

The COMMON AGRICULTURAL POLICY post-2020 Legislative Proposals



#

FutureofCA

Mr Liam BRESLIN - DG AGRI

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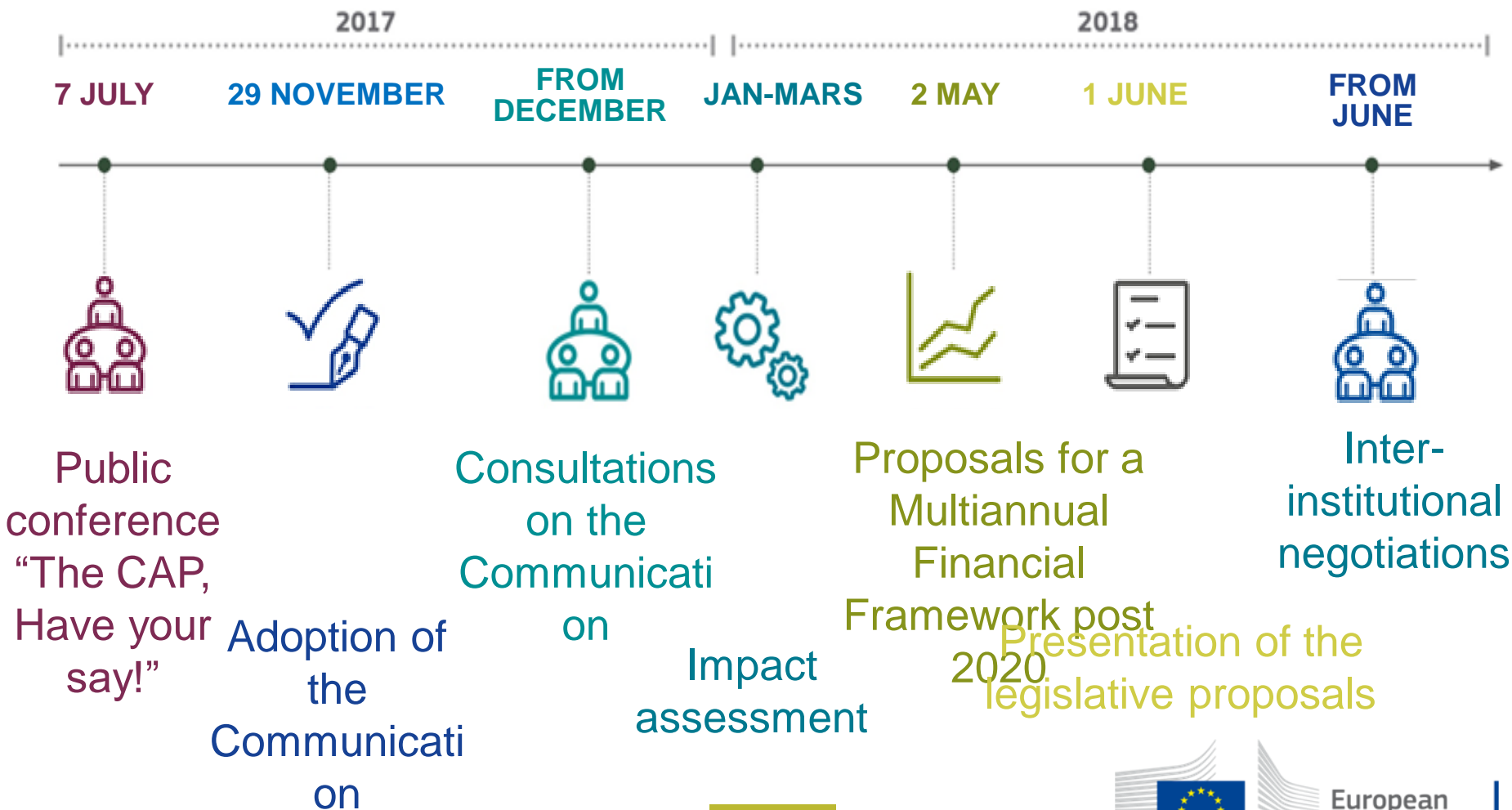
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4. *The next steps*

1. The context



THE ROAD TO A FUTURE CAP AFTER 2020



2. The budget proposals



*'This budget proposal is truly about EU added value. **We invest even more in areas where one single Member State cannot act alone or where it is more efficient to act together** - be it research, migration, border control or defence. And **we continue to finance traditional - but modernised - policies**, such as **Common Agricultural Policy** and Cohesion Policy, **because we all benefit from the high standard of our agricultural products** and regions catching up economically.'*

