COMMISSION IMPLEMENTING REGULATION (EU) 2017/1236

of 7 July 2017

fixing the adjustment rate for direct payments pursuant to Regulation (EU) No 1306/2013 of the European Parliament and of the Council in respect of the calendar year 2017

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) No 1306/2013 of the European Parliament and of the Council of 17 December 2013 on the financing, management and monitoring of the common agricultural policy and repealing Council Regulations (EEC) No 352/78, (EC) No 165/94, (EC) No 2799/98, (EC) No 814/2000, (EC) No 1290/2005 and (EC) No 485/2008 ([1]), and in particular Article 26(3) thereof,

After consulting the Committee on the Agricultural Funds,

Whereas:

(1) Pursuant to Article 25 of Regulation (EU) No 1306/2013 a reserve intended to provide additional support for the agricultural sector in the case of major crises affecting the agricultural production or distribution is to be established by applying, at the beginning of each year, a reduction to direct payments with the financial discipline mechanism referred to in Article 26 of that Regulation.

(2) Article 26(1) of Regulation (EU) No 1306/2013 provides that in order to ensure that the annual ceilings set out in Council Regulation (EU, Euratom) No 1311/2013 ([2]) for the financing of the market related expenditure and direct payments are respected, an adjustment rate for direct payments is to be determined when the forecasts for the financing of the measures financed under that sub-ceiling for a given financial year indicate that the applicable annual ceilings will be exceeded.

(3) The amount of the reserve for crises in the agricultural sector, included in the Commission 2018 Draft Budget, amounts to EUR 459,5 million in current prices. To cover that amount, the financial discipline mechanism has to apply to direct payments under the support schemes listed in Annex I to Regulation (EU) No 1307/2013 of the European Parliament and of the Council ([3]) in respect of the calendar year 2017.

(4) The forecasts for the direct payments and market related expenditure determined in the Commission 2018 Draft Budget indicate that there is no need for any further financial discipline.

(5) Acting in accordance with Article 26(2) of Regulation (EU) No 1306/2013, the Commission adopted a proposal for a Regulation of the European Parliament and of the Council fixing the adjustment rate provided for in Regulation (EU) No 1306/2013 for direct payments in respect of the calendar year 2017 ([4]) on 30 March 2017.

(6) The European Parliament and the Council have not determined that adjustment rate by 30 June 2017. Therefore, in accordance with Article 26(3) of Regulation (EU) No 1306/2013, the Commission is to fix the adjustment rate by means of an implementing act and inform the European Parliament and the Council immediately thereof.

(7) In accordance with Article 26(4) of Regulation (EU) No 1306/2013, the adjustment rate may be adapted by the Commission until 1 December 2017, on the basis of new information in its possession. In the event of new information, the Commission will take it into account and will adopt an implementing regulation adapting the adjustment rate by 1 December 2017, in the context of the Amending Letter to the Draft Budget 2018.

([1]) OJ L 347, 20.12.2013, p. 549.
([2]) Council Regulation (EU, Euratom) No 1311/2013 of 2 December 2013 laying down the multiannual financial framework for the years 2014-2020 (OJ L 347, 20.12.2013, p. 884).
([3]) Regulation (EU) No 1307/2013 of the European Parliament and of the Council of 17 December 2013 establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy and repealing Council Regulation (EC) No 637/2008 and Council Regulation (EC) No 73/2009 (OJ L 347, 20.12.2013, p. 608).
([4]) COM(2017) 150.

(8) As a general rule, farmers submitting an aid application for direct payments for one calendar year (N) are paid within a fixed payment period falling within the financial year (N+1). However, Member States may make late payments to farmers beyond that payment period, within certain limits. Such late payments may be made in a subsequent financial year. When financial discipline is applied for a given calendar year, the adjustment rate should not be applied to payments for which aid applications have been submitted in calendar years other than the calendar year for which the financial discipline applies. Therefore, in order to ensure equal treatment of farmers, it is appropriate to provide that the adjustment rate is to be applied only to payments for which aid applications have been submitted in the calendar year for which the financial discipline is applied, irrespective of when the payment to farmers is made.

(9) Article 8(1) of Regulation (EU) No 1307/2013 provides that the adjustment rate applied to direct payments determined in accordance with Article 26 of Regulation (EU) No 1306/2013 is to apply only to direct payments in excess of EUR 2 000 to be granted to farmers in the corresponding calendar year. Furthermore, Article 8(2) of Regulation (EU) No 1307/2013 provides that, as a result of the gradual introduction of direct payments, the adjustment rate is to apply to Croatia only from 1 January 2022. The adjustment rate to be determined by this Regulation should therefore not apply to payments to farmers in that Member State,

HAS ADOPTED THIS REGULATION:

Article 1

1. For the purpose of fixing the adjustment rate in accordance with Articles 25 and 26 of Regulation (EU) No 1306/2013, and in accordance with Article 8(1) of Regulation (EU) No 1307/2013, the amounts of direct payments under the support schemes listed in Annex I to Regulation (EU) No 1307/2013 to be granted to farmers in excess of EUR 2 000 for an aid application submitted in respect of the calendar year 2017 shall be reduced by an adjustment rate of 1,388149 %.

2. The reduction provided for in paragraph 1 shall not apply in Croatia.

Article 2

This Regulation shall enter into force on the seventh day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 7 July 2017.

For the Commission
The President
Jean-Claude JUNCKER