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Committee on Agriculture and Rural Development

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*****I**

DRAFT REPORT

on the 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
(COM(2011)0625final/2 – C7-0336/2011 – 2011/0280(COD))

Committee on Agriculture and Rural Development

Rapporteur: Luis Manuel Capoulas Santos

Symbols for procedures

- * Consultation procedure
- *** Consent procedure
- ***I Ordinary legislative procedure (first reading)
- ***II Ordinary legislative procedure (second reading)
- ***III Ordinary legislative procedure (third reading)

(The type of procedure depends on the legal basis proposed by the draft act.)

Amendments to a draft act

In amendments by Parliament, amendments to draft acts are highlighted in ***bold italics***. Highlighting in *normal italics* is an indication for the relevant departments showing parts of the draft act which may require correction when the final text is prepared – for instance, obvious errors or omissions in a language version. Suggested corrections of this kind are subject to the agreement of the departments concerned.

The heading for any amendment to an existing act that the draft act seeks to amend includes a third line identifying the existing act and a fourth line identifying the provision in that act that Parliament wishes to amend. Passages in an existing act that Parliament wishes to amend, but that the draft act has left unchanged, are highlighted in **bold**. Any deletions that Parliament wishes to make in such passages are indicated thus: [...].

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DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

**on the 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
(COM(2011)0625final/2 – C7-0336/2011 – 2011/0280(COD))**

(Ordinary legislative procedure: first reading)

The European Parliament,

- having regard to the Commission proposal to Parliament and the Council (COM(2011) 0625final/2),
 - having regard to Article 294(2) and Articles 42 and Article 43(2) of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C7-0336/2011),
 - having regard to the 1979 Act of Accession, and in particular paragraph 6 of Protocol No 4 on cotton attached thereto,
 - having regard to Article 294(3) of the Treaty on the Functioning of the European Union,
 - having regard to the opinion of the European Court of Auditors of 8 March 2012¹,
 - having regard to the opinion of the European Economic and Social Committee of 25 April 2012²,
 - having regard to the opinion of the Committee of the Regions of 4 May 2012³,
 - having regard to Rule 55 of its Rules of Procedure,
 - having regard to the report of the Committee on Agriculture and Rural Development and the opinions of the Committee on Development, the Committee on Budgets, the Committee on Budgetary Control, the Committee on Environment, Public Health and Food Safety and the Committee on Regional Development (A7-0000/2012),
1. Adopts its position at first reading hereinafter set out;
 2. Points out that the financial envelope specified in the legislative proposal is only an indication to the legislative authority and cannot be fixed until agreement is reached on the proposal for a regulation laying down the multiannual financial framework for the years 2014-2020;
 3. Calls on the Commission to refer the matter to Parliament again if it intends to amend its proposal substantially or replace it with another text;

¹ Not yet published in the Official Journal.

² Not yet published in the Official Journal.

³ Not yet published in the Official Journal.

4. Instructs its President to forward its position to the Council, the Commission, and the national parliaments.

Amendment 1

Proposal for a regulation Recital 8

Text proposed by the Commission

(8) In order to take into account new legislation on support schemes that may be adopted after the entry into force of this Regulation, the power to adopt acts in accordance with Article 290 of the Treaty should be delegated to the Commission for the purpose of amending the list of support schemes ***covered by this Regulation.***

Amendment

(8) In order to take into account new legislation on support schemes that may be adopted after the entry into force of this Regulation, the power to adopt acts in accordance with Article 290 of the Treaty should be delegated to the Commission for the purpose of amending the list of support schemes ***set out in Annex I to this Regulation.***

Or. en

Amendment 2

Proposal for a regulation Recital 9

Text proposed by the Commission

(9) In order to take into account specific new elements and to guarantee the protection of the rights of beneficiaries, the power to adopt acts in accordance with Article 290 of the Treaty should be delegated to the Commission for the purpose of ***laying down further definitions regarding the access to support under this Regulation,*** establishing the framework within which Member States shall define the minimum activities to be carried out on areas naturally kept in a state suitable for grazing or cultivation as well as the criteria to be met by farmers in order to be deemed to have respected the obligation of maintaining the agricultural area in the state suitable for production ***and the criteria to determine the predominance of***

Amendment

(9) In order to take into account specific new elements and to guarantee the protection of the rights of beneficiaries, the power to adopt acts in accordance with Article 290 of the Treaty should be delegated to the Commission for the purpose of establishing the framework within which Member States shall define the minimum activities to be carried out on areas kept in a state suitable for grazing or cultivation as well as the criteria to be met by farmers in order to be deemed to have respected the obligation of maintaining the agricultural area, ***that means any area taken up by arable land, permanent grassland and historical pastures or permanent crops,*** in the state suitable for production.

grasses and other herbaceous forage as regards permanent grassland.

Or. en

Amendment 3

Proposal for a regulation

Recital 10

Text proposed by the Commission

Amendment

(10) In order to guarantee the protection of the rights of beneficiaries the power to adopt acts in accordance with Article 290 of the Treaty should be delegated to the Commission for the purpose of adopting of rules on the basis for calculation of reductions to be applied by Member States to farmers pursuant to the application of the financial discipline.

deleted

Or. en

Amendment 4

Proposal for a regulation

Recital 13

Text proposed by the Commission

Amendment

(13) Experience from the application of the various support schemes for farmers has shown that support was in a number of cases granted to *beneficiaries* whose business purpose was not or only marginally targeted at an agricultural activity, *such as airports, railway companies, real estate companies and companies managing sport grounds*. To ensure the better targeting of support, *Member States should* refrain from granting direct payments to *such natural and legal persons*. Smaller part-time

(13) Experience from the application of the various support schemes for farmers has shown that support was in a number of cases granted to *natural and legal persons* whose business purpose was not or only marginally targeted at an agricultural activity. To ensure the better targeting of support *and to reflect national realities as closely as possible, it is important that responsibility for the definition of an “active farmer” be given to the Member States. They shall thus* refrain from granting direct payments to *entities such*

farmers contribute directly to the vitality of rural areas, for that reason they should not be prevented from being granted direct payments.

as transport companies, airports, real estate companies, companies managing sport grounds, campsite operators and mining companies, unless such entities can prove that they meet the criteria for definition as active farmers. Smaller part-time farmers contribute directly to the vitality of rural areas, for that reason they should not be prevented from being granted direct payments.

Or. fr

Amendment 5

Proposal for a regulation

Recital 15

Text proposed by the Commission

(15) The distribution of direct income support among farmers is characterised by the allocation of disproportionate amounts of payments to a rather small number of large beneficiaries. Due to economies of size, larger beneficiaries do not require the same level of unitary support for the objective of income support to be efficiently achieved. Moreover, the potential to adapt makes it easier for larger beneficiaries to operate with lower levels of unitary support. It is therefore fair to introduce a system for large beneficiaries where the support level is gradually reduced and ultimately capped to improve the distribution of payments between farmers. Such system should however take into account salaried labour intensity to avoid disproportionate effects on large farms with high employment numbers. Those maximum levels should not apply to payments granted to agricultural practices beneficial for the climate and the environment since the beneficial objectives they pursue could be diminished as a result. In order to make capping effective,

Amendment

(15) The distribution of direct income support among farmers is characterised by the allocation of disproportionate amounts of payments to a rather small number of large beneficiaries. Due to economies of size, larger beneficiaries do not require the same level of unitary support for the objective of income support to be efficiently achieved. Moreover, the potential to adapt makes it easier for larger beneficiaries to operate with lower levels of unitary support. It is therefore fair to introduce a system for large beneficiaries where the support level is gradually reduced and ultimately capped to improve the distribution of payments between farmers. Such system should however take into account salaried labour intensity to avoid disproportionate effects on large farms with high employment numbers. Those maximum levels should not apply to payments granted to agricultural practices beneficial for the climate and the environment since the beneficial objectives they pursue could be diminished as a result. ***Nor should the capping be applied***

Member States should establish some criteria in order to avoid abusive operations by farmers seeking to evade its effects. The proceeds of the reduction and capping of payments to large beneficiaries should remain in the Member States where they were generated and should be used for financing projects with a significant contribution to innovation under Regulation (EU) No [...] of the European Parliament and of the Council of...on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) [RDR].

in respect of cooperatives or other legal entities which group a number of beneficiaries of direct payments and which receive and channel the payments before distributing them in full to their members. In order to make capping effective, Member States should establish some criteria in order to avoid abusive operations by farmers seeking to evade its effects. The proceeds of the reduction and capping of payments to large beneficiaries should remain in the Member States where they were generated and should be used for financing projects with a significant contribution to innovation under Regulation (EU) No [...] of the European Parliament and of the Council of...on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) [RDR].

Or. fr

Amendment 6

Proposal for a regulation Recital 16

Text proposed by the Commission

(16) In order to facilitate the implementation of capping, notably with regard to the procedures for granting direct payments to farmers and the corresponding transfers to rural development, net ceilings should be determined for each Member State to limit the payments to be made to farmers following the application of capping. To take into account the specificities of CAP support granted in accordance with Council Regulation (EC) No 247/2006 of 30 January 2006 laying down specific measures for agriculture in the outermost regions of the Union and Council Regulation (EC) No 1405/2006 of 18 September 2006 laying down specific

Amendment

(16) In order to facilitate the implementation of capping, notably with regard to the procedures for granting direct payments to farmers and the corresponding transfers to rural development, net ceilings should be determined for each Member State, and, *if appropriate, for the different regions within a Member State*, to limit the payments to be made to farmers following the application of capping. To take into account the specificities of CAP support granted in accordance with Council Regulation (EC) No 247/2006 of 30 January 2006 laying down specific measures for agriculture in the outermost regions of the Union and Council

measures for agriculture in favour of the smaller Aegean islands and amending Regulation (EC) No 1782/2003, and the fact that these direct payments are not subject to capping, the net ceiling for the Member States concerned should not include those direct payments.

Regulation (EC) No 1405/2006 of 18 September 2006 laying down specific measures for agriculture in favour of the smaller Aegean islands and amending Regulation (EC) No 1782/2003, and the fact that these direct payments are not subject to capping, the net ceiling for the Member States concerned should not include those direct payments.

Or. en

Amendment 7

Proposal for a regulation

Recital 20

Text proposed by the Commission

(20) In order to ensure a better distribution of support amongst agricultural land in the Union, including in those Member States which applied the single area payment scheme established under Regulation (EC) No 73/2009, a new basic payment scheme should replace the single payment scheme established under Council Regulation (EC) No 1782/2003 of 29 September 2003 establishing common rules for direct support schemes under the common agricultural policy and establishing certain support schemes for farmers, and continued under Regulation (EC) No 73/2009, which combined previously existing support mechanisms into a single scheme of decoupled direct payments. Such a move should entail the expiry of payment entitlements obtained under those Regulations and the allocation of new ones, although still based on the number of eligible hectares at the disposal of farmers in the first year of implementation of the scheme.

