Common Agricultural Policy: how does the EU support farmers?

From supporting farmers to protecting the environment, the EU’s farm policy covers a range of different goals. Learn how EU agriculture is funded, its history and its future.

What is the Common Agricultural Policy?

The EU supports farming through its Common Agricultural Policy (CAP). Set up in 1962, it has undergone a number of reforms to make agriculture fairer for farmers and more sustainable.

There are about 10 million farms in the EU and the farming and food sectors together provide nearly 40 million jobs in the EU.

How is the Common Agricultural Policy funded?

The Common Agricultural Policy is funded through the EU budget. Under the EU’s budget for 2021-2027, €386.6 billion has been set aside for farming. It is divided into two parts:

- €291.1 billion for the European Agricultural Guarantee Fund, which provides income support for farmers
- €95.5 billion for the European Agricultural Fund for Rural Development, which includes funding for rural areas, climate action and the management of natural resources.
How does EU agriculture look today?

Farmers and the agriculture sector were affected by Covid-19 and the EU introduced specific measures to support the industry and incomes. Current rules on how CAP funds should be spent run until 2023 due to delays in budget negotiations. This required a transitional agreement to protect farmers’ incomes and ensure food security.

Discover more agriculture facts and figures in our infographic

Will the reform mean a more environmentally-friendly Common Agricultural Policy?

EU agriculture accounts for about 10% of greenhouse gas emissions. The reform should lead to a more environmentally friendly, fairer and transparent EU farm policy, MEPs said, after a deal was reached with the Council. Parliament wants to link CAP to the Paris agreement on climate change, while increasing support to young farmers and small and medium-sized farms.

Parliament approved the latest agriculture reform in November 2021. It will come into effect in 2023 and will:

- strengthen biodiversity, link to EU environmental and climate laws and commitments
- allocate 10% of direct payments to small and medium-sized farms
- create a permanent crisis reserve to be used when prices or markets are unstable
- apply penalties for those who breach labour rules

Agriculture policy is linked to the European Green Deal and the Farm to Fork strategy from the European Commission, which aims to protect the environment and ensure healthy food for everyone, whilst ensuring farmers’ livelihoods.

More on agriculture

- Pesticides in food: what is the European Parliament doing to help?
- The EU’s organic food market: facts and rules (infographic)
- Veterinary medicines: another step in fighting antibiotic resistance
- Key facts about Europe’s honey market (infographic)

Briefing

The Common Agricultural Policy at a glance
Check legislative progress

Proposals establishing rules on support for strategic plans under the Common Agricultural Policy
Proposal on the financing, management and monitoring of the Common Agricultural Policy
Proposal amending the CMO regulation, regulations on quality schemes and regulations on specific measures for certain regions