

# Design of CAP mechanisms for fairer distribution Analysis of the 28 strategic plans

 $\rightarrow$  Capping, degressivity, redistribution, small farmers scheme, ...

# Why looking at fairer distribution within the CAP?

- 1. A resilient food system needs as many and diverse actors as possible.
- 2. The **ecological transformation** must be linked **in a just way** with economic perspectives for farmers.
- 3. A fairer and more targeted distribution is supposed to overcome social crises such as farm extinction and ageing and meet the different needs of the actors.

These points are anchored as a goals in the ...



#### **Farm-to-Fork Strategy** of the EU (page 11):

• The requirement to **improve the efficiency and effectiveness of direct payments by capping and better targeting income support** to farmers who need it and who deliver on the green ambition, rather than to entities and companies who merely own farm land, remains an essential element of the future CAP"



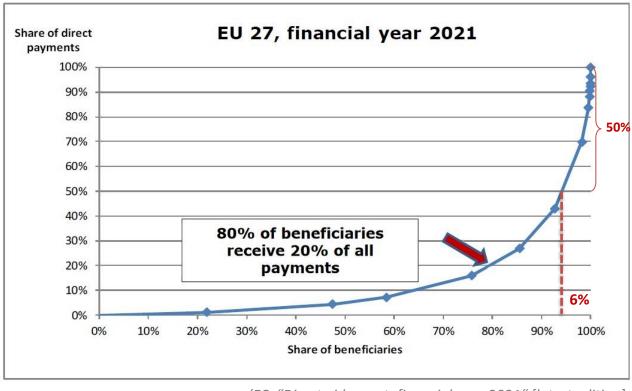
#### <u>Treaty of Rome</u> of the EU (article 39):

- ensure a **fair standard of living for the agricultural community**, in particular by increasing the individual earnings of persons engaged in agriculture.
- In working out the common agricultural policy and the special methods for its application, account shall be taken of the particular nature of agricultural activity, which results from **the social structure of agriculture and from structural and natural disparities between the various agricultural regions.**



# Why looking at fairer distribution within the CAP?

**80% of all beneficiaries received only 20% of all direct payments and 6% of all beneficiaries received half of all direct payments** *(EU-average, there are national and regional differences in fairness)* 



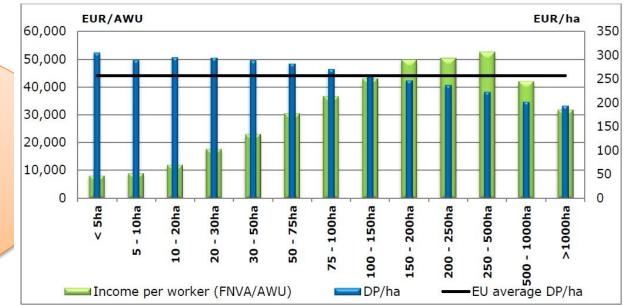
(EC, "Direct aid report, financial year 2021" [latest edition] https://agriculture.ec.europa.eu/system/files/2023-03/direct-aid-report-2021\_en.pdf)



# Why looking at fairer distribution within the CAP?

Although small farms received more DP/ha than the EU average, the income per worker is particularly low in small farms compared to large ones.  $\rightarrow$  Income for small farms mainly NOT viable

#### Figure 8: Income and direct payment by farm size (in hectares of UAA)



and the resilience of the agricultural sector across the EU, in order to enhance long-term food security and agricultural diversity, as well as to ensure the economic sustainability of agricultural production.

CAP SO1:

Support viable farm income

Note: UAA is the utilised Agricultural Area.

Source: FADN DG AGRI based on 2012 prices and structures to estimate 2019 income; and CATS data for claim year 2016 for the average direct payment per hectare by farm size.

EC, "CAP SPECIFIC OBJECTIVES ... explained – Brief No 1: Ensuring viable farm income" https://agriculture.ec.europa.eu/system/files/2021-01/cap specific objectives - brief 1 - ensuring viable farm income 0.pdf)



# Adjustment screws for a fairer distribution in the CAP

Decoupled income support	Agricultural System	Food system
<ul> <li>Basic income support (BISS)</li> <li>Redistributive income support (CRISS)</li> <li>Income support for young farmers (CISYF)</li> <li>Eco-schemes</li> <li>Small Farmers Scheme</li> </ul>	<ul> <li>Coupled income support</li> <li>Risk management tools</li> <li>FAS &amp; AKIS</li> <li>Investments</li> <li>Area-based 2nd pillar measures</li> </ul>	<ul> <li>Market regulation</li> <li>Cooperation</li> <li>Investments</li> <li>Market monitoring and enforcement</li> </ul>
<ul> <li>Crosscutting aspects</li> <li>Definition Active Farmer</li> <li>Eligible hectare</li> <li>Internal convergence</li> <li>External convergence</li> <li>Social Conditionality</li> </ul>	Further in depth	analyses needed



# 44 Result indicators – just 2 covering fairness

#### Code \* Result indicators

- R.1 PR Enhancing performance through knowledge and innovation
- R.2 Linking advice and knowledge systems
- R.3 Digitalising agriculture
- R.4 Linking income support to standards and good practices
- R.5 Risk Management

#### R.6 <sup>PR</sup> Redistribution to smaller farms

- R.7 PR Enhancing support for farms in areas with specific needs
- R.8 Targeting farms in specific sectors
- R.9 PR Farm modernisation
- R.10 PR Better supply chain organisation
- R.11 Concentration of supply
- R.12 Adaptation to climate change
- R.13 <sup>PR</sup> Reducing emissions in the livestock sector
- R.14 PR Carbon storage in soils and biomass
- R.15 Renewable energy from agriculture, forestry and from other renewable sources
- R.16 Investments related to climate
- R.17 PR Afforested land
- R.18 Investment support to the forest sector
- R.19 PR Improving and protecting soils
- R.20 <sup>PR</sup> Improving air quality
- R.21 Protecting water quality
- R.22 PR Sustainable nutrient management

