



# Procedure file

Basic information		
CNS - Consultation procedure Regulation	1998/0113(CNS)	Procedure completed
Agenda 2000: direct support schemes to farmers under the common agricultural policy Amended by <a href="#">2000/0335(CNS)</a>  Subject 3.10.14 Support for producers and premiums 8.20.12 Enlargement's agricultural point of view		

Key players			
European Parliament	Committee responsible		Rapporteur
	<b>AGRI</b> Agriculture and Rural Development		Appointed
			26/11/1997
			V <a href="#">GRAEFE ZU BARINGDORF Friedrich-Wilhelm</a>
	Former committee responsible		
	<b>AGRI</b> Agriculture and Rural Development		26/11/1997
			V <a href="#">GRAEFE ZU BARINGDORF Friedrich-Wilhelm</a>
	Former committee for opinion		
	<b>BUDG</b> Budgets		03/06/1998
			GUE/NGL <a href="#">MIRANDA Joaquim</a>
Council of the European Union	<b>REGI</b> Regional Policy		25/06/1998
			PSE <a href="#">CRAMPTON Peter Duncan</a>
	<b>ENVI</b> Environment, Public Health and Consumer Protection		24/06/1998
			PSE <a href="#">MYLLER Riitta</a>
	<b>CONT</b> Budgetary Control		22/04/1998
			PPE <a href="#">GARRIGA POLLEDO Salvador</a>
Council configuration		Meeting	Date
<a href="#">Agriculture and Fisheries</a>		<a href="#">2178</a>	17/05/1999

Key events			
18/03/1998	Legislative proposal published	COM(1998)0158	Summary
15/06/1998	Committee referral announced in Parliament		

07/12/1998	Vote in committee		Summary
07/12/1998	Committee report tabled for plenary, 1st reading/single reading	<a href="#">A4-0480/1998</a>	
13/01/1999	Debate in Parliament		
28/01/1999	Decision by Parliament	T4-0045/1999	Summary
28/01/1999	Report referred back to committee		
20/04/1999	Vote in committee		Summary
20/04/1999	Committee report tabled for plenary, 1st reading/single reading	<a href="#">A4-0231/1999</a>	
05/05/1999	Debate in Parliament		
06/05/1999	Decision by Parliament	T4-0442/1999	Summary
17/05/1999	Act adopted by Council after consultation of Parliament		
17/05/1999	End of procedure in Parliament		
26/06/1999	Final act published in Official Journal		

### Technical information

Procedure reference	1998/0113(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation
Legislative instrument	Regulation
	Amended by <a href="#">2000/0335(CNS)</a>
Legal basis	EC Treaty (after Amsterdam) EC 037
Stage reached in procedure	Procedure completed
Committee dossier	AGRI/4/10755; AGRI/4/10136

### Documentation gateway

Legislative proposal		COM(1998)0158	18/03/1998	EC	Summary
Document attached to the procedure		COM(1998)0182	18/03/1998	EC	
Economic and Social Committee: opinion, report		<a href="#">CES1153/1998</a> <a href="#">OJ C 407 28.12.1998, p. 0208</a>	09/09/1998	ESC	
Committee report tabled for plenary, 1st reading/single reading		<a href="#">A4-0480/1998</a> <a href="#">OJ C 104 14.04.1999, p. 0004</a>	07/12/1998	EP	
Committee of the Regions: opinion		<a href="#">CDR0273/1998</a> <a href="#">OJ C 093 06.04.1999, p. 0001</a>	14/01/1999	CofR	
Text adopted by Parliament, partial vote at 1st reading/single reading		T4-0045/1999 <a href="#">OJ C 128 07.05.1999, p. 0011-0026</a>	28/01/1999	EP	Summary
Committee report tabled for plenary, 1st reading/single reading		<a href="#">A4-0231/1999</a> <a href="#">OJ C 279 01.10.1999, p. 0007</a>	20/04/1999	EP	
Text adopted by Parliament, 1st reading/single		T4-0442/1999	06/05/1999	EP	Summary

reading		<a href="#"><u>OJ C 279 01.10.1999, p. 0256-0377</u></a>			
Additional information					
European Commission		<a href="#"><u>EUR-Lex</u></a>			
Final act					
<a href="#"><u>Regulation 1999/1259</u></a> <a href="#"><u>OJ L 160 26.06.1999, p. 0113</u></a> Summary					

