## Basic information

**COD -** Ordinary legislative procedure (ex-codecision procedure)

**Regulation**

Common agricultural policy (CAP) 2021-2027

- Amending Regulation (EU) No 228/2013 **2010/0256(COD)**
- Amending Regulation (EU) No 1151/2012 **2010/0353(COD)**

**Subject**

3.10 Agricultural policy and economies
3.10.03 Marketing and trade of agricultural products and livestock

**Legislative priorities**

*Multiannual Financial Framework 2021-2027*

## Key players

**European Parliament**

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<th>Committee responsible</th>
<th>Rapporteur</th>
<th>Appointed</th>
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<tbody>
<tr>
<td><strong>AGRI</strong> Agriculture and Rural Development</td>
<td><strong>ANDRIEU Eric</strong></td>
<td>18/09/2019</td>
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<tr>
<td><strong>S&amp;D</strong></td>
<td>Shadow rapporteur</td>
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<tr>
<td><strong>SANDER Anne</strong></td>
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<td><strong>DEVE</strong> Development</td>
<td><strong>DECERLE Jérémy</strong></td>
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<td><strong>BITEAU Benoît</strong></td>
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<td><strong>BUDG</strong> Budgets</td>
<td><strong>BITZOTTO Mara</strong></td>
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<td><strong>ECR</strong></td>
<td><strong>ILČIĆ Ladislav</strong></td>
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<td><strong>KOKKALIS Petros</strong></td>
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**Former committee responsible**

**Committee for opinion**

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<td><strong>BUDG</strong> Budgets</td>
<td><strong>The committee decided not to give an opinion.</strong></td>
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<td><strong>CONT</strong> Budgetary Control</td>
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<td><strong>ENVI</strong> Environment, Public Health and Food Safety</td>
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<td><strong>REGI</strong> Regional Development</td>
<td><strong>OMARJEE Younous</strong></td>
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The committee decided not to give an opinion.

### Council of the European Union

**European Commission**

**European Economic and Social Committee**

**European Committee of the Regions**

### Key events

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<td>07/05/2019</td>
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<td>Approval in committee of the text agreed at 1st reading interinstitutional negotiations</td>
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### Technical information

- **Procedure reference**: 2018/0218(COD)
- **Procedure type**: COD - Ordinary legislative procedure (ex-codecision procedure)
- **Procedure subtype**: Legislation
Legislative instrument: Regulation

Amending Regulation (EU) No 228/2013 [2010/0256(COD)]
Amending Regulation (EU) No 1151/2012 [2010/0353(COD)]
Amending Regulation (EU) No 229/2013 [2010/0370(COD)]
Amending Regulation (EU) No 251/2014 [2011/0231(COD)]
Amending Regulation (EU) No 1308/2013 [2011/0281(COD)]

Legal basis: Treaty on the Functioning of the EU (TFEU) Articles 118 and 119, Treaty on the Functioning of the EU (TFEU) Article 349, and Treaty on the Functioning of the EU (TFEU) Article 143b.

Mandatory consultation of other institutions: European Economic and Social Committee and European Committee of the Regions.

Stage reached in procedure: Procedure completed.

Committee dossier: AGRI/9/00337

Documentation gateway:

Legislative proposal: COM(2018)0394, 01/06/2018, EC, Summary

Document attached to the procedure: SWD(2018)0301, 01/06/2018, EC

Economic and Social Committee: opinion, report: CES3141/2018, 17/10/2018, ESC


Committee opinion: CONT, PE629.441, 26/11/2018, EP

Committee of the Regions: opinion: CDR3637/2018, 05/12/2018, CofR

Committee opinion: REGI, PE630.370, 21/01/2019, EP

Committee opinion: ENVI, PE630.373, 31/01/2019, EP

Committee report tabled for plenary, 1st reading/single reading: A8-0198/2019, 07/05/2019, EP, Summary


Coreper letter confirming interinstitutional agreement: GEDA/(2021)003502, 23/07/2021, CSL


Draft final act: 00066/2021/LEX, 02/12/2021, CSL

Commission response to text adopted in plenary: SP(2021)792, 18/01/2022, EC

Additional information:

Research document: Briefing

Final act:

Regulation 2021/2117
Common agricultural policy (CAP) 2021-2027

PURPOSE: to modernise and simplify the common agricultural policy (CAP) beyond 2020 (regulation on the common organisation of the markets in agricultural products).


ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: the context in which the last CAP reform was decided in 2013 has shifted considerably. More specifically: (i) agricultural prices have fallen sharply as a result of macroeconomic factors and geopolitical tensions; (ii) the EU has become more open to global markets; (iii) the EU has made new commitments at international level, for example on climate change mitigation (through COP 21).