#### \*PR: Indicators with a performance review

Code *	<b>Result indicators</b>	
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R.23	PR	Sustainable water use
R.24	PR	Sustainable and reduced use of pesticides
R.25		Environmental performance in the livestock sector
R.26		Investments related to natural resources
R.27		Environmental or climate-related performance through investment in rural areas
R.28		Environmental or climate-related performance through knowledge and innovation
R.29	PR	Development of organic agriculture
R.30	PR	Supporting sustainable forest management
R.31	PR	Preserving habitats and species
R.32		Investments related to biodiversity
R.33		Improving Natura 2000 management
R.34	PR	Preserving landscape features
D 25		
R.35		Preserving beehives
R.35	PR	Preserving beehives Generational renewal
	PR	
<b>R.36</b>	PR	Generational renewal
<b>R.36</b> R.37	PR	Generational renewal Growth and jobs in rural areas
<b>R.36</b> R.37 R.38	PR	Generational renewal Growth and jobs in rural areas LEADER coverage
<b>R.36</b> R.37 R.38 R.39	PR PR	Generational renewal Growth and jobs in rural areas LEADER coverage Developing the rural economy
<b>R.36</b> R.37 R.38 R.39 R.40		Generational renewal Growth and jobs in rural areas LEADER coverage Developing the rural economy Smart transition of the rural economy
R.36 R.37 R.38 R.39 R.40 R.41 R.41 R.42		Generational renewal Growth and jobs in rural areas LEADER coverage Developing the rural economy Smart transition of the rural economy Connecting rural Europe
R.36 R.37 R.38 R.39 R.40 R.41 R.41	PR	Generational renewal Growth and jobs in rural areas LEADER coverage Developing the rural economy Smart transition of the rural economy Connecting rural Europe Promoting social inclusion

https://agriculture.ec.europa.eu/system/files/2023-05/pmef-result-indicators\_en.pdf



## Overview of selected measures for redistribution to smaller farms

Portugal	D	10	JL SFS					Overview of t
Bulgaria	C		JL SFS					measures in t
Spain	CD	10						result indicat
Czechia		23	SFS					redistributio
Slovakia	CD	23 10	515					below t
Malta		-	CEC.					
Lithuania		0	SFS					
	C		JL					
Romania		-	JL					
Greece			JL					
Germany		12						
Estonia			JL					
Hungary		14 🕻	JL					
Italy		10 🕻	JL					
Belgium-Wallonia	CD 🛑	19						
France		10				С	= Capping	
Croatia		20				D	= Degressi	vity
Denmark		0				С	<b>D</b> = Capping	g and Degressivity
Austria	C C	10						hare of the direct
Latvia	C C	9	SFS					its budget
Cyprus		6				U		imit for the receipt
Netherlands		10					of CRISS	
Ireland	CD	10				S		armers Scheme
Poland		12 🕻	JL		- 1 C			
Luxembourg		10						Indicators Dashboard,
Belgium-Flanders	CD	12				0		Food Data Portal,
Slovenia	D	6					ropean Comn tional CAP St	nission; rategic Plans
Finland		5				140		
Sweden		5				ØEU:115,2		
	0.0/	F 0/	50.0/	75.0/	400.0/			
	0% 2	5 %	50 %	75 %	100 %	125 %	150 %	

Overview of the implementation of selected measures in the ranking of EU countries for result indicator R.6 (in %), which shows the redistribution of direct payments to farms below the national average farm size.



# Capping und degressivity of BISS

(see also table in attachment slide 25+26)

- Only voluntary measures (mandatory in the previous CAP funding period): EU-framework: fixed ceiling for capping at 100K, degressivity only possible >60T
- Implemented by only 10 member states / 11 CSP

capping:AT, BG, LI, LVdegressivity:PT, SIcombination of both:BE-FI., BE-Wa., ES, IE, SK

- Labour costs substractable in full amount (in AT, BG, LI, LV, ES, SK and PT; ES limit at 200K €)
- Different design of degressivity differently effective (1 step to 4 steps, range 60K 360K €)
- Savings for 2023-27 range from 0 € (*AT*, no effect at all!) 60 Mio. € (*BG*)
- Targets of reuse of savings are CRISS, CIS-YF, EAFRD
  - In BG savings account for 12% of the target budget (CRISS)
  - SI 15%; ES/SK/LI/PT 2%; IE 1%
- Only 9 MS with R.6 above EU average, 5 CSPs use capping and/or degressivity

Sources: National CSPs



## • Mechanism of functioning:

- **Premium on the first hectares** <u>received by all farms</u> (as long as no lower or upper limit has been introduced for their receipt)
- The CRISS budget **reduces the BISS budget** (*ultimately the BISS/ha payments*) accordingly and thus leads to a reduction of direct payments for large farms
- The CRISS thus has a **positive effect on all farms up to a tipping point**, which, however, is **clearly above the respective first hectare**.

#### • Effective?

- There are three ways in which the redistribution effect of this measure **can be made stronger or weaker**:
  - 1. Hectare range(s) "first hectare" definition
  - 2. Payment amount for first hectare (CRISS budget, degression)
  - 3. Upper farm size limit for reception of CRISS



Member state	Farm	R.6	Share of			
Wielliber State	size Ø		DP-budget			
Czechia	130,5	142,6	23,1%			
Croatia	11,2	107,8	20,0%			
Lithuania	19,8	116,1	20,0%			
Belgium-Wallonia	56,5	108,8	19,5%			
Hungary	22,0	112,2	14,0%			
Luxembourg	61,5	101,5	11,9%			
Germany	63,1	113,9	11,6%			
Poland	10,3	103,9	11,6%			
Bulgaria	24,8	161,8	11,3%			
Greece	7,5	115,3	10,2%			
Slovakia	73,7	125,5	10,1%			
Belgium-Flanders	27,0	101,5	10,0%			
Netherlands	32,4	105,8	10,0%			
Romania	4,0	115,9	10,0%			
Portugal	13,9	162,0	10,0%			
Spain	25,8	150,0	10,0%			
Austria	23,7	107,0	10,0%			
Italy	10,9	111,5	10,0%			
France	63,5	108,2	10,0%			
Ireland	32,8	105,4	10,0%			
Latvia	28,0	106,3	9,0%			
Cyprus	3,6	106,2	6,0%			
Slovenia	6,9	98,6	5,9%			
Finland	49,4	97,7	5,0%			
Estonia	89,8	112,5	5,0%			
Sweden	50,9	97,5	5,0%			
Denmark	75,0	107,2	0,0%			
Malta	1,1	122,1	0,0%			

