

# THE COMMON AGRICULTURAL POLICY POST-2020



## The future of the CAP and Generational Renewal



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**European Commission – DG AGRI**

**ENRD Workshop on Generational Renewal**

*Attracting Young Farmers and Entrepreneurs in Rural Areas*

**Athlone, 22 February 2019**



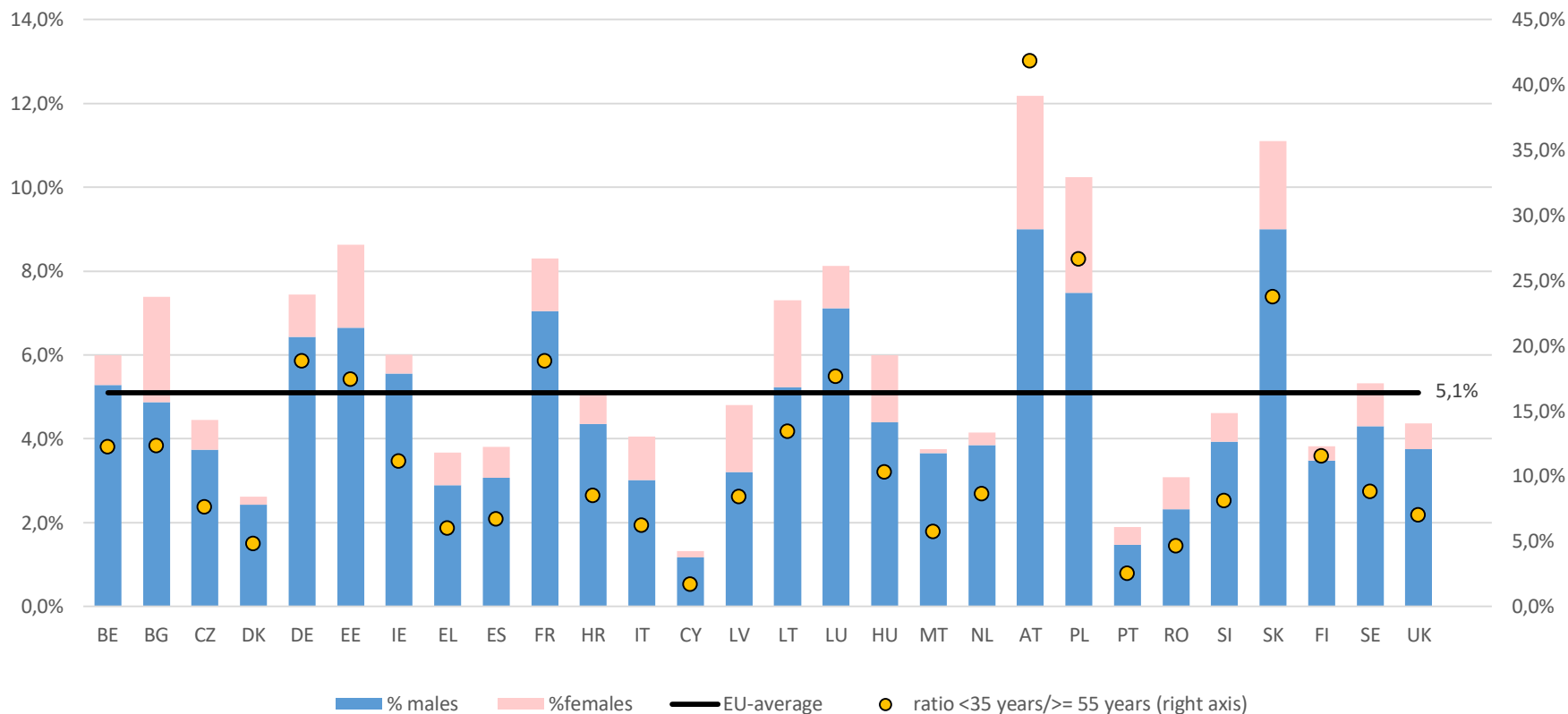
- 1. Young farmers in Europe: the figures*
- 2. Key elements of the reform*
- 3. Establishing a strategy for generational renewal in the CAP plans*

