CAP strategic plans
Issues and expectations for EU agriculture

SUMMARY
The European Commission's legislative proposals for the reform of the common agricultural policy (CAP) were published in June 2018. Since then a number of significant developments have occurred in this policy area. These include the adoption of the European Green Deal and its associated initiatives of the ‘farm to fork’ strategy and the biodiversity strategy, and also the agreement on the 2021-2027 multiannual financial framework (MFF) alongside additional support of €7.5 billion for rural development from the Next Generation EU initiative as part of the recovery and resilience package. The European Parliament adopted its first-reading position on the Commission’s proposals on 23 October 2020. This position constitutes the basis for negotiations between Council and Parliament, which started on 10 November 2020. In December 2020, the Commission adopted its recommendations to each Member State on the preparation of their CAP national strategic plans.

Meanwhile, a number of observations and commentaries have been published on CAP reform. These have highlighted some of the key differences between the proposal adopted by the Commission and the positions adopted by the European Parliament and Council. A range of stakeholders and others have also expressed their views on the CAP reform. The main challenge for the future EU farm policy will be how to address environmental concerns while maintaining farm viability. The nature and scale of the issues facing EU agriculture also represent significant challenges for the strategic planning process along with the content and ambition of the new CAP strategic plans, including the governance framework for the new policy.

The Portuguese Presidency of the Council has indicated that reaching an agreement on the CAP reform negotiations in spring 2021 is one of its main objectives. The outcome of the trilogue negotiations will determine the future direction of the EU’s agricultural policy, including how the CAP will contribute towards the achievement of the targets contained within the European Green Deal. Much will depend on the design of the new CAP strategic plans, including the effectiveness and efficiency of the measures chosen and their subsequent implementation.

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- Commission’s recommendations to each EU Member State
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The developing policy context

On 1 June 2018, the European Commission adopted three legislative proposals that set out a legislative framework for the common agricultural policy (CAP) after 2020, when the 2014-2020 EU budget and all relevant spending programmes were expected to conclude their policy cycle. Following its November 2017 communication on the future of food and farming, the Commission’s proposals aim to redefine the way the CAP works. They present a new delivery model, based on a strategic approach by which a national strategic plan would cover all CAP interventions in an EU country: direct payments to farmers and support for rural development and agricultural markets.

Since the publication of the Commission’s 2018 legislative proposals, there have been significant developments in agriculture and rural development policy (see Box 1). While the lengthy legislative process for the three CAP proposals proceeded in parallel with that of the 2021-2027 EU budget, a new Commission took office in December 2019, following the European Parliament elections of May 2019. The publication of the European Green Deal in December 2019 made clear that the environmental and climate crisis were at the core of the new Commission’s plans. The communication on the Green Deal announced actions in many policy areas, including agriculture, for which a ‘farm to fork’ strategy, together with a biodiversity strategy, are intended to show the way forward for sustainable food production and consumption. The task of embracing the new CAP delivery model in EU farm policy was made even more challenging by the unforeseen need to adapt the 2018 CAP legislative proposals to the new scenario brought about by the Green Deal and its subsequent strategies.

Box 1 – Chronology of EU policy developments impacting on agriculture and rural areas

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
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<tr>
<td>2017</td>
<td>Commission communication on the future of food and farming evokes a new delivery model for EU farm policy.</td>
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<td>2018</td>
<td>Commission adopts three legislative proposals on the future common agricultural policy: CAP strategic plans, CAP financial management, CAP amending regulation. Parliament’s Committee on Agriculture and Rural Development (AGRI) adopts the reports on the three CAP legislative proposals. EU countries make a declaration of cooperation on a smart and sustainable digital future for EU agriculture and rural areas.</td>
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<td>2020</td>
<td>Commission publishes a list of potential eco-schemes for future CAP support. A joint committee debate takes place on the draft report on the ‘farm to fork’ strategy tabled by Parliament’s Committees on Agriculture and Rural Development (AGRI) and on the Environment, Public Health and Food Safety (ENVI).</td>
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| 2021 | }
Legislative process: CAP files, transitional rules and the EU budget

