

COMMISSION NON-PAPER

REDUCING THE ADMINISTRATIVE BURDEN FOR FARMERS: NEXT STEPS

At the European Council of 1 February, the President of the European Commission committed to launch a thorough analysis of the administrative burden weighing on farmers' shoulders. This assessment will focus on farmers' concerns regarding the administrative burden stemming from the EU regulatory framework as well as from national rules.

With regard to EU level rules, this will include the aid applications, the monitoring and the controls under the common agricultural policy (CAP) as well as obligations stemming from other EU legislation. The launch of this exercise will allow the Commission to identify areas where improvements, in particular in EU rules and guidelines, could be made to reduce the administrative burden.

It should be underlined that, under its new delivery model, the current CAP Regulation leaves considerable flexibility for Member States with respect to their CAP strategic plans, and that the design of their funding schemes and the management and controls thereof is in their hands. The extent of the actual obligations on farmers stemming from EU Directives is further delineated in the relevant national legislation transposing them, and can thus to an extent differ among EU Member States.

The Member States play therefore a key role in keeping the administrative burden for farmers limited and proportionate to achieving the objectives of EU legislation, and there may be differences in the level of burden among Member States.

As such, this exercise will only achieve the best possible outcome for farmers if, at the European level, the Commission works hand in hand with Member States. Furthermore, this exercise must be carried out in a cooperative manner between the European institutions, the Member States, and stakeholders, most notably farmers.

Also, the Commission considers that the success of this exercise requires taking into account different types of agriculture and hence focusing on reducing the burden for smaller farmers; fostering the take-up of CAP interventions that increase the sustainability and resilience of EU agriculture; and making the most of advisory services to assist farmers in dealing with the necessary administrative tasks.

In order to advance in this process, the Commission has written to the main EU-level farming organisations (Copa-Cogeca, CEJA, ECVC and IFOAM) asking them for proposals about measures at EU level (CAP and other EU legislation) which can reduce administrative burden for farmers. A similar letter has been sent by the Belgian Presidency to the Ministers of Agriculture, asking them to identify issues at EU level which can reduce administrative burden for farmers.

The proposals from Member States are wide in scope, and while some are feasible in the short run, many are far reaching changes requiring amendments to basic acts (mostly the CAP). Moreover, a large number of MS proposals concern sensitive policy choices made by the co-legislators, i.e. are not limited to reduction of administrative burden or simplification of implementation that does not have an impact on policy objectives. The Commission structured Member States proposals in five broad areas:

1. A first series of proposals covers management of CAP Strategic Plans and relates to procedures around amending strategic plans (including the number of allowed amendments), performance monitoring and review (including the Annual Performance Report), and certain elements of the Integrated Administration and Control System (simplification of the Area Monitoring System (AMS) quality assessment methodology, and the phasing-in of use of geo-tagged photos, and Geospatial Applications) as well as the control and penalty system (including rationalisation of all controls on a farm). Short term responses to many of these suggestions are foreseen, while others imply changing basic acts (e.g. number of amendments).
2. A second set of proposals concerns the Green Architecture of the CAP, with a focus on conditionality requirements and controls. Most Member States propose adaptations or simplifications of GAEC standards, while some propose to delete one or more GAEC standards altogether. With regard to agri-environment-climate interventions and eco-schemes, most changes relate to financial management or the longer term. Linked to this are proposals on the definitions of e.g. permanent grassland and eligible hectares. In addition to the temporary and partial derogation to GAEC 8 for 2024, the Commission is taking action on GAEC 1 by means of a delegated act on the permanent grassland ratio and is carefully considering other suggestions in relation to the green architecture, keeping in mind the need to maintain the policy objectives as reflected in the decisions by the co-legislators in 2021.
3. A third group of suggestions relates to risk and crisis management, with suggestions to allocate more CAP funds to crisis management or to revise CAP provisions on support to risk management instruments. These suggestions largely require changes to the basic acts.
4. A fourth group of proposals relates to other CAP provisions (other than the Green Architecture). These concern coupled support, deleting or postponing the application of social conditionality, sectoral support schemes and rules, such as for support to producer organisations and the wine sector, promotion measures and organic farming. While certain proposals would require changes in the basic acts, several suggestions are already feasible within the increased subsidiarity of the new delivery model of the CAP.
5. Finally, several Member States have proposed simplifications linked to regulations outside the CAP, such as on deforestation, forest monitoring, sanitary rules, or renewable energy. The Commission is considering a number of punctual changes in acts outside of the CAP with the aim of simplifying rules, while policy changes must be negotiated during ongoing legislative procedures or carefully assessed before proposals are made.

