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Commission I

Italian National report

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The CAP reform of 2013 has been perceived by Italian farmers as a new chapter of a route progressively lowering their incomes. Indeed, the new EU financial framework establishes lower levels of financial resources to the CAP and the new entitlements for direct payments are going to be worth less than the older ones.

Moreover, the EU provisions about internal convergence of the value of entitlements will modify their values, increasing the value of the entitlements under the national average and lowering the value of the entitlements over the national average.

Perhaps, the most of the concerns about the reform are focused on the greening, first of all due to the reduced average arable land available for agricultural producers; in most cases the compliance to the greening provisions is going to create new bureaucracy, new obligations for the beneficiaries, new costs which could be appreciate only where agricultural activities are done in wide holdings, and not as small as in Italy.

Professional agricultural organisations are working to eliminate or to reduce, or at least to simplify the greening obligations in the midterm CAP review.

The CAP reform of 2013 has been implemented with ministerial decrees adopted by the Minister for the agricultural, food and forestry policy (MIPAAF), without the adoptions of laws or other acts having the strength of the law; this can be explained because the EU regulations are deeply detailed, so that the spaces left to Member States do not need an implementation by laws.

Bypassing the laws allows an easy review of the national regulations too, being not necessary to involve the Parliament.

The current issues are about the use or, better, the abuse of the instrument of the ministerial decree: currently in Italy have been adopted six ministerial decrees: five of them focused on the implementation of the direct payment system, and one (dated 23.1.2015) providing the internal rules of the cross compliance, regulated by Reg. EU 1306/2013, but operating, as known, also in the sector of direct payments.

The most relevant for the implementation in Italy of the direct payment system is the DM 18.11.2014; the other four DMs (dated 12.1.2015, 26.2.2015, 20.3.2015, 12.5.2015) have been adopted to cover some aspects not ruled by the first one, or to lay down simplifications in the applications of the European discipline.

Active farmers

The definition of active farmer for the purposes of art. 9 of Regulation EU n. 1307/2013 has been layed down by ministerial decree 18.11.2014; such are the farmers:

a) having a social security account as direct farmers (“coltivatore diretto”, a figure of small farmer, that supplies, with the help of his/her family, a workforce for at least 51% of the total amount of workforce necessary for the agricultural production) or professional farmers (“imprenditore agricolo professionale”, whose agricultural activity incomes are more of the 51% of all the subject incomes, and farm for more of the 51% of the annual working time).

b) having a vat account in the agricultural sector and, from 2016, presenting an annual vat declaration for the year before (with the exception of the farmers working in mountain zones or areas with natural constraints).

These requirements do not apply to the subjects that have perceived no more of 1.250 euro (5.000 euros for beneficiaries whose lands are in mountain or in areas with natural constraints).

The list of subjects excluded from the direct payment scheme of Art. 9, par. 2, reg. 1307/2013, is implemented with the provision of the bodies (companies or natural persons) which are involved in banking or financial or commercial intermediation activity; insurance companies or cooperatives, except the ones operating in areas with natural constraints; public administrations, except the bodies carrying out training activities or experimentation in the agricultural sector.

Capping

Payments over 150.000 euros are reduced of 50% for the amount over that threshold, and if the payments are above 500.000 euros no payments are paid over that threshold. For the establishing of the threshold is mandatory to exclude the amounts paid for salaries linked to an agricultural activity, taxes, social security contributions concerning the beneficiary and the members of his or her family.

Young farmers

The rules are given by articles 17 ff., D.M. 1.11.2014. Article 17 recalls art. 50, par. 6, a), Reg. 1307/2013, stating that this payment can be request for no more of 90 hectares. The percentage of the national ceiling fixed for the payments to young farmers is 1%, but this percentage can be modified with a following ministerial decree.

Coupled support

A coupled support has been disposed for milk, sheepmeat and goatmeat, beef and veal, durum wheat, rice, protein crops, sugar beets, tomatoes for processing, olive oil, by articles from 19 to 27, DM 18.11.2014. Other rules for some of these sectors have been layed down by DM 12.5.2015.

The national ceiling percentage for the coupled support is fixed in 11%.

Small farmers

The small farmers scheme has been implemented (art. 28, DM 18.11.2014): the stakeholders have to submit the application not beyond the fifteenth of September 2015. Another DM (20.3.2015, which laves down further rules with the object to simplify the managing of the CAP) states (at art. 8) simplified measures for the small farmers that need, to be effective, the Commission authorisation or a modification of Reg. 809/2014 by EU Commission.

The phasing-out of the milk quota system

Wide concerns are arised from the milk sector, related to the phasing out of the milk quota system. In June 2015 the Italian Government – pushed by the milk producers

organisations - has adopted the Decreto legge (law decree) n. 51/2015 (which has to be converted in law by the Parliament not beyond 60 days, and currently the Parliament is working on it) with which some rules of Reg. EU 1308/2013 have been implemented. In particular, the D.L. states – inter alia - that contracts between farmers and the first purchaser of raw milk not only have to be made in writing (that it was just provided with previous national rules) but also have to have a minimum duration of twelve months, without prejudice to the farmer's right to refuse such a minimum duration provided that he does so in writing. Furthermore, the D.L. strengthens the bargaining powers of the weak part, modifying some provisions laid down by art. 62 of D.L. n. 1/2012, concerning the contracts of sale of agricultural products and foodstuffs to a distributor or a processor.

