

EU reaches deal to overhaul farm subsidies: Ireland

June 26 2013



Dairy farmers protest in Berlin on June 4, 2013 against what they say is a German government policy to block EU agricultural reforms. European institutions on Wednesday agreed to reform the Common Agricultural Policy to favour small farms over big business and promote environmentally friendly farming in an overhaul of the EU's most costly programme.

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programme.

The Irish presidency of the European Union announced on its Twitter account it had reached an agreement between member states and the European Parliament and the European Commission.

The deal is to be confirmed by Parliament committee later on Wednesday.

The CAP accounts for about 38 percent of the EU's budget.

CAP reform is due to be implemented starting in 2014 but the new subsidy system would not be in place before 2015 due to delays in <u>negotiations</u> on Europe's next budget.

Under the current rules, 80 percent of CAP payments go to the top 20 percent of intensive farm businesses since several countries still link the subsidies to production levels.

Details of Wednesday's agreement have not been disclosed, but under a previous draft member states would have to ensure that by 2019 each farmer receive at least 60 percent of the average national or regional subsidy per hectare.

The reduction in subsidies that this would entail for big farms would be limited at most to 30-percent.





Shepherds take part in a rally in Paris on June 23, 2013 organized by two main farmers unions to highlight difficulties encountered by farmers. European institutions on Wednesday agreed to reform the Common Agricultural Policy to favour small farms over big business and promote environmentally friendly farming in an overhaul of the EU's most costly programme.

EU negotiators had also agreed on boosting subsidies for young farmers and obliging member states to allocate 30 percent of subsidies for farms that use eco-friendly <u>farming methods</u>.

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