 Only 5 MS (CZ, HR, LI, BE-Wa., HU) allocate significantly more budget to CRISS than the mandatory min. 10% of direct payments

## • 8 MS stay even below 10%

only 2 use capping or degressivity instead; 3 of them with R.6 < 100%; DK and MT even 0% budget for CRISS



Member state	Farm size Ø	R.6	Share of DP-budget	steps	Implementation of CRISS
Czechia	130,5	142,6	23,1%	1	1 – 150 ha <b>153 €/ha</b>
Croatia	11,2	107,8	20,0%	1	0 – 30 ha <b>110 €/ha</b>
Lithuania	19,8	116,1	20,0%	4	1 – 10 ha <b>75€</b> ; 10-20ha <b>81€</b> ; 20-30ha <b>95€</b> ; 30-50ha <b>108€/ha</b>
Belgium-Wallonia	56,5	108,8	19,5%	1	0 – 30 ha <b>143 €/ha</b>
Hungary	22,0	112,2	14,0%	2	1 – 10 ha <b>80 €/ha</b> , 10 – 150 ha <b>40 €/ha</b>
Luxembourg	61,5	101,5	11,9%	2	0 – 30 ha <b>30 €/ha</b> , 30 – 70 ha <b>70 €/ha</b>
Germany	63,1	113,9	11,6%	2	0 – 40 ha <b>70 €/ha</b> , 41 – 60 ha <b>40 €/ha</b>
Poland	10,3	103,9	11,6%	1	1 – 30 ha <b>40 €/ha</b>
Bulgaria	24,8	161,8	11,3%	1	0 – 30 ha <b>120 €/ha</b>
Greece	7,5	115,3	10,2%	3	AL 2-11ha <b>138€/ha</b> ; GL 1-17ha <b>116€/ha</b> ; PL 1-4ha <b>177€/ha</b>
Slovakia	73,7	125,5	10,1%	2	0 – 100 ha <b>80 €/ha</b> ; 101 – 150 ha <b>40 €/ha</b>
Belgium-Flanders	27,0	101,5	10,0%	1	0 – 30 ha <b>53 €/ha</b>
Netherlands	32,4	105,8	10,0%	1	0 – 40 ha <b>50 €/ha</b>
Romania	4,0	115,9	10,0%	1	1 – 50 ha <b>52 €/ha</b>
Portugal	13,9	162,0	10,0%	1	0 – 20 ha <b>120 €/ha</b>
Spain	25,8	150,0	10,0%	20x2	20 different regions, <b>+20%</b> first ha, next ha <b>+40%</b>
Austria	23,7	107,0	10,0%	2	0 – 20 ha <b>44 €/ha</b> , 21 – 40 ha <b>22 €/ha</b>
Italy	10,9	111,5	10,0%	1	0,5 – 14 ha <b>82 €/ha</b>
France	63,5	108,2	10,0%	1	0 – 52 ha <b>48 €/ha</b>
Ireland	32,8	105,4	10,0%	1	0 – 30 ha <b>43 €/ha</b>
Latvia	28,0	106,3	9,0%	2	3 – 30 ha <b>56 €/ha</b> ; 30 – 100 ha <b>12 €/ha</b>
Cyprus	3,6	106,2	6,0%	1	0 – 30 ha <b>27,87 €/ha</b>
Slovenia	6,9	98,6	5,9%	1	0 – 8,2 ha ca. <b>28 €/ha</b>
Finland	49,4	97,7	5,0%	1	0 – 50 ha <b>+17,68 €/ha</b>
Estonia	89,8	112,5	5,0%	2	1 – 10 ha <b>10€/ha</b> , 10 – 130 ha <b>23€/ha</b>
Sweden	50,9	97,5	5,0%	1	0 – 150 ha <b>+15,40 €/ha</b>
Denmark	75,0	107,2	0,0%	-	-
Malta	1,1	122,1	0,0%	-	-

Range of "first hectare" in most CSPs clearly above the national average farm size (only BE-Wa., DE, FR and IE stay below)

