



19.12.2018

NOTICE TO MEMBERS

Subject: Petition No 0520/2018 by A.W. (Polish), bearing 111 signatures, requesting equal direct payments from the CAP to EU farmers

1. Summary of petition

The petitioner calls on EU institutions to treat in a fair and equitable manner all farmers across the Union. In his arguments, the Treaties and secondary Union law enshrine the idea of equality; therefore, in this context direct payments from CAP to all farmers in the Union should be promoted. In the opinion of the petitioner, certain member Member States are given preferential treatment and this leads to distortion of competition in the rest of the Union.

2. Admissibility

Declared admissible on 16 October 2018. Information requested from Commission under Rule 216(6).

3. Commission reply, received on 19 December 2018

The Commission's observations

When introducing direct payments under the Common Agricultural Policy (CAP) as part of the step away from price support, the allocation key was not based on a specific amount per hectare but linked to production (yield, productivity). For agronomic reasons, these factors (yield, production) obviously vary a lot between Member States. The 2005 reform introduced the "decoupling" of support switching gradually from the previously mentioned support measures to support which is detached from production. The national allocations for decoupled support were based on the support level, which had been received under the previous schemes. This means that there were no production obligation linked to the support, the level within a Member State would still reflect the amount of support received before the decoupling.

The first partial step away from the allocation method described in the previous paragraph towards the so-called "convergence" of the direct payments, whereby national envelopes are adjusted in order to gradually reduce the gap between the support level per hectare in different Member States, was agreed by the Heads of State and Government in February 2013 as part of the overall agreement on the multiannual financial framework for 2014-2020.

This agreement was implemented through Regulation (EU) No 1307/2013 of the European Parliament and the Council of the European Union, setting the yearly national envelopes taking into account the convergence targets. The implementation of the convergence of the direct payments is currently on going to the benefit of Polish farmers.

The Commission presented its Communication on the next multi-annual financial framework (MFF) on 2 May 2018 and the proposal for the CAP post 2020 on 1 June 2018¹. For the Common Agricultural Policy, the Commission proposed a significant continuation of the convergence of direct payment levels per hectare between Member States. More precisely, the Commission has proposed that for all Member States with direct payments below 90% of the EU-average, the gap between their current level and 90% of the EU average shall be closed by 50% during the next MFF. This means that while for the majority of Member States, the direct payments will decrease up to 3.9% (compared to a reference value based on calendar year 2019), Polish farmers will be better off thanks to the upward convergence of the direct payments support level.

Conclusion

The current level of direct payments in various Member States is reflecting the criteria for allocations as agreed by the legislator.

The Commission proposals for the multiannual financial framework for 2021-2027 and for the CAP post 2020 are currently being negotiated between the institutions. It will ultimately be the responsible legislators that will decide on the future allocations for the CAP under the MFF 2021-2027.

¹ COM (2018) 321 final and COM (2018) 392 final