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CAP Strategic Plans, EP rapporteur Esther Herranz Garcia

Amendment 1 Permanent grassland

Article 4(1)(b)(iii)

Text proposed by the Commission	Amendment
(iii) 'permanent grassland and permanent pasture' (together referred to as 'permanent grassland') shall be land not included in the crop rotation of the holding for five years or more, used to grow grasses or other herbaceous forage naturally (self-seeded) or through cultivation (sown). It may include other species such as shrubs and/or trees which can be grazed or produce animal feed;	(iii) 'permanent grassland and permanent pasture' (together referred to as 'permanent grassland') shall be land not included in the crop rotation of the holding for five years or more, as well as, where Member States so decide, that has not been tilled for five years or more; and that is used to grow grasses or other herbaceous forage naturally (self-seeded) or through cultivation (sown). It may include other species such as shrubs and/or trees which can be grazed or produce animal feed; "

Justification: The existing definition for permanent grassland should be maintained. The current definition was agreed upon in 2017 in conjunction with the Omnibus package and came into force in the beginning of 2018. Given the recent nature of the change, it seems counterproductive to change it again. Our concern is that, if this option is not mentioned in this Regulation, the decision of the EU Court of Justice (case C-47/13) with a ruling on the definition of crop rotation would make it impossible for Member States to take ploughing into account in the national definition of permanent grassland in the CAP Strategic Plans. Additionally, the Omnibus wording should be further changed from "not ploughed for five years or more" to "not tilled". This would facilitate the monitoring controls e.g. by satellite as there would be no need to specifically analyze whether the area has been tilled by ploughing or other methods

Amendment 2 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 3 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 4 Capping

Article 15 – paragraph 1 – introductory part

Please add the changes accordingly to the full article 15 in full.

Text proposed by the Commission	Amendment
1. Member States shall reduce the amount of direct payments to be granted to a farmer pursuant to this Chapter <i>for a given calendar year exceeding EUR 60 000 as follows:</i>	"Member States shall may reduce the amount of basic income support for sustainability direct payments to be granted to a farmer" or "Member States shall reduce the amount of basic income support for sustainability direct payments to be granted to a farmer pursuant to this Chapter for a given calendar year exceeding EUR 60 000 as follows as further specified in their CAP Strategic Plans:"

<u>Justification</u>: Given the fact that farm structure varies significantly between Member States, Article 15 should be either voluntary for the Member States or Member States should have the option to define the appropriate ceilings for reduction/capping themselves as part of the CAP Strategic Plan. In any case, degression/capping should be applied only for basic income support.

Amendment 5 Complementary redistributive income support for sustainability

Text proposed by the Commission	Amendment

Member States shall provide for a complementary redistributive
income support for sustainability ('redistributive income support') under
the conditions set out in this Article and as further specified in their CAP
Strategic Plans.

(1) Member States **shall may** provide for a complementary redistributive income support for sustainability ('redistributive income support') under the conditions set out in this Article and as further specified in their CAP Strategic Plans.

<u>Justification</u>: Article 26 does not support the goal of simplification and should be voluntary for Member States

Amendment 6 Eco-schemes

Article 28

Text proposed by the Commission	Amendment
 (1) 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. (6) (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 ('eco-schemes')" (6) (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. In defined cases, beneficiaries may also be compensated for the specific environmental values they commit to protect.

<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 7 Coupled support

Article 29

Text proposed by the Commission	Amendment
(2) The Member States' interventions shall help the supported sectors and productions or specific types of farming therein listed in Article 30 addressing the difficulty or difficulties they undergo by improving their competitiveness, their sustainability or their quality.	(2): "The Member States' interventions shall help the supported sectors and productions or specific types of farming therein listed in Article 30 addressing the difficulty or difficulties they undergo by improving their competitiveness, their sustainability or their quality. Member States may decide in their CAP Strategic plans to add more supported sectors to those listed in Article 30 based on justification included in their assessment of needs."

Justification: As the CAP aims at securing profitable food production throughout the EU MS should have greater flexibility to decide which sectors and products, based on analyses in the National CAP strategic plan, are facing difficulties and therefore are in need of coupled support, as production possibilities varies greatly between countries. Coupled income support for farmers is efficient way to allocate funds accurately.

Amendment 8 Environmental commitments, forestry

Text proposed by the Commission	Amendment

- (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 flatrate 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.

- (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. 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, is actually being penalised and compensated less than farmers in MS with lower standards.

Amendment 9 Investments; holding size, forestry

Article 68

Text proposed by the Commission	Amendment
(2) Member States may only grant support under this type of interventions for tangible and/or intangible investments, which contribute to achieving the specific objectives set out in Article 6. Support to the forestry sector shall be based on a forest management plan or equivalent instrument.	(2): "Member States may only grant support under this type of interventions for tangible and/or intangible investments, which contribute to achieving the specific objectives set out in Article 6. For holdings above a certain size, to be determined by the Member States, support to the forestry sector shall be based on a forest management plan or equivalent instrument."
(4c) investments in the restoration of agricultural or forestry potential following natural disasters or catastrophic events and investments in appropriate preventive actions in forests and in the rural environment.	(4)(c): "investments in the restoration of agricultural or forestry potential following natural disasters or catastrophic events and investments in appropriate preventive actions in forests and in the rural environment and investments in maintenance of the health of forests."

Justification: Given the fact that forestry and forest owners vary greatly between MS and also within MS, there should be flexibility to decide in which cases a forest management plan is needed. This should be determined in the strategic plan. Even more important than restoration of forestry potential after a natural disaster is investments to improve resilience and to take preventive measures to maintain a good health situation and thereby avoid, to the extent possible, damages on forestry.

Amendment 10

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.
- 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.
- (1): "Member States **shall may** grant support for risk management tools under the conditions set out in this Article and as further specified in their CAP Strategic Plans."
- (2): "Member States shall may 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."

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

Amendment 11 Minimum and maximum financial allocations

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.

Amendment 12 Basic income support for sustainability 60 %

Article 86.4.a (new), also in recital 26 (new)

Text proposed by the Commission	Amendment
-	(Recital 26b) Basic income support for sustainability is the main support provided by the CAP for stabilising the income of farms, and it is therefore necessary for a substantial part, amounting to at least 70-60 per cent of the allocations laid down in Annex VII to this Regulation, to be earmarked for this form of support. Article 86.4.a. At least 70-60 per cent of the amounts laid down in Annex VII must be earmarked for basic income support for sustainability as referred to in Subsection 1-2 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 13 carbon rich soils

Annex III GAEC 2

Amendment
GAEC 2: "Protection of carbon-rich soils by improving their agricultural practices"

Justification: The Paris Agreement 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' Also 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, we support 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 continuous.

Amendment 14 Preserving soil potential

Annex III GAEC 8

Text proposed by the Commission	Amendment
Crop rotation Preserve the soil potential	GAEC 8: "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 flexibility, as well as the equivalence and joint action are important conditions.