MTK Amendments to CAP regulation FEB 2020

CAP Strategic Plans

Amendment 1 Genuine farmer

Article 4 - paragraph 1 - point d

Text proposed by the Commission	Amendment
(d) 'genuine farmers' shall be defined in a way to ensure that no support is granted to those whose agricultural activity forms only an insignificant part of their overall economic activities or whose principal business activity is not agricultural, while not precluding from support pluri-active farmers. The definition shall allow to determine which farmers are not considered genuine farmers, based on conditions such as income tests, labour inputs on the farm, company object and/or inclusion in registers.	(d) "genuine farmers" shall may be defined, where the Member State so decides, Article 4(1) should be followed by a new indent setting out that: "Member States may include other definitions in the CAP Strategic Plans that are considered necessary for the implementation of this Regulation.

<u>Justification</u>: Instead of a complex attempt to define a genuine farmer, it would be better to focus on the definition of agricultural activity to target the support to farmers who have active agricultural production. The proposed definition for genuine farmer would result in additional bureaucracy for the farmer and the administration, and the benefits achieved by applying the definition remain in question. Any simplification that was agreed upon in the Omnibus regulation would vanish. Thus, the Member States should have the option to apply the definition of genuine farmer if they so decide.

Amendment 2 Conditionality – GAEC on Farm Sustainability Tool Article 12(3)

Text proposed by the Commission	Amendment
Member States shall establish a system for providing the Farm Sustainability Tool for Nutrients referred to in Annex III, with the minimum content and functionalities defined therein, to beneficiaries, who shall use the Tool. The Commission may support the Member States with the design of that Tool and with data storage and processing services requirements.	"Member States <i>may</i> shall establish a system for providing the Farm Sustainability Tool for Nutrients referred to in Annex III, with the minimum content and functionalities defined therein, to beneficiaries, who shall use the Tool."

<u>Justification</u>: There must be a balance between the requirements and funding. The current proposal would introduce more requirements while a reduction in funding is proposed. Instead of imposing increasingly strict conditionality requirements, a better intervention logic is to provide farmers with economic incentives under Pillar II to introduce new and modern measures and practices with benefits to climate and the environment.

Amendment 3 Eco-schemes

Article 28

Text proposed by the Commission	Amendment
 Member States shall provide support for voluntary schemes for the climate and the environment ('eco-schemes') under the conditions set out in this Article and as further specified in their CAP Strategic Plans. (b) payments compensating beneficiaries for all or part of the additional costs incurred and income foregone as a result of the commitments as set pursuant to Article 65. 	(1) "Member States shall may provide support for voluntary schemes for the climate and the environment and animal welfare ('eco-schemes')" 6. Support for eco-schemes shall take the form of an annual payment per eligible hectare or/and a per farm, per livestock unit, per beehive payment, and it shall be granted as incentive payments going beyond compensation of additional costs incurred and income foregone, which may consist of a lump sum. In defined cases, beneficiaries may also be compensated for the specific environmental values they commit to protect. (a) deleted The level of payments shall vary according to the level of ambition of sustainability of each intervention or set of interventions, based on non-discriminatory criteria, in order to offer an effective incentive for participation. Payments for commitments going beyond EU legislation (including those on animal welfare) should be made according to the same EU base line.

<u>Justification:</u> So called eco-scheme should be voluntary for the Member States. Instead of obligatory eco-scheme in Pillar I we would rather compensate costs of climate and environmental measures via measures under Pillar II. As for the newly introduced eco schemes, MS should have the flexibility to decide what kind of system they will use for the payments of the agro-environmental climate measures. This would also greatly support the idea of result-based payments, that was strongly introduced in the Commissions communication.

Amendment 4 Environmental commitments, forestry

Article 65

Text proposed by the Commission	Amendment
(5) Under this type of interventions, Member States shall only provide payments covering commitments which:	(5) Under this type of interventions, Member States shall only provide payments covering commitments which:
(a) go beyond the relevant statutory management requirements and standards of good agricultural and environmental condition established under Section 2 of Chapter I of this Title;	(a) go beyond the relevant statutory management requirements and standards of good agricultural and environmental condition established under Section 2 of Chapter I of this Title;
go beyond the minimum requirements for the use of fertiliser and plant protection products, animal welfare, as well as other mandatory requirements established by national and Union law;	go beyond the relevant minimum requirements for the use of 4fertilizer and plant protection products, animal welfare, prevention of antimicrobial resistance , as well as other relevant mandatory requirements established by Union law;
go beyond the conditions established for the maintenance of the agricultural area in accordance with point (a) of Article 4(1);	go beyond the conditions established for the maintenance of the agricultural area in accordance with point (a) of Article 4(1); are different or are complementary to commitments in respect of which payments are granted under Article 28.
are different from commitments in respect of which payments are granted under Article 28.	
(6) Member States shall compensate beneficiaries for costs incurred and income foregone resulting from the commitments made. Where necessary, they may also cover transaction costs. In duly justified cases, Member States may grant support as a flat-rate or as a one- off payment per unit. Payments shall be granted annually.	(6): "Member States shall compensate beneficiaries either in form of incentive-based payments or for costs incurred and income foregone resulting from the commitments made. Where necessary, they may also cover transaction costs. In duly justified cases, Member States may grant support as a flat-rate or as a one-off payment per unit. Payments shall be granted annually."