Since late autumn 2020, negotiators from the EU institutions have been discussing their proposed amendments to the Commission's proposals on the future CAP. Interinstitutional negotiations on the three proposed regulations covering the CAP strategic plans, amendments to the common market organisation (CMO) in agricultural products and other measures, and on CAP financial management are expected to be completed in the course of 2021. This would allow the new policy framework to be fully in place for its implementation as of 1 January 2023. This date was agreed with the adoption of a CAP transitional regulation (Regulation (EU) 2020/2220) in December 2020, which the Commission put forward in October 2019 when it was clear that neither the CAP basic acts nor the ensuing delegated and implementing acts would be adopted in time to provide EU national authorities with the legal basis to define their strategic plans, have them approved by the Commission and start implementing them on 1 January 2021. In addition to postponing the start of the new legislative framework for EU farm policy by two years, the CAP transitional regulation introduced amendments to all the current CAP basic acts; this was necessary to ensure continuity between policy cycles and to smooth the passage to the new policy framework. It also introduced new provisions that allocated additional funds to the CAP budget for rural development (€8.1 billion in current prices) stemming from the Commission's proposal for a coronavirus crisis recovery instrument (Next Generation EU). As for the overall CAP budget, following the adoption of the regulation laying down the EU’s multiannual financial framework (MFF) for 2021-2027, agricultural funds received €386.6 billion in current prices (equivalent to €343.9 billion in 2018 prices, which implied a cut compared to the €382.9 billion in 2018 prices of the 2014-2020 CAP budget, taking into account the deduction of 2014-2020 allocations to the United Kingdom). Similarly to previous programming periods, the lion’s share of the 2021-2027 CAP budget will be made available for income support schemes (almost 70 % of the total amount), while the rest will go to rural development measures (almost 25 %) and to measures to support agricultural markets.

The European Green Deal and the 'farm to fork' and biodiversity strategies

The Commission’s communication on the European Green Deal set out the EU's commitments to tackling climate and environmental-related challenges by acting in a number of policy areas: climate, clean energy, sustainable industry, sustainable mobility, eliminating pollution, biodiversity and the food system. The European Green Deal aims to make Europe the first climate-neutral continent by 2050, directing EU policies and funds towards this ambitious goal. In relation to farming and food, the Green Deal envisages actions to boost sustainability in land management and in food production and consumption, including through measures that would be covered in the CAP strategic plans. Agriculture is seen as a critical sector to deliver on the Green Deal's targets. However, as the ongoing reform is based on proposals made in 2018, the effort needed to reconcile CAP objectives to such targets is not a negligible one. In May 2020, the Commission published an analysis examining the contribution of the CAP reform proposal to the commitments made in the Green Deal, identifying certain improvements and practical initiatives needed to make the future CAP fully Green Deal-compatible. This analysis identifies a number of links between the Green Deal and the CAP, namely the need for the CAP strategic plans to reflect the Green Deal's ambitions by contributing to reaching its targets (see Box 2) and the need to expand the use of sustainable farming practices and efforts to improve the response of EU agriculture to societal demands such as on food and health. In support of these links, the analysis identified the need to respect the 'no backsliding' principle (i.e. increased ambition compared with current environmental and climate related objectives), and the need to maintain and apply conditionality standards to all areas and animal-based CAP payments and the use of mandatory eco-schemes. The CAP is seen as being a key EU-funded policy when it comes to achieving the ambitions of the Green Deal, ring fencing at least 30 % of the rural development budget at the level of each CAP strategic plan for the environment and climate.
The Commission's analysis concluded that the CAP reform proposal is compatible with the Green Deal's ambitions as they both share goals in areas such as climate action, management of natural resources, and protection of biodiversity. The proposed CAP new delivery model includes two elements that should help to achieve the Green Deal targets: each national CAP strategic plan will explain how CAP tools will achieve CAP objectives with regard to local conditions and needs, and quantified targets will help to monitor progress made by EU countries in implementing the policy.

In line with the Green Deal roadmap, two strategies were unveiled in separate Commission communications published in May 2020: a ‘farm to fork’ strategy for a fair, healthy and environmentally-friendly food system and the EU biodiversity strategy for 2030 – ‘Bringing nature back into our lives’. Together with the Green Deal, these strategies set quantified targets for EU farming and rural areas. Given the non-binding nature of Commission communications, the achievement of such targets will rely on further legislative and non-legislative initiatives, including the tools in the CAP strategic plans. Several initiatives have been launched in recent months, most starting with public consultations in line with the ‘better regulation’ principles, including evaluations and impact assessments as appropriate. An all-embracing impact assessment on the whole strategy has yet to be issued, but the Commission recently began preparatory work.