Günther H. Oettinger, Commissioner
for Budget & Human Resources,
2 May 2018





THE PROPOSAL FOR A MULTI-ANNUAL BUDGETARY FRAMEWORK

In billion euro, current prices

I. SINGLE MARKET, INNOVATION AND DIGITAL
€187.4

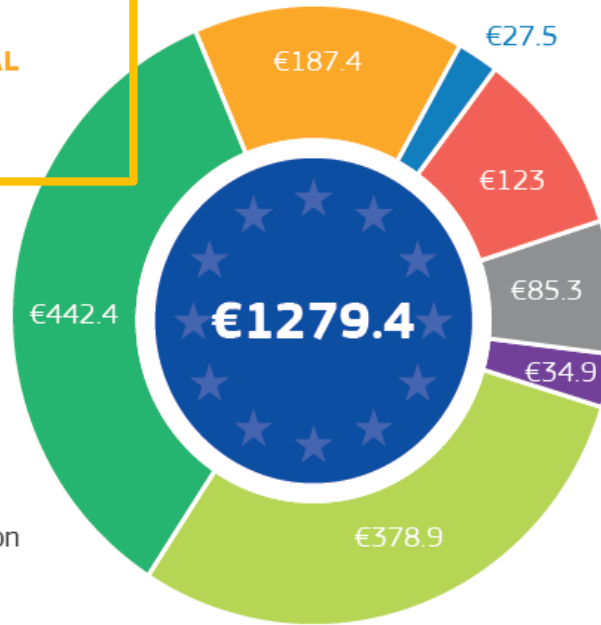
- 1 Research and Innovation
- 2 European Strategic Investments
- 3 Single Market
- 4 Space

II. COHESION AND VALUES
€442.4

- 5 Regional Development and Cohesion
- 6 Economic and Monetary Union
- 7 Investing in People, Social Cohesion and Values

