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**NOTE**

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From:	General Secretariat of the Council
To:	Delegations
Subject:	EU measures with regard to the impact of COVID-19 on agriculture

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1. On the basis of a Presidency Paper on the impact of the COVID-19 pandemic on agriculture and fisheries, a High-Level Video Conference (HLVC) took place on 25 March, where agriculture Ministers exchanged views on the specific situations in their countries and on what specific measures could be taken in the EU context. The results of this HLVC are summed up in the Presidency document WK 3256/2020, and identifies the following priorities for action to be taken in response to the impact of COVID-19 on the agricultural sector:
  - a. The simplification of, or derogation from, certain rules and procedures, especially in relation to on-the-spot controls, extension of certain deadlines, modification of rural development programmes and reporting or fulfilment of obligations undertaken by beneficiaries without any excessive and disproportionate administrative procedures.
  - b. For reasons of “force majeure” increased flexibility in implementation of CAP measures and in transferring funds between measures and programmes.
  - c. Facilitating advance payments by giving flexibility in terms of deadlines and amounts.

- d. Preparing appropriate intervention and crisis measures foreseen under the Common Market Organisation Regulation adapted to sector needs with the possibility of extending the scope of eligible sectors and products. Some expressed readiness to activate the crisis reserve.
  - e. Ensuring farmers' financial stability by making working capital and financial instruments available.
2. Since then, the **Commission announced various actions on 2, 16 and 22 April**, which are summed up in **ANNEX I**. On **17 April**, the 27 Member States submitted a **Joint Statement** to Commissioner Wojciechowski, in which the Ministers for Agriculture call upon the Commission to take further measures (**ANNEX II**).
  3. In addition, most recently the **Commission proposed amendment to the Regulation (EU) No 1305/2013** as regards specific measures to provide exceptional temporary support under EAFRD in response to the COVID-19 outbreak.
  4. The **list of legislative proposals** can be found in **ANNEX III**, whereas **a list of published legal acts** is given in **ANNEX IV**.
  5. On **13 May**, during a **second High Level Video Conference (HLVC)**, agriculture Ministers will again be invited to exchange views on the impact of the COVID-19 virus on EU agriculture. The Commission will be given the opportunity to explain which measures have been taken so far and Ministers can present their views on the measures taken and on the possible need for further action.

*In order to focus the Ministerial discussion at the HLVC, the Presidency has prepared the following questions:*

**Q1. Do you consider that the measures proposed and adopted in response to the impact of COVID-19 on the EU agricultural sector are effective and sufficient?**

**Q2. Are there in your view any other measures that should be considered? If yes, how would you propose to finance such measures?**

**Commission actions as announced on 2 and 16 April:**

- a. **‘Green lanes’ to keep food flowing across Europe:** the Commission is coordinating closely with EU countries to ensure a functioning single market for goods by creating green lanes. These green lanes, based on designated key border crossing-points, will have border crossing checks that will not exceed 15 minutes. Passage is now granted for all goods, including agri-food products.
- b. **Seasonal workers qualified as ‘critical workers’ to secure food sector support:** the Commission published practical guidelines to ensure that, within the EU, mobile workers who qualify as critical in the fight against the coronavirus pandemic can reach their workplace. Seasonal workers are critical to the agricultural sector in terms of harvesting, planting and tending functions, especially in the current season.
- c. **Flexibility in the use of financial instruments under rural development:** farmers and other rural development beneficiaries will be able to benefit from loans or guarantees to cover operational costs (stand-alone working capital) of up to €200,000 at favourable conditions, such as very low interest rates or favourable payment schedules.
- d. **Higher advances of payments:** to increase the cash flow of farmers, the Commission will increase the advances of direct payments (from 50% to 70%) and some rural development payments (from 75% to 85%). Farmers will start receiving these advances from mid-October. Advance payments can be paid after administrative checks.
- e. **Higher state aid possible for farmers and food processing companies:** under the Commission’s temporary framework for state aid, farmers can now benefit from a maximum aid of €100,000 per farm. Food processing and marketing companies can benefit from a maximum of €800,000. This amount can be topped up by ‘de minimis’ aid. This type of national support specific to the agricultural sector can be granted without prior approval from the Commission, and has a ceiling of €20,000 (and €25,000 in specific cases).

