



# **VOLUNTARY COUPLED SUPPORT AND YOUNG FARMER PAYMENTS UNDER PILLAR 1**

**Civil Dialogue Group on Animal  
Products – Sheep&Goat**

**30/06/2015**

*DG Agriculture and Rural Development  
European Commission*

Agriculture  
and Rural  
Development

## Outline

- 1. Voluntary Coupled Support (VCS) in general**
- 2. VCS for sheepmeat & goatmeat**
- 3. Young farmer payments under pillar 1**

## Regulatory framework

- Legal basis: Chapter 1 of Title IV of Regulation (EU) No 1307/2013
- Delegated act: Section 1 of Chapter 5 of Com. Del. Reg. (EU) No 639/2014
- Impl. act: Section 1 of Chapter 4 of Com. Impl. Reg. (EU) No 641/2014

## Main rules:

- Member States may grant VCS to types of farming/specific sectors that are particularly **important** for economic/social/environmental reasons and undergo certain **difficulties**;
- Objective: VCS may only be granted to the extent necessary to create an incentive to **maintain current levels of production**;

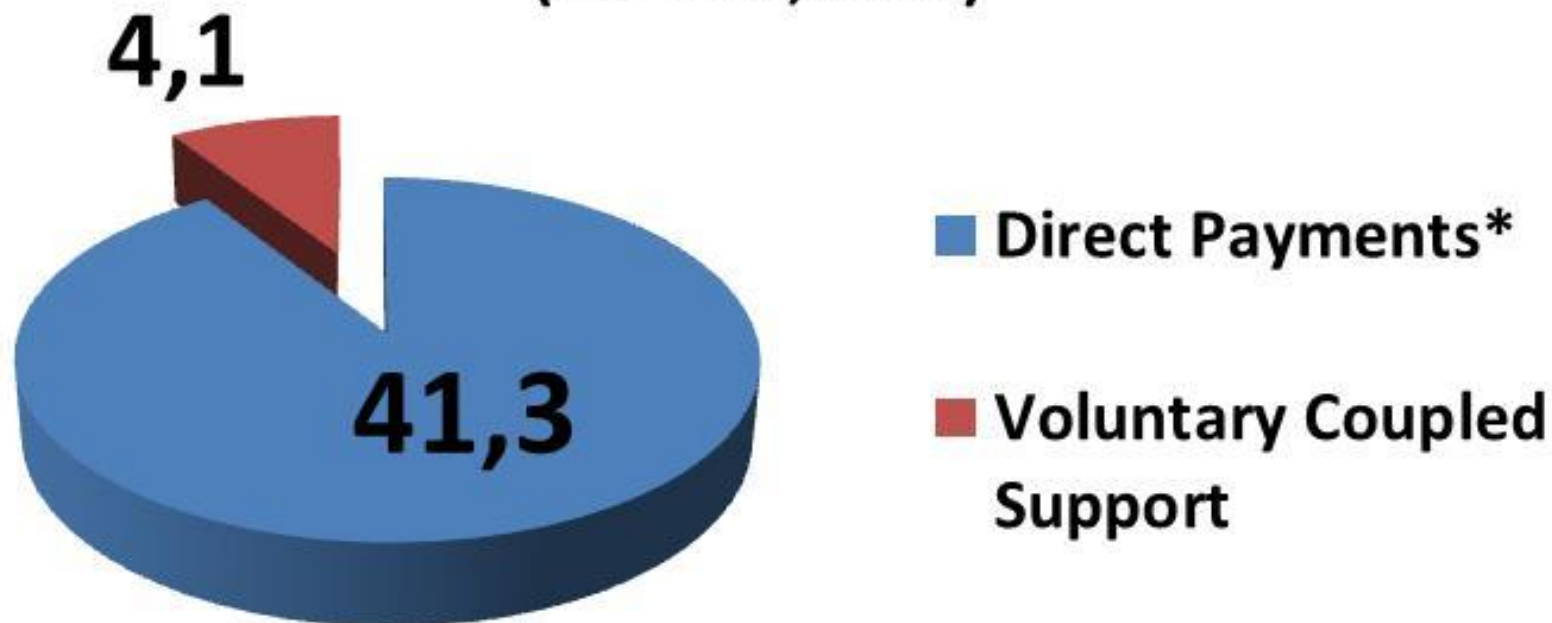
## Regulatory framework

- Eligible sectors: **21 sectors** (incl. sheep&goat)
- VCS ceiling per Member State:
  - Maximum **8(+2)%** share from the national direct payment ceiling;
  - Under certain circumstances, this may go **up to 13(+2)%**;
  - Higher share is possible only under specific conditions and upon Commission approval;
- **Unit rate:**
  - Based upon the difficulty in light of the objective (maintain production level);
  - MS enjoy certain flexibility during the implementation;

## Regulatory framework

- **Quantitative limit per measure** (WTO 'blue box');
- **Envelope fixed for the financing of each measure** (QL; unit rate);
- **Form of VCS: annual payment;**
- **The Commission is not empowered to approve/reject the notifications**, Member States bear full responsibility for their decisions (exception: more than 13(+2)% -> PT, FI, BE);
- **MS may revise their decisions by 1/8/2016**, with applicability as from 1/1/2017;

