



European
Commission



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COMMON AGRICULTURAL POLICY FOR 2023-2027

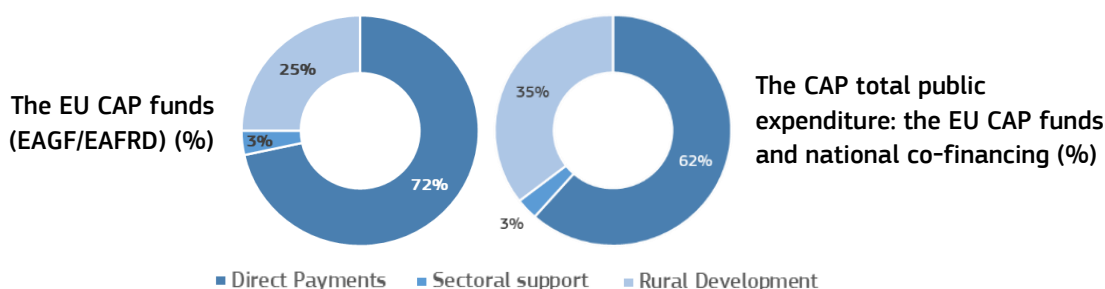
28 CAP STRATEGIC PLANS AT A GLANCE

Agriculture
and Rural
Development

1. THE NEW **COMMON AGRICULTURAL POLICY** (CAP) IS UNDERWAY WITH THE APPROVAL OF THE **28 CAP STRATEGIC PLANS**

- ➔ From 1 January 2023, support for farmers and rural stakeholders across the 27 EU Member States will be based on the new CAP legal framework¹ and the choices detailed **in the CAP Strategic Plans, approved by the Commission**. The approved Plans are designed to make a significant contribution to the ambitions of the EU Farm to Fork and Biodiversity Strategies.
- ➔ Underpinned by **EUR 264 billion**² of EU resources for Strategic Plans, the **CAP remains a key tool for supporting resilience** in the farming sector and rural areas, providing **food security** and enabling the **transition to sustainability**. Including national co-financing³, the CAP mobilises more than **EUR 307 billion** of public expenditure⁴.

Figure 1: Distribution of the planned expenditure under the CAP, %, 2023-2027⁵ (Source: Approved CAP plans)



- ➔ Amidst climatic and geopolitical uncertainties, rising input costs, and environmental and social challenges, **the stable and predictable support provided through CAP Strategic Plans** will reinforce farmers' and rural areas' resilience over the **2023-2027 period**.
- ➔ Designed within a robust common EU legal framework, the 28 CAP Strategic Plans⁷ include **tailored strategies** to address Member States' specific circumstances and needs, since there are **no 'one-size-fits-all' solutions**.
- ➔ The Plans deploy different tools that address the CAP's **economic, environmental and social objectives in a balanced way**.
- ➔ The 28 CAP Strategic Plans **contribute to the EU's environmental and climate ambitions** with basic standards going well beyond current CAP provisions, incentives for extra effort and advice.

¹ CAP Strategic Plan Regulation – SPR Regulation (EU) No 2021/2115

² It includes EU CAP funding from the European Agricultural Guarantee Fund (EAGF) (direct payments, sectoral support) and the European Fund for Rural Development (EAFRD)

³ Co-financing of spending under rural development and apiculture (sectoral support)

⁴ CAP Strategic Plans are funded on the basis of the Multiannual Financial Framework for years 2021-2027 which allocated EUR 378.5 billion EU-funds to CAP spending programmes.

⁵ Total public expenditure: technical assistance financed with national funds is not included

⁷ Member States have one Strategic Plan each, except Belgium, which has two; one for Flanders and one for Wallonia.

2. ADVANCING ON ECONOMIC SUSTAINABILITY AND FAIRNESS OF SUPPORT

DID YOU KNOW?

- In 2021, 5.8 million farms received support in the form of direct payments from CAP, covering an area of 141 million ha, with an average farm size of 24.1 ha size.
- On average, farmers' gross income amounts to 49% of the EU average wage (2021).
- 59% of the total utilised agricultural area in the EU comprises areas affected by natural constraints and other area-specific constraints (2021).
- Direct income support represents around 25% of EU farm income (2014-2018 average).



