

CAP strategic plans

OVERVIEW

The Commission's legislative proposals on the future of the common agricultural policy (CAP) were published on 1 June 2018. They comprise three proposals: a regulation setting out rules on support for CAP strategic plans; a regulation on the single common market organisation (CMO) and a horizontal regulation on financing, managing and monitoring the CAP.

The proposal for a regulation on CAP strategic plans introduces a new delivery model, described by the Commission as a fundamental shift in the CAP, involving a move from compliance towards results and performance. It includes a new distribution of responsibilities between the EU and Member States. A new planning process is proposed that will cover all the CAP measures, previously covered by different regulations and policy designs. Following its adoption in December 2021, the CAP strategic plans regulation will apply as of 1 January 2023.

Proposal for a regulation of the European Parliament and of the Council establishing rules on support for strategic plans to be drawn up by Member States under the Common agricultural policy (CAP strategic plans) and financed by the European Agricultural Guarantee Fund (EAGF) and by the European Agricultural Fund for Rural Development (EAFRD) and repealing Regulation (EU) No 1305/2013 of the European Parliament and of the Council and Regulation (EU) No 1307/2013 of the European Parliament and of the Council.

<i>Committee responsible:</i>	Agriculture and Rural Development (AGRI)	COM(2018) 392
<i>Rapporteur:</i>	Peter Jahr (EPP, Germany)	1.6.2018
<i>Shadow rapporteurs:</i>	Maria Noichl (S&D, Germany) Martin Hlaváček (Renew Europe, Czechia) Martin Häusling (Greens/EFA, Germany) Gilles Lebreton (ID, France) Bert-Jan Ruissen (ECR, Netherlands) Luke Ming Flanagan (The Left, Ireland)	2018/0216(COD) Ordinary legislative procedure (COD) (Parliament and Council on equal footing – formerly 'co-decision')
<i>Procedure completed.</i>	Regulation (EU) 2021/2115 OJ L 435, 6.12.2021, pp. 1–186	



Introduction

The common agricultural policy (CAP) was conceived in 1962 as a strategy to provide affordable food for European citizens and a fair standard of living for farmers. Since then it has undergone successive reforms and incremental changes, culminating in the last reform in 2013 covering the 2014-2020 period. Since the last reform, [significant changes](#) have taken place in the context in which the EU's agricultural and rural development policy has to operate. These include issues such as the ageing farming population, market instability and price volatility, the challenges posed by climate change, and trends in trade negotiations towards bilateral trade deals, as well as the new international commitments that the EU has signed up to, covering climate change and the United Nations sustainable development goals (SDGs).

The Commission's proposals for a regulation on CAP strategic plans reflect its intention to address urgent challenges (i.e. environment and climate) and achieve real simplification through a new delivery model. This would give Member States the opportunity to come up with lighter, simpler, and more targeted CAP interventions.

Existing situation

Articles 38 to 44 and Annex I of the [Treaty on the Functioning of the European Union](#) (TFEU) set out the basic rules and objectives relating to the CAP. Article 39 sets out the CAP objectives, which are to: (i) increase agricultural productivity; (ii) ensure a fair standard of living for farmers; (iii) stabilise markets; (iv) ensure the availability of supplies; and (v) ensure reasonable prices for consumers. Articles 41 and 42 TFEU are dedicated to specific aspects of the CAP's implementation.

The CAP's current legal framework is principally governed by four EU regulations: (1) [Regulation \(EU\) No 1307/2013](#) covering direct payments to farmers; (ii) [Regulation \(EU\) No 1308/2013](#) establishing a common organisation of the markets in agricultural products; (iii) [Regulation \(EU\) No 1306/2013](#) covering horizontal issues such as the financing, management and monitoring of the CAP; and (iv) [Regulation \(EU\) No 1305/2013](#) dealing with rural development. These regulations set up a policy framework based on a two-pillar structure: one regulating farmers' income support and measures to manage agricultural markets, solely funded by the EU budget, and one for rural development measures based on multiannual national (sometimes regional) programmes, co-financed by EU Member States.

