

Y Pwyllgor Amgylchedd a Chynaliadwyedd

Environment and Sustainability Committee

Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales



Mr Capoulas Santos MEP
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26 October 2012

Dear Luis

National Assembly for Wales response to the Draft Reports on the proposals for a regulation on establishing rules for direct payments and on the proposals on support for rural development.

I am writing to you in your capacity as rapporteur on the Commission's proposals for regulations on direct payments and rural development. Having met with you during our visit to Brussels in May 2012 and enjoyed a stimulating and interesting debate we read with great interest the proposals for amendments set out in your Draft Reports.

Given the importance of these proposals for stakeholders in Wales we consulted with a wide range of environmental and farming organisations to ask them for their views on both Reports and used this evidence to reach a view on the amendments.

We welcome a large number of the amendments contained within your Draft Reports and believe that they have improved the proposals put forward by the Commission. In particular in relation to direct payments we support:

- Amendments 50, 51 and 59 on entitlements;
- Amendments 69 and 72 in relation to the greening requirements;
- Amendment 104 on Small Farmers Scheme; and
- Amendments 29 and 32 on the Active Farmer definition.

We also support a number of the amendments proposed in your Draft Report on the rural development regulation and in particular:

- Amendment 9 on competitive forestry;
- Amendments 41 and 42 in relation to greening in the direct payments regulation; and
- Amendment 68 on agri-environment- climate measure.

As outlined to you during our meeting in Brussels there are some areas of the proposal where it will be important for Wales that the amendments proposed to the regulations go

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further than those proposed in the Draft Report .We will therefore be asking MEPs to support further amendments.

We thank you and the Agriculture Committee for the hard work that you have undertaken to date to develop and improve the proposals and wish you well for the hard work that lies ahead in reaching an agreement.

We recognise the crucial impact agreement on the multiannual financial framework will have on the reform proposals and with therefore continue our call for the CAP budget to be maintained at current levels.

Yours sincerely

A handwritten signature in black ink that reads "Vaughan Gething". The signature is written in a cursive, slightly slanted style.

Vaughan Gething AM

Chair - Common Agricultural Policy Task and Finish Group

Outcomes for Wales from the Regulation on Direct Payments

Whilst we welcome the move towards increased flexibility that Amendments 53 and 56 of the Draft Report offer, redistribution of direct payments will have a significant impact on farm business in Wales and therefore we **support any amendments that give Member States and Regions the flexibility to decide on the rate of transition to an area based system.**

In addition, while we welcome the principle of Amendment 56 to ensure that no farmers' entitlement is reduced by more than 30 per cent in 2019, we would prefer to see a longer time frame from the transition. **We would therefore welcome an amendment that would allow for a transition period of seven years.**

We strongly welcome the amendments that would allow for farmers to automatically receive greening payments if they are in agri-environment schemes that go beyond the minimum greening requirements. We also recognise that the Draft Report has sought to improve the greening requirements set out by the Commission but we remain concerned about the applicability of the requirements across all Member States and Regions within the EU. Stakeholders from a range of sectors in Wales have warned against the perverse effects on the Welsh environment that the current greening requirements could have. **We therefore welcome amendments that provide Member States and Regions with a wider menu of greening options based on sound scientific evidence and subject to approval by the Commission.**

We are extremely supportive of measures to encourage young farmers but, having listened to stakeholders in Wales, we believe that support should be provided to all new entrants into the industry and not only those under the age of 40. **We would therefore welcome amendments that would broaden the remit of the young farmers scheme. However, in this instance we also support Amendments 86 and 87 that would allow Member States to define eligibility criteria for the scheme and prioritise which new entrants would be able to receive support.**

In relation to the flexibility between Pillars, we recognise that any such mechanisms could prove crucial in light of the on-going discussion on the multi-annual financial framework and we therefore **support any amendments that would provide clarity on the power of Regions to decide whether or not they would wish to use any flexibility mechanisms contained in the final regulation.**

We support the principle of capping payments to individuals but have had concerns expressed to us about the potential impact of the capping proposals on charitable organisations who are landowners and whose charitable purpose is wildlife and heritage conservation. **We would therefore support any amendments to provide an exemption for these bodies.**