The ‘farm to fork’ strategy puts forward initiatives addressing issues that have been on the agri-food policy agenda for a while (such as the use of pesticides and food labelling), along with new elements arising from weaknesses in the EU's food system revealed by the coronavirus crisis (such as food supply difficulties and threats to food security). The strategy covers all steps in the supply chain, from production to consumption, involving all the actors in the chain, from farmers and fishermen to processors, service operators, retailers and consumers. Many measures concentrate on agriculture, given its role in achieving environmental and climate goals. Such measures include some of the targets for 2030 shown in Box 2, and roadmaps for initiatives that should help to align the farming sector with the Green Deal's ambitions. One of the initiatives in the strategy's action plan was the Commission's adoption of recommendations for each EU Member State on their CAP strategic plan by the end of 2020. These recommendations, published in December 2020 along with a communication discussed below, address the CAP objectives in the light of local conditions and needs and represent a key step in the dialogue between the Commission and national authorities on the way to aligning EU farm policy with the Green Deal.

The biodiversity strategy puts forward EU commitments to protect and restore biodiversity and ecosystems, to be on the path to recovery by 2030. It focuses on a widened network of protected natural sites (many of which are farmland) and on an extensive plan for nature restoration, involving agriculture among other sectors. The strategy highlights the crucial relationship between biodiversity and food production. Certain agricultural practices are seen as drivers of biodiversity decline. As a result, the biodiversity strategy shares some objectives and targets of the ‘farm to fork’ strategy, adds other more nature-related targets, and counts on the CAP strategic plans for setting

Box 2 – Quantified 2030 European Green Deal targets

- 50% cut in the use and risk of chemical pesticides, and use of more hazardous pesticides
- 50% cut in sales of antimicrobials for farmed animals and in aquaculture
- 100% access to fast broadband internet in rural areas by 2025
- 25% of the EU's agricultural land under organic farming
- 10% of agricultural area under high diversity landscape features
- 50% reduction in nutrient losses while ensuring no deterioration in soil fertility
- Contribution to the 55% greenhouse gas emission reduction target by 2030 and to climate neutrality by 2050

Source: European Commission, Recommendations to the Member States as regards their CAP strategic plan.
national target values (for example to achieve at least 10% of agricultural areas given over to high-diversity landscape features such as buffer strips, fallow land or hedges) in order to boost sustainable farming practices. The strategy’s action plan offers an indicative timetable for key actions having a direct link with farming, such as initiatives on pollinators, organic production, soil protection, biofuels, water abstraction and forestry.

Commission recommendations for each EU Member State

At the end of 2020, the Commission published its recommendations for each Member State on the preparation of their CAP strategic plans. The recommendations raise a range of issues, animating the debate around the future EU farm policy. They include the capacity of the future CAP to address all the societal demands arising from increased awareness of the environmental and climate crises and their strong link with agricultural policies and practices, while maintaining the CAP’s role in helping agricultural producers to provide consumers with quality products and contribute to vibrant rural communities. Paying attention to the Green Deal targets as listed in Box 2, the Commission provides a total of 402 recommendations covering key policy parameters (Figure 1). These aim to assist Member States in the drafting of their CAP strategic plans. Country-specific assessments structured around the nine specific objectives of the future CAP are provided, including cross-cutting objectives on knowledge, innovation and digitalisation. This analysis, which differentiates between Member States on the basis of their respective starting points and potential for improvement, will enable the Commission to assess whether the EU is collectively on track to achieve the Green Deal targets. The Commission’s recommendations, summarised in Table 1, provide insight into its expectations for the new plans. They point to the need for ‘a fairer and more targeted system of direct support’ including recognition of the use of risk management instruments. In response to the EU’s ambitious targets for greenhouse gases (GHG), the Commission stressed that the decline in GHG from EU agriculture has stagnated in recent years and has even risen in some Member States. There has also been a decline in carbon sequestration and there is more potential for energy efficiency in agriculture. The vulnerability of agriculture to the impacts of climate change and biodiversity loss is also recognised. The need to support a dietary shift towards a more plant-based diet by promoting more sustainable and healthy food consumption is noted. A key role is seen for agricultural knowledge and innovation systems (AKIS) in helping farmers and rural communities meet current and future challenges. The availability of a fast and reliable internet connection in rural areas alongside the development of digital skills is seen as crucial for the application of smart solutions in respect of agriculture, rural businesses and communities. The country-specific recommendations provide further insight into how each Member State’s CAP strategic plan should focus their priorities in terms of the interventions available under the proposed regulation. They involve an in-depth overview on the needs and priorities for agriculture and rural areas in each Member State.
**Table 1 – Summary of Commission recommendations to Member States on their CAP strategic plans**