- f. **Extension of deadline for CAP payment applications:** the deadline may be extended by a month, offering more time to farmers to fill in their application for both direct payments and rural development payments.
- g. **Fewer on-the-spot checks and alternative evidence:** EU countries carry out checks to ensure that eligibility conditions are met. However, in the current exceptional circumstances, it is crucial to minimise physical contact between farmers and inspectors. This measure will help reduce administrative burden and avoid unnecessary delays.
- h. **Postponement for the submission of annual reports:** the deadline for EU countries to submit these reports on the implementation of their Rural Development Programmes is postponed, giving more time to national authorities to put them together.
- i. **No amendments to partnership agreements required:** EU countries will not have to amend their partnership agreements to modify their Rural Development Programmes, lifting some administrative procedures. Covid-19 amendments do not count towards the maximum number per year.
- j. Simplification of procedural requirements for making **financial instruments** more responsive to crises (no review of ex-ante assessment for introduction of instruments, no changes in business plans)
- k. Finally, the European Commission calls on all EU countries to use the **possibility to amend their rural development programmes**. Money still available under their rural development programmes can be used to finance relevant actions to face the crisis. The Commission will support EU countries and react promptly to any requests for programme changes.

**Commission exceptional measures as a further response to the Coronavirus crisis, as announced on 22 April:**

- a. **Private storage aid:** the Commission adopted measures to grant private storage aid for dairy (skimmed milk powder, butter, cheese) and meat (beef, sheep and goat meat) products. This scheme will allow the temporary withdrawal of products from the market for a minimum of 2 to 3 months, and a maximum period of 5 to 6 months. This measure will lead to a decrease of available supply on the market and rebalance the market on the long-term.

- b. **Flexibility for market support programmes:** the Commission introduced flexibility in the implementation of market support programmes for wine, fruits and vegetables, olive oil, apiculture and the EU's school scheme (milk, fruits and vegetables). This will allow the reorientation of funding priorities towards crisis management measures for all the sectors.
- c. **Exceptional derogation from EU competition rules:** applicable to the milk, flower and potato sectors, the Commission will authorise the derogation from certain competition rules under Article 222 of the Common Markets Organisation Regulation, that allows operators to adopt self-organisation market measures. Concretely, these sectors will be allowed to collectively take measures to stabilise the market. For example, the milk sector will be allowed to collectively plan milk production and the flower and potatoes sector will be allowed to withdraw products from the market. Storage by private operators will also be allowed. Such agreements and decisions would only be valid for a period of maximum six months. Consumer price movements will be monitored closely to avoid adverse effects.
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**Joint Statement of 27 Member States to Commissioner Wojciechowski, submitted on 17 April in which the agriculture Ministers call on the Commission to facilitate:**

- a. The implementation of **measures under the Common Market Organisation (CMO)** Regulation of the CAP, including in particular **aid for private storage**, to support those sectors where significant market disturbances and price impacts have been assessed, as well as exceptional aid for farmers in the most affected sectors under Articles 219 and 221 of the CMO Regulation.
- b. Ongoing review and monitoring of all sectors over the coming period, with a readiness to introduce **further CMO measures as necessary**.
- c. The immediate **extension of further flexibilities** to Member States under both pillars of the CAP, including in relation to **earlier payment dates, higher rates of advance payment** than those already announced, activation of **specific measures within rural development programmes**, and the **implementation of on-the-spot controls and administrative checks**, without lowering the effectiveness of the control system.
- d. A continued strong and **coordinated European response** that demonstrates to all our citizens the vital role that European farmers and the wider agri-food sector have to play in the response to COVID-19, as well as the strength of the CAP in **supporting food security, environmental protection and vibrant rural areas** at this critical time, and into the future.
- e. The **readiness of European farms to cope with the COVID-19** crisis as well as other present and future challenges, including climate change and biodiversity loss.