On the basis of the Commission proposal for the multiannual financial framework (MFF) 2021-2027, the Commission is presenting a set of regulations which define the legislative framework of the CAP for the period 2021-2027, namely:

- a regulation defining the objectives of the CAP as well as rules on support for strategic plans to be developed by Member States in the framework of the CAP;
- a horizontal regulation on the financing, management and monitoring of the CAP;
- and a common organisation of the markets (CMO) Regulation.

These proposals give shape to the reflections on the future of the CAP presented in the Commission Communication on the future of food and agriculture in November 2017, which highlighted the challenges, objectives and possible avenues for a ‘future-proof’ CAP, that needs to be simpler, smarter and more modern, leading to the transition to a more sustainable agriculture.

The CAP general objectives shall focus on the economic viability, the resilience and income of farms, on an enhanced environmental and climate performance, and on the strengthened socio-economic fabric of rural areas. Moreover, fostering knowledge, innovation and digitalisation in agriculture and rural areas is a cross-cutting objective.

CONTENT: this proposal for a Regulation seeks to maintain the architecture and main features of Regulation (EU) No 1308/2013 on the common organisation of the market in agricultural products while amending a limited number of provisions in view of the new challenges relating to environmental sustainability and climate change and to citizens’ expectations regarding food.

The proposal seeks, inter alia:

- to delete provisions related to sectoral interventions as these interventions of the future CAP will be regulated under the CAP strategic plan Regulation and be part of Member States’ strategic plans, to ensure a better coherence of CAP interventions;
- to amend current rules on geographical indications (GIs) aiming at a simpler GI system, faster registration of geographical indications and more efficient approval of amendments to product specifications. The objective is to make the GI system more understandable for consumers, easier to promote, and to reduce the administrative costs associated with managing the system;
- to simplify some specific procedures with regard to the rules on GIs for wine to make the approval process more efficient;
- to clarify the definition of ‘Protected Designation of Origin’ for wines to enable producer groups to use new varietals, also needed in response to climate change;
- to strengthen the protection of GIs against counterfeiting of GIs on the internet and on goods in transit;
- to apply the proposed simplification for wine GIs has to be applied also to agricultural products and foodstuffs;
- to include provisions that merely translate into internal legislation commitments taken by the EU and its Member States in the context of recent World Trade Organization Ministerial Decisions, notably on export subsidies;
- to delete a number of obsolete provisions, inter alia the system of production regulation and requirements applying to the sugar sector that expired at the end of the 2017 marketing year.

AVAILABALE BUDGET: the Commission proposal on the multiannual financial framework for 2021-2027 provides that a significant part of the EU budget should continue to be dedicated to agriculture, which is a common policy of strategic importance. Thus, in current prices, it is proposed that the CAP should focus on its core activities with EUR 286.2 billion allocated to the EAGF and EUR 78.8 billion for the EAFRD.

These agricultural funds are complemented by additional funding from Horizon Europe, as the proposed envelope for this programme includes EUR 10 billion to support research and innovation in food, agriculture, rural development and the bioeconomy.

Common agricultural policy (CAP) 2021-2027


The committee recommended that the European Parliament's position adopted at first reading under the ordinary legislative procedure should amend the Commission's proposal as follows.

Scope

This Regulation shall define the public standards, market transparency rules and crisis management tools that will allow public authorities, in
particular the Commission, to ensure the surveillance, management and regulation of agricultural markets.

Specific objectives

The common organisation of the markets in agricultural products shall contribute to the achievement of the following specific objectives:

- participate in the stabilisation of agricultural markets and enhance their transparency;
- promote the proper functioning of the agri-food supply chain and ensure a fair income for agricultural producers;
- improve the position of producers in the value chain and promote the concentration of agricultural supply;
- contribute to the improvement of economic conditions for the production and marketing of agricultural products and strengthen the quality of European agricultural production.

Extending supply management and volume reduction scheme to all sectors

The current scheme, which grants aid to dairy farmers who voluntarily produce less in times of severe market imbalances in an effort to stabilise prices, should be extended to all sectors. If the situation does not improve, the Commission shall be tasked with imposing a levy on all producers who increase their deliveries.

Members also propose extending current rules, which allow time-limited regulation of supply of geographically protected cheeses, hams and wines, to all other products that benefit from protected geographical indication (PGI) or protected designation of origin (PDO).

More specifically, the list of products that can be protected as PDO or PGI shall be expanded with products that are finding an increasing demand from Union consumers, such as beeswax, which is finding an ever wider application in the food and cosmetics industry.

EU Observatory of agricultural markets

In order to improve transparency within the agri-food supply chain, to illuminate the choices of economic operators and all public authorities and to facilitate the identification and recording of market developments, the Commission shall establish an EU observatory of agricultural markets.