#### Most MS designed CRISS with only 1 step

5 MS have 2 steps with a lower amount for the 2nd range

paradoxically 4 MS pay higher amounts for the 2nd or next ranges of ha



Member state	Farm size Ø	R.6	Share of DP-budget	steps	Implementation of CRISS	min. ha	<b>max. ha</b> (upper limit)	first ha/ Ø ha
Czechia	130,5	142,6	23,1%	1	1 – 150 ha <b>153 €/ha</b>	1 ha	-	115%
Croatia	11,2	107,8	20,0%	1	0 – 30 ha <b>110 €/ha</b>	-	-	151%
Lithuania	19,8	116,1	20,0%	4	1 – 10 ha <b>75€</b> ; 10-20ha <b>81€</b> ; 20-30ha <b>95€</b> ; 30-50ha <b>108€/ha</b>	1 ha	500 ha	267%
Belgium-Wallonia	56,5	108,8	19,5%	1	0 – 30 ha <b>143 €/ha</b>	-	-	53%
Hungary	22,0	112,2	14,0%	2	1 – 10 ha <b>80 €/ha</b> , 10 – 150 ha <b>40 €/ha</b>	1 ha	1200 ha	681%
Luxembourg	61,5	101,5	11,9%	2	0 – 30 ha <b>30 €/ha</b> , 30 – 70 ha <b>70 €/ha</b>	-	-	114%
Germany	63,1	113,9	11,6%	2	0 – 40 ha <b>70 €/ha</b> , 41 – 60 ha <b>40 €/ha</b>	-	-	95%
Poland	10,3	103,9	11,6%	1	1 – 30 ha <b>40 €/ha</b>	1 ha	<b>300 ha</b>	291%
Bulgaria	24,8	161,8	11,3%	1	0 – 30 ha <b>120 €/ha</b>	-	600 ha	121%
Greece	7,5	115,3	10,2%	3	AL 2-11ha <b>138€/ha</b> ; GL 1-17ha <b>116€/ha</b> ; PL 1-4ha <b>177€/ha</b>	1/2 ha	11/17/4 ha	226%
Slovakia	73,7	125,5	10,1%	2	0 – 100 ha <b>80 €/ha</b> ; 101 – 150 ha <b>40 €/ha</b>	-	-	136%
Belgium-Flanders	27,0	101,5	10,0%	1	0 – 30 ha <b>53 €/ha</b>	-	-	111%
Netherlands	32,4	105,8	10,0%	1	0 – 40 ha <b>50 €/ha</b>	-	-	123%
Romania	4,0	115,9	10,0%	1	1 – 50 ha <b>52 €/ha</b>	1 ha	50 ha	1238%
Portugal	13,9	162,0	10,0%	1	0 – 20 ha <b>120 €/ha</b>	-	100 ha	144%
Spain	25,8	150,0	10,0%	20x2	20 different regions, <b>+20%</b> first ha, next ha <b>+40%</b>	-	-	-
Austria	23,7	107,0	10,0%	2	0 – 20 ha <b>44 €/ha</b> , 21 – 40 ha <b>22 €/ha</b>	-	-	169%
Italy	10,9	111,5	10,0%	1	0,5 – 14 ha <b>82 €/ha</b>	0,5 ha	50 ha	128%
France	63,5	108,2	10,0%	1	0 – 52 ha <b>48 €/ha</b>	-	-	82%
Ireland	32,8	105,4	10,0%	1	0 – 30 ha <b>43 €/ha</b>	-	-	92%
Latvia	28,0	106,3	9,0%	2	3 – 30 ha <b>56 €/ha</b> ; 30 – 100 ha <b>12 €/ha</b>	3,01 ha	-	357%
Cyprus	3,6	106,2	6,0%	1	0 – 30 ha <b>27,87 €/ha</b>	-	-	840%
Slovenia	6,9	98,6	5,9%	1	0 – 8,2 ha ca. <b>28 €/ha</b>	-	-	120%
Finland	49,4	97,7	5,0%	1	0 – 50 ha <b>+17,68 €/ha</b>	-	-	101%
Estonia	89,8	112,5	5,0%	2	1 – 10 ha <b>10€/ha</b> , 10 – 130 ha <b>23€/ha</b>	1 ha	1 <b>30 h</b> a	145%
Sweden	50,9	97,5	5,0%	1	0 – 150 ha <b>+15,40 €/ha</b>	-	-	295%
Denmark	75,0	107,2	0,0%	-	-	-	-	-
Malta	1,1	122,1	0,0%	-	-	-	-	-



# Small Farmers Scheme

- Only a voluntary measure
- EU-framework: max. 1250 €/farm
   → not adopted, because too unflexible for agri-structure in most MS?
- Low bureaucracy measure: lump sum instead of regular application!

Member state	Implementation
Portugal	<1ha: <b>500 €/farm</b> ; 1-2ha: <b>850 €/farm</b> ; >2ha: <b>1050 €/farm</b>
Bulgaria	1250 €/farm
Malta	250 €/farm
Latvia	500 €/farm
Czech Republic	0 - 4 ha: <b>312,50 €/ha</b> (=max. 1250€)

Sources: National CSPs



# Support for young farmers

(see also table in attachment slide 29)

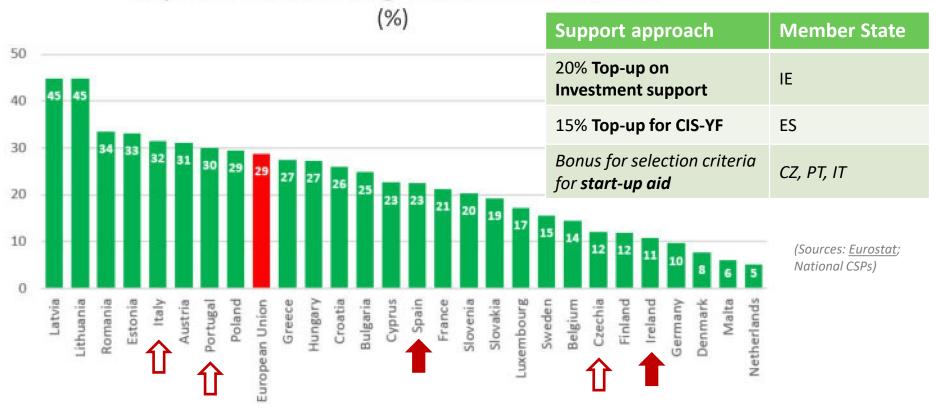
- Only 7 MS allocate significantly more budget to generational renewal compared with the min. required 3% of DP (> 130%: MT, EL, HR, LI, BE-Wa., PT, SI)
- **R.36** (number of beneficiaries) **needs to be evaluated in relation to the total number of farms** (ranges from 1% in PT to 11,7% in EL)
- CIS-YF design:
  - Most MS use one first hectare range far beyond the average farm size
  - BE-Wa. and BE-FI. have defined two ranges with a lower top up payment for the next ha
  - LU, FR and NL pay a fixed amount per young farmer, no matter what size the farm is → NON-AREA-BASED SUPPORT POSSIBLE ALSO IN PILLAR 1
  - PL, BG an CY pay a top up for all hectares
- Start up aid budget in relation to R.36: from 1 680€ (D) to 69 000€ (DK), IE: 0€

