



Latest developments and future perspectives for the Common Agricultural Policy

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CAP Strategic Plans

What are the CAP Strategic Plans (under the new delivery model)?



Shift from compliance-based to performance-based model.

Programming of all CAP interventions in one single plan:

- Direct payments
- Sectorial interventions;
- Rural development

Why the Member States started amending their CAP Strategic Plans (CSPs)?

- The implementation of the CSPs started as expected on 1 January 2023;
- Amendments are a regular part of the planning and programming process. MSs are now allowed to make 2 amendments of their CSP each year; there also remain 3 additional possibilities for amendments throughout the programming period.
- In 2023 the amendments were linked to adjustments to the 2022 approval process and followed the first experiences and the different crises (for example post-covid).
- The demand for CSP amendments increased in 2024, **in particular after the simplification package**. This package, approved in spring 2024, resulted from the **experiences** Member States and farmers gained in the implementation and also from the **changing economic and geo-political context** (high inflation, war in Ukraine, disastrous climatic events, etc.)



Amendments of CAP Strategic Plans - statistics

2023

- The Commission received 33 requests for amendments of CSPs;
- 26 amendments have been approved in 2023.

2024

- The Commission received 41 requests for amendments;
- 40 amendments (7 that were launched in 2023) were approved in 2024.

2025

- 8 ongoing amendments launched in 2024
- the Commission is working on **further possible simplifications**

CAP Strategic Plans: lessons learned



Need for overall simplification



More effective targeting and find the right balance between regulation, incentives and investments



Further efforts on sustainable water use and emissions of air pollutants



Scale of biodiversity-related needs calls for greater coverage with more promising schemes

Enhance climate mitigation & more holistic approach to climate adaptation

Reinforce risk management tools and uptake



Facilitate generational renewal & support remote rural areas

Common Market Organisation (CMO) targeted amendment / Unfair Trade Practices (UTP) cross border enforcement



Context

- **Farmers protests:** many messages expressed by farmers, including calls for fair remuneration or price
- General issue of **position of farmers in the chain**
- **Reflection paper** of March 2024
- **Political guidelines:** “it is vital that farmers have a fair and sufficient income. They should not be forced to systematically sell their products below production costs”
- **Strategic Dialogue report** and recommendations



Immediate measures

- Launch of the observatory of production costs, margins and trading practices (AFCCO)
- Report on the implementation of the UTP Directive (covering all MS) in April 2024



CMO Targeted Amendment to strengthen the position of farmers in the food supply chain

1

Scope: Targeted amendment to the CMO Regulation (+ other CAP basic acts)

2

POs and their associations (APOs)

- More bargaining power for POs and APOs
- Simplified recognition
- Higher budget possibility for Operational Programmes (SPR)

3

Contracts involving farmers

- Compulsory written form (with exceptions)
- Faster price transmission (indicators, review clause)
- Mediation

4

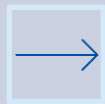
Voluntary approaches

- Framework for fair trade & short supply chain
- Social sustainability objectives in sustainability agreements Art 210a

Strengthening cross-border enforcement against unfair trading practices (UTPs)



Similar provisions as for consumer protection and competition authorities further clarifying Art 8 UTP Directive – “[...] enforcement authorities cooperate effectively with each other and with the Commission, and that they provide each other with mutual assistance in investigations that have a cross-border dimension.”



Scope: Proposal for a new Regulation of the European Parliament and of the Council



Creation of a mutual assistance mechanism

Legal basis for requests of information
Legal basis for requests of enforcement measures
Legal basis for requests for the enforcement of decisions imposing fines



Creation of mechanism for coordinated actions

Legal basis for investigation measures
Legal basis for enforcement measures
Designation of a coordinator



Notification mechanism and alerts

Both aim to ensure that enforcement authorities of the Network are aware there are ongoing UTPs with a cross-border dimension

Policy orientations on the future



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European Council 27/06/24: Strategic Agenda 2024-2029

*“The European Union will promote a **competitive, sustainable and resilient agricultural sector** that continues to ensure **food security**. We will champion vibrant **rural communities** and strengthen the **position of farmers** in the food supply chain. We will continue to **protect nature** and **reverse the degradation of ecosystems**, including oceans. We will strengthen **water resilience** across the Union.”*

Political guidelines for 2024-2029

“Food security, water and nature”

- New **Vision on Agriculture and Food** (**first 100 days**), based on the Strategic dialogue report and its recommendations;
- European **Climate Adaptation Plan**
- European **Water Resilience Strategy**

Christophe Hansen



Commissioner for Agriculture and Food 2024-29

Responsible for:

- developing a **Vision for Agriculture and Food**
- making sure the future **Common Agricultural Policy** is fit for purpose
- fostering **investment and innovation** for the agri-food sector, ensuring that farmers have a **fair and sufficient income** and protecting them **against unfair trading practices**
- developing a **strategy for generational renewal in agriculture**
- working on strengthening Europe's **food sovereignty**
- addressing the **specific challenges facing rural areas**

Policy advice

Draghi report

The future of European Competitiveness



Niinistö report

Safer together - A path towards a fully prepared Union



Letta report

Much more than a market - Empowering the Single Market to deliver a sustainable future and prosperity for all EU citizens



Strategic Dialogue on the Future of EU agriculture

A shared prospect for the future of farming and food in Europe



Treaty on the functioning of the EU: Article 39

The objectives of the Common Agricultural Policy (CAP):

- to **increase agricultural productivity** by promoting technical progress and by ensuring the rational development of agricultural production and the optimum utilisation of the factors of production, in particular labour;
- thus, to ensure a fair **standard of living for the agricultural community**, in particular by **increasing the individual earnings** of persons engaged in agriculture;
- to stabilise **markets**;
- to assure the availability of **supplies**;
- to ensure that supplies reach consumers **at reasonable prices**.

Treaty on the functioning of the EU: Articles 174 and 175

....particular attention should be paid to **rural areas**...

