

Financial rules applicable to the general budget of the Union: agricultural provisions

2016/0282B(COD) - 28/11/2017 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Agriculture and Rural Development adopted the report by Albert Deß (EPP, DE) on the proposal for a regulation of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union and amending Regulations (EU) No 1305/2013, (EU) No 1306/2013, (EU) No 1307/2013, (EU) No 1308/2013 and (EU) No 652/2014 of the European Parliament and of the Council.

The committee recommended that the position of the European Parliament at first reading following the ordinary legislative procedure should amend the Commission proposal. The main amendments aim to do the following:

- ensure legal certainty and harmonised and non-discriminatory implementation of **support to young farmers**,
- facilitate implementation of **advisory and training services** by Member States' Managing Authorities;
- incentivise **participation** in quality schemes by farmers or groups of farmers;
- make the **sector-specific income stabilisation tool** more effective by allowing Member States to define, in their rural development programmes, the income to be taken into account for the activation of the tool, in a flexible manner. The drop in income should exceed a threshold of at least 20 %;
- provide effective assistance to **emergency operations** undertaken by Member States in response to catastrophic events and adverse climatic events;
- increase the maximum percentage of **initial public support from 65 % to 70 %**, with a view to increasing the use of crop, animal and plant insurance, and of mutual funds and the income stabilisation tool;
- increase the threshold below which Member States may decide not to pursue recovery of undue payments **from EUR 150 to EUR 250** provided that the Member State applies an equal or higher threshold for not pursuing national debts;
- introduce a further derogation exempting **small farmers** from declaring parcels on which a payment application is not made;
- allow Member States to include certain shrubs or trees which produce animal feed in **permanent grassland** where the grasses and other herbaceous forage remain predominant, in the whole or in part of their territory;
- clarify the classification prior to 2018 of **land lying fallow as arable land**, where it had been in place for five years or more, and provide certainty to the farmers concerned, and allow Member States to maintain its classification as arable land in 2018;
- grant Member States the opportunity to consider areas suitable for pasture where grass and other herbaceous forage do not predominate as permanent grassland in all or part of their territory;
- allow Member States to review, on an annual basis, their decisions on the reduction of the part of the basic payment to be granted to farmers which is greater than EUR 150 000 provided that this does not lead to a reduction in the amounts available for rural development;
- enable Member States to **tailor CAP assistance to their specific needs** by giving them the opportunity to review their decision to transfer funds from their ceiling for direct payments to their rural development programmes and vice versa ;
- **simplify the rules applicable to greening measures** and improve their consistency;

- streamline the existing exemptions from the **crop diversification obligation** and the **ecological focus area obligation** in Regulation (EU) No 1307/2013;
- facilitate the access of young farmers to the full five years of **payment for young farmers** also in cases where young farmers have not applied for support immediately after setting up;
- grant Member States the possibility of deciding to increase the percentage applied to calculate the amount of the payment for young farmers in the range of 25 % to 50 % and irrespective of the calculation method applied;
- clarify the responsibilities of Member States regarding the production limiting character of **voluntary coupled support** and increase flexibility with regard to voluntary coupled support;
- incentivise the use of written contracts in the **milk and milk products sector** and improve contractual clarity with regard to contracts for the delivery of raw milk;
- **clarify the role and tasks of producer organisations and associations of producer organisations** and their relation to competition law;
- **strengthen the role of interbranch organisations** in view of the important role they can play in enabling dialogue between actors in the supply chain and promoting good practice and market transparency.