

# COMMON AGRICULTURAL POLICY

post-2020

## Enhancing farm competitiveness

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ENRD Workshop

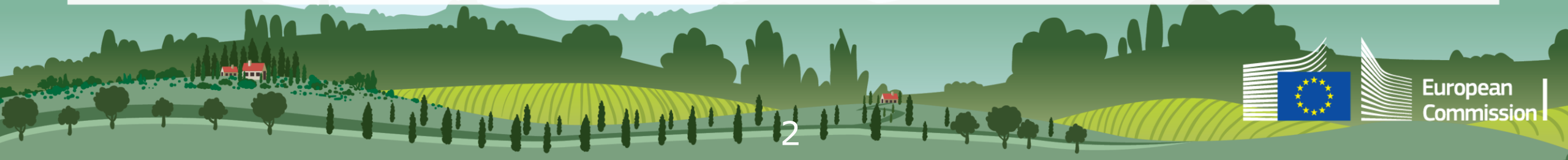
Pathways to farm competitiveness through the CAP

4 June 2019, Brussels

**#FutureofCAP**

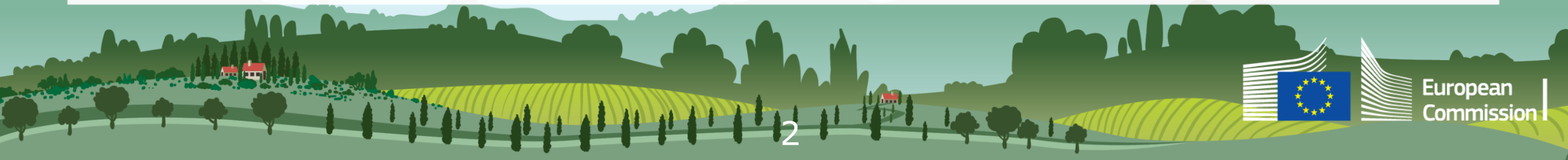
# SUMMARY

- 1. The CAP objectives and strategic planning*
- 2. Key interventions to enhance farm competitiveness*
- 3. Assessing the policy*



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# THE 9 CAP SPECIFIC OBJECTIVES

**Objective 2: specific for increasing market orientation and competitiveness...**

**but ALL objectives are relevant for farm competitiveness!**



**SIMPLIFICATION**

**Reduce** administrative burden

**PERFORMANCE BASED SYSTEM**

**Ensure** policy results

**BETTER TARGETING**

Rules with better **links to local realities**

**KEEP STRONG COMMON ELEMENTS**

**Keep** a level playing field

**Enhanced** ambition

# Key steps towards the CAP Strategic Plan

1/ SWOT analysis for each specific objective 



2/ Identification, prioritisation and ranking of needs



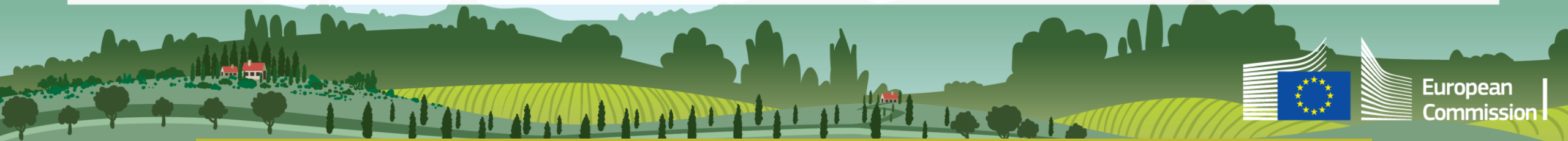
3/ Intervention strategy



*Selection of the interventions and financial allocations*

*Targets for result indicators*

- Comprehensive overall description of the current situation
- Regional specificities to be reflected. Including all relevant territorial, sectoral, economic, social, structural or environmental trends, etc.
- Based on:
  - Common context indicators
  - Other quantitative and qualitative up-to-date information