Current framework and challenges

CAP budget in MFF 2021-2027

- CAP is implemented through two funds:
 - ✓ EAGF (direct payments, sectoral interventions, information and promotion measures,...)
 - ✓ EAFRD (rural development interventions)
- Shared vs direct management (99.5% vs 0.5%)

CAP financing in 2021 -2027

EUR billion; current prices

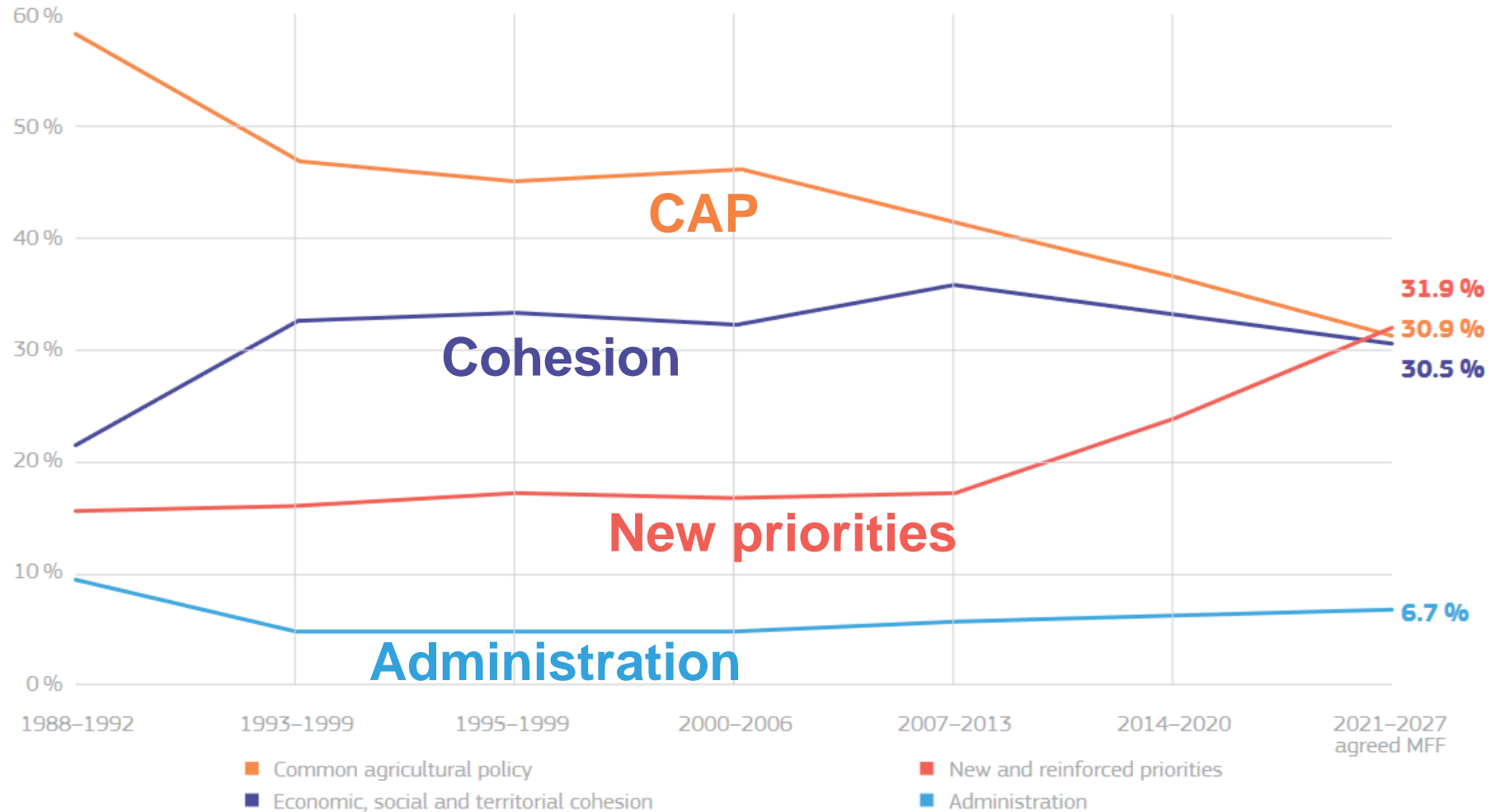
	2021	2022	2023	2024	2025	2026	2027	TOTAL
Direct payments	38,10	38,36	38,48	38,61	38,72	38,82	38,93	270,02
Market related expenditure	3,10	3,15	3,17	3,17	3,20	3,22	3,25	22,26
<i>Total needs</i>	41,20	41,51	41,65	41,78	41,91	42,04	42,18	292,28
<i>Assigned revenue</i>	0,28	0,26	0,13	0,13	0,13	0,13	0,13	1,19
EAGF	40,92	41,26	41,52	41,65	41,78	41,91	42,05	291,09
EAFRD (MFF)	14,79	12,11	12,11	12,11	12,11	12,11	12,11	87,44
EAFRD (NGEU)	2,39	5,68						8,07
EAFRD	17,18	17,79	12,11	12,11	12,11	12,11	12,11	95,51
CAP	58,1	59,0	53,6	53,8	53,9	54,0	54,2	386,6

CAP 2023-2027	EUR 269.5 billion
Out of a Total for 2021-2027	EUR 386.6 billion

MFF mid-term review – cut of EUR 440 million (CAP direct management component) over 2025-2027