## Share of VCS from the Direct Payment budget (bio EUR, 2015)

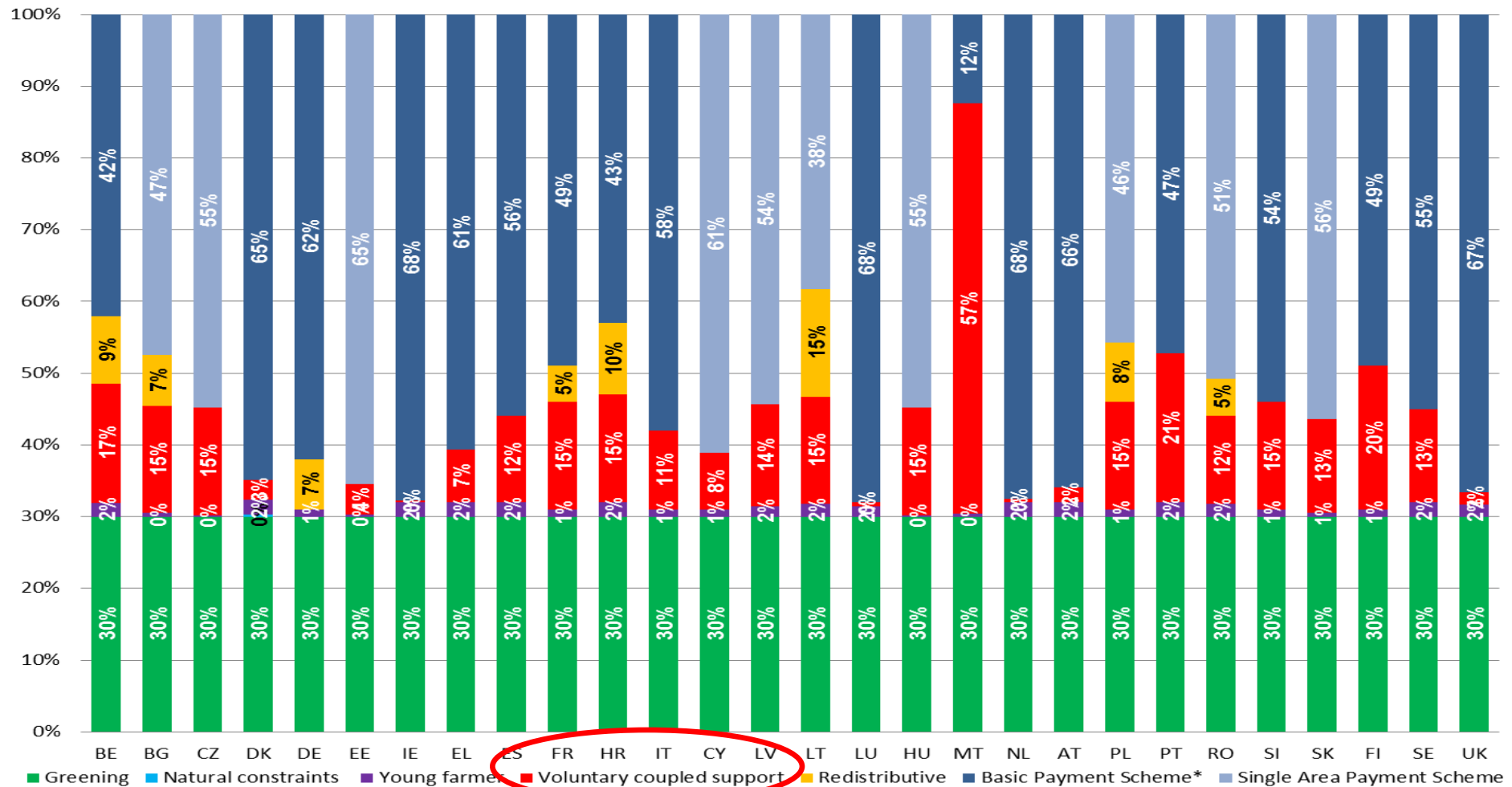


*\* Sum of national ceilings in Annex II of Regulation (EU) No 1307/2013*

- The DP budget will be **EUR 41,3–42,2 billion per year** between 2015 and 2020
- From this, MS earmarked **EUR 4,1-4,2 billion per year** (i.e. 10%) for VCS

# Direct Payments: Summary of main MS decisions

Direct payments - Overview of percentages of national ceilings allocated by scheme (2015)



## Voluntary coupled support (VCS)

IE	NL	LU	UK	AT	DK	EE	EL	CY	IT	ES	RO	SK	SE	LV	BG	CZ	FR	HR	LT	HU	PL	SI	BE	FI	PT	MT
0.2%	0.5%	0.5%	1.7%	2.1%	2.8%	4.2%	7.4%	7.9%	11%	12%	12%	13%	13%	14%	15%	15%	15%	15%	15%	15%	15%	15%	17%	20%	21%	57%

- 9 MS with **less than 8(+2)%**
- 4 MS between 8(+2) and 13(+2)%
- 11 MS will use the **maximum percentage of 13%** with 9 of them also using all or part of the additional 2% available in case a corresponding percentage is dedicated to supporting the protein crops sector
- **3 MS** needed approval from the Commission to allocate **more than 13(+2)%** to the VCS (BE, FI, PT)