The consultation of four main EU-farming organisations (Copa-Cogeca, ECVC, CEJA and IFOAM) resulted in a first harvest of proposals. Most of the organisations call for urgent action to simplify the administrative burden for farmers, but also underline the need for a stable policy framework and propose actions for the longer-term. While Copa-Cogeca includes specific proposals related to several GAECs as well as existing and future environmental legislation, ECVC and IFOAM insist not to reduce the environmental ambition, while CEJA focusses on the need for a “consistency check” between different EU laws affecting farmers. Stakeholders are also keenly aware of the important responsibility of Member States in implementation and underline the need to avoid gold-plating.

In their contributions, like the Member States, farm organisations also address CAP Strategic Plan management, conditionality, and controls, but add proposals on e.g. unfair trading

practices, market management, and call for specific treatment of small farms and organic farms. Moreover, some are keen to avoid additional administrative burden for farmers from new legislation that is currently being negotiated or about to be implemented.

The European Parliament's committee for agriculture and rural development sent a letter identifying six areas where they consider that concrete and immediate action is necessary: respect of subsidiarity, flexible conditionality, fair competition, fair supply chains, support for cooperation in the agrifood supply chain and assessment of best way to integrate European Green Deal legislation in order to facilitate compliance.

On the basis of these proposals and the Commission's own analysis, several possible actions have been identified and are presented below. The timeline and legal instruments are listed in the annex.

The Commission is carrying out a detailed analysis of the proposals from Member States, stakeholders and COMAGRI and will present this analysis, where appropriate with additional follow-up actions, in the near future.

A. Short term measures

A number of actions can be foreseen/announced in the short-term without requiring changes in the basic acts. These could be, among others:

1. Revision of certain rules on the GAEC1 ratio of permanent grassland to cater for cases of structural changes, notably significant decrease in livestock thus avoiding that farmers without livestock are obliged to reconvert arable land to pasture or grassland.
2. Review of the acceptability of certain agricultural practices during sensitive periods for the requirements of GAEC 6.
3. Revision of the EU methodology for the Area Monitoring System quality assessment to significantly reduce the number of on-farm visits, while maintaining the effectiveness of the methodology to ensure that taxpayers funds are well spent. In many cases, this will reduce the overall number of visited holdings by 50% or more.
4. Clarify the possibilities of using geo-tagged photos under existing legislation and review the requirements linked to geo-tagged photos in the implementing regulation with the purpose of limiting the burden for farmers stemming from taking geo-tagged photos and providing them to the national administrations.
5. Explanatory note on the use of the concept of *force majeure* and exceptional circumstances recalling the key principles and flexibilities in using the provisions. Supporting Member States in the application of this provision will help farmers who cannot comply with certain requirements in a certain year to retain CAP support. For example, if due to a severe flood the farmer would not be able to mow the fields until a certain date set by national legislation, the farmer could still be paid CAP support since the flood could be a case of *force majeure*. If a whole area, e.g. a region, is affected by a severe natural disaster and all farmers in that area are affected by the event, MS could recognise *force majeure* for all farmers in the area.

6. The Commission will work with Member States to determine possible ways of rationalising the controls with a view of reducing administrative / control burden for farmers, including the right of error, i.e. possibility for correcting an unintentional error the first time without penalty.
7. In the context of upcoming amendments to the CAP Strategic Plans, support Member States in simplifying their interventions, including by providing advice based on best practices (see previous point) and by exploring possibilities to do away with unnecessary complexities and administrative burden for beneficiaries (e.g. eligibility conditions that are unnecessary or difficult to implement in view of controls), to streamline application deadlines for farmers.
8. Communicate to Member States how the CAP Strategic Plan amendment procedure can be made more efficient and continue to facilitate amendments to the CAP Strategic Plans which introduce justified, well targeted adaptations, while preserving the overall climate and environmental contribution of the Plans to addressing the needs identified by farmers and Member States, and increasing the resilience of EU agriculture.
9. Encourage Member States to reinforce the role of, and budgetary support for, advisory services to assist farmers in complying with obligations and accessing CAP support as well as other sources of funding or incentives. This could also be done in future amendments of the CAP Strategic Plans.
10. As regards the Nitrates Directive (SMR 2), a public consultation is ongoing on the evaluation of the Nitrates Directives until March 8. Stakeholders wishing to take up this opportunity to submit views also on the administrative burden under this piece of legislation are of course invited to do so. The Commission shall take them into account for the purposes of the evaluation

B. Mid-term measures

The Commission may consider proposing changes to the current CAP basic Regulations¹ or other basic acts. Should that be the case, the legislative proposal should consist of a limited set of targeted changes and should be adopted relatively soon so that it can be negotiated by European Parliament and Council.