- ➔ All Strategic Plans support **viable farm income and resilience of the agricultural sector** as a key objective. Direct payments serve as a safety net for farmers and ensure farming activities continue. Close to EUR 29 billion earmarked annually through basic and other income support will address **the persistent gap** between agricultural income and the average wage in the whole economy as well as the **disparities in income between agricultural sectors and farms**.
- ➔ Thanks to the Plans, progress is being made in **redistributing income support payments from larger to smaller farms**, using different combinations of tools, depending on size, viability and farm structures.
 - 10.6% of EU direct payments or EUR 4 billion annually will be reallocated through complementary payments (CRISS), resulting in smaller farmers receiving increased income support. This is 2.5 times more than the funding allocated to the redistributive payment before 2023.
 - The Plans use also other means to redistribute funds such as reducing or capping the amounts of basic payments for bigger farms, a dedicated payment for small farms or a differentiated or targeted design of the basic, coupled or eco-scheme support.
 - In almost all Member States, the average direct payment support per hectare of smaller farmers will be above the national average. On average, this translates into a 16% higher payment per hectare to the advantage of smaller farms⁸.

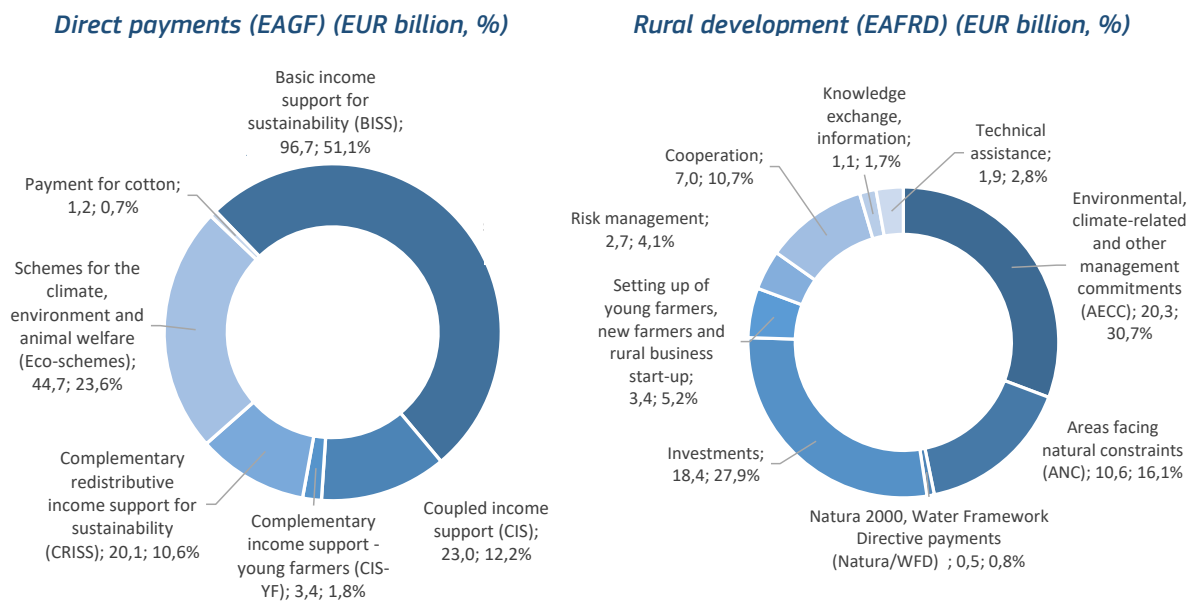
⁸ On the basis of the simple arithmetic average of the Member State values of Result Indicator 6 set out in CAP Strategic Plans (R.I.6 Redistribution to smaller farms).

- ➔ Income support payments **are conditional on farmers' complying** with strengthened basic **standards for good agriculture and environmental conditions** (GAECS). GAECS are expected to cover close to 90% of the EU's agricultural land.
- ➔ Coupled income support is provided to improve the situation for agricultural sectors that experience difficulties and are **important for social, economic or environmental reasons**. Such support targets 18 sectors in total, aiming to reach 21% of EU farms. It is also used increasingly to support cultivation of leguminous crops to reduce the EU's dependency on imports of plant protein for feed and can help cushion the shortage of nitrogen fertilisers.
- ➔ **Support for protein crops and legumes** will increase by 25% compared to 2022. The supported area is estimated to reach 7 million hectare in 2027.
- ➔ **Modernisation investments** are expected to increase productivity and the efficient use of resources and will reach almost 400 000 of EU farms. Those investments include the financing of nutrient recycling, technologies for optimal and reduced use of fertilisers, biomass processing, energy efficiency and precision farming.



