

BILAG 1

Sammenligning mellem den nuværende situation, forslag i Kommissionens meddelelse fra juli 2002 og pakken med forslag til forordninger januar 2003

MEMO/03/11

Brussels, 22 Januari 2003

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CAP Reform –

A Comparison of Current Situation, MTR Communication (July 2002) and Legal Proposals (January 2003)

ARABLE CROPS

	Status quo	Communication (July 2002)	Draft legal texts (January 2003)
Cereals	Intervention price at 101,31 €/t; Direct payments of 63 €/t multiplied with the reference yield Monthly increments (7 steps each adding 0,93 €/t to intervention price)	Final intervention price cut of 5 % (from the 20 % proposed in Agenda 2000), down to 95,35 €/t. Increase direct payment to 66 €/t, decoupled. Abolition of monthly increments	No change (consolidated cereals CMO) Suppression of the refunds for starch production for cereals and starch potatoes
Rye	Rye intervention at the general cereals level	Abolition of rye intervention	No change
Durum Wheat	Specific supplementary payment: • 344.5 €/ha in "traditional" areas • 138.9 €/ha in areas where the production is "well-established" Within the limit of the Maximum Guaranteed Areas (MGA) Supplements depending on the use of certified seed	Decoupling and reduction, over three years, of supplements to: • 250 €/ha in "traditional areas" • zero in "well-established areas". Introduce quality top-up premium of 15 €/t, depending on minimal quality criteria, requiring a contract	No change Premium of 40 €/ha in "traditional areas", within the MGA limit, provided certain quantities of seed are used from varieties selected for their quality for semola and pasta production
Oilseeds	Alignment of the area payment for oilseeds and cereals	No specific measures. Increase payment to 66 €/t, decoupled	No change
Protein crops	Specific supplementary payment of 9,5 €/t times the reference yield	New stand-alone supplement of 55,57 €/ha (9,5 €/t times the average reference yields of regions where protein crops are grown)	No change MGA of 1.4 mio ha established

OTHER CROPS

	Status quo	Communication (July 2002)	Draft legal texts (January 2003)
Rice	Intervention price at 298,35 €/t (paddy rice) Direct payment of 52,65 €/t multiplied with the reference yield and paid per hectare, within Maximum Guaranteed Areas (MGA)	50 % cut in intervention price to 150 €/t, triggering private storage. Below 120 €/t, specific safety mechanism. Compensation payments of 177 €/t of which 75 €/t granted as a crop-specific payment (blue box). Reduce national MGAs to 1999-2001 average or the current MGA, whichever is the lower.	No change
Starch potatoes	Measures for producers: • Minimum price of 178.31 €/t • Payment of 110.54 €/t	Decoupling	Payment to producers 50% coupled, 50% decoupled Suppression of the minimum price for starch potatoes and refunds for starch production
CO₂ Credits	Non-food regime on set-aside land (contract with processor required)	45 €/ha for energy crops (contract with processor required). MGA of 1.5 Mio ha allocated by MS	No change EU-15 MGA -no allocation Member State
Dried Fodder	Direct payments: • 68.83 €/t for dehydrated fodder • 38,64 €/t for sun dried fodder	Shared (50/50) support through: • decoupled income payment for farmers (envelope of 160 Mio €) • single Maximum Guaranteed Quantity + industry aid of 33 €/t	No change except for clarification: • farmer aid given according to deliveries and national guaranteed quantities (NGQ) • industry aid kept for 4 years, degressed • abolition of 5% franchise

	Status quo	Communication (July 2002)	Draft legal texts (January 2003)
Nuts	Multi-annual quality/marketing improvement plans, operated by producer groups Specific measures repealed in 1996 but possible to keep plans running until they expire (10 years), the last plans expiring in 2006/07. No specific support measures afterwards.	Flat-rate payment of 100 €/ha with MS top-up option up to 109 €/ha. MGA of 800.000 ha. Areas under active improvement plans not eligible to the new support	No change