The focus of changes would be the reduction of burden for farmers. The Commission already identified some areas where this could be possible:

- 1) Review of GAEC 8 so that the burden of this standard could be reduced while maintaining its benefits for biodiversity. This review could be extended to other GAECs, notably GAEC 6 and 7, as well as eco-schemes and rural development interventions as far as administrative burden is concerned. Issues of possible incoherence between application of GAEC standards will also be addressed. Such reviews will focus particularly on easing small farmers' administrative burden and facilitating the take up of CAP support interventions.

¹ Strategic Plan Regulation and, possibly, the Horizontal Regulation on financing, management and monitoring of the CAP.

- 2) Exemption of small farms (under 10 ha) from controls of compliance with conditionality requirements. This would be a significant simplification as it would concern 65% of beneficiaries of CAP support in the EU while not significantly affecting the environmental/climate ambition (these farms represent only 9,6% of areas supported under the CAP).
- 3) Organic farming is widely considered as the most environment-friendly type of farming contributing by definition to biodiversity and soil health. Organic farmers are already considered under the Regulation to comply with GAEC 7. The Commission will assess whether they could also be considered as complying with GAEC 8 requirements.
- 4) Fully exempt farmers subject to conditionality controls from cross-compliance controls. Farmers are still subject to controls of cross-compliance when they request support for measures still running under the Rural Development Programmes 2014-2022. This exemption will reduce the burden linked to controls while continuing to protect the financial interests of the EU since conditionality requirements include most cross-compliance requirements.
- 5) Give more flexibility to Member States in the number of allowed amendments of their CAP Strategic Plans so that support interventions can be adapted to farmers' changing needs when they arise.
- 6) EU legislation on climate, environmental and animal welfare have their own controls and sanction systems which apply independently from conditionality. Some of the obligations of these instruments are part of CAP's conditionality as Statutory Management Requirements (SMRs). The Commission shall organise an exchange of best practice on how to coordinate those systems with conditionality.
- 7) In the upcoming legislation (Soil Monitoring Law and Forest Monitoring Law), the Commission is developing remote sensing services in the context of Copernicus that could serve simplification for monitoring relevant soil descriptors and for assessing soil health, while Earth observation can improve the efficiency and timeliness of forest monitoring, especially with regard to its health and condition, and enable more efficient and effective design of measures and their implementation by Member States.
- 8) Limit the obligation for professional users of plant protection products (Art. 67(1) of Regulation (EC) No 1107/2009) to maintain use records to chemical pesticides by exempting plant protection products containing only active substances considered to be biological from the record keeping obligation.
- 9) Eliminate the requirement that farmers must submit individual applications for aerial spraying of pesticides (Art. 9(4) of Directive 2009/128/EC) once Member States have established all relevant conditions and obligations as foreseen in Article 9(2) and (3) of the Directive.
- 10) Eliminate the requirement for farmers to keep records of treatment of animals with medicinal products under Directive 98/58/EC as a similar requirement is contained in Regulation (EU) 2019/6 on veterinary medicinal products.

C. Evidence gathering

1. A study on simplification from the farmers' point of view will be launched and used as a basis for a discussion and work with Member States, including good examples from the CAP Strategic Plans, where possible. The analysis will look into the complexity for farmers with respect to applications, monitoring, controls and environmental/sanitary requirements. It will take a three-step approach: 1) a targeted questionnaire² addressed to farmers in March, and a presentation of the results in a workshop on governance and performance on 12 April 2024; 2) in-depth phone interviews in April-May of selected farmers who gave their consent in the EU survey, with results available in June; 3) an analysis to notably disentangle the sources of complexity, and identify differences in function of farm size, with results in Autumn 2024. This work will feed into the simplification actions outlined in sections A and B above.
2. A study on the administrative burden and more generally the impact of the 'New Delivery Model' of the CAP will start in parallel and focus on Managing authorities and Paying Agencies.

