RE: next trilogue meeting on the CAP post 2020

Dear Commissioner,

As the CAP post 2020 formally enters its final phase – the trilogues – I would like to once again recognise the immense work, on the three proposed regulations, carried out by the Council and the European Parliament as well as the democratic manner in which the negotiation mandates were obtained. We expect this to continue also in the trilogues in order to show the high commitment of the EU high-level representatives to EU’s democratic values and principles. I would like urge all the parties to continue negotiations in a frank, constructive and open manner in order to reach a political agreement during the course of the first semester on 2021.

In the context of the ongoing CAP trilogues, Copa and Cogeca would like to share with you their main views on the new green architecture and enhanced conditionality.

These trilogues on the future CAP are taking place at a time when the EU farmers and agricultural cooperatives are facing various challenges such as the impact of Covid-19 pandemic on the agricultural sectors and markets, the lack of clarity on the future EU-UK trade relationships and other external threats.

Farmers and agricultural cooperatives’ vital role in food security and in providing safe, high-quality and nutritious food produced sustainably at fair prices is of strategic importance and has been once again been reconfirmed during this pandemic. This makes a well-functioning and competitive agricultural sector essential for all European citizens. The need for certainty, predictability and vision for the future would be something to bear in mind during this negotiation process. At the same time, farmers and agricultural cooperatives acknowledge the increase in societal expectations when it comes to food production and its contribution to the environment, biodiversity, climate change mitigation and animal welfare. In this respect, they have made considerable investments and efforts during the past years to reduce the greenhouse gas emissions and their overall impact on the environment.

Therefore, the CAP is, and must continue to be, the policy that adequately supports European farmers in delivering on these objectives, including the objectives of international agreements such as the Sustainable Development Goals (SDGs) and the Paris Agreement on climate change. Unfortunately, one has to acknowledge that farmers are expected to so more with less support as the budget agreement (which is still pending in light of the latest developments) represents a reduction compared to the current level of support. Family farms, agricultural cooperatives and other agricultural and forestry undertakings in all their

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diversity play a key role in this process provided that the future CAP delivers on the much needed simplification, in real terms.

Taken all these into account, Copa and Cogeca state that basic income support for sustainability must remain a fundamental part of pillar I in order to further ensure that farms have effective, direct and stable income support and that high EU standards are compensated for. In view of this, at least 60% of the Pillar I envelope must be dedicated to this type of support.

It is a fact that the new green architecture and enhanced conditionality brings many new obligations and increased level of compliance. Farmers can only comply with these obligations if they are sufficiently rewarded for their work. The income in the agricultural sector remains low and extra environment and climate requirements bring about additional costs for farmers. However, farmers are willing to take up the challenge provided they match the reality on the ground. It is rather on “how” than “if” and there we have high hopes for some adaptations of the European Commission proposal. That is why imposing some of requirements at any cost is not acceptable for the farming community.

The new green architecture and especially enhanced conditionality must also allow some degree of variability across the EU in a manner that does not jeopardise uniform implementation. This process must help to even out differences in competitiveness linked to the various different ways of implementing community legislation, for example, in terms of the environment, climate change and animal welfare. The overall aim must be to create a genuine level playing field for farmers across Europe, while also allowing for a certain degree of regional differences.

Whilst Copa and Cogeca can accept the fact that some of the current greening obligations have been merged with cross-compliance to create new, enhanced conditionality, the number of requirements (SMRs and GAEC) must be streamlined. Additionally, they should not represent an additional burden for farmers or involve non-realistic agronomic or economic requirements.