III. NATURAL RESOURCES AND ENVIRONMENT
€378.9

- 8 Agriculture and Maritime Policy
- 9 Environment and Climate Action



IV. MIGRATION AND BORDER MANAGEMENT
€34.9

- 10 Migration
- 11 Border Management

V. SECURITY AND DEFENCE
€27.5

- 12 Security
- 13 Defence
- 14 Crisis Response

VI. NEIGHBOURHOOD AND THE WORLD
€123

- 15 External Action
- 16 Pre-Accession Assistance

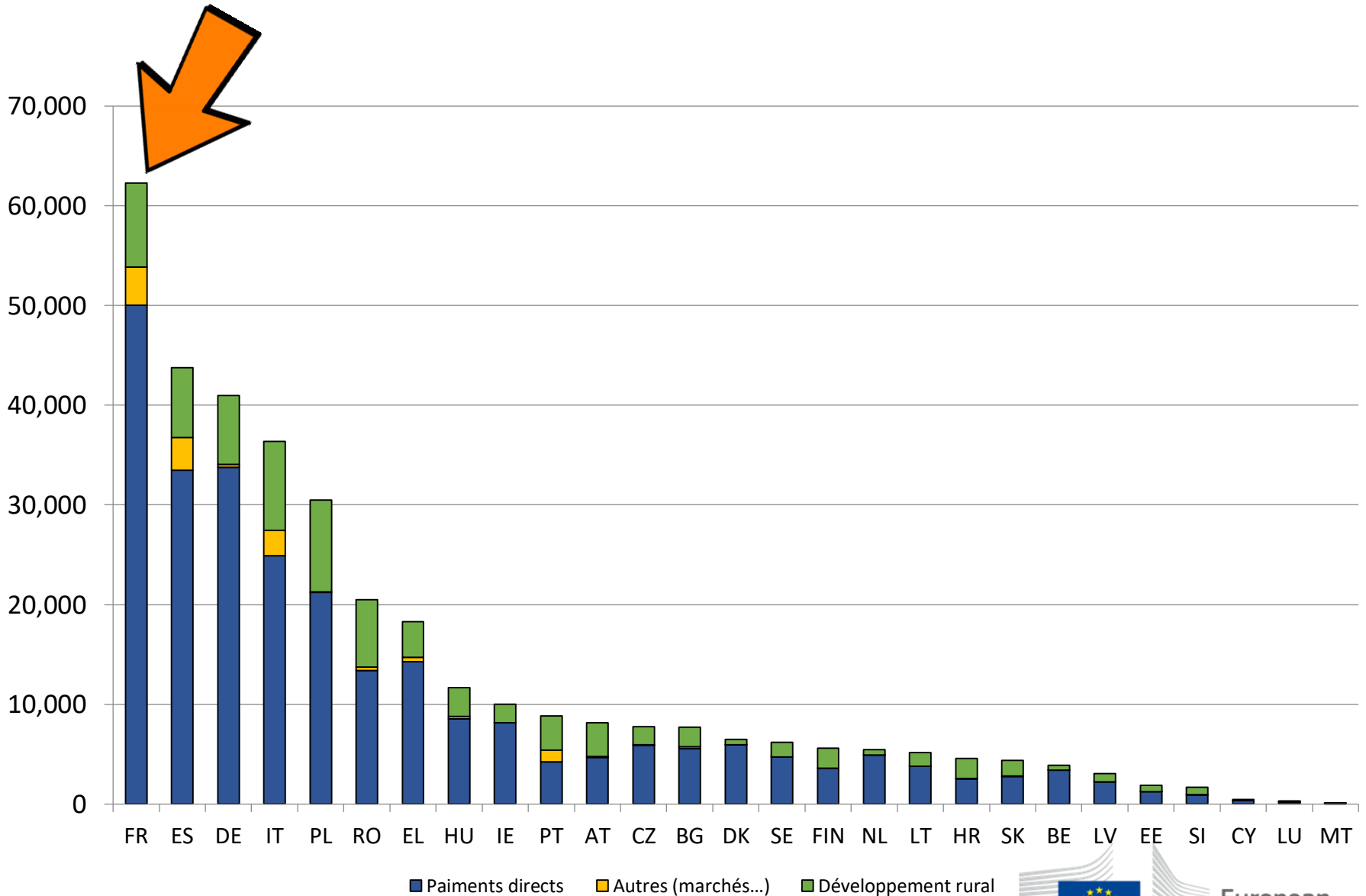
VII. EUROPEAN PUBLIC ADMINISTRATION
€85.3

- 17 European Public Administration





THE CAP BUDGET BY MEMBER STATE



3. The legislative proposals for the future CAP



'Today's proposal delivers on the Commission's commitment to modernise and simplify the Common Agricultural Policy; delivering genuine subsidiarity for Member States; ensuring a more resilient agricultural sector in Europe; and increasing the environmental and climate ambition of the policy.'

**Phil Hogan,
Commissioner responsible for
Agriculture and Rural
Development, 1 June 2018**



European
Commission



THE MAIN PRIORITIES OF THE FUTURE CAP

SUSTAINABLE
 RESILIENCE INVESTMENTS ECONOMIC RESEARCH MODERNISING
 NEEDS COMMON PLAN BIODIVERSITY
 COMPETITIVENESS TARGETS OBJECTIVES TRADE SIMPLIFYING
 BUDGET ENVIRONMENT
 AREAS CLIMATE EUROPEAN
 STRATEGIC YOUNG MARKET
 FARMERS PERFORMANCE RURAL FOOD TECHNOLOGY
 KNOWLEDGE PAYMENTS



THE MAIN PRIORITIES OF THE FUTURE CAP

1. The **modernisation** and **simplification** of the policy framework
2. **Innovation and knowledge** for tomorrow's agriculture
3. The **resilience** of European agriculture, with a more equitable & more efficient support through a better targeting of aids
4. The strengthening of **environmental and climate action**



5. Growth and jobs in **rural areas** and encouraging **generational renewal**
6. The response to **citizens' concerns** on sustainable agricultural production



1. A NEW GOVERNANCE

The EU will assess and approve the plans and monitor progress.

