# Procedure file

Basic information				
COD - Ordinary legislative procedure (ex-codecision 2018/0218(COD) procedure) Regulation	Procedure completed			
Common agricultural policy (CAP) 2021?2027				
Amending Regulation (EU) No 228/2013 2010/0256(COD)				
Amending Regulation (EU) No 1151/2012 <u>2010/0353(COD)</u> Amending Regulation (EU) No 229/2013 <u>2010/0370(COD)</u>				
Amending Regulation (EU) No 251/2014 <u>2011/0231(COD)</u> Amending Regulation (EU) No 1308/2013 <u>2011/0281(COD)</u>				
Subject				
3.10 Agricultural policy and economies				
3.10.03 Marketing and trade of agricultural products and livestock				
Legislative priorities				
Multiannual Financial Framework 2021-2027				

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	AGRI Agriculture and Rural Development	_	18/09/2019
		S&D ANDRIEU Eric	
		Shadow rapporteur	
		SANDER Anne	
		europe. DECERLE Jérémy	
		BITEAU Benoît	
		BIZZOTTO Mara	
		ECR ILČIĆ Ladislav	
	Former committee responsible		
	AGRI Agriculture and Rural Development		
	Committee for opinion	Rapporteur for opinion	Appointed
	DEVE Development		
	BUDG Budgets	The committee decided not to give an opinion.	
	CONT Budgetary Control		
	ENVI Environment, Public Health and Food Safety		
	REGI Regional Development		
	PECH Fisheries	The committee decided not to give an opinion.	

	Former committee for opinion			
	DEVE Development			
	BUDG Budgets			
	CONT Budgetary Control			
	ENVI Environment, Public Health and Food Safety			
	REGI Regional Development			
	PECH Fisheries			
Council of the European Union				
European Commission	Commission DG	Commissioner		
	Agriculture and Rural Development	HOGAN Phil		
European Economic and				
Social Committee				
European Committee of the Regions				

ey events			
01/06/2018	Legislative proposal published	COM(2018)0394	Summary
11/06/2018	Committee referral announced in Parliament, 1st reading		
01/04/2019	Vote in committee, 1st reading		
07/05/2019	Committee report tabled for plenary, 1st reading	<u> </u>	Summary
21/10/2019	Committee referral announced in Parliament, 1st reading		
20/10/2020	Debate in Parliament	<b>W</b> ay	
23/10/2020	Decision by Parliament, 1st reading	<u>T9-0289/2020</u>	Summary
23/10/2020	Matter referred back to the committee responsible		
09/09/2021	Approval in committee of the text agreed at 1st reading interinstitutional negotiations	PE696.353 GEDA/A/(2021)003502	
23/11/2021	Results of vote in Parliament	<u> </u>	
23/11/2021	Debate in Parliament	Wing .	
23/11/2021	Decision by Parliament, 1st reading	<u>T9-0458/2021</u>	Summary
02/12/2021	Act adopted by Council after Parliament's 1st reading		
02/12/2021	Final act signed		
06/12/2021	Final act published in Official Journal		

Technical information	
Procedure reference	2018/0218(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)

Procedure subtype	Legislation	
Legislative instrument	Regulation	
	Amending Regulation (EU) No 228/2013 2010/0256(COD)	
	Amending Regulation (EU) No 1151/2012 2010/0353(COD)	
	Amending Regulation (EU) No 229/2013 2010/0370(COD)	
	Amending Regulation (EU) No 251/2014 2011/0231(COD)	
	Amending Regulation (EU) No 1308/2013 2011/0281(COD)	
Legal basis	Treaty on the Functioning of the EU TFEU 349-p1sub1-as1; Treaty on the Functioning of the EU TFEU 043-p2; Treaty on the Functioning of the EU TFEU 114; Treaty on the Functioning of the EU TFEU 118-p1	
Mandatory consultation of other institutions	European Economic and Social Committee European Committee of the Regions	
Stage reached in procedure	Procedure completed	
Committee dossier	AGRI/9/00337	