Amendment

(20) In order to ensure a better distribution of support amongst agricultural land in the Union, including in those Member States which applied the single area payment scheme established under Regulation (EC) No 73/2009, a new basic payment scheme should replace the single payment scheme established under Council Regulation (EC) No 1782/2003 of 29 September 2003 establishing common rules for direct support schemes under the common agricultural policy and establishing certain support schemes for farmers, and continued under Regulation (EC) No 73/2009, which combined previously existing support mechanisms into a single scheme of decoupled direct payments. Such a move should entail the expiry of payment entitlements obtained under those Regulations and the allocation of new ones, although still based on the number of eligible hectares at the disposal of farmers in the first year of implementation of the scheme. ***However, Member States (or regions) which operated the single payment scheme on the basis of the regional model should have the option of***

deciding not to let payment entitlements expire.

Or. en

Amendment 8

Proposal for a regulation

Recital 21

Text proposed by the Commission

(21) Due to the successive integration of various sectors into the single payment scheme and the ensuing period of adjustment granted to farmers, it has become increasingly difficult to justify the presence of significant individual differences in the level of support per hectare resulting from use of historical references. Therefore direct income support should be more equitably distributed *between Member States*, by reducing the link to historical references and having regard to the overall context of the Union budget. To ensure a more equal distribution of direct support, while taking account of the differences that still exist in wage levels and input costs, the levels of direct support per hectare should be progressively adjusted. ***Member States with direct payments below the level of 90 % of the average should close one third of the gap between their current level and this level. This convergence should be financed proportionally by all Member States with direct payments above the Union average. In addition, all payment entitlements activated in 2019 in a Member State or in a region should have a uniform unit value following a convergence towards this value that should take place during the transition period in linear steps. However, in order to avoid disruptive financial consequences for farmers,***

Amendment

(21) Due to the successive integration of various sectors into the single payment scheme and the ensuing period of adjustment granted to farmers, it has become increasingly difficult to justify the presence of significant individual differences in the level of support per hectare resulting from use of historical references. Therefore direct income support should be more equitably distributed by reducing the link to historical references and having regard to the overall context of the Union budget. To ensure a more equal distribution of direct support, while taking account of the differences that still exist in wage levels and input costs, the levels of direct support per hectare should be progressively adjusted. All payment entitlements activated in 2019 in a Member State or in a region should ***approximate to or reach*** a uniform unit value following a convergence towards this value that should take place during the transition period in steps. In order to avoid disruptive financial consequences for farmers, Member States having used the single payment scheme, and in particular the historical model, should be allowed to take historical factors into account when calculating the value of payment entitlements. ***Member States may also limit the reduction in the basic payment to farms resulting from the***

Member States having used the single payment scheme, and in particular the historical model, should be allowed to ***partially*** take historical factors into account when calculating the value of payment entitlements ***in the first year of application of the new scheme. The debate on the next Multiannual Financial Framework for the period starting in 2021 should also focus on the objective of complete convergence through the equal distribution of direct support across the European Union during that period.***

discontinued use of the historical model.

Or. fr

Justification

In the interests of logic and clarity, internal and external convergence should be the subject of two separate recitals. With regard to internal convergence, Member States should retain the flexibility required for determining the scale and pace of any convergence process that may be necessary, so as to take account of the economic context in which farms are operating and the relative weight of the basic payment as a proportion of farmers' incomes.

Amendment 9

Proposal for a regulation Recital 21 a (new)

Text proposed by the Commission

Amendment

(21a) In addition to the convergence of support payments at national and regional levels, the national envelopes for direct payments should also be adjusted so that in Member States with a current level of direct payments per hectare below 70% of the Union average, that shortfall is reduced by 30%. In Member States with a level of direct payments between 70% and 80% of the average, the shortfall should be reduced by 25%, and in those Member States where the level is more than 80% of the average it should be reduced by 10%. Following application of these mechanisms, the level received should

not, in any Member State, be less than 65% of the Union average. In the case of Member States with payment levels above the Union average, the convergence effort should not pull those levels below the average. The convergence should be financed proportionally by all Member States with direct payments above the Union average.

Or. fr

Amendment 10

Proposal for a regulation Recital 23

Text proposed by the Commission

(23) In order to guarantee the protection of the rights of beneficiaries and in order to clarify the specific situations that may arise in the application of the basic payment scheme, the power to adopt acts in accordance with Article 290 of the Treaty should be delegated to the Commission for the purpose of adopting rules on eligibility and the access in respect of the basic payment scheme of farmers in case of inheritance and anticipated inheritance, inheritance under a lease, change of legal status or denomination and in the case of merger or scission of the holding; adopting rules on the calculation of the value and number or on the increase in the value of payment entitlements in relation to the allocation of payment entitlements, including rules on the possibility of a provisional value and number or of a provisional increase of payment entitlements allocated on the basis of the application from the farmer, on the conditions for establishing the provisional and definitive value and number of the

Amendment

(23) In order to guarantee the protection of the rights of beneficiaries and in order to clarify the specific situations that may arise in the application of the basic payment scheme, the power to adopt acts in accordance with Article 290 of the Treaty should be delegated to the Commission for the purpose of adopting rules on eligibility and the access in respect of the basic payment scheme of farmers in case of inheritance and anticipated inheritance, inheritance under a lease, change of legal status or denomination and in the case of merger or scission of the holding; adopting rules on the calculation of the value and number or on the increase in the value of payment entitlements in relation to the allocation of payment entitlements, including rules on the possibility of a provisional value and number or of a provisional increase of payment entitlements allocated on the basis of the application from the farmer, on the conditions for establishing the provisional and definitive value and number of the

payment entitlements and on the cases where a sale or lease contract could affect the allocation of payment entitlements; adopting rules on the establishment and calculation of the value and number of payment entitlements received from the national reserve; adopting rules on the modification of the unit value of payment entitlements in the case of fractions of payment entitlements and criteria for the allocation of payment entitlements pursuant to the use of the national reserve and to farmers who did not apply for support in 2011.

payment entitlements and on the cases where a sale or lease contract could affect the allocation of payment entitlements; adopting rules on the establishment and calculation of the value and number of payment entitlements received from the national reserve; adopting rules on the modification of the unit value of payment entitlements in the case of fractions of payment entitlements and criteria for the allocation of payment entitlements pursuant to the use of the national reserve and to farmers who did not apply for support in *the period 2009 to 2011*.

Or. en

Amendment 11

Proposal for a regulation Recital 26

Text proposed by the Commission

(26) One of the objectives of the new CAP is the enhancement of environmental performance ***through a mandatory "greening" component of direct payments which will support agricultural practices beneficial for the climate and the environment applicable throughout the Union.*** For that purpose, Member States should use part of their national ceilings for direct payments to grant an annual payment, ***on top of the basic payment***, for compulsory practices to be followed by farmers addressing, as a priority, both climate and environment policy goals. Those *practises* should take the form of simple, generalised, non-contractual and annual actions that go beyond cross-compliance and are linked to agriculture such as crop diversification, maintenance of permanent grassland and ecological focus areas. ***The compulsory nature of***

Amendment

(26) One of the objectives of the new CAP is the enhancement of environmental performance. For that purpose, Member States should use part of their national ceilings for direct payments to grant an annual payment for compulsory practices to be followed by farmers addressing, as a priority, both climate and environment policy goals. Those *practices* should take the form of simple, generalised, non-contractual and annual actions that go beyond cross-compliance and are linked to agriculture such as crop diversification, maintenance of permanent grassland ***and historical pastures, of perennial crops associated with appropriate agronomic practices*** and ***of*** ecological focus areas. Those *practices* should also concern farmers whose holdings are fully or partly situated in "Natura 2000" areas covered by Council Directive 92/43/EEC of 21 May

those *practises* should also concern farmers whose holdings are fully or partly situated in "Natura 2000" areas covered by Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora and by Directive 2009/147/EC of the European Parliament and of the Council of 30 November 2009 on the conservation of wild birds, as long as these *practises* are compatible with the objectives of those Directives. Farmers who fulfil the conditions laid down in Council Regulation (EC) No 834/2007 of 28 June 2007 on organic production and labelling of organic products and repealing Regulation (EEC) No 2092/91 should benefit from the "greening" component without fulfilling any further obligation, given the recognised environmental benefits of the organic farming systems. ***Non-respect of the "greening" component should lead to penalties on the basis of Article 65 of Regulation (EU) No [...] [HZR].***

1992 on the conservation of natural habitats and of wild fauna and flora and by Directive 2009/147/EC of the European Parliament and of the Council of 30 November 2009 on the conservation of wild birds, as long as these *practices* are compatible with the objectives of those Directives. Farmers who fulfil the conditions laid down in Council Regulation (EC) No 834/2007 of 28 June 2007 on organic production and labelling of organic products and repealing Regulation (EEC) No 2092/91 should benefit from the "greening" component without fulfilling any further obligation, given the recognised environmental benefits of the organic farming systems. ***The same should apply to farmers who sign up for agro-environmental programmes as an aspect of rural development or who take part in a national certification scheme of recognised environmental value.***

Or. fr

Amendment 12

Proposal for a regulation Recital 27

Text proposed by the Commission

(27) In order to ensure that the obligations referred to the crop diversification measure are applied in a proportionate and non-discriminatory way and lead to an enhanced environmental protection, the power to adopt acts in accordance with Article 290 of the Treaty should be delegated to the Commission for the purpose of the adoption of the definition of 'crop' and of rules concerning the application of the measure.

Amendment

deleted

Amendment 13

Proposal for a regulation

Recital 28

Text proposed by the Commission

(28) In order to ensure that the land under permanent grassland is maintained as such by the farmers, the power to adopt acts in accordance with Article 290 of the Treaty should be delegated to the Commission for the purpose of the adoption of rules concerning the application of the measure.

Amendment

(28) In order to ensure that the land under permanent grassland ***and historical pastures*** is maintained as such by the farmers, the power to adopt acts in accordance with Article 290 of the Treaty should be delegated to the Commission for the purpose of the adoption of rules concerning the application of the measure.

Or. en

Amendment 14

Proposal for a regulation

Recital 29

Text proposed by the Commission

(29) In order to ensure the implementation of the ecological focus area measure in an efficient and coherent way, while taking into account Member States' specificities, the power to adopt acts in accordance with Article 290 of the Treaty should be delegated to the Commission for the purpose ***of the further definition*** of the types of ecological focus areas mentioned under that measure and the addition ***and definition*** of other types of ecological focus areas that can be taken into account for the respect of the percentage referred to in that measure.

Amendment

(29) In order to ensure the implementation of the ecological focus area measure in an efficient and coherent way, while taking into account Member States' specificities, the power to adopt acts in accordance with Article 290 of the Treaty should be delegated to the Commission for the purpose of ***laying down further criteria for*** the types of ecological focus areas mentioned under that measure and the addition of other types of ecological focus areas that can be taken into account for the respect of the percentage referred to in that measure.