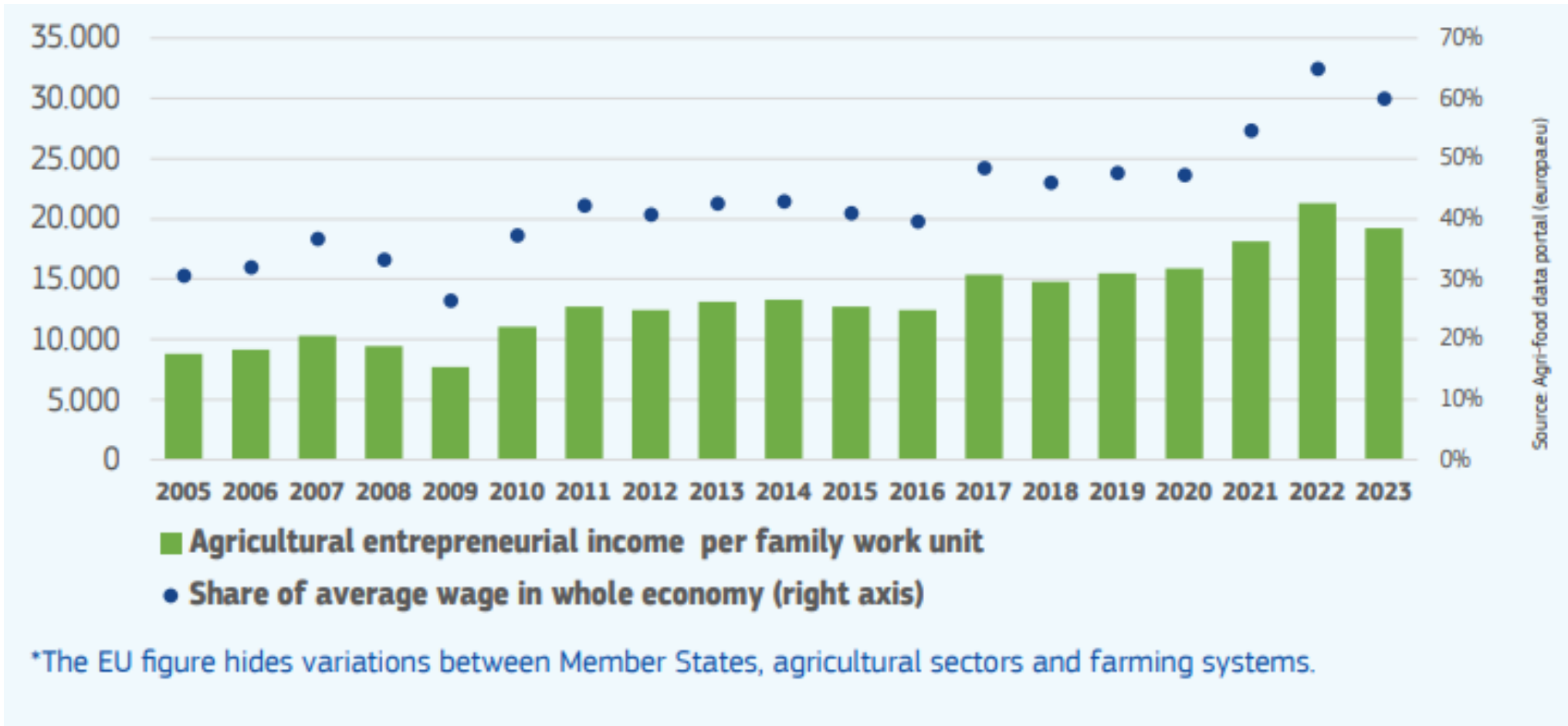
Evolution of overall budgets*

* Without RRF



Farm income: below average income

EUR/family work unit, real terms

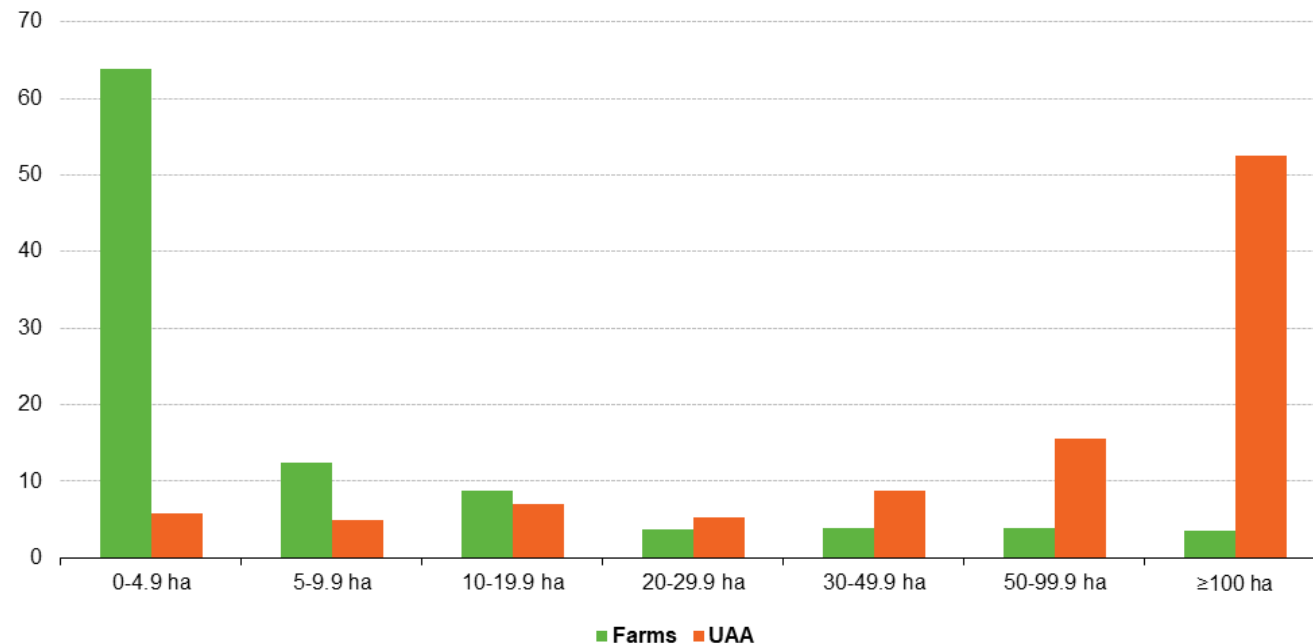


*The EU figure hides variations between Member States, agricultural sectors and farming systems.

Farm structure (number and size)

9.1 million farm holdings: many small, few big farms

Distribution of EU farms and utilised agricultural area according to farm size
(%, 2020)



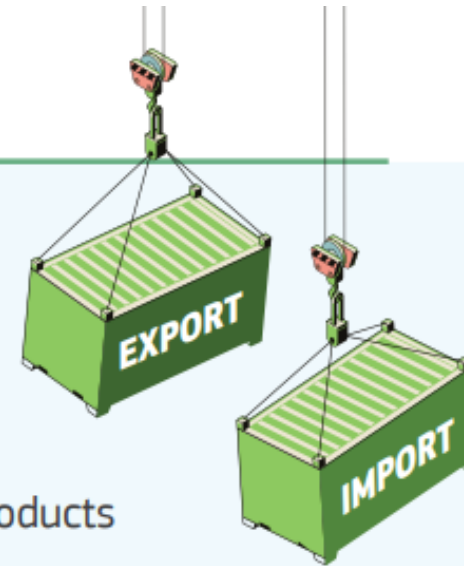
- Average farm size: 17.4ha
- 63% of EU farms smaller than 5ha
- The 4% biggest farms use 53% of UAA

Note: There are some differences in the threshold applied by some Member States, often to exclude the very smallest agricultural holdings which together contribute 2% or less to the total UAA excluding common land, and 2% or less to the total number of farm livestock units.