# Documentation gateway

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Legislative proposal		COM(2018)0394	01/06/2018	EC	Summary
Document attached to the procedure		SWD(2018)0301	01/06/2018	EC	
Economic and Social Committee: opinion, report		CES3141/2018	17/10/2018	ESC	
Committee draft report		PE623.922	25/10/2018	EP	
Court of Auditors: opinion, report		<u>N8-0019/2019</u> OJ C 041 01.02.2019, p. 0001	25/10/2018	CofA	Summary
Committee opinion	CONT	PE629.441	26/11/2018	EP	
Committee of the Regions: opinion		CDR3637/2018	05/12/2018	CofR	
Committee opinion	REGI	PE630.370	21/01/2019	EP	
Committee opinion	ENVI	PE630.373	31/01/2019	EP	
Committee report tabled for plenary, 1st reading/single reading		<u> A8-0198/2019</u>	07/05/2019	EP	Summary
Text adopted by Parliament, partial vote at 1st reading/single reading		<u>T9-0289/2020</u>	23/10/2020	EP	Summary
Coreper letter confirming interinstitutional agreement		GEDA/A/(2021)003502	23/07/2021	CSL	
Text agreed during interinstitutional negotiations		PE696.353	23/07/2021	EP	
Text adopted by Parliament, 1st reading/single reading		<u>T9-0458/2021</u>	23/11/2021	EP	Summary
Draft final act		00066/2021/LEX	02/12/2021	CSL	
Commission response to text adopted in plenary		<u>SP(2021)792</u>	18/01/2022	EC	

### Additional information

Research document

Briefing

### Final act

Regulation 2021/2117 OJ L 435 06.12.2021, p. 0262

Corrigendum to final act 32021R2117R(04) OJ L 192 31.07.2023, p. 0034

## Common agricultural policy (CAP) 2021?2027

PURPOSE: to modernise and simplify the common agricultural policy (CAP) beyond 2020 (regulation on the common organisation of the markets in agricultural products).

PROPOSED ACT: Regulation of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: the context in which the last CAP reform was decided in 2013 has shifted considerably. More specifically: (i) agricultural prices have fallen sharply as a result of macroeconomic factors and geopolitical tensions; (ii) the EU has become more open to global markets; (iii) the EU has made new commitments at international level, for example on climate change mitigation (through COP 21).

On the basis of the Commission proposal for the multiannual financial framework (MFF) 2021-2027, the Commission is presenting a set of regulations which define the legislative framework of the CAP for the period 2021-2027, namely:

- a <u>regulation</u> defining the objectives of the CAP as well as rules on support for strategic plans to be developed by Member States in the framework of the CAP;
- a horizontal regulation on the financing, management and monitoring of the CAP;
- and a common organisation of the markets (CMO) Regulation.

These proposals give shape to the reflections on the future of the CAP presented in the Commission <u>Communication</u> on the future of food and agriculture in November 2017, which highlighted the challenges, objectives and possible avenues for a 'future-proof' CAP, that needs to be simpler, smarter and more modern, leading to the transition to a more sustainable agriculture.

The CAP general objectives shall focus on the economic viability, the resilience and income of farms, on an enhanced environmental and climate performance, and on the strengthened socio-economic fabric of rural areas. Moreover, fostering knowledge, innovation and digitalisation in agriculture and rural areas is a cross-cutting objective.

CONTENT: this proposal for a Regulation seeks to maintain the architecture and main features of <u>Regulation (EU) No 1308/2013</u> on the common organisation of the market in agricultural products while amending a limited number of provisions in view of the new challenges relating to environmental sustainability and climate change and to citizens' expectations regarding food.

The proposal seeks, inter alia:

- to delete provisions related to sectorial interventions as these interventions of the future CAP will be regulated under the CAP strategic plan Regulation and be part of Member States' strategic plans, to ensure a better coherence of CAP interventions;
- to amend current rules on geographical indications (GIs) aiming at a simpler GI system, faster registration of geographical indications and more efficient approval of amendments to product specifications. The objective is to make the GI system more understandable for consumers, easier to promote, and to reduce the administrative costs associated with managing the system;
- to simplify some specific procedures with regard to the rules on GIs for wine to make the approval process more efficient;
- to clarify the definition of 'Protected Designation of Origin' for wines to enable producer groups to use new varietals, also needed in response to climate change;
- to strengthen the protection of GIs against counterfeiting of GIs on the interned and on goods in transit;
- to apply the proposed simplification for wine GIs has to be applied also to agricultural products and foodstuffs;
- to include provisions that merely translate into internal legislation commitments taken by the EU and its Member States in the context of recent World Trade Organization Ministerial Decisions, notably on export subsidies;
- to delete a number of obsolete provisions, inter alia the system of production regulation and requirements applying to the sugar sector that expired at the end of the 2016/2017 marketing year.

AVAILABLE BUDGET: the Commission proposal on the multiannual financial framework for 2021-2027 provides that a significant part of the EU budget should continue to be dedicated to agriculture, which is a common policy of strategic importance. Thus, in current prices, it is proposed that the CAP should focus on its core activities with EUR 286.2 billion allocated to the EAGF and EUR 78.8 billion for the EAFRD.