- (7) Member States may promote and support collective schemes and result-based payments schemes to encourage farmers to deliver a significant enhancement of the quality of the environment at a larger scale and in a measurable way.
- (8) Commitments shall be undertaken for a period of five to seven years. However, where necessary in order to achieve or maintain certain environmental benefits sought, Member States may determine a longer period in the CAP Strategic Plan for particular types of commitments, including by means of providing for their annual extension after the termination of the initial period. In exceptional and duly justified cases, and for new commitments directly following the commitment performed in the initial period, Member States may determine a shorter period in their CAP Strategic Plans.
- (7) Member States may promote and support collective schemes and result-based payments schemes to encourage farmers to deliver a significant enhancement of the quality of the environment at a larger scale and in a measurable way. Payments for commitments going beyond EU legislation, including those on animal welfare and environment, should be made according to the same EU base line.
- (8):"Commitments shall be undertaken for a period of five to seven years. However, where necessary in order to achieve or maintain certain environmental benefits sought, Member States may determine a longer period in the CAP Strategic Plan for particular types of commitments, including by means of providing for their annual extension after the termination of the initial period. Taking into account the long-term nature of forestry, longer commitment periods and longer extension period after initial period may be used for the commitments made to achieve or maintain defined environmental benefits in forests. In exceptional and duly justified cases, and for new commitments directly following the commitment performed in the initial period, Member States may determine a shorter period in their CAP Strategic Plans.

<u>Justification:</u> Based on the experiences from the current programming period, we consider it important that for management commitments including environment and animal welfare going beyond EU legislation payments should be based on the EU legislation and not on the national legislation which is going beyond EU rules. This would ensure a level playing field for farmers across EU. It would also take a step away from the situation today where farmers in MS that have stricter legislation than EU minimum, are actually being penalised and compensated less than farmers in MS with lower standards.

Amendment 5 Risk management

Article 70 (1-3)

Text proposed by the Commission	Amendment
1. Member States shall grant support for risk management tools under the conditions set out in this Article and as further specified in their CAP Strategic Plans.	1. Member States may grant support for risk management tools taking into account their needs and SWOT analyses, under the conditions set out in this Article and as further specified in their CAP Strategic Plans. Member States shall ensure that this provision shall not be to the detriment of private or public national risk management tools.
2. Member States shall grant support under this type of interventions in order to promote risk management tools, which help genuine farmers manage production and income risks related to their agricultural activity which are outside their control and which contribute to achieving the specific objectives set out in Article 6.	2. Support under this type of interventions shall be granted to promote risk management tools, which help farmers manage production and income risks related to their agricultural activity which are outside their control and which
3. Member States may grant in particular the following support:	3. Member States may grant in particular the following support:
	New (a) To set-up or develop income stabilization tools (IST)
(a) financial contributions to premiums for insurance schemes;	(a) financial contributions to premiums for insurance schemes (either individual or collective);
(b) financial contributions to mutual funds, including the administrative cost of setting up;	(b) financial contributions to mutual funds and/or the administrative cost of setting up;
	New (c) financial contributions through national agri-taxation measures
5. Member States shall ensure that support is granted only for covering losses of at least 20% of the average annual production or income of the farmer in the preceding three-year period or a three-year average based on the preceding five-year period excluding the highest and lowest entry.	

<u>Justification:</u> The use of the risk management tools referred to in the Article should be flexible and not mandatory for Member States.

Amendment 6 Minimum and maximum financial allocations

Article 86

Text proposed by the Commission	Amendment
(2) At least 30% of the total EAFRD contribution to the CAP Strategic Plan as set out in Annex IX shall be reserved for interventions addressing the specific environmental- and climate-related objectives set out in points (d), (e) and (f) of Article 6(1) of this Regulation, excluding interventions based on Article 66.	(2): "At least 30 % of the total EAFRD contribution to the CAP Strategic Plan as set out in Annex IX shall be reserved for interventions addressing the specific environmental- and climate-related objectives set out <i>at least</i> in points (d), (e) and (f) of Article 6(1) of this Regulation, excluding interventions based on Article 66."

