



European Commission
Agriculture and Rural Development



Cross -Compliance report, What's next ?

PAC Annual Conference 2007-Madrid – 12-14 November 2007



Overview :

③ Report:

- Background
- Some figures
- Proposals

③ Council conclusions

③ Next steps



Report: Background

- ③ Cross-compliance has started in 2005
- ③ During the 2 first years of application a number of questions have been raised
- ③ In order to tackle these questions in due time the decision has been taken to present the report in early 2007 to the Council, under the German presidency



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Report: Background

Definition of cross compliance I:

- ③ “Cross-compliance creates a link between
- the full payment of support, and
 - compliance with certain rules relating to agricultural land and to agricultural production and activity in the areas of the environment, public, animal and plant health, animal welfare and good agricultural and environmental condition.”



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Report: Background

Definition of cross compliance II:

- ③ *“This link is expressed in concrete terms in the possibility, if the rules are not respected, of full or partial reductions of certain EU agricultural payments. The reductions shall be based on the severity, the extent, the permanence, the repetition and the intentionality of the non-compliance.”*



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Report: Some figures (2005, rounded)

- ③ 5% of farmers receiving direct payments have been checked on-the-spot (240 898 checks)
- ③ 12% of these checked farmers have been subject to a reduction (mostly for the I&R of animals and the GAEC)
- ③ 68% of these applied reductions were at the minimum level of 1%



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Report: Proposals

- ③ To tackle horizontal problems which can be solved at EU level
- ③ Keeping the right balance between a common level playing field between Member states and farmers and the need for flexibility to address the local constraints



Report: Proposals

③ *Allow an exemption of reduction for minor cases of non-compliance*

- These cases are indeed infringements but are defined by the Member States as not triggering the 1% reduction (they are between 0% and 1%). No reduction will be applied.
- A warning letter will be sent
- Follow-up



Report: Proposals

③ *Allow a de minimis rule for applying the reductions*

- The infringement is found and notified to the farmer but no reduction will be applied below a certain amount (€50) as an administrative tolerance
- A warning letter will be sent
- Follow-up
- Repetition factor (x3) would apply



Report: Proposals

③ *Harmonisation of control rates*

- A 1% single control rate for cross compliance instead of the various control rate currently applied
- But findings made during of on-the-spot checks under sectoral legislation would have to be reported and followed up under cross compliance



Report: Proposals

③ *Increase of control rates following high level of non-compliances limited to the concerned area of cross compliance (and no other areas)*

- In case of high level of non-compliances in one area the Competent Control Authority shall check other areas if it is competent for these. It is proposed to limit the increase of control rate to the the only area were the high level was found.



Report: Proposals

③ *Advance notice of on-the-spot checks*

- Currently no rules for *cross compliance* but unannounced checks as a principle for *eligibility*
- Proposal to harmonise the 2 elements with the same principles:
 - Advance notice for checks on area for SPS and SAPS (up to 14 days)
 - Unannounced checks for I&R of animals, animal health, animal welfare and food and feed law (48H by derogation)
 - Further examination for other schemes



Report: Proposals

③ *Clarify the selection, the timing, the elements and the reporting of on-the-spot checks*

– Principle proposed for the timing :

- Most of the checks within the 1% control sample should be made during the period of the year in which most, or the more representative obligations may be checked. The MS identifies this period.
- The remaining obligations should be checked, within the 1% control sample, at different time of the year. No obligation shall be ignored in the control system.



Report: Proposals

③ *Clarify the selection, the timing, the elements and the reporting of on-the-spot checks*

- Elements to be checked: The principle of checking a sample (a minimum of half) of parcels will be introduced
- The report will be sent within 3 month to the farmer
- The selection will include a random element



Report: Proposals



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Report: Proposals

③ *Taking into account the Farm Advisory System (FAS)*

- The FAS is a fundamental tool to implement cross compliance
- The participation to the FAS by the farmer could be seen as a lowering factor in the risk analysis for the selection of on-the-spot checks



Report: Proposals

③ *Taking into account the relevant certification systems*

- Certain certification systems cover elements relevant for cross compliance
- Better use could be made of the data collected by these certification systems for the risk analysis of cross compliance
- The certification systems should nevertheless be relevant for cross compliance and officially approved



Report: Proposals

③ *Modify the so-called “10 month rule”*

- The “10 month rule” is the rule which obliges the farmer to keep the land at his disposal during 10 months to allow activating his entitlements under the SPS.
- It is envisaged to replace this period by a single date for eligibility for both SPS and SAPS
- The responsibilities in case of transfer of land in relation to cross compliance will also be clarified



Report: Proposals

③ *Phasing-in period for the introduction of SMRs under cross compliance for MS applying the SAPS*

- The 8 MSs applying the SAPS will introduce the SMRs along the same 3 steps as other MSs, as from 2009
- BG and RO will introduce the SMRs along the same 3 steps as other MSs, as from 2012



Council conclusions I

- ③ The Council concluded its discussion on the report in June 2007 under German presidency:
- *Support the Commission proposals, and*
 - *Possibility to close the file if remedial actions taken for minor infringements*
 - *100€ for de minimis*
 - *Control rate 1% should be possible at Paying Agency level*



Council conclusions II

- *Commission should assess indicator-based controls*
- *Create an expert group and explore new possibilities for simplification*
- *No increase, possible decrease of the administrative burden*



Next steps

- ③ The **Council** are, under the Portuguese presidency discussing a draft Council Regulation on:
 - The 10 month rule
 - The phasing-in of SMRS for MSs applying SAPS
 - The *de minimis* rule and the exemption for minor infringements
- ③ Provisions to be implemented as from 2008



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Next steps

- ③ The **European parliament** will issue a report on cross compliance



Next steps

- ③ Discussion at the **Management Committee for Direct Payments on Commissions** implementing rules regarding the management and control.
- ③ Provisions to be implemented as from 2008



Next steps

- ③ Discussions in an **experts group with the Member States** to allow sharing “best practices” and comparing experience, especially on :
- the use of bottlenecks for controls
 - the systems of reduction (e.g. applying points systems)
 - the information provided to farmers
 - the risk analysis
 - the indicator-based controls
 - the possibility for further advance notice
 - taking into account certifications systems



Next steps

- ③ Changes to the scope of cross compliance will be addressed in the “Health Check”
- ③ The Commission has committed to foresee a realistic timetable for the inclusion of any new or changed requirements into the scope of cross compliance



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Thank you for your attention

Information :

http://ec.europa.eu/agriculture/simplification/crosscom/index_en.htm