These agricultural funds are complemented by additional funding from Horizon Europe, as the proposed envelope for this programme includes EUR 10 billion to support research and innovation in food, agriculture, rural development and the bioeconomy.

### Common agricultural policy (CAP) 2021?2027

The Committee on Agriculture and Rural Development adopted the report by Eric ANDRIEU (ALDE, FR) on the proposal for a regulation of the European Parliament and of the Council amending Regulations (EU) No 1308/2013 establishing a common organisation of the markets in agricultural products, (EU) No 1151/2012 on quality schemes for agricultural products and foodstuffs, (EU) No 251/2014 on the definition, description, presentation, labelling and the protection of geographical indications of aromatised wine products, (EU) No 228/2013 laying down

specific measures for agriculture in the outermost regions of the Union and (EU) No 229/2013 laying down specific measures for agriculture in favour of the smaller Aegean islands.

The committee recommended that the European Parliament's position adopted at first reading under the ordinary legislative procedure should amend the Commission's proposal as follows.

### Scope

This Regulation shall define the public standards, market transparency rules and crisis management tools that will allow public authorities, in particular the Commission, to ensure the surveillance, management and regulation of agricultural markets.

### Specific objectives

The common organisation of the markets in agricultural products shall contribute to the achievement of the following specific objectives:

- participate in the stabilisation of agricultural markets and enhance their transparency;
- promote the proper functioning of the agri-food supply chain and ensure a fair income for agricultural producers;

- improve the position of producers in the value chain and promote the concentration of agricultural supply;

- contribute to the improvement of economic conditions for the production and marketing of agricultural products and strengthen the quality of European agricultural production.

### Extending supply management and volume reduction scheme to all sectors

The current scheme, which grants aid to dairy farmers who voluntarily produce less in times of severe market imbalances in an effort to stabilise prices, should be extended to all sectors. If the situation does not improve, the Commission shall be tasked with imposing a levy on all producers who increase their deliveries.

Members also propose extending current rules, which allow time-limited regulation of supply of geographically protected cheeses, hams and wines, to all other products that benefit from protected geographical indication (PGI) or protected designation of origin (PDO).

More specifically, the list of products that can be protected as PDO or PGI shall be expanded with products that are finding an increasing demand from Union consumers, such as beeswax, which is finding an ever wider application in the food and cosmetics industry.

### EU Observatory of agricultural markets

In order to improve transparency within the agri-food supply chain, to illuminate the choices of economic operators and all public authorities and to facilitate the identification and recording of market developments, the Commission shall establish an EU observatory of agricultural markets.

It shall cover, as a minimum, the following agricultural sectors: (i) cereals; (ii) sugar, sugar beet and sugar cane; (iii) olive oil; (iv) fruit and vegetables; (v) wine; (vi) milk and milk products; (vii) beef and veal; (viii) pigmeat; (ix) sheepmeat and goatmeat; (x) poultrymeat.

The Observatory shall collect statistical data on production, supply, prices, profits, imports and exports, and issue early market disturbance warnings.

Early warning mechanism for market disturbances and alert thresholds

The Observatory shall set up an early warning mechanism and alert thresholds and shall notify the European Parliament and the Council where the relevant alert threshold is exceeded, of threats of market disturbances caused, in particular, by significant price rises or falls on internal or external markets or by other events or circumstances having similar effects.

Members also want to widen the market safety net by allowing public intervention (a market management tool used when prices drop beyond a certain level) for new products, such as white sugar, sheep meat, pig meat and chicken.

### Vine planting

The scheme of authorisations for vine plantings established in this Chapter shall apply from 1 January 2016 to 31 December 2050, with a review to be undertaken by the Commission every ten years and for the first time on 1 January 2023 to evaluate the operation of the scheme and, if appropriate, make proposals to improve its effectiveness.

### Common agricultural policy (CAP) 2021?2027

The European Parliament adopted by 463 votes to 133, with 92 abstentions, amendments on the proposal for a regulation of the European Parliament and of the Council amending Regulations (EU) No 1308/2013 establishing a common organisation of the markets in agricultural products, (EU) No 1151/2012 on quality schemes for agricultural products and foodstuffs, (EU) No 251/2014 on the definition, description, presentation, labelling and the protection of geographical indications of aromatised wine products, (EU) No 228/2013 laying down specific measures for agriculture in the outermost regions of the Union and (EU) No 229/2013 laying down specific measures for agriculture in favour of the smaller Aegean islands.

The matter was referred back to the committee responsible for inter-institutional negotiations.