Or. en

Amendment 15

Proposal for a regulation

Recital 33

Text proposed by the Commission

(33) Member States should be allowed to use part of their national ceilings for direct payments for coupled support in certain sectors in clearly defined cases. The resources that may be used for any coupled support should be limited to an appropriate level, while allowing such support to be granted in Member States or in their specific regions facing particular situations where specific types of farming or specific agricultural sectors are particularly important for economic, environmental and/or social reasons. Member States should be allowed to use up to 5 % of their national ceilings for this support, or 10 % in case their level of coupled support in at least one of the years of the period 2010-2013 exceeded 5 %. However, in duly justified cases where certain sensitive needs in a region are demonstrated, and upon approval by the Commission, Member States should be allowed to use more than 10 % of their national ceiling. Coupled support should **only** be granted to **the extent necessary to** create an incentive to maintain current levels of production in those regions. This support should also be available to farmers holding, on 31 December 2013, special payment entitlements allocated under Regulation (EC) No 1782/2003 and Regulation (EC) No 73/2009 and who do not have eligible hectares for the activation of payment entitlements. As regards the approval of voluntary coupled support exceeding 10 % of the annual national ceiling fixed per Member State, the Commission should

Amendment

(33) Member States should be allowed to use part of their national ceilings for direct payments for coupled support in certain sectors in clearly defined cases. The resources that may be used for any coupled support should be limited to an appropriate level, while allowing such support to be granted in Member States or in their specific regions facing particular situations where specific types of farming or specific agricultural sectors are particularly important for economic, environmental and/or social reasons. Member States should be allowed to use up to 5 % of their national ceilings for this support, or 10 % in case their level of coupled support in at least one of the years of the period 2010-2013 exceeded 5 %. However, in duly justified cases where certain sensitive needs in a region are demonstrated, and upon approval by the Commission, Member States should be allowed to use more than 10 % of their national ceiling. Coupled support should be granted to create an incentive to maintain current levels of **employment or production in those regions or to support sectors or types of production that offer significant advantages in terms of environmental improvement, combating climate change or biodiversity**. This support should also be available to farmers holding, on 31 December 2013, special payment entitlements allocated under Regulation (EC) No 1782/2003 and Regulation (EC) No 73/2009 and who do not have eligible hectares for the activation of payment

further be empowered to adopt implementing acts without applying Regulation (EU) No 182/2011.

entitlements. As regards the approval of voluntary coupled support exceeding 10 % of the annual national ceiling fixed per Member State, the Commission should further be empowered to adopt implementing acts without applying Regulation (EU) No 182/2011.

Or. fr

Amendment 16

Proposal for a regulation Recital 38

Text proposed by the Commission

(38) A simple and specific scheme for small farmers ***should be put in place*** in order to reduce the administrative costs linked to the management and control of direct support. For that purpose, a lump-sum payment replacing all direct payments should be established. Rules seeking simplification of formalities should be introduced by reducing, amongst others, the obligations imposed on small farmers such as those related to the application for support, to agricultural practices beneficial for the climate and the environment, to cross-compliance and to controls as laid down in Regulation (EU) No [...] [HZR] without endangering the achievement of the overall objectives of the reform, it being understood that Union legislation as referred to in Annex II to Regulation (EU) No [...] [HZR] applies to small farmers. The objective of that scheme should be to support the existing agricultural structure of small farms in the Union without countering the development towards more competitive structures. For that reason, access to the scheme should be limited to existing holdings.

Amendment

(38) ***Member States should be authorised to use part of their national direct payments ceiling to put in place*** a simple and specific scheme for small farmers in order to reduce the administrative costs linked to the management and control of direct support. For that purpose, a lump-sum payment replacing all direct payments should be established. Rules seeking simplification of formalities should be introduced by reducing, amongst others, the obligations imposed on small farmers such as those related to the application for support, to agricultural practices beneficial for the climate and the environment, to cross-compliance and to controls as laid down in Regulation (EU) No [...] [HZR] without endangering the achievement of the overall objectives of the reform, it being understood that Union legislation as referred to in Annex II to Regulation (EU) No [...] [HZR] applies to small farmers. The objective of that scheme should be to support the existing agricultural structure of small farms in the Union without countering the development towards more competitive structures. For that reason,

access to the scheme should be limited to existing holdings.

Or. fr

Amendment 17

Proposal for a regulation

Recital 43

Text proposed by the Commission

(43) With a view to strengthening their rural development policy, Member States should be given the possibility to transfer funds from their direct payments ceiling to their support assigned for rural development. At the same time, Member States where the level of direct support remains lower than 90 % of the Union average level of support should be given the possibility to transfer funds from their support assigned for rural development to their direct payments ceiling. Such choices should be made, within certain limits, once and for the whole period of application of this Regulation.

Amendment

(43) With a view to strengthening their rural development policy, Member States should be given the possibility to transfer funds from their direct payments ceiling to their support assigned for rural development. ***All monies thus transferred should be used without co-financing. Member States less favourably placed with regard to rural development should be able to add to the transfer. In addition, all Member States should be able to supplement the transfer by a sum proportional to those monies unallocated under the heading of support for areas with natural constraints. They shall also have the option of transferring unspent monies for “greening” so as to provide additional support for agro-environmental rural-development measures.*** At the same time, Member States where the level of direct support remains lower than 90 % of the Union average level of support should be given the possibility to transfer funds from their support assigned for rural development to their direct payments ceiling. Such choices should be made, within certain limits, once and for the whole period of application of this Regulation.

Or. fr

Amendment 18

Proposal for a regulation

Article 1 – point b – point vii

Text proposed by the Commission

(vii) a simplified scheme for small farmers;

Amendment

(vii) a **voluntary** simplified scheme for small farmers;

Or. en

Amendment 19

Proposal for a regulation

Article 2

Text proposed by the Commission

The Commission shall be empowered to adopt delegated acts in accordance with Article 55 **for the purpose of** amending the list of support schemes set out in Annex I.

Amendment

In order to ensure legal certainty, the Commission shall be empowered to adopt delegated acts in accordance with Article 55 amending the list of support schemes set out in Annex ***I to the extent necessary to take into account new legislative acts on support schemes which may be adopted after the entry into force of this Regulation.***

Or. xm

Justification

Amendments to the list of support schemes (Annex I) should be made via the ordinary legislative procedure; the option of using the delegated acts procedure should apply only for additions to such an annex.

Amendment 20

Proposal for a regulation

Article 4 – paragraph 1 – point c – indent 1

Text proposed by the Commission

- rearing or growing of agricultural products including harvesting, milking,

Amendment

- **agricultural production that includes** rearing or growing of agricultural products

breeding animals and keeping animals for farming purposes,

including harvesting, milking, breeding animals and keeping animals for farming purposes,

Or. en

Amendment 21

Proposal for a regulation

Article 4 – paragraph 1 – point e

Text proposed by the Commission

(e) "agricultural area" means any area taken up by arable land, permanent grassland or permanent crops;

Amendment

(e) "agricultural area" means any area taken up by arable land, permanent grassland **and historical pastures** or permanent crops;

Or. en

Amendment 22

Proposal for a regulation

Article 4 – paragraph 1 – point h

Text proposed by the Commission

(h) "permanent grassland" means land used to grow grasses or other **herbaceous** forage naturally (self-seeded) or through cultivation (sown) and that has not been included in the crop rotation of the holding **for five years or longer**; it may include other species **suitable for grazing provided that the grasses and other herbaceous forage remain predominant**;

Amendment

(h) "permanent grassland **and historical pastures**" means land used to grow grasses or other forage naturally (self-seeded) or through cultivation (sown) and that has not been included in the crop rotation of the holding; it may include other species **or features of importance for the characterisation of the land as historical pasture**;

Or. xm

Justification

On the one hand, this amendment refers to permanent pastures rather than just permanent meadows, so as to take account of farmers engaged in extensive stock-rearing, but it also makes for simplification in terms of definition and monitoring.

Amendment 23

Proposal for a regulation

Article 4 – paragraph 1 – point i

Text proposed by the Commission

(i) "**grasses or other** herbaceous forage" means all herbaceous plants **traditionally found in natural pastures or** normally included in mixtures of seeds for **pastures or** meadows in the Member State (whether or not used for grazing animals);

Amendment

(i) "herbaceous forage" means all herbaceous plants normally included in mixtures of seeds for meadows in the Member State (whether or not used for grazing animals);

Or. en

Amendment 24

Proposal for a regulation

Article 4 – paragraph 2 – point a

Text proposed by the Commission

(a) laying down further definitions regarding the access to support under this Regulation;

Amendment

deleted

Or. en

Amendment 25

Proposal for a regulation

Article 4 – paragraph 2 – point c

Text proposed by the Commission

(c) establishing the criteria to be met by farmers in order to be deemed to have respected the obligation of maintaining the agricultural area in a state suitable for grazing or cultivation as referred to in point (c) of paragraph 1;

Amendment

(c) establishing **the framework within which Member States are to define** the criteria to be met by farmers in order to be deemed to have respected the obligation of maintaining the agricultural area in a state suitable for grazing or cultivation as

referred to in point (c) of paragraph 1;

Or. en

Amendment 26

Proposal for a regulation

Article 4 – paragraph 2 – point d

Text proposed by the Commission

Amendment

(d) establishing the criteria to determine the predominance of grasses and other herbaceous forage for the purpose of point (h) of paragraph 1.

deleted

Or. en

Amendment 27

Proposal for a regulation

Article 7 – paragraph 1 – subparagraph 2

Text proposed by the Commission

Amendment

In order to avoid that the total amount of direct payments is higher than the ceilings set out in Annex III, Member States shall make a linear reduction in the amounts of all direct payments with the exception of direct payments granted under Regulations (EC) No 247/2006 and (EC) No 1405/2006.

In order to avoid that the total amount of direct payments is higher than the ceilings set out in Annex III, Member States shall make a linear reduction in the amounts of all direct payments with the exception of direct payments granted under Regulations (EC) No 247/2006 and (EC) No 1405/2006. ***Member States may apply different thresholds of reduction at regional level when they decide to apply the basic payment scheme at that level pursuant to Article 20(1).***

Or. en

Justification

In order to give greater flexibility to the Member States

Amendment 28

Proposal for a regulation Article 8 – paragraph 3

Text proposed by the Commission

Amendment

3. The Commission shall be empowered to adopt delegated acts in accordance with Article 55 concerning rules on the basis for calculation of reductions to be applied by Member States to farmers pursuant to paragraphs 1 and 2 of this Article. **deleted**

Or. en

Justification

Confirmation of the budgetary powers of the EP and the codecision procedure.

Amendment 29

Proposal for a regulation Article 9 – paragraph 1 – point a

Text proposed by the Commission

Amendment

(a) the annual amount of direct payments is less than 5 % of the total receipts they obtained from non-agricultural activities in the most recent fiscal year; or **deleted**

Or. en

Amendment 30

Proposal for a regulation Article 9 – paragraph 1 – point b

Text proposed by the Commission

Amendment

(b) their agricultural areas are mainly areas naturally kept in a state suitable for grazing or cultivation and they do not carry out on those areas the minimum activity established by Member States in

(b) their agricultural areas are mainly areas naturally kept in a state suitable for grazing or cultivation and they do not carry out on those areas the minimum activity established by Member States in

accordance with Article 4(1)(c).

accordance with Article 4(1)(c); *or*

Or. en

Amendment 31

Proposal for a regulation

Article 9 – paragraph 1 – point b a (new)

Text proposed by the Commission

Amendment

(ba) they were not engaged in an agricultural production activity in 2011.

