



## EUROPEAN COMMISSION

Brussels, 19.10.2012  
C(2012) 7255 final

*Dear President,*

*The Commission would like to thank the Seimas of the Republic of Lithuania for its Opinion concerning the Commission proposal for a regulation of the European Parliament and of the Council establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy {COM(2011) 625 final} and apologises for the long delay in replying.*

*The Commission takes careful note of the Opinion put forward by the Seimas with regard to the level of direct payments provided to the Lithuanian farmers and would like to provide the following clarifications:*

*The Commission would like to underline that the reduction of disparities between farmers and Member States is one of the major challenges of this reform. In this framework, the proposed convergence would represent a substantial reform of the way in which direct payments are currently distributed. As the current wide variation in direct payments based on purely historic criteria is difficult to justify for the future CAP, the future national direct payment envelope would no longer reflect a historic reference period but would ensure that all Member States move closer towards an EU average of direct payments, while taking account of the differences that still exist in economic and natural conditions across the EU.*

*However, the Commission would like to clarify that direct payments should not be regarded in isolation of other public support or transfers under the CAP. When both Pillar I and Pillar II support are considered, it becomes clear that differences between Member States in aid levels are much less pronounced than when the focus is only on Pillar I. In addition, Member States also receive support from other sources than the CAP, such as the Structural Funds and the Cohesion Fund, which should not be disregarded when looking at overall support levels.*

*Finally, the Commission would like to mention that there is a need to acknowledge that Member States that remain under 90% of the EU average for direct payments after the proposed redistribution are granted a particular flexibility element that allows them to increase their funds for direct support, therefore having the possibility*

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*to transfer more funds into direct payments through a shift from Pillar II to Pillar I at a level of up to 5% of their rural development envelope.*

*I hope that the clarifications provided above address the main issues raised in the Opinion of the Seimas and looks forward to continuing our political dialogue in future.*

*Yours faithfully,*

*Maroš Šefčovič  
Vice-President*