

Procedure file

Basic information	
<p>COD - Ordinary legislative procedure (ex-codecision procedure) Regulation</p> <p>2011/0285(COD)</p>	Procedure completed
<p>Common organisation of agricultural markets (CMO): regime of the single payment scheme and support to vine-growers 2014-2020</p> <p>Amending Regulation (EC) No 1234/2007 2006/0269(CNS)</p> <p>See also 2011/0280(COD)</p> <p>See also 2011/0281(COD)</p> <p>See also 2011/0282(COD)</p> <p>See also 2011/0286(COD)</p> <p>See also 2011/0288(COD)</p> <p>Subject</p> <p>3.10.03 Marketing and trade of agricultural products and livestock</p> <p>3.10.06.08 Wine, alcoholic and non-alcoholic beverages</p> <p>3.10.14 Support for producers and premiums</p>	

Key players				
European Parliament	Committee responsible	Rapporteur	Appointed	
	AGRI Agriculture and Rural Development		26/09/2011	
		PPE DORFMANN Herbert		
		Shadow rapporteur		
		S&D GUTIÉRREZ PRIETO Sergio		
		ALDE GOULARD Sylvie		
		Verts/ALE HÄUSLING Martin		
		ECR FAJMON Hynek		
		EFD SCOTTÀ Giancarlo		
		Committee for opinion	Rapporteur for opinion	Appointed
DEVE Development		The committee decided not to give an opinion.		
BUDG Budgets		The committee decided not to give an opinion.		
EMPL Employment and Social Affairs		The committee decided not to give an opinion.		
ENVI Environment, Public Health and Food Safety		The committee decided not to give an opinion.		
REGI Regional Development		The committee decided not to give an opinion.		
	Committee for opinion on the legal basis	Rapporteur for opinion	Appointed	
JURI Legal Affairs			26/03/2012	
		PPE LEHNE Klaus-Heiner		

Council of the European Union	Council configuration	Meeting	Date
	Employment, Social Policy, Health and Consumer Affairs	3188	04/10/2012
	Agriculture and Fisheries	3176	18/06/2012
European Commission	Commission DG	Commissioner	
	Agriculture and Rural Development	CIOLOȘ Dacian	20/10/2011
European Economic and Social Committee			

Key events

12/10/2011	Legislative proposal published	COM(2011)0631	Summary
20/10/2011	Debate in Council	3120	Summary
25/10/2011	Committee referral announced in Parliament, 1st reading		
18/06/2012	Debate in Council	3176	Summary
19/06/2012	Vote in committee, 1st reading		
25/06/2012	Committee report tabled for plenary, 1st reading	A7-0203/2012	
11/09/2012	Results of vote in Parliament		
11/09/2012	Decision by Parliament, 1st reading	T7-0316/2012	Summary
04/10/2012	Act adopted by Council after Parliament's 1st reading		
25/10/2012	Final act signed		
25/10/2012	End of procedure in Parliament		
14/11/2012	Final act published in Official Journal		

Technical information

Procedure reference	2011/0285(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Regulation
	Amending Regulation (EC) No 1234/2007 2006/0269(CNS) See also 2011/0280(COD) See also 2011/0281(COD) See also 2011/0282(COD) See also 2011/0286(COD) See also 2011/0288(COD)
Legal basis	Treaty on the Functioning of the EU TFEU 043-p2
Other legal basis	Rules of Procedure EP 159
Mandatory consultation of other institutions	European Economic and Social Committee

Stage reached in procedure	Procedure completed
Committee dossier	AGRI/7/07550

Documentation gateway					
Legislative proposal		COM(2011)0631	12/10/2011	EC	Summary
Document attached to the procedure		SEC(2011)1153	12/10/2011	EC	
Document attached to the procedure		SEC(2011)1154	12/10/2011	EC	
Document attached to the procedure		N7-0044/2012 OJ C 035 09.02.2012, p. 0001	14/12/2011	EDPS	Summary
Specific opinion	JURI	PE486.128	28/03/2012	EP	
Committee draft report		PE474.054	27/04/2012	EP	
Committee of the Regions: opinion		CDR0065/2012	04/05/2012	CofR	
Amendments tabled in committee		PE487.892	05/06/2012	EP	
Committee report tabled for plenary, 1st reading/single reading		A7-0203/2012	25/06/2012	EP	
Text adopted by Parliament, 1st reading/single reading		T7-0316/2012	11/09/2012	EP	Summary
Commission response to text adopted in plenary		SP(2012)665	11/10/2012	EC	
Draft final act		00046/2012/LEX	25/10/2012	CSL	