Source: Eurostat (online data code: ef_m_farmleg)

Agri-food trade performance

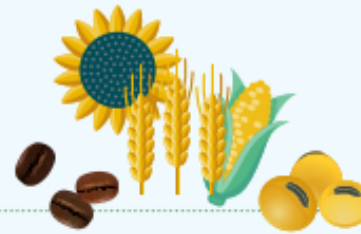
- In 2023, the EU's exports of agri-food products led to **a positive trade balance worth €70.1 billion**, marking it as a record year.
- In 2022 the EU's agri-food trade balance reached **€57 billion**.



The EU **mostly exports** prepared and high-value food products and mainly imports primary commodities.



in 2023



EU exports reached **€228.6 billion**
key drivers of EU exports included cereal preparations, dairy products, and wine.

EU imports reached **€158.6 billion**
mainly oilseeds and protein crops, fruit and nuts and coffee, tea, cocoa, and spices.

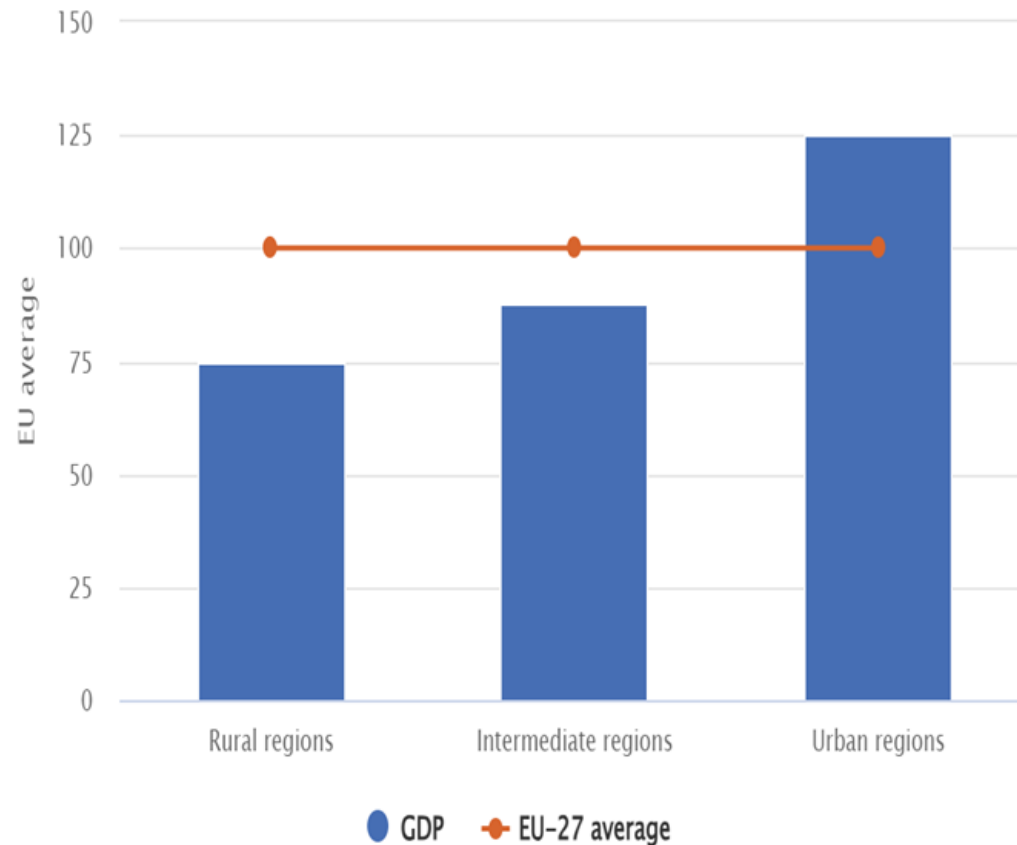
The EU is largely **self-sufficient** for:

- **key agricultural products:** main wheat and barley exporter, and covers its own consumption in plant products, except for some feed crops like maize and oilseeds;
- **animal products:** particularly dairy and meat, with the exception of seafood.

Rural areas

GDP per capita, 2018 (percentage of the EU average)

Source: Calculations based on Eurostat (online data code: URT_10R_3GDP)