Or. en

Justification

By adding this requirement, not only would a potential influx of non-farming landowners be prevented, but also those existing non-farming landowners who are currently claiming for payments would be excluded from progressing into the new direct support regime.

Amendment 32

Proposal for a regulation

Article 9 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. Member States shall establish appropriate objective and non-discriminatory criteria to ensure that no direct payments are granted to a natural or legal person:

(a) whose agricultural activities form only an insignificant part of its overall economic activities; or

(b) whose principal business or company objects do not consist of exercising an agricultural activity.

Entities such as transport companies, airports, real estate companies, companies managing sport grounds, campsite operators and mining companies may not,

a priori, be regarded as active farmers or be the beneficiaries of any direct payments whatsoever unless they can prove that they are not covered by the criteria set out in the first subparagraph, points (a) and (b).

After having duly notified the Commission, the Member States may decide to add other types of entity to those listed in the second subparagraph.

Or. fr

Amendment 33

Proposal for a regulation Article 9 – paragraph 3 – point a

Text proposed by the Commission

(a) criteria to establish the amount of direct payments relevant for the purpose of paragraphs 1 and 2, in particular in the first year of allocation of payment entitlements where the value of the payment entitlements is not yet definitively established as well as for new farmers;

Amendment

(a) *without prejudice to Article 18(2)*, criteria to establish the amount of direct payments relevant for the purpose of paragraphs 1 and 2, in particular in the first year of allocation of payment entitlements where the value of the payment entitlements is not yet definitively established as well as for new farmers; **and**

Or. en

Justification

New allocation of payment entitlements should be voluntary in Member States that have fully implemented regional model under current Regulation (EC) N° 73/2009.

Amendment 34

Proposal for a regulation Article 9 – paragraph 3 – point b

Text proposed by the Commission

(b) exceptions from the rule that the receipts during the most recent fiscal year are to be taken into account where those

Amendment

deleted

figures are not available; and

Or. en

Amendment 35

Proposal for a regulation

Article 11 – paragraph 1 – indent 3

Text proposed by the Commission

- by **70 %** for the tranche of more than EUR 250 000 **and up to EUR 300 000;**

Amendment

- by **80 %** for the tranche of more than EUR 250 000.

Or. xm

Justification

A greater reduction should be applied to amounts of aid in excess of EUR 250 000. For example, leaving wages aside, an 80% reduction on the tranche of more than EUR 250 000 would bring the amount of support to a beneficiary having previously received EUR 370 000 down to EUR 244 000, whereas with a 70% reduction the corresponding reduced figure would be EUR 256 000.

Amendment 36

Proposal for a regulation

Article 11 – paragraph 1 – indent 3 a (new)

Text proposed by the Commission

Amendment

- the amount obtained after applying those reductions shall be capped at EUR 300 000.

Or. xm

Justification

This is a technical adjustment to set the capping level at EUR 300 000 after application of the reductions for each tranche.

Amendment 37

Proposal for a regulation

Article 11 – paragraph 1 – indent 4

Text proposed by the Commission

Amendment

**- by 100 % for the tranche of more than
EUR 300 000.**

deleted

Or. en

Amendment 38

Proposal for a regulation

Article 11 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. Paragraph 1 shall not apply in respect of cooperatives or other legal entities which group a number of beneficiaries of direct payments and which receive and channel the payments before distributing them in full to their members, who, as individuals, are subject to paragraph 1.

Or. fr

Justification

In the application of the capping, the situation must be avoided whereby cooperatives and similar producer groups are subject to reductions that ought to affect only their individual members.

Amendment 39

Proposal for a regulation

Article 14 – paragraph 1 – subparagraph 1 a (new)

Text proposed by the Commission

Amendment

Before 1 August 2013, Belgium, Denmark, France, Germany, Ireland, the Netherlands, Spain, Sweden and the United Kingdom may decide to increase

by a maximum of 10 points the percentage of their annual ceilings referred to in the first subparagraph.

Or. en

Amendment 40

Proposal for a regulation

Article 14 – paragraph 1 – subparagraph 1 b (new)

Text proposed by the Commission

Amendment

The percentage of the annual ceilings referred to in the first subparagraph may be increased by a maximum of 5 points in those Member States that decide not to apply or to apply only part of the payment for areas with natural constraints pursuant to Chapter 3 of Title III of this Regulation.

Or. en

Justification

If a Member State decides not to apply or to apply only in part the payment for areas with natural constraints under Pillar I, this Member State should be enabled to transfer those unallocated funds to Pillar II.

Amendment 41

Proposal for a regulation

Article 14 – paragraph 1 – subparagraph 2

Text proposed by the Commission

Amendment

The decision referred to in the first subparagraph shall be notified to the Commission by the date referred to in that subparagraph.

The decisions referred to in the first, second and third subparagraphs may not cumulatively result in a transfer of more than 20% of the national ceilings referred to in the first subparagraph. They shall be

notified to the Commission by the date referred to in *the first subparagraph*.

Or. fr

Amendment 42

Proposal for a regulation

Article 14 – paragraph 1 – subparagraph 3

Text proposed by the Commission

The *percentage* notified in accordance with the *second* subparagraph *shall* be the same for the years referred to in the first subparagraph of paragraph 1.

Amendment

The *percentages* notified in accordance with the *previous* subparagraph *will* be the same for the years referred to in the first subparagraph of paragraph 1.

Or. en

Amendment 43

Proposal for a regulation

Article 14 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. Member States may add unallocated funds from the application of Article 33 to the transfers in favour of rural development measures referred to in the first paragraph in the form of Union support to agri-environment-climate measures under rural development programming financed under the EAFRD as specified in Regulation (EU) No [...] [RDR].

Or. en

Justification

Member States should be enabled to transfer unspent funds from greening to agri-environment-climate measures.

Amendment 44

Proposal for a regulation Article 15

Text proposed by the Commission

Support schemes listed in Annex I shall apply without prejudice to a possible review at any time in the light of economic developments and the budgetary situation.

Amendment

Support schemes listed in Annex I shall apply without prejudice to a possible review at any time **by a legislative act**, in the light of economic developments and the budgetary situation.

Or. en

Amendment 45

Proposal for a regulation Article 18 – paragraph 1

Text proposed by the Commission

1. Support under the basic payment scheme shall be available to farmers if they obtain payment entitlements under this Regulation through first allocation pursuant to Article 21, from the national reserve pursuant to Article 23 **or** by transfer pursuant to Article 27.

Amendment

1. Support under the basic payment scheme shall be available to farmers if they obtain payment entitlements under this Regulation through first allocation pursuant to Article 21, from the national reserve pursuant to Article 23, by transfer pursuant to Article 27, **or, provided that their holding is situated in a member State which has decided to use the option laid down in subparagraph 1a of paragraph 2, if they hold payment entitlements obtained in accordance with Regulation (EC) N° 1782/2003 and/or with Regulation (EC) N° 73/2009.**

Or. en

Justification

Farmers of Members States (or regions) with fully regionalised SPS models have already payments entitlements for all eligible areas. It is therefore not necessary to introduce a completely new system

Amendment 46

Proposal for a regulation

Article 18 – paragraph 2 – subparagraph 1 a (new)

Text proposed by the Commission

Amendment

By way of derogation from the first subparagraph, Member States that, on 31 December 2013, are operating the single payment scheme on the basis of the regional model laid down in Article 59 of Regulation (EC) N° 1782/2003 may decide, by 1 August 2013, to maintain the payment entitlements allocated in accordance with Regulation (EC) N° 1782/2003 and/or with Regulation (EC) N° 73/2009.

Or. en

Justification

Farmers of Members States (or regions) with fully regionalised SPS models have already payments entitlements for all eligible areas. It is therefore no necessary to introduce a completely new system

Amendment 47

Proposal for a regulation

Article 19 – paragraph 1

Text proposed by the Commission

Amendment

1. The Commission shall, by means of implementing acts, set the annual national ceiling for the basic payment scheme by deducting from the annual national ceiling established in Annex II the annual amounts to be set in accordance with Articles 33, 35, 37 and 39. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 56(2).

1. The Commission shall, by means of implementing acts, set, ***for each Member State***, the annual national ceiling for the basic payment scheme by deducting from the annual national ceiling established in Annex II the annual amounts to be set in accordance with Articles 33, 35, 37 and 39. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 56(2).

Or. en

Amendment 48

Proposal for a regulation Article 20 – paragraph 1

Text proposed by the Commission

1. Member States may decide, before 1 August 2013, to apply the basic payment scheme at regional level. In that case they shall define the regions in accordance with objective and non-discriminatory criteria such as their agronomic and economic characteristics and their regional agricultural potential, or their institutional or administrative structure.

Amendment

1. Member States may decide, before 1 August 2013, to apply the basic payment scheme at regional level. In that case they shall define the regions in accordance with objective and non-discriminatory criteria such as their agronomic and **socio-**economic characteristics and their regional agricultural potential, or their institutional or administrative structure.

Or. fr

Justification

It must be possible to make the labour force one of the criteria to be taken into account.

Amendment 49

Proposal for a regulation Article 21 – paragraph 1

Text proposed by the Commission

1. Subject to paragraph 2, payment entitlements shall be allocated to farmers if they apply for allocation of payment entitlements under the basic payment scheme by 15 May 2014 except in case of *force majeure* and exceptional circumstances.

Amendment

1. Subject to paragraph 2 **of this Article, and without prejudice to Article 18(2)**, payment entitlements shall be allocated to farmers if they apply for allocation of payment entitlements under the basic payment scheme by 15 May 2014 except in case of *force majeure* and exceptional circumstances.

Or. en

Justification

New allocation of payment entitlements should be voluntary in Member States that have implemented a fully regionalised model.

Amendment 50

Proposal for a regulation

Article 21 – paragraph 2 – subparagraph 1

Text proposed by the Commission

2. Farmers who, in 2011, activated at least one payment entitlement under the single payment scheme or claimed support under the single area payment scheme, both in accordance with Regulation (EC) No 73/2009, shall receive payment entitlements the first year of application of the basic payment scheme provided they are entitled to be granted direct payments in accordance with Article 9.

Amendment

2. Farmers who, in ***the period 2009 to*** 2011, activated at least one payment entitlement under the single payment scheme or claimed support under the single area payment scheme, both in accordance with Regulation (EC) No 73/2009, shall receive payment entitlements the first year of application of the basic payment scheme provided they are entitled to be granted direct payments in accordance with Article 9.

Or. xm

Justification

The period should be extended, rather than being limited to a single year with the risk of excluding farmers who, as the result of particular circumstances, were unable to activate their payment entitlement.

Amendment 51

Proposal for a regulation

Article 21 – paragraph 2 – subparagraph 2 – introductory sentence

Text proposed by the Commission

By way of derogation from the first subparagraph, farmers shall receive payment entitlements the first year of application of the basic payment scheme, provided they are entitled to be granted direct payments in accordance with Article 9 and that in 2011:

Amendment

By way of derogation from the first subparagraph, farmers shall receive payment entitlements the first year of application of the basic payment scheme, provided they are entitled to be granted direct payments in accordance with Article 9 and that in ***the period 2009 to***2011:

Amendment 52

Proposal for a regulation Article 21 – paragraph 3

Text proposed by the Commission

3. In case of sale or lease of their holding or part of it, **natural or legal persons** complying with paragraph 2 may, by contract signed before 15 May 2014, transfer the right to receive payment entitlements as referred to in paragraph 1 to **only one farmer** provided that the latter complies with the conditions laid down in Article 9.

