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Report Name: EU Commission Proposes Common Agricultural Policy Revisions Following Farmer Protests

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Report Highlights:

Following weeks of farmer protests across the European Union, the European Commission published a legislative proposal to amend certain provisions of the Common Agricultural Policy.

On March 15, 2024, following weeks of farmer protests across the European Union demanding less administrative burden and better prices, the European Commission published a <u>legislative proposal</u> to amend certain provisions of the Common Agricultural Policy (CAP). The Commission acknowledged that the first year of implementation of the current CAP¹ made clear that adjustments are necessary to ensure effective implementation of the National Strategic Plans and reduce red tape.

Commenting on the publication of the proposal, President of the European Commission, Ursula von der Leyen, said: "The Commission is taking strong and swift action to support our farmers in a time when they are dealing with numerous challenges and concerns. Today's proposals - crafted in close cooperation with farmers, key stakeholders, our Member States and MEPs – offer targeted flexibilities to help farmers do their vital work with greater confidence and certainty. We are sending a clear message that agricultural policy adapts to changing realities while staying focused on the key priority of protecting the environment and adapting to climate change. The Commission will continue to stand steadfastly by our farmers, who maintain EU food security and serve at the frontline of our climate and environment action."

The proposal introduces changes to good agricultural and environmental condition standards (GAEC standards), amendments to CAP Strategic Plans and their review, and exemptions from controls and penalties by the national competent authorities.

Changes to GAEC Standards

Most of the CAP payments that farmers receive are linked to a set of nine standards beneficial to the environment also known as the good agricultural and environmental conditions (GAECs)². These standards are also known as conditionalities to CAP payments.

The Commission proposes to change some of these standards to reduce red tape and give farmers more flexibility. Additionally, the Commission will now allow Member States to allow temporary derogations from certain conditionality requirements in case of adverse weather conditions.

Regarding changes to the GAECs, the Commission proposes to:

- o <u>GAEC 8:</u> Remove the obligation to devote a minimum share of arable land to non-productive areas (fallow land) or features (hedges, trees...). Member States will be required to establish an eco-scheme which would reward farmers who choose to keep these non-productive areas.
- o <u>GAEC 7:</u> Allow more flexibility on the crop rotation obligation: Member States will be able to choose to either rotate or diversify their crops; this is to help farmers affected by regular drought or excessive rainfall to comply more easily with this requirement.

¹ More information on the CAP (2023-2027) can be found in GAIN report: <u>EU Common Agricultural Policy Reform.</u>

² You can find the list of GAECs in Annex II of Regulation 1306/2013.

o <u>GAEC 6</u>: Allow more flexibility for Member States in setting the calendar for soil cover during sensitive periods. Farmers have been complaining about "calendar farming".

The Commission also proposes that farms of under 10 hectares are exempted from controls and penalties related to compliance with the GAEC requirements. This aims to reduce administrative burdens related to controls for small farmers who represent 65 per cent of CAP beneficiaries.

Improving the position of farmers in the food supply chain

As part of the roll-out of the proposal, the Commission announced that reinforcing the position of farmers in the supply chain is also a key priority.

To that effect, the Commission announced that it will launch an observatory of production costs, margins, and trading practices in the agri-food supply chain. This observatory will be composed of representatives from all sectors along the food supply chain and representatives of Member States and the Commission.

The Commission also announced that it is working on additional amendments to the CAP Regulation (Common Markets Organization Regulation) to strengthen rules on contracts, producer organizations, and cooperation between farmers. This is expected to be published before the summer of 2024. Additionally, the Commission also announced an evaluation of the <u>Directive on Unfair Trading</u> Practices in The Food Supply Chain in the second quarter of 2024.

Stakeholders Reactions

Copa Cogeca, the trade association representing farmers and cooperatives, supports the simplification measures proposed by the Commission, noting that they do not undermine farming transitions. Copa-Cogeca reaffirmed in a press release that farming is an open-air activity that doesn't take kindly to overly rigid administrative timetables and welcomed the acknowledgement by the Commission that the bureaucratic requirements were part of the reasons for the widespread protest of famers across the Member States.

Contrarily, BirdLife International, an environmental non-governmental organization, <u>stated</u> that the Commission's proposal "is a frontal attack on the environmental elements of the CAP, which are already the bare minimum to tackle the pressing nature and climate emergencies." They called on the Council and the Parliament to reject the proposal and demanded that the Commission put forward a new text.

Next Steps

The text is now with the European Parliament and the Council of the EU for amendment and adoption. With European elections approaching, the two institutions have until the end of April to approve the Commission's proposal. While possible, a quick adoption will require high-level political will. The Commission stressed that it is of "utmost importance that co-legislators find an agreement on today's

legislative proposa possible."	ıl in a timely manı	ner to reassure f	armers that thes	se new measures	can apply as	soon as
Attachments:						
No Attachments.						