- ➔ The Plans channel a total public budget of EUR 1 billion to **financial instruments** - comprising, both guarantees and loans, to ease access to lending and microcredit **for investments into producers' viability, with a focus on small farms and young farmers.**
- ➔ **Around 760 000 or 8% of EU farms** will receive support to **participate** in producer groups and organisations, short supply chain circuits and quality schemes. This will help **strengthen their position in the value chain.**

Figure 2: Planned distribution of direct payments (EAGF) and EU rural development (EAFRD) funds, 2023-2027⁹ (Source: Approved CAP plans)



A CLOSER LOOK INTO CAP PLANS:

- ✓ Annually, more than EUR 19 billion is earmarked for support to farmers through basic income support for sustainability (BISS). A further EUR 9.6 billion of income support targets specific groups and needs of farmers (sectors in difficulty, small farmers, and young farmers).
- ✓ 15% of EU farms will receive support for insurance premiums, and for participating in mutual funds or in other risk management tools that help farmers deal with crises.
- ✓ Annually, EUR 3.7 billion of CAP public funds will provide extra support to farmers in areas facing natural or other specific constraints, such as mountain areas.

⁹ Direct payments: where Member States have used that choice, the total includes the estimated amount resulting from the capping of BISS amounts granted to farmers, thus the planned total of all interventions under direct payments is higher than the amount set in Annex V of the SPR Regulation – the difference corresponds to the capping.

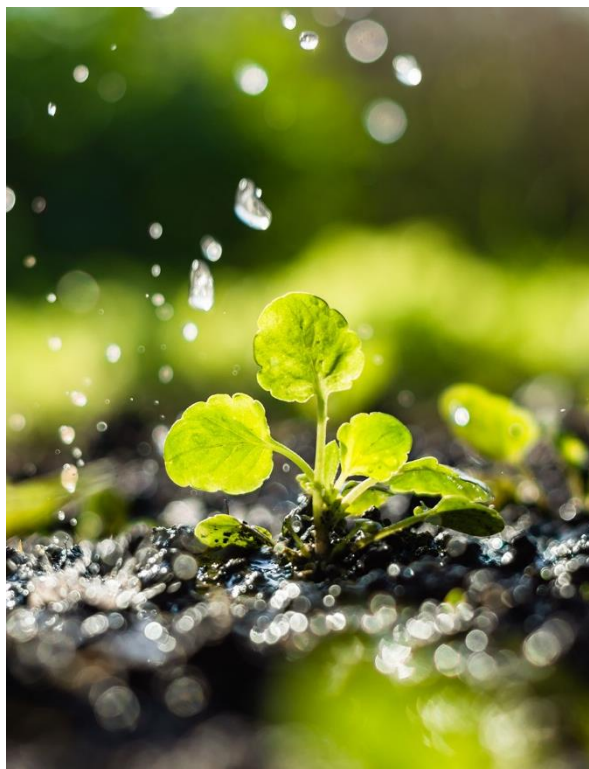
3. ADVANCING ON THE ENVIRONMENTAL AND CLIMATE SUSTAINABILITY

DID YOU KNOW?

- In 2020, 9.1% of EU agricultural land was farmed organically. 61.6% of this land under organic farming received specific CAP support payments for organic.
- 12% of EU net greenhouse gas emissions originate from agriculture (2020).
- EU greenhouse gas emissions from agriculture have fallen by more than 20% since 1990, but the decrease stagnated since 2010.
- Carbon sequestration of land is declining with trends from grassland and croplands remaining stable compared to forest lands.
- The risk of nutrient pollution caused by agriculture (the 'Gross nutrient balance') decreased during the period 2000-2014, yet nearly 10% of groundwater monitoring stations still showed a concentration of nitrates exceeding the legal limit of 50 mg nitrates per litre (2019).