# *1. Young farmers in Europe: the figures*



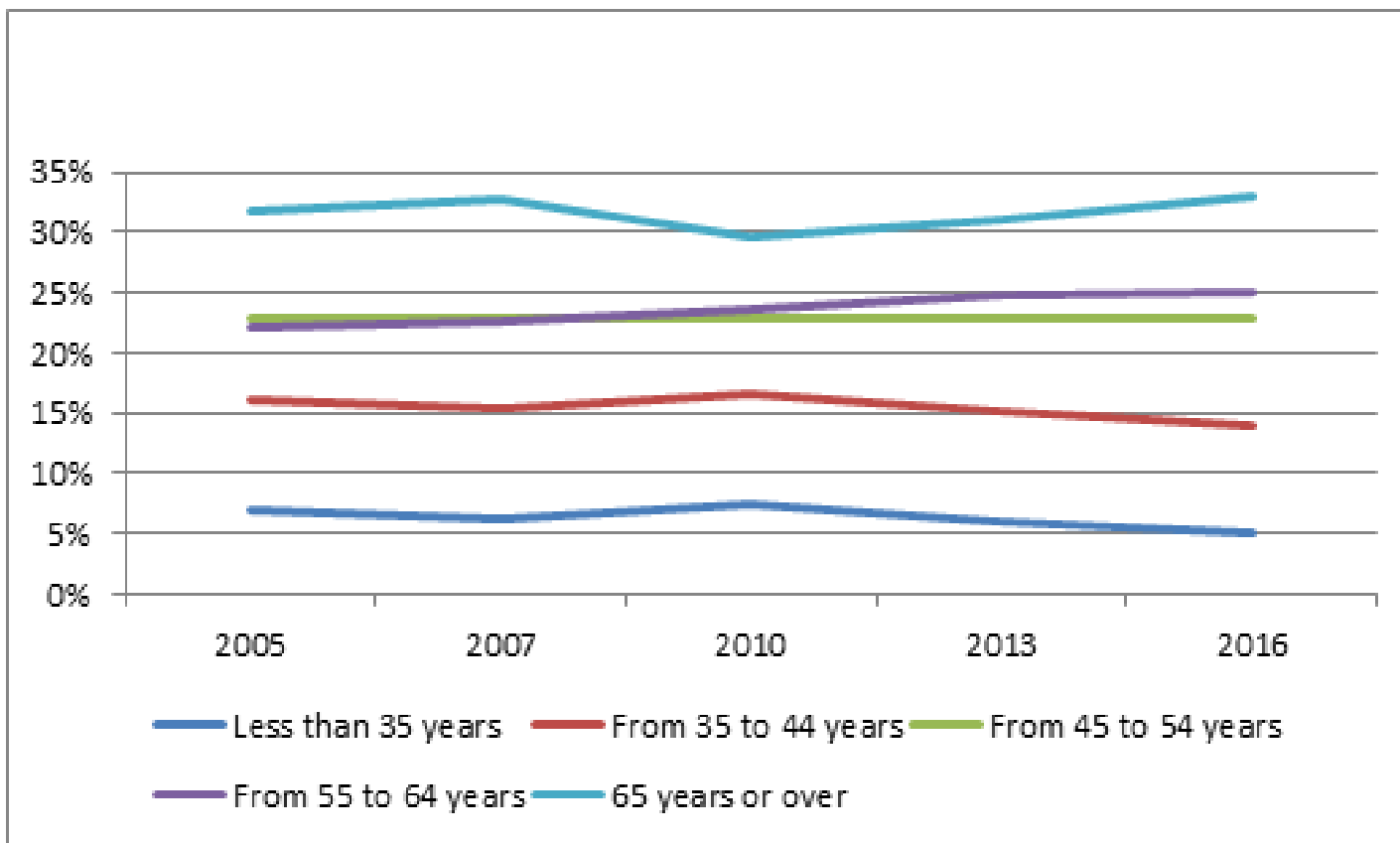
# Age structure of farm