



EUROPEAN COMMISSION

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Dear President,

The Commission would like to thank you for the Opinion of the Italian Chamber of Deputies on the future of the Common Agricultural Policy (CAP) {COM (2010)672 final}.

The Commission shares the Chamber of Deputies' view that a strong, common European agricultural and rural development policy is fundamental for the future of the EU. In particular, direct payments have proven their value in supporting and stabilising farmers' income while at the same time, contributing significantly to render farming sustainable and providing basic public goods through the introduction of the greening component in the 1st pillar.

The CAP is a multifunctional policy with direct impacts on growth, employment, climate change, energy, technology and innovation. A reduction of support for the CAP would have negative impacts to the above mentioned areas, hampering consequently the potential of the policy to contribute to the goals put forward in the Europe 2020 Strategy and to the demands and expectation of the EU citizens.

The opinion of the Chamber of Deputies raises a number of concerns on the implications for Italy of certain elements being discussed regarding the future CAP reform, on which the Commission would like to provide the following clarifications.

The redistribution of direct payments amongst and within Member States is indeed one of the main elements of this reform. The current distribution of direct payments is based largely on historic parameters. However, during the preparation of the legislative proposals there was a widespread agreement for a review of the current model of direct payments so as to improve their distribution towards more equity between Member States and farmers and to render them more legitimate to the EU taxpayer.

The Commission's legislative proposals change the direct payment system in terms of redistribution, redesign and better targeting of support, while avoiding major disruptive changes which could have far reaching economic and social consequences in some regions and/or production systems.

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The proposed distribution of direct payments reflects better the dual role of direct payments for income support and provision of public goods thus ensuring a better fit between the policy objectives and the budgetary means available. At the same time, the current distribution tries to avoid major disruptions. The Commission proposals redistribute payments between Member States in a pragmatic and economically feasible manner while at the same time limiting their gains and losses in the way that all Member States receive on average a minimum share of the EU-wide average level of direct payments. The possibilities and impacts of adapting the direct payments system have been assessed in the Impact Assessment analysis.

Through the redesign of the direct payments system the Commission seeks to continue to support farmers' income through the granting of a basic decoupled payment, to enhance the environmental performance of the CAP through a "greening" component, to promote sustainable development of agriculture in areas with specific constraints by providing an additional income support to farmers in such areas, and finally in order to take account of specific problems in certain regions where particular types of farming are considered especially important for economic and/or social reasons, voluntary coupled support may still be granted.

The Commission takes note of your concerns on possible implementation issues with some of these measures in Italy.

There are several other issues the opinion of the Chamber of Deputies mentions and which the Commission took into account in the proposals for the post-2013 CAP. Issues such as the role of a safety net in the current context of increasing volatility, the need to improve the functioning of the food chain, the changes in Rural Development policy to improve farmers competitiveness and support to young farmers are addressed in a comprehensive manner in the Commission proposals presented on the 12th of October.

The Commission is looking forward to further deepening the political dialogue with the Chamber of Deputies of the Italian Republic and apologises for the delay in our response.

Yours faithfully,

*Maroš Šefčovič
Vice-President*