ANIMAL PRODUCTS

	Status quo	Communication (July 2002)	Draft legal texts (January 2003)
Beef	Basic price at 2224 €/t with private storage possible at 103 % of this price. Safety net intervention level of 1560 €/t; Headage payments: 150 € for steers (two payments), 210 € for bulls/year and 200 €/year for suckler cows. Slaughter premium of 80 € (bulls, steers, cows) and 50 € (calves) Eligibility criteria: up to 1,8 LU/ha (from 01.01.03, currently 1,9 LU), head limit of 90 (with derogation) Extensification premium: 100 € per premium (stocking density 1,4 LU/ha). Other options for MS: 80 € per premium for a stocking density below 1.4 LU/ha and 40 € for 1.4 to 1.8 LU/ha. National envelope (budget)	No specific measure foreseen, however major implications of decoupling. Reduction of incentives towards intensive beef production (decoupling); Reinforced cross-compliance conditions including land management conditions; Strengthening of quality and support for environmentally friendly beef production through the 2nd pillar; Granting export subsidies for live animal only on the basis of justified requests and in line with animal welfare requirements.	No change Land dedicated to permanent pasture on 31/12/2002 must be maintained in that state (in relation to good farming practice) No change

	Status quo	Communication (July 2002)	Draft legal texts (January 2003)
Dairy	Quota-regime valid until 2008 Stepwise reduction of intervention price by 15% from 2005/6 onwards Cow premium rising from 5,75 €/t to 17,24 €/t of quota from 2005/6 onwards plus additional payment ("top-up premium and/or area payment) Global increase of quota by 2,39 % (first increase for ES, IT, EL and IRL in 1999-2001 and other MS from 2005-2007)	Four options, encompassing: (a) the continuation of the Agenda 2000 measures until 2015. (b) Agenda 2000 approach with a further price cut (-15% for butter and -5% for SMP) and increase of quota (+3%); (c) introduction of a two-tier quota regime; (d) elimination of quotas with a cut of intervention by 25 %.	Quotas maintained to 2014/15 Advance by one year Agenda 2000 (= price cut of 15%, compensated by direct payments, extra quota) with an asymmetric price cut of: • -3.5%/year for SMP • -7%/year for butter In addition, continue these price reductions in 2007 and 2008, with a 1% increase in quotas and corresponding increase in payments Direct payments to be decoupled from the outset (2004) Ceiling to butter intervention: above 30.000 t buying-in by tender

DECOUPLING

	Status quo	Communication (July 2002)	Draft legal texts (January 2003)
Scope	Various arable premia linked to the production of specific crops. Partial decoupling only due to the alignment of the cereals and oilseeds payments Animal premia linked to the requirement of producing beef or dairy	Single decoupled farm income payment covering: - cereals, oilseeds, protein crops, flax, hemp, linseed (base aid of 66 €/t) - durum wheat supplement (reduced to 250 €/t), - starch potatoes, - grain legumes, - rice (102 €/t), - dried fodder (new) - beef, - sheep, - milk from 2004/05. The following payments are not included: - durum wheat quality premium, - protein crop supplement (55.57 €/t), - crop-specific payments for rice (75 €/t), - flax, hemp (processors) - potato starch (processors) - dried fodder (processors, 33 €/t, transitional) Fruit and vegetables are excluded	The proposed measure is retained with the following adjustments: • Milk payments made as from 2004 (2005 budget year) • 50% of the starch potato aid is decoupled • Aid for seeds is included • Certain regionalised aids are included (ultra-peripheric regions, Aegean Sea, Finnish/Swedish COP drying supplement) Total amounts of aid, conditions and MS ceilings are annexed to the base regulation Only perennial crops are excluded, fruit and vegetables on arable land are no longer excluded
Reference period		Not specified	2000, 2001, 2002 National reserve in case of force majeure and new entrant farmers