Additional information	
National parliaments	IPEX
European Commission	EUR-Lex

Final act
Regulation 2012/1028 OJ L 316 14.11.2012, p. 0041 Summary

Common organisation of agricultural markets (CMO): regime of the single payment scheme and support to vine-growers 2014-2020

PURPOSE: to reform the Common Agricultural Policy (CAP) after 2013 (regime of the single payment scheme and support to vine-growers).

PROPOSED ACT: Regulation of the European Parliament and of the Council.

BACKGROUND: the Commission presents a set of regulations laying down the legislative framework for the CAP in the period 2014-2020. The current reform proposals are based on the [Communication on the CAP towards 2020](#) that outlined broad policy options in order to respond to the future challenges for agriculture and rural areas and to meet the objectives set for the CAP, namely (1) viable food production; (2) sustainable management of natural resources and climate action; and (3) balanced territorial development.

A common theme that has emerged throughout this process is the need to promote resource efficiency with a view to smart, sustainable and inclusive growth for EU agriculture and rural areas in line with the Europe 2020 strategy, keeping the structure of the CAP around two pillars that use complementary instruments in pursuit of the same objectives.

- Pillar I covers direct payments and market measures providing a basic annual income support to EU farmers and support in case of specific market disturbances.
- Pillar II covers rural development where Member States draw up and co-finance multiannual programmes under a common framework.

The framework set out in the [Commission proposal for the multiannual financial framework for the years 2014-2020 \(MFF\)](#) proposal foresees

that the CAP should maintain its two-pillar structure with the budget for each pillar maintained in nominal terms at its 2013 level and with a clear focus on delivering results on the key EU priorities.

- Direct payments should promote sustainable production by assigning 30% of their budgetary envelope to mandatory measures that are beneficial to climate and the environment.
- Payment levels should progressively converge and payments to large beneficiaries be subject to progressive capping.
- Rural development should be included in a Common Strategic Framework with other EU shared management funds with a reinforced outcome-orientated approach and subject to clearer, improved ex-ante conditionalities.
- Finally, on market measures the financing of the CAP should be reinforced with two instruments outside the MFF: (1) an emergency reserve to react to crisis situations; and (2) the extension of the scope of the European Globalization Adjustment Fund.

On this basis, the main elements of the legislative framework for the CAP during the period 2014-2020 are set out in the following regulations:

- [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 ('the direct payments regulation');
- [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) ('the Single CMO regulation');
- [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) ('the rural development regulation');
- [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');
- [Proposal for a Council Regulation](#) determining measures on fixing certain aids and refunds related to the common organisation of the markets in agricultural products;
- [Proposal for a Regulation](#) of the European Parliament and of the Council amending Council Regulation (EC) No 73/2009 as regards the application of direct payments to farmers in respect of the year 2013;
- Proposal for a Regulation of the European Parliament and of the Council amending Council Regulation (EC) No 1234/2007 as regards the regime of the single payment scheme and support to vine-growers.

The rural development regulation builds on the proposal presented by the [Commission on 6 October 2011](#) that sets out common rules for all funds operating under a Common Strategic Framework. A regulation will follow on the scheme for most deprived persons, for which funding is now placed under a different heading of the MFF.

In addition, new rules on the publication of information on beneficiaries taking account of the objections expressed by the Court of Justice of the European Union are also under preparation with a view to finding the most appropriate way to reconcile beneficiaries' right to protection of personal data with the principle of transparency.

