The new CAP, financial instruments and smaller farms

Pierre Bascou, Director, Directorate B – Sustainability, Directorate-General for Agriculture and Rural Development, European Commission
The new CAP

New delivery mechanism

Range of objectives & targets

Financial Instruments support

Economically Viable
New CAP Strategic Plans: Direct Payments

Overview of the relevant support options for smaller farms in the EU
CRISS – Complementary Redistributive Income Support for Sustainability

- Mandatory 10% - 24 MS have planned CRISS
  - 7 MS have submitted a derogation request
- Top up to the first hectares
  - Optional exclusion of the biggest farms above a threshold
- Flexibility: 1 or more ranges with different UA
  - Based on income need or economic criteria
  - CRISS UA by territories - 3 MS
Payment to small farms (PSF)

- Voluntary type of intervention, which replaces all other direct payments (DP)
- Available through a lump sum/payment per hectare
  - Maximum amount per farmer: EUR 1250

- Major aims:
  - To promote a more balanced distribution of support
  - To reduce administrative burden for beneficiaries of small amounts and managing authorities

- 5 MS intend to use this tool: BG, CZ, LV, MT, PT
  - Only CZ with a payment per hectare;
  - All other MS with a lump-sum payment [between EUR 160 – 1250]
Capping and Degressivity

- Optional and applied to BISS amount
- Degressivity: from 60,000 EUR and max. 85% with leeway to define different ranges
- Capping (100%) at 100,000 EUR
- Optional deduction of:
  - salary costs, and/or
  - unpaid regular work, and/or
  - salary cost linked to contractual work.
New CAP Strategic Plans: Financial instruments

Overview of the relevant support options for smaller farms in the EU
Programmed and spent money under EAFRD financial instruments in 2014-2022

Source: DG AGRI calculations based on various sources of information
Number and % of agricultural holdings of total, by size of agricultural holding in ha, end 2020

- 1724, 45.9%
- 1156, 30.8%
- 254, 6.8%
- 184, 4.9%
- 434, 11.6%

Source: DG AGRI calculations based on information provided by MS in AIRs
Payments in mio EUR and % to recipients based on size of agricultural holding, end 2020

Source: DG AGRI calculations based on information provided by MS in AIRs
# EIF EARD FI Mandates, by end 2021

**EIF mandates with EAFRD resources in 2014-2022**

<table>
<thead>
<tr>
<th>Type of criterion</th>
<th>FOSTER Languedoc Rousillion</th>
<th>FOSTER Midi Pyrineses</th>
<th>ALTER’NA Nouvelle-Aquitaine</th>
<th>Romania</th>
<th>Greece</th>
<th>Portugal</th>
<th>Italy AGRI Platform</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mandate absorption as of 31/12/2021</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td># count transactions</td>
<td>396</td>
<td>421</td>
<td>571</td>
<td>735</td>
<td>233</td>
<td>164</td>
<td>53</td>
</tr>
<tr>
<td>Committed amounts in EUR mio</td>
<td>45,1</td>
<td>47,3</td>
<td>89,9</td>
<td>96,2</td>
<td>15,5</td>
<td>63,1</td>
<td>11,1</td>
</tr>
<tr>
<td>Disbursed amounts in EUR mio</td>
<td>38,2</td>
<td>45,3</td>
<td>78,2</td>
<td>91,2</td>
<td>12,0</td>
<td>41,4</td>
<td>10,9</td>
</tr>
<tr>
<td>Target amounts in EUR mio</td>
<td>67,5</td>
<td>54,0</td>
<td>190,0</td>
<td>162,0</td>
<td>280,0</td>
<td>315,0</td>
<td>391,0</td>
</tr>
<tr>
<td>Mandate absorption, %</td>
<td>67%</td>
<td>88%</td>
<td>47%</td>
<td>59%</td>
<td>6%</td>
<td>20%</td>
<td>3%</td>
</tr>
<tr>
<td><strong>Committed amounts (EUR mio) by SME size</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medium</td>
<td>7,2</td>
<td>0,2</td>
<td>0</td>
<td>18,4</td>
<td>2,0</td>
<td>12,5</td>
<td>3,1</td>
</tr>
<tr>
<td>Small</td>
<td>8,9</td>
<td>3,7</td>
<td>11,7</td>
<td>34,5</td>
<td>3,4</td>
<td>14,5</td>
<td>3,1</td>
</tr>
<tr>
<td>Micro</td>
<td>28,9</td>
<td>43,4</td>
<td>78,2</td>
<td>43,3</td>
<td>10,1</td>
<td>36,2</td>
<td>4,8</td>
</tr>
<tr>
<td>Total</td>
<td>45,1</td>
<td>47,3</td>
<td>89,9</td>
<td>96,2</td>
<td>15,5</td>
<td>63,1</td>
<td>11,1</td>
</tr>
</tbody>
</table>

Source: EIF
EAFRD FI’s support: Sectoral breakdown per RDP, end 2020

Source: DG AGRI calculations based on information provided by MS in AIRs
## EAFRD Financial instruments in the new CAP Strategic Plans 2023-2027

<table>
<thead>
<tr>
<th>Member State</th>
<th>Type of FI product</th>
<th>Additional elements in the FI</th>
<th>Combination of support</th>
<th>Targetting of the FI support</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Loan</td>
<td>Guarantee</td>
<td>Working capital</td>
<td>Interest rate subsidy</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Croatia</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Estonia</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Greece</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Latvia</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Lithuania</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Poland</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Portugal</td>
<td>X</td>
<td>X</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Slovakia</td>
<td>X</td>
<td>X</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Slovenia</td>
<td>X</td>
<td>X</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Spain</td>
<td>X</td>
<td>X</td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>

Note: Italy and France planned the use of FI, but certain information is missing. All information is preliminary, unofficial and subject to possible changes.

Source: DG AGRI based on preliminary information provided by MS
New CAP Strategic Plans:

Rural Development

Overview of the relevant support options for smaller farms in the EU
Some Interventions for targeting smaller farms

- Investments – Article 73 of R 2021/2015
  - The max. support rate for small farms may be increased for investments up to 85%.
  - Regulation (EU) No 2021/2115 does **not** define what a "small farm" is. In practice, MS define for its own CSP

- Start-up of rural business linked to agriculture
  - Lump sums up to a max. 100,000 euros are possible without any discrimination as regards the activities