## Agenda 2000: direct support schemes to farmers under the common agricultural policy

**OBJECTIVE:** the proposed regulation seeks to establish common rules for the direct support systems in the framework of the common agricultural policy. It forms part of the group of proposals on the reform of the common agricultural policy and translates the guidelines of Agenda 2000. **SUBSTANCE:** the Commission proposes to deal with certain issues concerning all common market organizations providing direct payments in a horizontal regulation which will contain the following rules: - cross compliance: with respect to integrating the environment more effectively into the CAP, Member States should apply appropriate environmental measures, concerning in particular the market support schemes. They will also be able to decide on appropriate and proportional penalties for infringements and will be authorized to reduce or to annul direct payments; - modulation: as agricultural income (including direct payments) has important employment impacts in rural areas, Member States will be authorized to modulate direct payment per farm within certain limits and relative to employment on the farm; - funds made available from aid reductions (either under cross-compliance or under modulation) will remain available for the Member State concerned as an additional Community support for agri-environmental measures; - ceilings: to avoid excessive transfers of public funds to individual farmers, the Commission proposes to introduce a degressive overall ceiling to direct payments. The changes in the different market organizations will require an adaptation of the integrated management and control system (Regulation 3508/92/EEC). The Commission will submit a proposal in due course. ?

## Agenda 2000: direct support schemes to farmers under the common agricultural policy

The Commission proposal to introduce new rules for direct support for farmers was carried without amendment, by 21 votes to 18 with no abstentions, after the committee rejected all the amendments tabled in the report by Friedrich-Wilhelm GRAEFE zu BARINGDORF (Greens, D). The Commission wants to reduce aid on the basis of a degressive sliding scale which takes the number of people employed in agriculture and environmental requirements into account. The rapporteur had hoped to place a ceiling on direct payments and make payment of subsidies dependent on compliance with environmental standards. After the vote he said he was disappointed with the result but the unamended Commission proposal was preferable to a version incorporating committee amendments which were extremely confusing.?

## Agenda 2000: direct support schemes to farmers under the common agricultural policy

The proposal was approved with a number of amendments and the matter was then referred back to Committee pursuant to Rule 60 (2) after the draft resolution was rejected. The Parliament's Rapporteur was Mr. Graefe Zu Baringdorf (D, Green). The main amendments were as follows : - a new Article 1 (a) regarding a list of support schemes to be covered by the Regulation that shall be proposed by the Commission, and after obtaining the Parliament's opinion, be adopted by the Council. - Article 2 : payments under support schemes shall be made in full to the beneficiaries who have implemented mandatory minimum environmental and animal welfare measures in accordance with good farming practice. - Article 3 - mandatory minimum environmental requirements are laid down : Member States shall draw up and promote a pro-active code for sound and environmentally-friendly agricultural practice in accordance with guidelines to be drawn up by the Commission; - the Council shall adopt, on proposal from the Commission and following the opinion of the EP, a set of mandatory minimum environmental and animal welfare requirements which shall form the basis of future national measures; - holdings run in accordance with sound professional practice shall receive the full amount of support if they fulfill the other conditions laid down by the Regulation; - introduction of specific measures to support the development of non-food products in the form of aid for producers; - Commission to introduce common principles to ensure equal treatment between farmers at EU level for the application of Art. 3; - support for farmers and stockbreeders receiving not more than EUR 15.000 in aid in a calendar year to be increased; - support schemes shall be applied without prejudice to possible review by the Council, after consulting the EP, including upward adjustment, at any moment, in the light of market developments at the end of each marketing year for the production affected; - evaluation of effectiveness of payments under support schemes to be forwarded by the Commission to the European Parliament; - cost-effectiveness of direct support - obligations on EAGGF paying agencies; - Parliament to be entitled during a given period to intervene in connection with the Commission proposals for implementing measures.?

