



3RD WORKSHOP EU SHEEP MEAT FORUM

Direct support for the sheep meat sector

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New design of direct payments

**Capping voluntary for the MS
Degressivity of 5% over 150 000 €**

V = voluntary scheme
C = compulsory scheme

Gross compliance
Streamlined

Coupled support* (V)	Natural constraint support (V)	Young Farmer Scheme (C)	«Green» Payment (C)	Basic Payment Scheme (C)	Small Farmer Scheme (V)
<ul style="list-style-type: none"> • Wide range of sectors • Up to 8% (or to 13% depending on past level) of DP envelope, +2% for protein crops 	<ul style="list-style-type: none"> • For areas with natural constraints – or part of them • Up to 5% of the DP envelope 	<ul style="list-style-type: none"> • Up to 2% of DP envelope • < 40 years commencing activity 	<ul style="list-style-type: none"> • +25% (/payment entitlements) • For 5 years 	<ul style="list-style-type: none"> • Crop diversification • Permanent grassland • Ecological focus area 	<ul style="list-style-type: none"> • Simplification of claims and controls • Lump sum payment to be determined by MS under conditions [500 to 1250 €] • Entrance in 2015
		<ul style="list-style-type: none"> • New BPS entitlements in 2015 • SAPS extended until 2020 (EU-10) • Internal convergence / derogation with external convergence model 	<ul style="list-style-type: none"> • Voluntary redistributive payment (+max.65% on max. 30 ha or AFS; max 30% DP envelope) • Definition of 'active farmer' 		

* In some MS (BG, EL, ES, PT) the crop specific payment for cotton is compulsory; obligation derives from 1979 Act of Accession of EL

OR

Direct support for the sheep meat sector

- All area-based payments as for any other eligible farmer
- Voluntary coupled support (VCS) in those Member States which opted for it

Voluntary coupled support (VCS)

Legal framework

- EP-Council **Regulation (EU) No 1307/2013** (Articles 52-55)
- Commission **Delegated Regulation (EU) No 639/2014** (Articles 51-55 and 67)
- Commission **Implementing Regulation (EU) No 641/2014** (Article 12)

VCS

- Optional scheme (MS may grant VCS) **applicable from 2015**
- Choices notified by MS by **1 August 2014**
- **MS may review their decisions by 1 August 2016** with effect from 2017
- **Commission not empowered to approve/reject MS decisions** except when share of national ceiling used $> 13(+2)\%$ (BE, PT, FI)
- Commission assessed all MS' notifications (completeness and compliance)

Which sectors?

- Optional scheme (MS may grant VCS) **applicable from 2015**
- **21 eligible sectors/productions** : cereals, oilseeds, protein crops, grain legumes, flax, hemp, rice, nuts, starch potato, milk and milk products, seeds, **sheep meat**/goat meat, beef and veal, olive oil, silkworms, dried fodder, hops, sugar beet, cane and chicory, fruit and vegetables and short rotation coppice)
- Sectors or regions where **specific types of farming/specific agricultural sectors** that are particularly important for economic/social/environmental reasons **undergo certain difficulties**

Derogation

- MS may also grant support to farmers who:
 - On 31.12.2014 had "**special payment entitlements**" (*created in the context of "decoupling" in 2003 for farmers having previously received payments not subject to area condition*)
 - Have **no eligible hectares** for activation of payment entitlements under basic payment scheme
 - Option applied in the sheep/goat meat sector by Spain (EUR 30 Mio/year, ±1,1 Mio heads) and Greece (EUR 25 Mio/year, ±0,9 Mio heads)

Objective

- **Only** granted to the extent necessary to create an **incentive to maintain current levels of production** (reference period: 2009-2013)
 - ⇒ **Within defined quantitative limits** and based on **fixed areas and yields** or on **fixed number of animals**

Financing

- **MS may decide to use**
 - **Maximum 8%** share of annual national ceiling available for DP
 - As a derogation, **up to 13%** under certain circumstances
 - In addition, **optional increase up to 2 %** of the national ceiling in MS which decide to use at least 2 % of the direct payments' envelope to support production of protein crops (maintaining protein-based autonomy of breeding sector)
 - **Higher share possible (> 13%)** only under specific conditions and **upon Commission approval**
- **Budgetary ceilings fixed every year** by Commission Implementing Regulation
- **Fixed financial envelope per measure** (sector/sub-sector or type of farming)

Implementing rules

- Unit amount of support per ha/head = Ratio **amount/QL** (area or animals) or **amount/eligible area or animals**
- Modulated unit amount possible if justified by economies of scale
- **MS define applicable eligibility criteria** according to the targeting, some requirements fixed at EU level (e.g. **animals I&R**)
- No accumulation of support

