Scene Setter

**STATE of PLAY MFF and CAP reform:**
- **MFF:** The European Council has asked the Presidency to put concrete figures on the table ahead of the December European Council.
- **CAP reform:** FI PCY presented state of affairs during October Council; new COMAGRI still sorting out how to proceed on grounds of the existing reports.

**COPA position**
- **MFF:** Very critical on the reduction of the overall allocation for the CAP.
- **CAP reform:**
  - Support further progress in external convergence
  - CAP must be easier; controls/sanctions must be simplified
  - Important to safeguard the commonality of the CAP (common rules)
  - Support should be targeted to active farmers, and a clear definition for genuine farmer should be established
  - Object to excessive transfers from Pillar I to Pillar II.
  - Defend direct payments as a primary tool
  - Strongly object mandatory capping and degressivity; suggests to tackle the issue of fairer distribution through the redistributive payment
  - Basic income support should be ring-fenced (min. 60% of Pillar I funds)
  - Keep the level of coupled support at the current level at least; MSs should be free to identify the supported sectors
  - Rural development policy must provide enough financial tools
  - Oppose exclusion of support for ANCs from the 30% ring fencing (PII)
  - New green architecture must allow some variability across the EU. The increase in requirements simultaneous with budget reduction is unacceptable.
  - Support the priority given to young farmers and generational renewal
Early warning system should offer more guidance to farmers and the crisis reserve should provide sufficient assistance when facing market disruption.

**BREXIT**

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**Trade related aspects**

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First key messages

- The **discussion on the MFF and CAP proposals is taking place in a** dynamic of institutional renewal in Brussels and the looming BREXIT.

**On the MFF:**
- European Leaders had a debate on the MFF when they met at the European Council on 17-18 October. The European Council has asked the Presidency to put **concrete figures on the table ahead of the December European Council**.
- The key issues for the MFF negotiations
  - overall budget amounts
  - the balance between main spending areas.
- Tough **political decisions will be needed**.
- **A timely agreement on the MFF is essential** to ensure continuity in CAP support to farmers and agricultural sector in the next period.

**On the CAP reform:**
- Debate in the **Council of Ministers** is ongoing:
  - While progress has been made, questions persists on:
    1) the set of instruments proposed for an enhanced **climate and environmental ambition** and
    2) the switch to a more **performance-based mechanisms** to implement the policy.
  - Certain Member States wait for the outcome of the MFF-negotiations before engaging in a political mandate on the CAP.
- **On the side of the European Parliament**, the Committee for Agriculture and Rural Development decided after summer to continue based on the work done by the previous Committee.
They concern in particular the question on how to accommodate views of the newly elected Member from the Committee in charge of agriculture and rural development and the Committee for environment.

For its part, the Commission will continue with the reform as set out by President-elect Mrs. von der Leyen.

The CAP reform is one of the tools to deliver a European Green Deal. Farmers are part of the solution.
Trade related issues

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Second key messages (defensive points)

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**Background**

No-deal: Negative impact on agricultural markets and potential mitigation

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