managers

Share of farm managers below 35 years old per MS by sex in 2016



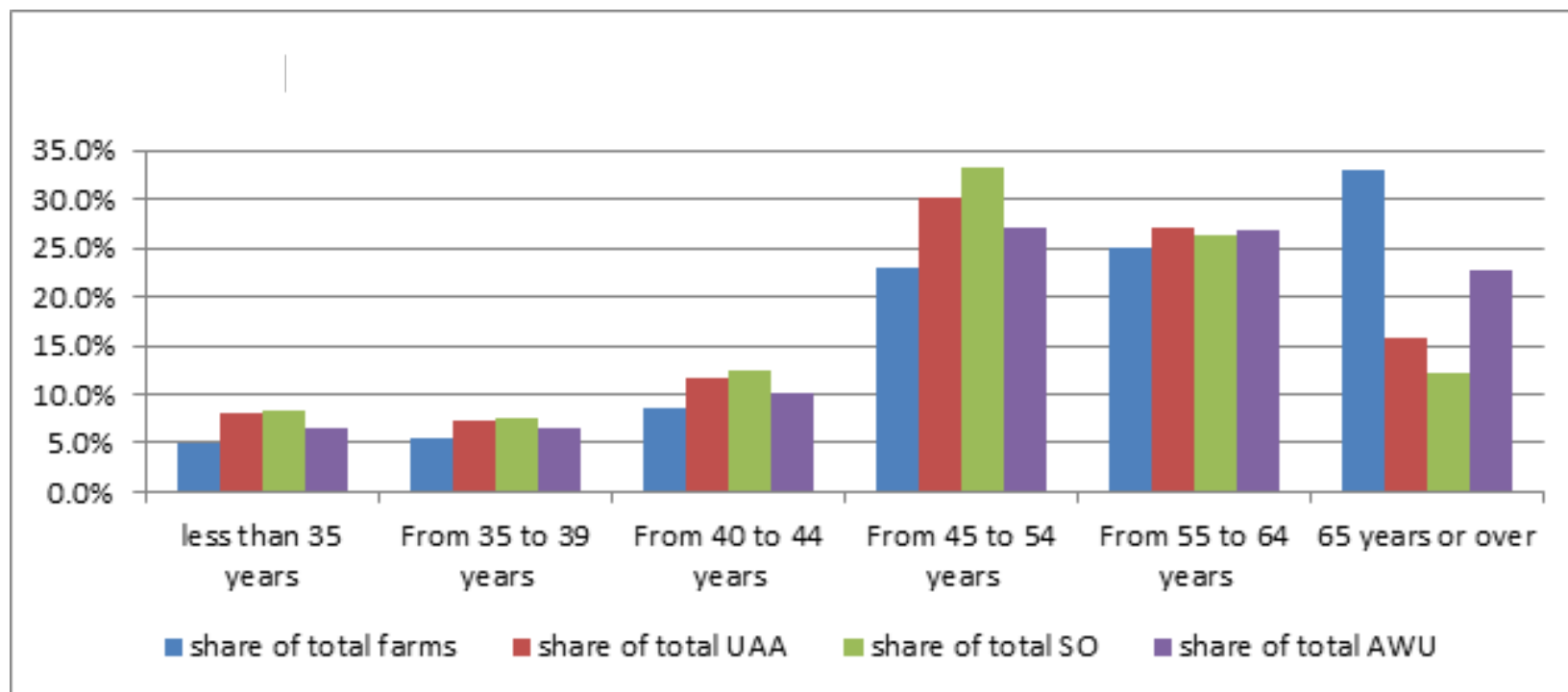