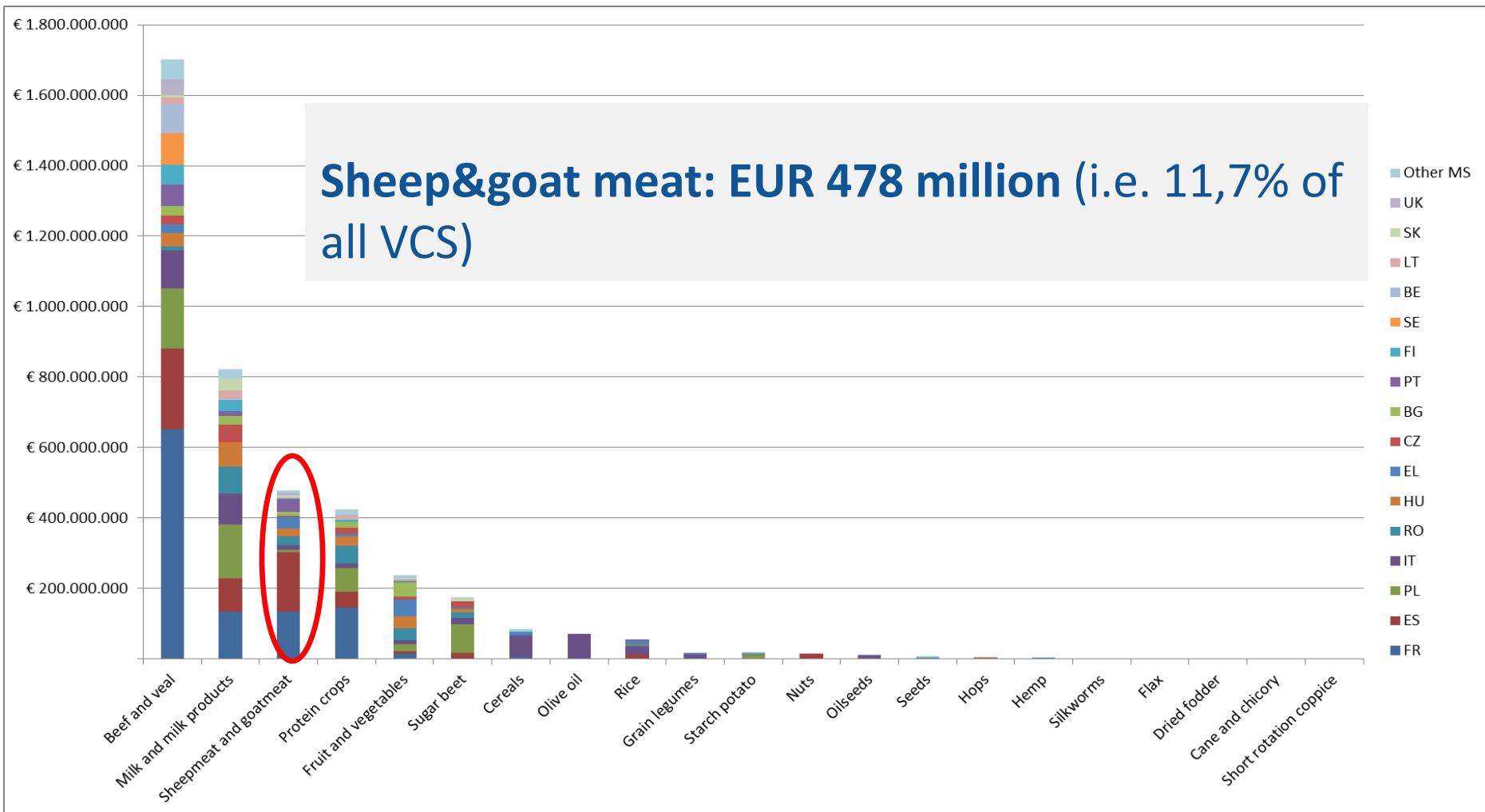


## Voluntary coupled support (VCS)

Sector	AT	BE	BG	CY	CZ	DK	EE	EL	ES	FI	FR	HR	HU	IE	IT	LT	LU	LV	MT	NL	PL	PT	RO	SE	SI	SK	UK	Share of total VCS
Beef	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	42%
Cereals								✓		✓	✓				✓			✓							✓			2%
Flax																					✓							0%
F&V			✓	✓	✓		✓	✓	✓	✓	✓	✓	✓		✓	✓		✓	✓		✓	✓	✓		✓	✓		5%
Grain legumes								✓	✓														✓					0%
Hemp											✓										✓		✓					0%
Hops					✓						✓										✓		✓			✓		0%
Milk		✓	✓	✓	✓		✓		✓	✓	✓	✓	✓		✓	✓		✓	✓		✓	✓	✓			✓		20%
Nuts									✓																			0%
Oilseeds															✓			✓										0%
Olive oil															✓													2%
Protein crops			✓		✓			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			✓		✓		✓			11%
Rice								✓	✓				✓		✓							✓	✓					1%
Seeds								✓			✓							✓					✓					0%
Sheep & goats	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓		✓	✓		✓	✓	✓	✓	✓	✓			✓	✓	12%
Silkworms								✓															✓					0%
Starch potato					✓					✓	✓							✓			✓							0%
Sugar beet					✓			✓	✓	✓		✓	✓		✓						✓		✓			✓		4%

