

Brussels,  
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## **FINAL MINUTES**

*Meeting of the Civil Dialogue Group Civil Dialogue Group*

*Direct Payments and Greening*

*11 October 2019*

Chair: Ms Maria Skovager Østergaard (COPA)

Organisations present: All Organisations were present, except ECPA, EFFAT, EMB, SACAR and BirdLife.

### **1. Approval of the agenda**

### **2. Nature of the meeting**

The meeting was non-public.

### **3. List of points discussed [Name of each point, one by one]**

#### **1. Approval of the agenda**

Agenda was approved

#### **2. Approval of the minutes of the previous meeting**

Minutes were approved

#### **3. Greening obligations and exceptional circumstances in spring and summer 2019**

a. Presentation of the derogatory decisions by the Commission

COM gave an overview of the drought situation in MS

COM gave information on the advance payments due to drought

## b. Exchange of views with members

Cogeca gave a remark on the situation in Portugal and the timing of the decisions when it comes to land lying fallow.

Copa highlighted the situation in Germany and the fact the derogations came little too late.

Cogeca talked about the situation in Croatia and the fact the decision came too late.

Copa shared the situation in France and the nutritional value of the feed gotten from EFA and the economic difficulties of the farmers, spoke about the role of French government.

Copa talked about the situation in Spain, major floods and drought. Lack of rapid decision was an issue for them. Farmers need certainty in their decision making.

COM responded that there is indeed rigidity when it comes to EU rules for greening, there will be more flexibility in the future with the new delivery model. There is already some flexibility at MS level inherent to the greening rules that allows a faster intervention. In addition, *force majeure* rules allow for swifter reaction at MS level and do not necessitate EU level decision. In contrast, derogation decisions taken at EU level by their nature take more time.

CEPM talked about the situation in Romania and the fact that, in case of extreme weather events, if a greening derogations is granted, first pillar payments are not affected while for the second pillar if some commitments cannot be done due to the weather, then the corresponding payments for that year are not done.

COM explained that the rules governing annual direct payments and multi annual rural development measures are different in that respect.

The Chair talked about her experience with catch crops.

COM explained the rules of force majeure, which are very specific and go case by case as notified by farmer. They have to prove they are unable to keep up with the rules in that specific case.

Chair asked if there would be a possibility to have more general rules on force majeure.

COM answered that there are already some flexibilities in the greening rules which MS can use.

Cogeca explained Netherlands situation and about the practical solution government has in place.

#### 4. State of play of MFF discussions and of the CAP reform co-decision process

a. Presentation by the Commission services : updated timeline, CAP features to be agreed with the MFF, state of play of key budgetary elements, implications for CAP co-decision

COM presentation on the co-decision process on the CAP reform.

COM talked about the MFF negotiations.

b. Exchange of views with members

EFNCP asked about renationalization.

Beelife asked what criteria will be put in place for the agricultural reserve, who will be eligible for the crisis support

Copa said that when MS have a stable position, it is not difficult to decide on any kind of issues. He also appealed that the Council would hurry up and take into account the fact that farmers need stability for their decision making

Copa question the lack of clarity in the planning, farmers need stability.

CEPM highlighted the tough situation in Lithuania

Copa talked about the expenditure of MS in MFF and the fact that we might need two year transition period, we should have an option to make changes to the rules.

COM said that we will have probably one year transition period. Focus should remain on finding an agreement on the reform so that the agenda allows coping with a short transition. The transition should not introduce any new rules, only technicalities and continuity. Hope that all stakeholders will work on a speedy approval.

COM highlighted the strong EU common requirements in the proposal; if these are kept, we will not have renationalization.

COM said that agricultural reserve is not a market intervention measure, only a budgetary tool for financing safety net and exceptional measures. In the CAP post 2020 we will avoid cutting DP to finance the agricultural reserve, contrary to the yearly cut in direct payments for setting up the crisis reserve in the 2014-2020 period. Highlighted that there are different views in the discussion on the external convergence of the direct payments. We need to keep up the pressure on agriculture budget.

Cogeca asked about the level of DP in MS.

Cogeca highlighted the need to have infrastructure in place to take any decision. We need to ensure ring fencing of 60% of Pillar I for BISS. We need to have a proper income in farming sector.

Cogeca stressed the higher costs in sectors attached to agriculture. Asked about how to make stronger pressure on national level.

CEJA asked about the parliament hearings of the new commissioner and that he will probably want to change something in the CAP proposal

COM answered that transition period should be one year.