Income support in the form of [direct payments](#) to farmers represents the bulk of CAP financial interventions. It includes schemes that are compulsory for EU Member States (basic payments per hectare, greening payments and an additional payments for young farmers) and others that are voluntary (redistributive payments, support for areas with specific natural constraints, coupled support for production, and a simplified system for small farmers receiving less than €1 250 per year). Market measures cover many EU agricultural products, such as [milk and dairy](#) and [fruit and vegetables](#). They constitute a support framework including, depending on the different agricultural sectors, rules on crisis management, provisions on public intervention and private storage, rules on producer organisations and their operational programmes, marketing standards, etc. [Rural development](#) measures address socio-economic, environmental and demographic challenges affecting EU rural areas, geared towards improving quality of life in rural communities and developing rural regions' full potential. National, regional and local authorities design a multiannual rural development programme that sets objectives and measures based on common EU rules but tailored to their local needs.

On the basis of its proposals for the multiannual financial framework ([MFF](#)) for 2021 to 2027 announced in May 2018, the Commission put forward a new legislative framework for the CAP in this period. This takes the form of three regulations: the present legislative proposal for a regulation on [CAP strategic plans](#); a horizontal regulation on the financing, management and monitoring of the CAP; and a third covering a single common organisation of the markets (CMO regulation). The

proposed regulation on CAP strategic plans will repeal Regulation (EU) No 1305/2013 and Regulation No 1307/2013, thus bringing all types of CAP interventions under the strategic planning approach (which previously concerned only the programming of measures for rural development), including the various schemes for direct payments to farmers, certain market measures for some agricultural sectors, and the rural development measures.

Parliament's starting position

Parliament's position prior to the publication of the Commission's legislative proposals for reforming the CAP in the post-2020 period is evident in a [resolution](#) on the future of food and farming adopted in plenary session on 30 May 2018. Drawn up in response to the Commission's November 2017 [communication](#) on the future of food and farming, the resolution sets out Parliament's priorities for CAP reform. While welcoming the intention to simplify and modernise the CAP for the economic benefit of farmers and to meet citizens' expectations, the resolution considered that, in order to meet both the existing and new challenges regarding food security for European agriculture, the next MFF needed to increase or maintain the agricultural budget in constant euros. Expressing support for the maintenance of the existing structure of the CAP (covering direct payments to farmers, market measures, and rural development), the resolution rejected the 25 % cut in the rural development budget that was outlined by the European Commission in its proposals for the next MFF on 2 May 2018.

In reference to the Commission's new delivery model (where each Member State will establish a strategic plan covering all interventions under the CAP), the resolution called on the Commission to present a clear and simple model of a national strategic plan to clarify the criteria against which such national strategies will be evaluated. Preference was also expressed for a more targeted support arrangement that would take account of the diversity of agricultural systems, particularly small and medium family farms and young farmers. It considered that this could be achieved through a compulsory redistributive higher support rate for the first hectares of a holding linked to the average size of a holding in Member States. It stressed that support for larger farms should be degressive, reflecting economies of scale with mandatory capping to be decided at European level. It also considered that it was essential to ensure that support should be targeted towards genuine farmers (with a focus on those who are actively farming in order to earn a living).

A number of other recommendations were included in the resolution, covering issues such as funding for agricultural crises, the uptake of innovative technologies, and revisions to the current greening measures. Parliament's resolution also stressed the need for a fair distribution of direct payments. Increased convergence of direct payments between Member States, it maintained, could only be achieved if the budget was increased sufficiently.

Parliament's Committee on Agriculture and Rural Development (AGRI) organised an extraordinary meeting on 11 June 2018, at which the then Commissioner for Agriculture, Phil Hogan, presented the CAP legislative proposals.

Council starting position

The future of the CAP has been the subject of debates in Council. They cover a wide range of issues such as the CAP's added value, its key objectives, and the issue of subsidiarity, direct payments, environmental and climate action, and rural development. The Bulgarian Presidency published its [conclusions](#) on the Commission's communication on the future of food and farming on 19 March 2018. In relation to the new CAP strategic plans, the conclusions, supported by 23 Member States, called for simple strategic plans, allowing for flexibility in their design and subsequent amendments.

