



**COUNCIL OF  
THE EUROPEAN UNION**

**Brussels, 5 June 2014  
(OR. en)**

**10476/14**

**AGRI 408  
AGRIORG 97  
AGRIFIN 91  
AGRISTR 33**

**NOTE**

---

From: General Secretariat of the Council  
To: Delegations

---

Subject: Implementation of the new Common Agricultural Policy  
- Presidency note

---

With a view to the meeting of the Council ("Agriculture and Fisheries") on 16 June 2014 delegations will find attached in Annex a Presidency note with a view to the exchange of views on the implementation of the new CAP.

**Presidency note on the implementation of the new Common Agricultural Policy**

The new Common Agricultural Policy (CAP) will allow European farmers to continue providing safe, affordable and high-quality food to consumers in the EU and globally, while at the same time addressing the economic, environmental and social challenges faced by the European farming sector, and enhancing the contribution of rural areas to the Europe 2020 strategy by fostering smart, sustainable and inclusive growth.

In this overall context, three main objectives have been set for the new CAP:

- viable food production: to contribute to food security, enhance the competitiveness of EU agriculture while providing the means to address the challenges faced by farmers in relation to market disruptions and the functioning of the food chain;
- sustainable management of natural resources and climate action: to ensure the long-term sustainability and production potential of EU agriculture by safeguarding the natural resources on which agricultural production depends, and to enable farmers to respond and adapt to climate change;
- balanced territorial development: to contribute to the socio-economic development of rural areas, while fostering the right conditions for valuing the diversity of farming models, know-how and products throughout the EU.

In order to achieve these long-term policy objectives, the existing CAP instruments have been adapted in order to increase their impact and effectiveness. Direct payments, which continue to constitute the backbone of the policy, have been re-designed to reflect:

- the need to ensure the long-term viability of farms by contributing to a certain level of income stability;
- the important role of EU agriculture in the delivery of public goods through a basic farm payment, a 'green payment' and a number of complementary farm payments (some of which voluntary) targeted to specific needs.

In the future, direct payments will be more effective, more equitable and more focused on sustainability. They will be granted only to those who are actively engaged in agricultural activities and the biggest disparities in the level of direct income support received by farmers will be gradually reduced. Moreover, Member States will have further possibilities to rebalance income support between larger and smaller farms through the 'redistributive payment' and the reduction of the amount of direct payments above a certain level.

The 'green payment' aimed at promoting environment and climate-friendly farming practices together with the support for farmers in areas with natural constraints will contribute to achieving specific environmental and territorial objectives.

The new additional payment for young farmers under the 1<sup>st</sup> pillar of the CAP will help Member States to better address the issue of generation renewal in the farming sector. The simplified support scheme for small farmers will enhance their competitiveness and their contribution to the vitality of rural areas, while at the same time reducing the administrative burden on both farmers and national authorities.

Finally, Member States will have the possibility to grant limited coupled support to address certain difficulties in those sectors or regions where specific types of farming or specific agricultural sectors are of particular importance for economic, social or environmental reasons.

In order to enhance the economic viability of EU agriculture, the new CAP offers farmers better tools in both the 1<sup>st</sup> and the 2<sup>nd</sup> Pillar to organise themselves and to take full advantage of market opportunities. In addition, improved risk management tools will allow farmers to better cope with price volatility and market instability (eg. through insurance and mutual funds schemes). Member States will also be able to use the full potential of tailor-made rural development measures in the 2<sup>nd</sup> pillar in order to promote sustainable growth in the agri-food sector and in rural areas as a whole.

Thus the new CAP provides a unique opportunity to develop strategic plans for investing on an annual and multiannual basis in the sustainable development of European agriculture and rural areas and to generate growth and jobs.

In view of the diversity of agronomic, climatic, environmental and socio-economic conditions across the EU, a certain degree of flexibility in the implementation of the new CAP has been granted to Member States, so as to allow them to take account of the specific needs of their farming sector and their rural areas. By 1 August 2014, they should make a number of important decisions, particularly in relation to the implementation of their direct payments schemes and a number of additional policy tools under the 1<sup>st</sup> Pillar of the CAP.

#### Exchange of views on the implementation of the new CAP across the EU

While acknowledging that Member States may not have fully concluded their internal decision process, the Presidency considers that Member States would all benefit from exchanging views on how they intend to implement the key elements of the new CAP, particularly as regards direct payments.

In this context, and taking into account recent discussions at the informal meeting of Agriculture Ministers in Athens, any views on how to ensure that diversity in European farming will remain an asset for the EU would be appreciated.

On this basis, the Presidency invites the Council to hold an exchange of views, with a view to providing a first broad overview of how the key elements of the new CAP will apply across the EU from 1 January 2015.