It shall cover, as a minimum, the following agricultural sectors: (i) cereals; (ii) sugar, sugar beet and sugar cane; (iii) olive oil; (iv) fruit and vegetables; (v) wine; (vi) milk and milk products; (vii) beef and veal; (viii) pigmeat; (ix) sheepmeat and goatmeat; (x) poultrymeat.

The Observatory shall collect statistical data on production, supply, prices, profits, imports and exports, and issue early market disturbance warnings.

Early warning mechanism for market disturbances and alert thresholds

The Observatory shall set up an early warning mechanism and alert thresholds and shall notify the European Parliament and the Council where the relevant alert threshold is exceeded, of threats of market disturbances caused, in particular, by significant price rises or falls on internal or external markets or by other events or circumstances having similar effects.

Members also want to widen the market safety net by allowing public intervention (a market management tool used when prices drop beyond a certain level) for new products, such as white sugar, sheep meat, pig meat and chicken.

Vine planting

The scheme of authorisations for vine plantings established in this Chapter shall apply from 1 January 2016 to 31 December 2050, with a review to be undertaken by the Commission every ten years and for the first time on 1 January 2023 to evaluate the operation of the scheme and, if appropriate, make proposals to improve its effectiveness.

Common agricultural policy (CAP) 2021-2027


The matter was referred back to the committee responsible for inter-institutional negotiations.

The main amendments adopted in plenary concern the following points:

A more sustainable and greener CAP

Members stressed that the CAP should be more result-driven to:

- boost, in line with the sustainable development programme up to 2030 and the Paris climate agreement, the modernisation and sustainable development, including economic, social, environmental and climatic sustainability of agricultural, forestry and rural areas (with increased focus on agri-forestry);
- reduce food waste, promote education on healthy eating habits, produce healthy food.

In concrete terms, the common organisation of the markets (CMO) in agricultural products should contribute to the following objectives:

- contribute to the stabilisation of agricultural markets and increase their transparency;
- promote the proper functioning of the agri-food supply chain and ensure a fair income for agricultural producers;
- improve the position of producers in the value chain and promote the concentration of agricultural supply;
- contribute to improving the economic conditions for the production and marketing of agricultural products and enhance the quality of European agricultural production.

All interventions of the future CAP should respect the principles of sustainable development, gender equality and fundamental rights.

Trade

To maintain fair competition in international trade, Members insisted that the EU should enforce production standards in line with those established for its own producers, particularly in environmental and health matters, subject to reciprocity.

Extending supply management to all sectors

In view of the importance of protected designations of origin (PDOs) and protected geographical indications (PGIs) in EU agricultural production, and given the successful introduction of supply management rules for quality cheeses and dry cured hams with quality marks to guarantee the added value of these products, it is proposed to extend the benefits of these rules to all agricultural products with quality marks.

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In order to achieve better soil management in viticulture, the Regulation would allow the duration of replanting authorisations to be extended from three to six years.

Market disturbance monitoring and management plans

With a view to achieving the CAP objectives, in particular the specific objective of market stabilisation, the Commission should establish plans for the monitoring and the management of market disturbances defining its intervention strategy for each agricultural product referred to this Regulation.

Common agricultural policy (CAP) 2021?2027


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

A more sustainable and greener Common Agricultural Policy (CAP)

The regulation stressed that the new CAP will be more result-driven, stimulate modernisation and sustainability, including the economic, social, environmental and climate sustainability of the agricultural and forestry sectors and of rural areas, and contribute to reducing the administrative burden that EU legislation places on beneficiaries.

Under the new rules, the EU will set the basic policy parameters, such as the objectives of the CAP and its basic requirements, while Member States should bear greater responsibility as to how they meet the objectives and achieve targets.

Marketing years

Under the amending Regulation, the following marketing years are established:

- from 1 January to 31 December of a given year for the fruit and vegetables, processed fruit and vegetables and bananas sectors;
- from 1 April to 31 March of the following year for the dried fodder and silkworm sectors;
- from 1 July to 30 June of the following year for: (i) the cereals sector; (ii) the seeds sector; (iii) the flax and hemp sector; (iv) the milk and milk products sector;
exports of agricultural products.

costs and, as far as possible, profit margins at all levels of the food supply chain; (c) short- and medium-term market forecasts; (d) imports and

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In order to improve transparency within the food supply chain, to inform the choices of economic operators and public authorities, to facilitate

the monitoring of market developments and threats of market disturbances, the Commission should establish EU market observatories.

The observatories should make available the statistical data and information, in particular on: (a) production, supply and stocks; (b) prices, costs and, as far as possible, profit margins at all levels of the food supply chain; (c) short- and medium-term market forecasts; (d) imports and

exports of agricultural products.