Sources: National CSPs

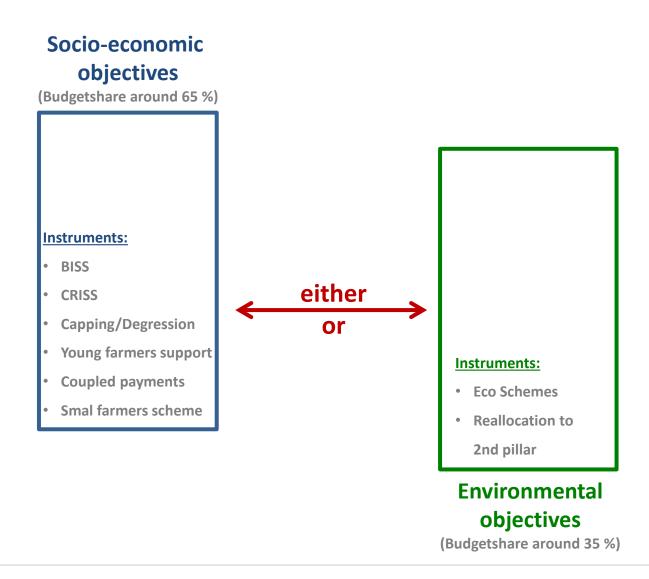


# Approaches to support women

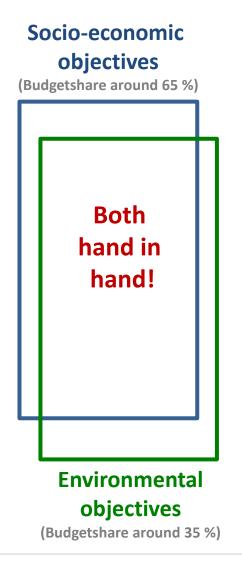
#### Proportion of farm managers who are women, 2016













**Examples in other EU countries** (Eco-schemes, AECM)

MS	Implementation
Poland	• Eco Scheme for animal welfare staggered by livestock unit (from 100 - 150 LU -25%, above 150 LU no payments)
Spain	• In almost all Eco Schemes staggered cuts in case of oversubscription (e.g30%)
Romania	<ul> <li>Eco Scheme for small farms with 1-10 ha (+76 €/ha in case of 0,3 - 1 LU/ha and 10% legumes)</li> </ul>
Belgium- Wallonia	<ul> <li>Eco Scheme Organic Agriculture degressive above 60 ha and for market gardening: 4000€/ha for max. 3ha only for farms up to 10ha total farm size</li> </ul>
Belgium- Flanders	<ul> <li>ES14 "Precision farming" (0-10ha, 11-20ha, &gt;21ha)</li> <li>ES16 Soil pass (0-20ha 15€/ha, 10-45ha 10€/ha, 45-100ha 5€/ha)</li> <li>ES19 Maintenance Organic Farming (0-5ha 200€/ha, 5-75ha 100€/ha, &gt;75ha 50€/ha)</li> </ul>
Germany	<ul> <li>Payments for AECM in Bavaria (KULAP) with degressive cuts (&gt;100ha -10%; &gt;200ha -20%, &gt;300 ha -40%)</li> </ul>

Sources: National CSPs

## All future measures must address ecology, economy and social issues simultaneously



CAP post 2027 vision of the platform of associations





→
 post 2027 <u>all</u>
 CAP payments
 qualified to
 remunerate the
 provision of
 public goods

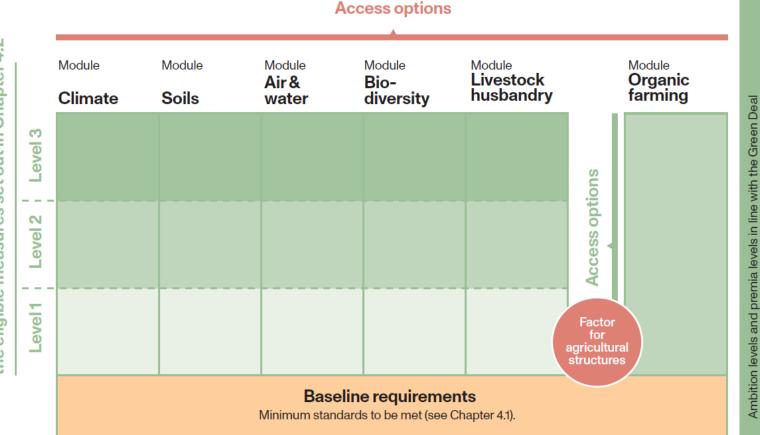
## > download: www.verbaende-plattform.de/en



## Combining ecology and socio-economics CAP post 2027 vision of the platform of associations

#### Top-ups by the federal states

Offers regarding contractual conservation management, investment support, rural development, etc.



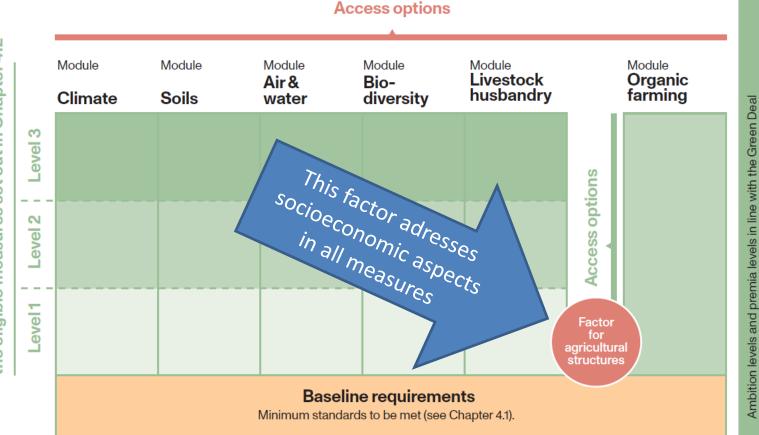
# Support scheme for farmers in keeping with the eligible measures set out in Chapter 4.2



## Combining ecology and socio-economics CAP post 2027 vision of the platform of associations

#### Top-ups by the federal states

Offers regarding contractual conservation management, investment support, rural development, etc.