Art. 3 of D.L. 51/2015 implements the new EU rules on interbranch organisations in the milk and milk products sector too. It states the recognition rules for that organisations, explaining which are the significant shares of the economic activities requested for the recognition, and regulates when a recognised interbranch organisation, operating in a specific economic area or areas, may request to the Ministry of Agriculture to make binding, for a limited period of time, some of the agreements, decisions or concerted practices agreed within that organisation on other operators acting in the economic area or areas in question, whether individuals or groups, who do not belong to the organization, and to obtain from these operators financial contributions as provided in Art. 165, Reg. 1308/2013.

D.L. n. 51/2015 has been converted by the Parliament with the law n. 91/2015, dated 2.7.2015, published in Italian official journal n. 152 on 3.7.2015.

Shifting of funds from the first to the second pillar

No shifting between pillars has been provided.

Greening

The so called greening has been implemented by DM 18.11.2015 and further by the following DM 26.2.2015.

The greening provisions of the DM 18.11.2014 are focused on permanent grassland and ecological focus areas: for the first topic, the DM states that agricultural producers cannot convert their permanent grassland without authorisation by AGEA (“Agenzia per le Erogazioni in Agricoltura”, the Italian coordinating body).

Are defined ecological focus areas all that listed in par. 2 of the Art. 46 of the Regulation 1307/2013. For the purposes of Art. 45, par. 4, Reg. 639/2014 (Commission delegated Regulation) are also considered the trees in line with a crown diameter less than 4 meters belonging the species listed in Annex II at the DM 18.11.2014, and the other trees listed in Art. 7 of the Italian law n. 10/2013 (the Annex II has been repealed by a new one provided with DM 20.3.2015).

For the purposes of Art. 45, par. 8, Reg. 639/2014, are considered suitable the surfaces with short rotation coppice vested with poplars, willows, eucalyptus, alders, elms and planes with production cycle not exceeding eight years.

For the purposes of Art. 45, par. 10, Reg. 639/2014, the species of nitrogen-fixing crop are defined by Annex III at the DM 18.11.2014.

The DM 26.2.2015 has integrated the previous DM 18.11.2014, stating additional provisions for crop diversification and set aside and for the agricultural focus areas.

In particular, it states detailed rules for the modalities of filling the cultivation business plan, relevant for determining the crop diversification, and the definition of set aside for the purpose of the greening: such is the retirement of an arable land for at least eight months in the year of the application. Art. 10, D. 26.2.2015 specifies, furthermore, which activity has to be done e which is forbidden in the lands retired from production.

Art. 11 DM 26.2.2015, lastly, adds detailed provisions concerning what it is possible and what it is not possible to do in the agricultural focus areas. While the previous DM left to the coordinating body any decision about modalities of measurement of the areas, the most recent one provides factors of conversions and ponderations that need to be observed by the coordinating body, which loses his previous discretion.

Equivalent practices

Equivalent practices have been recognised: such are the practices listed in the Annex IX at Regulation 1307/2013 and the others provided with the measures laid down by art. 39, par. 2, Reg. 1698/2005 or by Art. 28, par. 2, Reg. 1305/2013. The DM 18.11.2014 states that with another DM will be recognised practices on the basis of the notification of the approved rural development programmes.

The DM 26.2.2015 states, but only for the year 2015, that agricultural producers cannot use equivalent practices provided by Art. 43, par. 3, Reg. 1307/2013 to obtain the greening payment.

Additional payments for areas with natural constraints

No additional payments for areas with natural constraints are provided.

Enforcement problems

The two DMs laying down rules for the simplification in the managing of the CAP (DM 12.1.2015, n. 162, and DM 20.3.2015, n. 1922) could give a contribution to the fight against the frauds and could facilitate the work of the controls bodies.

Information on beneficiaries published and to what extent

The DM 12.1.2015, laying down rules for the simplification of the managing of the CAP, states, at Art. 3, par. 8, that are public the aggregate data at municipal level and the data concerning individual beneficiaries with reference to the amounts received: these information can be obtained with "simple research tools" on SIAN (Sistema Informativo Agricolo Nazionale: in English: National agricultural information system) internet portal.

Advice for farmers on the legal framework on market organisations.

The greatest role in advising the beneficiaries is done by agricultural associations (a sort of agricultural unions), which have, inter alia, the task to fill the applications to send to the paying agencies.

As it is clear, the national rules implementing the CAP reform have come in force late (the first decree was adopted in November 2014, and the last one in March 2015); consequently, it has not been enough time to organise events, meetings, courses for agricultural producers to explain the new rules, and all the duty has been charged on the associations licensed for the presentations of the applications.