IMPACT ASSESSMENT: the three scenarios elaborated in the impact assessment are:

- an adjustment scenario that continues with the current policy framework while addressing its most important shortcomings, such as the distribution of direct payments;
- an integration scenario that entails major policy changes in the form of enhanced targeting and greening of direct payments and reinforced strategic targeting for rural development policy in better coordination with other EU policies, as well as extending the legal base for a broader scope of producer cooperation; and
- a refocus scenario that reorients the policy exclusively towards the environment with a progressive phasing out of direct payments, assuming that productive capacity can be maintained without support and that the socio-economic needs of rural areas can be served by other policies.

The impact assessment concludes that the integration scenario is the most balanced in progressively aligning the CAP with the EU's strategic objectives. It will also be essential to develop an evaluation framework to measure the performance of the CAP with a common set of indicators linked to policy objectives.

LEGAL BASIS: Article 43(2) of the Treaty on the Functioning of the European Union (TFEU).

CONTENT: Council Regulation (EC) No 1234/2007 establishing a common organisation of agricultural markets and on specific provisions for certain agricultural products (Single CMO Regulation) provides for a possibility for the Member States to grant decoupled aid under the Single Payment Scheme to vine-growers. Several Member States have used this possibility, which shows the utility of that measure.

This amendment to the current Single CMO regulation provides for the definite transfer of the measure on support to vine-growers to the SPS. Member States must decide by 1 December 2012 with effect from 2014.

BUDGETARY IMPLICATION: in current prices, it is proposed that the CAP should focus on its core activities with EUR 317.2 billion allocated to Pillar I and EUR 101.2 billion to Pillar II over the 2014-2020 period.

The Pillar I and Pillar II funding is complemented by additional funding of EUR 17.1 billion consisting of:

- EUR 5.1 billion for research and innovation,
- EUR 2.5 billion for food safety and
- EUR 2.8 billion for food support for the most deprived persons in other headings of the MFF,
- EUR 3.9 billion in a new reserve for crises in the agricultural sector,
- up to EUR 2.8 billion in the European Globalization Adjustment Fund outside the MFF, thus bringing the total budget to EUR 435.6 billion over the 2014-2020 period.

The total budget to EUR 435.6 billion over the 2014-2020 period.

Distribution of support among Member States: it is proposed that all Member States with direct payments below 90% of the EU average will see one third of this gap closed. The national ceilings in the direct payments regulation are calculated on this basis.

Rural development aid: this is based on objective criteria linked to the policy objectives taking into account the current distribution. As is the case today, less developed regions should continue to benefit from higher co-financing rates, which will also apply to certain measures such

as knowledge transfer, producer groups, cooperation and Leader.

Lastly, some flexibility for transfers between pillars is introduced (up to 5% of direct payments): from Pillar I to Pillar II to allow Member States to reinforce their rural development policy, and from Pillar II to Pillar I for those Member States where the level of direct payments remains below 90% of the EU average.

Common organisation of agricultural markets (CMO): regime of the single payment scheme and support to vine-growers 2014-2020

Ministers held an exchange of views on the common agricultural policy (CAP) reform package thus launching within the Council the debate on the future of the CAP for the months ahead:

Direct payments: several Member States raised concerns or stated their opposition to the proposed redistribution of payments between Member States.

- On the proposed greening of the first pillar while they generally could agree with the introduction of "greening" measures in the first pillar, several questioned the compulsory character of the proposed measures or challenged the proposed 30% proportion of direct payment envelopes devoted to this "greening".
- In addition some delegations expressed their opposition to progressive reduction and capping of direct payments amounts.
- The proposed definition of "active farmer" also raised many questions.
- Actions proposed in favour of small farms and young farmers were generally well received.

Moreover, a vast majority of delegations raised concerns that the direct payments and rural development proposals seemed to run counter to the important objective of simplification of the CAP.

Market management mechanisms: most of the Member States acknowledged the measures proposed by the Commission. They noted in particular the importance of extending the existing possibilities to allow the Commission to take emergency measures.