Rural areas represent **83%** of the total EU area

30% of the EU's population lives in rural areas

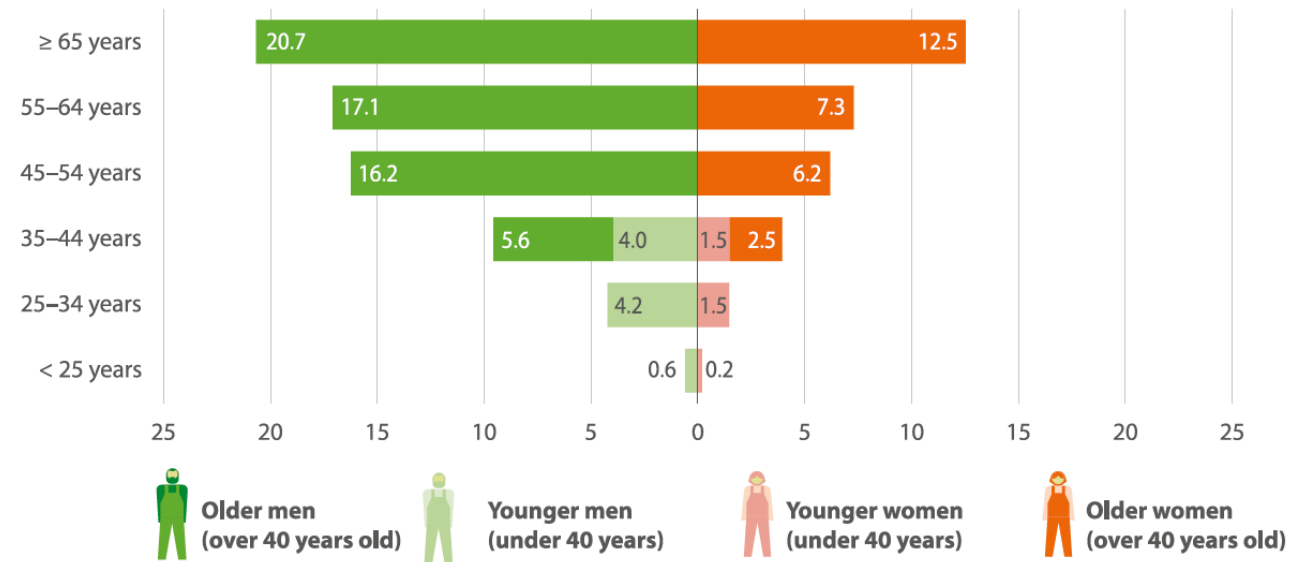


Generational renewal: need to attract young and other new farmers

- Employment in EU agriculture = 9.1 million FTE by the end of 2019.
- Slowdown in the decline of the labour force in EU agriculture to -1.4% per year in the period 2011-2019 (from -3.8% per year in 2005-2011).
- Ageing of farming population
- The CAP facilitates generational renewal, but profitability of farms remains a problem.
- The CAP alone cannot solve: 1) limited access to land and capital; 2) low attractiveness of working and living conditions in rural areas.

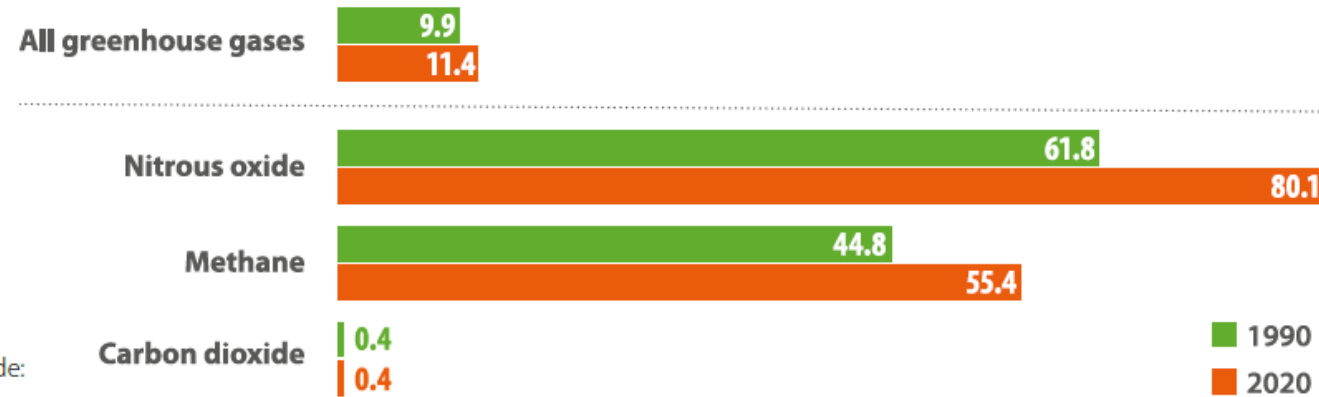
Age and sex of farm managers

(% share of all farm managers, EU, 2020)



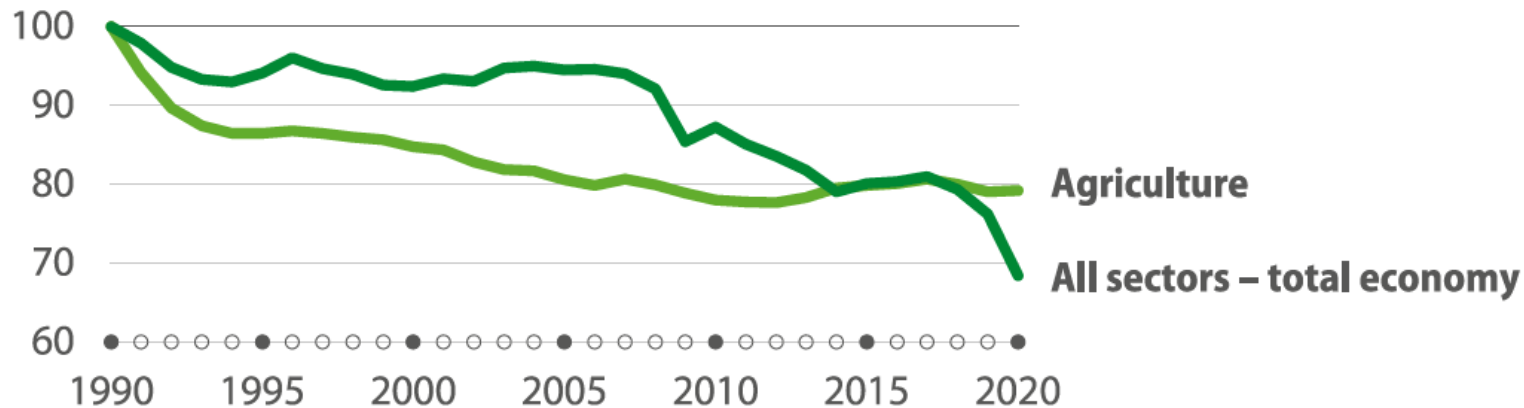
Environmental care and climate change

Share of agriculture in total GHG emissions



Source: Eurostat
(online data code:
env_air_gge)

Developments for agriculture compared with the total economy



- Agriculture is the largest source of methane and nitrous oxide emissions in the EU
- Agriculture contributed 11.4% of all EU GHG emissions in 2020
- But agricultural production +9% → significant decrease in emissions per unit of output produced
- Debate on reducing emissions cannot be narrowed down to reducing livestock emissions and numbers.
 - Also monitor imports and emissions leakage
 - Consumption.

