

Circulation: full

Date: 11/05/15

Ref: CAP simplification May 2015

Contact: Gail Soutar

Tel: 02476858542

CAP simplification – update Spring 2015

At the end of January, Commissioner Hogan wrote to member states and the European Parliament calling for suggestions to simplify the CAP. The NFU [identified a number of priorities](#) and these were sent directly to the Commission and to Defra. The member states have now agreed a set of political “[Council conclusions](#)” and a list of priority issues to be addressed on CAP simplification. The purpose of this briefing paper is to highlight those member state priorities and lay out next steps and NFU reaction.

Council conclusions

The Council's conclusions give the European Commission the mandate and political steer to take further action on CAP simplification. Specifically the Commission is invited to present simplification initiatives in the autumn of 2015, taking into account the present conclusions and considering any further simplification initiatives in due course. The member states have also committed to assessing in 2016 the progress made regarding CAP simplification.

Commissioner Hogan laid out a number of principles when he launched the simplification initiative:

- The basic political decisions taken in 2013 should, in principle, stay in place.
- Proposals should not lead to a weakening of sound financial management or any increase in errors in CAP expenditure, and
- Priority should be given to those areas about which farmers and other beneficiaries are most concerned and where most would benefit from a reduction in the administrative burden.

The Council conclusions re-affirms those principles, adding that “*CAP simplification should not lead to deregulation or restricted access to CAP support*”; and should “*improve the clarity of legislation and its consistency, particularly between the first and second pillars....as well as between basic acts, Commission acts and Commission guidelines.*”

The reality is therefore that this CAP simplification exercise will focus almost entirely on adjusting the existing rules to make them less burdensome, whilst adhering closely to the principles of subsidiarity and proportionality. This is as opposed to any significant changes that shift the current CAP policy onto a different trajectory.

The Council calls for particular attention to be paid to;

- Making EU legislation easier to understand and to implement on the ground, therefore increasing transparency and legal certainty;
- Taking account of specific national and regional situations;
- Reducing administrative burden and associated costs for farmers, other beneficiaries, producer organisations and national administration.

With respect proportionality, a vital issue for the NFU, the Council conclusions acknowledge “*2015 will be difficult for farmers and national administrations, especially as regards putting into effect the new direct payments scheme and new rural development measures. Therefore, flexibility should be applied, consistent with the legal framework, as regards the first year of CAP implementation: and invites the Commission to focus on advice and preventive measures.*”

On the face of it this sounds very positive, and indeed it is, however the caveat that flexibility should “*be consistent with the legal framework*” suggests that no changes to the legal framework will be forthcoming in this area. Farmers who inadvertently fail to fully comply with the new greening requirements will still lose part of their payment, albeit they wouldn’t face additional penalties on top in the early years. This is clearly very disappointing and the NFU would want the member states to go further, specifically introducing allowances and thresholds to the legislation for 2015 covering minor mistakes.

List of priority issues

The Council’s list of priorities flags up issues to be addressed in the basic act (as agreed by the 3 Institutions during the CAP reform negotiations) as well as issues with the delegated and/ or implementing acts (secondary legislation that is typically subject to much less scrutiny). It is noted that not all of the issues are always of concerns to other/ all member states; however the list only covers issues which met some degree of support among member states.

The full list of priority issues is available [here](#). It includes a number of issues highlighted by the NFU in its response, including

- Tolerances for non-compliance with greening rules to minimise the impact of payment withdrawals.
- A more sensible and pragmatic approach to mapping requirements
- A review of the secondary criteria associated with qualifying EFA features
- Removal of secondary eligibility criteria associated with catch crops
- A streamlining of the number of “on the spot inspections”
- A review of the cross compliance sanctions to make the regime more proportionate

Commissioner Hogan’s commitments

In response to the Council conclusions, Commissioner Hogan announced during the Agriculture Council on 11th May that he would take some concrete action which would be implemented immediately and could therefore be taken into account for the 2015 claim. These actions will be presented to member states on the 20th May and relate to guidance documents produced by the Commission. They specifically cover;

- EFA layer: addressing the recommendation for member states to map as many EFAs as possible. The Commission has now accepted that those member states that wish to, should map only the EFAs declared, as opposed to all potential EFAs not covered by declarations.
- Flexibility as regards the identification of EFAs in the EFA layer (no further details).
- Flexibility to allow hedges and wooded strips with gaps up to 4meters.
- With regards adjacent EFAs, in duly justified cases, the Commission will accept flexibility as regards requirement that the EFA must be adjacent to the arable parcel. This means a limited buffer area between the boundary and the EFA will be acceptable.
- A simplified approach to the LPIS as regards identification of some specific types of permanent grasslands (no further details).
- In case of wrong declaration, the Commission will accept that a missing EFA may be compensated by another EFA found in the same parcel, even if the latter has not been declared.
- Pure leguminous crops (such as alfalfa) should not be considered by definition as permanent grassland after 5 years.
- The period of declaration of land lying fallow as EFA and the period under agri-environmental commitments will not be taken into account for the calculation of the 5 year period for permanent grassland.

Furthermore the Commissioner has made a commitment to present a package of changes to the implementing and delegated acts later this year (after the summer break) to apply for future claim

years. This is to cover direct payments elements including conditions for the young farmers' aid, coupled aid and the IACS rules.

NFU Reaction

There is an urgent need to simplify the CAP rules. The efforts of the Commissioner and the member states is to be welcomed and the concrete measures presented by Commissioner Hogan to apply for the 2015 claim will provide some limited flexibility for farmers. However the overall level of clear ambition falls short of our expectations with respect implementation in the first year.

Delays in decision making, failure to issue guidance in a timely manner, the development of an entirely new application process that has proven not to be fit for purpose in England, as well as a failure to communicate the impact of non-compliance, leaves farmers in an incredibly difficult and uncertain predicament. It is vital that the Commission, RPA inspectors and auditors are aware, that this situation was not of the farmers' making. We continue to call for specific changes to the rules to foresee greater tolerances in cases where farmers are close to fulfilling the requirements, but unfortunately fall short.

We look to the Commission to translate the simplification initiative into meaningful action that will genuinely benefit farmers on the ground. As an organisation, we have consistently advocated a CAP policy that increases farming's "market orientation", increases farmers' competitiveness in the global market, strengthens the position of farmers in the supply chain and remains as common and simple as possible. Our view is that the last reform failed on all counts and has run contrary to progress made in previous CAP reforms. The NFU will continue efforts to put the CAP back onto a better footing for the future.