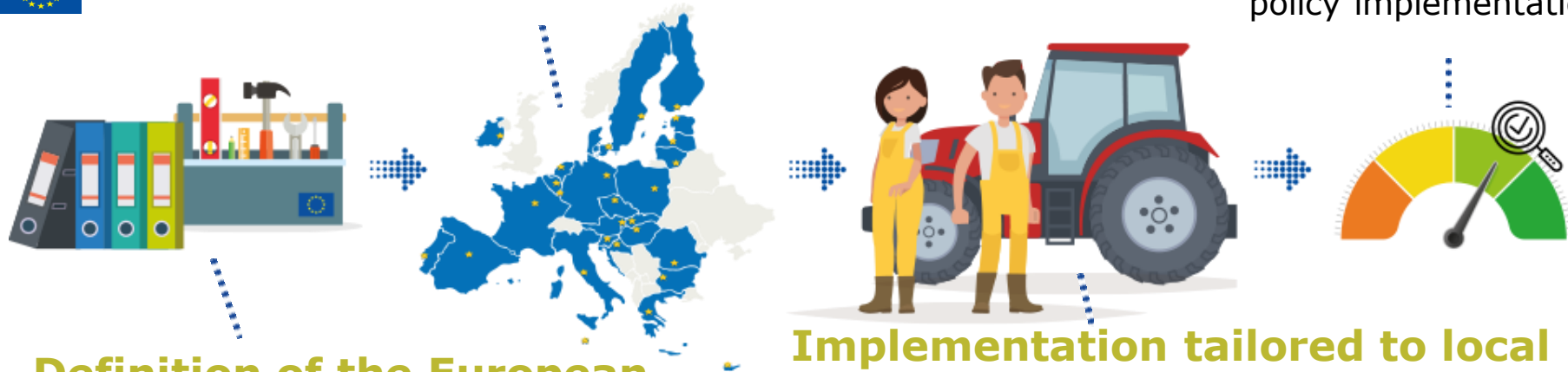


Development of a national CAP Strategic Plan (MS)

Identification of needs, selection of tailored interventions and quantified objectives, responsibility for the implementation

Annual and multiannual monitoring (MS, EU)

Annual report on the performance of the policy implementation



Definition of the European framework (EU)

9 objectives, indicators to monitor implementation, types of possible measures (interventions)

Implementation tailored to local realities (MS)

In order to improve the economic, social and environmental performance of farms

Stability in national governance structures

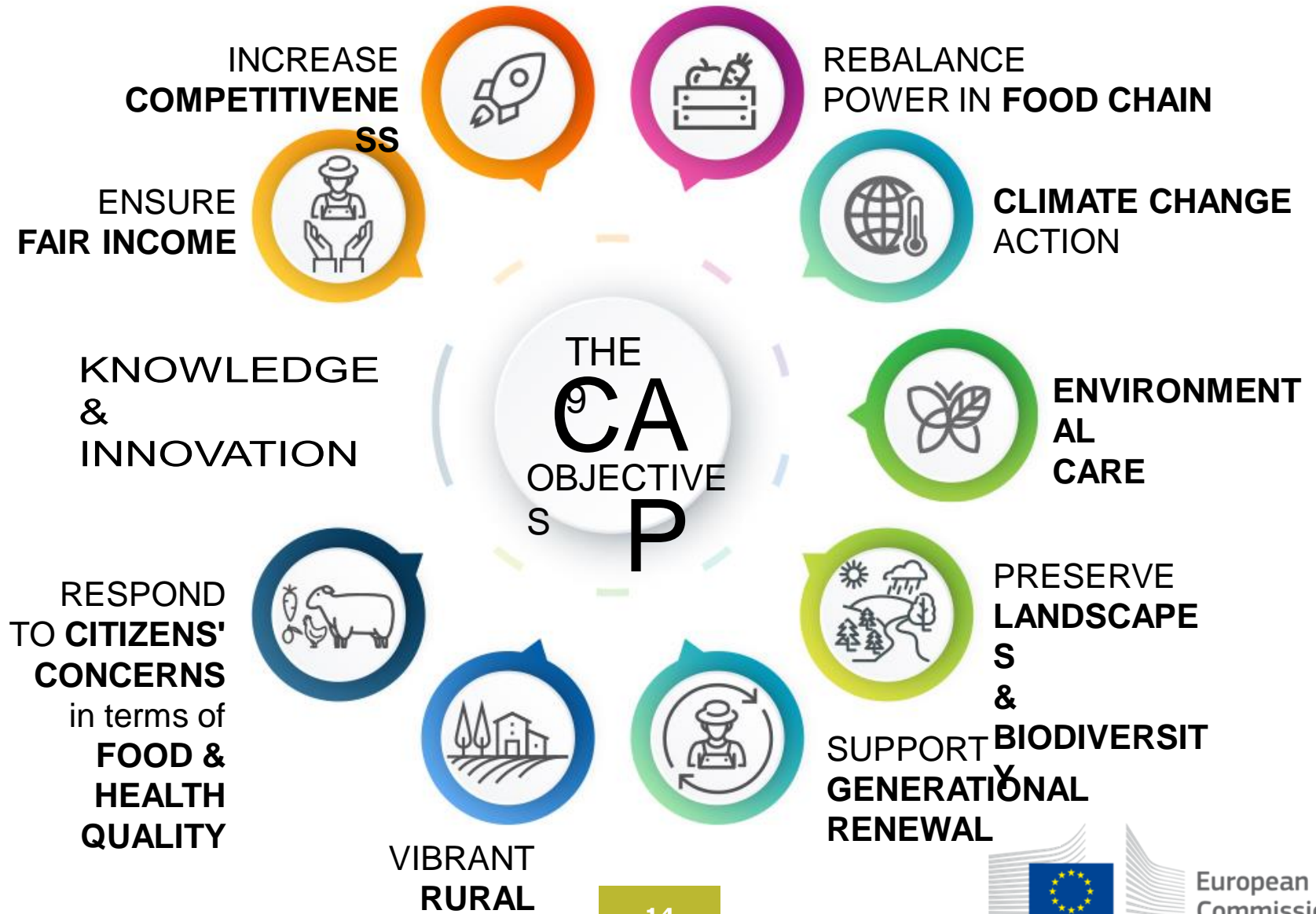
(paying agencies, certifying bodies and systems in the management of agricultural plots)



