



The new CAP, financial instruments and smaller farms

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 #ficompass



The new CAP



New
delivery mechanism



Range of
objectives & targets



Financial Instruments
support

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]

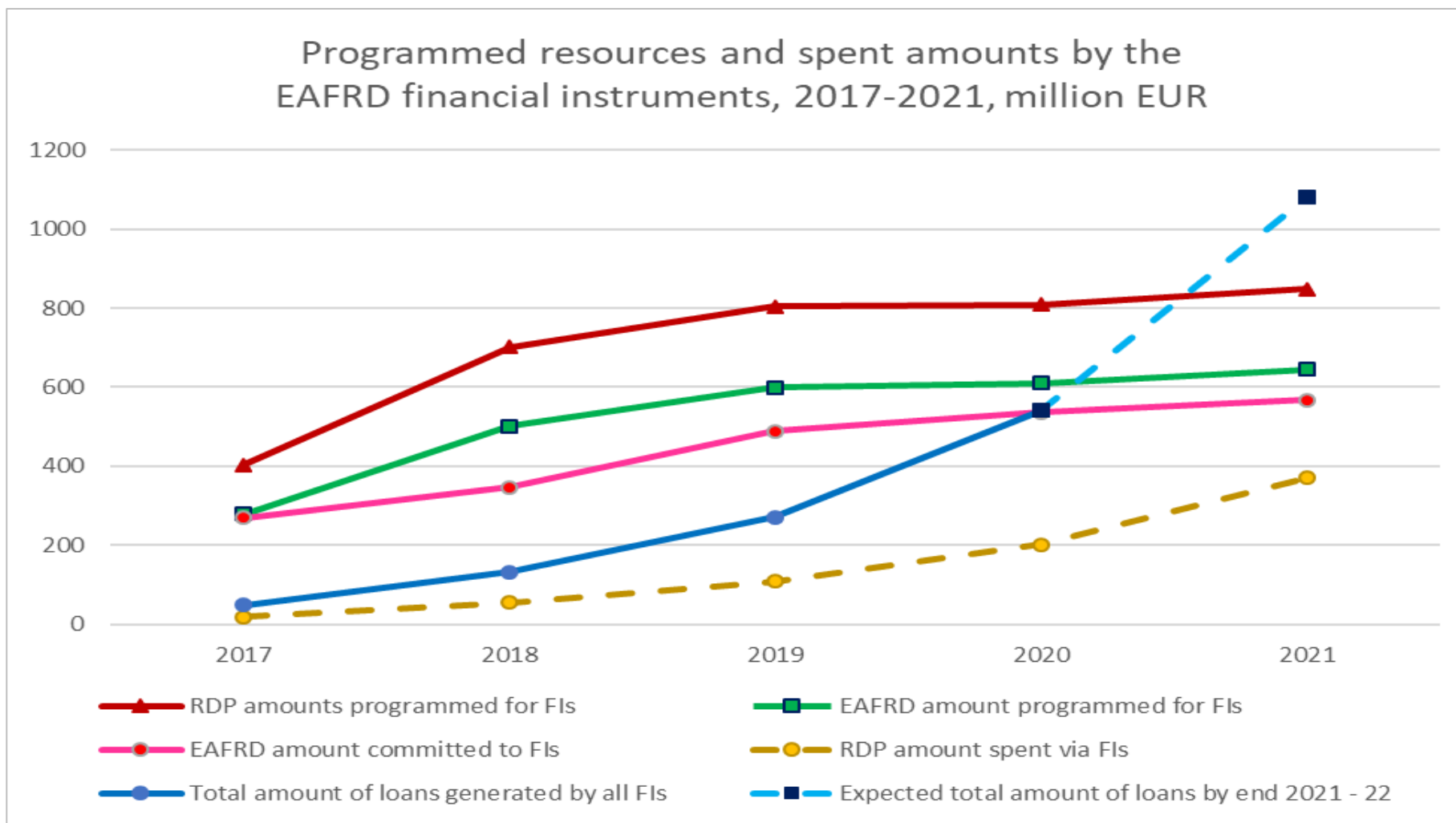