Strategic Dialogue

Strategic Dialogue on the future of EU Agriculture

- Launched by President von der Leyen, chaired by Prof. Peter Strohschneider
- Goal: build a new consensus among agri-food stakeholders, foster dialogue across divergent interests
- Participants: 29 members appointed ad personam



Timeline:

- September 2023: announced in SOTEU
- January 2024: launched by President von der Leyen
- January – August 2024: working phase
- 4th September 2024: handover of [Final report](#)

Strategic Dialogue on the Future of EU **Agriculture**

A shared prospect for farming and food in Europe

Strategic Dialogue - Report

- A report from the stakeholders, **unanimously endorsed** by all members
- Consensus building around key interests from across the agri-food chain – reference to the ten **guiding principles**
- **Recommendations** will feed into Commission's Vision for Agriculture and Food

Guiding principles

1. The time for change is now
2. Cooperation and dialogue across the food value chain are critical
3. Policy measures must be coherent and create powerful enabling environments based on fruitful synergies
4. Food and agricultural production play a strategic role in the new geopolitical context as an essential part of European security
5. The role of young people in agriculture and rural areas and the diversity of European food and farming systems are an important asset
6. Economic, environmental and social sustainability can reinforce each other
7. Markets should drive sustainability and value creation across the chain and better internalise externalities
8. The opportunities of technology and innovation should be leveraged to support the transition towards more sustainable agrifood systems
9. The shift towards balanced diets that are healthier and more sustainable is essential for a successful transition
10. Attractive rural areas are of crucial importance for food security, the future viability of society, and liberal democracy

Strategic Dialogue - building blocks of the recommendations

Working together for a sustainable and competitive future

Advancing towards sustainable food systems

Promoting transformative resilience

Building an attractive and diverse sector

Better access to knowledge and innovation

Spotlight on some recommendations

Keep a strong but targeted CAP

Leveraging private finance

A new approach to sustainability: benchmarking system

Pathways for sustainable livestock farming

Strategy for generational renewal

Facilitate access to and better sharing of knowledge and innovation

Invigorating rural communities

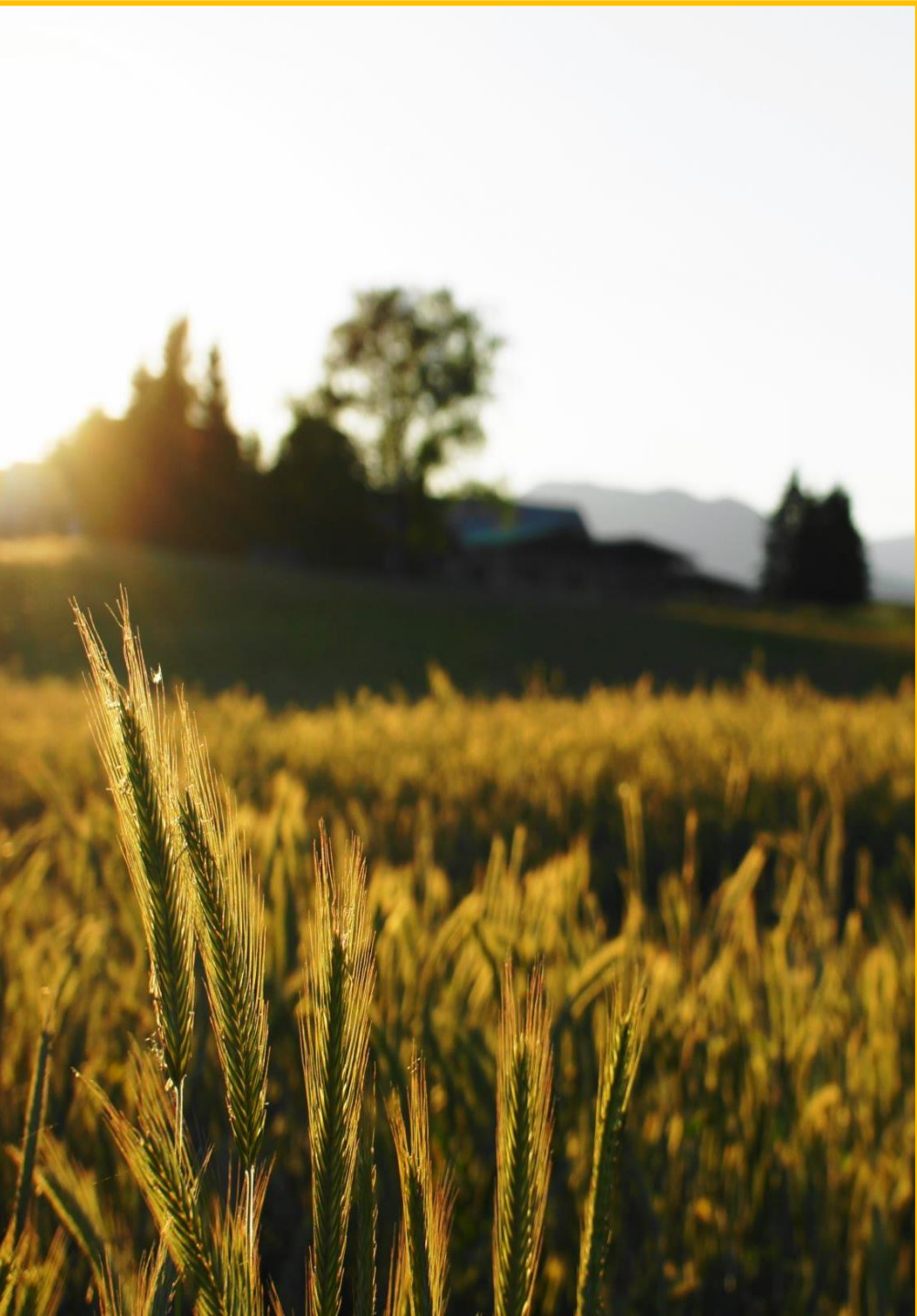
Vision for Agriculture

Vision for Agriculture and Food



Timeline: first 100 days of the new mandate (February – March 2025)

Building on the recommendations of the Strategic Dialogue and other relevant perspectives (European Parliament, Member States, etc.)



Aims of the Vision

- What conditions need to be in place to have even better farming in 2040/2050?
- A **roadmap** with pathways for future initiatives