<u>Justification:</u> The 30 % target for EAFRD contribution reserved for envi-climate interventions is ambitious and needs to be examined further. Given the fact that the ANC measure helps farmers in these areas to continue to sustainably manage the agricultural land. It also plays an essential role in preventing land abandonment, contributing to biodiversity, the natural landscape and to tackling climate change, the importance of ANC support cannot be ignored, and it must continue to be part of the toolbox of environment and climate measures.

Certain interventions will be fully targeted to specific objectives under point 2 target (Article 6(1) points (d), (e) ja (f)) but other interventions have elements that also contribute to the achievement of environment and climate objectives. Already at present, the selection criteria make sure that environmental and climate impacts are included in all operations. The other interventions should also be taken into account in the reporting with varying weights, as it has been done in the current period.

It would be justified, as an option, to allow member states the possibility laid down by the Finnish presidency, to calculate one single percentage for Pillar I & Il contributions reserved for interventions addressing specific environmental- and climate- related objectives.

Amendment 7 Basic income support for sustainability 60 %

Article 86 (4) new

(New) 4a. Member States shall reserve at least 60% of the amounts laid
down in Annex VII for basic income support for sustainability as referred to
in subsection 2 of Section 2 of Chapter II of Title III.

<u>Justification</u>: In order to maintain the position of direct payments as a primary tool to support agricultural incomes, to hedge risks, to offset the costs of producing at higher EU standards, and to enable the delivery of public goods, these payments must form a significant part of Pillar I. Farmers must have effective, direct and stable income support in order for the high EU standards to be compensated.

Amendment 8 Coupled income support

Article 86 (5)

Text proposed by the Commission	Amendment
5. The indicative financial allocations for the coupled income support interventions referred to in Subsection 1 of Section 2 of Chapter II of Title III, shall be limited to a maximum of 10% of the amounts set out in Annex VII.	5. The indicative financial allocations for the coupled income support interventions referred to in Subsection 1 of Section 2 of Chapter II of Title III, shall be limited to a maximum of 13 % of the amounts set out in Annex VII.
By way of derogation from the first sub-paragraph, Member States that in accordance with Article 53(4) of Regulation (EU) No 1307/2013 used for the purpose of voluntary coupled support more than 13% of their annual national ceiling set out in Annex II to that Regulation, may decide to use for the purpose of coupled income support more than 10% of the amount set out in Annex VII. The resulting percentage shall not exceed the percentage approved by the Commission for voluntary coupled support in respect of claim year 2018.	By way of derogation from the first sub-paragraph, Member States that in accordance with Article 53(4) of Regulation (EU) No 1307/2013 used for the purpose of voluntary coupled support more than 13% of their annual national ceiling set out in Annex II to that Regulation, may decide to use for the purpose of coupled income support more than 13% of the amount set out in Annex VII. The resulting percentage shall not exceed the percentage approved by the Commission for voluntary coupled support in respect of claim year 2018.

The percentage referred to in the first subparagraph, may be increased by a maximum of 2%, provided that the amount corresponding to the percentage exceeding the 10% is allocated to the support for protein crops under Subsection 1 of Section 2 of Chapter II of Title III.

The percentage referred to in the first subparagraph, may be increased by a maximum of 2%, provided that the amount corresponding to the percentage exceeding the **13**% is allocated to the support for protein crops under Subsection 1 of Section 2 of Chapter II of Title III.

<u>Justification</u>: Sensitive commodities (special crops and livestock production) contribute to creation and maintenance of jobs in the rural areas and added value creation. In order to maintain this positive development and to provide continuity with the legislation today, the coupled support should be maintained at the current level.

Amendment 9 ANNEX 1

EU Specific objective Contribute to climate change mitigation and adaptation, as well as sustainable energy

Impact indicators

I.9 Improving farm resilience: Index	I.9 Improving farm resilience: Index
I.10 Contribute to climate change mitigation: Reducing GHG emissions from agriculture I.11 Enhancing carbon	I.10 Contribute to climate change mitigation: Reducing GHG emissions and increase removals from agriculture in soils and vegetation
sequestration: Increase the soil organic carbon I.12 Increase sustainable energy in agriculture: Production of	I.11 Enhancing carbon sequestration: Increase the soil organic carbon
renewable energy from agriculture and forestry	I.12 Increase sustainable energy in agriculture: Production of renewable energy from agriculture and forestry

<u>Justification:</u> A carbon balance that could lead to a holistic appreciation of food production could be envisaged only if positive externalities are accounted.