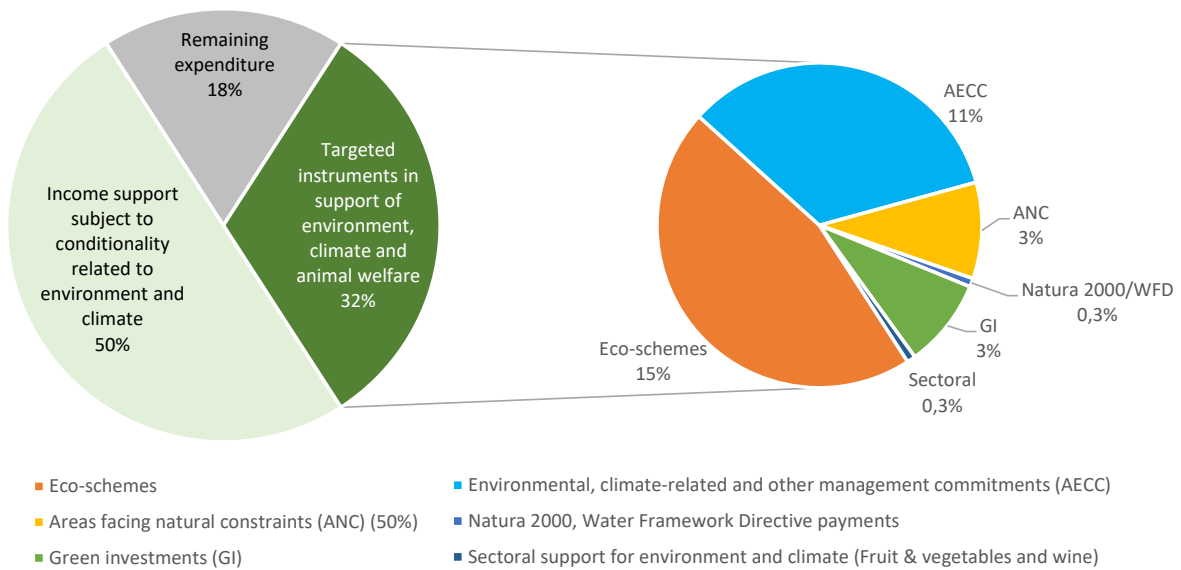
→ **All farmers** receiving CAP income support must **comply** with a set of statutory management requirements and **basic standards for environment and climate** GAECs, called 'conditionality'. These conditions were **considerably strengthened** compared to the 2014-2022 CAP, among others by including upgraded 'greening' requirements.

→ The CAP Strategic Plans **devote fully 32% or close to EUR 98 billion of the total public CAP funding** to deliver specific environmental benefits for climate, water, soil, air, biodiversity, and animal welfare and to encourage practices that go beyond the conditionality.



- ➔ More specifically, based on Member States' policy choices for financing across the instruments and funds (EAGF, EAFRD), **24% of direct payments** are dedicated to eco-schemes and **48% of rural development spending** from EU funds is earmarked for environment and climate¹⁰.
- ➔ Accumulation matters. The combination of the conditionality, applicable on 90 % of the land and of specifically targeted instruments on at least 47% of that land, together with farm investments and advice, help the EU advance towards meeting the objectives of the EU Farm to Fork and Biodiversity Strategies.

Figure 3: CAP public financing contributing to protection of environment, climate and animal welfare (EAGF/EAFRD and national funds, %, 2023-2027)¹¹ (Source: Approved CAP plans)