New, enhanced conditionality also needs to take into account the differences among MS. Some of the recent institutional comments in this respect disregard the agronomic realities and facts. For example, complying with the requirement for an adequate soil cover on arable land in most sensitive periods will be difficult in Baltic and Nordic countries and risks threatening food production. The concentration of carbon-rich soils in some Member States, and even specific areas, underlines also the need for flexibility for Member States to address this issue, as well as the economic importance of agricultural activity for those rural areas. Consequently, Copa and Cogeca supports that specific practices, such as low, or no tillage, the use of adequate machinery, water table/nutrient/soil management, etc., are used to protect carbon-rich soils, as long as the economic agricultural activity continues. Any requirement would need to make sense from an agricultural perspective. Sensitive periods should allow for good agricultural practices. Similarly, the obligation to have appropriate wetland and peatland protection will prove to be an issue in the countries that have a large share of this land under agriculture use. We very much regret the non-inclusion of “sensitive areas” under this obligation. Regarding the obligation to maintain the permanent grassland, it remains important that grassland is managed at national/regional level as it is today. Any provisions regarding grasslands can only be accepted provided that they are simple and in line with the reality of day-to-day farming practices. We support the deletion of the obligation to use a Farm Sustainability Tool for Nutrients, as this would be better fit as an eco-scheme. The obligation for crop rotation could be accepted provided that a reasonable area threshold is established and that certified equivalent measures and joint action (enabling the involvement of multiple farmers to deliver crop rotation) is allowed. Soil management tools, including crop rotation, can be useful when linked to local pedoclimatic conditions and farming systems. In that regard the application of flexibility, as well as the equivalence and joint action are important conditions. Copa and Cogeca supports the inclusion of crop diversification as alternative practice and the exemption for crops under water,
but we regret permanent crops are not being exempted. On the obligation for a minimum share of agricultural area devoted to non-productive features or areas, Copa-Cogeca support the same percentage as the EFA under greening which we have today, meaning 5%. The 10% objective is still a European Commission approach not based on any impact assessment. It has been several times stated that the European Commission will make legally non-binding recommendations in view of this. In reaching this target, we disagree that only non-productive features should be counted for. Productive features need to equally be included as they can have higher environmental benefits than simple set-aside and are also crucially important for providing feed for animals in critical situation, such as during a heatwave.

The threshold (size) for applying these measures must also be addressed. In particular, farmers who participate in small farmer schemes should be exempted from new conditionality requirements introduced under the proposal. Copa and Cogeca support an immediate and "de facto" recognition of organic farmers as well as other environmentally-friendly production systems that are duly certified as compliant with all or part of the new, enhanced conditionality rules.

Moreover, and generally speaking any penalties to be imposed in case of non-compliance must be proportional. Furthermore allowing the beneficiaries to voluntary correct their aid applications submissions as well as a well-functioning early warning system and the "yellow-card system" could further contribute to a more proportional and guidance system.

Regarding eco-schemes, they must be obligatory for Member States and voluntary for farmers implemented under Pillar I. We need more clarity regarding the type of agricultural practices that benefit the climate and environment that could be included under the eco-schemes. These should be simple, economically sound and must not compromise the agri-environmental measures under pillar II that have proven to work. They should be one of the cornerstones of the new enhanced conditionality and complementarity with the European Green Deal targets and visions. Copa and Cogeca welcome the possibility to provide incentive-based payments under these schemes. Copa and Cogeca reiterate the fundamental role of economic sustainability and an adequate level of income through the basic income support for sustainability. Taking into account that Copa and Cogeca support a BISS of minimum 60% and the allocations for other measures in Pillar I, we cannot support for eco-schemes an amount higher than 20% of Pillar I allocations. Moreover, in order to prevent the loss of funds, there should be the possibility for unspent money for eco-schemes to be used for other interventions.

Copa and Cogeca backs the inclusion of the support to areas facing natural or other specific constraints (ANCs) under the eligible interventions that contribute to the environmental objectives that are part of the 30% minimum ring-fencing of the budget dedicated to AECM. This is consistent with the benefits this measure has on sustainable management of the agricultural land, preventing land abandonment, contributing to biodiversity, the natural landscape and to tackling climate change. We are disappointed to see that this role is denied by the European Commission. Moreover, there should be an indicative list of measures for Member States to use.

When it comes to the design of the schemes, reliable and workable indicators are needed for the European agriculture sector to measure its progress and improve its resource efficiency, which is central to reducing emissions. It must also be ensured that indicators cannot be influenced by external factors that are out of the scope of farmers’ activities. The European agricultural sector maintains its high standards of food production from both an environmental and climate perspective and delivers actions on the ground such as nutrient management. In this respect, maintaining and increasing productivity must be taken into consideration when proposing new actions. In addition, regarding the use of indicators, it should also be noted that not all MS currently have a well-established and functioning monitoring system with a broad range of data on farm/country performance. It should also be noted that agriculture and forestry are the only economic sectors that remove emissions from the atmosphere. However, this is not reflected in the EU policy. The CAP now has the
opportunity to address this approach by further developing the carbon balance indicator which shows the balance between carbon emissions and removals. Last but not least, the Paris Agreement states that actions to lower greenhouse gases must not threaten food production. In this respect, forest, peatland, grassland, arable land and livestock production land management has a duty to help to overcome the present and future challenges of producing food in a changing climate for a growing global population. Adequate indicators, such as the one proposed in the Sustainable Development Goal 13.2.1, need to address this obligation.

I would be happy to exchange with you on these issues at your convenience.

Yours faithfully,

CC: Mr Wolfgang Burtscher, Director-General of DG Agri