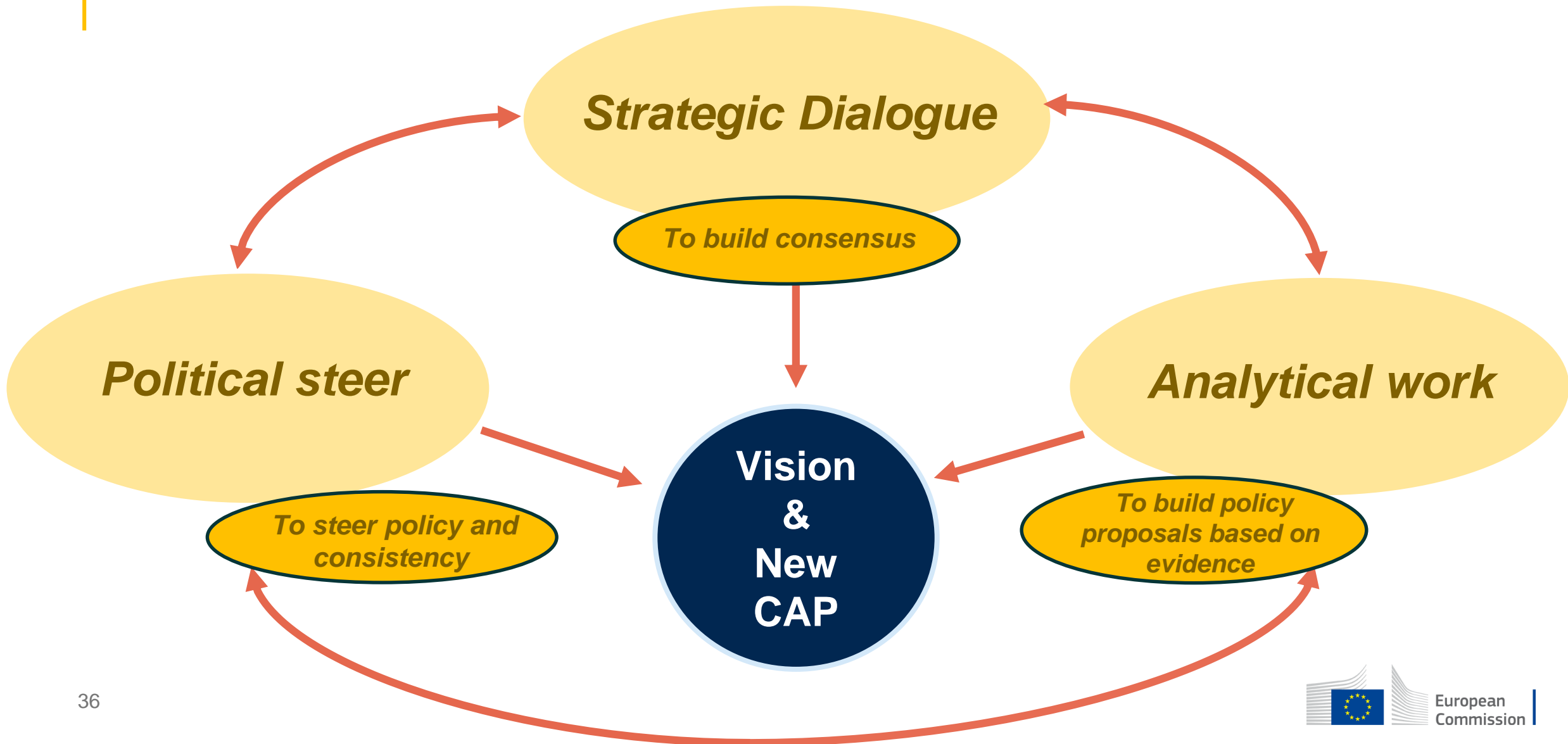
Some main elements (not only CAP):

- **Income:** better targeting CAP support and farmers position in the food chain
 - **Sustainability:** regulation and/or incentives, benchmarking
 - **Livestock strategy/proteins**
 - **Generation renewal and rural areas**
 - **Food, etc. (international dimension....)**
- Consultation with **European Board on Agriculture and Food.**

European Board on Agriculture and Food (EBAF)

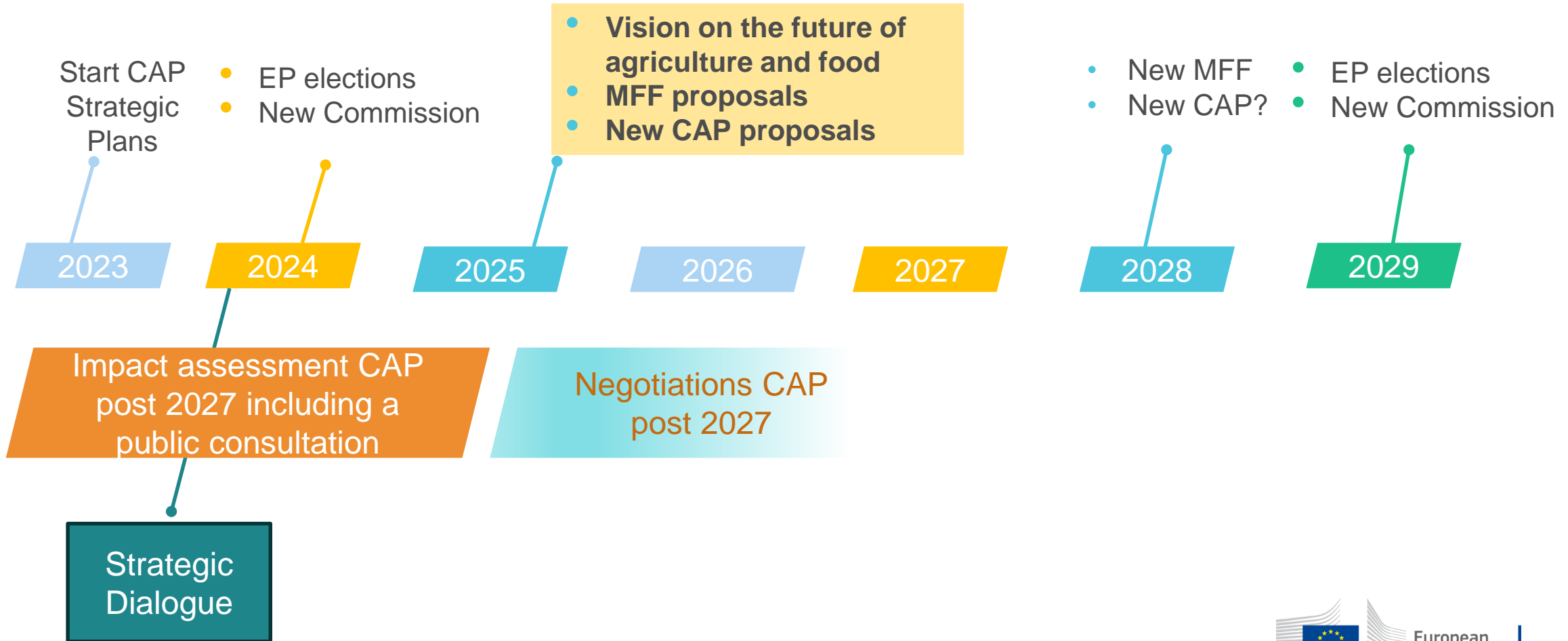
- A consultative body recently established by the Commission
- **Aim:** to provide high-level advice to the Commission on the follow-up of **the report of the Strategic Dialogue on the future of EU agriculture** and will contribute to the work on **the Vision for agriculture and food**
- 30 member organisations representing three categories of stakeholders: the farming community, other actors of the food supply chain, and civil society
- Chaired by Commissioner Hansen
- The deadline for submitting applications was 8 January 2025