- Some Member States regretted the Commission's intention to stick to the abolition of the sugar quota system for 2015, while others welcomed the confirmation that the sugar sector would be liberalised after 2015.
- Several delegations welcomed the proposals to strengthen the role of the farmer in the food supply chain with mandatory recognition of producers and interbranch organisations, while others were concerned that this would imply the risk of competition distortion.

The Council will hold two more policy debates on the CAP reform proposals before the end of the year: one on direct payments in November and another on rural development in December 2011.

It should be noted that the Commission prepared the CAP reform package following the interinstitutional debate initiated by its [communication](#) The CAP towards 2020: Meeting the food, natural resources and territorial challenges of the future and on the basis of impact assessments for the various policies. The new rules should enter into force on 1 January 2014.

In March 2011, the Council took note of the Presidency conclusions on the Commission communication supported by a very large number of Member States. These conclusions on the communication followed an initial exchange of views and three policy debates focusing on the three main objectives of the future CAP identified in the Commission communication, namely: (i) viable food production; (ii) sustainable management of natural resources and climate action, and (iii) balanced territorial development.

Common organisation of agricultural markets (CMO): regime of the single payment scheme and support to vine-growers 2014-2020

The Presidency presented to the ministers its progress report on the reform of the common agricultural policy (CAP) ([8949/12](#)).

Member states broadly welcomed the progress report and overall considered it a fair and accurate reflection of the debate in the Council, which would lay a solid foundation for the next steps in the process under the Cypriot and Irish Presidencies. They also noted that the next presidencies had to deepen discussions on the open issues. Some delegations commented on issues of importance to them, particularly in relation to capping, convergence of direct payments and greening.

This progress report highlights the progress achieved during the first half of 2012 on the CAP reform proposals. It has been drawn up under the responsibility of the Presidency on the basis of the positions expressed within the Council and its preparatory bodies during this semester. It makes clear that nothing is agreed until everything is agreed.

The report highlights the efforts made by the Presidency, especially on increased flexibility, simplification and greening. It indicates the main amendments suggested to the Commission proposals and on which the Presidency has noted broad support from delegations.

The Presidency's suggested amendments aim to resolve a number of issues raised by delegations, particularly with a view to ensuring that future CAP legislation is workable in practice and can be implemented in a cost-effective manner.

This report also identifies for each of the proposals the key issues which remain outstanding as at June 2012, including issues contained in the negotiating box for heading 2 of the Multiannual financial framework (MFF).

The report distinguishes between three categories of issues:

- issues on which there is broad support among delegations for the amendments suggested by the Presidency to the Commission proposals;
- issues which remain outstanding as at June 2012;
- issues which are included in the negotiating box of the Multi-Annual Financial Framework and which the European Council will ultimately decide upon.

As regards the proposal aiming to amend the current Single CMO Regulation by providing for the definite transfer of the support measures to vine-growers to the Single Payment Scheme, the EP Committee on Agriculture is expected to adopt its report on 18 June 2012. The position reached in the Special Committee on Agriculture includes amendments providing for a one-year measure applicable in 2014 and the possibility to operate a one-off transfer as from 2015.

Common organisation of agricultural markets (CMO): regime of the single payment scheme and support to vine-growers 2014-2020

The Committee on Agriculture and Rural Development adopted the report by Herbert DORFMANN (EPP, IT) on the proposal for a regulation of the European Parliament and of the Council amending Council regulation (EC) N° 1234/2007 as regards the regime of the single payment scheme and support to vine-growers.

The committee recommends that the European Parliaments position in first reading following the ordinary legislative procedure should amend the Commission proposal as follows:

Legal basis: the committee specified that the legal basis of the text should be both the first subparagraph of Article 42 and Article 43(2) TFEU, as opposed to just Article 43(2) as proposed by the Commission.

Increase national ceilings for direct payments: in order to simplify the management of the Single Payment Scheme and to ensure that it is consistent with the objectives of the rules for direct support schemes for farmers, Members inserted an amend stating that the Scheme is to be amended, so that it includes the possibility for Member States to definitively decrease the funds allocated to the support programmes in the wine sector by 1 August 2013, and thereby increase the national ceilings for direct payments.