Amendment

3. In case of **the** sale, **scission** or lease of their holding or part of it, **farmers** complying with paragraph 2 may, by contract signed before 15 May 2014, transfer the right to receive payment entitlements as referred to in paragraph 1 to **the farmers receiving the holding or part of it** provided that the latter complies with the conditions laid down in Article 9.

Or. en

Justification

It should be possible to transfer the right to payment entitlements to more than one person and it should also be transferable in case of scissions.

Amendment 53

Proposal for a regulation Article 22 – paragraph 2

Text proposed by the Commission

2. Member States which applied the single payment scheme as provided for in Regulation (EC) No 73/2009, may limit the calculation of the unit value of payment entitlements provided for in paragraph 1 to an amount corresponding to no less than **40%** of the national or regional ceiling established under Articles 19 or 20, after application of the linear reduction provided for in Article 23(1).

Amendment

2. Member States which applied the single payment scheme as provided for in Regulation (EC) No 73/2009, may limit the calculation of the unit value of payment entitlements provided for in paragraph 1 to an amount corresponding to no less than **20%** of the national or regional ceiling established under Articles 19 or 20, after application of the linear reduction provided for in Article 23(1).

Or. fr

Justification

The transition should be made less abrupt during the first year of introducing the reform.

Amendment 54

**Proposal for a regulation
Article 22 – paragraph 3 a (new)**

Text proposed by the Commission

Amendment

3a. Member States may increase the thresholds of national ceilings mentioned in Articles 33(1) or 35(1) in order to give priority to chosen beneficiaries at national level, within the definition of active farmers, based on objective and non-discriminatory criteria. This decision shall be notified to the Commission before 1 August 2013.

Or. en

Amendment 55

**Proposal for a regulation
Article 22 – paragraph 5**

Text proposed by the Commission

Amendment

5. As of claim year 2019 at the latest, all payment entitlements in a Member State or, in case of application of Article 20, in a region, shall have a uniform unit value.

5. As of claim year 2019 at the latest, all payment entitlements in a Member State or, in case of application of Article 20, in a region:

***(a) shall have a uniform unit value; or
(b) may deviate from the average unit value by up to 20%.***

Or. fr

Justification

Convergence towards a uniform unit value in 2019 may constitute much too great an upheaval in certain cases. The Member States should therefore be allowed some leeway with regard to the pace of convergence that they wish to pursue.

Amendment 56

Proposal for a regulation

Article 22 – paragraph 5 – subparagraph 1 a (new)

Text proposed by the Commission

Amendment

When applying paragraphs 2, 3 and 5, the Member States may take measures to ensure that, where payment entitlements at farm level are reduced, the level of those entitlements activated in 2019 is not more than 30% below that of 2014.

Or. fr

Justification

Some farms, where the entitlements per hectare differ widely from the EU average, may be severely affected: the Member States should therefore be able to take measures to limit the reduction in the basic payment.

Amendment 57

Proposal for a regulation

Article 23 – paragraph 1

Text proposed by the Commission

Amendment

1. Each Member State shall establish a national reserve. For that purpose, in the first year of application of the basic payment scheme, Member States shall proceed to a linear percentage reduction of the basic payment scheme ceiling at national level in order to constitute the national reserve ***This reduction shall not be higher than 3 % except, if required, in***

1. Each Member State shall establish a national reserve. For that purpose, in the first year of application of the basic payment scheme, Member States shall proceed to a linear percentage reduction of the basic payment scheme ceiling at national level in order to constitute the national reserve. ***For the year 2014***, this reduction shall not be higher than 3%

order to cover the allocation needs laid down in paragraph 4 **for the year 2014**.

except, if required, to cover the allocation needs laid down in paragraph 4. **For further years, Member States may set every year the threshold of reduction on the basis of the allocation needs.**

Or. xm

Justification

Once the Member States have a duty to establish a national reserve, it must be possible for them, after the first year, to set the relevant percentage according to their needs and to determine how the required reduction is to be achieved.

Amendment 58

Proposal for a regulation

Article 23 – paragraph 5 – point a a (new)

Text proposed by the Commission

Amendment

(aa) allocate payment entitlements to farmers whose holding is situated in a Member State which has decided to use the option laid down in Article 18(2) and who did not obtain a payment entitlement in accordance with Regulation (EC) N° 1782/2003 or Regulation (EC) N° 73/2009 or both of them, when they declare eligible agricultural areas for the year 2014;

Or. xm

Justification

Use of the reserve must also be possible in cases where rights were not activated or were only partially activated.

Amendment 59

Proposal for a regulation

Article 23 – paragraph 5 – point a b (new)

Text proposed by the Commission

Amendment

(ab) allocate payment entitlements to farmers who began their agricultural activity after 2011 and who operate in specific agricultural sectors to be defined by Member States on the basis of objective and non-discriminatory criteria;

Or. en

Amendment 60

Proposal for a regulation

Article 23 – paragraph 5 – subparagraph 1 a (new)

Text proposed by the Commission

Amendment

Member States may decide on the priorities between the different uses of the national reserve referred to in this paragraph.

Or. en

Amendment 61

Proposal for a regulation

Article 23 – paragraph 6

Text proposed by the Commission

Amendment

6. When applying paragraphs 4 and 5(a), Member States shall establish the value of payment entitlements allocated to farmers on the basis of the national or regional average value of payment entitlements in the year of allocation.

6. When applying paragraph 4 and points (a), ***(aa) and (ab) of paragraph 5***, Member States shall establish the value of payment entitlements allocated to farmers on the basis of the national or regional average value of payment entitlements in the year of allocation.

Amendment 62

Proposal for a regulation

Article 28 – point e

Text proposed by the Commission

(e) criteria to be applied by Member States to allocate payment entitlements to farmers who did not activate any entitlement in 2011 or did not claim support under the single area payment scheme in 2011 as provided for in Article 21(2) and to allocate payment entitlements in case of application of the contract clause referred to in Article 21(3);

Amendment

(e) criteria to be applied by Member States ***when they decide*** to allocate payment entitlements to farmers who did not activate any entitlement in ***the period 2009 to 2011*** or did not claim support under the single area payment scheme in ***the period 2009 to 2011*** as provided for in Article 21(2) and to allocate payment entitlements in case of application of the contract clause referred to in Article 21(3);

Or. en

Amendment 63

Proposal for a regulation

Article 28 – point g

Text proposed by the Commission

(g) rules on the declaration and activation of payment entitlements;

Amendment

(g) rules on ***the content of*** the declaration and ***the requirements for the*** activation of payment entitlements;

Or. en

Amendment 64

Proposal for a regulation

Article 29 – paragraph 1 – subparagraph 1 – introductory sentence

Text proposed by the Commission

1. ***Farmers*** entitled to a payment under the

Amendment

1. ***Member States shall grant an annual***

basic payment scheme referred to in Chapter 1 *shall* observe on their eligible hectares as defined in Article 25(2) the following ***agricultural practises beneficial for the climate and the environment***:

payment for agricultural practices beneficial for the climate and the environment to farmers who are entitled to a payment under the basic payment scheme referred to in Chapter 1 ***when they*** observe on their eligible hectares as defined in Article 25(2) the following ***practices***:

Or. en

Amendment 65

Proposal for a regulation Article 29 – paragraph 1 – point a

Text proposed by the Commission

(a) to have ***three*** different crops on their arable land where the arable land of the farmer covers ***more than 3 hectares and is not entirely used for grass production (sown or natural), entirely left fallow or entirely cultivated with crops under water for a significant part of the year***;

Amendment

(a) to have ***two*** different crops on their arable land where the arable land of the farmer covers ***between five and 20 hectares, and three different crops where the arable land of the farmer covers more than 20 hectares***;

Or. fr

Justification

While this measure does not concern farmers whose arable land covers less than five hectares, it is important to draw a distinction between farms of more than 20 hectares and those of less than 20 hectares.

Amendment 66

Proposal for a regulation Article 29 – paragraph 1 – point b

Text proposed by the Commission

(b) to maintain existing permanent grassland on their holding; ***and***

Amendment

(b) to maintain existing permanent grassland ***and historical pastures*** on their holding;

Amendment 67

Proposal for a regulation

Article 29 – paragraph 1 – point b a (new)

Text proposed by the Commission

Amendment

(ba) to maintain the existing perennial crops on their farms, associated with specific agronomic practices; and

Or. fr

Amendment 68

Proposal for a regulation

Article 29 – paragraph 2

Text proposed by the Commission

Amendment

2. Without prejudice to paragraphs 3 and 4 and to the application of financial discipline, linear reductions in accordance with Article 7, ***and any reductions and penalties imposed pursuant to Regulation (EU) No [...] [HZR]***, Member States shall grant the payment referred to in this Chapter to farmers observing those of the ***three practises*** referred to in paragraph 1 that are ***relevant for them***, and in function of their compliance with Articles 30, 31 and 32.

2. Without prejudice to paragraphs 3 and 4 and to the application of financial discipline ***and*** linear reductions in accordance with Article 7, Member States shall grant the payment referred to in this Chapter to farmers observing those of the ***practices*** referred to in paragraph 1 that are ***applicable to their farms***, and in function of their compliance with Articles 30, 31, ***31a*** and 32.

Or. fr

Amendment 69

Proposal for a regulation

Article 29 – paragraph 4 – subparagraph 1

Text proposed by the Commission

4. Farmers ***complying with the requirements laid down in Article 29(1) of Regulation (EC) No 834/2007 as regards organic farming*** shall be entitled ipso facto to the payment referred to in this Chapter.

Amendment

4. Farmers shall be entitled ipso facto to the payment referred to in this Chapter ***when they fall within the following categories:***

- farmers complying with the requirements laid down in Article 29 (1) of Regulation (EC) N° 834/2007 as regards organic farming, or***
- beneficiaries of agri-environment-climatic payments established pursuant to Article 29 of Regulation (EU) N° [...] [RDR].***

Or. en

Justification

Double payments under both the greening and agri-environment-climate measure in rural development programmes shall be excluded. Amendments 41 and 42 tabled for Regulation (EU) N° [...] [RDR] are making sure that all agro-environment-climate measures go beyond the greening requirements.

Amendment 70

Proposal for a regulation

Article 29 – paragraph 4 – subparagraph 2

Text proposed by the Commission

The first subparagraph shall apply only to the units of a holding that are used for organic production in accordance with Article 11 of Regulation (EC) N° 834/2007.

Amendment

The first subparagraph shall apply only to the units of a holding that are used for organic production in accordance with Article 11 of Regulation (EC) N° 834/2007 ***or are covered by agri-environment-climate measures in accordance with Article 29 of Regulation (EU) N° [...] [RDR].***

Amendment 71

Proposal for a regulation Article 29 – paragraph 4 a (new)

Text proposed by the Commission

Amendment

4a. Farmers whose holding is certified under national or regional environmental certification schemes shall be entitled ipso facto to the payment referred to in this Chapter.