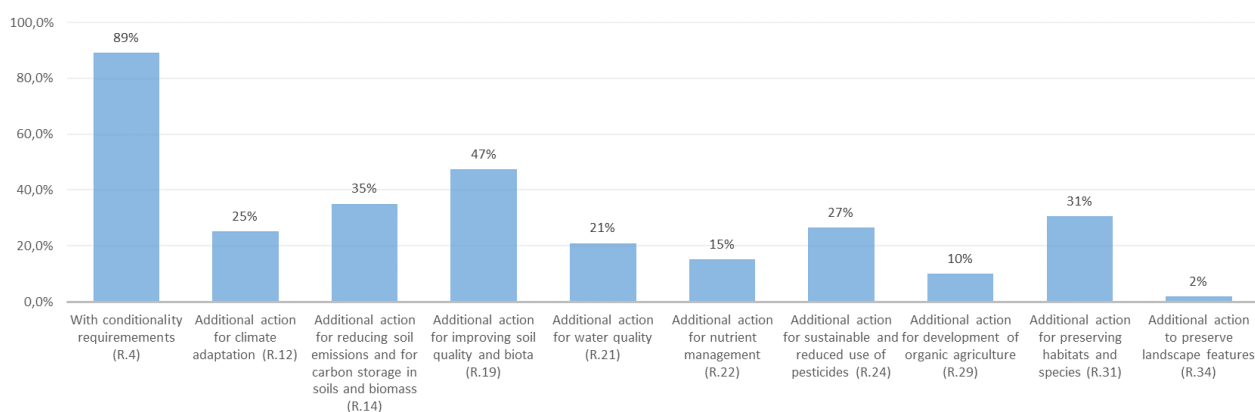
¹⁰ Required ring-fencing for eco-schemes: minimum 25% of direct payments from EAGF; and a minimum of 35% from EAFRD as set out in Regulation (EU) 2021/2115.

¹¹ Income support subject to conditionality: BISS, CRISS, complementary income support for young farmers (CIS-YF), CIS, cotton and includes ANC 50%; Targeted instruments in support of environment, climate, animal welfare: eco-schemes, AECC, ANC 50%, Natura 2000/WFD, green and non-productive investments, sectoral support (ring-fencing requirements for wine: at least 5% of the expenditure; for fruit and vegetables: at least 15% of the expenditure).

CLIMATE

- CAP Strategic Plans **contribute to the objectives of reducing greenhouse gas emissions and increasing carbon sequestration**, by protecting and increasing carbon sinks, and addressing emissions from mineral fertilisers and livestock.
- For the first time, CAP basic standards (conditionality) protect **EU agricultural wetlands and peatlands in order to reduce carbon release**. Climate mitigation efforts are stepped up thanks to e.g. restricted tillage, a ban on conversion, drainage, burning or extraction of peat.
- The enhanced **requirement to maintain non-productive areas and features**, on at least 3% of arable farm land will also increase the carbon removal from the atmosphere at farm level.
- To remove more carbon, farmers need to further change production methods. The Plans will incentivise land managers **to store carbon in soil and biomass and reduce emissions on 35% of the EU's agricultural area** through **appropriate management practices**, such as extensive grassland management, growing of leguminous and catch-crops, organic fertilisation or agroforestry.
- CAP Plans grant support most to land without requirements for specific production, today or in the past. This policy choice benefits **livestock systems with extensive and permanent grassland management**, contributing to carbon removal and helping maintain carbon stocks.
- The EU cattle herd has been decreasing; it fell by 2% between 2010 and 2020. Further actions in the Plans to reduce methane and ammonia emissions focus on ruminants mainly through optimised feeding. This is complemented by support for investments in biogas production, manure management and genetic improvement.

Figure 4: Share of the EU's utilised agricultural area (UAA) under mandatory and additional actions related to climate and environment¹² (Source: Approved CAP plans)



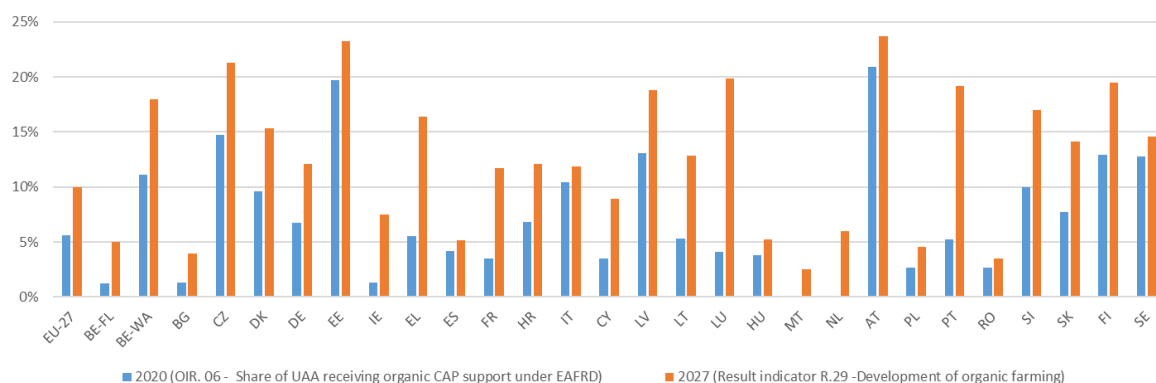
¹² R.X refers to the number of the relevant result indicator (Annex I of the SPR Regulation)