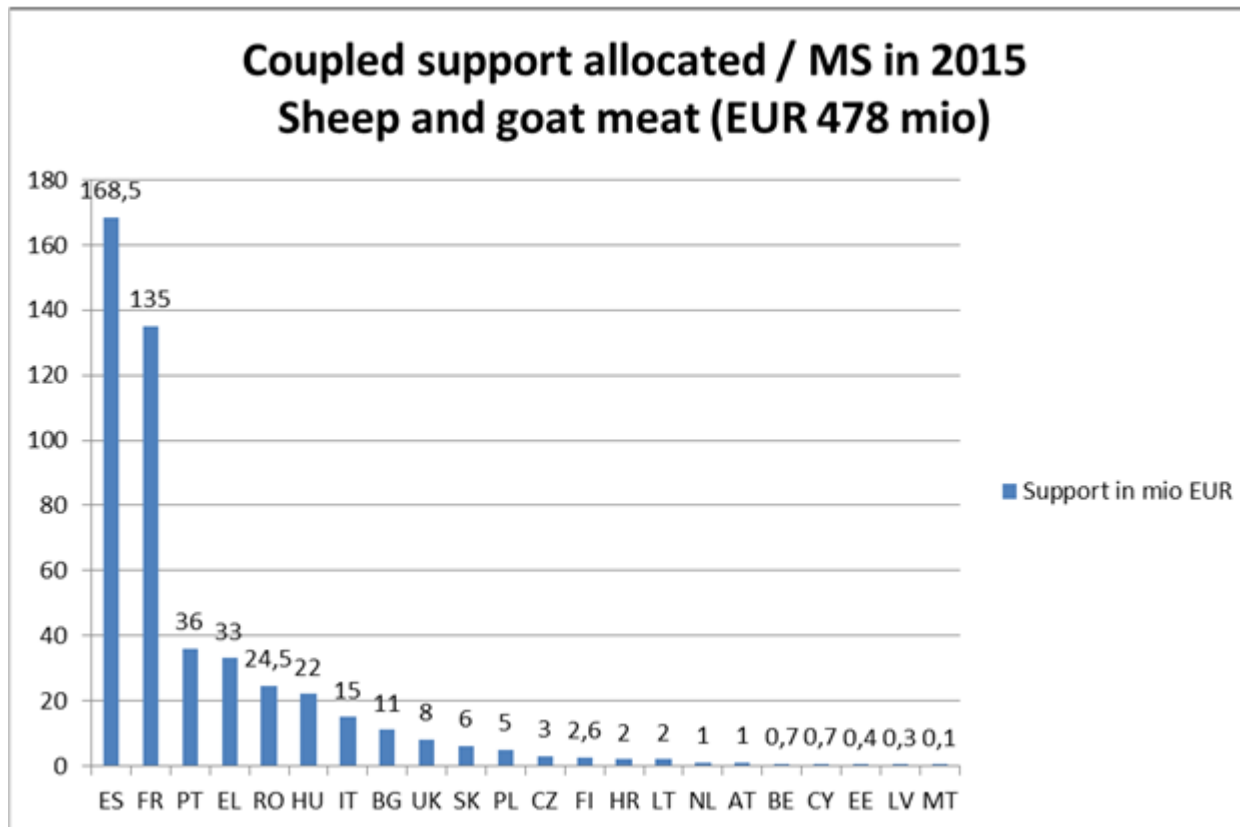
VCS in animal sectors

- 27 MS decided to implement VCS between 2015 and 2020
- EUR 4.1-4.2 billion yearly earmarked to VCS (10% of the total amount available for EU-28 direct payments)
- **25 MS targeted at least one of the eligible animal sectors beef/veal, milk, sheep/goat meat**
- **EUR 3 billion earmarked to animal sectors (73% total VCS)**
- 127 support measures (of a total of 260)

VCS in the sheep/goat meat sector

- **22 Member States** (notifications by 1.08.2014) = 41 support measures (of 127 targeting animals)
- Average annual amount over the period: **EUR 486 Mio** (12% of the total amount earmarked to VCS)
- EU quantitative limit (= number of animals/heads): **±42 Mio sheep and goats**
- Estimated average per unit amount : 12€/head

VCS in the sheep/goat meat sector



VCS in the sheep meat sector

- Information provided by MS notifications (see 2 preceding slides) do not precisely reflect the situation in respect of sheep
- **10 of 22 MS targeted/notified sheep and goats together, without distinction**
- **Only the remaining 12 MS targeted/notified separately sheep meat ⇒ 25 Mio heads, ±EUR 320 Mio in 2015**
- It is then not possible to measure precisely the respective share of sheep and goats in the total population of animals covered

Detailed information available on Europa:
http://ec.europa.eu/agriculture/direct-support/direct-payments/docs/voluntary-coupled-support-note_en.pdf

Thank you for your attention!