The main amendments adopted in plenary concern the following points:

A more sustainable and greener CAP

Members stressed that the CAP should be more result-driven to:

- boost, in line with the sustainable development programme up to 2030 and the Paris climate agreement, the modernisation and sustainable development, including economic, social, environmental and climatic sustainability of agricultural, forestry and rural areas (with increased focus on agri-forestry);

- reduce food waste, promote education on healthy eating habits, produce healthy food.

In concrete terms, the common organisation of the markets (CMO) in agricultural products should contribute to the following objectives:

- contribute to the stabilisation of agricultural markets and increase their transparency;
- promote the proper functioning of the agri-food supply chain and ensure a fair income for agricultural producers;
- improve the position of producers in the value chain and promote the concentration of agricultural supply;

- contribute to improving the economic conditions for the production and marketing of agricultural products and enhance the quality of European agricultural production.

All interventions of the future CAP should respect the principles of sustainable development, gender equality and fundamental rights.

#### Trade

To maintain fair competition in international trade, Members insisted that the EU should enforce production standards in line with those established for its own producers, particularly in environmental and health matters, subject to reciprocity.

### Extending supply management to all sectors

In view of the importance of protected designations of origin (PDOs) and protected geographical indications (PGIs) in EU agricultural production, and given the successful introduction of supply management rules for quality cheeses and dry cured hams with quality marks to guarantee the added value of these products, it is proposed to extend the benefits of these rules to all agricultural products with quality marks.

#### EU Observatory of agricultural markets

In order to improve transparency within the agri-food supply chain, to illuminate the choices of economic operators and all public authorities and to facilitate the identification and recording of market developments, the Commission should establish an EU observatory of agricultural markets.

It should cover, as a minimum, the following agricultural sectors: (i) cereals; (ii) sugar, sugar beet and sugar cane; (iii) olive oil; (iv) fruit and vegetables; (v) wine; (vi) milk and milk products; (vii) beef and veal; (viii) pigmeat; (ix) sheepmeat and goatmeat; (x) poultrymeat.

The Observatory should collect statistical data on production, supply, prices, profits, imports and exports, and issue early market disturbance warnings.

Early warning mechanism for market disturbances and alert thresholds

The Observatory should set up an early warning mechanism and alert thresholds and should notify the European Parliament and the Council where the relevant alert threshold is exceeded, of threats of market disturbances caused, in particular, by significant price rises or falls on internal or external markets or by other events or circumstances having similar effects.

Members also want to widen the market safety net by allowing public intervention (a market management tool used when prices drop beyond a certain level) for new products, such as white sugar, sheep meat, pig meat and chicken.

#### Vine planting

The scheme of authorisations for vine plantings established in this Chapter should apply from 1 January 2016 to 31 December 2050, with a review to be undertaken by the Commission every ten years and for the first time on 1 January 2023 to evaluate the operation of the scheme and, if appropriate, make proposals to improve its effectiveness.

In order to achieve better soil management in viticulture, the Regulation would allow the duration of replanting authorisations to be extended from three to six years.

Market disturbance monitoring and management plans

With a view to achieving the CAP objectives, in particular the specific objective of market stabilisation, the Commission should establish plans for the monitoring and the management of market disturbances defining its intervention strategy for each agricultural product referred to this Regulation.

### Common agricultural policy (CAP) 2021?2027

The European Parliament adopted by 487 votes to 130, with 71 abstentions, a legislative resolution on the proposal for a regulation of the European Parliament and of the Council amending Regulations (EU) No 1308/2013 establishing a common organisation of the markets in agricultural products, (EU) No 1151/2012 on quality schemes for agricultural products and foodstuffs, (EU) No 251/2014 on the definition, description, presentation, labelling and the protection of geographical indications of aromatised wine products and (EU) No 228/2013 laying down specific measures for agriculture in the outermost regions of the Union.

The European Parliament's position adopted at first reading under the ordinary legislative procedure amends the Commission's proposal as follows:

A more sustainable and greener Common Agricultural Policy (CAP)

The regulation stressed that the new CAP will be more result-driven, stimulate modernisation and sustainability, including the economic, social, environmental and climate sustainability of the agricultural and forestry sectors and of rural areas, and contribute to reducing the administrative burden that EU legislation places on beneficiaries.

Under the new rules, the EU will set the basic policy parameters, such as the objectives of the CAP and its basic requirements, while Member States should bear greater responsibility as to how they meet the objectives and achieve targets.

Under the amending Regulation, the following marketing years are established:

- from 1 January to 31 December of a given year for the fruit and vegetables, processed fruit and vegetables and bananas sectors;

- from 1 April to 31 March of the following year for the dried fodder and silkworm sectors;

- from 1 July to 30 June of the following year for: (i) the cereals sector; (ii) the seeds sector; (iii) the flax and hemp sector; (iv) the milk and milk products sector;

- from 1 August to 31 July of the following year for the wine sector;

- from 1 September to 31 August of the following year for the rice and table olives sector;

- from 1 October to 30 September of the following year for the sugar sector and olive oil.

