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'I/A' ITEM NOTE

From: General Secretariat of the Council
To: Special Committee on Agriculture/Council

Subject: Draft REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the financing, management and monitoring of the common agricultural policy and repealing Regulation (EU) No 1306/2013 (**first reading**)
- Adoption of the legislative act
= Statements

Statement by the Czech Republic supported by Belgium, Bulgaria, Estonia, Finland, Greece, Hungary, Ireland, Latvia, Luxembourg, the Netherlands, the Slovak Republic and Spain on simplification of the new common agricultural policy of the European Union

The Czech Republic supported by Belgium, Bulgaria, Estonia, Finland, Greece, Hungary, Ireland, Latvia, Luxembourg, the Netherlands, the Slovak Republic and Spain hereby emphasize the importance of simplification and reduction of bureaucracy within the new Common Agricultural Policy and its implementation.

At the time of publication of the legislative proposals of the new CAP, the European Commission declared that the new policy would be simplified. A lot of simplification effort was made in the legislative process of adoption of the three basic CAP regulations but the secondary EU legislation and national legislations are still to be created.

In this context, if substantial simplification is not possible, it is important to make sure that unnecessary administrative burden be avoided.

Therefore, the Czech Republic, Belgium, Bulgaria, Estonia, Finland, Greece, Hungary, Ireland, Latvia, Luxembourg, the Netherlands, the Slovak Republic and Spain call on the European Commission to ensure that the requirements in secondary legislation are in line with the basic acts, at no circumstances go beyond the political agreement and Commission's empowerment. These Member States ask the Commission to keep the level of detail of the implementing and delegated acts to an absolute minimum and leave details of implementation for the Member States so that they are able to adapt the CAP to their specific conditions in line with principle of subsidiarity.

Statement by Latvia to the Post 2020 CAP reform package

Latvia supports that after extensive discussions post 2020 CAP reform package comes into force on January 2022. It will provide that Member states are able to introduce new CAP measures and that farmers can put into practice new agricultural, climate and environmental and other requirements with no further delays.

However, we recall that at the very last stage of the negotiations new elements and conditions were included in the legal acts or were significantly changed without its practical implementation being thoroughly discussed, namely:

- **Good agricultural and environmental conditions (GAECs):**
 - GAEC 1:** the legal gap should be solved and the option of transitional rules on adjustment of reference year should be envisaged in order to avoid unfair penalising of farmers in 2023 for conversion of permanent grasslands into arable land since 2018, at the time when conversion was not considered as infringement of rules.
 - GAEC 7:** crop diversification shall be alternative of crop rotation at national level. Otherwise part of productive holdings will be strictly limited in their production options.
- **the requirement to divert 10% of direct payment envelope for the redistributive payment** considerably diminishes the income support that we can attribute for the competitiveness of our farmers by means of direct payments. Meanwhile, other instruments, in particular in 2nd pillar, are as well targeted to support small and medium size farmers.

- it must be recognized that by imposing EU financing limits **reform of CAP regulation misses the opportunity to motivate smaller farmers to organize in producer organisations** and obtain greater market power.

Significant efforts and CAP financial resources (25% of DP and 35% of RD) will be devoted to meeting climate and environmental requirements. We believe that the weight on farmers and food producers imposed by **the recently increased ambitions of CAP does not correspond with the financial means available for CAP implementation.** This will particularly affect Member states with low CAP funding and reduced financial allocations (rural development, school scheme) and will jeopardise the achievement of the CAP's main objective of farming and food production.

And it must be acknowledged that the objective of the CAP reform, simplification, unfortunately has not been achieved and the New Delivery Model increases even more administrative burden for the administrations and has made the new approach more complex.

Nevertheless, to move forward with the CAP reform **in the spirit of compromise Latvia votes YES on legislative proposals of the CAP reform.**