Support scheme for farmers in keeping with the eligible measures set out in Chapter 4.2

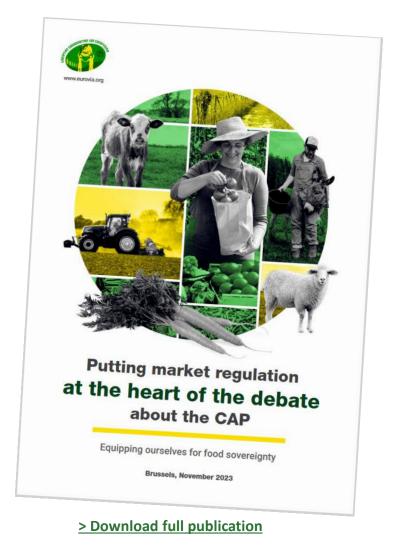


# Fairness through market regulation

### • A fairer distribution of CAP money can not compete with an unfair market

CAP improvements based on food sovereignty are needed, with a stronger focus on

- fair market regulation measures (CMO, UTP)
- solidary international trade rules (WTO)
- (re)creation of a decentralized artisanal food processing sector
- Regulation of agricultural markets is the missing piece to achieve the European green deal and the European open strategic autonomy.
- This regulation is **essential for fair prices and achieving food sovereignty** in Europe.
- This is an essential condition to
   enable enough young people
   to enter peasant agriculture





## Conclusions and recommendations - Fairer distribution

- For decades, those with very high incomes have received billions in taxpayers' money from the CAP, which politicians have approved of. This is not only extremely anti-social, but also one of the causes of the current farmers protests.
- The fair distribution of all CAP funds is already possible and urgently needed! Make best use of existing mechanisms
- BISS is **not spent in a sufficiently targeted manner** to address viable incomes The EU-scope is not progressively used by MS (*"race-to-the-bottom"*).
  - Subsidarity and voluntary nature of measures lead to a low level of ambition.
  - CSP controls seem insufficient in some cases
  - too inflexible requirements for voluntary measures (capping, small farmers scheme)
  - too flexible frameworks for mandatory measures (CRISS, CISYF, ...)
  - CRISS could be designed much more effectively
     e.g. limit for receipt, smaller range of "first ha" minimum requirements missing!







# **Conclusions and recommendations**

### - Combining ecology and socio-economics

- Ecological and agri-structural goals need to be linked in every measure
   → already implemented in some cases across the EU
  - Not only cap, stagger and redistribute BISS, but all CAP direct payment measures
  - e.g. adjust eco-schemes according to socio-economic and agri-structural aspects
  - e.g. higher eco-scheme premia for first hectares to address the **higher bureaucratic burden** of smaller farms and to avoid an overcompensation due to cost degression in large farms







# More actions needed

- EU-wide farmers protests are based on economic dissatisfaction.
   Their main demand: Fair income → first priority fairer market regulation!
- Planetary boundaries and multiple crises urge agri-food systems to become more sustainable *if not effectively enough now, then even more dramatic soon*
- Qualification of all CAP payments necessary, but the current developments show the completely different direction
- Good balance between **baseline requirements** and **remuneration in voluntary measures** needed
- To transform our food system into a resilient one,
   many new farmers and food processors are needed!
   → much more support for generational renewal and business start-ups needed











Thank you for your attention 😊

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# Helpful sources for this research

- EC website
  - Budget table
- Catalogue of CAP interventions
- Results Indicatosr
   Dashboard
- Overview document (EC)
- Comparative analysis (EP)
- CAP Mapping



C English

European Commission

and rural deve



CAP Strategic Plans by country





Please Make your			Member State Result Indicator Output Indi						ut Indicato				Specifi	ic Objective																
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Innovation Systems (AKIS)



# Attachments



# Capping und degressivity of BISS

#### C=Capping CD=Capping und Degressivity

D=Degressivity

		LC*	Implementation	Savings 23-27	Target of reuse	Budget of target	Share saving/target	R.6
Austria	С	-LC	>100K €: <b>-100%</b>	0€	-	-	-	107,0
Bulgaria	С	-LC	>100K €: <b>-100%</b>	60 Mio. €	CRISS	471 Mio. €	12 %	161,8
Lithuania	С	-LC	>100K €: <b>-100%</b>	1,5 Mio. €	CIS-YF	70 Mio. €	2%	116,1
Latvia	С	-LC	>100K €: <b>-100%</b>	385 K €	CRISS	154 Mio. €	0,3%	106,3
Belgium- Flanders	CD	-	60K €-100K €: <b>-85%</b> ; >100K €: <b>-100%</b>	5,5 K €	CRISS	105 Mio. €	0,005%	101,5
Belgium- <b>Wallonie</b>	CD	-	60K€-75K€: <b>-30%</b> ; 75K€-100K€: <b>-85%</b> ; >100K€: <b>-100%</b>	755 K€	CRISS	259 Mio. €	0,3%	108,8
Spain	CD	-LC**	60K€-75K€: <b>-25%</b> ; 75K€-90K€: <b>-50%</b> ; 90K€-100K€: <b>-85%</b> ; >100K €: <b>-100%</b>	54 Mio. €	CRISS	2.414 Mio. €	2%	150,0
Ireland	CD	-	60K €-100K €: <b>-85%</b> ; >100K €: <b>-100%</b>	7 Mio. €	CRISS	593 Mio. €	1%	105,4
Slovakia	CD	-LC	60K €-100K €: <b>-85%</b> ; >100K €: -100%	25 Mio. €	EAFRD	1.276 Mio. €	2%	125,5
Portugal	D	-LC	>100K €: - <b>50%</b>	6,3 Mio. €	CRISS	349 Mio. €	2%	162,0
Slovenia	D	-	60K-160K€: <b>-35%</b> ; 160K-260K€: <b>-45%</b> ; 260K-360K €: <b>-55%</b> ; >360K €: <b>-65%</b>	6 Mio. €	CRISS	39 Mio. €	15%	98,6