Capping and Degressivity

- ❑ 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



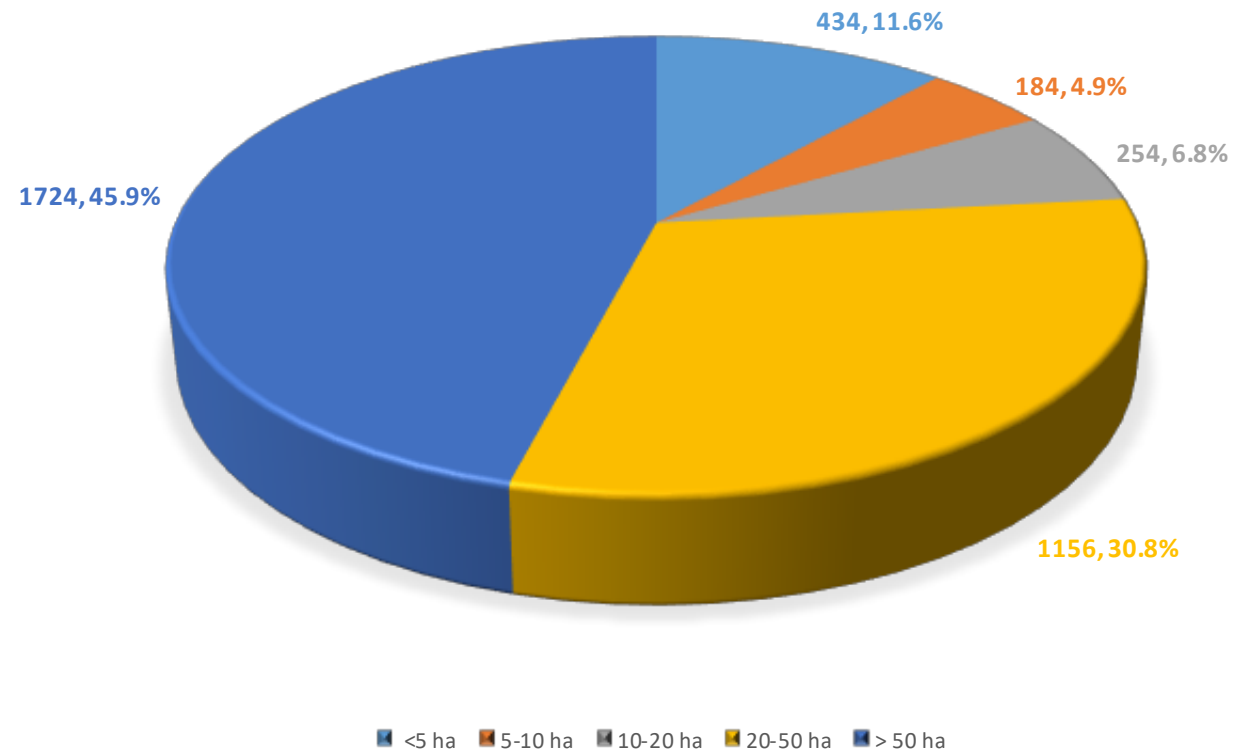
New EAFRD
data as of
end April 2022:

€ 679,8 million
programmed

€ 308,2 million
in DOE

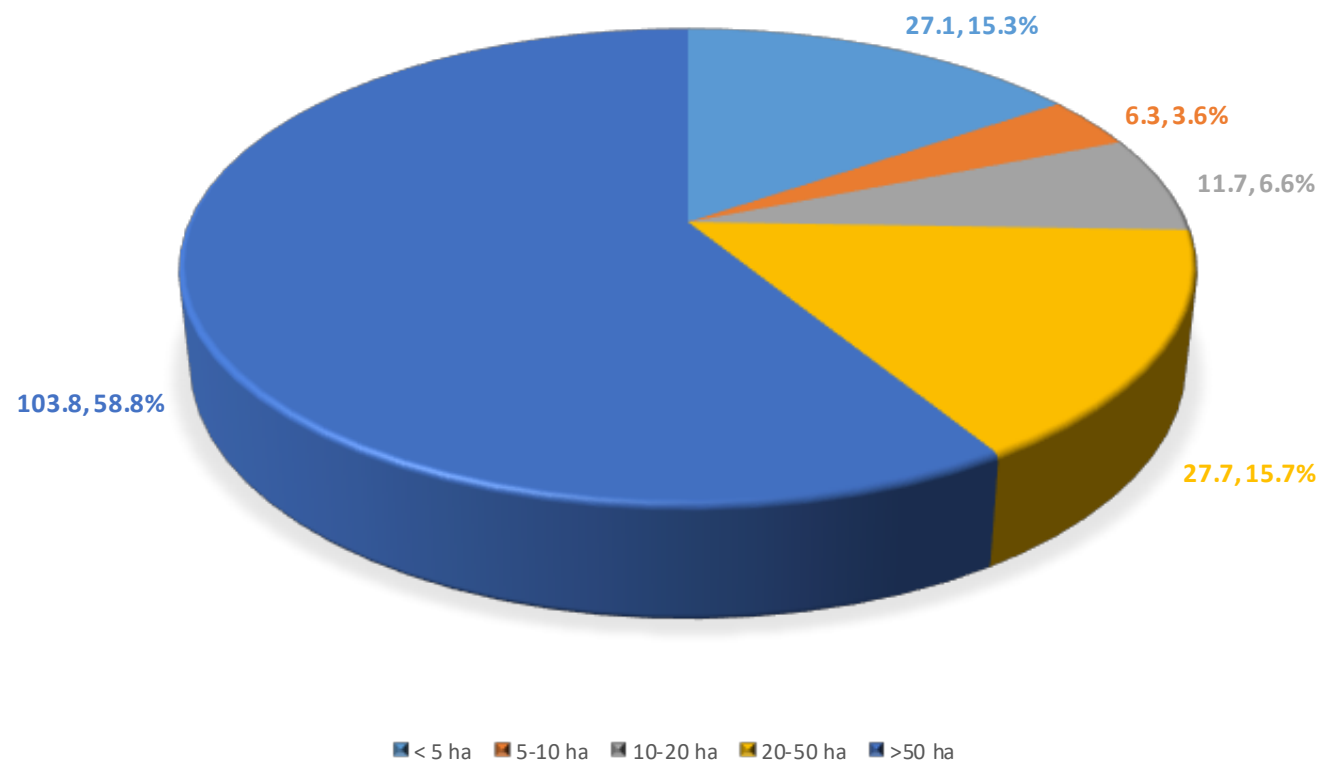
Source: DG AGRI calculations based on various sources of information