<table>
<thead>
<tr>
<th>Challenges</th>
<th>Issues that CAP actions should focus on:</th>
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<tbody>
<tr>
<td>Smart, resilient and diversified agricultural sector</td>
<td>Transformation and modernisation of farming; fairer and more targeted system of direct support; use of risk management instruments; access to finance; stronger producer cooperation and use of EU quality schemes.</td>
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<tr>
<td>Environmental care and climate action</td>
<td>Smarter, more precise and sustainable farming; better nutrient management, reduced use of plant protection products, livestock and manure management, more efficient irrigation; knowledge intensive farming; crop rotations, high-diversity landscapes, use of new eco-schemes.</td>
</tr>
<tr>
<td>Socio-economic fabric of rural areas</td>
<td>Targeted and integrated investment in both physical and human capital; measures to address the specific needs of women in agriculture and rural areas; protection of agricultural workers; generational renewal; efforts to address antimicrobial resistance, precision farming, shift towards healthier, environmentally sustainable diets; food loss and waste.</td>
</tr>
<tr>
<td>Knowledge, innovation and digitalisation</td>
<td>Optimisation of Horizon Europe, European Innovation Partnership for Agricultural productivity and sustainability (EIP-AGRI), digital transition of the farming sector; availability of fast broadband coverage in rural areas.</td>
</tr>
</tbody>
</table>

Source: EPRS.

**Stakeholder perspectives**

There are a number of diverging viewpoints among stakeholders such as farmers, consumers, and ecologist organisations, especially on topics such as the use of meat and dairy product denominations for plant-based food or the impact of the EU farm policy on animal welfare. A key area of disagreement is the contribution of the EU’s farm policy to the environmental crisis and to climate change. This raises the question of how to address environmental concerns while maintaining farm viability. Nearly all EU citizens believe that securing food supply is a key priority for the CAP. The majority of them consider that protecting the environment and tackling climate change should be the CAP’s main priority. The CAP has not succeeded in reversing the trend of biodiversity decline. Although there have been some signs of improvement in recent decades, CO2 and non-CO2 agricultural emissions may not further reduce significantly by 2030. There is some belief in the CAP’s potential to align with the Green Deal and change such trends through strong commitments in policy design. Certain think-tank analysts recommend that Green Deal and CAP objectives and targets should be aligned, so that the CAP strategic plans become the tool to make agriculture part of the solution to the environmental crisis. Some stakeholders estimate this could be possible by introducing stricter environmental conditions for CAP payments, earmarking funds for biodiversity, climate and environmental objectives (such as through the eco-schemes), and by ensuring that the policy performance is evaluated through appropriate targets and data.

Some stakeholders suggest that CAP subsidies should be directed towards low-emitting farm activities, support transition to nature-friendly farming or should be banned for environmentally-harmful monocultures or intensive livestock farming. Others call for more sustainable EU farming to be secured through market measures. Their proposals (such as reducing unnecessary production, increasing transparency on the markets and ensuring imports comply with EU standards) are aimed both at reaching the Green Deal’s goals and at achieving a fairer agricultural sector both within the EU and globally. A number of scientists suggest that certain elements of the CAP’s green architecture are essential for effective policy, such as landscape features and semi-natural areas, diversity and multifunctionality, and interaction among all local green architecture instruments.
Others consider the rules established for the use of the coronavirus crisis recovery funds for rural development and the CAP transitional rules to be a missed opportunity in the fight against climate change, soil degradation and biodiversity loss. National authorities are seen as being able to reverse this situation by including in their plans those measures with proven ecological value. One suggested use of such recovery funds concerns precision agriculture (i.e. the use of new technology such as sensors and satellites to provide advice on the most relevant action that can be taken in the field), improving both input efficiency at farm level and care for the environment. Fearing the inability of the proposed CAP reform to deliver on climate and environment, there are also those who would simply favour the withdrawal of the CAP proposals. A major point of contention remains the idea of turning the CAP into an operational tool of the Green Deal. The non-binding nature of Commission's communications on the Green Deal, and the 'farm to fork' and biodiversity strategies has been raised to reinforce the request for an impact assessment of such strategies in the farming sector before aligning CAP rules to their targets and roadmaps. This relates especially to EU targets, such as reducing the use of pesticides and fertilisers or increasing organic agriculture. Organic farming stakeholders call for a support strategy for the organic sector to be built into the CAP strategic plans, including a national target for organic land and incentives for conversion and maintenance of organic farming higher than those for pesticides reduction. The farming sector has stressed that farmers are not enemies of the environment and quote examples of farmers moving towards more sustainable production methods.