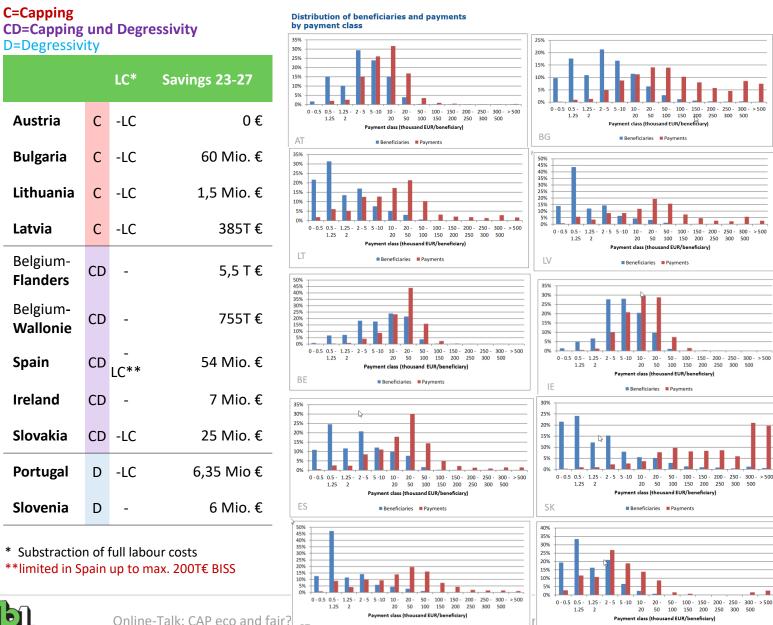
\* Substraction of full labour costs

\*\*limited in Spain up to max. 200K € BISS

Sources: National CSPs and the Result Indicator Dashboard, Agri- and food data portal, EC



# Capping und degressivity of BISS



Beneficiaries Payments

SI

Beneficiaries Payments

PT

(EC, "Direct aid report, financial year 2021" https://agricultur e.ec.europa.eu/sy stem/files/2023-03/direct-aidreport-2021\_en.pdf)

- Only 5 MS (CZ, HR, LI, BE-Wa., HU) allocate significantly more budget to CRISS than the mandatory min. 10% of direct payments
- **8 MS stay even below 10%** (only 2 of them use capping or degressivity instead; 3 of them with R.6 < 100%; DK and MT even 0% budget for CRISS)
- Range of "first hectare" in most CSPs clear above the national average farm size (only BE-Wa., DE, FR and IE stay below)
- Most MS designed CRISS with only 1 step (5 MS have 2 steps with a lower amount for the 2nd range, paradoxically 4 MS pay higher amounts for the 2nd or next ranges of hectares)
- 9 MS exclude big farms from receipt of CRISS by defining an upper limit (4 1200 ha)
- Paradoxically, 9 MS exclude small farms from receipt of CRISS by defining a lower limit (0,5 3 ha)
- In only 6 MS the max. amount per ha payed for CRISS is higher than the amount payed for BISS/ha (CZ, PT, LT, BE-Wa., BG, AT)

Sources: National CSPs



# Scenarios for improvement of CRISS in Germany



#### BISS + CRISS in €/average farm In the respective farm size class

#### Scenario I: Without CRISS

Scenario II: Current design (0–40ha +70€/ha, 41–60ha +40€/ha) Scenario III: Hectarerange reduced to max. 40ha Scenario IV: Limit for receipt of CRISS at farm size 100ha Scenario V: Increase CRISS budget from 12 to 20% of DP

A combination of III-V increases the effect

0 bis 5 ha (Ø 1,7 ha)
5 bis 10 ha (Ø 7,3 ha)
10 bis 20 ha (Ø 14,9 ha)
20 bis 50 (Ø 33,3 ha)
50 bis 100 ha (Ø 70,9 ha)
100 bis 200 ha (Ø 136,5 ha)
200 ha und mehr (Ø 516,5 ha)

**Figure 1:** Effect of change scenarios of the redistribution premium in Germany on the amount of the sum of basic and redistribution premium in 2023 for the average farms in the different farm size categories. (Source: Own calculation based on figures from the BMEL and Destatis.)



# Support for young farmers (selected measures)

Land	farms (in 1000)	Farm size Ø (ha)	% min. requirem.	R.36	R.36/ farm	Implementation of CIS-YF	Start up aid (total)	Start up aid / R.36
Malta	10	1,1	723%	260	2,6%	560 €/ha	7 Mio. €	27.308€
Greece	685	7,5	257%	80000	11,7%	0 – 25 ha <b>+70 €/ha</b>	590 Mio. €	8.759€
Croatia	134	11,2	175%	13000	9,7%	0 – 50 ha <b>+85,34 €/ha</b>	101 Mio. €	7.805€
Lithuania	150	19,8	158%	4662	3,1%	0 – 70 ha <b>+140 €/ha</b>	95 Mio. €	20.378€
Belgium-Wallonia	13	56,5	143%	620	4,8%	0 – 50 ha <b>+140 €/ha,</b> 51 – 100 ha <b>+80 €/ha</b>	35 Mio. €	56.452€
Portugal	259	13,9	139%	2715	1,0%	-	82 Mio. €	30.382€
Slovenia	70	6,9	131%	3865	5,5%	0 – 90 ha <b>+78 €/ha</b>	47 Mio. €	12.487€
Belgium-Flanders	23	27,0	129%	1665	7,2%	0 – 45 ha <b>+250 €/ha,</b> 46 – 90 ha <b>+200 €/ha</b>	51 Mio. €	30.464 €
Italy	1146	10,9	124%	82011	7,2%	0 – 90 ha <b>+83,50 €/ha</b>	756 Mio. €	9.454 €
Spain	945	25,8	123%	16528	1,7%	0 – 100 ha <b>+80-1400 €/ha</b> (20 regions)	666 Mio. €	39.997€
Estonia	11	89,8	116%	899	8,2%	0 – 100 ha <b>+91 €/ha</b>	25 Mio. €	27.809€
Finland	46	49,4	113%	2500	5,4%	0 – 150 ha <b>+88 €/ha</b>	56 Mio. €	22.400 €
Slovakia	26	73,7	109%	1000	3,8%	0 – 100 ha <b>+100 €/ha</b>	57 Mio. €	57.000€
Luxembourg	2	61,5	107%	132	6,6%	6660 €/farm	8 Mio. €	51.948€
Czechia	27	130,5	106%	1725	6,4%	0 – 90 ha <b>+109 <i>(140)</i> €/ha</b>	115 Mio. €	66.498€
Poland	1411	10,3	106%	51634	3,7%	61 €/ha	573 Mio. €	11.096€
Bulgaria	203	24,8	104%	9212	4,5%	100 €/ha	242 Mio. €	26.244 €
Germany	263	63,1	103%	20100	7,6%	0 – 120 ha <b>+134 €/ha</b>	34 Mio. €	6.964 €
Romania	3422	4,0	103%	36000	1,1%	0 – 50 ha <b>+46 €/ha</b>	251 Mio. €	1.680€
Austria	110	23,7	102%	10400	9,5%	0 – 40 ha <b>+65,9 €/ha</b>	79 Mio. €	7.548€
France	457	63,5	101%	27944	6,1%	4469 €/farm	920 Mio. €	33.789€
Cyprus	35	3,6	101%	840	2,4%	85 €/ha	11 Mio. €	13.095€
Sweden	59	50,9	100%	4170	7,1%	0 – 200 ha <b>+109 €/ha</b>	17 Mio. €	68.735€
Denmark	35	75,0	100%	1882	5,4%	-	129 Mio. €	24.896 €
Netherlands	56	32,4	100%	2951	5,3%	2800 €/farm	75 Mio. €	24.883€
Ireland	138	32,8	100%	7000	5,1%	0 – 50 ha <b>+196 (161) €/ha</b>		16.296€
Hungary	241	22,0	100%	6800	2,8%	0 – 300 ha <b>+157 €/ha</b>	111 Mio. €	4.125€
Latvia	70	28,0	100%	1739	2,5%	0 – 150 ha <b>+40 €/ha</b>	43 Mio. €	



