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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 (*CAP reform*)
Proposal for a Regulation of the European Parliament and of the Council establishing a common organisation of the markets in agricultural products (Single CMO Regulation) (*CAP reform*)
Proposal 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) (*CAP reform*)
Proposal for a Regulation of the European Parliament and of the Council on the financing, management and monitoring of the common agricultural policy (the horizontal regulation) (*CAP reform*)
= *Summary of issues cleared in trilogues*

With a view to the meeting of the Council ("Agriculture and Fisheries") on 25 June 2013, delegations will find in Annex the summary prepared by the Presidency of previously open issues which have been cleared in trilogues.

Consolidated Texts Following Discussions at Trilogue

1. MFF ISSUES

All CAP-related MFF issues placed in square brackets.

2. DIRECT PAYMENTS

First Allocation of Payment Entitlements (Article 21)

All square brackets removed from the text. Consequential changes to article 28 (delegated powers).

Value of Payment Entitlements and Convergence (Article 22)

Full text of article 22 has been shortened and simplified.

Internal Convergence - Partial Convergence Model (Article 22.5a)

Optional maximum 30% loss on convergence.

Minimum payment 60% of national/regional average payment per hectare.

Where 60% minimum results in a maximum loss greater than 30% in Member States applying this threshold, the percentage minimum payment may be reduced in order to respect the 30% threshold.

MS flexibility on how payment reductions are applied to those above the average.

30% variable greening (Article 29).

Optional maximum payment per hectare.

National Reserve (Article 23)

Article 23.5(ab) relating to farmers who will no longer benefit from the €5,000 modulation threshold has been deleted.

Transitional National Aid (Article 28ca)

Square brackets have been removed from paragraph (4).

Single Area Payment Scheme (Article 28c)

Square brackets have been removed.

Value of Payment Entitlements (Article 28f)

New text inserted to correspond to the re-drafting of article 22.

Coupled Payments (Articles 38 and 39)

All Member States permitted a level of 8% coupling, plus 2% for protein crops.

Member States who used more than 5% coupled aid in one year in the period 2010-2014 permitted a level of 13%, plus 2% for protein crops.

Member States who used more than 10% in one year in the 2010-2014 period may decide to use more than 13% upon approval by the Commission (Article 39).

Financial Discipline (Article 8)

Payment franchise of €2,000.

Active Farmer (Article 9) / Young Farmer (Article 36) / Small Farmer (Articles 47, 49 and 51)

Active Farmer: Short mandatory negative list agreed, comprising airports, railway services, water works, real estate services, and permanent sports and recreational grounds.

Young Farmer: Mandatory scheme agreed in Pillar 1, using up to 2% of national ceiling.

Small Farmer: Optional scheme, with a maximum payment of €1,250, using up to 10% of the national ceiling. Five calculation methods to accommodate circumstances in Member States.

Approval by the Commission (Article 41)

Square brackets have been removed.

Base Areas, Fixed Yields and Reference Amounts (Article 44)

Text introduced for reference amounts for the calculation of crop-specific payments.

Measures to Resolve Specific Problems (Article 54)

Square brackets have been removed.

Committee Procedure (Article 56)

No opinion clause - remains an outstanding issue.

Greening

Equivalence (Article 29 & Annex)

Equivalent measures removed where they relate to permanent crops. New sentence added to confirm no double funding.

Maintenance of Permanent Grassland (Article 31)

Square brackets have been removed. Permanent grassland ratio can be applied at national, regional or farm level.

EFAs (Article 32)

The minimum area threshold where there will be no EFA requirement is 15 hectares of arable land. NO change from the Council General Approach.

The level of EFA is in line with the Council's Approach. The Percentage - starting at 5% in 2015, then moving to 7% only after a Commission report in 2017 and subject to a legislative proposal
Permanent crops are now excluded from EFA . EFA applies to arable land only.

The following EFA eligible areas are agreed:

Fallow land, terraces, landscape features, buffer strips, agro forestry, afforested lands, strips of eligible hectares along forest edges, catch crops, nitrogen-fixing crops and short rotation coppice (with no use of mineral fertiliser or plant protection products).

Exemption for holdings where more than 75% of the holding is in grassland (permanent or temporary), or covered by crops under water, or a combination of both, subject to a maximum for the remaining land of 30 hectares.

Exemptions also for holdings where more than 75% of the arable land is temporary grassland, fallow, leguminous crops, or a combination of these, subject to a maximum for the remaining land of 30 hectares.

EFA percentage decreased by 50% where a MS implements a measure at regional level, which yields an equivalent or higher benefit to the climate and the environment.

