AGRICULTURE COUNCIL
Battle lines drawn for CAP reform endgame

By Ed Bray and Joanna Sopinska

The stage is set. After MEPs finalised their negotiating stance on reforming the Common Agricultural Policy (CAP), on 13 March, the member states' agriculture ministers followed suit a week later, on 19 March. The outstanding question of how much support farmers will get over the next period (2014 to 2020) — a key element holding back the talks — was settled by EU leaders last month and the deal should get MEPs' consent in July (if granted some concessions). CAP reform thus enters unchartered territory as three-way talks kick off on 11 April — between MEPs, Council and Commission — with Parliament exercising co-decision powers for the first time. All sides hope for a deal at the Agriculture Council in Luxembourg, on 24-25 June. But the task is far from easy. Immediate reactions from key MEPs and some stakeholders to the Council's position were cool.

DOUBLE FUNDING

Luis Capoulas Santos (S&D, Portugal), rapporteur on direct aid (Pillar I) and rural development (Pillar II), attacked Council for permitting 'double funding' — allowing farmers to be paid twice for the same environmental activity under both pillars. Council's refusal to set an environmental baseline to ensure rural development schemes go beyond the new Pillar I greening requirements was "absolutely unacceptable," he said. "It destroys the legitimacy of greening," he added. But Giovanni La Via (EPP, Italy), rapporteur on CAP monitoring and financing, said the Council's position on penalties for non-compliance with greening rules — welcomed by the Commission — was too severe. "Farmers will already lose the greening component of their direct payments (30%) [...] this is a high enough penalty," he said. Parliament is also set to clash with Council over whether plans to introduce a cap on the highest subsidies to exclude payments to 'non-active' recipients (e.g. golf clubs or airports) and for a top-up aid for young farmers should be mandatory or voluntary. Making aid for young farmers voluntary is "totally contrary to the objective of generational renewal and promoting dynamic rural economies," Capoulas Santos said. While French rapporteur Michel Dantin (EPP) welcomed "limited progress" on vine planting rights and sugar quotas, he criticised the Council's failure "to strengthen the position of producers in the food supply chain".

COMMISSION RED LINES

Agriculture Commissioner Dacian Cioloș also laid down some red lines for the reform. The Council is closer to the Commission's plans in some areas, such as market reform, but to those of MEPs on others, Cioloș told journalists after the Agriculture Council of 19 March. The Council must be more ambitious regarding the redistribution of aid within countries to make the CAP fairer. Ministers would allow this to happen, but more slowly than the Commission proposed. The new CAP must set a minimum convergence threshold by 2020, Cioloș insists. He warns against diluting the Commission's greening ambitions, after both Council and MEPs sought to extend the list of exempted farms and scale back new requirements. Tough penalties for non-compliance, a cap on subsidies and obligatory young farmer aid are also key demands.

SUGAR AND WINE FIGHT

The EU's biggest farm lobby group, Copa-Cogeca, welcomed the Council's agreement but called for more "practical" and "ambitious measures to be included in the final package". It insisted in particular on the sugar quota system to be extended to 2020 rather than to the end of September 2017 as proposed by the Council. More time is needed for sugar producers to adjust to the post-quota system, Copa-Cogeca Secretary-General Pekka Pesonen argues. This view is fully shared by sugar manufacturers and beet growers. CEFS (Comité Européen des Fabricants de Sucre) and European beet growers (CIBE) expressed "deep disappointment" with the Council's position. The organisations called on ministers and the Commission to support MEPs, who want the prolongation of sugar quotas until 2020. But the Committee of European Sugar Users (CEUS) and the European Starch Industry Association (AASF) regretted that the Council did not stick to the Commission's original proposed end date of 2015. Copa-Cogeca also wants the new scheme of vine planting authorisations to last longer than five years, a move backed by MEPs. Council suggested a scheme from 1 January 2019 to 31 December 2024. More time would provide more stability, argued Pesonen. He insisted that the threshold for the annual growth of vine planting areas under the authorisation system should not exceed 0.5% (1% was agreed by the Council). The European Federation of Origin Wines (EFOW) sent a similar message, arguing that a ceiling of 0.5% "fits the needs of the sector more appropriately" and that the new system should be "permanent".

ENVIRONMENTAL NGOs DISAPPOINTED

Environmental organisations expressed bitter disappointment with the Council's position on greening and rural development rules, with BirdLife describing the farm ministers' decisions as "irresponsible". They slammed the Council's acceptance of double payments (see above). "It is incredible that in times of austerity, agriculture ministers are ready to stand up for double subsidies and for paying people who break the law. How can this be justified to taxpayers?" Trees Robijns, EU agriculture and bioenergy policy officer at BirdLife Europe, said. The WWF estimated that this "illegal" practice could cost up to €21 billion over seven years. "This will illegally waste scarce public money," Tony Long, director of WWF's European Policy Office, said. The WWF regretted that the Council had failed to set a mandatory minimum spending level for environmental measures in Pillar II. According to BirdLife, "this, combined with the drastic Pillar II budget cuts approved by EU leaders in February, could lead to the collapse of agri-environment programmes in many countries". MEPs back a 25% minimum threshold. The European Environmental Bureau (EEB) slammed the introduction of 'greening by definition' — widening the list of farmers considered to qualify automatically. The move exempts many farmers from "doing anything at all for the environment," they said. The WWF said that in addition to "multiple exemptions from greening," the ministers "significantly weakened" greening rules and removed key environmental legislation, such as the Water Framework Directive and the Pesticide Directive.