European Commission

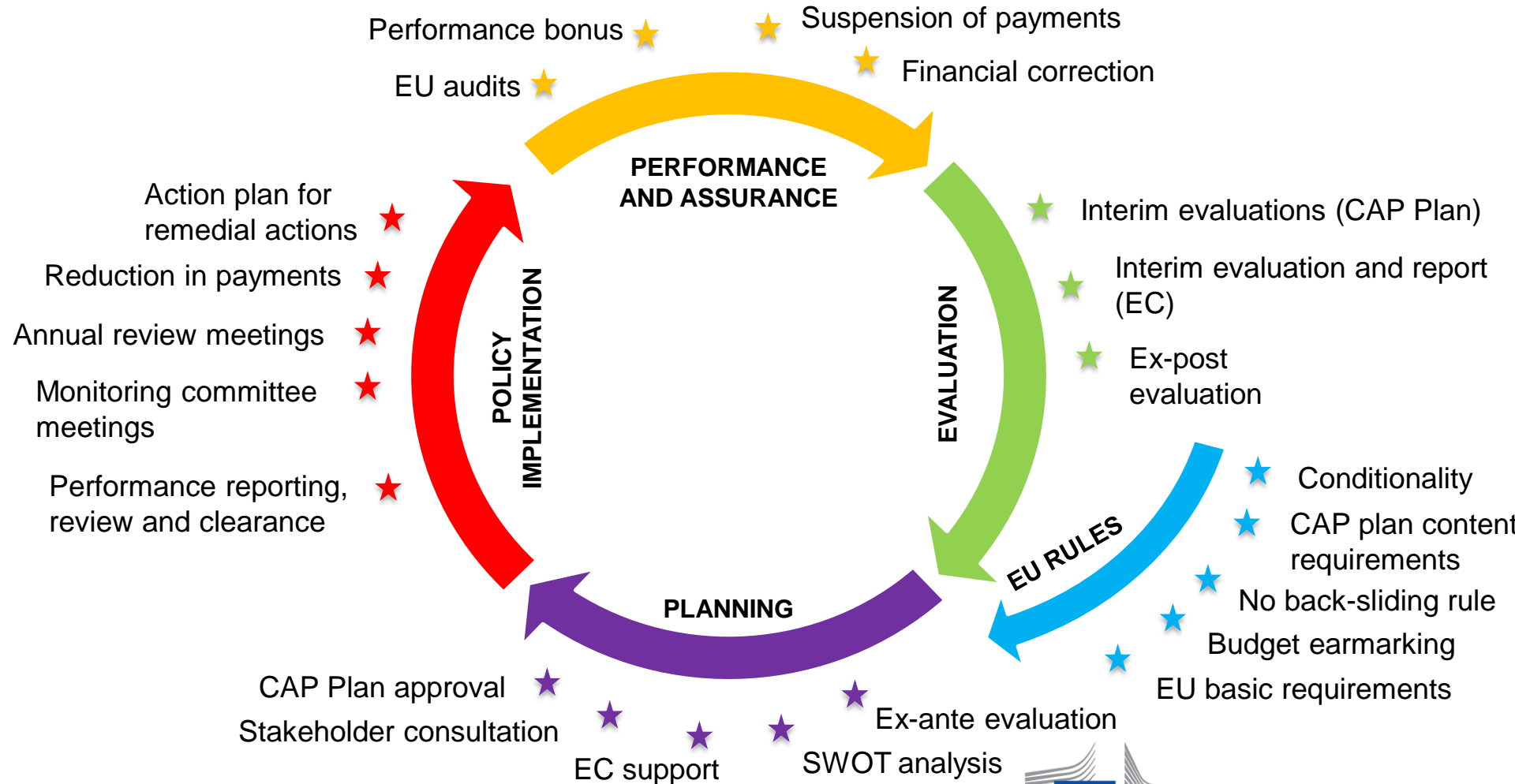


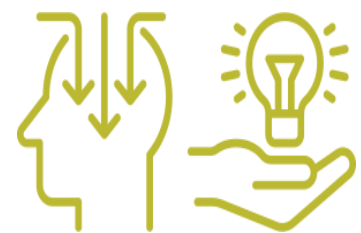
THE 9 COMMON OBJECTIVES





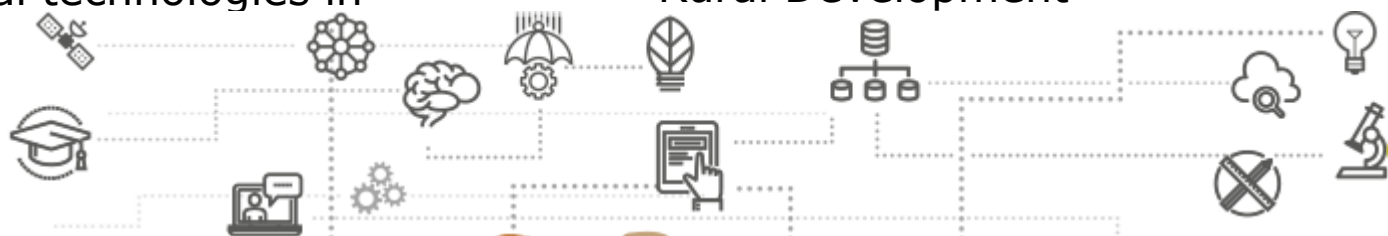
GUARANTEES IN TERMS OF IMPLEMENTATION





2. DEVELOPING A KNOWLEDGE-BASED AGRICULTURE

- ▶ **Cross-cutting objective** on knowledge, innovation and digitalisation
- ▶ Each **CAP strategic plan** will include a section on how to stimulate the exchange of knowledge and innovation as well as the development of digital technologies in
- ▶ Strengthening of the **Farm Advisory System**
- ▶ **Cooperation and knowledge exchange** are part of the main possible interventions in Rural Development
- ▶ **Specific budget of EUR 10 billion** in Horizon Europe for food, agriculture, rural development and the bio-economy.



▶ Continuation of the agricultural **European Innovation Partnership**



3. ENSURING A FAIRER AND MORE EFFICIENT SUPPORT

Priority will be given to supporting small and medium-sized holdings and young farmers:



- **reduction of direct payments** above EUR 60,000 per holding and **capping** beyond EUR 100,000 (taking into account the cost of labour)
- **compulsory redistributive payment** and **internal convergence** of the amount of aid per hectare
- A **minimum of 2 % of the national envelope for direct payments** reserved specifically **for young farmers**
- **'external convergence'** (rebalancing the level of aid per hectare between countries)
- Allocation of income support to **'genuine' farmers** (to be defined by MS)
- **Coupled income support** is possible to help struggling sectors to increase their competitiveness, sustainability and quality



OVERVIEW OF NEW DIRECT PAYMENTS

Reduction of all direct payments
Above EUR 60 000 and **capping**
at 100 000 (labour cost taken into account)



To DP (primarily for redistributive income support for sustainability) and/or to RD

Coupled income support

- Wide range of sectors (new: non-food products with potential to replace fossil material in the bio-economy)
- Up to 10% (+ 2 % for protein crops) of DP envelope, to be decided by MS

Complementary income support for young farmers

- Additional payment per hectare
- For young farmers who are newly set up for the 1st time

Eco-schemes

- For practices beneficial to environment and climate
- Requirements and amount per hectare to be determined by MS