Or. en

Amendment 72

Proposal for a regulation Article 29 – paragraph 5 a (new)

Text proposed by the Commission

Amendment

5a. The Commission shall be empowered to adopt delegated acts in accordance with Article 55 in order to further define the conditions related to the commitments and the certification schemes referred to in paragraph 4a, in order to guarantee they are of the same nature as the practices referred to in paragraph 1 and that they go beyond all the relevant practices referred to in paragraph 1 in terms of the benefits that they offer for the climate and for the environment.

Or. en

Amendment 73

Proposal for a regulation Article 30 – paragraph 1

Text proposed by the Commission

1. Where the arable land of the farmer covers more than **3** hectares **and is not entirely used for grass production (sown or natural), entirely left fallow or entirely cultivated with crops under water for a significant part of the year**, cultivation on the arable land shall consist of at least **three** different crops. None of those **three** crops shall cover less than **5** % of the arable land **and the main one shall not exceed** 70 % of the arable land.

Amendment

1. Where the arable land of the farmer covers more than **5** hectares **and up to 20 hectares**, cultivation on the arable land shall consist of at least **two** different crops. None of those crops shall cover less than **10** % of the arable land;:

Where the arable land of the farmer covers more than 20 hectares, cultivation on the arable land shall consist of at least three different crops. The main crop shall not cover more than 70 % of the arable land and the 2 main crops together shall not cover more than 95 % of the arable land.

Or. en

Amendment 74

Proposal for a regulation Article 30 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. The first paragraph shall not apply to farms:

- where the arable land is entirely used for grass production or other forage, entirely left fallow, entirely cultivated with crops under water for a significant part of the year or a combination of these, or;

- where the arable land of the farmer covers up to 50 hectares and more than 80% of the eligible agricultural area of the holding is covered by permanent grassland and historical pastures, or permanent crops.

Or. en

Amendment 75

Proposal for a regulation Article 30 – paragraph 1 b (new)

Text proposed by the Commission

Amendment

1b. For the purpose of this Article, a "crop" shall mean any culture listed under Annex Va.

Or. en

Amendment 76

Proposal for a regulation Article 30 – paragraph 2

Text proposed by the Commission

Amendment

2. The Commission shall be empowered to adopt delegated acts in accordance with Article 55 *laying down the definition of 'crop'* and the rules concerning the application of the precise calculation of shares of different crops.

2. The Commission shall be empowered to adopt delegated acts in accordance with Article 55 *in order to add other crops to those listed in Annex Va, and to establish* the rules concerning the application of the precise calculation of shares of different crops.

Or. fr

Amendment 77

Proposal for a regulation Article 31 – Title

Text proposed by the Commission

Permanent grassland

Amendment

Permanent grassland ***and historical pastures***

Or. en

Amendment 78

Proposal for a regulation Article 31 – paragraph 1 – subparagraph 1

Text proposed by the Commission

1. Farmers shall maintain as permanent grassland the areas of their holdings declared as such in the application made pursuant to Article 74(1) of Regulation (EU) No XXX (HZ) for claim year 2014, hereinafter referred to as “reference areas under permanent grassland”.

Amendment

1. Farmers shall maintain as permanent grassland ***and historical pastures*** the areas of their holdings declared as such in the application made pursuant to Article 74(1) of Regulation (EU) No XXX (HZ) for claim year 2014, hereinafter referred to as “reference areas under permanent grassland ***and historical pastures***”.

Or. en

Amendment 79

Proposal for a regulation Article 31 – paragraph 1 – subparagraph 2

Text proposed by the Commission

The reference areas under permanent grassland shall be increased in cases where the farmer has an obligation to reconvert areas into permanent grassland in 2014 and/or in 2015 as referred to in Article 93 of Regulation (EU) No [...] HZR.

Amendment

The reference areas under permanent grassland ***and historical pastures*** shall be increased in cases where the farmer has an obligation to reconvert areas into permanent grassland ***and historical pastures*** in 2014 and/or in 2015 as referred to in Article 93 of Regulation (EU) No [...]

HZR.

Or. en

Amendment 80

Proposal for a regulation Article 31 – paragraph 2

Text proposed by the Commission

2. Farmers shall be allowed to convert a maximum of 5 % of their reference areas under permanent grassland. That limit shall not apply in the case of *force majeure* or exceptional circumstances.

Amendment

2. Farmers shall be allowed to convert a maximum of 5 % of their reference areas under permanent grassland ***and historical pastures***. That limit shall not apply in the case of *force majeure* or exceptional circumstances.

Or. en

Amendment 81

Proposal for a regulation Article 31 – paragraph 3

Text proposed by the Commission

3. The Commission shall be empowered to adopt delegated acts in accordance with Article 55 laying down rules concerning the increase of reference areas under permanent grassland as laid down in the second subparagraph of paragraph 1, the renewal of permanent grassland, the reconversion of agricultural area into permanent grassland in case the authorised decrease referred to in paragraph 2 is exceeded, as well as the modification of the reference areas under permanent grassland in case of transfer of land.

Amendment

3. The Commission shall be empowered to adopt delegated acts in accordance with Article 55 laying down rules concerning the increase of reference areas under permanent grassland ***and historical pastures*** as laid down in the second subparagraph of paragraph 1, the renewal of permanent grassland ***and historical pastures***, the reconversion of agricultural area into permanent grassland ***and historical pastures*** in case the authorised decrease referred to in paragraph 2 is exceeded, as well as the modification of the reference areas under permanent grassland ***and historical pastures*** in case of transfer of land.

Amendment 82

Proposal for a regulation Article 31 a (new)

Text proposed by the Commission

Amendment

Article 31a

Permanent crops

1. Farmers with permanent crops such as olive groves, vineyards or orchards shall apply specific agronomic practices that imply minimum soil disturbance and green coverage of the soil surface.

2. The Commission shall be empowered to adopt delegated acts in accordance with Article 55 further defining the specific agronomic practices as laid down in the paragraph 1, as well as the rules concerning the application of the specific agronomic practices.

Or. en

Justification

Permanent crops associated to adequate agronomic practices can play a relevant role for the environment namely through soil protection. This is the case for olive groves, vineyards or orchards with reduced soil disturbance and green coverage of the soil surface.

Amendment 83

Proposal for a regulation Article 32 – paragraph 1

Text proposed by the Commission

Amendment

1. Farmers shall ensure that at least 7 % of their eligible hectares as defined in Article 25(2), excluding areas under permanent

1. Where the eligible agricultural area covers more than 20 hectares, farmers shall ensure that at least 7 % of their

grassland, is ecological focus area such as land left fallow, terraces, landscape features, buffer strips and afforested areas as referred to in article 25(2)(b)(ii).

eligible hectares as defined in Article 25(2), excluding areas under permanent grassland **and historical pastures and permanent crops as defined in Article 31a(1)**, is ecological focus area such as land left fallow, terraces, landscape features **like hedges or stone walls**, buffer strips, **land planted with nitrogen-fixing crops** and afforested areas as referred to in article 25(2)(b)(ii).

Or. en

Amendment 84

Proposal for a regulation Article 32 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. By way of derogation from paragraph 1, the minimum percentage indicated in paragraph 1 is reduced to at least 5% in cases of joint undertakings of groups of farmers putting in place continuous, adjacent ecological focus areas.

Or. en

Justification

Cooperation between farmers in order to install biodiversity corridors should be encouraged.

Amendment 85

Proposal for a regulation Article 32 – paragraph 2

Text proposed by the Commission

Amendment

2. The Commission shall be empowered to adopt delegated acts in accordance with Article 55 **to further define the types of ecological focus areas** referred to in

2. The Commission shall be empowered to adopt delegated acts in accordance with Article 55 **laying down further criteria for the types of areas** referred to in paragraph

paragraph 1 of this Article and **to add and define** other types of **ecological focus** areas that can be taken into account for the respect of the percentage referred to in that paragraph.

1 **and 1a** of this Article **to qualify as ecological focus areas** and **adding** other types of areas **to those referred to in paragraph 1 of this Article** that can be taken into account for the respect of the percentage referred to in that paragraph.

Or. en

Amendment 86

Proposal for a regulation Article 36 – paragraph 2 – point b

Text proposed by the Commission

(b) who are less than 40 years of age at the moment of submitting the application referred to in point (a).

Amendment

(b) who are less than 40 years of age at the moment of submitting the application referred to in point (a), **and**

Or. en

Amendment 87

Proposal for a regulation Article 36 – paragraph 2 – point b a (new)

Text proposed by the Commission

Amendment

(ba) who fill, if necessary, certain objective and non-discriminatory criteria determined by the Member States

Or. xm

Justification

To allow the Member States to lay down, as appropriate, additional eligibility criteria, notably in relation to training or skills, in order to ensure insofar as possible that young farmers who benefit from this specific payment will be economically viable.

Amendment 88

Proposal for a regulation

Article 36 – paragraph 5 – subparagraph 2 - introductory sentence

Text proposed by the Commission

When applying the first subparagraph, Member States shall ***respect the following maximum limits in the number of activated payment entitlements that are to be taken into account:***

Amendment

When applying the first subparagraph, Member States shall ***fix a limit which may be up to a maximum of 50 hectares.***

Or. fr

Amendment 89

Proposal for a regulation

Article 36 – paragraph 5 – subparagraph 2 – point a

Text proposed by the Commission

(a) in Member States where the average size of agricultural holdings as set out in Annex VI is lower than, or equal to, 25 hectares, a maximum of 25;

deleted

Amendment

Or. fr

Amendment 90

Proposal for a regulation

Article 36 – paragraph 5 – subparagraph 2 – point b

Text proposed by the Commission

(b) in Member States where the average size of agricultural holdings as set out in Annex VI is higher than 25 hectares, a maximum that shall be no less than 25 and no greater than that average size.

deleted

Amendment

Or. fr

Amendment 91

Proposal for a regulation

Article 37 – paragraph 1 – subparagraph 1 a (new)

Text proposed by the Commission

Amendment

By way of derogation from the first subparagraph, Member States may increase the thresholds of national ceilings mentioned in the first subparagraph in order to give priority to chosen beneficiaries at national level, based on objective and non-discriminatory criteria. This decision shall be notified to the Commission before 1 August 2013.

Or. en

Amendment 92

Proposal for a regulation

Article 37 – paragraph 1 – subparagraph 2

Text proposed by the Commission

Amendment

Member States may, by 1 August **2016**, review their estimated percentage with effect from **1 January 2017**. They shall notify the Commission of the reviewed percentage by 1 August **2016**.

Member States may, by 1 August **2015 and 1 August 2017**, review their estimated percentage with effect from **the subsequent year**. They shall notify the Commission of the reviewed percentage by 1 August **of the year before the revised percentage applies**.