The current legislative proposal establishing rules on CAP strategic plans was discussed in the Agriculture and Fisheries Council on 18 June 2018 alongside the other proposals making up the CAP reform package. Ministers expressed concern about the cuts proposed by the Commission to the

CAP budget in general and rural development in particular. The capacity of the new CAP to deliver genuine simplification for national authorities and farmers was also a matter for discussion.

Preparation of the proposal

The Commission's [2017 work programme](#) included provision for an exercise on the [modernisation and simplification](#) of the CAP. A public [consultation](#) exercise undertaken by the Commission provided insight into the views and expectations of a wide range of stakeholders in respect of agriculture, rural areas, and the future of the CAP. At the end of November 2017, the Commission issued its communication on the future of food and farming.

Alongside the three legislative proposals, the Commission published a staff working document containing its [impact assessment](#) (IA). Annex 5 of the IA considered a range of options to test how the EU's CAP objectives could best be met. The options considered by the Commission examined different ways in which the CAP objectives could be achieved. These included variations in terms of:

- environmental performance;
- the support for targeting and re-distribution (i.e. stronger focus on certain payments or schemes);
- variations in the balance between voluntary and mandatory (i.e. conditionality) approaches;
- differences in terms of the environmental ambitions of Member States, including their intentions to address climate challenges.

These options help to illustrate the difficult trade-offs arising from a policy that addresses so many diverse objectives. EPRS prepared an [initial appraisal](#) of the Commission's impact assessment. This was published in January 2019.

The changes the proposal would bring

The Commission's legislative proposal, published on 1 June 2018, sets out the CAP general objectives and specific objectives that have to be pursued through the interventions designed by Member States in their CAP strategic plans. The three general objectives as set out in the proposal are: (a) to foster a smart, resilient and diversified agriculture ensuring food security; (b) bolster environmental care and climate action and contribute to the environmental and climate-related objectives of the Union; and (c) strengthen the socio-economic fabric of rural areas. Nine specific objectives are set for the future CAP summarised in Figure 1 below.

Set within this context, the proposals make provision for:

- the development of a **new delivery model**, where each Member State will draw up a **CAP strategic plan** covering all interventions designed to meet quantified targets linked to EU-level CAP objectives;
- a **new system of conditionality** replacing the current green architecture of the CAP, reflecting higher ambition on environmental and climate action;
- **better targeting of aid**, whereby direct payments will be targeted at small and medium-sized farms and where a cap of €60 000 on individual payments is imposed and compulsory capping for payments above €100 000;
- **greater flexibility for Member States** in terms of transferring allocations between funds;
- a **performance and evaluation framework** based on a limited and targeted set of common indicators relating to output, result and impact;
- **complementary income support for young farmers** (where there is an obligation for Member States to dedicate at least 2 % of their direct payment allocation to young farmers).

The new delivery model will bring under a single strategic planning process all the CAP measures, allowing for complementarity and synergy. This 'planning process' will be comparable to the process of drawing up and implementing rural development programmes in the current period. The Commission's legislative proposals set out details on the [content and structure](#) of the future CAP strategic plans, including key features such as an assessment of needs and a description of the different interventions to be used as part of a Member State's overall intervention strategy in relation to the nine specific objectives.

Figure 1 – Future CAP objectives



Source: [European Commission](#).

Advisory committees

Both the European Committee of the Regions (CoR) and the European Economic and Social Committee (EESC) considered the future of the CAP after 2020 in opinions adopted in 2018. The EESC established a study group of 21 members with John Bryan (Various interests – Group III, Ireland) to consider the Commission's CAP legislative proposals. An [opinion](#) on the latter was adopted at the EESC plenary session on 17 October 2018. This was the first opinion to be adopted by any EU body or institution following the tabling of the Commission's proposals on 1 June 2018. The EESC held a series of outreach events and meetings to promote the content of this opinion. While welcoming the new direction proposed for the CAP on subsidiarity, with greater responsibility and flexibility for Member States through the CAP strategic plans, the EESC is keen to ensure that the CAP remains a strong common policy across all Member States. It expressed concerns that new proposals could increase rather than reduce the volume of bureaucratic burdens on farmers. The opinion also stated that the proposed CAP strategic plans 'cannot allow Member States to renationalise markets or create barriers to or restrictions of fair competition in the single market'.

