



The Farm to Fork Strategy and the CAP

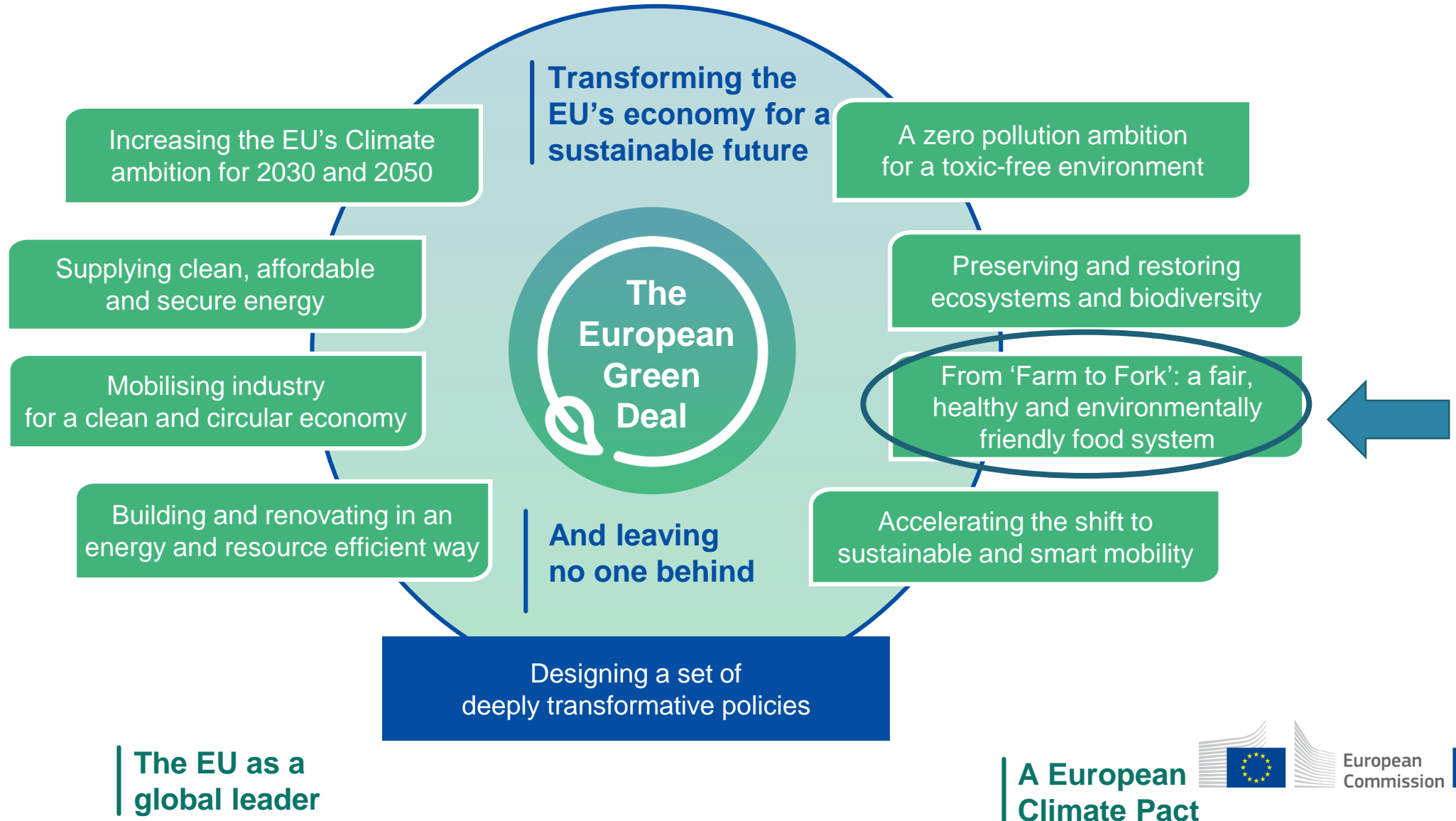
Analysis of links between CAP Reform and the Green Deal

European Commission – DG AGRI

#EUGreenDeal
#FutureofCAP

The European Green Deal:

the new growth strategy launched December 2019



Two years after the #*FutureofCAP* proposal...

| What is the same?

- The need to guarantee an enhanced climate and environmental ambition

| What has changed in the meantime?