COM answered on the redistribution of DP between MS (external convergence), that the MS enveloped are calculated before transfers between Pillars. Addressed the level of DP in Lithuania

Coffee break

## 5. Using Coupled payments to meet CAP objectives

### a. Presentation by the Commission services

COM gave a presentation on the future coupled income support (CIS), focussing on main changes in comparison to the current voluntary coupled support (VCS) and on the targeting possibilities. COM also briefly presented the state of play of the discussions in the Council and in the Parliament for CIS.

### b. Exchange of views with members

Cogeca highlighted the importance of the coupled support to fight against rural desertification and spoke also about its importance for the rice sector and the sheep sector.

Copa asked for further details and reasons for the move of coupled support from blue box to amber box and what it means for this type of intervention. Copa stressed that the coupled support is also very important for the livestock sector and its quality production.

EFNCP highlighted the stress on some sectors (in particular sheep sector) from imports from third countries, for example for sheep products imported from New Zealand and recalled that Germany does not implement VCS.

Food drink Europe asked about the specific details on the coupled support and if those will be prescribed in the basic act. The question of whether the production aspects will be dealt with at the level of the whole EU or on the MS level was raised.

Copa highlighted the importance of coupled support for herding, livestock sector, other marginal sectors. Copa also asked how such instrument will function together with other instruments, in particular whether coupled support will not overlap with the eco-schemes.

Copa stressed that coupled support must be properly targeted and that EU agriculture must be protected from the impacts of the third countries. Copa also made some considerations about risks of market distortions.

Cogeca stressed the importance of coupled support in Portugal for some marginal areas.

Cogeca asked what will be possible with the coupled support instrument in comparison to the Pillar I interventions. The role of biodiversity and extensive livestock production was stressed. It was underlined that coupled support is very important in Sweden.

COM explained the rationale behind the move from blue to amber boxes in WTO and underlined that MS can also decide to keep the VCS in the blue box. On the risk for overlap between interventions, this will be addressed in the course of the approval process of the CAP Strategic Plans, where the whole consistency for all sectors will be assessed. The aim of VCS is not only to help sectors in difficulties but also to help their sustainability. There is a special focus on the sectors which will be supported by this intervention. The Commission wants to avoid any distortion in markets. This is why some limits are existing and will be maintained (in particular budgetary limits). The risk of distortion of competition shall nevertheless be assessed at the level of the whole CAP plan, in a holistic manner, not only for coupled support. VCS is very important for the objectives this is supposed to target. The objectives of eco-schemes are targeted to environment and climate. With Coupled support, it will be possible to support practices which indirectly are beneficial for the environment, on the basis of their needs assessment, but it not the primary objective of the instrument.

WWF stressed the importance of coupled support for semi natural pastures and environmental-friendly practices. WWF asked whether there are any smart examples from the current period.

CEJA said they are quite happy with the evolution of coupled support and asked about the evaluation of the instrument.

Copa said that they are in favour of this instrument, especially for marginal areas and that it should be strengthened.

Cogeca asked about the interplay between Pillars when it comes to coupled support.

Cogeca gave some examples on the use of VCS in some regions of Spain.

COM answered that one of the 'aim' of coupled support is the sustainability of the sectors. It was also underlined that MS will have a large margin of manoeuvre in the way they design their coupled support interventions and that they could introduce some environmentally friendly eligibility criteria as long as these are consistent with the strategy. COM observed that the debate on coupled support reflects the debate on the CAP post 2020. The objective is to move to a system of better performance. In that respect, the relevance of the instruments as proposed by the MS in their CAP plans as well as their effectiveness and efficiency will be assessed. MS will have to take into account budget efficiency and the conditions to this intervention.

## 6. CAP Strategic Plans – preparing guidelines

### a. Presentation by a Member State of the state of play of the preparation of the CAP Strategic Plan

Czech Perm rep gave a presentation on their approach to CAP Strategic Plans

Copa asked about the meetings with NGOs and farmer organizations, were you in touch with them for the needs assessment? What is in your view the date for the adoption of CAP proposal.

PermRep says that they are of course in touch, he hopes the CAP will get approved soon.

Copa gave an overview of how what is the state of play in Germany.

Chair asked how far they are in the process.

Permrep thanked the COM for the guidance on the preparation and wonders about advice on transferring interventions between Pillars.

EEB gave an overview of the situation in Lithuania. Concerns about their SWOT analysis and the environmental data included in it.