## EU farmers by age group

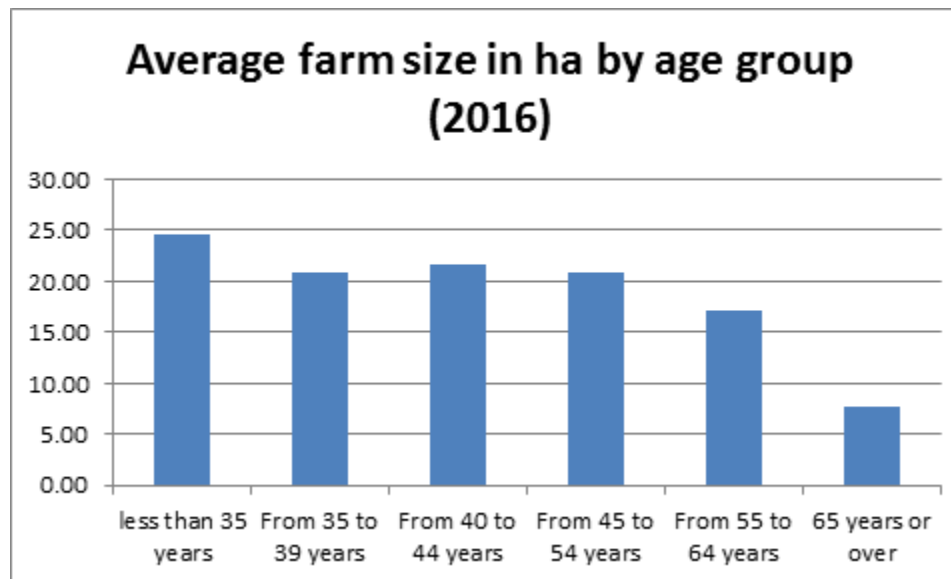
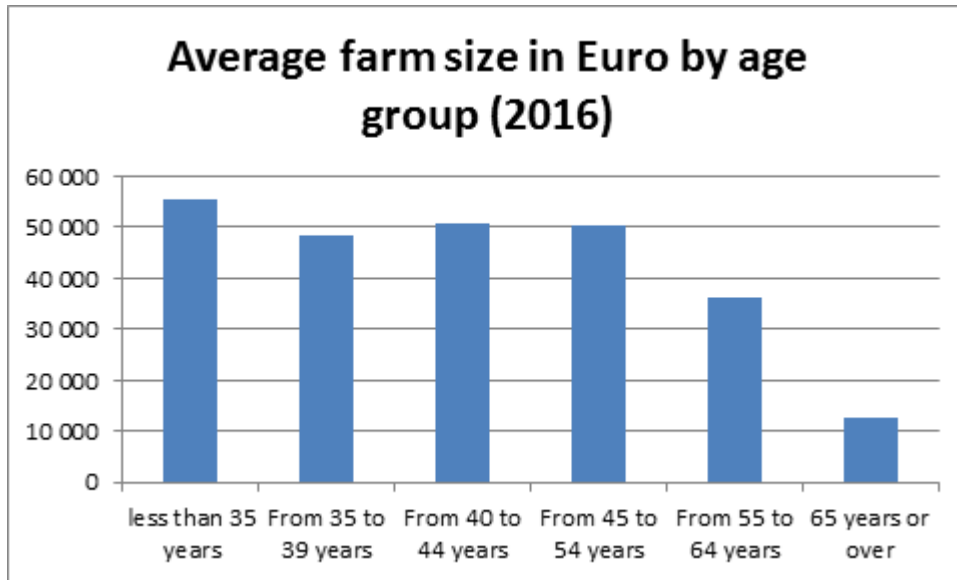




