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'A' ITEM NOTE

From: General Secretariat of the Council
To: Council

Subject: Draft Regulation of the European Parliament and of the Council amending Regulations (EU) No 1305/2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD), (EU) No 1306/2013 on the financing, management and monitoring of the common agricultural policy, (EU) No 1307/ 2013 establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy, (EU) No 1308/ 2013 establishing a common organisation of the markets in agricultural products and (EU) No 652/2014 laying down provisions for the management of expenditure relating to the food chain, animal health and animal welfare, and relating to plant health and plant reproductive material **(first reading)**

- Adoption of the legislative act
- = Statement

Declaration by the Netherlands

The Netherlands appreciates the efforts of the Presidency to reach a compromise agreement on the agricultural provisions of the Omnibus proposal. In particular, the Netherlands welcomes the outcomes on the horizontal regulation, the direct payments regulation and the common market organisation regulation.

Nevertheless, the Netherlands has concerns about the reduction of the damage threshold applicable to crop, animal and plant insurance from 30% to 20%. The Netherlands currently has a well-functioning all-weather insurance scheme with a threshold of 30% in place. By reducing the damage threshold, payments will increase and become more frequent. This situation will result in an increase in the premium, which in turn will put pressure on farmers' participation in the all-weather insurance scheme. Moreover, under World Trade Organization (WTO) rules, the subsidy applied to the premium will shift from the green box to the trade-distorting amber box. For the aforementioned reasons, the Netherlands wishes to abstain from a vote on this proposal.
