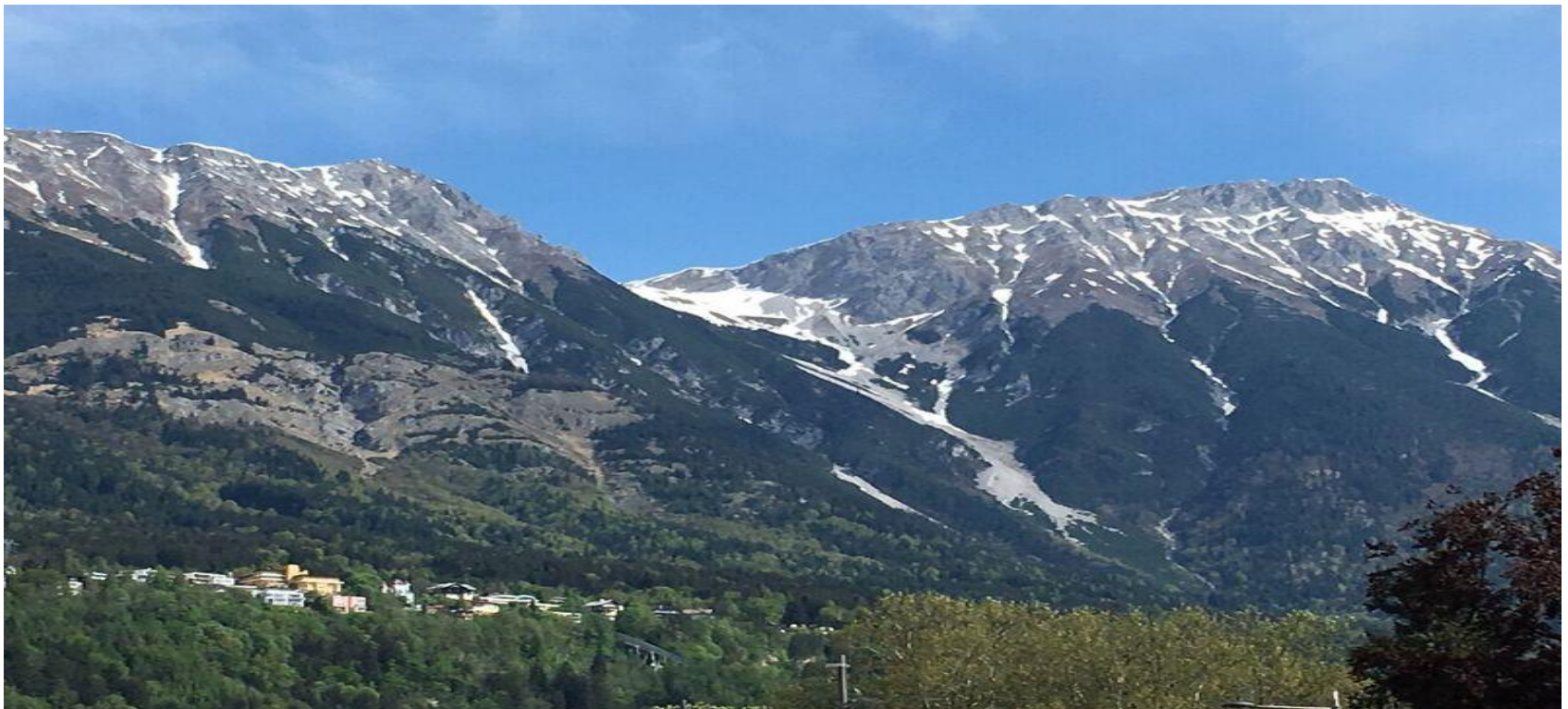


Workshop on areas facing natural and other specific constraints (ANCs)

18 October 2016



Payments

- Total or partial compensation to farmers for the natural or specific disadvantages (additional costs & income foregone).
- Allow farmers to continue agriculture & land management (preventing land abandonment).
- Additional costs and income forgone shall be calculated in comparison to the areas that are not affected by the constraints.
- Payment: minimum 25 EUR/ha*year on average of the area of the beneficiary; maximum 250 EUR/ha*year.
- Mountain areas: maximum 450 EUR/ha*year.

Differentiation of payments

- Level of payment: can be differentiated taking into account the severity of the constraint or the farming system (intensive, extensive, crop or livestock).
- Payments cannot be related to specific products or volume of production (WTO agreement requirement).



Phasing out (for Art. 32(1)(b) areas)

- After the new designation is in place:
 - degressive payments may be granted to farmers whose areas are not eligible anymore.
- The "phasing out" payments
 - may last for max. 4 years and end up in 2020 at the latest;
 - shall start at max. 80% of the average payment of the previous period;
 - in 2020, the payment shall not exceed 20% of the amount fixed in the previous period.

Thank you for your attention