

Common Agricultural Policy: Key graphs & figures

Graph 2

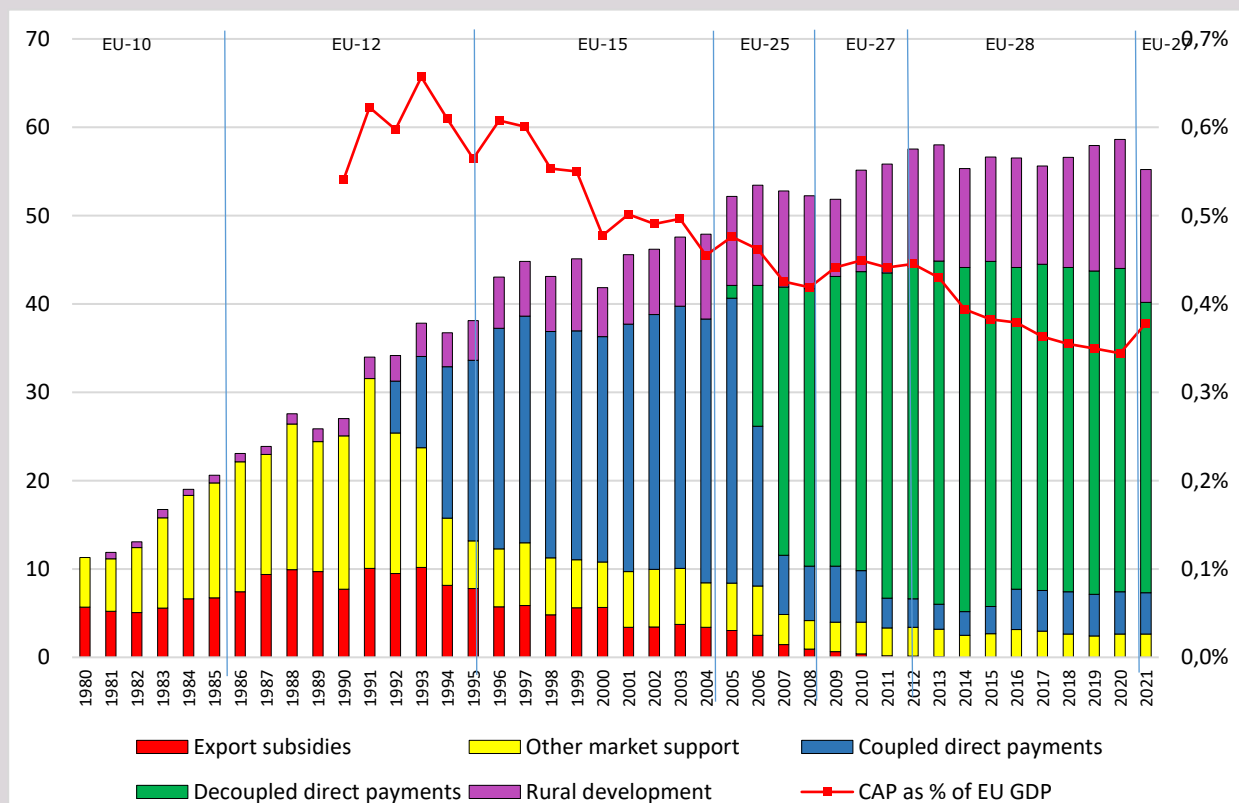
October 2021

CAP expenditure and CAP reform path

This graph shows **the evolution of expenditure of the Common Agricultural Policy (CAP)** in line with policy change.

- In the **80s**, CAP spending was mainly on price support through market mechanisms (intervention and export subsidies) which rose by the end of the decade due to agricultural surpluses.
- Due to the **1992 CAP reform**, market price support was reduced and replaced by producer support in the form of direct payments. Spending on rural development measures also increased.
- **Agenda 2000** continued the reform process. Rural development policy was introduced as a second pillar.
- With the **2003 reform**, most direct payments were decoupled from current production as they were based on the farmer's historical receipts. Rural development expenditure continued to increase.
- The **2008 Health Check** continued on the path of CAP reform, further reducing market support.
- The 2013 reform maintained the market oriented reform path, while reinforcing the link of decoupled direct support to environmental and climate measures through a new greening scheme. CAP expenditure has been stabilized and despite successive enlargements, overall CAP spending as a share of GDP has actually decreased from 0.54% in the 90s to 0.38% in 2021.

CAP expenditure and CAP Reform path (current prices)



Sources: CAP expenditure: European Commission, DG Agriculture and Rural Development (Financial Report). GDP: Eurostat. Annual expenditure in current prices.

Reproduction authorised provided the source is acknowledged