In the light of the experience gained, certain public intervention periods should be extended. Where the opening of public intervention is automatic, the public intervention period should be extended by one month. Where the opening of public intervention depends on market developments, the public intervention period should be the entire year.

The public intervention periods should be as follows: (a) common wheat, from 1 October to 31 May; (b) durum wheat, barley and maize, throughout the year; (c) paddy rice, throughout the year; (d) beef and veal, throughout the marketing year; (e) butter and skimmed milk powder, from 1 February to 30 September.

Each year the Commission should make public the conditions under which products bought in under public intervention were bought or sold in the previous year. This information should include the relevant volumes and the buying and selling prices.

Furthermore, in order to ensure a fair standard of living and to stabilise the market for olive oil and table olives, the regulation extends the list of products eligible for private storage aid to include table olives.

Aid for the supply of fruit and vegetables, milk and milk products to schools

Member States should choose the products to be featured in distribution or to be included in accompanying educational measures on the basis of objective criteria which shall include one or more of the following: health and environmental considerations, seasonality, variety and the availability of local or regional produce, giving priority to the extent practicable to products originating in the Union.

Member States may encourage in particular local or regional purchasing, organic products, short supply chains or environmental benefits, including sustainable packaging. Member States may consider, in their strategies, prioritising sustainability and fair-trade considerations.

#### Wine sector

The regulation stressed the need to secure the achievements of the EU wine sector up to now and to achieve a long-lasting quantitative and qualitative balance in the sector through the continued orderly growth of vine plantings beyond 2030.

To this end, the regulation extends the scheme of authorisations for vine planting until 2045, i.e. for a period equivalent to the initial period in force since 2016, but with two mid-term reviews to be carried out in 2028 and 2040, in order to evaluate the scheme and, if necessary, to present proposals based on the results of these mid-term reviews to improve the competitiveness of the wine sector.

In order to contribute to a better soil management in viticulture, it is appropriate to allow for the extension of the validity of replanting authorisations from three to six years where the replanting takes place on the same parcel of land. All authorisations for new plantings or replanting that were due to expire in 2020 or 2021 will be extended until 31 December 2022.

The regulation clarifies the definition of protected designation of origin for wines. It clarifies that Member States that limit the issuing of authorisations at regional level for specific areas eligible for the production of wines with a protected designation of origin or for areas eligible for the production of wines with a protected geographical indication may require such authorisations to be used in those regions.

In addition, designations of origin and geographical indications in the wine sector should also be protected against any direct or indirect commercial use where they refer to products used as ingredients.

### Extending the supply management rules to all sectors

In view of the importance of protected designations of origin (PDOs) and protected geographical indications (PGIs) in the Union's agricultural production, and given the successful introduction of supply management rules for cheeses and dry-cured hams under geographical indications in ensuring the added value of these products, the regulation provides for the benefits of these rules to be extended to products with a protected designation of origin or a protected geographical indication under Regulation (EU) No 1308/2013 or Regulation (EU) No 1151/2012.

The regulation streamlines and simplifies the procedures for the registration of protected designations of origin, protected geographical indications and traditional specialities guaranteed which are provided for in Regulation (EU) No 1151/2012, so that new names can be registered in a shorter timeframe. The opposition procedure has been simplified.

In addition, the procedure for approving amendments to the product specification provided for in Regulation (EU) No 1151/2012 has been simplified by introducing a distinction between Union amendments and standard amendments.

#### Union market observatories

In order to improve transparency within the food supply chain, to inform the choices of economic operators and public authorities, to facilitate the monitoring of market developments and threats of market disturbances, the Commission should establish EU market observatories.

The observatories should make available the statistical data and information, in particular on: (a) production, supply and stocks; (b) prices, costs and, as far as possible, profit margins at all levels of the food supply chain; (c) short- and medium-term market forecasts; (d) imports and exports of agricultural products.

### Transparency

BITEAU Benoît	Shadow rapporteur	AGRI	29/06/2020	European Council of Young Farmers - CEJA
BITEAU Benoît	Shadow rapporteur	AGRI	24/06/2020	WWF European Policy Programme
BITEAU Benoît	Shadow rapporteur	AGRI	15/04/2020	Fédération nationale des Safer
BITEAU Benoît	Shadow rapporteur	AGRI	25/03/2020	OXFAM INTERNATIONAL EU ADVOCACY OFFICE Vétérinaires Sans Frontières International