



EUROPEAN COMMISSION

*Brussels, 24.06.2016
C(2016) 3877 final*

Dear President,

The Commission would like to thank the Senat for its Opinion concerning the proposal for a Regulation of the European Parliament and of the Council fixing the adjustment rate provided for in Regulation (EU) No 1306/2013 for direct payments in respect of the calendar year 2016 {COM(2016) 159 final}.

The Commission has noted the Senat's recommendation that support to the agricultural sectors affected by a crisis should be given without applying the mechanism of adjustment of direct payments. The Commission is, however, obliged by the 2013 CAP reform to propose each year an adjustment rate to direct payments (financial discipline) in order to finance a crisis reserve.

The crisis reserve allows for the provision of additional financing for market support measures in case of crises affecting the agricultural sector and where such measures cannot be financed from existing budget availabilities. If the crisis reserve does not need to be activated in the year or when at the end of the year there are remaining non-committed appropriations of the European Agricultural Guarantee Fund, the amount of financial discipline applied is reimbursed to the farmers in the following year, as has been the case until now.

The Commission hopes that this clarification addresses the issue raised by the Senat and looks forward to continuing our political dialogue in the future.

Yours faithfully,

*Frans Timmermans
First Vice-President*

*Phil Hogan
Member of the Commission*

*Călin POPESCU-TĂRICEANU
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