	Status quo	Communication (July 2002)	Draft legal texts (January 2003)
Set-aside	For arable crops, 10 % set aside, exempting farmers producing less than annually 92 t of cereals (calculated with the reference yields)	Maintenance of individual historical set-aside obligation (based on the 10 % set-aside requirement) but now on a long-term (10 years), non-rotational basis. Abolition of the non-food regime on set-aside land.	No change except exemption for: • Set-aside obligations for claims for decoupled payment of less than 20 ha and for organic farms • Non-rotational set-aside condition if rotational gives environmental benefit. Obligation is linked to the corresponding land
Establishment and transfer of rights		The single farm payment may be divided into entitlement rights to a payment attached to eligible land. The transfer of entitlement rights will occur in parallel to the transfer of land	Measures for the establishment of rights. Definition of land generating rights and land eligible for the decoupled payment. Treatment of rights not linked to the land (certain animal premia) Transfer of entitlement rights with or without land Rules for control (IACS)
Options		Member States may modulate the level of aid within certain limits	Fixing of ceilings per Member State. Possible decoupling at regional level (common principles) and granting an average decoupled payment for crops not currently receiving direct payments

OTHER HORIZONTAL MEASURES

	Status quo	Communication (July 2002)	Draft legal texts (January 2003)
Degression and Modulation	Optional reduction of direct payments up to 20 % Unspent money remains in Member State to be spent on accompanying measures	Dynamic modulation of 3 % per year up to a total reduction of 20 %; 5.000 € franchise for each farm exempted from the cut. Member States may further exempt 3.000 € for each labour unit above two. Savings shifted to EU Rural Development budget (any measure). Distribution key based on agricultural area, farm employment and prosperity. Capping at 300.000 € per farm, with savings kept in the MS concerned.	Modulation applied as from 2006-2012. Fixing of annual rates of reduction from 1% in 2006 to 19% in 2012. Introduce progressive and differentiated rate of aid reduction. Apply franchise up to 5000 €, between 5.000-50.000 € apply an intermediate rate and above 50.000 € a full rate of reduction (see attached table) Increasing part of modulation (from 1% in 2006 to 6% in 2012) transferred to EU Rural Development budget (distribution key). The rest is to finance new CAP reforms. No more capping at 300.000 €
Cross-Compliance	Optional use of reductions of direct payments for enforcing statutory environmental legislation and so-called specific environmental requirements	Compulsory cross-compliance (whole farm approach) Direct payments for respect of statutory legal standards (environment, food safety, and animal welfare) and keeping land in good agricultural condition.	Partial or entire reduction of direct payments in case of non-respect of: • Obligations arising from about 40 legislative acts applying directly at the farm level (minimal list + others at the request of MS) • Good farming practices (common framework) • Maintaining permanent pasture

	Status quo	Communication (July 2002)	Draft legal texts (January 2003)
<i>Farm Audits</i>	The establishment (not the operation) of certification systems is an option under the Rural Development package	Farm audits compulsory for all farms receiving more than 5.000 € Audits will account for all relevant material flows and on-farm processes. Financial support covering costs for farmers is eligible under Rural Development	Recognition of the advisory vocation of the system (now named Farm Advisory System). Obligatory participation for farms receiving more than 15.000 € in direct payments or having an annual turnover greater than 100.000 €. No change

RURAL DEVELOPMENT (in addition to the simplification of certain current measures)

	Status quo	Communication (July 2002)	Draft legal texts (January 2003)
Food Quality	Investment aid in favour of food quality including the establishment of certification systems eligible under rural development plans Promotion of certain commodities subject to two horizontal regimes: one for internal promotion, one for external promotion.	Establish a food quality chapter as a new "accompanying measure" including: - encouragement to farmers to participate in quality assurance and certification schemes - support for producer groups for promotion in the context of quality assurance, geographical indication and organic farming Target first pillar measures only to external promotion	Establishment of ceilings: • Quality measures: maximum farmer participation of 1.500 €/year for 5 years • Promotion: public support up to 70% of eligible costs The choice of implementation or not is left to Member States and/or regions No change
Animal Welfare	Only regulatory measures (DG SANCO)	New animal welfare measure alongside and in the same logic as agri-environment measures (covering cost incurred and income forgone due to commitments beyond legal standards)	No change Establishment of a maximum of 500 €/livestock unit
Agri-Environment	Current aid intensity - 75 % in Objective 1 areas - 50 % in others;	Raise the aid-intensity for agri-environmental measures: - 85 % in Objective 1 areas - 60 % in others	No increase in rate of Community co-financing