



Department
for Environment
Food & Rural Affairs

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The Rt Hon Lord Boswell
Chairman
Select Committee on the European Union
House of Lords
London
SW1A 0PW

17 July 2019

Dear Tim,

EM 9645/18: PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL ESTABLISHING RULES ON SUPPORT FOR STRATEGIC PLANS TO BE DRAWN UP BY MEMBER STATES UNDER THE COMMON AGRICULTURAL POLICY (CAP STRATEGIC PLANS) AND FINANCED BY THE EUROPEAN AGRICULTURAL GUARANTEE FUND (EAGF) AND BY THE EUROPEAN AGRICULTURAL FUND FOR RURAL DEVELOPMENT (EAFRD) AND REPEALING REGULATION (EU) NO 1305/2013 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL AND REGULATION (EU) NO 1307/2013 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL (AND ADD 1)

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SPECIFIC MEASURES FOR AGRICULTURE IN FAVOUR OF THE SMALLER AEGEAN ISLANDS (AND ADD 1-2)

9634/18: PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL ON THE FINANCING, MANAGEMENT AND MONITORING OF THE COMMON AGRICULTURAL POLICY AND REPEALING REGULATION (EU) NO 1306/2013 (AND ADD 1)

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I am writing to provide the Committee with a high-level update on the progress of the CAP Reform negotiations.

Since the Department's last CAP Reform correspondence with the Committee, the Finnish Presidency has taken over from the Romanian Presidency in coordinating negotiations. The Romanian Presidency produced a redraft text which has been considered at length in Working Parties, Special Committees on Agriculture (SCA) meetings and at Agriculture and Fisheries Councils. While the redrafted text addresses a number of concerns raised by Member States throughout the technical discussions of the proposals, certain issues remain unresolved due to their complexity and the varying positions across Member States, as well as the need to determine the overall CAP budget which is being negotiated in parallel as part of the next multiannual financial framework (MFF).

Examples of some of the changes which have been proposed include the Austrian Presidency's proposal of biennial rather than annual milestone reviews in the new 'strategic plans' delivery model, which was subsequently revised by the Romanian Presidency to annual reviews of biennially-set milestones, with greater flexibility for deviation from those milestones. A number of proposals aim to give Member States more flexibility on implementation, for example making the 'genuine farmer' status requirements and redistributive income support measures voluntary for Member States and making the skills threshold for young farmers' receipt of support definable by the Member State, among others. Technical discussion of the Presidency redraft text is ongoing.

The Common Organisation of the Market (CMO) has been a key component of the CAP, set up as a means of meeting the CAP's objectives, stabilising the markets and increasing agricultural productivity, and the present regulation is amended as part of the reform package. A significant proposal is to move sectoral interventions away from the CMO framework to new CAP Strategic Plans, allowing Member States more flexibility. Changes proposed by the European Parliament include widening the scope of public intervention

purchasing, such as by extending the window for purchase and adding to the list of produce which can be bought into intervention.

In parallel to this process, in April, the European Parliament's (EP) Agriculture Committee approved their own version of the CAP Reform texts with amendments proposed by the rapporteur. The whole text must now be scrutinised by the EP in plenary, which will occur once the new EP sits. The Conference of Presidents (new EP president and new leaders of political groups) may decide to forward the previously approved text to the full EP. Alternatively the new Agriculture Committee may wish to look at the proposal afresh before submitting to the whole EP for scrutiny.

There have been calls from several Member States, and from COMAGRI, to extend the current CAP. The dates suggested for an extension range from 2022 up to 2024. The argument has been that it would ensure the post-2020 CAP text is properly scrutinised and a satisfactory agreement reached, as well as to provide Member States with sufficient time to plan their implementation of the programme.

The Romanian Presidency was seeking a Partial General Approach (PGA) at the Agriculture and Fisheries Council held on the 18 June. However, a number of Member States were concerned that a PGA would be premature due to considerable issues remaining unresolved, in particular a need for more clarity on the MFF. Therefore a PGA vote was not pursued at Council, and the Presidency offered a progress report instead.

As my predecessor has previously updated, CAP 2020 is the EU's future policy and both under the terms of the Withdrawal Agreement or under a "no deal" exit from the EU, we would not be participating in the new CAP. Therefore we continue to focus on designing our own future agriculture policy, while closely monitoring developments in the CAP negotiations. As discussions progress, I will keep the Committee updated.

I am writing in similar terms to Sir William Cash, Chairman of the European Scrutiny Committee. I am also copying this letter to the Clerks of the Commons and Lords Committees, Lynn Gardner and Chris Johnson respectively; Les Saunders, Department for Exiting the European Union; and Amy Seakins, Defra Scrutiny Co-ordinator.

With best wishes,

A handwritten signature in dark ink, featuring a large, sweeping oval loop on the left and a series of overlapping, stylized strokes on the right.

ROBERT GOODWILL MP