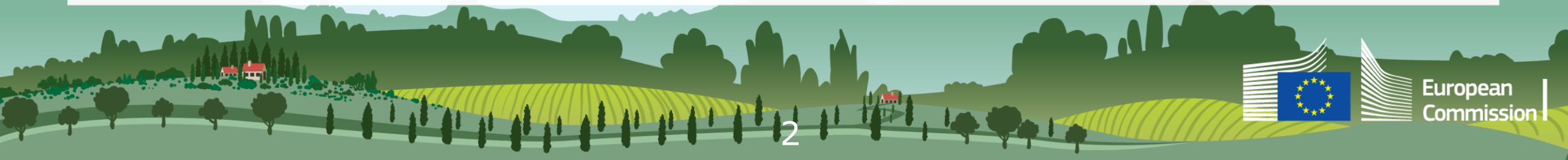


# The SWOT is a tool, not an end in itself: the first link in a chain

- To give an overall and **comprehensive** picture of the territory covered by the CAP plan
- To identify the **specificities** of the territory
- To provide the **foundation** for the needs assessment
- To support the setting of **targets**
- To provide justifications for priorities for intervention, providing an **evidence-based** rationale for strategic choices
- To provide the background against which the interventions can be checked to ensure that they are **justified, relevant and adequate** in terms of the optimal use of public funds

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# DEVELOPING A KNOWLEDGE-BASED AGRICULTURE

- ▶ **Cross-cutting objective** on knowledge, innovation and digitisation
- ▶ Strengthening of the **Agricultural Knowledge and Innovation System**
- ▶ Each **CAP strategic plan** will include a section on how to **stimulate** the **exchange of knowledge and innovation** & the development of **digital technologies** in agriculture
- ▶ **Advice, training, cooperation** among the possible types of intervention
- ▶ **Specific budget of EUR 10 billion** in Horizon Europe for food, agriculture, rural development and the bio-economy
- ▶ **European Innovation Partnership**