Support to vine growers for 2014: a new clause states that Member States should be allowed to continue applying the support provided for in Article 103o of Regulation (EC) No 1234/2007.

Lastly, the committee inserted an amendment stating that if a Member State decides to use its national envelope in the form of payments per hectare to vine growers, such payments shall be exempt from any modulation system between Member States.

Common organisation of agricultural markets (CMO): regime of the single payment scheme and support to vine-growers 2014-2020

The European Parliament adopted by 643 votes to 28 with 12 abstentions a legislative resolution on the proposal for a Regulation of the European Parliament and of the Council amending Council Regulation (EC) N° 1234/2007 as regards the regime of the single payment scheme and support to vine-growers.

Parliament adopted its position on first reading following the ordinary legislative procedure. The agreement was the result of a compromise negotiated between Parliament and Council. The main amendments are as follows:

Legal basis: Parliament specified that the legal basis of the text should be both the first subparagraph of Article 42 and Article 43(2) TFEU, as opposed to just Article 43(2) as proposed by the Commission.

Increase national ceilings for direct payments: in order to simplify the management of this specific support measure and to ensure its consistency with the objectives of the rules for direct support schemes for farmers, it is appropriate to convert it into the possibility for Member States to definitively decrease the funds allocated to the support programmes in the wine sector and thereby increase the national ceilings for direct payments.

Accordingly, by 1 August 2013, Member States may decide to reduce, from 2015, the amount available for the support programmes referred to in Annex Xb of Regulation (EC) No 1234/2007, in order to increase their national ceilings for direct payments referred to in Article 40 of Regulation (EC) No 73/2009.

The amount resulting from the decrease shall definitively remain in the national ceilings for direct payments referred to in Article 40 of Regulation (EC) No 73/2009 and shall no longer be available for the measures listed in Articles 103p to 103y.

Support to vine growers for 2014: a new clause states that Member States should be allowed to continue applying the support provided for in Article 103o of Regulation (EC) No 1234/2007 for 2014.

Common organisation of agricultural markets (CMO): regime of the single payment scheme and support to vine-growers 2014-2020

PURPOSE: to reform the current common organisation of agricultural markets (single CMO) as regards the regime of the single payment scheme (SPS) and support to vine-growers.

LEGISLATIVE ACT: Regulation (EU) No 1028/2012 of the European Parliament and of the Council amending Council Regulation (EC) No 1234/2007 as regards the regime of the single payment scheme and support to vine-growers.

CONTENT: following an agreement with the European Parliament at first reading, the Council adopted a regulation amending the existing common organisation of the markets (single CMO) as regards the regime of the single payment scheme and support to vine-growers.

Council Regulation (EC) No 1234/2007 establishing a common organisation of agricultural markets and on specific provisions for certain agricultural products (Single CMO Regulation) provides for a possibility for Member States to grant decoupled aid under the single payment scheme to vine-growers. The current support programmes have a five-year duration whilst payment entitlements giving rise to direct payments are granted for an indeterminate period of time.

In order to simplify the management of this specific support measure and to ensure its consistency with the objectives of the rules for direct support schemes for farmers, the amended regulation adapts the regime to allow Member States to definitively decrease the funds allocated to the support programmes in the wine sector and thereby increase the national ceilings for direct payments.

This regulation provides for the definitive transfer of the measure on support to vine-growers to the SPS. This transition will occur in two stages : Member States must notify:

- by 1 December 2012 their decision concerning support for vine-growers for one year applicable to the 2014 calendar year and
- by 1 August 2013 their decision concerning the single payment from 2015.

This Regulation is one of two transitional regulations adopted this year ahead of the Common Agricultural Policy (CAP) reform which is scheduled to enter into force in 2014. The [first transitional regulation](#), adopted by the Council in July 2012, concerned the application of direct support schemes for farmers for the calendar year 2013 and provides for a smooth transition from the current direct payments system (Regulation (EC) No 73/2009) to the new payments scheme foreseen by the Commission in the CAP reform proposals.

ENTRY INTO FORCE: 21/12/2012.