The CoR adopted an [opinion](#) on the reform of the CAP on 5 December 2018. The opinion included some 35 policy recommendations. It rejected the Commission's proposed cuts in the CAP's rural development budget and called for regions to have a prominent role in the governance of strategic plans. It proposed that each national strategic plan should meet the minimum threshold of 40 % of the CAP's overall financial envelope contributing to environmental climate objectives. The CoR opinion indicated that 'an excessive transfer of competences to the Member States through national strategic plans would lead to a renationalisation of the CAP and to distortions of competition'. The CoR's Commission for Natural Resources had an exchange of views with Parliament's AGRI committee on [11 January 2018](#).

European Court of Auditors

The European Court of Auditors (ECA) presented its [opinion](#)¹ on the Commission's proposals to the AGRI committee on 21 November 2018. The ECA's opinion criticised the proposals for the lack of a longer-term vision for EU agriculture. It considered that while the case for EU environmental and climate-change-related action was strong, the data and arguments used to support the needs assessment for farmers' income were insufficient. The opinion indicated that it was unclear how the Commission would check the strategic plans to ensure environmental and climate ambition. While welcoming the Commission's ambition to move to a performance-based model, the ECA considered that the absence of 'clear, specific and quantified EU objectives' meant that the achievement of EU objectives could not be measured.

National parliaments

The deadline for the submission of reasoned opinions on the grounds of subsidiarity from national parliaments was 24 September 2018. In a [reasoned opinion](#), the French National Assembly noted that the CAP proposals could reduce the common features of the EU farm policy – one of the most integrated policies at EU level – and distort competition in the agricultural sector between EU Member States. Nevertheless, it recognised that the CAP needed to provide some margin for adjustments to take account of local characteristics, and needed to be simplified.

Contributions were also received from [eight](#) other Member States. These covered a range of concerns over: the reduction in budget allocation, particularly in respect of rural development and in light of the multiple objectives set for the CAP; the impact of capping of direct payments; the implications for administration and whether there would be real simplification, including the approval process for the strategic plans as well as the need for a transitional period for the new arrangements.

Stakeholder views²

A range of stakeholder perspectives on the future of the CAP over the post-2020 period were highlighted in a previous EPRS [briefing](#). These were based on their responses to the Commission's communication on the future of food and farming. Since the publication of the Commission's legislative proposals on the CAP, a number of stakeholders have issued press statements. The World Wildlife Fund ([WWF](#)) in the EU expressed dismay that hardly any of its suggestions for the future CAP had materialised in the Commission's proposals. WWF had advocated a 'thorough reform of the existing system of farm subsidies and a reinforcement of rural development', which would have supported 'the transition to more sustainable farming and delivered benefits for nature'. With the coming of the new delivery model, it fears that the necessary ambition and environmental performance will be lacking. The think tank [Farm Europe](#) considered that the new package would result in a drop in European farmers' income and would lead European agriculture towards a massive restructuring causing the exit of many farmers. It considered that the Commission's proposals represented a 'strong renationalisation and bureaucratisation of the CAP'. Referring specifically to the new delivery mechanism, Farm Europe indicated that Parliament and the Council of the EU (agriculture ministers) would be deprived of most of their prerogatives, as the Commission would have the power to validate all the choices each Member State would make.