## Agenda 2000: direct support schemes to farmers under the common agricultural policy

The Committee has adopted a position broadly endorsing the package of Agenda 2000 farm reforms, in the light of the deal struck at the Berlin Summit and with certain reservations. Although the committee, chaired by Juan Luis COLINO SALAMANCA (PES, E), is not entirely happy with the Berlin agreement, it finds it more acceptable than the original, more drastic, Commission proposals and does not want to hold up the CAP reforms. "In many areas my Group is not satisfied ... but we cannot open up Pandora's Box again", said German Socialist Klaus

REHDER, echoed by Livio FILIPI (EPP, I) who said: "We must be realistic. We have done what we can. Public opinion thinks the results are the best that can be obtained." The MEPs' main reservations are set out in a dozen compromise amendments adopted at the committee's last meeting before the European elections. These amendments reflect compromises hammered out with the Commission and Council and will be tabled in plenary next month, as the committee's "last word", replacing the amendments on those points adopted in plenary in November and January. The proposals for direct support schemes under the CAP were approved unamended, after two compromise amendments, both concerning the phasing-out of direct aid, which has been dropped from the Council text, were rejected. Undaunted, the rapporteur, Friedrich-Wilhelm GRAEFE zu BARINGDORF, said he would retable his amendment in plenary. MEPs will debate the entire package of Agenda 2000 reforms. The farm legislation will probably be passed by the Agriculture Council. Although, under the consultation procedure, the content of the EP's formal opinions on the CAP reforms is not legally binding, the proposals cannot become law without them. They will also be an important political statement and will provide a basis for the work of the new parliament which will be faced with the next round of discussions on CAP financing. After Parliament postponed delivering its formal opinions on the CAP proposals in November and January because the Commission could not accept its amendments, the EP held a series of informal 'conciliation' talks with the Council, in which it was able to bring some pressure to bear, resulting in the Council accepting many of Parliament's demands.?

## Agenda 2000: direct support schemes to farmers under the common agricultural policy

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In the light of the agreement reached on Agenda 2000 at the Berlin Summit in March and under consultation procedure, the European Parliament adopted the second report by Friedrich-Wilhelm Graefe zu Baringdorf (V,DE), which approves the Commission proposal for a Council regulation establishing common rules for direct support schemes under the common agricultural policy, subject to the amendments adopted by Parliament on 28/01/99.?

## Agenda 2000: direct support schemes to farmers under the common agricultural policy

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PURPOSE: the Regulation seeks to lay down common rules for direct support schemes under the common agricultural policy (CAP) and incorporates the Agenda 2000 guidelines. COMMUNITY MEASURE: Council Regulation 1259/99/EC establishing common rules for direct support schemes under the common agricultural policy. CONTENT: This horizontal Regulation applies to the various market organisations that provide for support to be granted to farmers in the form of direct payments (arable crops, potato starch, cereals, olive oil, grain legumes, flax, hemp, silk worms, bananas, dried grapes, tobacco, seeds, hops, rice, beef and veal, milk and milk products, sheepmeat and goatmeat, the agrimonetary arrangements, Poseidon, Poseima, Poseican and the Aegean Islands). Under the Regulation, Member States, when granting direct aid, can take account of environmental issues by making the grant subject to: - agri-environmental undertakings; - general mandatory environmental requirements; - specific environmental requirements constituting a condition for direct payments. Member States will need to decide on the consequences in the case of environmental requirements not being observed. They are able to introduce measures whereby they can reduce or even cancel benefits accruing from support schemes where environmental requirements are not respected. These measures should be taken by Member States notwithstanding the possibility of granting aid in return for optional environmental commitments. Member States are also authorised to reduce direct payments to farmers in cases where the labour force used on their holding falls short of limits to be determined and/or where the overall prosperity of holdings and/or the total amounts of payments rise above limits to be decided by the Member States. However, in order to maintain agricultural productivity, in particular, such reductions should not exceed 20% of the total amount of the payments. The funds that become available to Member States because farmers fail to comply with the environmental requirements and employment limits may be used as additional Community support for rural development (early retirement, less-favoured areas and areas subject to environmental constraints, agri-environmental measures, reafforestation). ENTRY INTO FORCE: 26/06/1999. The Regulation is applicable from 01/01/2000.?