Again the Paris Agreement calls for maintenance and increase of carbon sinks. In agriculture there is no mitigation without adaptation and vice-versa.

EU Specific objective Contribute to climate change mitigation and adaptation, as well as sustainable energy

Result indicators

R.12 Adaptation to climate change : Share of agricultural land under commitments to improve climate adaptation	R.12 Adaptation to climate change: Share of agricultural land under commitments to improve climate adaptation and to maintain or increase yields
R.13 Reducing emissions in the livestock sector: Share of livestock units under support to reduce GHG emissions and/or ammonia, including manure management	R.13 Reducing emissions in the livestock sector: Share of livestock units under support to reduce GHG emissions and/or ammonia, including manure management
R.14 Carbon storage in soils and biomass: Share of agricultural land under commitments to reducing emissions, maintaining and/or enhancing carbon storage (permanent grassland, agricultural land in peatland, forest, etc.) R.15 Green energy from agriculture and forestry: Investments in renewable energy production capacity, including bio-based (MW)	R.(NEW) Sustainable nutrient management: Share of agricultural land under commitments related to improved nutrient management R.14 Carbon storage in soils and biomass: Share of agricultural land under commitments to reducing emissions, maintaining and/or enhancing carbon storage (<i>cropland</i> , permanent grassland, agricultural land in peatland, forest, etc.)
R.16 Enhance energy efficiency: Energy savings in agriculture R 17 Afforested land: Area supported for afforestation and creation of woodland, including agroforestry	R.15 Green energy from agriculture and forestry: Investments in renewable energy production capacity, including bio-based (MW) R.16 Enhance energy efficiency: Energy savings in agriculture R 17 Afforested land: Area supported for afforestation and creation of woodland, including agroforestry

<u>Justification:</u> The Paris Agreement legally binds EU and Member States to foster climate resilience and low greenhouse gas development, in a manner that does not threaten food production.' EU agriculture has reduced its emissions but in order to continue producing under a changing climate, food security has to be linked to improved efficiency and maintenance or increase of crop yields. Agriculture (crop and livestock production, fruits and vegetables, etc.) and

forestry sequestrate carbon through photosynthesis and make it available for food, feed and fiber, i.e. the substitution of carbon-based material. They are the main contributors to bioeconomy and this contribution needs to be supported, acknowledged and accounted for. In agriculture there is no mitigation without adaptation and vice-versa.

EU Specific objective Foster sustainable development and efficient management of natural resources such as water, soil and air

Result indicator

R.18 Improving soils: Share of agricultural land under management commitments beneficial for soil management	R.18 Improving soils: Share of agricultural land under management commitments beneficial for soil management
R.19 Improving air quality: Share of agricultural land under commitments to reduce ammonia emission	R.19 Improving air quality: Share of agricultural land under commitments to reduce ammonia emission
R.20 Protecting water quality: Share of agricultural land under management commitments for water quality	R.20 Protecting water quality: Share of agricultural land under management commitments for water quality
R.21 Sustainable nutrient management: Share of agricultural land under commitments related to improved nutrient management	Delete
R.22 Sustainable water use: Share of irrigated land under commitments to improve water balance	R.22 Sustainable water use: Share of irrigated land under commitments to improve water <i>productivity</i>

<u>Justification FaST in climate change instead of water section:</u> The nutrients management in crops is linked to climate change mitigation as well as with emissions reductions and with water quality. However, it's principle purpose should be to alleviate existing administrative burden, and maintain or increase yields, while reducing input costs, hence improving productivity. Regarding the environmental and climate benefits, which are additional to the economic

and administrative benefits, water quality is not linked only with agriculture, but evidently also with climate change in terms of quantity. The maintenance and increase of yields with less inputs is also beneficial from the point of N2O emissions, hence positive to for GHG emissions reductions. The climate change mitigation and adaptation is an overarching title that includes water quality, in a manner that is coherent and this is why for the sake of coherence this result indicator should be placed in the climate change section.

<u>Justification water productivity:</u> While there can be many interpretations in what needs to be balanced in water use, there is a widely accepted interpretation of what productivity means in water management. For example, drip irrigation and/or fertigation are solutions that have allowed for agriculture to continue functioning in an economic, environmental and socially sustainable way.