# ENSURING A FAIRER AND MORE EFFICIENT SUPPORT



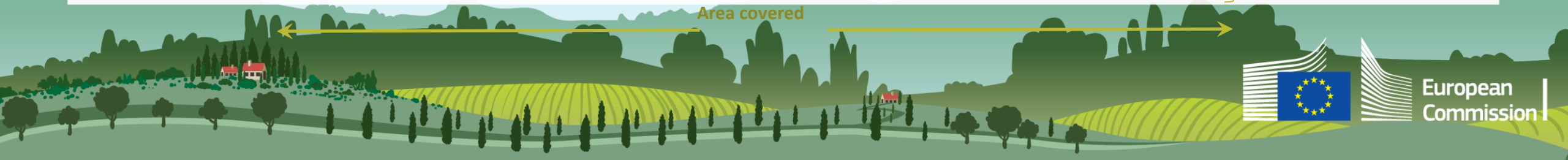
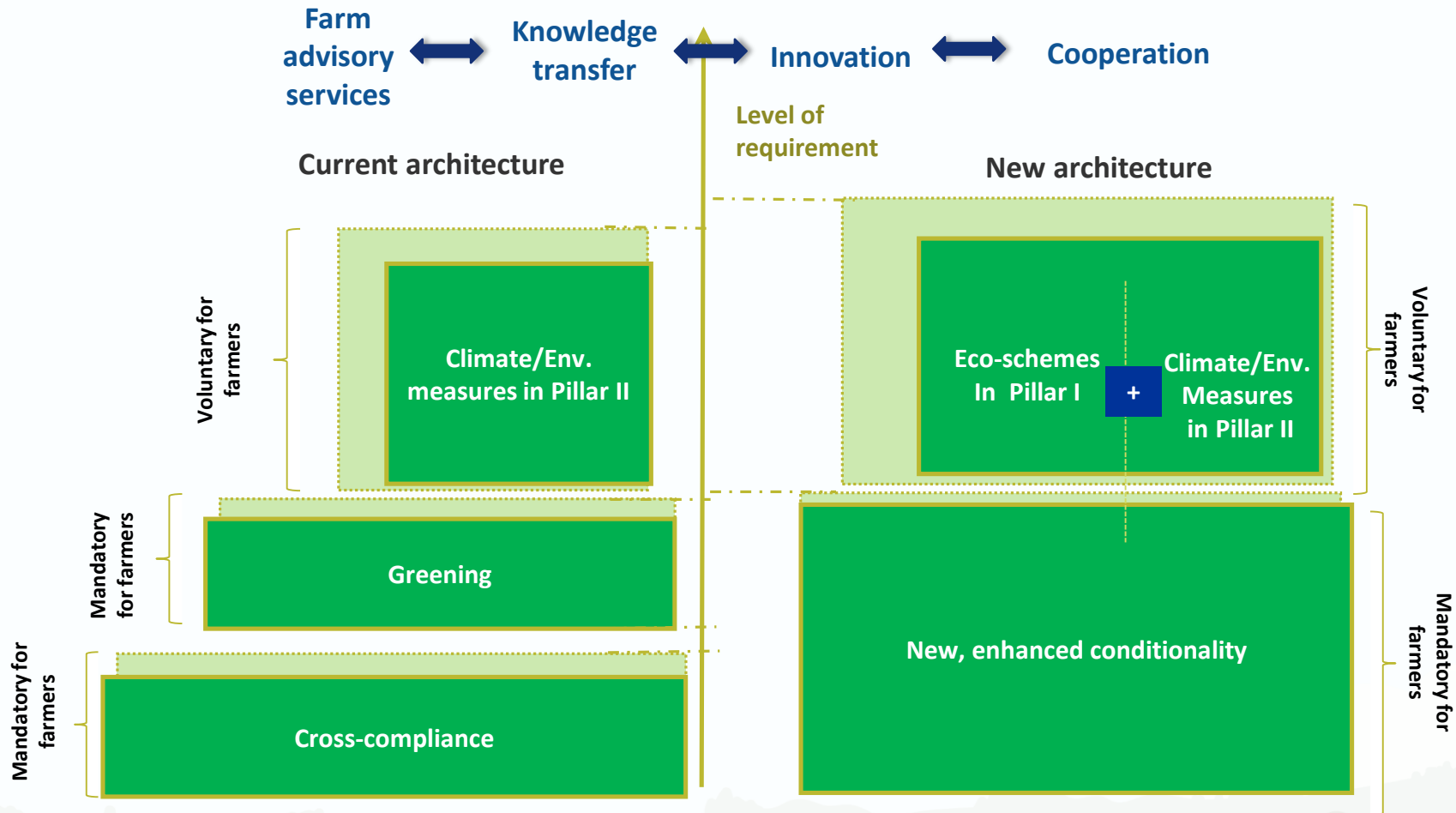
- Priority to support **small and medium-sized** holdings and **young** farmers:
  - Reduction of direct payments above EUR 60,000 per holding and capping beyond EUR 100,000 (taking into account the cost of labour)
  - Compulsory redistributive payment and internal convergence
  - Minimum of 2% of the national envelope for direct payments reserved specifically for young farmers
  - ‘External convergence’ (rebalancing the level of aid per hectare between countries)
- Allocation of income support to ‘genuine’ farmers (to be defined by MS)
- Coupled income support for sectors in difficulty to increase competitiveness, sustainability and quality

# SECTORAL STRATEGIES



- Sectoral programmes integrated in the CAP strategic plans
  - For fruit and vegetables, wine, olive oil, hops and apiculture
  - Possible extension to other sectors (max 3% of direct payments)
- Geographical indications: simplification and greater attractiveness
- New Directive on Unfair Trading Practices (agreed in December 2018) and proposal for More Market Transparency in the EU's food supply chain (22 May 2019)

# CURRENT VS NEW GREEN ARCHITECTURE



# KEY INTERVENTIONS FOR FARM COMPETITIVENESS

- Knowledge exchange and information
- On-farm investment support
- Start-up of rural businesses linked to agriculture and forestry or farm household income diversification
- Business start-up of non-agricultural activities in rural areas
- Cooperation
- Provision of sustainable rural services and infrastructure
- Risk management tools
- Financial instruments, incl. support for working capital

**+ Networking opportunities**

# SPECIAL ATTENTION TO YOUNG FARMERS

- ✓ Summary of the SWOT analysis covering:
  - ✓ access to land, land mobility and restructuring
  - ✓ access to finance and credits
  - ✓ access to knowledge and advice
- ✓ Overview of the generational renewal **strategy**, identifying a clear and coherent set of interventions, including the interplay with **national instruments**

