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NOTE

From:	General Secretariat of the Council
To:	Delegations
No. Cion doc.:	9645/18 + COR 1 + ADD 1
Subject:	Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing rules on support for strategic plans to be drawn up by Member States under the Common agricultural policy (CAP Strategic Plans) and financed by the European Agricultural Guarantee Fund (EAGF) and by the European Agricultural Fund for Rural Development (EAFRD) and repealing Regulation (EU) No 1305/2013 of the European Parliament and of the Council and Regulation (EU) No 1307/2013 of the European Parliament and of the Council *- Declaration of Bulgaria, Croatia, Czech Republic, Hungary, Poland, Romania, Slovakia and Slovenia on the future of coupled income support in the Common Agricultural Policy*

Delegations will find in the Annex a Declaration of Bulgaria, Croatia, Czech Republic, Hungary, Poland, Romania, Slovakia and Slovenia on the future of coupled income support in the Common Agricultural Policy.

ANNEX

FUTURE OF COUPLED INCOME SUPPORT IN THE COMMON AGRICULTURAL POLICY – DECLARATION OF BULGARIA, CROATIA, CZECH REPUBLIC, HUNGARY, POLAND, ROMANIA, SLOVAKIA AND SLOVENIA

Many sensitive sectors in European Union agriculture face difficulties due to various factors. Situations among Member States vary according to their specific conditions. Therefore, it is essential to ensure adequate support to the sectors concerned to prevent socio-economic and environmental damage.

The COVID-19 pandemic situation has highlighted the importance of agriculture for society in general. Agricultural production in the EU together with a functioning internal market and international trade are of key importance. Moreover, the situation concerning the COVID-19 pandemic has clearly shown how important voluntary coupled support is for many sensitive sectors in the EU.

Certain sectors are influenced by high volatility of producer prices, changing weather conditions, climate change, and, last but not least, market crises. The result is inadequate or substantially inconsistent production profitability and a gradual reduction in the production of strategically important agricultural products, the acquisition of which puts high demands on expertise and the number of workers and technological equipment. This leads to loss of jobs, not only directly connected to these products, but also in the processing industry, along with the gradual abandonment of rural areas. At the same time, the structure of cultivated crops has been changing, resulting in a negative effect on soil fertility, biodiversity, water management or erosion.

Some sectors with the current financial allocation do not reach a satisfactory level of profitability or the coveted level of production. The production incentives are not sufficient to maintain diversified and sustainable production structures in the EU Member States and some sensitive sectors are endangered by leaving the demanding production or cultivation in favour of monocultures. Therefore, according to **Bulgaria, Croatia, the Czech Republic, Hungary, Poland, Romania, Slovakia,** and **Slovenia** in order to improve the competitiveness, sustainability and viability of these sectors, it is necessary to provide adequate financial allocation of coupled income support to all sensitive sectors.

To achieve long term sustainability for sensitive agricultural sectors, the financial allocation for coupled income support proposed by the European Commission is highly insufficient. A reduced share from a reduced overall CAP budget threatens to cause a significant deterioration for the sensitive sectors.

Bulgaria, Croatia, the Czech Republic, Hungary, Poland, Romania, Slovakia, and **Slovenia** welcome the last Presidency proposal for keeping the status quo in coupled income support percentages at the level of 13+2%. **For the signatories the status quo is the lowest acceptable level.** However, in order to effectively support our key sensitive sectors and ensure their long term viability, **increasing support above the current level and a more flexible approach would be a positive step forward.**