[Copa-Cogeca](#), the union of EU farmers and their cooperatives, indicated in a press release issued on 18 June 2018 that it was crucial to ensure that there was no renationalisation of the CAP, while ensuring some degree of variability across the EU on the new green architecture in a manner that does not jeopardise uniform implementation. It opposed the proposed cuts to the CAP, as the proposed objectives and priorities need to be backed up by a stronger budget. It welcomed however the Commission's focus on smart farming and on risk management measures. The [initial reaction](#) of the European Council of Young Farmers ([CEJA](#)) to the CAP legislative proposals welcomed the specific focus on young farmers, but considered that the proposed share of the direct payments envelope ring-fenced for young farmers was not enough in order for generational renewal in agriculture to truly take place. In a subsequent [statement](#), CEJA urged EU legislators to double the ambition on generational renewal in the future CAP.

In a [press release](#) issued on 18 March 2019, the Rural Coalition – comprising a number of key stakeholders representing the rural economy, farmers, landowners, managers, forest owners, hunters and actors in the livestock value chain – called for the rural development budget to be at least maintained in real terms and for more synergies to be forged between the European Agricultural Fund for Rural Development and other European funds such as the European Regional Development Fund and Horizon Europe. In a subsequent [open letter](#) published on 18 February 2020, both the Rural Coalition and the Coalition of Agriregions outlined their concerns over the Commission's proposed cuts in rural development support.

Legislative process

Eighth parliamentary term, 2014-2019

In Parliament, the Agriculture and Rural Development (AGRI) Committee was responsible for the file, where Esther Herranz García (EPP, Spain) was appointed rapporteur on 4 July 2018. Following its request, the Committee on the Environment, Public Health and Food Safety (ENVI) obtained the status of associated committee under Rule 54 of the Rules of Procedure, with Giovanni La Via (EPP, Italy) as rapporteur for the opinion. This association reflects a new emphasis on the environmental components contained in the CAP, including the relevance of the climate dimension.

The AGRI committee held an initial exchange of views on 9 July 2018. A representative from the Commission provided a presentation to the Committee on 30 August 2018 on the future CAP, covering issues concerning simplification and subsidiarity. As part of its preparatory work, the committee held a public meeting on 9 October 2018 on 'The future of the CAP'. Rapporteurs on the CAP from both the CoR and the EESC participated in this hearing. During the discussion, a number of Members expressed a feeling that the CAP may lose its 'common dimension' with 27 strategic plans. Some Members pointed to the need for a better balance between Member States in terms of direct payments and external convergence. A subsequent workshop requested by the AGRI committee entitled 'The CAP beyond 2020 – an appraisal of the Commission legislative proposals' was held on 15 October 2018. This included consideration of an independent [study](#) to assess the design of the new CAP strategic plans as proposed by the Commission.

The rapporteur's [draft report](#) was published on 29 October 2018. It was presented in the AGRI committee meeting of 21-22 November 2018, with a deadline for amendments set for 3 December 2018. Around 4 800 amendments were proposed, adding to the 448 amendments already contained in the draft report. Following a decision by the AGRI committee on 18 February 2019, the vote on the draft report, initially scheduled for 6 March 2019, was postponed to the beginning of April 2019, making a plenary vote within the eighth parliamentary term impossible. On 2 April 2019, the report was [adopted](#) in committee by 27 votes in favour, 17 against and 1 abstention.

While acknowledging the need for the CAP to be more results driven, the report argued for the CAP budget to be kept at least at the same level as during the current period. To avoid a renationalisation of the CAP, the report stressed that the regulation should include a strong body of EU provisions to prevent the distortion of competition, ensuring non-discriminatory treatment for farmers throughout the EU. In terms of the targeting of income support to genuine farmers, the report recommended that support should not be precluded to farmers involved as well in non-farming activities, as their multiple activities often strengthen the socio-economic fabric of rural areas. The report included an amendment that the CAP should expressly take into consideration the EU's equality policy, paying particular attention to the need to boost the participation of women in rural development, and that this should be taken into account by Member States in their strategic plans. This would include establishing a thematic sub-programme in favour of rural women within these plans. In light of the ageing agricultural population, and given the need to encourage new farmers to join the sector, the report recommended that Member States should have the option of increasing the age limit from 40 to 45 years as the main eligibility requirement for support to young farmers. The report recognised that the intervention type entitled 'basic income support for sustainability' was the main support provided by the CAP for stabilising the income of farms. It recommended that a minimum of 70 % of the expenditure for Member States should be allocated to this form of support.