## Key farm parameters by age group (2016)



# Farm size by age







## *2. Key elements of the reform*

# THE 9 CAP OBJECTIVES and main policy principles



**KNOWLEDGE & INNOVATION**



## 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

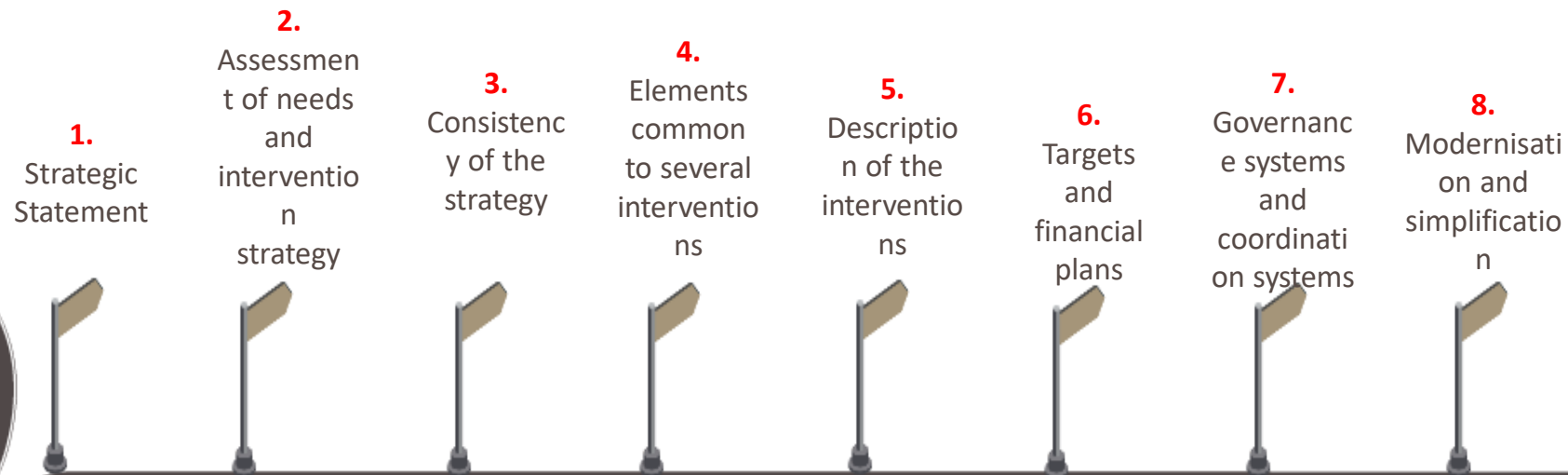
**Enhanced** ambition

# CONTENT of the plan

## 8 chapters + Annexes:

MS shall involve partners in the preparation of the CAP Strategic Plans.

Annex III: Outcomes of the consultation of the partners and description of how the consultation was carried out





## OVERVIEW

# Attract young farmers and facilitate business development in rural areas

- ✓ Summary of the SWOT analysis:
  - ✓ access to land, land mobility and land 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** with a view of improving the consistency between Union and national actions

- Top-up income support (I pillar) and/or lump-sum payment (II pillar)



*Ring-fencing of the budget*

- Cooperation
- Investments and financial instruments
- Agricultural Knowledge and Innovation System (AKIS)
- Risk management
- Other relevant rural development interventions

# DEFINITION

## YOUNG FARMER

shall be defined in a way that includes:

A maximum age limit that may not exceed 40 years

The conditions for being 'head of the holding'

The appropriate training and/or skills required





## A RING-FENCED BUDGET FOR THE TWO MAIN TOOLS

At least **2%** of the national envelope  
of direct payments

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

*And / Or*

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

*+ reserves for payment entitlements*



# KEY TYPES OF INTERVENTION (1)

## ✓ COOPERATION, e.g.

- Farm partnerships between generations of farmers
- Retirement planning or lump-sum payments for farmers in the retirement age who permanently transfer their holding to a young farmer
- Farm succession or transition planning services
- Brokerage for land acquisition
- Innovative national or regional organisations engaged in promoting and facilitating matching services between young and old farmers
- LEADER



## KEY TYPES OF INTERVENTION (2)

### ✓ INVESTMENTS

- **Preferential** conditions or priority via selection criteria may be set for young farmers and new entrants with higher risk profiles

### ✓ FINANCIAL INSTRUMENTS

- Purchase of **land** (exception for young farmers)
- Support for **working capital**: key for young farmers, whose start-up difficulties often lie with high investments and low returns
- **Preferential** conditions may be set for young farmers and new entrants with higher risk profiles

### ✓ RISK MANAGEMENT

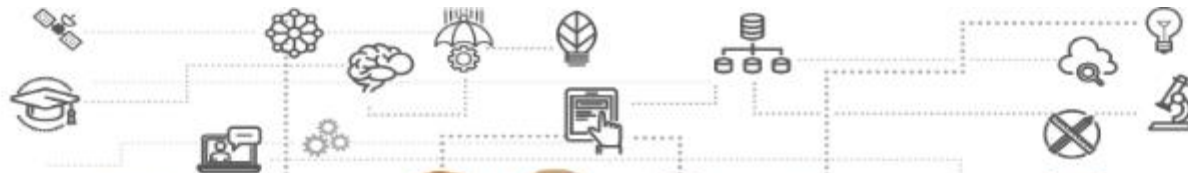
- **Working capital** to overcome crises and a more flexible toolkit to better target the needs