Sheep&goat meat: 40 measures in 23 MS

# VCS: targeted sectors and earmarked amounts (in EUR, 2015)



# VCS / sheep&goat meat: MS decisions about amounts fixed for the financing

MS/ regions	Measure	Total amount of aid (in MEUR)					
		2015	2016	2017	2018	2019	2020
<i>EU-28, total</i>		€477.98	€480.86	€483.97	€487.30	€490.47	€495.95
<i>France</i>	<i>Sheep and goat</i>	€135.25	€134.67	€134.08	€133.62	€133.16	€137.75
<i>Greece</i>	<i>Sheep and goat</i>	€33.20	€32.81	€32.42	€32.06	€31.70	€31.70
<i>Romania</i>	<i>Sheep and goat</i>	€24.50	€28.00	€31.50	€35.00	€38.50	€42.00
<i>Spain</i>	<i>Sheep and goat</i>	€168.54	€168.54	€168.54	€168.54	€168.54	€168.54
<i>Portugal</i>	<i>Sheep and goat</i>	€35.90	€35.90	€35.90	€35.90	€35.90	€35.90
<i>Italy</i>	<i>Sheep and goat</i>	€15.02	€14.83	€14.63	€14.44	€14.26	€14.26
<i>Hungary</i>	<i>Sheep</i>	€22.00	€21.98	€21.96	€21.96	€21.95	€20.75
<i>Bulgaria</i>	<i>Sheep and goat</i>	€11.17	€11.17	€11.17	€11.17	€11.17	€11.17
<i>Croatia</i>	<i>Sheep and goat</i>	€2.16	€2.39	€2.84	€3.29	€3.74	€3.60
<i>Cyprus</i>	<i>Sheep and goat</i>	€0.73	€0.73	€0.73	€0.73	€0.73	€0.73
<i>Slovakia</i>	<i>Sheep and goat</i>	€5.70	€5.74	€5.78	€5.83	€5.87	€5.13
<i>Poland</i>	<i>Sheep and goat</i>	€4.92	€4.95	€4.97	€5.00	€5.03	€4.46
<i>Czech R.</i>	<i>Sheep and goat</i>	€2.84	€2.84	€2.84	€2.92	€2.92	€2.98
<i>Austria</i>	<i>Sheep and goat</i>	€0.91	€0.91	€0.91	€0.91	€0.91	€0.91
<i>Lithuania</i>	<i>Sheep and goat</i>	€2.17	€2.30	€2.43	€2.56	€2.69	€2.69
<i>UK Scotland</i>	<i>Sheep</i>	€7.89	€7.91	€7.92	€7.95	€7.97	€7.97
<i>Finland</i>	<i>Sheep</i>	€2.60	€2.60	€2.60	€2.60	€2.60	€2.60
<i>Netherlands</i>	<i>Sheep</i>	€1.10	€1.10	€1.10	€1.10	€1.10	€1.10
<i>Estonia</i>	<i>Sheep and goat</i>	€0.40	€0.40	€0.40	€0.40	€0.40	€0.40
<i>Belgium Wl.</i>	<i>Sheep</i>	€0.66	€0.65	€0.64	€0.63	€0.62	€0.62
<i>Latvia</i>	<i>Sheep</i>	€0.25	€0.40	€0.55	€0.63	€0.63	€0.63
<i>Malta</i>	<i>Sheep</i>	€0.08	€0.08	€0.08	€0.08	€0.08	€0.08

