

Dacian CIOLOȘ

Member of the European Commission

Brussels, 01.06.2012
DC/YM/vt (2012) 688320

Dear Mr Gibson,

The Commission welcomes the views of the Scottish Parliament's Rural Affairs, Climate Change and Environment Committee on the future CAP, in particular its support for the overall thrust of the legal proposals, and would like to make the following remarks:

With regard to budgets, the Commission would like to underline that the reduction of disparities between farmers and between Member States is one of the major challenges of this reform. We take note of your proposal regarding the criteria to be used for allocation of the budget for Rural Development. As in the past, the annual breakdown by Member State will be made by the Commission. The allocation will be based on objective criteria related to policy objectives as well as past performance. The flexibility that has been proposed for Member States to transfer up to 10% of funds from Pillar I to Pillar II should enable the UK to access the finance necessary for its Rural Development programmes. In response to your concerns about the transition, particularly for Rural Development programming, in the event of any delay in agreement, it is envisaged that transitional rules would help to bridge the two programming periods.

Your support for moving away from the historic to a flat-rate payment is appreciated. In order to minimize any disruption that could negatively affect farm viability, the Commission is proposing a transition period of up to 5 years. Scotland will have the option to tailor the new payment scheme to its own local conditions, with regions defined according to objective criteria, such as agronomic and economic characteristics or administrative structure.

Coupled support should only be granted to the extent necessary to create an incentive to maintain current levels of production in certain regions. The different ceilings proposed for voluntary coupled support take into account the different level of decoupling reached by Member States in the preceding period. A strong increase from current levels could be seen as contradictory to the decoupling already achieved. I would also like to draw your attention to the fact that the proposal allows for an increased direct payment for areas with natural constraints, which may allow Scotland to address the situation in areas where farming may be difficult.

The Commission welcomes your support for targeting payments to active farmers and in particular the flexibility for Member States to define minimum activities to be carried out on agricultural areas which are naturally kept in a state suitable for grazing or cultivation. The Commission is open to alternative solutions which could significantly simplify the implementation of the definition of active farmer, while still ensuring targeting of payments.

Mr Rob Gibson

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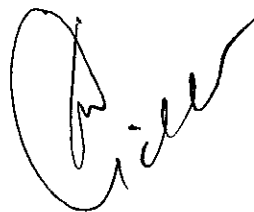
The Commission is mindful of your concerns about new entrants and the 2011 eligibility rule. The legal proposal limits access to entitlements in 2014 to beneficiaries of the Single Payment Scheme or the Single Area Payment Scheme in respect of claim year 2011 to avoid potential negative distortion of land markets. Nevertheless, the Commission believes that young farmers are a priority group of new entrants. That is why support during the early years is proposed through the young farmers' scheme and to allocate entitlements from the national reserve to this group as a priority. If Scotland considers that the allocation of entitlements to all new entrants is important in areas where there is a risk of land abandonment or in areas with specific disadvantages, it could consider using the national reserve.

The Commission's proposal regarding greening is aimed at delivering long-term environmental benefits in all Member States and on the great majority of farms, without threatening their viability or disproportionately increasing the administrative burden. Concerning your request to adapt the proposal to specific situations, the Commission is considering a number of possibilities including recognition of some agri-environment schemes as equivalent to greening under certain conditions, finding solutions for crop diversification on small or predominantly livestock farms, extending the range of features which could count as EFA and looking again at the definition of permanent grassland.

As regards the Small farmers scheme, it is aimed at reducing bureaucracy for both producers and control agencies. Our proposal is that small farm scheme claimants would not be subject to cross compliance inspections as the share of land at EU level is limited but in any case all recipients of direct payments are under the obligation to fulfil all the legal requirements contained in the cross compliance rules.

The Commission hopes that the explanations provided satisfy the expectations of the Scottish Parliament.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'D. Cioloș', written in a cursive style.

Dacian Cioloș