- **COVID Crisis:** common EU response to crises
- **EU targets:** common EU response to environmental & climate challenges
- **CAP Strategic Plans:** growing societal expectations on their delivery

What needs to be done to achieve this with the CAP?

| The CAP reform is compatible with the European Green Deal

- Appropriate framework to support the implementation of the new ambitions

| How to ensure that the CAP reflects the Green Deal

- Key elements of the proposal need to be retained in the final legislation



| Ensuring that the CAP reflects the Green Deal

Staff Working Document (2020) 93

“Analysis on the links between the CAP Reform and the Green Deal”

Replies to a request by the **European Parliament (15/1/2020)** *“to analyse the contribution of the CAP reform proposal to the EU’s environmental, climate and biodiversity protection commitments in order to fully align it to the goals set in the European Green Deal”*

Assesses the links between the **CAP Reform Proposal (June 2018)** and the following documents:

- Communication on “The European Green Deal” (11/12/2019)
- Farm to Fork Strategy (20/5/2020)
- Biodiversity Strategy (20/5/2020)

| CAP Plans reflecting the Green Deal ambition...

- Need to ensure that from the outset the CAP Plans reflect the new ambition
- The new green architecture proposed can accommodate a high environmental ambition. Key safeguards proposed to:
 - Guarantee a higher level of ambition (“no-backsliding principle”)
 - Full integration of the environmental and climate legislation (Annex XI)
- On-going works to support Member States, but the role of the Commission in the preparatory phase needs to be further reinforced

Indicators in Annex I of the proposed CAP Strategic Plan Regulation associated to Green Deal targets

Green Deal targets related to the agricultural sector	Impact indicators (as laid down in Annex I) or Context indicators (as envisaged in secondary legislation)	Output and result indicators (as laid down in Annex I)
<ul style="list-style-type: none"> Reducing by 50% the use and the risk of chemical pesticides by 2030 Reducing by 50% the use of high-risk pesticides 	I.27 Sustainable use of pesticides: reduce risks and impacts of pesticides	R.37 Sustainable pesticide use: share of agricultural land concerned by supported specific actions which lead to a sustainable use of pesticides
<ul style="list-style-type: none"> Reducing by 50% the sales of antimicrobials for farmed animals and in aquaculture by 2030 	I.26 Limiting antibiotic use in agriculture: sales/use in food producing animals	R.36 Limiting antibiotic use: share of livestock units concerned by supported actions to limit use of antibiotics
<ul style="list-style-type: none"> Reducing nutrient losses by at least 50% in 2030 	I.15 Improving water quality: Gross nutrient balance on agricultural land	R.21 Sustainable nutrient management: share of agricultural land under commitments related to improved nutrient management
<ul style="list-style-type: none"> Achieve 25% agricultural area under organic farming by 2030 	C.32 Agricultural area under organic farming	O.15 Number of ha with support for organic farming
<ul style="list-style-type: none"> Completing fast broadband internet access in rural areas reach 		R.34 Connecting rural Europe: share of rural population benefitting from improved access to services and infrastructure through CAP support
<ul style="list-style-type: none"> Increasing land for biodiversity, including agricultural area under high-diversity landscape features 	I.20 Enhanced provision of ecosystem services: share of UAA covered with landscape features	R.29 Preserving landscape features: share of agriculture land under commitments for managing landscape features, including hedgerows

1. The need to retain key aspects in the final text

- Increased level of ambition with regard to environmental and climate related objectives (“No backsliding principle”/ Art. 92)
- Reinforced conditionality
- Mandatory eco-schemes
- Ring-fenced spending on the environment and climate
- **Data collection and common approaches to data**
- Fostering the position of farmers in the food chain

2. Potential improvements in the final text

No new legal proposal is needed, but some changes can be supported in the negotiation process among co-legislators:

- Ring-fencing funding and further developing provisions for Pillar I eco-schemes
- Better integration of the animal welfare and antimicrobial legislation in the CAP