# VCS / sheep&goat meat: MS decisions about quantitative limit and unit rate

MS/ regions	Measure	Applicable quantitative limit (heads)	Amount per unit (heads), EUR					
			2015	2016	2017	2018	2019	2020
<i>EU-28, total</i>		26,050,881	18	18	19	19	19	19
<i>France</i>	<i>Sheep and goat</i>	6,057,000	13-27	13-27	13-27	13-27	13-27	14-27
<i>Greece</i>	<i>Sheep and goat</i>	5,450,000	5-7	5-7	5-7	5-7	5-7	5-7
<i>Romania</i>	<i>Sheep and goat</i>	3,500,000	7	8	9	10	11	12
<i>Spain</i>	<i>Sheep and goat</i>	3,247,516	6-28	6-28	6-28	6-28	6-28	6-28
<i>Portugal</i>	<i>Sheep and goat</i>	1,889,790	19	19	19	19	19	19
<i>Italy</i>	<i>Sheep and goat</i>	1,847,400	6-10	6-10	6-10	6-10	6-10	6-10
<i>Hungary</i>	<i>Sheep</i>	968,000	23	23	23	23	23	21
<i>Bulgaria</i>	<i>Sheep and goat</i>	929,655	6-31	6-31	6-31	6-31	6-31	6-31
<i>Croatia</i>	<i>Sheep and goat</i>	500,000	4	5	6	7	7	7
<i>Cyprus</i>	<i>Sheep and goat</i>	433,100	10	10	10	10	10	10
<i>Slovakia</i>	<i>Sheep and goat</i>	359,495	16	16	16	16	16	14
<i>Poland</i>	<i>Sheep and goat</i>	221,097	8-25	8-25	8-25	8-25	8-25	8-25
<i>Czech R.</i>	<i>Sheep and goat</i>	132,827	21	21	21	22	22	22
<i>Austria</i>	<i>Sheep and goat</i>	131,663	2-9	2-9	2-9	2-9	2-9	2-9
<i>Lithuania</i>	<i>Sheep and goat</i>	107,672	20-24	21-25	22-27	23-28	25-30	25-30
<i>UK Scotland</i>	<i>Sheep</i>	83,413	100	100	100	100	100	100
<i>Finland</i>	<i>Sheep</i>	68,642	28-98	28-98	28-98	28-98	28-98	28-98
<i>Netherlands</i>	<i>Sheep</i>	46,325	24	24	24	24	24	24
<i>Estonia</i>	<i>Sheep and goat</i>	26,392	15	15	15	15	15	15
<i>Belgium Wl.</i>	<i>Sheep</i>	23,887	27	27	27	26	26	26
<i>Latvia</i>	<i>Sheep</i>	21,988	11	18	25	29	29	29
<i>Malta</i>	<i>Sheep</i>	5,019	15	15	15	15	15	15

# Young farmer payment under pillar 1

# Young farmer payment under pillar 1 (1/3)

## General rules

- Eligible farmers:
  - setting up for the first time
  - no more than 40 years of age in the year of their first application for the scheme
  - *(MS choice) possessing appropriate skills and/or training requirements defined by MS*
- Payment granted for a period of maximum five years (linked to the setting up and the first application for the scheme), not operational aid
- Ceiling: up to 2 % of the direct payments' envelope
- Amount of the payment depends on the calculation method decided by a MS

## Young farmer payment under pillar 1 (2/3)

DK	IE	EL	ES	HR	NL	AT	PT	SE	BE	RO	LT	UK	LV	LU	DE	FR	IT	CY	PL	SI	FI	SK	BG	MT	EE	CZ	HU
2%	2%	2%	2%	2%	2%	2%	2%	2%	1,9%	1,8%	1,8%	1,7%	1,5%	1,5%	1%	1%	1%	1%	1%	1%	1%	0,5%	0,5%	0,4%	0,3%	0,2%	0,2%

- Member States notified the share of the national ceilings they **estimate** they will need for the YFP in 2015 by 1 August 2014
- For EU-28, this amounts to **1.34% of total DP in 2015**
- If amount needed in a Member State exceeds the percentage notified, possibility to reduce BPS payments to all
- But **2% can never be exceeded**
- Possibility to review the percentage estimated on 1 August of each year for the following year

## Young farmer payment under pillar 1 (3/3)

### II Calculation methods of the payment (MS choice)

**A:**

○ Number of entitlements activated by the farmer multiplied by:

- 25 % of the average value of entitlements held by a farmer
- 25 % of the 'basic payment's flat rate'

○ Number of eligible ha declared by a farmer (only in SAPS MS) multiplied by:

- 25 % of the SAPS rate

or

- 25 % of the national average payment per ha

or

MS to set a limit of PEs (has) not below 25 and not above 90

or

**B:**

○ An annual lump-sum payment irrespective of the size of a holding

- 25 % of the national average payment per ha multiplied by the average farm size of young farmers (based on aid applications in 2015, but MS can review that figure if deemed necessary)