On the proposed CAP strategic plans, the report acknowledged that their design and management would not be easy. It indicated that the new model based on national strategic plans involved 'a dramatic paradigm shift within the CAP'. It suggested postponing the strategic plans' implementation until 2023, to allow more time to draft them. Recognising the need to avoid any risk of interruptions in payments to farmers, an amendment was included for a transition period to make

it possible to maintain the current support programmes until the strategic plans have been approved. In relation to the performance, monitoring and evaluation framework, the report recommended that these tasks should be established by a delegated act. The report also removed the bonus for performance, as the new delivery model already provided for penalties for countries that do not meet established targets.

In Council, the first [formal exchange of views](#) on the CAP legislative proposals took place on 18 June 2018. Consecutive Council presidencies [pushed forward](#) discussions with presidency papers and progress reports, inviting ministers to consider questions on the most critical issues, including the cuts proposed by the Commission to the CAP budget in general and rural development in particular, flexibility, simplification, and the nature of the new delivery model. While welcoming in general terms the elements of simplification and subsidiarity, some ministers reiterated concerns about possible additional administrative burden and costs associated with the proposed new delivery model. Discussions identified the need for further consideration of the content of the CAP strategic plans, the performance review system, financial flexibility, indicators, environmental and climate-related aspects, small farms and the possibilities offered by eco-schemes (i.e. a new instrument designed to reward farmers for environmental care and climate action).

Ninth parliamentary term, 2019-2024

Resumption of work on unfinished files

Peter Jahr (EPP, Germany) was appointed rapporteur on the CAP strategic plans file on 18 September 2019. On 16 October 2019, the Conference of Presidents decided to continue work on a number of unfinished files from the previous term, including the three CAP reform files. The committee rapporteurs and shadows were mandated to continue working on finding a broad consensus on points, with a view to political groups tabling amendments for the October II 2020 plenary session. During that session, on 23 October 2020, Parliament adopted its first-reading position on the Commission's legislative proposal for the CAP strategic plans. The adopted text constituted the basis for the subsequent 'trilogue' negotiations between the Council and Parliament.

In its position, Parliament endorsed the enhanced conditionality that each farmer has to comply with to receive direct payments. It wanted to dedicate at least 35 % of the rural development budget to all types of environment and climate-related measures and at least 30 % of direct payments to eco-schemes. It voted in favour of setting up farm advisory services in every Member State, allocating at least 30 % of their EU-sponsored funding to help farmers fight climate change, manage natural resources sustainably and protect biodiversity. Parliament also voted to reduce annual direct payments to farmers above €60 000 and cap them at €100 000, with at least 6 % of national direct payments to be used to support small and medium-sized farms. It also voted that 4 % of Member States' direct payment budgets should be directed towards supporting young farmers. In addition, it sought to confirm the proposed approach that only those who actively farm would be eligible for direct payments.

In preparation for the September 2020 meeting of EU agriculture ministers, the German Presidency of the Council prepared a [background paper](#) setting out the state of play on the CAP reform package. It identified issues that would require further discussion, for instance relating to the green architecture, the new delivery model and the future direct payments system, including suggestions to allow Member States to make flexible use of targeting possibilities for direct payments. At its meeting on 21 October 2020, Council adopted its [general approach](#) on the CAP proposals, which represented its negotiating mandate for the trilogue negotiations. Council's position sought a compromise between mandatory and flexible elements. For example, eco-schemes (absorbing at least 20 % of the direct payments envelope) would be compulsory for Member States, but there would be a two-year pilot phase, and flexibility would be granted to Member States on how to shape and fund the various green practices to reach climate and environmental goals.

As for the entry into force of the future CAP legal framework, Parliament and Council reached a political agreement on a proposal for [transitional provisions](#) that include a two-year transitional period during which the current legal framework would continue to apply. Parliament voted to adopt the CAP [transitional rules](#) on 16 December 2020, following the agreement on the EU's 2021-2027 budget (see next section).