Young farmers' representatives have welcomed the CAP's green architecture, suggesting that some elements would favour a sustainable and viable agricultural sector for future generations of farmers. These elements include simplified administrative procedures by utilising new digitalisation techniques, budgetary flexibility, ring-fencing for all environmental measures targeting active farmers, and a broad range of voluntary and flexible country-specific eco-schemes. The longstanding issue of CAP simplification, with additional concerns over performance measurements, along with the need to balance the diversity of local conditions with the commonality of the policy, are at the core of farmers' expectations on the future CAP. Sector representatives have analysed the proposals on the CAP strategic plans thoroughly. They stress that CAP modernisation should be rooted in the uptake of digital technologies such as precision farming, along with advisory services using agricultural knowledge and innovation systems (AKIS).

Some problematic issues have been identified in the proposed CAP governance structure, with some highlighting that in this new governance model responsibility for linking the CAP with both the Green Deal and societal demands has been delegated to national strategic planning. A call to raise labour standards in European agriculture has been recently added to the debate on the future CAP, in light of the large presence of seasonal workers on EU farms. Numerous signatories of the open letter addressed to EU and national institutions call for social conditionality in the CAP, stressing that EU farm policy has never considered compliance with human and labour rights as a condition in the allocation of farm payments.

**Studies and assessments**

In February 2021, the Agricultural and Rural Convention (ARC 2020) published a commentary on the Commission's recommendations on the preparation of the CAP strategic plans. This acknowledged 'the wealth of accurate analyses and critical facts ... presented by the Commission including the efforts to cooperate with Member States and make available official documents'. The commentary is critical of the recommendations and considers that they do not lead to precise commitments for the design of intervention strategies. It describes them as 'often weak, with quite ambiguous suggestions or gaping gaps' and that while they respect the list of interventions available in the CAP and are generic in nature, they are considered 'too weak and broad compared to the detailed analyses backing them up'. They indicate for example how precision farming is 'loosely defined' and seen as a 'catch-all cure' while promising initiatives providing multiple public goods such as social farming are excluded or never mentioned. The commentary recognises the utility of the
recommendations for the operative side of the consultation on the CAP strategic plans and that they will open numerous debates within the Member States on issues such as the distribution of payments, covering topics such as internal convergence, capping and historical entitlements. An update on the design of the CAP strategic plans in eight Member States is provided in the commentary.

In January 2021, ARC 2020 published a study analysing the positions of the co-legislators, including an assessment of what can be expected from the CAP strategic plans in relation to the European Green Deal objectives. Drawing on the evidence from the INRAE study (see below), it cites how good agricultural and environmental conditions (GAEC), banning the ploughing of permanent grassland, have been weakened. The exclusion of small farms from on-the-spot checks as proposed by Council has also been criticised, given that ‘small scale farming can range from intensive to extensive practices’. ARC 2020 notes how Council has reduced the number of result indicators to be subject to bi-annual performance reviews (as opposed to annual reviews). Parliament has asked Member States to improve the quality and frequency of data collection for key target indicators relevant for the European Green Deal. Overall, the ARC 2020 analysis calls for greater clarity on the ‘no backsliding principle’ and how it will be enforced during the approval and implementation of the CAP strategic plans, a reinforcement of the CAP’s green architecture in respect of conditionality issues and the application of eco-schemes and a strengthening of the performance management and evaluation framework.

