This working document has been prepared by DG AGRI staff in order to facilitate the discussion in the Expert group for direct payments. It has not yet been subject of an inter-service consultation nor revised by the Legal Service.

Therefore the present draft text may still be subject to further changes.

COMMISSION DELEGATED REGULATION (EU) …/…

of XXX

amending Delegated Regulation (EU) No 639/2014 as regards a provision on the payment for young farmers in control of a legal person, the calculation of the per unit amount in the framework of voluntary coupled support, the fractions of payment entitlements and certain notification requirements relating to the single area payment scheme and the voluntary coupled support

THE EUROPEAN COMMISSION,

Having regard to Regulation (EU) No 1307/2013 of the European Parliament and of the Council of 17 December 2013 establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy and repealing Council Regulation (EC) No 637/2008 and Council Regulation (EC) No 73/2009¹, and in particular Articles 35(2), Article 50(11), 52(9)(a) and Article 67(1) and (2)(a) thereof,

Whereas:

(1) Article 49 of Commission Delegated Regulation (EU) No 639/2014² lays down the rules under which legal persons have access to the payment for young farmers provided for in Article 50(1) of Regulation (EU) No 1307/2013.

On the basis of the experience gained with the application of Article 49(3) of Delegated Regulation (EU) No 639/2014, a further clarification should be provided as to the interpretation of the requirement laid down in point (b) of Article 50(2) of Regulation (EU) No 1307/2013 in respect of the time when a young farmer who exercises effective and long-term control over a legal person has to comply with the age limit. In particular, it is appropriate to clarify that the young farmer has to comply with the age limit of 40 years in the year of the first submission of an application under the basic payment scheme or the single area payment scheme by the legal person with young farmer in control. As the change only aims at clarifying the existing rules, it is appropriate that the amendment applies from the beginning of claim year 2015.

According to the 2nd sub-paragraph of Article 53(2) of Delegated Regulation (EU) No 639/2014, the per unit amount of voluntary coupled support for a measure should result from the ratio between the amount fixed for the financing of that measure and either the quantitative limit fixed based upon the 1st sub-paragraph of the same Article, or the number of hectares or animals that are eligible for the support in the year in question. It is appropriate to clarify that Member States may fix the per unit amount at a value included within the range determined by these two values when the number of eligible units is lower than the quantitative limit. As the change only aims at increasing clarity of the existing rules, it is appropriate that the amendment applies from the beginning of claim year 2015.

Pursuant to Article 64(5) of Delegated Regulation (EU) No 639/2014, Member States applying the single area payment scheme in accordance with Article 36 of Regulation (EU) No 1307/2013 are to notify the Commission by 1 September each year of the total number of hectares declared by farmers under that scheme. However, that information is notified to the Commission annually in more detail pursuant to Article 9(1) of Commission Implementing Regulation (EU) No 809/20143. Article 64(5) of Delegated Regulation (EU) No 639/2014 can therefore be deleted.

In accordance with Article 67(2) of Delegated Regulation (EU) No 639/2014, Member States are to notify the Commission of the total number of beneficiaries, the amount of the payments which have been granted as well as the total area and the total number of animals for which the support has actually been paid for each coupled support measure and each of the specific types of farming or specific agricultural sectors concerned.

As from claim year 2015, the total number of beneficiaries and the total area or total number of animals claimed and determined for each voluntary coupled support measure are notified by Member States in accordance with Article 9(1) and (3) of Implementing Regulation (EU) No 809/2014. Furthermore, as from claim year 2016, the amount of the payments which have been granted for each coupled support measure will be included in the communications of information by the Member States in accordance with Article 10

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of Commission Implementing Regulation (EU) No 908/2014\(^4\). Therefore, Article 67(2) of Delegated Regulation (EU) No 639/2014 should be deleted.

(7) In order to avoid discriminations it is appropriate to state that for the purpose of Article 31(1)(b) of Regulation (EU) No 1307/2013, either a whole-number payment entitlement or a fraction of payment entitlement are considered as fully activated when activated on an area of a lower size than the corresponding payment entitlement or fraction of payment entitlement. Nevertheless the corresponding payment is calculated pro rata to the size of the area determined as defined in accordance with Article 2(1)(23) of Regulation (EU) No 640/2014.

(6)(8) Delegated Regulation (EU) No 639/2014 should therefore be amended accordingly,

HAS ADOPTED THIS REGULATION:

Article 1

Delegated Regulation (EU) No 639/2014 is amended as follows:

(1) Article 24, paragraph 2 is replaced by the following:

2. Where a farmer declares a number of payment entitlements exceeding his total eligible area declared pursuant to Article 33(1) of Regulation (EU) No 1307/2013, the fraction or the whole number of payment entitlement partially exceeding his eligible area, declared with the accompanying fraction of eligible hectare, shall be deemed as fully activated for the purpose of Article 31(1)(b) of Regulation (EU) No 1307/2013.

(2) In Article 49(3), the following subparagraph is added:

"a young farmer who exercises effective and long-term control over the legal person within the meaning of point (b) of the first subparagraph of paragraph 1 of this Article shall, for the purposes of Article 50(2)(b) of Regulation (EU) No 1307/2013, be no more than 40 years of age in the year of the first submission of an application under the basic payment scheme or the single area payment scheme by that legal person with a young farmer in control." for the purposes of Article 50(2)(b) of Regulation (EU) No 1307/2013."

The 2\(^{nd}\) sub-paragraph of Article 53

(3) (2) is replaced by the following:

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"The annual payment shall be expressed as the per unit amount of support. It may be either one of the following amounts, or, when the area or the number of animals eligible for the support does not exceed the area or the number of animals fixed as referred to in the first subparagraph of this paragraph, an amount between them:

(a) the ratio between the amount fixed for the financing of the measure as notified according to point (3)(i) of Annex I to this Regulation and the area or the number of animals eligible for the support in the year in question;

(b) the ratio between the amount fixed for the financing of the measure as notified according to point (3)(i) of Annex I to this Regulation and the area or the number of animals fixed as referred to in the first subparagraph of this paragraph."

(4) In Article 64, paragraph 5 is deleted.

(5) In Article 67, paragraph 2 is deleted.

Article 2

This Regulation shall enter into force on the third day following that of its publication in the Official Journal of the European Union.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the Commission

The President

Jean-Claude JUNCKER