Complementary redistributive income support for sustainability

- Additional amount per hectare
- not exceeding national average
- From bigger to smaller and medium-sized farms
- Amount(s) per hectare, ranges of hectares and max number of hectares to be determined by MS

Basic Income support for sustainability (BISS)

- Possibility for uniform rate per eligible hectare or differentiation by groups of territories facing similar socio-economic or agronomic conditions
- Minimum requirements (min. farm size)
- If with payment entitlements (PEs):
 - further internal convergence (no PE value < 75% average by 2026 at latest)
 - maximum value of PE

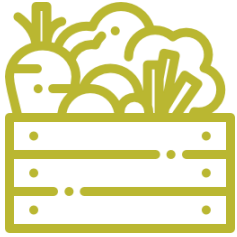
Round-sum payment for small farmers

- Round sum payment to be determined by MS
- Replacing all DPs
- Optional for farmers

Conditionality rules
• Enhanced with regard to environment and climate



Definitions (specified by MS): Genuine farmers, young farmers, agricultural activity, eligible hectare, agricultural area (arable land, permanent crops, permanent grassland)



ADJUSTMENTS TO THE COMMON MARKET ORGANISATION

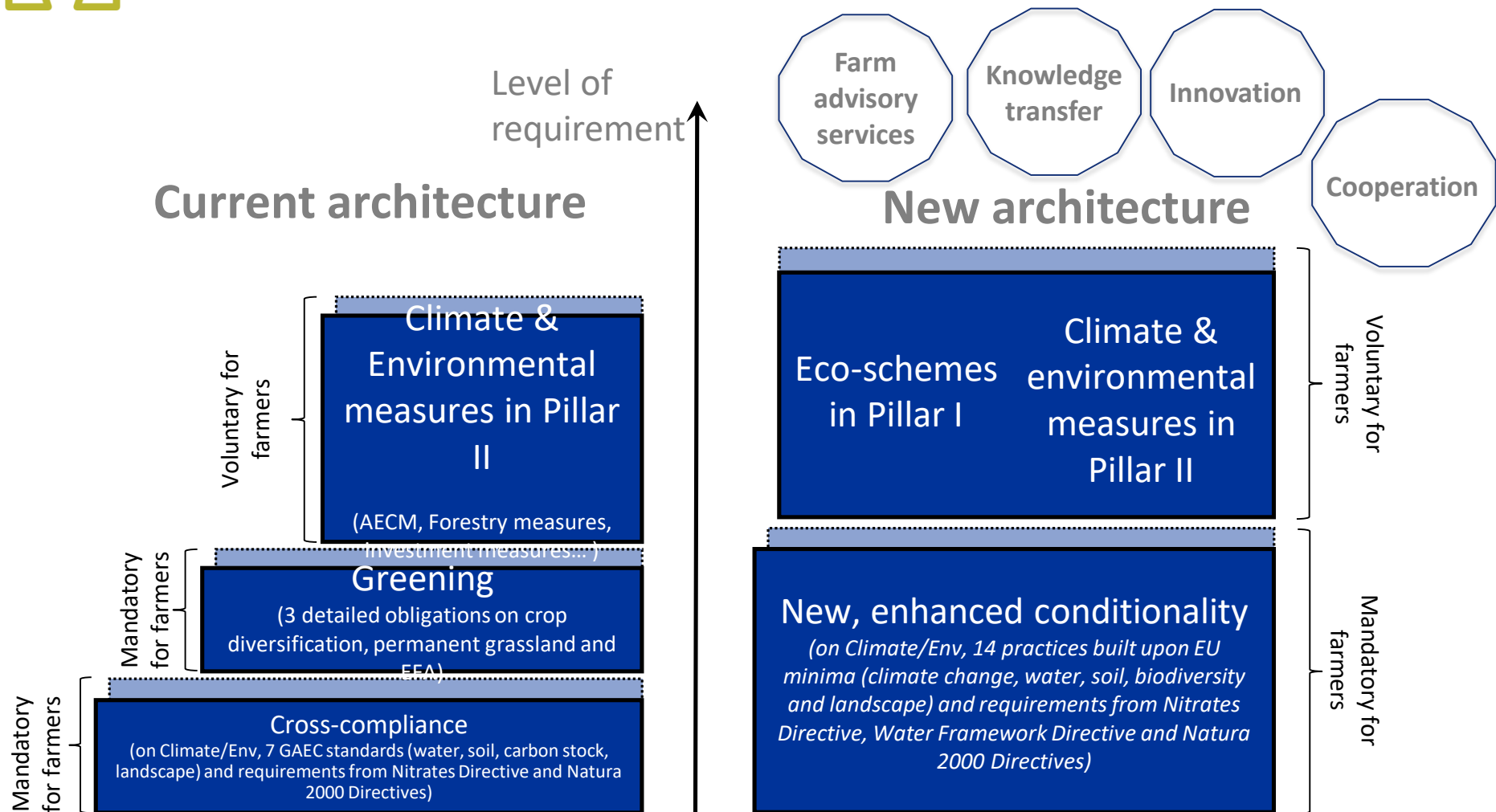
The CMO instruments remain largely unchanged: safety net comprising public intervention and aid for private storage and exceptional measures, but also marketing standards and rules on the cooperation of farmers, etc.

