Meeting with Presidents of Copa and Cogeca

30 October 2019 8/192

Scene Setter

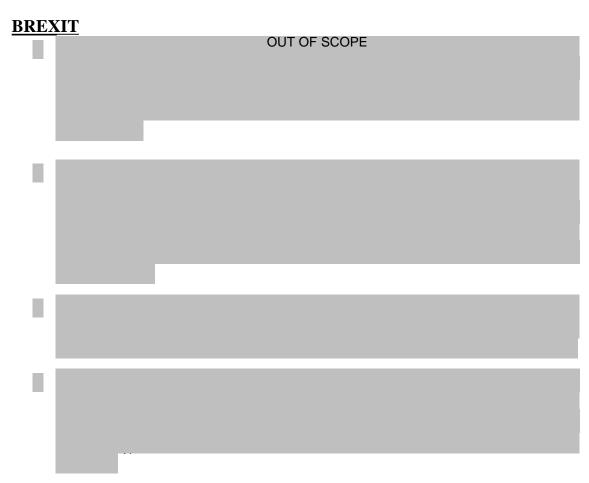
STATE of PLAY MFF and CAP reform:

- 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.

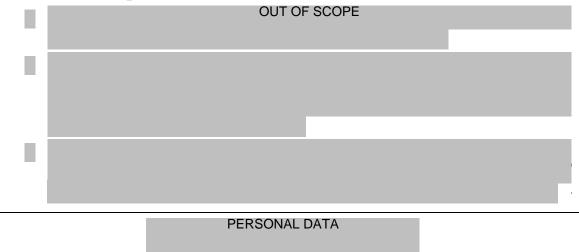
COPA position

- <u>MFF</u>: 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
 - \checkmark 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.
 - \checkmark 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.



Trade related aspects



• 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:

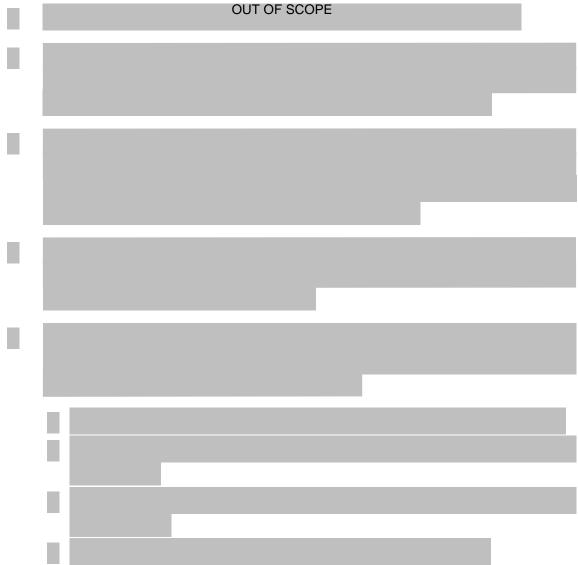
- European Leaders had a debate on the MFF when they met at the European Council on 17-18 October. The European Council has asked the Presidency to put **concrete figures on the table ahead of the December European Council**.
- The key issues for the MFF negotiations
 - overall budget amounts
 - the 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 MFFnegotiations 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.



BREXIT

Trade related issues

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New Zealand and Australia

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United States - Airbus

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Background

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

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