

Support for strategic plans to be drawn up by Member States under the common agricultural policy (CAP strategic plans) and financed by the European Agricultural Guarantee Fund (EAGF) and by the European Agricultural Fund for Rural Development (EAFRD) 2021–2027

2018/0216(COD) - 23/11/2021 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 452 votes to 178, with 57 abstentions, a legislative resolution on the proposal for a regulation establishing rules on support for strategic plans to be drawn up by Member States under the Common agricultural policy (CAP Strategic Plans) and financed by the European Agricultural Guarantee Fund (EAGF) and by the European Agricultural Fund for Rural Development (EAFRD).

The European Parliament's position adopted at first reading under the ordinary legislative procedure amends the Commission's proposal as follows:

Subject matter and scope

The regulation should apply to Union aid financed by the European Agricultural Guarantee Fund (EAGF) and by the European Agricultural Fund for Rural Development (EAFRD) for interventions specified in a common agricultural policy (CAP) Strategy Plan drawn up by a Member State and approved by the Commission, covering the period from 1 January 2023 to 31 December 2027.

A fairer and greener CAP

In line with the objectives of the CAP and the objective of maintaining the functioning of the internal market and a level playing field between farmers in the Union and with the principle of subsidiarity, support from the EAGF and the EAFRD should aim to improve the sustainable development of agriculture, food and rural areas and should contribute to the following objectives:

- to support **viable farm income** and resilience of the agricultural sector across the Union in order to enhance long-term food security and agricultural diversity as well as to ensure the economic sustainability of agricultural production in the Union;
- to improve **the farmers' position** in the value chain;
- to contribute to **climate change** mitigation and adaptation, including by reducing greenhouse gas emissions and enhancing carbon sequestration, as well as to promote sustainable energy;
- to foster **sustainable development and efficient management of natural resources** such as water, soil and air, including by reducing chemical dependency;
- to contribute to halting and reversing biodiversity loss, enhance ecosystem services and preserve habitats and landscapes;

- to attract and sustain **young farmers** and new farmers and facilitate sustainable business development in rural areas;
- to **promote employment, growth, gender equality**, including the participation of women in farming, social inclusion and local development in rural areas, including the circular bio-economy and sustainable forestry;
- to improve the response of Union agriculture to **societal demands on food and health**, including high-quality, safe and nutritious food produced in a sustainable way, to reduce food waste, as well as to improve animal welfare and to combat antimicrobial resistance.

These objectives are complemented by the cross-cutting objectives of modernising agriculture and rural areas by fostering and sharing knowledge, innovation and **digitalisation in agriculture** and rural areas, and encouraging their uptake.

Result-driven

The reform also shifts the emphasis of the CAP from conditionality with rules to results, giving Member States the freedom to implement tailor-made interventions based on strategic planning and common specific objectives in line with their needs.

Environmental and social conditionality

Member States should include in their CAP Strategic Plans a system of conditionality under which farmers and beneficiaries receiving direct payments should be subject to an **administrative penalty** if they do not comply with the statutory management requirements under Union law and with the **standards for good agricultural and environmental condition of land (GAEC)** set out in the CAP Strategic Plans covering: (a) climate and environment, including water, soil and biodiversity of ecosystems; (b) public and plant health; (c) animal welfare.

The post-2020 CAP places greater emphasis on the **social dimension of agriculture**. Under the new regulation, by 1 January 2025 at the latest, farmers and other recipients of direct payments would be subject to an administrative penalty if they fail to provide adequate employment conditions as required by the relevant EU legislation.

Payments for small farmers

The new regulation contains provisions aiming to ensure targeted support to small farmers and to help young farmers set themselves up. In view of the acknowledged need to promote a more balanced distribution of support to small and medium-sized holdings in a visible and measurable way, Member States should implement complementary redistributive income support for sustainability and **dedicate at least 10 % of the direct payments envelope to such support**.

Member States should grant a payment to small farmers, as determined by the Member States, by means of a flat-rate amount or amounts per hectare which replace direct payments. The annual payment for each farmer should not exceed EUR 1 250.

Capping and degressivity of payments

Member States may **cap the amount of the basic income support** for sustainability to be granted to a farmer for a given calendar year. Member States that choose to introduce capping shall reduce by 100 % the amount exceeding EUR 100 000.

Member States may also:

- reduce the amount of the basic income support for sustainability to be granted to a farmer for a given calendar year exceeding EUR 60 000 by up to 85 %;
- set additional tranches above EUR 60 000 and specify the percentages of reduction for those additional tranches. They shall ensure that the reduction for each tranche is equal to or higher than for the previous tranche.

Coupled income support

Member States may grant coupled income support to active farmers under the conditions set out in this Subsection and as further specified in their CAP Strategic Plans. The Member States' interventions should help the supported sectors and productions or specific types of farming to address the difficulties encountered by improving competitiveness, sustainability or quality. Member States shall not be required to demonstrate the difficulties encountered in relation to protein crops.

Rural development

The total amount of Union support for the types of intervention for rural development covered by the Regulation for the period 1 January 2023 to 31 December 2027 is **EUR 60 544 439 600** in current prices.

The regulation stipulates that **at least 35%** of the total EAFRD contribution to the CAP strategic plan should be reserved for the interventions in support of specific environmental and climate-related objectives, including animal welfare.

Member States should set up **eco-schemes** as 'entry-level schemes', which should be a condition for farmers for taking up more ambitious environmental, climate-related and animal welfare commitments under rural development.