



EUROPEAN COMMISSION

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Dear Chairman,

The Commission would like to thank the Houses of the Oireachtas for their Opinion on the legislative proposals for the Common Agricultural Policy after 2020: proposal for a Regulation establishing rules on support for strategic plans to be drawn up under the Common Agricultural Policy {COM(2018) 392 final}, proposal for a Regulation on the financing, management and monitoring of the common agricultural policy {COM(2018) 393 final} and proposal for a Regulation establishing a common organization of the markets {COM(2018) 394 final}.

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 proposals.

Simplification is at the heart of the new Common Agricultural Policy based on a fundamental reflection on how the rules are conceived and thus on the overall governance of this policy. This resulted in a structural revision of responsibilities in the form of a new delivery model, which offers clear potential for simplification. Member States will enjoy greater responsibilities in choosing how and where to invest their

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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.

In the new model, the European Union will provide for the necessary safeguards to ensure both ambition and a level-playing field. This new framework will be based on a switch from compliance to performance and will be focused on achieving results. 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 the 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 presented in May 2018 balanced proposals for the Union's next Multiannual Financial Framework despite the very challenging overall context, including the forthcoming withdrawal of the United Kingdom from the European Union and the need to address existing and new political priorities.

Member States will be supported by the European Commission in the preparation of Common Agricultural Policy plans. The approval process itself will be an essential safeguard, as it will consist of a thorough assessment of the completeness, consistency, coherence and effective contribution of the national strategy to the Common Agricultural Policy objectives.

A more detailed assessment of the Opinion of the Houses of the Oireachtas is presented in the Annex.

Discussions between the Commission and the co-legislators concerning the proposal are now underway and the Commission remains hopeful that an agreement will be reached in the near future.

The Commission hopes that these clarifications address the issues raised by the Houses of the Oireachtas and looks forward to continuing the political dialogue in the future.

Yours faithfully,



*Frans Timmermans
First Vice-President*



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Member of the Commission*

ANNEX

The Commission has carefully considered the issues raised by the Houses of the Oireachtas in their Opinion and would like to offer the following observations grouped by topic.

As far as the issue of Simplification is concerned, the Commission considers that the major simplification can only be achieved by moving to greater subsidiarity. Trying to lay down at European Union level what farmers (and administrations) need to comply with and at the same time taking into account the different needs of the various Union's agricultural production systems inevitably leads to complex legislation. The best example is the current rules on greening. However, increased subsidiarity in itself is not a guarantee for simplification. Member States will have to ensure that they will make use of the increased subsidiarity with the need for simplification in mind. For these reasons, the proposal refers to the obligation for the Member States to ensure simplification.

As far as the Multiannual Financial Framework is concerned, the Commission considers that its proposal is balanced. In this challenging budgetary context, the proposals allocate EUR 365 billion for the Common Agricultural Policy for 2021-2027, which is a strong signal of continued support for the future of European Union farming and rural areas. While direct payments would be cut only moderately, for rural development a rebalancing of support between the Union and the Member States is proposed, including the possibility of increased national contributions in order to keep an adequate level of support to rural areas.

As far as the issue of Direct Payments is concerned, the proposal introduces a cap on direct payments. To avoid negative effects on employment, the costs of salaries of workers and or equivalent costs need to be taken into account. The proposal gives flexibility to the Member States to set the cap at a level between EUR 60,000 and EUR 100,000 depending on the needs in the Member State concerned.

As far as the issue of Environmental Measures is concerned, the Commission shares the views of the Houses of the Oireachtas that a well-resourced Common Agricultural Policy is integral to environmental measures. The proposal would allow the suggestions by the Houses of the Oireachtas to be taken into account.

As far as the issue of Young Farmers is concerned, the Commission shares the views of the Houses of the Oireachtas, and considers that the proposal contains the necessary elements to follow the suggestions by the Houses of the Oireachtas.

As far as the issue of the definition of a Genuine Farmer is concerned, the Commission considers that the proposal would exactly allow the flexibility to the Member States that the Houses of the Oireachtas is requesting.

As regards the issue of Risk Management, the Commission considers that risk management tools should be obligatory. However, to allow the Member States to take into account their specific needs and circumstances, no minimum budgetary limit has been set.

As to the issue of European Union Added Value, the Commission shares the view of the Houses of the Oireachtas that knowledge sharing across borders would increase the added value of the common policy. The proposal stimulates such knowledge sharing, within and across borders, via the European Union networks established in Article 113.