



# Newsletter

## Better regulation — less red tape: Commission proposes a major simplification strategy for the common agricultural policy

As part of its ongoing drive to reduce red tape and over-regulation, the European Commission has proposed a major simplification strategy for the common agricultural policy. Building on the improvements brought by the recent CAP reform, the time has now come to harmonise as much as possible the rules covering the various agricultural markets. The aim is to reduce red tape for both farmers and administrations by making rules more transparent, easier to understand and less burdensome to comply with. The Commission's communication 'Simplification and better regulation for the common agricultural policy' (COM(2005) 509), adopted on 19 October 2005, includes the concept of introducing a single CMO for all market measures and calls for the development of an action plan during 2006 which will set out the concrete measures envisaged.

'The reforms of 2003 and 2004 gave a major boost to efforts to simplify the CAP, by combining a large number of direct payments into the single farm payment scheme,' said Mariann Fischer Boel, Commissioner for Agricultural and Rural Development. 'I now want to build on this to create a simpler and more streamlined set of laws to govern EU farm policy. The creation of a single common market organisation will reduce bureaucracy and costs for farmers and administrations, give citizens better value for money and allow farmers to concentrate on what they do best — farming.'

The Commission has carried out a number of CAP simplification actions since the mid-1990s. The latest communication forms part of the CAP's contribution to the Commission's overall better regulation strategy and to realising the objectives of the Lisbon strategy.

As a fully integrated common policy, the CAP obviously replaces a large quantity of national legislation which would otherwise exist. Agricultural and rural development policies are by nature complex, reflecting the need to meet a wide range of agricultural conditions and administrative traditions and both internal and external policy objectives.

However, the Commission shares the concerns increasingly expressed by farmers over the burdens of red tape. For this reason, the concept of 'technical simplification' aims at complementing the agricultural reforms by focusing on revision of the legal framework, administrative procedures and management mechanisms to achieve streamlining and greater cost effectiveness, without changing the underlying policies. The communication underlines that simplification must not become a pretext to reopen policy decisions.

The communication proposes to:

- identify and eliminate unnecessary or out-of-date provisions through a 'legal audit' of existing rules, and to

improve the structure and presentation of agricultural law;

- amalgamate the existing common market organisations (CMOs) into a single CMO; the aim is to provide a single set of harmonised rules in the classic areas of market policy such as intervention, private storage, import tariff quotas, export refunds, safeguard measures, promotion of agricultural products, State aid rules, communications and reporting of data, without changing the substance of the existing instruments and mechanisms;
- assist national administrations to quantify and reduce burdens imposed on farmers;
- develop a CAP simplification action plan in 2006 with the concrete measures envisaged;
- take account of appropriate suggestions made by Member States and stakeholders;
- hold a simplification conference in 2006, focusing on the views and needs of stakeholders.

For further information, please visit the web pages:

[http://europa.eu.int/comm/agriculture/simplification/index\\_en.htm](http://europa.eu.int/comm/agriculture/simplification/index_en.htm)

[http://europa.eu.int/comm/enterprise/regulation/better\\_regulation/index\\_en.htm](http://europa.eu.int/comm/enterprise/regulation/better_regulation/index_en.htm)

## Why is the CAP so complex?

The CAP will always be by nature a complex policy, since it reflects the heterogeneous realities of agriculture in the EU. There is not only a huge variety of natural environmental conditions to be found in the territory of the EU, but also considerable heterogeneity amongst Member States' agricultural economies and administrative traditions. The recent enlargement of the EU has increased this heterogeneity. Careful analysis and well-founded policy decisions may lead to justifiably complex legislation.

There are different aspects to simplification.

- Technical simplification (i.e. within a constant policy framework) implies revision of the legal framework, administrative procedures and management mechanisms to achieve streamlining and greater cost-effectiveness and attain existing policy objectives more effectively, without changing the underlying policies.
- Policy simplification reduces complexity through improvements to the agricultural support and rural development policy instruments. It may be described as 'policy development with simplification implications'. Impact assessment has a particular role to play here.

