

Common agricultural policy (CAP), reform: direct support schemes and support schemes for producers

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Cross compliance is a major component of the 2003 common agricultural policy (CAP) reforms. It creates a link between the full payment of support and compliance with certain rules relating to agricultural land and to agricultural production and activity – be it environmental, public and/or animal and plant health /welfare. It has two objectives: firstly, to contribute to the sustainable development of agriculture and secondly, to make CAP more compatible with the expectations of society at large.

Observations: The Commission is in no doubt that the data received from the 23 Member States on controls and reductions shows that the system is actually being implemented on the ground. The report finds that on-the-spot checks were carried out on 2.92% of farmers affected by cross-compliance; reductions were applied for 11.9% of farmers subject to on-the-spot checks; in Member States applying full cross-compliance, most detected instances of non-compliance related to the identification and registration of cattle, while the remaining cases concerned the GAEC and the Nitrates Directive; and most reductions were applied at the minimum level of 1% of direct payments.

As far as the Member States are concerned an exchange of views on cross-compliance, held in 2006 indicated:

- that the management of the system was felt to be burdensome and that awareness raising among farmers was hampered by volume and the technical nature of the information;
- that it was not always easy reconciling the use of existing management and control systems with other EU legal provisions;
- that rules on on-the-spot checks were not clear enough as regards the appropriate time to carry out the checks; and lastly
- that the number and range of requirements meant that the calculation of reductions was difficult for the farmers to understand.

In 2005 and 2006 the Commission carried out 13 audits on the implementation of cross-compliance by ten Member States. These audits found:

- that information was given to farmers through booklets, internet material and training sessions – but – that that this information was, on occasions, provided too late;
- that a small number of Member States have designated the Paying Agency as the only competent control authority for cross compliance;
- that difficulties have arisen where the population covered by the CCA is too small to allow a proper risk analysis;
- that difficulties were encountered with checks relating to groundwater, wild birds, habitats, nitrates and animal identification and registration; and

- that some Member States had already established reduction levels, thus leaving no scope for an evaluation by controllers whereas other Member States provided guidelines only for calculating reductions.

Improvements to the system: The Commission has taken various steps to help the Member States implement cross-compliance. Seven guidelines have been issued since 2005. The Commission will continue to encourage discussions, especially on the possible use of bottlenecks for controls, e.g. conducting controls at the dairy or slaughterhouse, which could facilitate on-farm checks; applying points systems; providing further information to farmers and recognising that some farmers are at greater risk of reductions than others. In other fields of improvement the Commission proposes taking account of the Farm Advisory Systems; the certification systems for the management of cross-compliance; the simplification of the “10 month rule”; and phasing-in SMRs for Member States applying SAPS.

Conclusion: In 2007, based on the findings of this report, the Commission intends to:

- provide further information on the implementation of cross-compliance by the Member States;
- make a proposal to the Management Committee for Direct Payments to provide for a phased-in introduction of the SMRs for Member States applying SAPS;
- introduce provisions simplifying the “10 month rule”;
- make improvements for tolerance for minor cases of non-compliances and introduce as new *de minimis* rule; harmonise control rates;
- introduce control rates;
- introduce advance notice of on-the-spot checks;
- clarify the timing and the elements of on-the-spot checks and reports;
- improve the selection of the control sample; and
- improve information to farmers.