Number and % of agricultural holdings of total, by size of agricultural holding in ha, end 2020



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

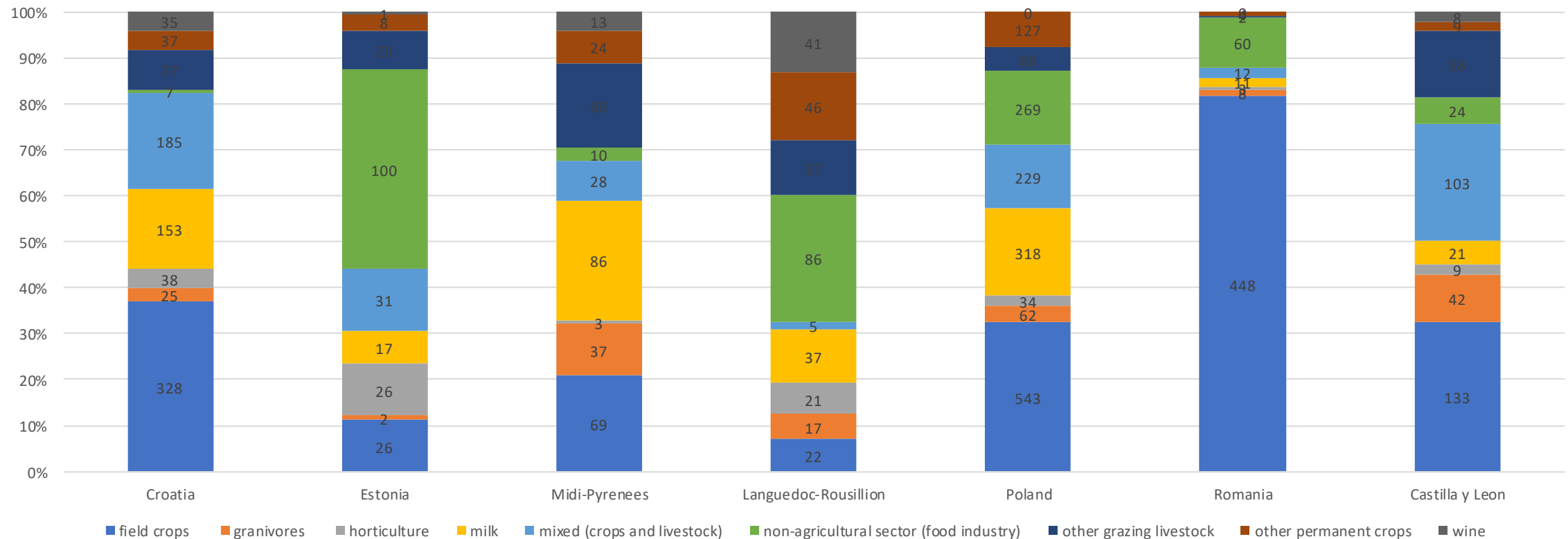
EIF EARD FI Mandates, by end 2021

EIF mandates with EAFRD resources in 2014-2022

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

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

Member State	Type of FI product		Additional elements in the FI			Combination of support	Targetting of the FI support				
	Loan	Guarantee	Working capital	Interest rate subsidy	Capital rebate	of which in a single operation	Small farms specific	Small food & beverage specific	Micro-enterprises	Young farmers	General coverage, incl. small farms
Bulgaria		X	X	X		X	X	X	X	X	
Croatia	X	X	X			-			X	X	X
Estonia	X	X	X								X
Greece	X		X			X	X		X		
Latvia	X		X		X	X	X		X		
Lithuania	X				X		X	X	X	X	
Poland		X	X	X		X	X	X		X	
Portugal	X		X							X	X
Slovakia		X				X	X		X	X	
Slovenia		X		X						X	X
Spain		X	X			X				X	

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



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