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From: General Secretariat of the Council
To: SCA/Council

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 and repealing Council Regulation (EC) No 637/2008 and Council Regulation (EC) No 73/2009 (**first reading**)
- Adoption de l'acte législatif (**LA + S**)
= Statements

Statement by the Commission on Article 9(2) of Direct Payments

Article 9(2) of the draft Direct Payments Regulation does not preclude a farmer from leasing a building, or buildings, or parts thereof, to third parties or from owning stables, provided those activities do not constitute the farmer's main occupation.

Statement by the Commission on coupled support

For agricultural products, notably for those not eligible to coupled support according to Article 38(1) of the Direct Payments Regulation, the Commission shall closely follow their market evolution and, in case of severe market crisis, may resort to any appropriate measures at its disposal to improve the market situation.

Statement by the Commission on the non-opinion clause

The Commission underlines that it is contrary to the letter and to the spirit of Regulation 182/2011 (OJ L 55 of 28.2.2011, p. 13) to invoke Article 5(4), subparagraph 2, point b), in a systematic manner. Recourse to this provision must respond to a specific need to depart from the rule of principle, which is that the Commission may adopt a draft implementing act when no opinion is delivered. Given that it is an exception to the general rule established by Article 5(4), recourse to subparagraph 2, point b), cannot be simply seen as a "discretionary power" of the Legislator, but must be interpreted in a restrictive manner and thus must be justified.

Statement by the Council on Article 5(4), subparagraph 2, point b) of Regulation (EU) No 182/2011 on Committee Procedure

The Council, having regard to the Commission statement on the so called *non-opinion* clause, reiterates that Article 5(4), subparagraph 2, point b) of Regulation 182/2011 on Committee Procedure is not, and was not meant to be, an exception to a general rule.

It is up to the legislature to determine, in the basic act and in the light of the specific features of each case, whether or not to avail itself of the option made available by point (b) of the second subparagraph of Article 5(4), thus preventing the Commission from adopting a draft implementing act in the absence of an opinion from the committee. No legal considerations limit the use of this option. Unlike other provisions of the Regulation on Committee Procedure, Article 5(4) requires no specific justification for this choice.

Statement by Poland on the scope of coupled support

In the framework of discussion in the Council for Agriculture and Fisheries Poland has consistently pointed out to the need for extending the scope of provisions of the Article 38 of the draft regulation on direct support. Poland considers that to the list of sectors should be added those supported currently under article 68 of the Council Regulation 73/2009. This list should include in particular sectors of special importance in regions economically and environmentally vulnerable, including labour-intensive type of production, such as tobacco, important for rural labour market and for implementation of one of the Europe 2020 goals.

Common Declaration and request of Romania and Latvia

One of the main objectives of the present CAP Reform was a system where direct payments are more equitably distributed, that should allow all Member states with direct payments per hectare below 90% of the European average to close one third of the gap between their current direct payments level and 90% of the EU average in the course of the next period and that all Member States should attain at least the level of EUR 196 per hectare by 2020, as agreed by the European Council on 8th February 2013.

Based on this general accepted principle of more equitable distribution of direct payments, Romania and Latvia support the reform and accept the compromise reached. Such a compromise should guarantee Romania and Latvia the amounts of the national envelopes for 2019 and 2020 to be consistent enough to allow a direct payment of at least EUR 196 per ha. However, the current draft regulation does not fully ensure the principle agreed by the European Council on 8th February 2013. As a result, ceilings of the direct payment envelopes for Romania and Latvia in calendar year 2019 and subsequent year are set below and foresee reductions for direct payments of over 4 mil EUR for Romania and almost 700 thousand EUR for Latvia.

Romania and Latvia have drawn the Commission attention and received a positive response regarding our request to revise the allocations upwards for the financial years 2019-2020 in order to ensure full transposition of the conclusions of the European Council on the of 8th February 2013. Annex II and III of the new Direct Payment Regulation should be amended respectively. This would require a rapid decision at the level of the next Council of Ministers.

We truly hope that this technical adjustment shall be taken into account in order to fully transpose and implement the decisions of the European Council concerning the ceilings of the direct payment envelopes for Romania and Latvia. Otherwise farmers in Romania and Latvia would be discriminated twice, once as their level of direct payments is still the lowest in the European Union, and secondly by not respecting the Council Conclusion on the Multiannual Financial Framework.
