

CAP POST 2020 PROPOSALS

Commissioner Hogan formally launched the draft proposals for the CAP 2021-2027 in June 2018.

NINE CAP OBJECTIVES

The CAP post 2020 proposals are based on nine objectives setting out what the policy is intended to achieve for farmers, citizens and climate.



The objectives focus on three central themes;

HIGHER AMBITION ON ENVIRONMENTAL AND CLIMATE ACTION

The new CAP will have an increased focus on tackling climate change, protecting the environment and maintaining landscapes and biodiversity. A minimum 30% of Pillar 2 funding will be spent on climate and environment related measures. 40% of the CAP's overall budget is expected to contribute to climate action.

In addition to ambitious mandatory requirements, farmers will have the possibility to contribute further and receive additional support through various voluntary schemes.

INNOVATION FOR SMART SUSTAINABLE AGRICULTURE

A specific budget of €10 billion from the Horizon Europe programme will be set aside for research and innovation in food, agriculture, rural development and the bioeconomy.

SUPPORTING FARMERS

The new CAP will continue to support the family farms that are the heart of the EU's agricultural way of life, as well as encouraging young farmers to join the profession.

KEY POINTS OF THE CAP POST 2020 PROPOSALS

CAP Strategic Plans — The proposals outline that Member States are obliged to prepare a CAP strategic plan covering all expenditure under Pillar 1 and Pillar 2 with a focus on outputs achieved and targets met. This is a new requirement for Member States.

Greater focus on environmental aspects — The proposals outline that CAP Strategic Plans must commit to a higher environmental ambition than the current CAP supported schemes. This increased environmental ambition is mandatory for Member States and voluntary for farmers to participate in. This proposal suggests that 40% of Pillar 1 funding will target climate change measures and 30% of Pillar 2 funding will target additional voluntary agri-environmental measures.

Changes to Direct Payments — The proposals outline that Member States must reduce the amount of Direct Payments to be granted to a farmer exceeding €60,000. The proposals also outline that Member States must apply a gradual reduction to the Direct Payments made to farmers between €60,000 and €100,000.

Genuine Farmer — The proposals outline that supports will only apply to the "genuine" farmer. This definition will need to be decided at Member State level. This is to ensure that support is not provided to those whose agricultural activity forms only an insignificant part of their overall economic activities or whose principal business activity is not agricultural.

Risk Management — The proposals include the mandatory requirement for Member States to introduce risk management measures.

CAP POST 2020 BUDGET

Proposals for the next Multi-annual Financial Framework (MFF) period 2021 – 2027, were published in May 2018. The proposals outline a total EU CAP budget of approximately €365 billion over the 7 year period broken down as follows;

Pillar 1: Approximately €286 billion

Pillar 2: Approximately €79 billion.

This represents approximate cuts of 3.9% to Pillar 1 and 15% to Pillar 2. The allocation of CAP funding proposed for Ireland for the 2021 – 2027 period is €8.148 billion in direct payments and €1.853 billion in rural development funding.

DRAFT PROPOSALS

It should be noted that the CAP and MFF proposals, published by the European Commission are proposals only and have yet to be agreed by Member States. Negotiations on the draft proposals are continuing at EU level.



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Useful websites

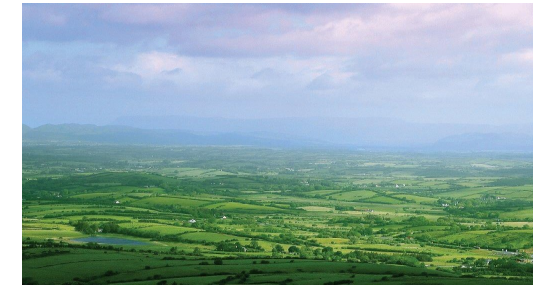
www.consilium.europa.eu/en/policies/cap-future-2020/
www.agriculture.gov.ie/



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THE COMMON AGRICULTURAL POLICY (CAP)

The Common Agricultural Policy (CAP) protects family farm incomes, supports the rural economy, ensures the production of high-quality safe food for consumers and protects rural landscapes and the environment.



ORIGINS OF THE CAP

In 1957 the Treaty of Rome created the European Economic Community. Agriculture has always had a special place in Europe's economic and social structure. Arising out of the Treaty of Rome, the CAP was established in 1962. At that time Europe was still recovering from World War II and food scarcity was a major issue. The CAP was established on the basis that it would provide food at affordable prices and ensure a fair standard of living for farmers.

GOALS OF THE CAP

- To increase agricultural productivity by promoting technical progress and ensuring the optimum use of the factors of production, in particular labour;
- To ensure a fair standard of living for farmers;
- To stabilise markets;
- To ensure the availability of supplies;
- To ensure reasonable prices for consumers.

Successive reforms of the CAP have increased the emphasis on protecting the environment.

