

Farming ministers confirm CAP reform deal

EU farming ministers have accepted the provisional deal struck with the European Parliament last Friday on the key elements of the **common agricultural policy (CAP) reform**, thus bringing the proposal a step closer to becoming part of EU law.

The agreement paves the way for a **fairer, greener and more performance-based CAP** that seeks to provide a sustainable future for European farmers. The new CAP bolsters environmental measures, and also includes provisions to ensure more targeted support for smaller farms and help young farmers enter the profession.



‘Today we have agreed the most ambitious CAP to date. This is a good deal for farmers and for Europe, which will strengthen the European agri-food system, making it more sustainable and fairer for everyone. The agreement provides for a modernised CAP that supports the transition to greener and more climate-friendly farming, increases respect for social and labour rights, and ensures that farmers remain competitive without leaving anyone behind.

Maria do Céu Antunes, Portuguese Minister for Agriculture

What happens next?

Work will now take place at inter-institutional level on the remaining technical details of the proposed reform, following which it will be formally approved by both the European Parliament and the Council. The new CAP will cover the period 2023-2027; a transitional arrangement agreed in 2020 will continue to apply until then (see below).

Member states will have until 31 December 2021 to submit their **draft national strategic plans** for approval by the Commission.

A new social dimension

The post-2020 CAP places greater emphasis on the **social dimension** of farming. Under the new agreement, farmers and other beneficiaries receiving direct payments will be subject to an administrative penalty if they do not provide adequate employment conditions as set out in the relevant EU legislation. It is the **first time that EU agriculture legislation has included a social dimension** and marks a historic step forward in the way the CAP takes

conditions for farm workers into account.

An environmentally ambitious CAP

The new CAP sets out a number of measures aimed at encouraging farmers to adopt **'greener' farming practices**. These include:

- enhanced conditionality standards that farmers need to meet in order to receive CAP support, including the **preservation of carbon-rich soils** through protection of wetlands and peatlands, and minimum shares of arable land to be dedicated to landscape features to protect biodiversity
- **eco-schemes** to support and/or incentivise farmers to observe agricultural practices that benefit the climate and the environment
- an increased share of rural development funding to be spent on **green interventions**
- **tracking of climate and biodiversity expenditure**, in line with the aims of the European Green Deal

Support for smaller farms

The CAP reform package also includes measures aimed at **redistributing funds in favour of small and medium-sized farms**. Under the agreement, member states will be required to redirect 10% of direct payments to benefit such farms (in principle through redistributive payments, unless they can prove that they can achieve the same effect via other comparable instruments).

Focus on performance

The reform also includes a shift from a focus on compliance to a **performance-based CAP** that will give member states the freedom to implement tailor-made interventions on the basis of strategic planning and specific shared objectives, in line with their needs.

Background

The Common Agricultural Policy (CAP) accounts for around a third of the EU's budget. Its aim is to:

- provide affordable, safe food for EU citizens
- ensure a fair standard of living for farmers
- preserve natural resources and respect the environment

On 1 June 2018, the European Commission presented **three legislative proposals** aimed at making the CAP fit for the future:

The main aspects of the proposals were:

- more **targeted direct payments** and **rural development interventions**, both

subject to strategic planning

- a new '**green**' **architecture** based on environmental conditions to be met by farmers and additional voluntary measures under both pillars
- a **performance-based approach** (the 'new delivery model') whereby member states would have to report their achievements each year

In October 2020, under the German presidency, the Council agreed its negotiating position, or '**general approach**', on the reform of the CAP. This included increasing the environmental ambition of the CAP, in line with the aims of the European Green Deal.

CAP transitional regulation (2021-2022)

In late 2020 the CAP transitional regulation was adopted, the aim of which was to **ensure continuity of CAP legal and financial support** to farmers and other beneficiaries before the new reformed rules came into effect in 2023. The regulation ensured that payments would not be interrupted, while also providing time for member states to prepare their national CAP strategic plans.

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