

OMNIBUS

MODIFICATION OF REGULATION (EU) No 1307/2013 (BASIC ACT) AND (EU) No 639/2014 (DELEGATED ACT)

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Agenda

1. Omnibus: amendments to Regulation (EU) 1307/2013 – outline
2. Ongoing adaptation of Delegated Regulation 639/2014

1. Omnibus Regulation: amendments to Regulation (EU) 1307/2013

Summary of the amendments to Regulation(EU)1307/2013

- Definition of permanent grassland – Art 4(1)(h)
- Active farmer provision – Art 9
- Reduction of payments review – Art 11
- Flexibility between pillars review- Art 14
- Replenishment of the reserve- Art 31
- SAPS overbooking – Art 36
- Greening – Art 44(2) and (3), Art 46(4)
- Young farmer – Art 50
- Voluntary Coupled Support- Art 52(5) and (6), Art 52(10), Art 53(6)

Definition of permanent grassland

On voluntary basis Member States may decide to:

- Apply "**ploughing up**" as a criterion to prevent temporary grassland from becoming permanent grassland/to convert permanent grassland to arable land (+ "amnesty" clause)
- (in the whole or part of their territory) Include **shrubs or trees that produce animal feed but are not directly grazed** by animals provided that the grasses and other herbaceous forage remain predominant.
- (in the whole or part of their territory) Include land which can be grazed where grasses and other herbaceous forage are not predominant or are absent.



Active farmer

On voluntary basis Member States may decide to:

- For applicants under the list of negative activities, implement **only one or two of the criteria** for being regarded as active farmer;
- **Discontinue the application of the list of negative activities;**
- Exclude from eligibility for direct payments farmers who are not in a **national fiscal or social security registers** for their agricultural activities



Greening

Simplification and extension of scope of existing exemptions

Crop diversification:

- Holdings where rice represents $> 75\%$ of arable land: 3 crops obligation but maximum threshold not applicable;
- Holding where leguminous crops represent $> 75\%$ of arable land: exempted of crop diversification (same treatment as foreseen for Ecological Focus Area (EFA));
- Holdings where grassland, land lying fallow, rice or permanent grassland are predominant: full exemption of crop diversification whatever the remaining arable land size (no more upper limit of 30 ha);
- Spelt: distinct crop



Greening

Simplification and extension of scope of existing exemptions

Ecological Focus Area (EFA):

- Holding where grassland, land lying fallow, rice or permanent grassland are predominant: full exemption of EFA whatever the remaining arable land size (no more upper limit of 30 ha).

New EFA types + new weighting

- Miscanthus and Silphium perfoliatum – weighting 0,7
- Land lying fallow covered with melliferous plant (pollen and nectar rich species) – weighting 1,5
- Weighting increased for nitrogen-fixing crops (1,0) and short rotation coppice (0,5)

Young farmer

- The payment for young farmers shall **always be granted per farmer for a period of 5 years** as long as the young farmer applies for the payment within the 5 years following his first setting up.
 - Also applies for farmers who have received payment for young farmers in respect of claims before claim year 2018; no retroactive payments.
 - By derogation Member States may decide to not grant the full 5 years to young farmers who set up in the period 2010-2013.
- Member States may decide to increase the **percentage applied to calculate the amount of the payment for young farmers in the range of 25% to 50%** and irrespective of the calculation method applied.
 - Without prejudice to the 2% limit of their national ceiling for direct payments to finance the payment for young farmers.



Voluntary Coupled Support

- Replacement of the condition that VCS may only be granted to the extent necessary to create an incentive to maintain current levels of production in the sectors or regions concerned with the **principle that VCS is a production-limiting scheme based on fixed areas and yields or on a fixed number of animals and respecting the financial ceilings at measure level.**
- Introducing an optional **annual review** by Member States of their VCS decisions
- Empowerment of the Commission to adopt delegated acts allowing Member States to continue paying VCS until 2020 on the basis of historical production units in sectors suffering from structural market imbalances



Other amendments

- Explicitly allowing Member States to **review** on an annual basis their decisions on **capping** (Art 11);
- Allowing Member States to **review** once again by 1 August 2018 their decision on **transferring funds between pillars** (Art 14);
- Allowing Member States to use linear reduction to **replenish** their national or regional **reserve** to finance measures taken **to prevent land from being abandoned and to compensate farmers for specific disadvantages** (Art 31).
- Introducing the possibility to **overbook SAPS** (Art 36).

2. Ongoing adaptation of Delegated Regulation 639/2014



VCS + hemp

Hemp:

- Extension of the hemp varieties eligible for direct payments (i.e. 'conservation hemp varieties' also become eligible).
- Application: from claim year 2018.

VCS:

- The omnibus clarified certain responsibilities of the Member States with retroactive applicability from claim year 2015. These changes required alignment of certain provisions of the delegated act.
- Application:
 - Clarifications/alignments (retroactively) from claim year 2015
 - Amendment of the 'cumulation rules' from claim year 2019



Disclaimer

The following slides on a draft delegated act have been prepared by DG AGRI staff in order to facilitate the discussion in the Civil Dialogue Group

These slides cannot in any circumstances be regarded as the official position of the Commission.



Greening

Permanent grassland:

- The basic act introduces a new optional element for the definition which require a technical adaptation of the measure (PG ratio) and consequential follow-up steps by MS/farmers;
- Provision on adaptation of reference ratio, extension of the criteria for an adaptation in order to take account of possible significant effects of using the new PG definition on the calculation of the permanent grassland ratio
- When new permanent grassland is established to compensate for reconverted permanent grassland, that new permanent grassland may be established on the same parcel. It is therefore necessary to provide that the same area may be re-established as permanent grassland
- Possibility to exclude livestock production in conversion from the conversion obligation



Greening

EFA:

- The basic act introduces 3 new EFAs
- Amendments extend existing rules to the EFA types newly introduced.
- **Miscanthus and Silphium perfoliatum:** similarity between these two species and short rotation coppice. It is proposed that the requirements on the use of chemical inputs (fertilisers or pesticides) for these two new EFA types reflect those for the short rotation coppice type.
- **Land lying fallow for melliferous plants:** forms part of land lying fallow, so the "no production" requirement, the minimum duration to be set by Member States and the ban on the use of plant protection products apply also in case of land lying fallow for melliferous plants.
- As new obligation, Member States have to set up a list of species to be used by the farmer for the melliferous plants. Member States allowed to add further criteria such as mixture of species for biodiversity purpose.

Process

- Omnibus modifications apply from **1 January 2018**
- **Greening DA:** Two meetings of the expert group have taken place, on 14 December and 23 January so that to give MS necessary time to examine the modifications and comment as necessary
- This Regulation should be applicable to aid applications relating to calendar years 2018.
- However, given the time necessary for the national authorities and farmers to adjust to certain new requirements concerning the ecological focus areas, some amendments will apply from 1 January 2019.
- **VCS/hemp DA:** Two meetings of the expert group on 29 November 2017 and 23 January 2018.
- Adopted by the Commission on 28 February. Scrutiny period (unless extended) should end on 1 May 2018, in which case publication is expected in early May.

Thank You !