3. Possible action from Commission to assist effective implementation

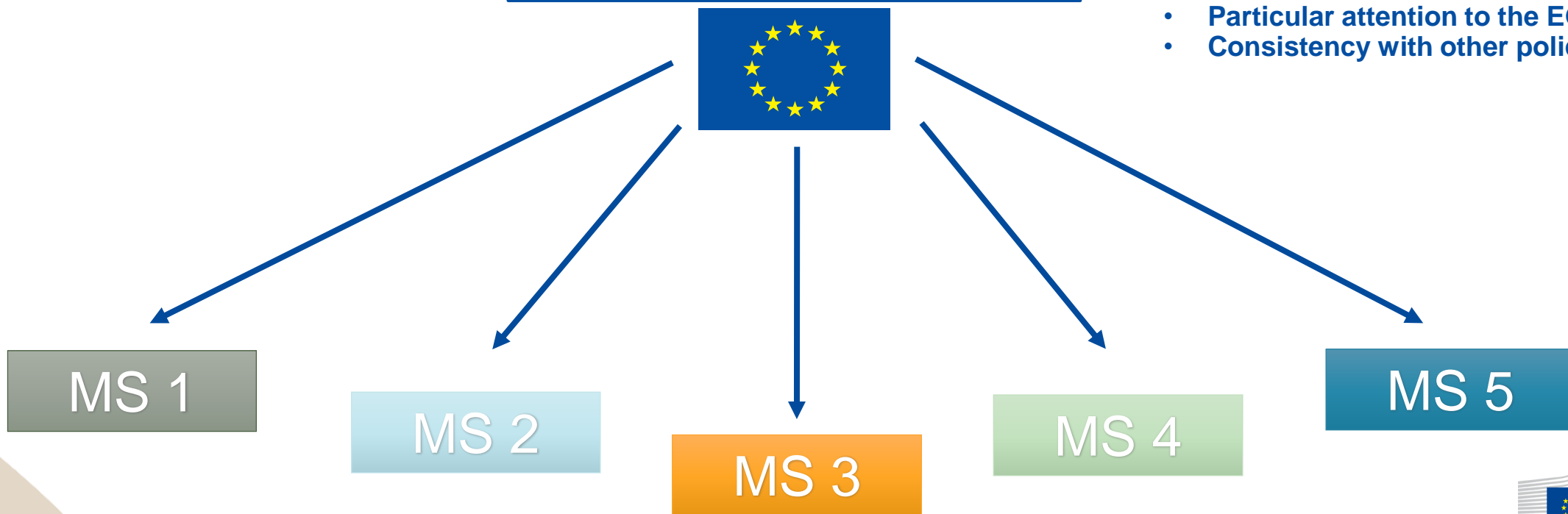
- Increase transparency in the approval process of the CAP Strategic Plans
- Structured dialogue and recommendations to Member States
- Ensuring overall sustainability for coupled income support, sectorial programmes and promotion
- Proposing a **Farm Sustainability Data Network**

A new structured dialogue



RECOMMENDATIONS

- Based on evidence
- Particular attention to the EGD Targets
- Consistency with other policy instruments





Multiannual financial framework 2021-2027 and CAP financing

COMMISSION PROPOSAL OF 27 MAY 2020



Multiannual financial framework 2021-2027

Overview

2 May 2018

2 December 2019

20-21 February 2020

27 May 2020

19 June 2020

...

...

By 31 December 2020

By 31 December 2020

- Commission proposal on MFF 2021-2027
- “MFF negotiating box” **with figures**
- European Council – MFF debate
- Amended Commission proposal on MFF 2021-2027
- European Council - MFF debate
- MFF agreement at European Council
- Consent of European Parliament
- Ratification by national parliaments of Own Resources Decision
- Adoption of Council Regulation on MFF 2021-2027



'Re-CAP' of 2018 proposal

2 May 2018 (MFF) and 1 June 2018 (CAP)

CAP financing 2021-2027

EUR 365 billion
(current prices)

- **5% cut** compared to current situation for EU-27

Context:

- Brexit
- Traditional policies vs new challenges
(research; digital; migration; defence, etc.)

Amended proposals MFF and CAP Strategic Plan

27 May 2020

Amended Commission proposal at a glance

2018 prices

Endorsed by
European Council
on 23 April

SURE / ESM Pandemic
Crisis Support / EIB
Guarantee Fund for
Workers and Businesses)

EUR 540 billion

Proposed by
Commission on
27 May

Next Generation EU
(Recovery Instrument)

Temporary Reinforcement
EUR 750 billion

Revised Multiannual
Financial Framework

EUR 1 100 billion

Summary: CAP allocation 2021-2027

Current prices

	2018 proposal	2020 proposal		
	EUR million	EUR million	EUR million	Change %
EAGF	286 195	290 702	4 508	1,6%
EAFRD	78 811	100 738	21 927	27,8%
<i>of which Next Generation EU</i>		16 483		
CAP	365 006	391 440	26 434	7,2%
Compared to current levels (2020)	5% decrease	2% increase		

CAP – So what changes or not?

What's new?

- Increase in CAP amounts
- Next Generation EU and rural development funding
 - 2022-2024
 - For new specific objective
 - EAFRD support under CAP Plans

No changes vs 2018 proposal

- External convergence model
- EAGF pre-allocations
(wine; POSEI & Aegean islands; olive oil; hops; beekeeping)
- Agricultural reserve
- EAFRD pre-financing; co-financing; N+2 de-commitment rule
- CAP climate contribution; capping; flexibility between pillars

CAP policy issues for European Leaders to decide

Climate contribution

Degressivity & capping of direct payments

Flexibility between pillars

Agricultural reserve

Financial discipline threshold

- 40% of CAP expenditure climate relevant
- **Compulsory** capping as of 100 000 EUR
- deduction of labour costs; **schemes** subject to capping
- **15%** between direct payments and rural development
- Higher flexibility towards rural development (+15% environment/climate; +2% young farmers)
- For public intervention, private storage aid & exceptional support measures
- **At least EUR 400 million/year** in budget
- Roll-over mechanism + financial discipline cut only as last resort
- **Abolish** EUR 2 000 threshold

Next step please ...