**List of legislative proposals:**

- a. Commission Delegated Regulation (EU) .../... of [4.5.2020] derogating in respect of the year 2020 from Commission Delegated Regulation (EU) 2017/891 as regards the fruit and vegetable sector and from Commission Delegated Regulation (EU) 2016/1149 as regards the wine sector in connection with the COVID-19 pandemic (doc. 7737/20).
  - b. Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) No 1305/2013 as regards specific measures to provide exceptional temporary support under EAFRD in response to the COVID-19 outbreak (doc. 7707/20).
  - c. Commission Delegated Regulation (EU) ../.. of 1.4.2020 amending Annexes II and III to Regulation (EU) No 1307/2013 of the European Parliament and of the Council (doc. 7143 + ADD 1).
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**List of published legal acts:**

- a. Commission Implementing Regulation (EU) 2020/501 of 6 April 2020 derogating from Implementing Regulation (EU) No 809/2014 as regards the final date of submission of the single application, aid applications or payment claims, the final date for notification of amendments to the single application or payment claim and the final date for applications for allocation of payment entitlements or the increase of the value of payment entitlements under the basic payment scheme for the year 2020.
- b. Commission Implementing Regulation (EU) 2020/531 of 16 April 2020 derogating in respect of the year 2020 from the third subparagraph of Article 75(1) of Regulation (EU) No 1306/2013 of the European Parliament and of the Council as regards the level of advance payments for direct payments and area-related and animal-related rural development measures and from the first subparagraph of Article 75(2) of that Regulation as regards direct payments.
- c. Commission Implementing Regulation (EU) 2020/532 of 16 April 2020 derogating in respect of the year 2020 from Implementing Regulations (EU) No 809/2014, (EU) No 180/2014, (EU) No 181/2014, (EU) 2017/892, (EU) 2016/1150, (EU) 2018/274, (EU) 2017/39, (EU) 2015/1368 and (EU) 2016/1240 as regards certain administrative and on-the-spot checks applicable within the common agricultural policy.
- d. Regulation (EU) 2020/558 of the European Parliament and of the Council of 23 April 2020 amending Regulations (EU) No 1301/2013 and (EU) No 1303/2013 as regards specific measures to provide exceptional flexibility for the use of the European Structural and Investments Funds in response to the COVID-19 outbreak.
- e. Commission Delegated Regulation (EU) 2020/591 of 30 April 2020 opening a temporary exceptional private storage aid scheme for certain cheeses and fixing the amount of aid in advance (doc. 7688/20 + ADD 1).

- f. Commission Delegated Regulation (EU) 2020/592 of 30 April 2020 on temporary exceptional measures derogating from certain provisions of Regulation (EU) No 1308/2013 of the European Parliament and of the Council to address the market disturbance in the fruit and vegetables and wine sectors caused by the COVID-19 pandemic and measures linked to it (doc. 7690/20).
- g. Commission Implementing Regulation (EU) 2020/593 of 30 April 2020 authorising agreements and decisions on market stabilisation measures in the potatoes sector.
- h. Commission Implementing Regulation (EU) 2020/594 of 30 April 2020 authorising agreements and decisions on market stabilisation measures in the live trees and other plants, bulbs, roots and the like, cut flowers and ornamental foliage sector.
- i. Commission Implementing Regulation (EU) 2020/595 of 30 April 2020 granting aid for private storage for sheepmeat and goatmeat and fixing the amount of the aid in advance
- j. Commission Implementing Regulation (EU) 2020/596 of 30 April 2020 granting aid for private storage for fresh and chilled meat of bovine animals aged eight months or more and fixing the amount of aid in advance.
- k. Commission Implementing Regulation (EU) 2020/597 of 30 April 2020 granting aid for private storage for butter and fixing the amount of aid in advance.
- l. Commission Implementing Regulation (EU) 2020/598 of 30 April 2020 granting aid for private storage for skimmed milk powder and fixing the amount of aid in advance
- m. Commission Implementing Regulation (EU) 2020/599 of 30 April 2020 authorising agreements and decisions on the planning of production in the milk and milk products sector.

- n. Commission Implementing Regulation (EU) 2020/600 of 30 April 2020 derogating from Implementing Regulation (EU) 2017/892, Implementing Regulation (EU) 2016/1150, Implementing Regulation (EU) No 615/2014, Implementing Regulation (EU) 2015/1368 and Implementing Regulation (EU) 2017/39 as regards certain measures to address the crisis caused by the COVID-19 pandemic.
  - o. Commission Implementing Regulation (EU) 2020/601 of 30 April 2020 on emergency measures derogating from Articles 62 and 66 of Regulation (EU) No 1308/2013 of the European Parliament and of the Council as regards the validity of vine planting authorisations and the grubbing up in case of anticipated replanting.
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