COM answered that we should use latest information available.

b. Presentation by stakeholders of their views and concept for CAP Strategic Plans (3 presentations)

Cogeca delivered a presentation on the carbon farming scheme

CEJA delivered a presentation on the tools for young farmers

WWF delivered a presentation on the climate coherence.

Cogeca raised the issue that at the farm level, the term food-waste does not exist. Food waste occurs mostly at the end of the chain. Pointed out to the initiatives to combat food waste.

WWF answered that farmers are sometime in a position that does not give them any other choice.

Cogeca stressed the issues with calculating the carbon sink on farm level.

Cogeca raised the issues of policy coherence, especially on the climate change adaptation. We are supposed to produce more with less inputs. Some of these issues can be solved with more intensive farming.

Copa stressed that we need to raise the role of farmers in the climate change debate. Also raised the fact that it is not only CAP that can pay for any such interventions.

Cogeca informed on the situation on young farmers in Sweden and the discussion they had on the removal of the Pillar II support.

CEJA responds that their focus is on the Pillar II interventions. Would like to maximise the number of interventions.

CEPM asked about eco schemes and their design in Pillar I. Can we transfer it to other direct payment schemes?

WWF refers back on food waste and the mismatch between supply and demand.

COM answered that it does not expect many funds to be unspent assuming MS design properly their interventions in their CAP plans and recalled flexibilities built in the legal proposal.

## 7. Use of technology to replace OTSC by the Commission and a paying agency

### a. Introduction on Checks by Monitoring by the Commission

COM gave a short presentation on the recently introduced legislation that allow Member States to replace part of the on-the-spot checks with another approach based on continuous monitoring of activity in agricultural parcels using Copernicus satellites.

### b. Presentation by a paying agency representative

Paying agency representative gave a presentation on the use of satellite technology to carry out the controls on area payments.

### c. Exchange of views with members

Copa thanked for the presentation, talked about their own experiences in Italy with the pilot project in 2018 and the implementation in 2019 and how they reduced on the spot checks. There needs to be more support to such measures. We should have a common approach on this.

Copa asked about the savings achieved through the implementation of the system, asked for clarifications in the traffic light system

Paying agency agreed that sharing information is important, as well as return of investment. It is too early to say how much money the paying agency saves. They will have an overview from the system they implemented next year. Explained the traffic light system (“green” parcels when the eligibility condition for the payment is automatically determined by the assessment of the satellite data; “red” parcels when the eligibility condition is clearly not respected (e.g. building in the parcel); “yellow” parcel when the satellite data does not allow to conclude and therefore require further semi-automated processing or even a field visit). Explained how little the monitoring system play into the draught/force majeure but that can be used more for insurance purposes.

BEE LIFE asked whether DG AGRI is in touch with DG Connect on the use of satellite imagery.

Chair put forward the situation in Denmark and how they use monitoring systems.

Copa asked about the impact of the monitoring system on small farmers – they are largely exempt from the current rules, the monitoring system would ease up controls in the future. Welcomes the use of satellite technology

COM responded to the questions on the costs of the implementation of the new system, highlighting that on the spot checks really make up the most of the costs of control<sup>1</sup> and that Checks by Monitoring largely reduces those costs. As for small farmers, the satellite image today is not perfect for them, but technical and legal solutions have been designed to address them.

## 8. Eligibility criteria for income support (active/genuine farmer definitions and eligible hectares)

### a. Overview of the current implementation and possibilities for the future by the Commission services

COM gave a presentation on the definitions included in the CAP

### b. Exchange of views with members steered by the following questions:

1. In your point of view, how should a genuine farmer be defined at EU level in order to guarantee the targeting of support? What specific criteria must be respected in this context? 2. In your point of view, how should an eligible hectare be defined at EU level? What are the challenges in the current rules? How could this be improved in the future?

3. Are there any other challenges in establishing the eligibility criteria at EU level for income support?

EEB asked about the definition of genuine farmer, saying that those who manage the land for environmental purposes should be deemed genuine.

ENFCP stressed that permanent grassland, which includes non-productive elements, needs to be included in the eligible hectares.

Cogeca stressed that too much income from other sectors can be dangerous for small farmers. In particular, in case of a bad year in terms of the farming income, such farmers can also lose the DP support due to the genuine farmer definition. We should tie the definition to the knowledge and skills.