The material contained in this informal guide is for general information purposes only and does not constitute legal or professional advice. This leaflet was updated in 2019 and some information is subject to change. While great care went into providing an effective and useful guide, any specific queries should be addressed directly to the Department of Agriculture, Food and the Marine.

THE CAP CONSISTS OF A TWO PILLAR STRUCTURE

Pillar 1
Income Support

Pillar 2
Infrastructure, Environ-
ment and Development
Support

WHAT ARE THE BENEFITS OF THE CAP FOR THE EU?

- Maintaining 10.8 million family farms within the EU;
- Job creation and economic growth, especially in rural areas;
- Managing some 40% of the land area of the EU (175 million hectares);
- Ensuring that the EU is self-sufficient in food production and is a major exporter;
- Ensuring the EU is a world leader in sustainable agriculture;
- Delivering the highest standards of food safety along with animal health & welfare; and
- All of this is delivered for 0.4% of the EU's total GDP.

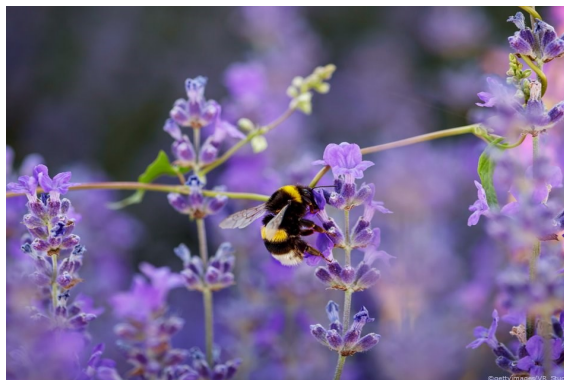
WHAT DOES THE CAP DELIVER FOR IRELAND?

- An agri-food sector which employs more than 173,000 people and accounts for 7.7% of employment and approximately 7.7% of GNI;
- Supports Ireland's largest indigenous sector contributing to a €27 billion turnover;
- The agri-food sector is largely rural based, thus ensuring the continued survival of rural and coastal areas where alternative employment opportunities are limited;
- Contributes to total agri-food exports in 2018 of €13.7 billion (a 73% increase since 2009);
- Contributes to the delivery of public goods through approximately 137,500 Irish farm families who manage around 4.9 million hectares of land (around 70% of Ireland's land area) to deliver positive outcomes for landscape, climate change, bio-diversity and water quality; and
- In 2018, CAP supports accounted for 74% of family farm income on average, with a range from 34% in dairying to 158% in cattle rearing farms.

PUBLIC GOODS DELIVERED BY CAP

A range of public goods are delivered by CAP schemes. For example, the 49,200 farmers within Ireland's Agri-environment Scheme (GLAS) undertake actions which benefit biodiversity, landscape, water and climate change. Examples include;

- 18,869 hectares of Wild Bird Cover which will deliver at least 36,000 tonnes of bird feed annually for a 5 year period;
- 14,780 km of watercourses protected from bovines;
- 119,700 hectares of Natura area in GLAS; and
- 78,300 hectares of farmland managed for specific farmland bird species such as corncrake, Hen Harrier and Chough; and
- Over 21,942 hectares of catch crops planted annually.



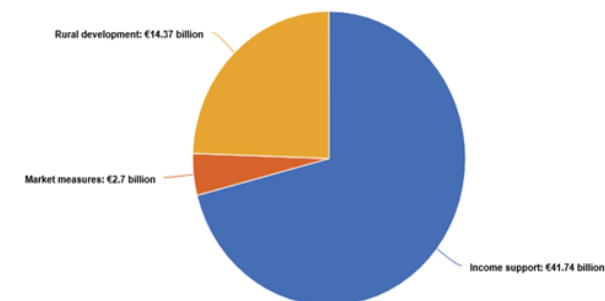
KEY PRIORITIES FOR THE CAP POST 2020

From Ireland's perspective, there are a number of priorities for CAP post 2020 including:

- Ensuring there is a sufficient CAP budget;
- Supporting the sustainable growth of food production;
- Building the resilience of the agri-food sector to deal with the impact of increased global market volatility;
- Encouraging generational renewal;
- Strengthening farmers' position in the food supply chain;
- Responding to environmental challenges; and
- Investing in rural viability and vitality.

CAP EXPENDITURE IN THE TOTAL EU EXPENDITURE

EU farmers received €58.82bn in support from the overall EU budget of €160.11bn in 2018.



Source: CAP financing, European Commission, The common agricultural policy at a glance

This level of support for EU farmers from the overall EU budget reflects the many variables involved in ensuring continued access to high quality sustainably produced food. This includes income support to farmers, climate change action, and supporting vibrant rural communities.

Direct payments of €1.21bn are paid annually to Irish farm families. In addition, some €630m was paid under the rural development programme in 2018, delivering training, infrastructure and environmental benefits. These schemes are co-funded by the National Exchequer.