## News in brief

### **Bird flu update: European Commission earmarks EUR 30 million for Asia**

Concerns about avian influenza (AI) and the threat of a pandemic have to be tackled not only within the EU, but by helping countries at risk to control this disease at its source. The European Commission has earmarked up to EUR 30 million to assist Asian partners face up to this challenge in 2006. The allocation of the money will be decided as soon as there has been an international evaluation of medium and long-term needs. At the international partners meeting on avian and human pandemic influenza, in Geneva on 7–9 November, the global experts examined a worldwide strategy for preventing further spread of the disease largely through veterinary procedures such as possible vaccinations and biosecurity measures. 'The core problem is the circulation of high pathogenic H5N1 virus in domestic poultry', said Samuel Jutzi, the FAO Director for Animal Production and Health. Furthermore, the FAO warned of the impact of an AI outbreak in the EU on world meat trade. An AI outbreak within the EU would force poultry prices down within the EU as well as push world prices up by approximately 7–8 % for poultry and beef and 3 % for pigmeat. On 17 and 18 January 2006, China will host an international ministerial pledging conference for AI, which will be co-sponsored by the European Commission.

### **Commission to levy EUR 364 million from 10 Member States for exceeding milk quotas**

According to a provisional calculation by the European Commission, based on Member States' annual declarations, Belgium, Denmark, Germany, Spain, Ireland, Italy, Luxembourg, the Netherlands and Austria exceeded their milk delivery quotas in the 2004/05 quota year. Furthermore, Italy, the Netherlands and the United Kingdom exceeded their quota for direct sales to consumers. All 10 Member States will have to pay a 'super levy' totalling EUR 364 million. In fact, the main contributors are Germany and Italy with a total amount due of about EUR 280 million. Last year, the total levy amounted to EUR 385 million.

### **Commission probes tax exemption for German greenhouse producers**

The Commission opened a formal investigation procedure in respect of a German tax exemption in favour of greenhouse horticulture. The measure consists of a reduced rate of taxation applicable to heating fuel, methane and liquid gas used to heat greenhouses. This exemption, introduced in

2001, would appear to entail aid for German greenhouses of approximately EUR 15 million per year.

### **EUR 450 million for restructuring and conversion of vineyards**

The European Commission has adopted two decisions on restructuring and conversion of vineyards. The first decision makes an indicative financial distribution to wine-producing Member States of EUR 450 million for actions in the 2005/06 marketing year. The second sets the definitive allocations for the 2004/05 marketing year.

### **Commission authorises import of 1507 maize for use in animal feed**

The European Commission has authorised the placing on the market of the genetically modified maize 1507. The authorisation covers the import and processing of this GMO, including its use in animal feed. The maize has been modified to make it resistant to certain pests and for tolerance to the herbicide glufosinate ammonium. This decision is valid for 10 years and results from an application submitted by the company Pioneer/Mycogen Seeds. An authorisation for use as food is still under examination.

### **Cyprus: first participation of the Commission at an agricultural fair in a new Member State**

As part of its information and communications programme, the Agriculture and Rural Development DG hosted a stand at the Cyprus agricultural fair in Nicosia on 13–16 October 2005 which mainly focused on quality, with examples of various foods from across the EU. This was the first time that the DG had a presence at a fair in a new Member State. The Commission was well received by all of the visitors to the fair with many of the questions raised being on rural development, organic products and biofuels.

### **European Commission disappointed with WTO arbitrators' ruling against proposed banana import tariff**

The European Commission will study carefully the implications of the decision by the WTO's arbitrators to reject the proposed new import tariff of EUR 187/tonne for bananas. It is regrettable that the arbitrators did not use this opportunity to provide more clarity as to how this long-standing dispute could be resolved.

#### **European Commission**

#### **Directorate-General for Agriculture and Rural Development**

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This publication does not necessarily express the official views of the Commission.

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