# Result indicators for fairness?

#### **R.6 Redistribution to smaller farms**

Percentage of additional direct payments per hectare for eligible farms below average farm size (compared to average)

BISS CRISS Chapter II/2/2 Art. 29 SmFaSc **R6 CIS-YF** Art.30 CIS Chapter II/3/1 **Eco Schemes** Art. 31 Start up aid Art. 75(2)(a) **CIS-YF R36** Art.30 Cooperation (Farm handover) Art. 77

**R.36 Generational renewal** Number of young farmers benefitting from setting up with support from the CAP, including a gender breakdown

https://agriculture.ec.europa.eu/system/files/2023-05/pmef-result-indicators\_en.pdf



# Further requirenments

- How to reduce the risks of "fairwashing" in the current and future programming period? (see also <u>ARC2020 report</u>)
- More socio-economic/agri-structural result indicators are needed
- **Future analyses** and summary overviews carried out by the EC need to ...
  - 1. ... reconsider the **loopholes, backslide, and static steps** made by the MS in terms of a fairer CAP
  - 2. ... report about the implementation of **fairness criteria in CAP interventions beyond direct payments** (e.g., market crisis support, risk management tools, rural development investments, producer organisations and cooperation)
  - 3. ... provide independent up to date overviews of all direct payments **by farm size** and in relation to the **farm income per person**.
  - 4. ... include also **other categories like gender, age, crops,** that are highly relevant
- Definition of **"active farmer"** to be further developed for better targeting







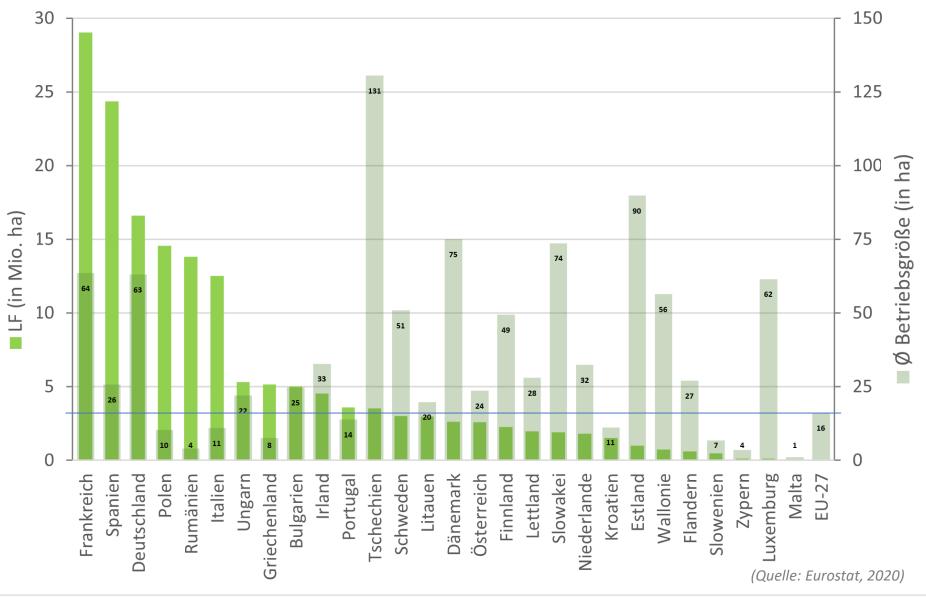
# Alignment of the main needs in the strategic plans

CSP	Main identified needs	Type of need	economic	environ- ment	social
FR	1) Food security	social			х
	2) Climate and environmental protection	environment		x	
	3) Organic farming and pollution reduction	environment		x	
DE	1) Farm income support	economic	x		
	2) Climate and environmental protection	environment		x	
	3) Water and air quality	environment		x	
іт	1) Farm income support	economic	х		
	2) Organic farming	environment		x	
	3) Support to producers	economic	x		
PL	1) Farm income support and fairer distribution	economic	x		(x)
	<ol> <li>Climate and environmental protection and animal welfare</li> </ol>	environment		х	
RO	1) Farm income support and fairer distribution	economic	х		(x)
	2) Increase competitiveness of farms and producers	economic	х		
	3) Rural development	social			X
ES	1) Farm income support	economic	x		
	<ol> <li>Ensuring sustainability and efficient management of natural resources</li> </ol>	environment		x	
	3) Generational renewal and rural vitalisation	social			х
Total of all 28 Strategic Plans Source: adjusted from Münch et al., (Mai 20			39	29	14

und ihres effektiven Beitrags zur Erreichung der EU-Ziele, im Auftrag des EP



# UAA und Ø farm size in the EU member states





# Farms and labour force in the EU member states