NATURAL RESOURCES

- ➔ Farmers **protect soils and preserve soil potential** thanks to crop rotation. All Strategic Plans include this as a new basic condition for farmers instead of new GAEC obligation and the rotation will take place on around 85% of the arable land supported by the CAP. Crop rotations will also help disrupt pest and disease cycles and thus reduce use of pesticides.
- ➔ In addition, the CAP Strategic Plans will help farmers restore **soil fertility**, reaching up to 47% of EU agricultural land such as through enhanced crop rotation, conservation agriculture, catch crops or vegetation cover in orchards. This also helps increase the **water retention capacity** and resilience to drought.
- ➔ Targeting **water resilience**, specifically, the Plans include support for action on cultivating drought-adapted crops, establishing or restoring landscape features like ponds and hedges, stimulating agroforestry, improving irrigation equipment and infrastructure.
- ➔ To **reduce pollution from fertilisers and pesticides**, all farmers receiving support must create buffer strips along water courses of at least 3 metres, sometimes with special provisions for small fields surrounded by water. The Strategic Plans provide for support that aims at reducing emissions during different stages of the nutrient cycle, from feeding and animal housing, to manure storage and application of ammonia.
- ➔ To **reduce the use and risk of pesticides**, more than 26% of EU agricultural land will receive support e.g. by banning use in certain specific areas, adopting integrated pest management and using non-chemical methods for pest control such as precision farming.
- ➔ Reduction of pesticide and fertiliser use will also be achieved also through increasing the area of organic production. The **size of the area** that receives specific **CAP support for organic production** in 2027 **will almost double**, reaching close to 10%, compared to the area funded in 2020 (5.6%). This will significantly help Member States' reach their national ambitions for increase in organic areas. The ambitions for those areas across Member States range from 5 to 30% in 2030.



Figure 5: Share of UAA supported by the CAP for organic farming (conversion and maintenance) in 2020 and for 2027 (Source: Funded area through Rural development programs, EAFRD (2020) and approved CAP plans)





BIODIVERSITY

- The CAP Plans reward farmers for creating **space for nature on agricultural land and improving ecological connectivity**. Support will be provided to agricultural areas which maintain and/or include more landscape features which are recognised as an integral part of agricultural production systems.
- As part of the **strengthened basic conditions**, farmers will maintain and protect **landscape features and other non-productive** areas, such as hedges, ditches, trees and fallow land on at least 3% of their arable land. This may lead to more than 3 million hectares **of non-productive areas and features**, which is significantly above the non-productive areas and features (around 1.9 million hectares), designated as ecological focus areas before 2023.
- In addition, farmers will be supported for managing 2.86 million hectares of landscape features and for establishing new ones, as well as encouraged to have extra non-productive land.
- **Environmentally sensitive permanent grasslands** remain covered by a ban on conversion or ploughing to protect the habitats and species. The area under this basic condition, applicable in **Natura 2000 zones**, is likely to be 9% higher than under the CAP before 2023.
- Targeted actions to **conserve or restore biodiversity** including high-nature-value farming practices will cover close to 31% of the EU's agricultural area.

A CLOSER LOOK INTO CAP PLANS:

- ✓ *Maintaining minimum soil cover will be required on between 80% and 100% of arable land in the most sensitive period. This is an increase compared to the current situation. The requirements are adapted in Strategic Plans for areas with a short growing season due to long and cold winters.*
- ✓ *Planned investments in renewable energy production on farms will add 1 556 MW to the EU's energy production capacity.*
- ✓ *Almost 180 000 farms will receive support for investments contributing to climate change mitigation and adaptation and to the production of renewable energy or biomaterials.*
- ✓ *The CAP plans will finance almost 623 000 hectares for afforestation or agroforestry restoration.*
- ✓ *25% of Natura 2000 areas will be covered by specific, additional focused actions to protect habits and species.*
- ✓ *Beekeepers will receive CAP support for their beehives protecting around half of EU beehives.*



4. ADVANCING ON SOCIAL SUSTAINABILITY

DID YOU KNOW?

