

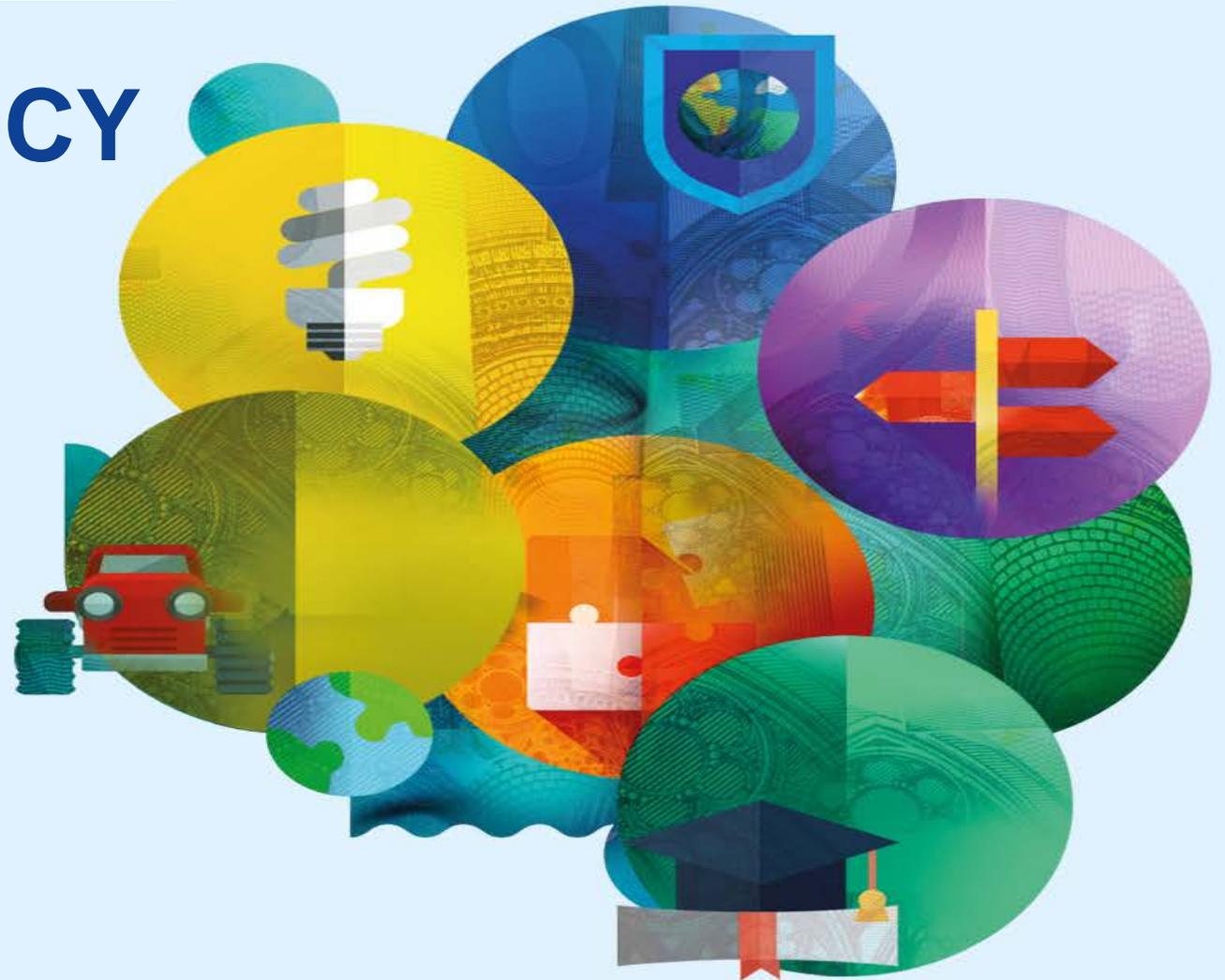
COMMON AGRICULTURAL POLICY

post-2020

Eligibility criteria for income support (definitions of eligible hectare and genuine farmer)

CDG Direct payments and greening
11 October 2019

#FutureofCAP



Basic eligibility criteria for income support – general principles

➤ Current system (R.1307/2013):

- Detailed rules set at EU level in the basic act and delegated acts
- EU rules explicit on elements that MS must define and frame is strict (e.g. on criteria for maintenance of an agricultural area in a state suitable for grazing and cultivation; on rules to assess if a farmer is active, etc.)

➤ CAP post 2020 proposal:

- Framework definitions set in the basic act
- Less details in EU legislation, no delegated powers to the Commission to further detail rules
- For MS to set the definitions on the basis of EU framework as part of their CAP Strategic Plan and in line with general principles of EU law and WTO green-box rules

Eligible hectare

Framework definition in CAP post 2020 proposal

- Main principle remains the same:
 - Agricultural area – any arable land, permanent grassland, permanent crops
 - Used (solely or at least predominantly) for an agricultural activity during the year for which support is requested
 - Derogations to keep eligible certain areas previously eligible but under commitment/restriction (e.g. Natura 2000)
 - If cultivated with hemp, THC content not > 0.2%
- Less detailed rules but framework definition ensures:
 - Continuity for farmers
 - More flexibility for MS to adapt to specific conditions (e.g. no need for predominance of grass on permanent grassland, no detailed rules on number and size of ineligible features, etc.)

Genuine farmer

Framework definition in CAP post 2020 proposal

➤ Current system (R.1307/2013):

- Main principle = negative presumption based on negative list; tests to rebut the negative presumption
- Not applicable to beneficiaries of 5000 EUR and less
- Detailed rules set at EU level in the basic act and the delegated act
- Negative list made optional by the Omnibus because too burdensome

➤ CAP post 2020 proposal:

- EU principle set in the basic act: no support granted to those with agricultural activity insignificant in overall economic activities, or with principal business activity not agricultural
- Applicable to all claimants
- No further details in EU legislation, no delegated powers to the Commission to further detail rules
- For MS to set the definition on the basis of EU framework as part of their CAP Strategic Plan and in line with general principles of EU law and WTO green-box rules

Positions of the co-legislators on the future framework

	Council	EP
Eligible hectare	More exceptions and derogations (GAEC 9, eco-schemes, GAEC 2) to avoid conflicts between eligibility conditions and environmental and climate ambition	<ul style="list-style-type: none"> - Prescriptions, mostly regarding the eligibility of non-productive features (already covered by the COM proposal) - For environmental reasons, activity once every 3 years
Permanent grassland	Omnibus definition + tilling next to ploughing	Omnibus definition, but 7 years instead of 5
Genuine farmer	<ul style="list-style-type: none"> - Voluntary application - No EU common principle for what a genuine farmer is (<i>MS decision, based only on objective and non-discriminatory criteria</i>) - Not applicable to beneficiaries of EUR 5000 (or less) 	<ul style="list-style-type: none"> - Agrees with mandatory application, but: - With only “insignificance principle”, no more “principal activity principle” - Emphasis on the family farming, regions and exclusion of large-scale companies