Amendment 1126
Peter Jahr
on behalf of the EPP Group

Report
Peter Jahr
Common agricultural policy - support for strategic plans to be drawn up by Member States and financed by the EAGF and by the EAFRD (COM(2018)0392 – C8-0248/2018 – 2018/0216(COD))

Proposal for a regulation
Article 15 – title

Text proposed by the Commission

15 Reduction of payments

1. Member States shall reduce the amount of direct payments to be granted to a farmer pursuant to this Chapter for a given calendar year exceeding EUR 60 000 as follows:

(a) by at least 5 % for the tranche between EUR 60 000 and EUR 75 000;
(b) by at least 50 % for the tranche between EUR 75 000 and EUR 90 000;
(c) by at least 75 % for the tranche between EUR 90 000 and EUR 100 000;
(d) by 100 % for the amount exceeding EUR 100 000.

Before applying paragraph 1, Member States shall subtract from the amount of direct payments to be granted to a farmer pursuant to this Chapter in a given calendar year:

(a) the salaries linked to an agricultural activity declared by the farmer, including taxes and social contributions related to employment; and
(b) the equivalent cost of regular and unpaid labour linked to an agricultural activity practiced by persons working on the farm concerned who do not receive a salary, or who receive less remuneration than the amount normally paid for the services rendered, but are rewarded

Amendment

15 Reduction of payments

1. Member States shall reduce the amount of direct payments to be granted to a farmer pursuant to this Chapter for a given calendar year where that amount exceeds a threshold of EUR 100 000.

Before applying paragraph 1, Member States may subtract from the amount of direct payments to be granted to a farmer pursuant to this Chapter in a given calendar year:

(a) 50% of the salaries linked to an agricultural activity declared by the farmer, including taxes and social contributions related to employment; and
through the economic result of the farm business.

To calculate the amounts referred to in points a) and b), Member States shall use the average standard salaries linked to an agricultural activity at national or regional level multiplied by the number of annual work units declared by the farmer concerned.

(b a) the direct support referred to in Articles 27 and 28.

To calculate the amounts referred to in point (a), Member States shall use the actual salary costs or the average standard salaries linked to an agricultural and related activity at national or regional level multiplied by the number of annual work units declared by the farmer concerned.

Member States may use indicators on standard salary costs associated with various types of farm or reference data on employment generation by farm type.

2 a. (a) The Commission shall collect information on all subsidies received from the CAP first and second pillar and aggregate the total amount that a natural person receives either directly through direct payments or indirectly as beneficial owner of legal persons that are beneficiaries of CAP payments (direct payments and payments from rural development).

The Commission shall keep track in real time and stop payments exceeding an aggregated total of:
- EUR 500,000 in the first pillar for direct payments;
- EUR 1,000,000 for investments under the second pillar;

The Commission shall be notified if the cap is exceeded. The Commission evaluates on a case by case basis whether in duly justified cases an exception can be granted. The Commission shall develop clearly defined, objective criteria, which shall be published in the form of guidelines to the Member States' authorities without undue delay;

Payments to projects benefitting the broad population, which are implemented by regional and local authorities, municipalities or cities, should be excluded from these caps;

(b) The Commission shall establish a real-time information and monitoring system
through an adaptation and extension of the ARACHNE system or other suitable IT tools; Member States shall be obliged to enter all relevant data (such as the project, payments, legal person, natural person, beneficial owners, etc.) into this system in real-time as a condition for receiving funds from this regulation; the Commission shall use this real-time information and monitoring system to allow a precise overview of the distribution and fair allocation of the EU funds and to have the possibility to track and aggregate the distributed financial means;

The estimated product of the reduction of payments shall primarily be used to contribute to the financing of the complementary redistributive income support for sustainability and thereafter of other interventions belonging to decoupled direct payments.

Member States may also use all or part of the product to finance types of interventions under the EAFRD as specified in Chapter IV by means of a transfer. Such transfer to the EAFRD shall be part of the CAP Strategic Plan financial tables and may be reviewed in 2023 in accordance with Article 90. It shall not be subject to the maximum limits for the transfers of funds from the EAGF to the EAFRD established under Article 90.

Member States may also use all or part of the product to finance types of interventions under the EAFRD as specified in Chapter IV by means of a transfer. Such transfer to the EAFRD shall be part of the CAP Strategic Plan financial tables and may be reviewed in 2024 in accordance with Article 90.

3 a. In the case of a legal person, or a group of natural or legal persons, Member States may apply the reduction referred to in paragraph 1 at the level of the members of those legal persons or groups where national law provides for the individual members to assume rights and obligations comparable to those of individual farmers who have the status of a head of holding, in particular as regards their economic, social and tax status, provided that they have contributed to strengthening the agricultural structures of the legal persons or groups concerned.

3 b. Where a Member State grants
complementary redistributive income support to farmers under Article 26 and to that end uses at least 12% of its allocation for direct payments laid down in Annex IV, it may decide to waive the application of this Article.

3 c. No advantage consisting of avoiding reductions of the payment shall be granted in favour of farmers in respect of whom it is established that they artificially created the conditions to avoid the effects of this Article.

4. The Commission is empowered to adopt delegated acts in accordance with Article 138 supplementing this Regulation with rules establishing a harmonised basis for calculation for the reduction of payments laid down in paragraph 1 to ensure a correct distribution of the funds to the entitled beneficiaries.

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