- Rural areas are home to 137 million people or 30% of the EU population. Some areas face depopulation and ageing (2018).
- The average farm manager is 57 years old (2020) and only 1 in 5 EU farmers is under 44 years of age (2020).
- 31% of farms are managed by women (2020).
- Agriculture represents on average around 4% of the GDP in the rural areas (around 1% of the total GDP in the EU), contributing to many other industries and businesses.

- ➔ CAP Strategic Plans help **rural areas** address challenges identified in the [Long-term vision for the EU's rural areas](#), including depopulation, access to and improvement of basic services, opportunities for employment and solutions related to connectivity. 11% of the EU's rural population will benefit from **improved access to services and infrastructures** through CAP support. This complements other EU and national instruments which are active in rural areas.
- ➔ To encourage **bottom-up local development of rural areas, improve social capital and local governance**, on average 7.7% of the EU rural development financing is reserved for the implementation of community-led local development strategies (LEADER), covering 65% of the EU rural population.



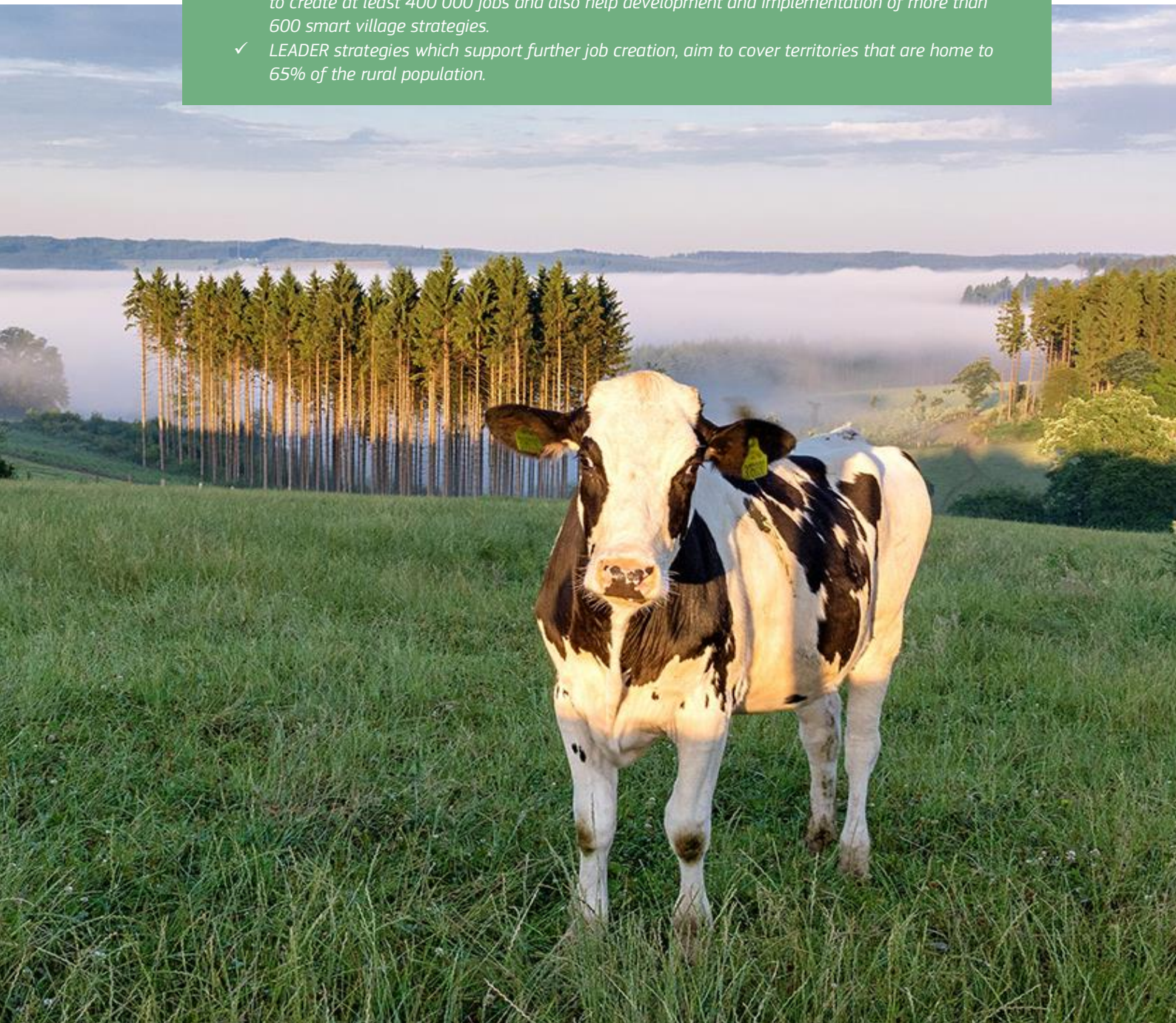
- ➔ Young farmers and **generational renewal** will be supported with at least **EUR 8.5 billion**. The EU funding of EUR 6.8 billion exceeds the required minimum amount¹³, - 5.2% of rural development funds and 1.8% of direct payments - to help young and new farmers with income support, the costs of setting-up their business or investment. Some Member States allocate **further resources** to encourage **farm succession**, step up **gender equality** in rural areas and strengthen the position of women in farming.