Exemption for heavily forested areas at LAU2 level in Member States where more than 50% of the land surface area in the Member State is covered by forest and where:

- the area is designated as an ANC (LFA) area,
- 50% of the land cover is afforested, and
- the ratio of afforested land to agricultural area is higher than 3:1.

Weighting matrix - template to be included as an annex in the basic act, with figures added by the Commission on foot of delegated acts.

3. SINGLE CMO

Wine (Article 54)

New planting authorisations system to commence in 2016 (article 54f).

2030 end-date for authorisations system (article 54f).

1% annual increase in vine planting authorisations (article 54b).

Vine planting rights' duration extended from 3 to 5 years as transitional measure (article 54h).

Square Brackets Removed From Text in the Following Articles:

Article 31.1 (Operational Programmes in Fruit and Vegetables Sector)

Article 54i(e) (Delegated Powers)

Article 54k.4 (Non-authorized plantings)

Article 79 (Relationship with Trademarks)

Article 102.1-102.3 (Vineyard Register and Inventory)

Articles 103a-103j (System of Production Limitation)

Article 106.2 (Producer Organisations in the Milk Sector)

Article 106a.3 (Statutes of Producer Organisations)

Article 107.2 (Associations of Producer Organisations in the Milk Sector)

Article 108.2 (Interbranch Organisations in the Milk Sector)

Article 109c (Recognition of Producer Organisations and their Associations in the Milk Sector)

Article 109e (Recognition of Interbranch Organisations in the Milk Sector)

Article 113a (Contractual Relations)

Article 143 (Commission Guidelines on Application of Competition Rules)

Article 145 (Agreements and Concerted Practices of Interbranch Organisations)

4. RURAL DEVELOPMENT

Priorities (Article 5)

Priority 2 changed to include a reference to promoting the sustainable management of forests.

Priority 3: a reference to the processing and marketing of agricultural products has been included under food chain organisation.

Quality Schemes (Article 17)

New paragraph 1(a) has been included to provide support for information and promotion activities.

Paragraph 4 provides an empowerment for the Commission to adopt delegated acts in order to ensure consistency with other Union instruments on promotion.

Farm and Business Development (Article 20)

Additional text has been added to paragraph 4 to provide that a young farmer may comply with the definition of active farmer within 18 months of the date of setting up in accordance with the business plan.

Afforestation (Article 23)

Para 1 provides support for establishment costs in the case of fast growing trees. No support is provided for fast growing trees for energy production.

Agri Environment (Article 29) / Organic Farming (Article 30) / Natura and Water Framework Directive (Article 31)

New text has been inserted to provide that no double funding will be payable under these measures.

ANCs (Article 32 and Annex II)

Changes have been made in paragraph 1 related to the calculation of additional costs and income foregone. Paragraph 2 provides that the measure shall be confined to active farmers.

In paragraph 5, changes have been made to the proposed timing of degressive payments in view of the proposal to start in 2018. Earlier commencement will also be permitted.

ANCs (Article 33)

Text relating to the cumulation of bio-physical criteria has been moved to paragraph 4.

Also provides that the threshold must be reached at LAU2 level or an equivalent administrative area, and that fine-tuning must also be applied to these designations.

Irrigation (Article 46.3)

Square brackets have been removed.

Project Selection (Article 49)

Risk management in articles 37-40 have been added to the measures for which selection criteria will not be required.

Fund Contribution (Article 65)

New paragraph 5(a) provides that at least 30% of the total EAFRD funds must be reserved for measures under Articles 18 (Investment), 22 to 27 (Forestry), 29 (Agri-Environment), 30 (Organic farming) and 31 (Natura, excluding WFD-related payments), 32 and 33 (ANCs) and 35 (Forest Environment Measure).

Annex I (Support Rates)

Provision has been made for a support rate of 70% for information and promotion action under article 17.

In the case of ANCs, the maximum support rate has been increased from €300 to €450, with provision for a further increase for high-altitude agricultural areas.

5. HORIZONTAL REGULATION

Exchange Rate and Operative Event (Article 106(3))

Council proposal to facilitate non-euro Member States to convert the amount of aid on the basis of the average of the exchange rates set by the European Central Bank during the month prior to 1 October, with the addition of the phrase "in duly justified cases".

Monitoring and Evaluation of the CAP (Article 110.2)

Provides for the adoption of monitoring and evaluation indicators measuring the performance of the policy, by means of implementing acts.

Soil and Carbon Stock - GAEC 7 (Annex II)

Text has been deleted.