Or. en

Amendment 93

Proposal for a regulation

Article 38 – paragraph 1 – subparagraph 2

Text proposed by the Commission

Amendment

Coupled support may be granted to the following sectors and productions: cereals,

Coupled support may be granted to the following sectors and productions: cereals,

oilseeds, protein crops, grain legumes, flax, hemp, rice, nuts, starch potato, milk and milk products, seeds, sheepmeat and goatmeat, beef and veal, olive oil, silk worms, dried fodder, hops, sugar beet, cane and chicory, fruit and vegetables and short rotation coppice.

oilseeds, protein crops, grain legumes, **fodder legumes, soya**, flax, hemp, rice, nuts, starch potato, milk and milk products, seeds, sheepmeat and goatmeat, beef and veal, olive oil, silk worms, dried fodder, hops, sugar beet, cane and chicory, fruit and vegetables and short rotation coppice.

Or. fr

Amendment 94

Proposal for a regulation Article 38 – paragraph 2

Text proposed by the Commission

2. Coupled support may only be granted to sectors or to regions of a Member State where specific types of farming or specific agricultural sectors undergo certain difficulties and are particularly important for economic and/or social **and/or environmental** reasons.

Amendment

2. Coupled support may only be granted to sectors or to regions of a Member State where specific types of farming or specific agricultural sectors:

- undergo certain difficulties and are particularly important for economic and/or social reasons; **or**

- **are particularly important in terms of protection or improvement of the environment, climate protection and/or biodiversity.**

Or. fr

Justification

There should be scope for supporting sectors or types of production that offer environmental, climate-related or biodiversity-related advantages irrespective of whether they are experiencing particular economic difficulties.

Amendment 95

Proposal for a regulation Article 38 – paragraph 3 a (new)

Text proposed by the Commission

Amendment

3a. Members States may grant coupled support to farmers with special entitlements in 2010 in accordance with Articles 60 and 65 of Regulation (EC) No 73/2009 independently of the basic payment referred to in Title III, Chapter 1.

Or. en

Justification

Coupled payments should be independent from the basic payment in order to take account of animal production on farms with no land.

Amendment 96

Proposal for a regulation Article 38 – paragraph 3 b (new)

Text proposed by the Commission

Amendment

3b. The Commission shall be empowered to adopt delegated acts in accordance with Article 55 laying down the transitional measures to be applied to these farmers.

Or. en

Amendment 97

Proposal for a regulation Article 38 – paragraph 4

Text proposed by the Commission

Amendment

4. Coupled support may only be granted to the extent necessary to create an incentive to maintain current levels of production in

4. Coupled support may only be granted to the extent necessary to create an incentive to maintain current levels of ***employment***

the regions concerned.

and/or production in the regions concerned.

Or. fr

Justification

It should be possible to use coupled support to maintain not only production levels but also, where appropriate, the level of employment.

Amendment 98

Proposal for a regulation

Article 38 – paragraph 4 – subparagraph 1 a (new)

Text proposed by the Commission

Amendment

By way of derogation from the first subparagraph, coupled support may be granted up to a limit beyond that required to maintain existing production levels, provided that the purpose of the coupled support is environmental. The Member State concerned shall set such a limit in accordance with specified environmental objectives or challenges. The limit thus set shall be notified to the Commission in accordance with Article 40 and shall be approved in accordance with Article 41.

Or. fr

Justification

It should be possible, in the case of sectors or types of agriculture that offer environmental advantages, to support production to an extent beyond that required simply to maintain existing volumes.

Amendment 99

Proposal for a regulation

Article 39 – paragraph 4 – introductory sentence

Text proposed by the Commission

4. Member States may, by 1 August **2016**, review their decision pursuant to paragraphs 1, 2 and 3 and decide, with effect from **2017**:

Amendment

4. Member States may, by 1 August **of each year**, review their decision pursuant to paragraphs 1, 2 and 3 and decide, with effect from **the subsequent year**:

Or. en

Justification

Greater flexibility for the member States in the management of the coupled support.

Amendment 100

Proposal for a regulation

Article 39 – paragraph 4 – point b a (new)

Text proposed by the Commission

Amendment

(ba) to modify the conditions for granting coupled support;

Or. fr

Justification

This introduces the possibility of a change of arrangements without changing the budget earmarked for coupled support.

Amendment 101

Proposal for a regulation

Article 49 – paragraph 1 – introductory sentence

Text proposed by the Commission

Amendment

1. Member States **shall** set the amount of the annual payment for the small farmers scheme at one of the following levels, subject to paragraphs 2 and 3:

1. Member States **may** set the amount of the annual payment for the small farmers scheme at one of the following levels, subject to paragraphs 2 and 3:

Amendment 102

Proposal for a regulation

Article 49 – paragraph 1 – point a

Text proposed by the Commission

(a) an amount not exceeding **15 %** of the national average payment per beneficiary;

Amendment

(a) an amount not exceeding **25 %** of the national average payment per beneficiary;

Or. en

Amendment 103

Proposal for a regulation

Article 49 – paragraph 1 – point b

Text proposed by the Commission

(b) an amount corresponding to the national average payment per hectare multiplied by a figure corresponding to the number of hectares with a maximum of **three**.

Amendment

(b) an amount corresponding to the national average payment per hectare multiplied by a figure corresponding to the number of hectares with a maximum of **five**.

Or. en

Amendment 104

Proposal for a regulation

Article 49 – paragraph 2

Text proposed by the Commission

2. The amount referred to in paragraph 1 shall not be lower than EUR 500 and not be higher than EUR **1 000**. Without prejudice to Article 51(1), where the application of paragraph 1 results in an amount lower than EUR 500 or higher than EUR **1 000**, the amount shall be rounded

Amendment

2. The amount referred to in paragraph 1 shall not be lower than EUR 500 and not be higher than EUR **1 500**. Without prejudice to Article 51(1), where the application of paragraph 1 results in an amount lower than EUR 500 or higher than EUR **1 500**, the amount shall be rounded

up or down, respectively, to the minimum or maximum amount.

up or down, respectively, to the minimum or maximum amount.

Or. en

Amendment 105

Proposal for a regulation

Article 51 – paragraph 1 – subparagraph 2 a (new)

Text proposed by the Commission

Amendment

Member States that avail themselves of the provisions of Article 20(1) may apply different reduction thresholds at regional level.

Or. fr

Amendment 106

Proposal for a regulation

Article 51 – paragraph 2

Text proposed by the Commission

Amendment

2. If the total amount of payments due under the small farmers scheme exceeds **10%** of the annual national ceiling set out in Annex II, **Member States** shall apply a linear reduction to the amounts to be paid in accordance with this Title in order to respect that percentage.

2. If the total amount of payments due under the small farmers scheme exceeds **15%** of the annual national ceiling set out in Annex II, **the Member State concerned** shall apply a linear reduction to the amounts to be paid in accordance with this Title in order to respect that percentage.

Or. fr

Amendment 107

Proposal for a regulation

Annex II

Text proposed by the Commission

(In thousands EUR)

Calendar year	2014	2015	2016	2017	2018	2019 and subsequent years
Belgium	553 521	544 065	534 632	525 205	525 205	525 205
Bulgaria	655 661	737 164	810 525	812 106	812 106	812 106
Czech Republic	892 698	891 875	891 059	890 229	890 229	890 229
Denmark	942 931	931 719	920 534	909 353	909 353	909 353
Germany	5 275 876	5 236 176	5 196 585	5 156 970	5 156 970	5 156 970
Estonia	108 781	117 453	126 110	134 749	134 749	134 749
Ireland	1 240 652	1 239 027	1 237 413	1 235 779	1 235 779	1 235 779
Greece	2 099 920	2 071 481	2 043 111	2 014 751	2 014 751	2 014 751
Spain	4 934 910	4 950 726	4 966 546	4 988 380	4 988 380	4 988 380
France	7 732 611	7 694 854	7 657 219	7 619 511	7 619 511	7 619 511
Italy	4 023 865	3 963 007	3 902 289	3 841 609	3 841 609	3 841 609
Cyprus	52 273	51 611	50 950	50 290	50 290	50 290
Latvia	163 261	181 594	199 895	218 159	218 159	218 159
Lithuania	396 499	417 127	437 720	458 267	458 267	458 267
Luxemburg	34 313	34 250	34 187	34 123	34 123	34 123
Hungary	1 298 104	1 296 907	1 295 721	1 294 513	1 294 513	1 294 513
Malta	5 316	5 183	5 050	4 917	4 917	4 917
Netherlands	806 975	792 131	777 320	762 521	762 521	762 521
Austria	707 503	706 850	706 204	705 546	705 546	705 546
Poland	3 038 969	3 066 519	3 094 039	3 121 451	3 121 451	3 121 451
Portugal	573 046	585 655	598 245	610 800	610 800	610 800
Romania	1 472 005	1 692 450	1 895 075	1 939 357	1 939 357	1 939 357
Slovenia	141 585	140 420	139 258	138 096	138 096	138 096
Slovakia	386 744	391 862	396 973	402 067	402 067	402 067
Finland	533 932	534 315	534 700	535 075	535 075	535 075
Sweden	710 853	711 798	712 747	713 681	713 681	713 681
United-Kingdom	3 624 384	3 637 210	3 650 038	3 662 774	3 662 774	3 662 774

Amendment

	2014	2015	2016	2017	2018	2019 and subsequent years
Belgium	554.701	548.646	542.261	535.640	535.640	535.640
Bulgaria	657.571	735.055	805.495	814.887	814.887	814.887
Czech Republic	891.307	892.742	893.686	894.054	894.054	894.054
Denmark	940.086	929.824	919.002	907.781	907.781	907.781
Germany	5.237.224	5.180.053	5.119.764	5.057.253	5.057.253	5.057.253
Estonia	113.168	125.179	137.189	149.199	149.199	149.199
Ireland	1.236.214	1.235.165	1.233.425	1.230.939	1.230.939	1.230.939
Greece	2.098.834	2.075.923	2.051.762	2.026.710	2.026.710	2.026.710

Spain	4.939.152	4.957.834	4.973.833	4.986.451	4.986.451	4.986.451
France	7.655.794	7.572.222	7.484.090	7.392.712	7.392.712	7.392.712
Italy	4.024.567	3.980.634	3.934.305	3.886.268	3.886.268	3.886.268
Cyprus	52.155	51.585	50.985	50.362	50.362	50.362
Latvia	176.500	206.565	236.630	266.695	266.695	266.695
Lithuania	402.952	426.070	449.189	472.307	472.307	472.307
Luxemburg	33.943	33.652	33.341	33.015	33.015	33.015
Hungary	1.295.776	1.297.535	1.298.579	1.298.791	1.298.791	1.298.791
Malta	5.365	5.306	5.244	5.180	5.180	5.180
Netherlands	809.722	800.883	791.561	781.897	781.897	781.897
Austria	706.071	706.852	707.242	707.183	707.183	707.183
Poland	3.079.652	3.115.887	3.152.121	3.188.356	3.188.356	3.188.356
Portugal	582.466	598.550	614.635	630.719	630.719	630.719
Romania	1.485.801	1.707.131	1.928.460	2.002.237	2.002.237	2.002.237
Slovenia	140.646	139.110	137.491	135.812	135.812	135.812
Slovakia	391.608	397.576	403.543	409.511	409.511	409.511
Finland	533.451	535.518	537.295	538.706	538.706	538.706
Sweden	709.922	712.820	715.333	717.357	717.357	717.357
United-Kingdom	3.652.541	3.655.113	3.657.684	3.660.255	3.660.255	3.660.255

Or. en

Amendment 108

Proposal for a regulation Annex III

Text proposed by the Commission

Amendment

[The amounts of the ceilings in Annex III]

[To be adjusted in accordance with the adoption/rejection of Article 11 as amended by Parliament]

Or. fr

Justification

In the event of changes to Article 11, on capping, Annex III will have to be changed.

