

COUNCIL OF THE EUROPEAN UNION



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Reform of the common agricultural policy Final political agreement between EU institutions for MFF related issues

The Council and the European Parliament reached a political agreement on the multiannual financial framework (MFF) related issues of the common agriculture policy (CAP) reform package at the occasion of the informal trilogue meeting which took place this evening. This marks a major step towards the goal of finalising the CAP reform package.

A political agreement with the other EU institutions on the CAP reform package was reached on 26 June but the European Parliament considered that some outstanding issues linked to the MFF 2014-2020 were not part of the agreement. In response to demands made by the European Parliament, at its meeting on Monday 23 September 2013, the Agriculture and Fisheries Council adjusted its negotiating position on MFF related aspects of the CAP reform package.

The European Parliament is expected to vote on the package at the meeting of its Committee on Agriculture and Rural Development on 30 September. From the Council side, the Presidency will present the legal texts to the Member States for approval at a meeting of the Special Committee on Agriculture (SCA) on 7 October.

For the next steps, the vote in plenary of the European Parliament is expected later in the year followed by Council adoption of the agreement in first reading.

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The main elements of the political agreement would complete the compromise texts prepared by the Presidency on two of the CAP reform proposals:

- the regulation establishing rules for **direct payments** to farmers (Direct Payments Regulation) (<u>13294/13</u>);
- the regulation on support for **rural development** (Rural Development Regulation) (13349/13);

The main elements of the agreement reached today are summarised below:

- Concerning the **co-financing rates for rural development**, the Council accepted the Parliament request to increase the rate for less developed regions, outermost regions and smaller Aegean islands on a voluntary basis to 85%. This constitutes a major additional concession from the Council side on the clear understanding that an overall agreement is now concluded on CAP reform.
- On the presentation of the annual breakdown per Member State of the rural development budget, the Council agreed to include this breakdown in an annex to the rural development regulation granting the power to the Commission to amend this annex through delegated acts in clearly defined circumstances.
- As regards **direct payments** and more specifically on **degressivity**, the Council made a significant effort in the direction of the Parliament by moving towards a rate of 5% for amounts above EUR 150 000 along with a 5% rate for the derogation in relation to the redistributive payment. Degressivity shall apply only to the basic payment or the single area payment.
- On national ceiling for direct payments and flexibility between pillars, the European Parliament accepted the position of the Council.

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