

**National Assembly for Wales  
Environment and Sustainability Committee  
Common Agriculture Policy Task and Finish Group**

Proposed amendments to the draft legislative proposals for the  
Common Agricultural Policy (CAP)

Submitted by:

National Assembly for Wales CAP Task and Finish Group

# Proposed Amendments: Direct Payments Regulation

## AMENDMENT 1

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.

### Article 22.2

<i>Draft regulation</i>	<i>Amendment</i>
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).	Member States and Regions <del>which applied the single payment scheme as provided for in Regulation (EC) No 73/2009,</del> 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). <b>to be given the flexibility to decide upon the appropriate transitional rate of change provided that they will have completed transition by [insert agreed timeframe].</b>

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**Reason:**

This is a critical issue for the Member States and European farmers who will be required to move from historic to area based payments. There are concerns that requiring a minimum of 40% to be paid on an area basis within the first year will have a significant redistributive impact on agricultural businesses.

The Welsh Government has completed modelling which demonstrates that in the transition to area based payments only 17 per cent of farm business in Wales will stay within 10 per cent of their current payment. The scale of such a change in one year would therefore create a great deal of instability and uncertainty in the industry.

**Am. 1**

## AMENDMENT 2

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.

### Article 22.5

<i>Draft regulation</i>	<i>Amendment</i>
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.	As of seven years from the passing of the legislative texts, <del>As of claim year 2019 at the latest,</del> all payment entitlements in a Member State or, in case of application of Article 20, in a region, shall have a uniform unit value.

#### Reason

There are serious concerns that delays in the final agreement of the legislative proposals could reduce the time available for Member States and Regions to complete the transition if a specified date is set out in the text. Proposing a timescale within which the transition needs to be complete provides this flexibility while ensuring that the transition is completed in a time frame that does not disadvantage those already in receipt of area payments and new entrants seeking to enter the industry.

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## AMENDMENT 3

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.

Articles 29–33

<i>Draft regulation</i>	<i>Amendment</i>
None currently.	Farmers participating in existing agri-environment schemes should automatically qualify for greening payments where the agri-environment scheme delivers a minimum level of benefit approved by the European Commission.

### Reason

A number of farmers across the Union are already delivering substantial environmental benefits through the work they deliver in agri-environment schemes. Whilst the aim of greening the CAP is laudable and should be supported it is important that we ensure that the proposals do not unfairly disadvantage those already undertaken considerable environment work of dissuade others from joining agri-environment schemes under Pillar II.

Although we are aware that this may pose some issues in terms of double funding, organic farmers are provided with a similar exemption and may still benefit from additional support under Pillar II.

The National Assembly for Wales, CAP Task and Finish Group certainly feel that this is an option which deserves more detailed consideration.

Whilst we acknowledge that not all agri-environment schemes across the Union deliver the same standards of environment protection requiring schemes to be approved by the European Commission prior to the granting of an exemption will provide sufficient safeguards.

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**Am. 2**

## AMENDMENT 4

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.

### Article 36.2

<i>Draft regulation</i>	<i>Amendment</i>
<p>For the purposes of this Chapter, 'young farmers', shall mean:</p> <p>(a) natural persons who are setting up for the first time an agricultural holding as head of the holding, or who have already set up such a holding during the five years preceding the first submission of an application to the basic payment scheme as referred in Article 73(1) of Regulation (EU) No [...] [HZR], and</p> <p>(b) who are less than 40 years of age at the moment of submitting the application referred to in point (a).</p>	<p>For the purposes of this Chapter, 'young farmers', shall mean:</p> <p>(a) natural persons who are setting up for the first time an agricultural holding as head of the holding, or who have already set up such a holding during the five years preceding the first submission of an application to the basic payment scheme as referred in Article 73(1) of Regulation (EU) No [...] [HZR], and</p> <p><del>(b) who are less than 40 years of age at the moment of submitting the application referred to in point (a).</del></p>

### Reason

The National Assembly for Wales' CAP Task and Finish Group are concerned that the [young farmers] scheme as currently set out could disadvantage genuine new entrants over the age of 40. Given the need across the Union to encourage new entrants into the farming sector we feel that the focus should be on supporting all new entrants regardless of age. We are therefore proposing that Article 36.2 (b) is removed; this would also have the advantage of extending the support in obtaining entitlements to all new entrants and not just those under the age of 40.

# AMENDMENT 5

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.

## Article 47

<i>Draft regulation</i>	<i>Amendment</i>
Inclusion of new sub-clause under Article 47	Member States and Regions may grant support to small farmers under the conditions laid down in this title.

### Reason

Whilst we understand the principals and reasoning behind the proposals for a small farmer scheme it will not be appropriate for all Member States and Regions. Indeed in some Regions this proposal could have unintended consequences enabling some who are not genuine farmers to access the single farm payment. As such we believe that the small farmers scheme should be voluntary and not mandatory, thereby enabling Member States and Regions to have the flexibility to decide upon whether it is a scheme appropriate for their local needs. This is in line with the concerns raised with us by the agriculture sector in Wales.

# Proposed Amendments: Rural Development Regulation

## AMENDMENT 1

Proposals for a regulation of the European Parliament and of the Council on support for rural development by the European Agricultural Fund for Rural Development (EAFRD)

### Article 29

<i>Draft regulation</i>	<i>Amendment</i>
Inclusion new clause under Article 29.	Member States must spend a minimum of 25% of the total contribution from the EAFRD to each rural development programme for climate change mitigation and adaptation and land management, through the agri-environment climate, organic farming and payments to areas facing natural or other specific constraints measures.

### Reason

The National Assembly for Wales' CAP Task and Finish Group note that the pre-amble to the legislative texts includes reference that a minimum of 25% of rural development funding should be spent on agri-environment schemes. We support this intention, but feel that it should be included within the legislative texts to ensure a commonality across the EU.

# Proposed Amendments: Horizontal Regulation

## AMENDMENT 1

Proposals for a regulation of the European Parliament and of the Council on the financing, management and monitoring of the common agricultural policy.

### Article 92

<i>Draft regulation</i>	<i>Amendment</i>
<p>Article 91 shall apply to beneficiaries receiving direct payments under Regulation (EU) No xxx/xxx[DP], payments under Articles 44 and 45 of Regulation (EU) No xxx/xxx[sCMO] and the annual premia under Articles 22(1)(a) and (b), 29 to 32, 34 and 35 of Regulation (EU) No xxx/xxx[RD].</p> <p>However, Article 91 shall not apply to beneficiaries participating in the small farmers scheme referred to in Title V of Regulation (EU) No xxx/xxx[DP] and to the beneficiaries receiving aid under Article 29(9) of Regulation (EU) No RD/xxx.</p>	<p>Article 91 shall apply to beneficiaries receiving direct payments under Regulation (EU) No xxx/xxx[DP], payments under Articles 44 and 45 of Regulation (EU) No xxx/xxx[sCMO] and the annual premia under Articles 22(1)(a) and (b), 29 to 32, 34 and 35 of Regulation (EU) No xxx/xxx[RD].</p> <p><del>However, Article 91 shall not apply to beneficiaries participating in the small farmers scheme referred to in Title V of Regulation (EU) No xxx/xxx[DP] and to the beneficiaries receiving aid under Article 29(9) of Regulation (EU) No RD/xxx.</del></p>

### Reason

The National Assembly for Wales' CAP Task and Finish Group heard significant concerns from both the farming and environment sector that those claiming under the [small farmers] scheme would not be subject to cross-compliance particularly as there is no threshold for the size of farms that can apply. This may undermine the Union's efforts to secure further greening of the CAP.

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