

COMMISSION IMPLEMENTING REGULATION (EU) No 879/2014**of 12 August 2014****fixing an adjustment rate for direct payments provided for in Council Regulation (EC) No 73/2009
in respect of calendar year 2014**

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) Article 25 of Regulation (EU) No 1306/2013 lays down that a reserve intended to provide additional support for the agricultural sector in the case of major crises affecting the agricultural production or distribution has 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 lays down 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 has 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, taken into account in the Commission 2015 Draft Budget, amounts to EUR 433 million in current prices. To cover this amount, the financial discipline mechanism has to apply to direct payments listed in Annex I to Council Regulation (EC) No 73/2009 ⁽³⁾ in respect of calendar year 2014.
- (4) The forecasts for the direct payments and market related expenditure determined in the Commission 2015 Draft Budget indicated 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 on fixing an adjustment rate for direct payments provided for in Regulation (EC) No 73/2009 in respect of calendar year 2014 ⁽⁴⁾ on 21 March 2014.
- (6) The European Parliament and the Council have not determined that adjustment rate by 30 June 2014. 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 2014, 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 2014, in the context of the Amending Letter to the Draft Budget 2015.

⁽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⁾ Council Regulation (EC) No 73/2009 of 19 January 2009 establishing common rules for direct support schemes for farmers under the common agricultural policy and establishing certain support schemes for farmers, amending Regulations (EC) No 1290/2005, (EC) No 247/2006, (EC) No 378/2007 and repealing Regulation (EC) No 1782/2003 (OJ L 30, 31.1.2009, p. 16).

⁽⁴⁾ COM(2014) 175.

- (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 under the financial year (N + 1). However, Member States have the possibility to make late payments, within certain limits, to farmers beyond this payment period without any time limits. Such late payments may fall in a later 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 the calendar years other than that 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 only applied 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 of the European Parliament and of the Council ⁽¹⁾ lays down that the adjustment rate applied to direct payments determined in accordance with Article 26 of Regulation (EU) No 1306/2013 applies 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 applies only to Bulgaria and Romania from 1 January 2016 and to Croatia from 1 January 2022. The adjustment rate to be determined by the present Regulation should therefore not apply to payments to farmers in those Member States,

HAS ADOPTED THIS REGULATION:

Article 1

1. For the purpose of applying the adjustment provided for in 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 the payments within the meaning of Article 2(d) of Regulation (EC) No 73/2009 to be granted to a farmer in excess of EUR 2 000 for an aid application submitted in respect of calendar year 2014 shall be reduced by 1,301951 %.
2. The reduction provided for in paragraph 1 shall not apply in Bulgaria, Croatia and Romania.

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, 12 August 2014.

For the Commission
The President
José Manuel Barroso

⁽¹⁾ 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).