

COUNCIL OF THE EUROPEAN UNION

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REPORT

from: Special Committee on Agriculture

15 June 2009 on: Council to:

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Subject: The Future of the CAP after 2013: direct payments

- Adoption of Council Conclusions

- 1. On 2 June 2009, during the informal meeting of Agricultural Ministers in Brno (Czech Republic), Member States had an exchange of views on "The Common Agricultural Policy post-2013: What future for direct payments?".
- 2. At its meetings on 8 and 15 June 2009, on the basis of a text drawn up and revised by the Presidency, the Special Committee on Agriculture prepared draft Council conclusions on "The Future of the Common Agricultural Policy after 2013: direct payments".
- 3. The <u>Presidency</u> therefore invites the <u>Council</u> to adopt the draft conclusions as set out in Annex.

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Council conclusions on

"The Future of the CAP after 2013: direct payments"

Building upon the discussions begun under the French Presidency on how best to prepare for the CAP of the future, the Council has continued to focus its attention on the shape of the CAP after 2013, with particular emphasis on the future of the direct payments system.

The discussions on the future of direct payments have been set in the context of the Council and Commission commitment without prejudice to the new Financial Perspective for the period after 2013 to thoroughly examine the possibilities for development of the direct payments system in the Community and addressing the differing level of the direct payments between Member States.

The Council recalls that the Common Agricultural Policy, including the direct payments scheme as developed, has helped EU farmers to adapt to changing market conditions including in times of economic crisis, to respond to societal demands and to foster sustainable agriculture across the EU.

In order to meet the challenges for agriculture after 2013, Council considers that any future direct payments scheme will need to be fair and legitimate, effective, simple to implement, sufficiently flexible, and easy to justify and explain. In this context, *inter alia*, alternatives to the historical reference periods and data currently used will require to be considered; the role of direct payments in supporting income and rewarding the provision of public goods will need to be assessed; the specific situation in Member States and/or regions and/or certain sectors, as well as that of young farmers will need to be taken into account and the scheme would need to be a coherent part of the CAP as a whole.

Getting the balance right on the future CAP is a priority and further discussions and in-depth analysis will be required. Council therefore confirms its intention to continue its work on the future CAP which under the incoming Swedish Presidency will concentrate on rural development. The Council further welcomes the Commission's intention to submit a Communication to Council in 2010 and to follow this up with legislative proposals in 2011 together with the proposals on the Financial Perspective.