



DANISH AGRICULTURAL COUNCIL

3rd May 2007

Cross-compliance in the context of simplification of the CAP.

Presentation by Peter Gæmelke, President of the Danish Agricultural Council, at hearing of the Committee on Agriculture and Rural Development.

Thank you for giving me this opportunity to present the views of Danish farmers on cross-compliance.

I want to stress, that we do not question the idea of cross-compliance itself. But I have to stress also, that the way it has been implemented causes severe problems, which should be solved. In our view the main problems are the following:

- 1) Far too many EU-rules are included in the system,
- 2) in far too many cases are the rules unclear,
- 3) there is a lack of proportionality between non-compliance and sanctions, and
- 4) a general “*de minimis*” rule or tolerance is clearly missing.

In the following I shall in particular focus on the many and unclear rules, which the farmers have to comply with.

Many and unclear rules.

Several directives are addressed to the authorities for their implementation of the rules - and the wordings used are very general. We take the view, that the obligations should be addressed directly to farmers, and they should be worded clearly – and in a measurable way.

Unclear wordings are often used. I can illustrate this with a few examples, such as:

- “to take adequate measures, as appropriate”.....
-“to have adequate systems and procedures for identification”....
- “adequate separation”....
- “maintain in good condition”.....
-“best possible protection”.....
-“adequate natural or artificial lighting”.....

In Denmark we have to deal with a very comprehensive set of rules. From 2007 we have no less than 113 requirements and more than 270 intermediate requirements, which the farmers have to comply with in order to receive their aid without reduction.

The many rules and the fact that many of them are unclear make the farmers very insecure.

The unclear rules often leave it to the controlling agency and to the individual controller to estimate, if the farmer has complied with the rules or not.

Consequently, there is a considerable need to improve the security of farmers. We strongly advocate that this is done in two ways. *Firstly* the number of rules under cross-compliance should be considerably reduced, and *secondly* the remaining rules should be made clear and unambiguous. It goes without saying, that another advantage of this solution would be, that more focus could be put on those rules, which are considered to be the most important ones.

I need to stress too, that the many and unclear rules have led to a different implementation in Member States. As an example I can mention, that the French rules include 59 requirements and few intermediate requirements, whereas the Danish rules include 113 requirements and more than 270 intermediate requirements. This situation is not satisfactory.

Lack of proportionality.

Farmers find it unfair, that there is no clear connexion between non-compliance and sanctions. Indeed, there is a connexion between the extent, severity and permanence of non-compliance and the applied percentage of the reduction. But the size of the sanction is in reality decided by the size of the aid.

As a consequence two farmers, who have failed to comply with the same rule, will be faced with very different sanctions because they receive different amounts of aid. We believe this should be changed.

“De Minimis” rule.

There is a great need to establish *de minimis* rules or tolerances for the rules under cross-compliance. It is very unfair, that minor cases of non-compliance can result in considerable sanctions due to the lack of *de minimis* rules in the relevant directives and regulations. When the rules in question were adopted it was clearly not foreseen, that they would be included under cross-compliance.

The report of the Commission.

By the end of March the Commission presented its report on the application of the system of cross-compliance. We recognise that the report contains some good ideas and suggestions. I have to say, however, that it fails to deal properly with the main problems, which the farmers are faced with from this system, and which I have described here.

I sincerely hope that the discussions, which will take place in this Parliament and the Council will help to improve this situation.

Talking about the Council I am pleased to learn, that the paper presented recently to the Commission by Denmark, France, Ireland and Holland has gained support from other countries.

Conclusions.

To sum up I want to stress the following:

We want the long and very complicated list of rules under cross-compliance to be considerably reduced.

The whole set of rules – including the extent of annex III in regulation 1782/2003 – should be reviewed, and this should lead to removal of unclear requirements and references to directives and regulations, that are not addressed to farmers. We believe the end result should be a much shorter list of requirements, which are most relevant, clearly worded, and suitable to be included under the system of cross-compliance.

Other points are important too. I have stressed the need for a *de minimis* rule and for proportionality.

Moreover we can support a number of the proposals in the report of the Commission – not least the proposal to simplify the “10-month rule”. In fact we want this rule removed and replaced by one date.

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I wish you good luck with your work on this important matter, and I thank you for your attention.

AMZ/OKL