Amendment 109

Proposal for a regulation Annex Va (new)

Text proposed by the Commission

Amendment

Annex Va

List of cultures as referred to in Article 30

spring common wheat or meslin seed or spelt

winter common wheat or meslin seed or spelt

durum wheat

spring rye

winter rye

spring barley

winter barley

spring oats

winter oats

maize

rice

grain sorghum

buckwheat or millet or canary seed

manioc or arrowroot or salep or Jerusalem artichokes or sweet potatoes

rape or colza

sunflower

soya beans

groundnuts

linseed

other oilseeds or oleaginous fruit

lucerne or sainfoin or clover or lupins or vetches or honey lotus or chickling pea & birdsfoot

peas or chickpeas or beans or lentils or other leguminous vegetables

potatoes
sugar beet
sugar cane
sweet corn
hops
flax
hemp
tobacco
tomatoes
onions or shallots or garlic or leeks or
other alliaceous vegetables
cabbages or cauliflowers or kohlrabi or
kale or similar edible brassicas
lettuce
chicory
carrots or turnips or salad beetroot, or
salsify or celeriac or radishes or similar
edible roots
cucumbers or gherkins
leguminous vegetables
avocados
melon or pawpaws
saffron
thyme or basil or melissa or mint or
oregano or rosemary or sage
locust beans
cotton

Or. en

Amendment 110

Proposal for a regulation
Annex VI

Text proposed by the Commission

Amendment

Annex deleted

Or. fr

Justification

If a standard value for all Member States is laid down under Article 36, this annex becomes redundant.

EXPLANATORY STATEMENT

Europe is living in an exceptional economic, financial, and environmental context that demands a political response at all levels. That point also applies to agriculture and the rural world: a bold reworking is needed if the common policies in question are to respond to present and future challenges.

European farmers must continue to have the means of ensuring that citizens can enjoy the necessary degree of self-sufficiency and hence obtain enough foodstuffs and commodities of acceptable quality at affordable prices.

This implies a need to reconcile farming with sustainable production and shape European agriculture according to a vision for the future, in which competitiveness must go hand in hand with sustainability, and, moreover, to the idea that sustainability does not boil down solely to the environmental component, but also has to do with the long-term economic and social viability of agriculture as such. To that extent, the transition to more environment-friendly agriculture in Europe is a *sine qua non* for the sector's viability.

European agriculture also has to remain competitive with Europe's main trading partners, which are highly subsidised and/or subject to less stringent production rules.

The agricultural sector can and must have a significant role to play in translating the new 'Europe 2020' strategy into practice as regards climate change mitigation, innovation, and job creation. Special attention must therefore be focused on rural areas, especially those which are less favoured, with a view to revitalising them socially and economically on a footing of sustainability.

The new policy for agriculture and the rural world in Europe has to be based on the three-pronged approach of 'legitimacy, fairness, and efficiency', that is to say, resources must be assigned to ends recognised to be valuable by taxpayers and society, shared out as fairly as possible among farmers, regions, and Member States, and put to the most effective use in terms of achieving the desired results.

Taking into account the great diversity of European agriculture, which should be preserved, and the need to maintain a common legislative framework within which to implement agricultural and rural development policy, subsidiarity has to embody the right balance between these two dynamics. Furthermore, and without detracting from the imperatives of rigour in the use of public money, simplification must be reflected as fully as possible in all the regulations.

Last year, when it was dealing with the Lyon and Dess reports, Parliament, acting by a large majority in each instance, endorsed a set of general policy guidelines which have been duly appreciated.

Now that the Commission has submitted its legislative proposals, the EP is called upon to state its view on the main measures and policy tools to be employed to pursue the aims laid down, in this case as regards the proposal for a regulation establishing rules for direct

payments to farmers under support schemes within the framework of the common agricultural policy, which is to complement, and be dovetailed with, Pillar II of the CAP.

‘Active farmer’

The rapporteur shares the view that public support should be granted only to entities whose agricultural activities constitute the main or a major portion of their economic activities, according to definitions to be laid down by the individual Member States. He is, however, putting forward a list of entities and activities that will not be deemed eligible to receive CAP direct payments: the examples include airports, property companies, golf courses, camp-sites, and mining companies.

Capping and progressive reduction

The rapporteur endorses the Commission’s proposal to apply a 20% rate of reduction to payment tranches between €150 000 and €200 000 and a 40% rate to tranches between €200 000 and €250 000. He is, however, proposing that the rate applicable to amounts over €250 000 should be raised from 70% to 80%. In addition, he approves of the €300 000 cap.

Given that it will help to create and preserve jobs in rural areas, the rapporteur endorses the Commission’s proposal that salaries and social contributions should be deducted from the amounts to which the rates of reduction are to be applied. Cooperatives should be excluded from the above measure. The formula to calculate direct payments for other forms of collective farming should allow for the values attributed to each member individually, to which the appropriate rate of reduction should then be applied.

Flexibility between the two pillars

The rapporteur maintains that the support schemes provided for under the two CAP pillars should be linked together and brought into a coherent relationship. He is widening the opportunities for transfers from Pillar I to Pillar II, given that the volume of financial resources assigned to any one pillar can vary greatly from one Member State to another.

He is thus proposing an option whereby unused funds falling under the ‘greening’ component of direct payments or for payments to areas affected by natural constraints may be transferred from Pillar I to Pillar II without national co-financing.

Member States in a less favourable financial position regarding Pillar II should be allowed to transfer up to 20% of their national envelopes on the same terms.

The total volume of transfers, excluding transfers of unused greening funds, should not exceed 20%.

Basic payment scheme

To make the new direct payment arrangements simpler to apply, the rapporteur proposes that Member States which have implemented a totally decoupled support system should be included automatically in the new scheme. He also believes that farmers should be entitled to payment in the first year if they have activated at least one entitlement in 2009, 2010, or 2011, and not just in the last-mentioned year, as proposed by the Commission.

‘Greening’ component of direct aid

Member States seeking to strengthen the greening component of direct aid will be allowed to

allocate more than 30% of their national envelopes for that purpose.

The rapporteur is increasing the flexibility of the greening measures by widening the range of eligible options and making the system simpler to implement. To ensure flexibility, farmers may thus obtain greening payments by equivalence, through Pillar II measures or by means of ecological certification of farms; furthermore, the adjustments proposed will make for substantial simplification.

- New measures

(a) Areas covered by agri-environment measures will be eligible *ipso facto* for the greening component of direct aid;

(b) Environmental certification of farms, under conditions to be determined by the Commission, will be treated as an option carrying automatic entitlement to the greening component of direct aid;

(c) Permanent crops, for example olive groves, vineyards, or orchards, will be eligible for greening payments if they involve agronomic practices serving to protect or conserve the soil, such as green cover, and occupy more than 80% of the total eligible area in holdings of less than 50 ha; areas under permanent crops where agronomic practices of this kind are applied will be exempt from the rules on ecological focus areas.

- Simplification of the measures proposed by the Commission

(a) Crop diversification

Farms between 5 ha and 20 ha will have to have at least two different crops, neither of which may cover more than 90% of the arable land. Farms larger than 20 ha will, as has been the case to date, be required to have at least three different crops, none of which may cover more than 70% of the arable land and no two of which may together cover more than 95%.

This obligation will not apply to farms smaller than 50 ha when 80% of the eligible agricultural area is covered by permanent grassland, historical pastures, or permanent crops.

(b) Permanent grassland

The concept of permanent grassland has been expanded to include historical pastures, which are equivalent to the extent that they are likewise permanent and associated with extensive farming.

(c) Ecological focus area

The Commission is proposing that 7% of a holding's eligible area should be set aside to establish ecological focus areas. The rapporteur is proposing that these rules be confined to holdings larger than 20 hectares. He also proposes that when an ecological focus area lies next to a similar area on an adjacent farm, the percentage of eligible land to be used for that purpose should be lowered in each case from 7% to 5%. Lastly, he believes that land planted with nitrogen-fixing crops should be allowed to count towards the percentage required for ecological focus areas.

Young farmers

The rapporteur is proposing that the 25% increase in payment entitlements for young farmers should be subject to a limit of 50 hectares in all Member States.

Coupled support

The rapporteur is adding employment to the Commission's proposed conditions of eligibility for coupled support.

Bearing in mind that the continued survival of farming is vitally important in some parts of Europe, the rapporteur proposes that the special entitlements should remain in place.

Furthermore, he believes that, as regards the percentage of national ceilings to be used to finance coupled support, Member States should be permitted to decide by 1 August every year, and not just in 2013 and 2016 as the Commission is proposing.

'Small farmers scheme'

Given that the position regarding small farmers varies widely from one Member State to the next, the rapporteur proposes that this scheme be voluntary. However, he proposes that the annual payment under the scheme should be no more than 25% above the national average, instead of the 15% proposed by the Commission. In addition, he believes that the amount corresponding to the national average payment per hectare should be multiplied by 5 and not 3 and that the maximum amount per farmer should be no higher than €1 500, as opposed to the €1 000 proposed by the Commission.

National ceilings

The new structure proposed by the Commission for the CAP is intended to make for short- and medium-term convergence in levels of support among farmers, regions, and Member States. The Commission proposal, however, goes much further as regards convergence of support within a Member State than it does where convergence among the Member States is concerned. Regarding the former case, the Commission is even calling for all payments within any one country or region to be made equal by 2019: in other words, the variation should be 0%. On the other hand, its proposed allocation of financial envelopes by Member State ranges from 57% above the EU 27 average to 47% below that average (excluding Malta). The total variation thus exceeds 100%.

To make for greater consistency between the two rates, the rapporteur is calling for one voluntary arrangement to soften the internal convergence process and for another to speed up – albeit slightly – convergence among the Member States.

The rapporteur accordingly proposes that the convergence point for the average level of support per Member State, in euros per hectare, should be the actual average and not 90% of the average, as proposed by the Commission. He thus maintains that Member States 70% below the EU average should recover 30% of the difference; those totalling between 70% and 80% of the average should recover 25% of the difference; and those between 80% and the average level should recover 10% of the difference. No Member State, under any circumstances, will be 65% below the EU average. The contributions required for this process

should be provided, in the appropriate proportions, by the Member States above the EU 27 average; and there would be a guarantee that the mechanism, if it were implemented, would not push any of them below the average

Convergence of payments within a Member State or region

In some Member States or regions a sharp fall in support within a short space of time could jeopardise the viability of many farms, with serious economic, social, and environmental consequences. To cushion this potentially damaging impact, Member States will be allowed to confine payment convergence within a 20% range of variation, compared with the average, and to limit individual reductions in basic payments to a maximum of 30% in the period from 2014 to 2019.

This report has been based on the aggregate financial amount for the CAP proposed by the Commission within the future Multiannual Financial Framework. Should fundamental changes be made to that proposal, the substance of the report will need to be revised.