Complementary processes advancing in parallel



Timing ahead

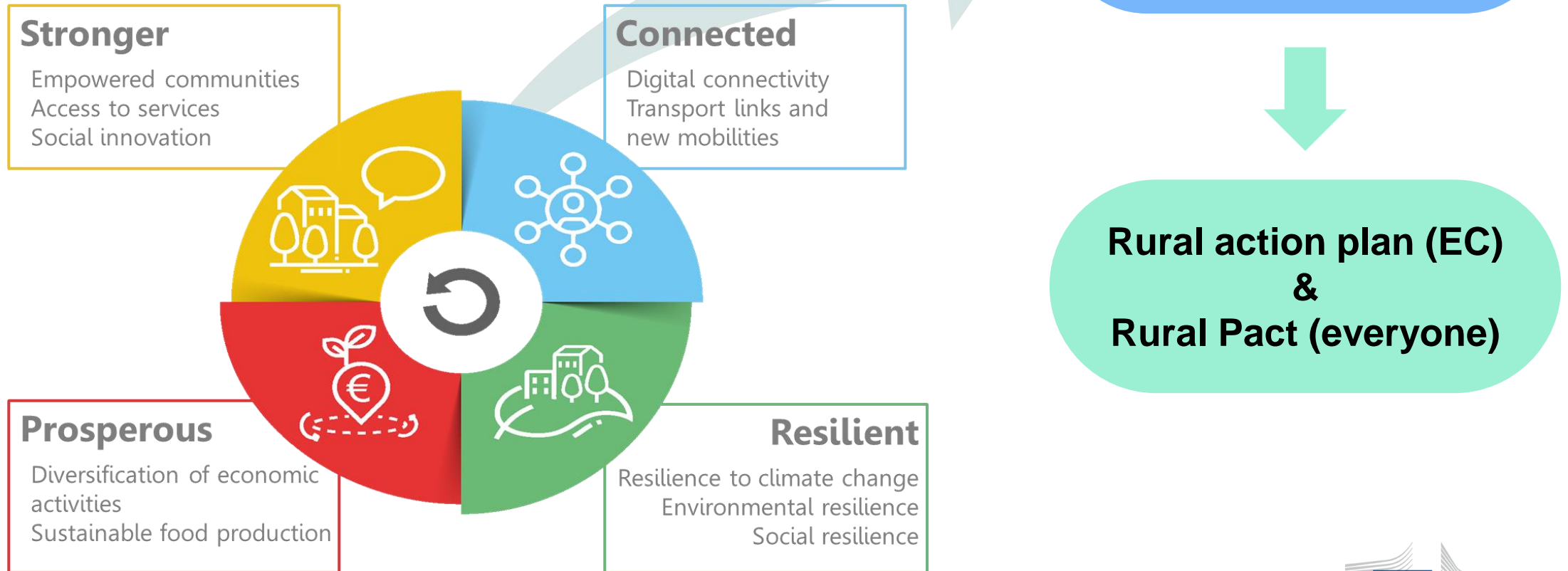
CAP Strategic Plans 2023 - 2027



EU's rural areas

The long-term vision for EU's rural areas

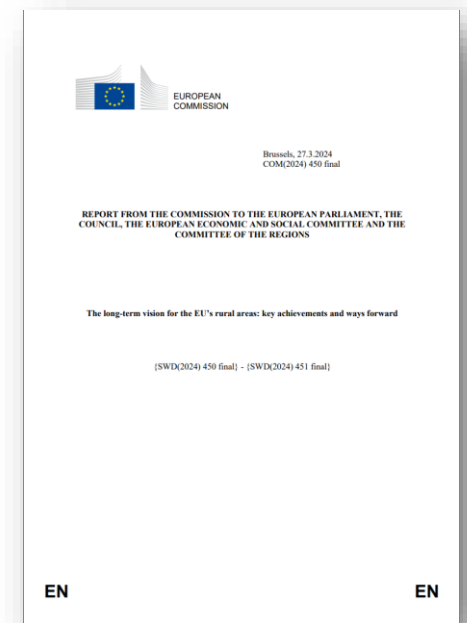
Communication from the EC (June 2021)



Report on the implementation of the long-term vision for EU's rural areas

1. **New evidence under the four action areas**
2. **Looking back at 30 months of implementation**
 - 2.1. How do **EU policies** contribute to rural areas?
 - 2.2. Where are we with the **implementation of the EU rural action plan**?
 - 2.3. The **launch** and development of the **rural pact**
3. **Looking forward**
 1. **Consolidating** achievements and implementing the **EU rural action plan**
 2. **Consolidating the rural pact**
 3. **Reflecting on how to enhance support for rural areas in the future**
4. **Conclusions and next steps**

Report from the EC
(March 2024)



Staff working documents: [‘Taking stock of rural action plan implementation’](#) & [‘Reviewed EU rural action plan’](#)

Ways forward – questions for reflection

- What are the **key challenges** arising from depopulation, ongoing transitions and structural changes?
- What are the best ways to **address them** in a targeted way?
- How to **enhance financial support** for rural areas and communities through EU, national and regional funds, including improving synergies and complementarities?
- What is needed to **improve financing, quality of delivery and effectiveness** via e.g. CLLD/LEADER?
- How to improve the **monitoring and assessment of the resources** from the different EU funds and programmes?
- What is needed to **improve access to support** for the final beneficiary?
- What can be done for wider implementation of the **rural proofing mechanism** at all levels?
- What are the best policy tools to ensure **institutional, governance and integrated support** for rural areas?
- How to improve the **availability of policy-relevant rural statistics and data**, without increasing the administrative burden?

Be informed, participate and take action

Steps

1

Join the Rural Pact Community

Form: <https://ruralpact.rural-vision.europa.eu/become-member>

2

Take action contributing to the vision & share it with us

Form: <https://ec.europa.eu/eusurvey/runner/TheRuralPactCommitmentCanvas>



Ačiū!