○ Not more than the total amount of basic payment of that holding in the given year



# Young farmer payment – notifications from Member States (1/2)

MS	Payment to farmer					
	Calculated as 25 % of the				and with the maximum limit of	As a lump sum amount per farm
	Average value of entitlements held by a farmer	"BPS flat rate"	Single area payment	National average payment per ha		
Belgium Flanders				Y	90 ha/entitlements	N
Belgium Wallonia				Y	90 ha/entitlements	N
Bulgaria			Y		30 ha/entitlements	N
Czech Republic			Y		90 ha/entitlements	N
Denmark				Y	90 ha/entitlements	N
Germany		Y			90 ha/entitlements	N
Estonia			Y		39 ha/entitlements	N
Ireland				Y	50 ha/entitlements	N
Greece	Y				25 ha/entitlements	N
Spain	Y				90 ha/entitlements	N
France				Y	34 ha/entitlements	N
Croatia		Y			25 ha/entitlements	N
Italy	Y				90 ha/entitlements	N
Cyprus				Y	90 ha/entitlements	N
Latvia				Y	90 ha/entitlements	N
Lithuania				Y	90 ha/entitlements	N
Luxembourg						Y
Hungary				Y	90 ha/entitlements	N
Malta	Y				90 ha/entitlements	N
Netherlands				Y	90 ha/entitlements	N
Austria				Y	40 ha/entitlements	N
Poland				Y	50 ha/entitlements	N
Portugal		Y			90 ha/entitlements	N
Romania			Y		60 ha/entitlements	N
Slovenia				Y	90 ha/entitlements	N
Slovakia				Y	28 ha/entitlements	N
Finland				Y	90 ha/entitlements	N
Sweden				Y	90 ha/entitlements	N
United Kingdom England	Y				90 ha/entitlements	N
United Kingdom Northern Ireland				Y	90 ha/entitlements	N
United Kingdom Scotland	Y				90 ha/entitlements	N
United Kingdom Wales		Y			25 ha/entitlements	N

## Levels of aid/ha will vary

- 14 MS + 3 regions (B-Wa, B-FL and UK-NI) opted for 25% of average DP per ha
- 1 MS opted for a lump-sum payment (LU)
- The others: 25% level based on basic payment (BPS flat-rate, or SAPS or average value of entitlements held)

Maximum limit between 25 and 90 ha/entitlements

## Young farmer payment – notifications from Member States (2/2)

MS	Additional eligibility criteria		
	As regards appropriate skills	As regards training requirements	Applied to all YF in control over the legal person
Belgium Flanders		Y	
Belgium Wallonia	Y	Y	
Bulgaria		Y	
Czech Republic			
Denmark			
Germany			
Estonia			
Ireland		Y	Y
Greece			
Spain	Y	Y	Y
France	Y	Y	
Croatia		Y	Y
Italy			
Cyprus			
Latvia			
Lithuania			
Luxembourg	Y	Y	Y
Hungary			
Malta			
Netherlands			
Austria	Y		
Poland			
Portugal	Y	Y	
Romania			
Slovenia			
Slovakia	Y	Y	Y
Finland			
Sweden			
United Kingdom England			
United Kingdom Northern Ireland	Y	Y	Y
United Kingdom Scotland			
United Kingdom Wales			

**16 MS + 3 UK regions have not added additional eligibility conditions**

**8 MS + 3 regions (BE-W, BE-FL and UK-NI) apply training as additional criterion**

**6 MS + 2 regions (BE-W and UK-NI) apply appropriate skills as additional criterion**

**4 MS + 1 region (UK-NI) apply these additional criteria to all YF in control over the legal person**

# Thank you for your attention!

Direct payments on europa.eu:

[http://ec.europa.eu/agriculture/direct-support/direct-payments/index\\_en.htm](http://ec.europa.eu/agriculture/direct-support/direct-payments/index_en.htm)