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<sup>1</sup> See recent study “Analysis of administrative burden arising from the CAP” [https://ec.europa.eu/agriculture/sites/agriculture/files/external-studies/2018-analysis-adm-burden-arising-cap/final-report\\_en.pdf](https://ec.europa.eu/agriculture/sites/agriculture/files/external-studies/2018-analysis-adm-burden-arising-cap/final-report_en.pdf)



CEJA highlighted a few parameters for the genuine farmer definition. Keep the negative list, retired farmers should be excluded from the CAP support, include the knowledge and skills requirements, a significant income should come from farming. Keep the flexibility at national and regional level. The CAP support should go to farmers only, i.e. the definition should be mandatory at the EU level with flexible implementation at the MS level.

EEB responds that CAP should support land managers who carry out environmental measures

Cogeca explained the Swedish context, says that the genuine farmer definition there would not solve anything. Would want to focus rather on the eligible hectares. Money should go towards agricultural activity.

Copa highlighted the role of Article 39 of TFEU in the definition of the active farmer. We should remove the 5000 eur threshold, this excludes many farmers. Highlighted the issues with eligible hectares definition in Italy.

Cogeca stressed the need for a national register.

Cogeca talked about the difficulties they have with the genuine farmer definition in the Czech Republic, especially when it comes to diversification and affiliated companies.

COM answered that the Omnibus definition of permanent grassland is very detailed, it does not fit the new delivery model. As for the genuine farmer, the support should go to those that really need the support, we need to ensure the targeting. Therefore, the definition of genuine farmer should be obligatory for MS. Solely the age should not be excluding criteria. We do have a status quo on the definition of eligible hectares.

CEJA argues for the inclusion of skills in the definition of genuine farmer.

COM answered on the retired farmers, this is a recurrent suggestion.

9. A.O.B. and suggestions for the next meeting

Development of CAP Strategic Plans

State of play on MFF, CAP

Checks by Monitoring and report from the ECA

#### **4. Conclusions/recommendations/opinions**

## **5. Next steps**

## **6. Next meeting**

To be discussed at the next meeting:

Development of CAP Strategic Plans

State of play on MFF, CAP

Checks by Monitoring and upcoming report from the ECA

## **7. List of participants - Annex**

### Disclaimer

*"The opinions expressed in this report represent the point of view of the meeting participants from agriculturally related NGOs at community level. These opinions cannot, under any circumstances, be attributed to the European Commission. Neither the European Commission nor any person acting on behalf of the Commission is responsible for the use which might be made of the here above information."*

List of participants– Minutes  
*Civil Dialogue Group Direct Payments and Greening*  
**11/10/2019**

MEMBER ORGANISATION	NUMBER OF PERSONS
<b>Bee Life-European Beekeeping Coordination (Bee Life)</b>	<b>1</b>
<b>Confédération Européenne de la Production de Maïs (C.E.P.M)</b>	<b>2</b>
<b>European agri-cooperatives (COGECA)</b>	<b>14</b>
<b>European Agroforestry Federation (EURAF)</b>	<b>1</b>
<b>European Coordination Via Campesina (ECVC)</b>	<b>1</b>
European Crop Protection Association (ECPA)	-----
<b>European Council of Young Farmers (CEJA)</b>	<b>5</b>
<b>European Environmental Bureau (EEB)</b>	<b>3</b>
<b>European farmers (COPA)</b>	<b>15</b>
European Federation of Food, Agriculture and Tourism Trade Unions (EFFAT)	-----
<b>European Forum on Nature Conservation and Pastoralism (EFNCP)</b>	<b>1</b>
<b>European Landowners' Organization asbl (ELO asbl)</b>	<b>4</b>
<b>European Liaison Committee for Agriculture and agri-food trade (CELCAA)</b>	<b>2</b>
European Milk Board (EMB)	-----
<b>Fertilizers Europe</b>	<b>1</b>
<b>FoodDrinkEurope</b>	<b>2</b>
<b>Greenpeace European Unit</b>	<b>1</b>
<b>International Federation of Organic Agriculture Movements EU Regional Group (IFOAM EU Group)</b>	<b>2</b>
<b>Pesticide Action Network Europe (PAN Europe)</b>	<b>1</b>
SACAR - Secrétariat des Associations du Commerce Agricole Réunion / Joint Secretariat of Agricultural Trade Associations (SACAR)	-----
Stichting BirdLife Europe (BirdLife Europe)	-----
<b>WWF European Policy Programme (WWF EPO)</b>	<b>1</b>
<b>Belgium</b>	<b>1</b>
<b>Czechia</b>	<b>1</b>
<b>Total: 59</b>	