¹³ Required ring-fencing for generational renewal corresponds to 3% of the direct payments envelope as set out for each Member State in Annex XII of the SPR Regulation.

- ➔ For the first time, CAP income support is conditional on compliance with certain **EU social and labour standards ('social conditionality')**.
- ➔ At least EUR 7 billion will be dedicated to **improving animal welfare and health** with a wide range of commitments according to species and husbandry systems such as by providing enlarged space allowance or abandoning confined husbandry methods. For example: in the **pig sector** support is dedicated to enlarging living space by at least 20%, or by combining an increase in space - ranging from 15% to 20% - with other actions that improve housing conditions (enriched material, light management, and microclimate control); in the **laying hens sector**, by limiting the use of the enriched cages.

A CLOSER LOOK INTO CAP PLANS:

- ✓ *In the 2023-2027 period, a total of 377 000 new young farmers are expected to set-up their businesses with CAP support.*
- ✓ *23% of the EU livestock units will be covered by actions to support and improve animal welfare that will also help limit the use of antimicrobials.*
- ✓ *The plans support investments to make living and working in rural areas more attractive, aiming to create at least 400 000 jobs and also help development and implementation of more than 600 smart village strategies.*
- ✓ *LEADER strategies which support further job creation, aim to cover territories that are home to 65% of the rural population.*



5. IMPROVING KNOWLEDGE, INNOVATION AND DIGITALISATION

DID YOU KNOW?

- 60% of rural households have access to fast broadband internet (2019).
- Around 32% of farmers had a basic or full agricultural training (2016).
- In 2020, More than 2 500 Operational Groups of farmers and innovators are supported under the European Innovation Partnership for Agricultural Productivity and Sustainability (EIP-AGRI).

➔ The Plans boost support for **advice, demonstration, training** to help farmers with the transition to a more resource efficient, resilient and sustainable agricultural system.

➔ More than 6 million people are expected to benefit **from CAP funded advice, training and knowledge exchange**, or will participate in innovation projects under the European Innovation Partnership with a specific focus for some on environmental and climate performance or social and rural aspects.



➔ The Plans **support investments in digital technologies** and services to optimise resource efficiency, including for precision farming. Focus is given to development of digital skills of farmers and digital tools for **knowledge exchange** amongst farmers, advisers, research and also **to increased data sharing**.

➔ For the first time, all farmers will **have access to advice on digital issues** and on the use of a Farm Sustainability Tool for Nutrients.

A CLOSER LOOK INTO CAP PLANS:

- ✓ Member States plan to support 6 600 innovation projects, carried out by Operational Groups under the European Innovation Partnership for Agricultural Productivity and Sustainability (EIP-AGRI) to develop innovative solutions allowing farmers, foresters and rural businesses to improve performance and sustainability. This is three times the amount compared with the 2014-2020 period.
- ✓ More than 200 000 independent advisers will be supported in their work to help transfer knowledge to and increase innovation among farmers.

