EUROPEAN COMMISSION



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Dear President.

The Commission would like to thank the Senato della Repubblica for its Opinion on the legislative package proposed by the European Commission for the reform of the Common Agricultural Policy {COM(2011) 625_626_627_628_630_631 final} and would like to make the following remarks.

The reduction of disparities between farmers and Member States is one of the major challenges of this reform. As the current wide variation in direct payments based on purely historical criteria is difficult to justify for the future CAP, the future national direct payment envelope will no longer reflect a historical reference period but will ensure that all Member States move towards the EU average of direct payments, while taking account of the differences that still exist in economic and natural conditions across the EU. The proposed path towards more convergence between Member States has been guided by the consideration that a pragmatic, economically and politically feasible manner of redistributing payments between Member States is to increase the envelopes of Member States with below average direct payments while at the same time limiting the reduction in direct payment levels of the Member States with above average payment levels (like Italy).

With regard to 'greening', making 30% of direct payments to farmers conditional upon respect of environmental actions effectively turns a substantial part of first pillar payments into payments for delivering ecosystem services. All "green measures" contribute to preserving biodiversity, water, soil, and landscapes as well as to climate change mitigation and adaptation. The proposal seeks to keep the costs for farmers reasonable and the administration of the policy manageable. Given the nature of Pillar I, the greening requirements are necessarily generalised, non-contractual, annual environmental measures.

The challenge of finding a suitable definition of an "active farmer" is very complex. Exclusion rules that are too broad and general may actually involuntarily penalise genuine farmers. Therefore, the Commission favours an approach that will make it possible to avoid paying direct support to beneficiaries whose business purpose is not or only marginally the exercise of an agricultural activity and who do not carry out a minimum activity on their land, while ensuring administrative costs are limited.

As regards the budget for rural development, the Commission has not yet proposed a distribution key among Member States. The criteria for this distribution should better match the objectives of the future policy while also taking into account the current distribution to

Mr. Renato SCHIFANI President Senato della Repubblica Piazza Madama, 1 IT – 00186 ROMA ensure continuity. The regulation delegates the further elaboration of these criteria to the Commission as is the case today.

Finally, the Commission welcomes your support for the new measures on risk management as well as for the proposals on the food chain. We think that the new proposed instruments will be an important step towards the need to enhance the value share of agriculture along the food chain.

I hope that these clarifications address the concerns of the Senato della Repubblica and I look forward to continuing our political dialogue in the future.

Yours faithfully,

Maroš Šefčovič President