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*Mr Pat DEERING T.D.
Chairman Joint Committee
on Agriculture, Food and the Marine
Houses of the Oireachtas
Leinster House
Kildare Street
IRL – DUBLIN 2*

*cc. Mr Seán Ó FEARGHAÍL T.D.
President of Dáil Éireann
Houses of the Oireachtas
Leinster House
Kildare Street
IRL – DUBLIN 2*

*Senator Denis O'DONOVAN
President of the Seanad Éireann
Houses of the Oireachtas
Leinster House
Kildare Street
IRL – DUBLIN 2*

Dear Chairman,

The Commission would like to thank the Houses of the Oireachtas for their second Opinion on the Reform of the Common Agricultural Policy.

The Commission is well aware that Europe needs a resilient, sustainable and competitive agricultural sector in order to ensure the production of high-quality, safe and affordable food for its citizens, as well as solid socio-economic conditions in the rural areas. The context of the challenges of globalisation for the agricultural sector and the rural areas of the Union requires the maintenance of a strong, modernised and common agricultural policy, as confirmed in the legislative proposals¹ on the future Common Agricultural Policy presented by the Commission on 1 June 2018. These proposals give shape to the ideas for the future of this policy, as outlined in the Communication on the Future of Food and Farming {COM(2017) 713 final}, presented in November 2017.

For the period from 2021 to 2027, the Commission is proposing an ambitious budget of EUR 365 billion for the Common Agricultural Policy. This means that the policy will account for nearly one-third of the total budget of the European Union, highlighting its

¹ *Proposal for a Regulation establishing rules on support for strategic plans to be drawn under the Common Agricultural Policy {COM (2018)392}, proposal for a Regulation on the financing, management and monitoring of the common agricultural policy {COM (2018)393} and proposal for a Regulation establishing a common organization of the markets {COM (2018)394}.*

continued importance. The budget for the agricultural policy will be divided between its two traditional 'pillars': direct support for farmers/market measures and rural development. In order to allow Member States to better adapt the policy to the priorities of their farming sectors, they will have the option to transfer up to 15% of their allocations between direct payments and rural development. Member States will also have the flexibility to transfer an additional 15% from the first to the second pillar for environmental and climate measures, without co-financing.

The Commission values the continuous engagement of the Houses of the Oireachtas and considers their contribution an important input into the policy-making process.

The Commission is particularly pleased that the Houses of the Oireachtas share the view that the generational renewal of farmers should be one of the policy's priorities. Member States should, in their Strategic Plans, present a sound strategy to address this challenge in their territory. At least 2% of the current envelope of direct payments should be devoted to this objective. This could be used as a top-up to the basic income support and/or as an installation support for young farmers, the maximum amount of which has been proposed to be increased to EUR 100,000. On top of this, young farmers should benefit from another array of interventions, notably investment support, knowledge transfer and training, support for working capital through financial instruments.

Member States will enjoy greater responsibilities in choosing how and where to invest their funding from the Common Agricultural Policy in order to meet ambitious common goals on environment, climate change and sustainability. The current environmental architecture will be replaced by a more targeted, ambitious and flexible approach.

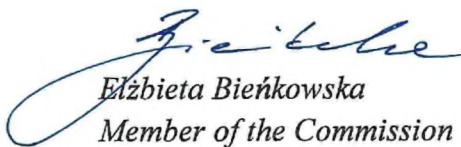
The Commission, like the Houses of the Oireachtas, remains committed to supporting areas subject to natural constraints and to the need of maintaining a diversity of dynamic rural areas. This is why the consolidation of the socio-economic fabric of rural areas has been confirmed as one of the three general objectives of the next Common Agricultural Policy. Similarly, the recognition of environmental services provided by agriculture is maintained as a primary objective of the next agricultural policy, through the obligation for Member States to provide income support to voluntary programs for climate and agriculture funded by the first pillar, in addition to the agro-environmental measures of the second pillar.

The experience from the implementation of the current Common Agricultural Policy confirmed that a one-size-fits-all approach did not provide the expected results. In the proposal, a shift is made towards far more subsidiarity. In the new model, the European Union will provide for the necessary safeguards to ensure both ambition and a level-playing field. In this new framework, based on a switch from compliance to performance-orientation, measurable targets will be needed. A common set of result indicators will be agreed at the level of the European Union to ensure comparable conditions for farmers in all Member States. The new Common Agricultural Policy Strategic Plans will be simpler than current rural development programmes. They will have to follow certain principles and set out a certain level of content, but not to demonstrate compliance with long lists of detailed European rules.

The Commission therefore welcomes the Houses of the Oireachtas' views, especially on ambitions such as greater subsidiarity, a higher level of environmental protection and emphasis on knowledge and innovation in the field of agriculture.

The Commission looks forward to continuing the political dialogue with the Houses of the Oireachtas in the future.

Yours faithfully,


Elżbieta Bieńkowska
Member of the Commission