A study commissioned by the European Parliament’s Policy Department at the request of the Committee on Agriculture and Rural Development (AGRI), to provide an analysis of the potential consequences of the European Green Deal and its associated strategies for European agriculture and food, was published in November 2020. Undertaken by INRAE and AgroParisTech, the study examined how EU agricultural policy and other European or national policies could contribute to the Green Deal ambitions. To achieve the Green Deal objectives relating to agriculture and food, it recommends:

- a set of actions to promote the adoption of innovations to induce efficiency gains at both farm level and in the food chain, recognising the need to reduce inefficiencies that lead to excessive use of water, fertilisers, pesticides and antibiotics;
- a re-design of production systems based on agro-ecological principles (such as the use of carbon storage, agroforestry);
- changes in consumers’ behaviour and dietary patterns with positive health outcomes and a reduction in the climate and environmental impact of the food sector.

Issues of critical importance identified by the study include conditionality requirements as well as the targets, instruments and budgets of the eco-schemes (under farm payments) and the climate and environment-related measures (under rural development).

In relation to the conditionality criteria, the study argues that the GAEC provisions should be made more binding in relation to wetlands and peatlands for example. It suggests that a new GAEC should be introduced to increase agricultural producers’ awareness of the flow of nutrients and GHG emissions they generate, i.e. how their practices impact on the climate and the environment. These would provide a benchmark for payments under the eco-scheme measures and would remunerate farmers for their efforts going beyond conditionality requirements, increasing proportionately with their efforts. On eco-schemes, the study recommends four types of measure related to climate mitigation, targeting permanent grasslands, wetlands and peatlands, high-diversity landscapes and farmers whose farms have lower GHG emissions than the mean or median. Two new ring-fenced budgets are recommended for farm payments, with 20 % of spending being reserved for climate mitigation actions and 20 % for measures targeting biodiversity and 35 % of rural development expenditure focused on environmental interventions. It also suggests that eco-schemes must be supplemented by measures that are focused on local public goods, such as water quantity and quality, soil fertility and diversified landscapes. It calls for an end to exemptions in the current
conditionality criteria to 'increase the environmental efficiency of the CAP'. Overall, the study considers that the compromises made by Council 'do not reflect a strong will to enhance the climatic and environmental ambition of the CAP, with some provisions weakening the initial proposals'.

**European Parliament**

For all three CAP files, the trilogue negotiations between Parliament and Council began on 10 November 2020 (see Figure 2). Subsequently seven trilogue meetings were held up to 11 March 2021, followed by a 'super trilogue' meeting held on 26 March 2021. The MEPs representing Parliament in the trilogue negotiations report back to meetings of Parliament’s AGRI committee. At its meeting of 15-16 March 2021, the committee was informed of the potential for a possible framework for an overall draft compromise on the new delivery model and direct payments. As in previous committee meetings, concerns were raised in relation to the positions adopted by Council in the negotiations and on the need to reach a balanced deal, with Council taking Parliament’s main priorities into account.

![Figure 2 – The trilogue process](Source: Politique agricole commune de demain: un débat public pour préparer le plan stratégique national de la France, Ministère de l’agriculture et de l’alimentation, Dossier du maître d’ouvrage, January 2020.)

In March 2021, the Portuguese Presidency published a summary of the topics covered in the negotiations. It also listed areas where provisional agreement had been reached. The Portuguese Presidency briefing has also identified issues where the trilogue discussions have shown marked divergence between the Council and Parliament positions. Examples include payments for small farmers, which Parliament wishes to be applied on a mandatory basis as opposed to the voluntary basis favoured by the Council. It is recognised that further intensive work will be needed to reach a comprehensive agreement on the proposed legislation.

Parliament has also compiled reports on both the 'farm to fork' strategy and the biodiversity strategy. In relation to the former, the ENVI and AGRI committees jointly drew up an own-initiative report, a draft of which was published on 17 December 2020. The rapporteurs presented their report to the AGRI committee meeting on 25 January 2021. A joint AGRI-ENVI hearing on the 'farm to fork' strategy was held on 4 February involving experts from interest organisations and academics. The
vote in committee is scheduled for June 2021. In the case of the biodiversity strategy, the ENVI committee published a draft report in December 2020. A public hearing was held on the conservation of biodiversity on 11 January 2021. During this hearing, the Commission’s Directorate-General for Environment highlighted the decline in biodiversity in agriculture. The role of agriculture in managing natural resources was acknowledged. Members also noted the absence of an impact assessment. In its opinion adopted on 4 March 2021 shared with the ENVI committee, the AGRI committee identified the key role played by the CAP in protecting farmland biodiversity, indicating that farmers needed a bigger toolbox of alternative, effective, affordable and environmentally safe crop protection measures. The vote in the ENVI committee is envisaged at the end of May 2021, with the report on the biodiversity strategy provisionally scheduled for June 2021.