A ring-fenced budget of at least 2% of the national envelope of direct payments

*And / Or*

Top-up:  
Complementary income support for young farmers  
(I pillar)

Lump-sum:  
Installation grant for young farmers up to EUR 100,000  
(II pillar)

**+ all the array of available interventions**  
*(investments, cooperation, etc.)*



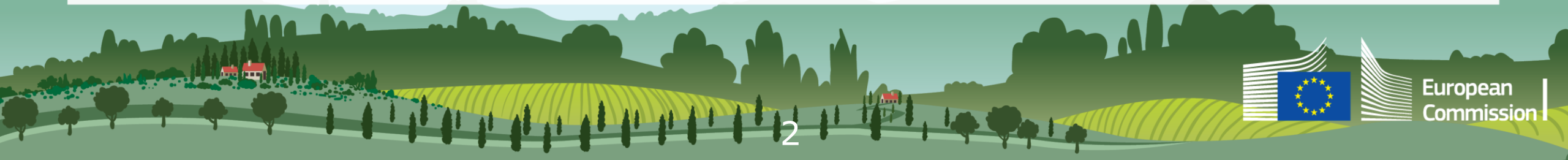
# RESPONDING TO SOCIETAL DEMANDS

- Specific objective on **food and health**, including safe, nutritious and sustainable food, food waste, as well as **animal welfare**
- New objective for the operational programmes of F&V POs: "**increasing consumption**", with a top-up
- **EU school fruit and milk schemes**
- **Enhanced conditionality** (covering also food safety, animal and plant health and animal welfare) and **FAS scope** (e.g. practices preventing the development of anti-microbial resistance)
- Payments for commitments **beyond the minimum requirements** available for fertiliser and plant protection products use, animal welfare, health and biosecurity
- **Organic farming** and participation in **EU quality schemes**



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# Policy implementation and assessment



*Output counts each action once but one action can contribute to several results*



*One result can contribute to several impacts*

## Implementation

### Output Indicators



Give policy interventions a number (no. of ha, no. of beneficiaries etc.)

Link expenditure to output

Used for performance clearance

### Result Indicators



Link policy interventions to purpose

Set targets

Measure progress towards those targets (performance review)

## Policy Assessment

### Impact Indicators



Help to evaluate the performance of the CAP





# SOME KEY RESULT INDICATORS FOR FARM COMPETITIVENESS

Enhancing performance through  
knowledge and innovation

Farm modernisation

Digitising agriculture  
(precision farming  
technology)

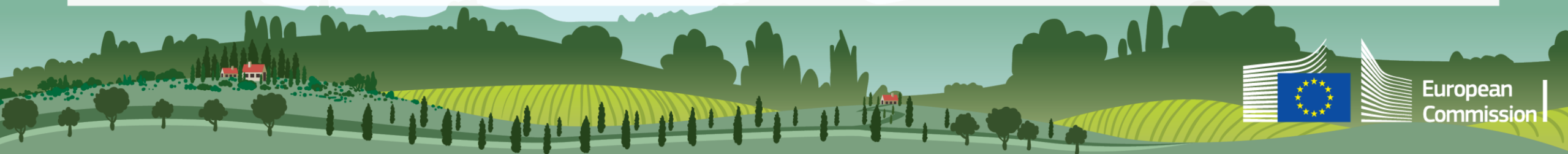
Risk management

Targeting farms in  
sectors in difficulty

Better supply chain  
organisation

Digitising the rural  
economy (Smart villages)

Enhance energy  
efficiency



# CONCLUSIONS

- *Profit from the flexibility of the new delivery model to set up a sound, i.e. **evidence-based**, intervention strategy to enhance farm competitiveness*
- ***Combine** all relevant interventions in a coherent way, also taking into account national instruments and other EU policies*
- *Consider **every aspect** of farm competitiveness and sustainability – economic, environmental and socio-economic*



# THANK YOU!

Further information is available at:

- [https://ec.europa.eu/commission/publications/factsheets-long-term-budget-proposals\\_en](https://ec.europa.eu/commission/publications/factsheets-long-term-budget-proposals_en)
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