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Romania's position on the recent Communication on CAP

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Report Highlights:
Romanian Ministry of Agriculture and Rural Development organized in December a debate on the recent Communication from the EU Commission called CAP towards 2020: Meting the food, natural resources and territorial challenges in the future. Several stakeholders attended the meeting, expressing opinions and raising concerns related to the three options outlined in the end of the Communication.

Romania's position expressed by the Ministry of Agriculture and Rural Development regarding the EU Communication is outlined below, structured on three areas Direct Payments, Rural Development and CAP Budget.

Direct payments:

In Romania's view, maintaining in real terms the value of the support in agriculture under the two Pillars has to allow the New Member States (NMS) to make use of their potential, as well as help them reach the convergence objectives. The support to *"active farmers*" would lead to diminishing the disparities among the Member States (MS) and a fair distribution of the financial resources. In this regard, it is extremely important that a definition for "*active farmers"* is stated.

Romania finds adequate the openness of the Commission to support small-scale agriculture, through introduction of a support scheme addressing *small farms*, which contributes to competitiveness improvement and vitality maintenance in rural areas. In this regard, Romania will support the definition of the new eligibility criteria, easier to administer and implement. Nevertheless, Romania does not/not support the proposal to introduce an *upper ceiling* on direct payments to large individual farms ("capping").

The proposals concerning the food supply chain functioning, the agricultural producers' negotiation power, contractual relationships, the need for restructuring and consolidation of the production sector, as well as the transparency and functioning of agricultural market are all welcome as they address existing concerns in Romania.

Rural Development:

With regard to Rural Development, Romania is in favor of maintaining a substantial level of the budget allocated under 2-nd pillar. Competitiveness improvement, sustainable management of natural resources and the territorial balanced development are all important to Romanian farmers and their financing has to address specific needs of the MSs along with a greater flexibility.

Romania welcomes the Commission's initiative to create new packages of measures linked with the current measures, as a response to the needs of specific areas or groups. Romania supports the addition of a package of measures for *small farmers* in order to avoid the current phenomena in Romania, such as depopulation, agricultural land abandonment, and to increase their economic potential to supply public goods.

Regarding the package of measures addressing *risk management*, Romania supports the continuation and development of measures regarding the financial schemes through insurance instruments, credit access, and guarantees, all these being essential to improving competitiveness in the agricultural sector.

CAP budget:

First Pillar:

- Direct payments: Romania supports a more equitable distribution of direct payments between the

old and new MSs.

- Market intervention: Romania's option is to keep the current market tools in order to act as a safety net during times of crisis, as well as seeking new instruments that would allow MSs to maintain the level of competitiveness against third countries; continuation of the area programs after 2013 (wine, bee-keeping, less-favored population etc.) with an important impact for Romania, as well as the aid allowed under art. 68 of the Regulation 73/2009.

Second Pillar: The same allocation as the current level (at least).

In addition to the discussion about the Communication, several themes were launched for future debates such as the definition of the term "equitable" for the first Pillar, the option which would work better for Romania (one or two or a mixture of the two), definitions for the two concepts "*active farmer"* and "*small farm*", what kind of simplified support scheme would be feasible for small farms in the European context, and which is the most feasible integrated approach/correlation among agricultural policies without diminishing in real terms the funds allocated to these policies.