Outlook

Looking to the future, a number of meetings are envisaged before agreement is reached during 2021. The Commission’s recommendations are designed to indicate the direction the CAP strategic plans need to take to implement the specific objectives of the CAP. They are seen as a source of guidance, as outlined in the Council conclusions on the ‘farm to fork’ strategy on 19 October 2020. Combining the issues raised in the Commission’s recommendations along with the other sources examined for this briefing, it is possible to highlight a range of issues that will represent significant challenges for the strategic planning process and beyond. These are outlined below.

First, the nature and scale of the challenges facing EU agriculture: having fallen between 1990 and 2013, GHG emissions from agriculture began increasing again in 2013. The agriculture sector faces considerable challenges in terms of securing significant changes in emissions over the next decade. The European Environment Agency (EEA) has made an analysis of trends and projections in Europe by sector and the national actions needed to achieve GHG effort-sharing targets. It shows that the agricultural sector has contributed to small reductions in the effort-sharing sectors. The EEA reports that from 2018 onwards, the annual rate of emission reductions at EU level would need to nearly double to achieve the cuts envisaged under the Effort-sharing Regulation. In his analysis of climate measures in agriculture, Professor Alan Matthew draws on these EEA findings, noting that Member States’ projections to 2030 point to relatively modest reductions in agricultural emissions up to 2030. In short, ‘agriculture remains a sector where countries foresee only minimal changes in emissions over the next decade’.

Similarly, in relation to the European Green Deal target of a 50 % decline in the use of pesticides in the EU, sales of pesticides over the years 2011 to 2018 showed a relatively stable trend that would have to change to meet Green Deal targets. A European Commission impact assessment estimates that the use of fertilisers has been responsible for around 60 % of registered yield increase in European agriculture in the last 50 years. The Institute for European Environmental Policy (IEEP) has noted how pesticides sales have been on the rise in some of the biggest EU-input consumer countries, such as France. In terms of alternatives, reference is made in the ‘farm to fork’ strategy to the application of integrated pest management (IPM) to reduce dependency on pesticides. The IEEP, in noting the low uptake of IPM in Member States despite the application of existing research efforts on pesticides, explains that current approaches ‘have not fully addressed the solutions that are needed to reduce agricultural inputs, whilst continuing to maintain agricultural outputs’. The IEEP suggests that the EU will need to ensure that the results of current and future research are implemented on the scale needed to address EU ambitions. It also suggests that improved understanding of how to improve soil health and productivity will be instrumental in addressing the ‘farm to fork’ and biodiversity strategy objectives. The same IEEP report notes how agricultural holdings in the EU show a concentration and specialisation trend, namely mono-cropping, resulting in declining soil fertility. This has contributed to a decrease in the resilience of crops to disease and pests and an increase in nutrient losses to the environment. It points to the need for further research on the impact of crop diversification and of redesigned cropping systems as well as natural nitrification inhibitors aimed at preventing nitrates from leaching into the environment.
In relation to organic farming, the European Green Deal sets a target of at least 25% of the EU’s agricultural land to be under organic farming by 2030. Although this may be attainable given that organic agriculture is the fastest growing agricultural sector in the EU, the share of agricultural land under organic varies considerably across the various Member States. One analysis suggests increasing the share of organic farmland in those countries where organic is still a niche market, as well as incentivising countries with a high share to exceed the target of 25%. A challenge for the next CAP will be to encourage farmers to declare high diversity landscape features for agricultural areas and not only areas under arable crops. It is estimated that the share of agricultural land devoted to high diversity landscape features is actually very low. When it comes to the Green Deal’s food waste reduction target, Member States will be expected to indicate in their strategic plans how they contribute to the issues of food loss and waste.

