COMMISSION IMPLEMENTING REGULATION (EU) 2023/1509

of 20 July 2023

derogating in respect of the year 2023 from Article 75(1), third subparagraph, of Regulation (EU) No 1306/2013 of the European Parliament and of the Council as regards the level of advance payments for area-related and animal-related rural development measures

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 75(3) thereof,

Whereas:

(1) Pursuant to Article 104(1), second subparagraph, point (a)(iv), of Regulation (EU) 2021/2116 of the European Parliament and the Council ([2]), Article 75 of Regulation (EU) No 1306/2013 continues to apply as regards the EAFRD, in relation to expenditure incurred by the beneficiaries and payments made by the paying agency in the framework of the implementation of rural development programmes pursuant to Regulation (EU) No 1305/2013 of the European Parliament and of the Council ([3]).

(2) Pursuant to Article 75(1), third subparagraph, of Regulation (EU) No 1306/2013 Member States may pay advances of up to 75 % for area-related and animal-related rural development support measures under Regulation (EU) No 1305/2013.

(3) The Covid-19 pandemic, its impact on food supply chains, and the surge in the prices of energy and agricultural inputs since autumn 2021 have been putting the agricultural sector under pressure. In addition, the Russia's invasion of Ukraine aggravated the situation and had a further negative impact on the agriculture sector. Input prices, such as energy, fertiliser and feed costs have increased significantly in all agricultural sectors.

(4) As a result, the share of energy and fertilisers costs in total intermediate consumption had increased significantly in 2022, with the largest increase being observed for field crops and permanent crops farms, in both cases because of their exposure to fertiliser costs. Fertiliser prices are still at historically very high levels. Data suggests that farmers have reacted by reducing their use of fertilisers with, as of yet, uncertain negative consequences on yields and the quality of food and feed commodities.

(5) The prices of other inputs for farmers and food chain operators in the Union such as for example plant protection products and animal health treatments, machinery and packaging have increased in line with the general inflation.

(6) Recently, prices for most agricultural commodities such as cereals, oilseeds and dairy products have been falling significantly. In some Member States, the situation has become particularly difficult as the ratio between input prices and commodity prices has deteriorated.

([1]) 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 (OJ L 347, 20.12.2013, p. 549).

([2]) Regulation (EU) 2021/2116 of the European Parliament and of the Council of 2 December 2021 on the financing, management and monitoring of the common agricultural policy and repealing Regulation (EU) No 1306/2013 (OJ L 435, 6.12.2021, p. 187).

([3]) Regulation (EU) No 1305/2013 of the European Parliament and of the Council of 17 December 2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and repealing Council Regulation (EC) No 1698/2005 (OJ L 347, 20.12.2013, p. 487).

(7) These circumstances, in addition to recent adverse meteorological events in certain regions, such as extreme drought and floods, are liable to cause liquidity problems for agricultural producers. To tackle these liquidity problems, Member States should be allowed to pay increased advance payments in respect of claim year 2023 for area-related and animal-related rural development measures.

(8) The measures provided for in this Regulation are in accordance with the opinion of the Committee on the Agricultural Funds and the Common Agriculture Policy Committee,

HAS ADOPTED THIS REGULATION:

Article 1

By way of derogation from Article 75(1), third subparagraph, of Regulation (EU) No 1306/2013, in respect of claim year 2023, Member States may pay advances of up to 85 % for the support granted under rural development as referred to in Article 67(2) of that Regulation.

Article 2

This Regulation shall enter into force on the third 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, 20 July 2023.

For the Commission
The President
Ursula VON DER LEYEN