EU Specific objective Contribute to the protection of biodiversity, enhance ecosystem services and preserve habitats and landscapes

Impact indicator

I.18 Increasing farmland bird populations: Farmland Bird Index	delete
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Justification: Farmers' actions to improve the farmland bird index are obscured by a number of external factors that influence heavily the bird populations such as changing climate conditions, hunting in third countries, etc. Those factors are not captured by the current birds index resulting in an erroneous interpretation of farmers efforts to improve biodiversity, and more specifically farm birds' numbers. As such, the index is not reliable and adequate to be included as an impact indicator of the future CAP.

Amendment 10 ANNEX 3

ANNEX III

	Protection of carbon-rich soils	of wetland and peatland in sensitive areas	Protection of carbon-rich soils by improving their agricultural practices and/or productivity
			ana/or productivity

Justification: The Paris Agreement, which is legally binding for Member States and the EU as a whole, mentions in its Article 2 on the scope of the Agreement that actions to remain well below 2° and efforts to stay below 1,5°C should foster 'resilience and low greenhouse gas development in a manner that does not threaten food production' (emphasis added). In addition to this legally binding acknowledgment, the EU and its Member States are also morally prompted by the SDGs (SDG 13.2.1) to safeguard food security and to contribute to the global challenge of feeding a growing population. Last but not least, the concentration of carbon-rich soils in some Member States, and even specific areas, underlines also the need for flexibility for Member States to address this issue, as well as the economic importance of agricultural activity for those rural areas. From the above, Copa and Cogeca supports that specific practices, such as low, or no tillage, the use of adequate machinery, water table/nutrient/soil management, etc., are used to protect carbon-rich soils, as long as the economic agricultural activity continues.

GAEC 8	Crop rotation	Preserve the soil potential	practices in arable land except for permanent crops and crops grown underwater	Preserve soil potential and provide certified equivalent measures and joint action while leaving specific derogations for certain permanent and special crops. Reasonable area threshold must be established.

<u>Justification:</u> Soil management tools, including crop rotation, can be useful when linked to local pedoclimatic conditions and farming systems. In that regard the application of flexibility, as well as the equivalence and joint action are important conditions.

GAEC 9	•	Minimum share of agricultural area devoted to non-productive features or areas; Retention of landscape features; Ban on cutting hedges and trees during the bird breeding and rearing season; As an option, measures for avoiding invasive plant species.	GAEC 9	•	agricultural area devoted	

<u>Justification.</u> Land use that stock carbon in the soil and/or in transformed products should be exempted from the obligation to have nonproductive features.

Identification and registration of animals	2008/71/EC of 15 July 2008 on identification and registration of pigs	Identification and registration of animals	Council Directive 2008/71/EC of 15 July 2008 on identification and registration of pigs (OJ L 213, 8.8.2005, p. 31):
	(OJ L 213, 8.8.2005, p. 31): Articles 3, 4 and 5		Articles 3 and 4

<u>Justification:</u> Seeing as the penalties are currently quite severe despite the application of the yellow card system, the identification and registration of animals should be deleted from the conditionality rules.

Identification and registration of animals	SMR 8	European Parliament and of the Council of 17 July 2000 establishing a system for the	Identification and registration of animals	SMR 8	Regulation (EC) No 1760/2000 of the European Parliament and of the Council of 17 July 2000 establishing a system for the identification and registration of bovine animals and regarding the labelling of beef and beef products and repealing Council
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of animals		-			_ , _ ,
		establishing a			labelling of beef and beef
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		identification and			Regulation (EC) No 820/97(OJ L
		registration of			204, 11.8.2000, p. 1):
		bovine animals and regarding the			
		labelling of beef			Article 7
		and beef products			
		and repealing			
		Council Regulation			
		(EC) No 820/97(OJ			
		L 204, 11.8.2000,			
		p. 1):			
		Articles 4 and 7			

<u>Justification:</u> Seeing as the penalties are currently quite severe despite the application of the yellow card system, the identification and registration of animals should be deleted from the conditionality rules.

Identification and registration of animals	SMR 9	Council Regulation (EC) No 21/2004 of 17 December 2003 establishing a system for the identification and registration of ovine and caprine animals and amending Regulation (EC) No 1782/2003 and Directives 92/102/EEC and 64/432/EEC (OJ L 5, 9.1.2004, p. 8): Articles 3, 4 and 5	registration of animals	Council Regulation (EC) No 21/2004 of 17 December 2003 establishing a system for the identification and registration of ovine and caprine animals and amending Regulation (EC) No 1782/2003 and Directives 92/102/EEC and 64/432/EEC (OJ L 5, 9.1.2004, p. 8): Articles 3 and 5

<u>Justification:</u> Seeing as the penalties are currently quite severe despite the application of the yellow card system, the identification and registration of animals should be deleted from the conditionality rules.