2021-2027 MFF

The Commission's May 2018 proposals for the 2021-2027 MFF included €324 billion for the CAP in 2018 constant prices.³ A [comparison](#) with the previous MFF for the EU-27 in the 2014-2020 period – taking into account the Commission's adjustments for the departure of the United Kingdom (UK) and variations for the point of reference chosen – indicated that this would represent a reduction in EU-27 CAP funding of 12 % in constant prices, with EU funding for Pillar II (rural development) falling by around 25 % to 28 % in real terms.

Parliament's expectations on the post-2020 MFF were outlined in an [interim report](#) on the MFF voted on 14 November 2018. Parliament insisted that the financing of the CAP (in real terms) should remain unchanged. The newly elected Parliament confirmed and updated its negotiating mandate in a [resolution](#) of 10 October 2019. Negotiations in the Council and European Council continued. The outbreak of the coronavirus pandemic and its impact added a significant dimension. On 27 May 2020, the Commission presented a recovery and resilience package involving a €750 billion European recovery instrument – Next Generation EU (NGEU) – for the years 2021-2024, and proposals for a reinforced MFF.

In July 2020, EU leaders reached an [agreement](#) opening the way to formal negotiations between Parliament and Council. In this agreement, MFF commitment appropriations amount to [€1 074.3 billion](#) (in 2018 prices), with €343.9 billion for the CAP (where the CAP is part of Heading 3, Natural resources and the environment). Within these commitment appropriations, €258.6 billion is earmarked for direct payments and market measures and €85.35 billion for rural development. Rural development appropriations include €7.5 billion additional funds from the NGEU, for which early autumn discussions in Council and Parliament led to a proposal that they should be made available as soon as possible through the transitional regulation, indicating a [30-70 % split](#) between 2021 and 2022, respectively. Negotiations on the 2021-2027 MFF represented an essential element in terms of reaching agreement between Parliament and Council on the CAP reform proposals. The German Presidency of the Council reached a [political agreement](#) with the European Parliament on the 2021-2027 MFF and NGEU on 10 November 2020, leaving the amounts allocated to agricultural policy unchanged compared with the July 2020 European Council position, except for the additional funds attributed to rural development by NGEU. The [MFF](#) was finally adopted on the basis of this agreement on 17 December 2020.

Interinstitutional negotiations and final steps

The first CAP reform trilogue involving all three proposals took place on 10 November 2020. Further trilogue meetings on the proposal for a CAP strategic plans regulation were held during 2020 and in the first half of 2021, followed by a final phase of 'super trilogues' between March and June 2021 that covered all proposals of the CAP reform package.

Meanwhile, the debate on the future EU farm policy dovetailed with the broader debate on the significant developments that have occurred in this policy area since the presentation of the Commission's CAP legislative proposals in June 2018, i.e. the adoption of the European Green Deal in late 2019 and its associated initiatives – the 'farm to fork' and biodiversity strategies – in May 2020. The need to reconcile CAP objectives with the Green Deal's targets through the CAP strategic plans became a key element of the debate. Discussions in the Agriculture Council focused on the CAP national strategic plans, and reference was made to the Commission's [recommendations](#) issued to Member States in December 2020. They were seen by ministers as a 'good indication and starting point in designing strategic plans'. Other key elements of the discussions were the issues of social

conditionality (i.e. the need for CAP beneficiaries to respect elements of social and labour law to receive CAP funds), the targeting of payments, and the CAP's green architecture. Ministers generally acknowledged the importance of ensuring an environmentally ambitious CAP while emphasising the need for flexibility to avoid additional administrative burdens.

In early May 2021, the General Secretariat of the Council made the 'four-column' [document](#) (reflecting the current state of interinstitutional negotiations) available to all delegations. This document summarised the Commission proposal and Parliament's and Council's positions on each article, providing insight into what had been agreed by that date.