MORE EFFICIENCY AND SIMPLIFICATION

- Integration of the existing **sectoral programmes** (for fruit and vegetables, wine, olive oil, apiculture and hops) in the framework of the CAP Strategic Plans
- **Extension of the possibility of setting up new sectoral programmes covering additional agricultural sectors** (financed by up to 3 % of the direct payment envelope)
- Amendments of some rules on **GIs** in order to make them more attractive and easier to manage



4. INCREASED AMBITION FOR ENVIRONMENTAL AND CLIMATE ACTION





INCREASED AMBITION FOR ENVIRONMENTAL AND CLIMATE ACTION

Voluntary for farmers

- ▶ **Compensation for agri-environmental and/or climate commitments** undertaken by farmers that go beyond mandatory requirements
- ▶ Every Member State to develop an “**eco-scheme**” to support and/or incentivise farmers to observe agricultural practices beneficial for the climate and the environment

Compulsory for farmers

- ▶ **New conditionality:** strengthening of the requirements to be met by farmers in order to ensure their contribution to achieving ambitious environmental and climate objectives
 - ▶ **New obligations** (for the conservation of carbon-rich soils, to improve water quality)
- Integration of the greening measures fit current

- ▶ 30 % of rural development funding will be allocated specifically to the environment, climate and biodiversity.
- ▶ Possible transfer of 15 % from the first pillar to the second to finance specific actions in favour of the environment and climate



5. SPECIFIC FOCUS ON YOUNG PEOPLE

- ▶ **Generation renewal** to be developed by Member States, covering, inter alia, the issue of access to land, credit and knowledge, as well as the national rules on taxation and transfers of assets.
- ▶ **At least 2 % of the first pillar envelop to support young farmers** in the form of income support or a lump–sum aid
- ▶ Possibility of establishing **cross-generation partnerships** to facilitate the transmission of the farm.
- ▶ Opportunity to facilitate access to **financial instruments**
- ▶ Possibility to finance the participation in the **ERASMUS+** programme to discover other ways of working on a farm in Europe.



6. CITIZENS' EXPECTATIONS



- **Specific objective** to improve the response to **citizens' expectations on food and health, including food waste, healthy, nutritious and sustainable food, as well as animal welfare.** Monitoring to be ensured by relevant indicators.
- **Stronger conditionality** regarding in animal health, plant health and animal welfare
- Fruit and milk distribution in schools schemes kept
- Support to **organic farming**, and for participating in Union quality schemes



TO SUM UP

1. **A modernised and simplified CAP**
2. **Supporting the development of a knowledge-based agriculture**
3. **fairness and efficiency in the distribution of support between Member States and farmers**
4. **Higher ambitions in environment and climate**
5. **Ambition for rural areas intact and increased for young farmers who**
6. **Taking into account the expectations of society**

5. Next steps



A TENTATIVE OUTLOOK

2018 - 2019

Debate in the European Parliament and in the Council on the CAP proposals

Spring 2019

Possible agreement of the next MFF 2021-2027 by the Heads of States and Governments

Spring 2019

Possible adoption of the next CAP 2021-2027 by the co-legislators

May 2019

Elections of the European Parliament



Preparation of the CAP implementation

2021

Possible entry into force of the new CAP



THANK YOU !

REPORTS AND MORE INFORMATION :

On CAP legislative proposals, Impact Assessment and Background

https://ec.europa.eu/info/food-farming-fisheries/key-policies/common-agricultural-policy/future-common-agricultural-policy_en

On MFF Material

https://ec.europa.eu/commission/publications/factsheets-long-term-budget-proposals_en

http://ec.europa.eu/budget/mff/index_en.cfm