA) explained that the current system was no longer sustainable. In the Commission's view, a new system based on scientific analysis (eight biophysical criteria) would be more appropriate. He recalled that such a new system offered a number of flexibilities for Member States such as a transitional period, etc.;
- Risk management: Mr PLEWA was confident that this was well-placed under the second pillar. He assured the Committee that here, too, a high level of flexibility would be given to Member States;
- Transparency: the Commission representative (Director Mr MOEGELE) explained that the new transparency rules were based on the following assumptions: a) the majority in the EU was in favour of transparency with regard to agricultural payments; b) the current financial regulation invited sectoral legislators to adhere to transparency rules; and c) the Court of Justice only criticised the way transparency had been handled in the past but did not deny the legitimacy of transparency.

Mr MOEGELE was opposed to the idea of using codes instead of publishing the names of beneficiaries of agricultural funds, since it did not allow transparency to be exercised in a broad sense and would raise suspicion and curiosity among citizens.

**Date of the next meeting:**

26 - 27 November 2012 (Brussels).