

ICOS Briefing Note CAP proposals

Please note that these are on the basis of the partial political agreement- some items can be open to further change with in MFF negotiations and drafting of legal delegated acts.

This list is by no means exhaustive but covers the key points of relevance to our co-ops from the 4 CAP dossiers running to 2,400 pages.

Direct Payments (Pillar I)

Internal convergence (Art 22):

ICOS policy has always been to 'reward the active co-op member, who produces most for, and purchases the most off their co-operative.'

Minimum Payment per ha: 60% of national average SFP per ha- Circa €150 depending on how exactly they calculate.

Phased in over 6 years (2015-2020). 2014 will be a transition year for CAP under old system.

Most any individual farmer can lose is 30%

Will cause problems, with €103 million euro being transferred off some of our most productive co-op producers.

Minister was faced with a Commission proposal that up to recently was looking for a minimum payment of 75% of the average per hectare payment

Cuts to finance crisis reserve/financial discipline (art. 8.1): Linear cuts on direct payments to finance the crisis reserve or financial discipline would apply to payments above €2000 – this is because of the British reducing the EU budget in MFF in Feb. Will apply in 2014 and figure of cut TBC.

Coupled payments (art. 38): Voluntary at country level. Maximum amounts which may be used: 8% of national ceiling plus 2% for protein crops. Any allocation for target sector will mean a cut off overall SFP for all.

Young farmers 25% top-up of SFP for first 5 years for qualified farmers under 40. For farms of over 25 ha and under 90 ha.

ICOS support, as the future of the co-operative movement is dependent on young farmers regenerating our membership and our board structures.

Greening (Art 29-32)

30% of each SFP- 3 measures

Grassland maintenance at the heart of the proposal from Irish perspective. Also rules of **Ecological Focus Areas** and **Crop Rotation**.

ICOS happy that deals done on these proposals will be workable in the future for Irish agriculture. (Organic farmers 'green by definition').

Crisis reserve: circa 1% off SFP, but returned to farmers if no crisis in particular year

Reference year of 2013 to stop land speculation. With Land maps of 2014 then used.

Single Farm Payment now to be renamed Basic payment scheme (BPS) to separate it from 30% 'Greening' Payment.

Single Common Market Organization (sCMO)

Dairy Supply Management proposal **deleted** from CAP.

To this end ICOS made great efforts to block proposals on dairy supply management proposals in article 156a.

Recital included in final text to give the possibility for the Commission to look at necessary measures in the case of a milk crisis.

Dantin in CAP aftermath 'I regret that the other institutions were not able to come on board for further measures to help the dairy sector after the current quota system expires in 2015. Nevertheless, I am looking forward to continuing this debate during the conference organised by the Commission in September to this end.'

A high level conference on Milk is proposed in Brussels for September 24th of this year.

Market Support tool box, retention and extension of-

Private storage Aid rules (PSA)

Intervention rules: Increase of the quantity limit for buying-in at fixed price within public intervention system for butter from current 30,000 tonnes to 50,000 tonnes

Risk Management- See note in Pillar II section

Beef: specific provision for possibility for a PO/co-op in the beef sector to negotiate on behalf of its members contracts for the supply of live cattle for slaughter under certain conditions. (Mart committe to explore)

Intervention prices for beef strengthened

Alignment (Art 43.3): European Parliament looking for powers over the rates of intervention, PSA etc. ICOS v much against as feel will politicise a vital tool which should be handled by technical experts at member state level

Formation and promotion of **producer organizations** (POs): Protect the co-operative model.

New laws of supporting the concept of national **Inter Branch Organisations** (IBOs) need to be examined closely for implications and possible opportunities for Co-ops.

School milk scheme extended

End to the **sugar quota** regime on September 30 2017

Pillar II

Disadvantaged area scheme to continue until 2018 then new scheme with **Areas of Natural Constraint (ANC)**, where farms will get payment on 8 'bio-physical' criteria. Will have to be worked on with department.

New **Agri-Environmental schemes** that will be designed by the Department of Agriculture. Will have to go beyond 'Greening' list in Pillar 1.

Advisory services (Article 16): Advisory services may also cover advice for the development of short supply chains, organic farming and health aspects of animal husbandry.

Setting up of producer groups and organisations (Article 28): Member States may continue support for start-up to producer groups/co-ops after they have been recognised as producer organisations.

Rural Development '**Co-operation**' **Article 36:** Potential for start-up co-op development

European **Innovation Partnership** for Agricultural Productivity & Sustainability to be funded

Risk management tools (art. 37-40): Insurance & mutual funds – for crop, animal disease & weather disasters: extended to include income stabilisation option (which would allow a pay-out (up to 70% of losses) from a mutual fund if income drops by 30%)

Horizontal Regulation

Transparency: CAP payment amounts will be publically available again.

Cross Compliance: simplified to exclude rules where there are no clear and controllable obligations for farmers.

Monitoring & Evaluation of the CAP: Report before in 2018 & every 4 years after – on the performance of the CAP.