## KEY TYPES OF INTERVENTION (3)

- ✓ **KNOWLEDGE, INNOVATION and DIGITALISATION as a CAP cross-cutting objective**
  - Use of digital technology, e.g. area monitoring system; geo-spatial application (GSA)
  - Agricultural Knowledge and Innovation Systems (**AKIS**)
  - European Innovation Partnership (**EIP**) and **Horizon** Europe
  - **Erasmus+**
    - A certain share of the EAFRD may be used to finance actions in respect of transnational learning mobility with a focus on young farmers



### *3. Establishing a strategy for generational renewal in the CAP plans*



# EXAMPLE OF A GENERATIONAL RENEWAL STRATEGY IN A CAP PLAN (1)

- Summary of the SWOT analysis, including in particular:
  - Age structure; farms, land and output by age class; training levels by age group, etc.
  - Specific analysis in relation to:
    - access to land, land mobility and land restructuring:
    - access to finance and credits
    - access to knowledge and advice
- Identification of needs: 5 areas of intervention
  1. Access to land
  2. Access to finance and jobs
  3. Access to income support
  4. Access to knowledge, advice and innovation
  5. Access to risk management





# EXAMPLE OF A GENERATIONAL RENEWAL STRATEGY IN A CAP PLAN (2)

## 1. Access to land: Interventions supported

- Land purchase (FIs – EAFRD)
  - ✓ Long-term investment loans and guarantees
- Land Mobility Scheme (Cooperation - EAFRD)
  - ✓ Lump sum payments for farmers in the retirement age who permanently transfer their holding; matching services; farm partnerships, share-farming arrangements and mentoring; brokerage for land acquisition; creation of community land trusts.
- Bank of agricultural land (National instrument (NI))
  - ✓ National instrument to collect, organise and favour the matching of supply and demand of agricultural land
- Agricultural relief for inheritance tax (NI)
- Pre-emption rights (NI)
- Tax incentives (NI)
- “Starter Farms Programme” (NI)
  - ✓ YF to access and farm publicly-owned small units for a period of maximum 10 years.



# EXAMPLE OF A GENERATIONAL RENEWAL STRATEGY IN A CAP PLAN (3)

## 2. Access to finance and jobs: Interventions supported

- Installation support (EAFRD)
- Investments (EAFRD and FIs via EAFRD)
  - ✓ YF preferred access via selection criteria and higher aid intensity
  - ✓ Delivered in combination with other interventions (knowledge exchange and information)
- Tax deductions (NI)
  - ✓ National instrument to collect, organise and favour the matching of supply and demand of agricultural land

## 3. Access to income support: Interventions supported

- CYS-YF (EAGF)
- National reserves for payment entitlements
- Income stabilisation tool



# EXAMPLE OF A GENERATIONAL RENEWAL STRATEGY IN A CAP PLAN (4)

## 4. Access to knowledge, advice and innovation: Interventions supported

- AKIS (EAFRD and EAGF)
  - ✓ “Young farmers start-up kit”
  - ✓ Vouchers for regular vocational training
  - ✓ “Succession planning” scheme
- European Innovation Partnership (EAFRD)
- National CAP network (EAFRD)
  - ✓ Permanent “Young farmers hub”
- Erasmus for young farmers (EAFRD and Erasmus+ programme)
- LEADER (EAFRD and ESF)



# EXAMPLE OF A GENERATIONAL RENEWAL STRATEGY IN A CAP PLAN (5)

## 5. Access to risk management:

### Interventions supported

- Risk management tools (EAFRD)
  - ✓ Insurance premiums
  - ✓ Mutual funds
- Working capital (EAFRD)
- Precautionary savings (NI)
  - ✓ Income tax basis to be calculated over a period of 3 years

# THANK YOU !

***REPORTS AND MORE INFORMATION :***

***On CAP legislative proposals, Impact Assessment and Background***

[https://ec.europa.eu/info/food-farming-fisheries/key-policies/common-agricultural-policy/future-common-agricultural-policy\\_en](https://ec.europa.eu/info/food-farming-fisheries/key-policies/common-agricultural-policy/future-common-agricultural-policy_en)