D. Improving the position of farmers in the food supply chain

The Commission is preparing, ahead of the March AGRIFISH Council, a range of short, medium and longer-term actions to improve the position of farmers in the food chain and protect them against unfair trading practices, covering issues such as market transparency, governance, and if needed improvement of unfair trading practices and other relevant legislation.

Specific attention will go to measures related to margins, trading practices in the value chain and costs of production, given that farmers are often the most vulnerable link in the food value chain. The creation of an Observatory could be a first step, leading to more transparency and coordination. Equally important is a better enforcement and implementation at EU level of existing rules on imported agricultural products.

² Using EU survey, relying on paying agencies and farmers organisations to ensure a maximum of outreach.

ANNEX

| | Action | Instrument | Timing |
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| A. Short term measures | | | |
| A.1 | Revision of GAEC 1 rules on the permanent grassland ratio | Amendment of a delegated act | Adoption mid- March |
| A.2 | Review of guidelines for GAEC6 | Guidelines | April 2024 |
| A.3 | Revision of the EU methodology for Area Monitoring System Quality Assessment | Guidance for Member States | Letter to MS in February, presentation of revised Methodology in March. |
| A.4 | Clarify the possibilities of using geo-tagged photos under existing legislation and review the requirements linked to geo-tagged photos in the implementing regulation. | Revision of implementing regulation; Note to Member States | May 2024 |
| A.5 | Explanatory note on the use of force majeure and exceptional circumstances clause | Note to Member States experts | Q2 2024 |
| A.6 | Rationalising controls, including the right of error | Work with Member States in expert group meeting | Q2 2024 |
| A.7 | Organise exchange of best practices with Member States to simplify interventions and minimise administrative burden of conditionality, eco-schemes and rural development interventions. | Expert group meetings | As of March 2024. |
| A.8 | Encourage MSs to reinforce the role of, and budgetary support for, advisory services to assist farmers in complying with obligations and accessing CAP support. | Note to MSs experts | March 2024 |
| A.9 | Improve CAP Plan amendment procedure | Note to Member States experts | At the latest April 2024 |
| A.10 | Encourage stakeholders to submit views on the administrative burden of the Nitrates Directive in ongoing consultation for the purposes of the evaluation of the directive. | Public consultation | Ongoing |
| B. Mid-term/long term measures | | | |
| B.1 | Review of GAEC 8 and possible extension of the review to other GAECs, notably GAEC 6 and 7, for 2025-2027 . | Amendment of the Regulation (EU) 2021/2115 of the EP and Council | Proposal for amendment of basic act |

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| B.2 | Exemption of small farms (under 10 ha) from conditionality controls | Amendment of the Regulation (EU) 2021/2116 of the EP and Council | Proposal for amendment of basic act |
| B.3 | Exemption for organic farmers from GAEC 7 and GAEC 8 requirements | Amendment of the Regulation (EU) 2021/2115 of the EP and Council | Proposal for amendment of basic act |
| B.4 | Exemption of farmers subject to conditionality from cross compliance controls | Amendment of the Regulation (EU) 2021/2116 of the EP and Council | Proposal for amendment of basic act |
| B.5 | Review the number of possible amendments of the CSPs | Amendment of the Regulation (EU) 2021/2115 of the EP and Council | Proposal for amendment of basic act |
| B.6 | Exchange of best practice to better coordinate control systems of climate, environmental and animal welfare legislation with CAP conditionality controls. | Including through expert groups meetings | As of spring 2024 |
| B.7 | Use remote sensing services foreseen in proposed Soil Monitoring Law and proposed Forest Monitoring Law for assessing soil health and for forest monitoring. | | After adoption of the legal texts |
| B.8 | Exempt plant protection products containing only biological active substances from record keeping obligations. | Art. 67(1) of Regulation (EC) No 1107/2009 | Proposal for amendment of basic act |
| B.9 | Eliminate requirement that farmers must submit individual applications for aerial spraying of pesticides once relevant conditions are met. | Amendment of Art. 9(4) of Directive 2009/128/EC | Proposal for amendment of basic act |
| B.10 | Eliminate the requirement for farmers to keep records of treatment of animals with medicinal products under Directive 98/58/EC. | Amendment of Directive 98/58/EC | Proposal for amendment of basic act |
| C. Evidence gathering | | | |
| C.1 | Study on simplification for farmers | Study | March – October 2024 |
| C.2 | Study on administrative burden and the ‘New Deliver Model’ of the CAP | Study | Launch Q2-2024 |