In late June 2021, negotiators [reached an agreement](#) on the three proposals of the CAP reform package. This agreement was endorsed by [EU agriculture ministers](#) on 28 June 2021 and by [AGRI committee members](#) on 9 September 2021. The agreement on the CAP strategic plans regulation was voted in AGRI by 38 votes in favour, to 8 against, with 2 abstentions.

The [provisional deal](#) resulting from the interinstitutional negotiations put forward amendments to the original Commission proposal on a number of key issues. These include a clearer link between the national CAP strategic plans and the EU's environmental and climate commitments (although only the recitals mention the need to assess the consistency and contribution of the proposed CAP strategic plans with the Green Deal's targets, without formal inclusion of such targets in the CAP's performance evaluation); a redistribution of funds in favour of environmental measures, small farms and young farmers; and a social dimension that for the first time connects direct payments to farmers with minimum working conditions on farms. Parliament played an important role in negotiating these issues, as explained in a [press release](#) and a [background note](#) issued by Parliament's Press Service in June 2021.

Parliament voted on the three CAP reform package proposals during its November II 2021 plenary. On 23 November, the provisional agreement on the CAP strategic plans regulation was approved by a large majority of Members (votes: 452 in favour, 178 against, and 57 abstentions). An even larger majority (votes: 587 in favour, 51 against, and 49 abstentions) approved the statements annexed to the regulation. An amendment tabled in plenary and aimed at voting down the proposed regulation was rejected by a large majority of the votes (votes: 135 in favour, 504 against, and 29 abstentions).

Council's adoption of the three regulations took place first within the SCA on 29 November and then with the formal [Council adoption](#) without debate on 2 December. The signature by the presidents of the Parliament and Council and the publication of the three regulations in the Official Journal of the EU on 6 December paved the way for the subsequent adoption of the Commission delegated and implementing acts that Member States need in order to finalise their national CAP strategic plans. These plans, which will set out how the EU Member States intend to achieve the EU-level CAP objectives, are due by 31 December 2021 and would then have to be approved by the Commission in the course of 2022. The CAP strategic plan regulation, now Regulation (EU) [2021/2115](#), will apply as of 1 January 2023.

EUROPEAN PARLIAMENT SUPPORTING ANALYSIS

McEldowney J., [CAP reform post-2020 – Setting the scene](#), EPRS, European Parliament, May 2018.

[Towards the CAP post 2020 – Appraisal of the EC Communication on 'The Future of Food and Farming' of 29 November 2017](#), Policy Department for Structural and Cohesion Policies, European Parliament, May 2018.

[The CAP Strategic Plans beyond 2020: appraisal of the EC legislative proposals](#), Policy Department for Structural and Cohesion Policies, European Parliament, October 2018.

Vikolainen V. with Stenström R., [Modernising and simplifying the common agricultural policy](#), Initial Appraisal of a European Commission Impact Assessment, EPRS, European Parliament, January 2019.

McEldowney J. and Kelly P., [CAP strategic planning: Operational perspectives](#), EPRS, European Parliament, September 2019.

[The Green Deal and the CAP: Policy implications to adapt farming practices and to preserve the EU's natural resources](#), Policy Department for Structural and Cohesion Policies, European Parliament, November 2020.

McEldowney J. and Rossi R., [CAP strategic plans: Issues and expectations for EU agriculture](#), EPRS, European Parliament, May 2021.

OTHER SOURCES

[Support for strategic plans to be drawn up by Member States under the Common Agricultural Policy \(CAP strategic plans\)](#), Legislative Observatory (OEIL), European Parliament.

ENDNOTES

- ¹ The Court of Auditors' opinion is based on Article 287(4) TFEU, following requests by the Commission of 1 June 2018 and the European Parliament of 11 June 2018.
- ² This section aims to provide a flavour of the debate and is not intended to be an exhaustive account of all different views on the proposal. Additional information can be found in related publications listed under 'European Parliament supporting analysis'.
- ³ Figures quoted in constant prices remove the impact of price changes, providing a measure of the actual change in prices and not just an increase due to the effects of inflation.

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