Second, the participation of relevant stakeholders: ARC 2020’s analysis of the design process in six Member States (Germany, Ireland, Spain, France, Italy and Poland) published in December 2020 noted a range of good practices as well as gaps and limitations in the design process. Good practice included: the establishment of online pages and platforms and contact points; the publication of indicative roadmaps for strategic plans and the opportunity for public debate and workshops with stakeholders, including the adoption of public participation techniques and ‘bottom-up’ regional contributions. The experience was cited of France’s nation-wide public consultation on the design of its CAP strategic plan. It is reported that over 7 400 participants were asked online to rank the nine specific objectives set for the new CAP in terms of the priority they would attach to them. The conservation of natural resources, biodiversity protection and climate change were the main high priorities identified. A subsequent press release from France’s National Commission for Public debate (CNDP) on 11 January 2021 explained how the public debate had highlighted a strong desire on the part of the public to ‘accelerate the ecological transition, to develop local agriculture and fully guarantee food sovereignty’. However, in terms of gaps and limitations of stakeholder involvement in the design of CAP strategic plans in the six Member States, ARC 2020 identified issues such as: a failure to include all relevant stakeholders; unclear timelines; even a failure to reflect adequately the outcomes and discussions of meetings, or to take full account of contributions from NGOs; and a lack of clarity on the criteria to be used when prioritising needs. The analysis indicated how in some Member States, the level of transparency and stakeholder engagement is considered to be minimal. One implication of this assessment points to the need to avoid a tokenistic box-ticking exercise, an issue that can be true of any public consultation exercise. For example, an assessment of the strengths, weaknesses and opportunities associated with the EU’s Standing Committee on Agricultural Research (SCAR) makes the point in relation to stakeholder consultations that they ‘should not be viewed as a form of tokenism or a tick-box exercise, nor is involvement an end in itself’. The preparation of the new CAP strategic plans is an ongoing process in each Member State. An article by ARC 2020 in July 2020 expressed concerns over stakeholder involvement in these plans, pointing to what it called as ‘a triple alliance of agricultural ministries, farmer unions and large food industries pushing for keeping ‘business as usual’.

Third, the content and ambition of the new CAP strategic plans: further insight into the content and ambition of the new plans can be obtained from workshops hosted by the European network for rural development (ENRD). These illustrate how some Member States are addressing the task of compiling their plans. One of the main challenges Germany faces is the task of compiling a single federal plan that takes account of the different needs of its 13 federal states, the challenge being to allow the Länder a degree of flexibility to decide on details at their level. Other issues identified more generally concerned how interventions should be designed; the extent to which they can address more than one strategic objective and how the environmental performance of the CAP can be improved.
Four, the governance framework for the future CAP: the new delivery model will grant greater flexibility to Member States, raising the question of how this will work in practice. Professor Alan Matthews’s analysis of the new proposals points to a range of concerns, including that they could lead to distortion in competition arising from differences in the way environmental standards are applied. Member States could decide to continue ‘business as usual’ resulting in a ‘race to the bottom in environmental and climate standards’. He also highlights the lack of a legislative basis for indicators and targets in the ‘farm to fork’ and biodiversity strategies; weak instruments for monitoring and correcting performance and a lack of incentive for agriculture ministries to promote stricter environmental and climate standards. He points to features that could be learned from the governance model for the Resilience and Recovery Facility (RRF). They include, for example, more explicit criteria for plan approval, with a legislative basis for the Commission’s assessment and involvement of Council in the final approval process, based on qualified majority voting. This would allow Member States to object to a plan submitted by another Member State on the grounds, for example, that its proposed environmental conditionality was too weak.

The Commission has already indicated that, in addition to the ‘structured dialogue’ involving its recommendations to each Member State, it will share additional documents on how the CAP strategic plans will be assessed along with observations regarding the assessment of the targets proposed under the different plans. The findings from the above analyses point to the challenges likely to arise in terms not only of meeting the European Green Deal targets but also of dovetailing the CAP legislative proposals and subsequent CAP strategic plans with the European Green Deal as a whole. Two processes are currently underway, both of which will have an important bearing on the extent to which such strategic integration can be achieved. The first is the legislative process involving negotiations between the co-legislators. The second is the plan-making process being undertaken by Member States in respect of their CAP strategic plans. The design and content of the new CAP strategic plans will be key elements in determining the application of the new green architecture for the CAP.

MAIN REFERENCES
