



Multiannual financial framework 2021-2027 and the Common Agricultural Policy

COMMISSION PROPOSAL OF 27 MAY 2020

A photograph of the European Union flag, which is blue with twelve gold stars arranged in a circle. The flag is being held up by two hands, and it is waving in the wind. The background is a blurred green landscape with trees.

Webinar «Direct payments to the Batlic farmers» – 1 July 2020

'Re-CAP' of 2018 proposal

2 May 2018 (MFF) and 1 June 2018 (CAP)

CAP financing 2021-2027

EUR 365 billion
(current prices)

- **5% cut** compared to current situation for EU-27

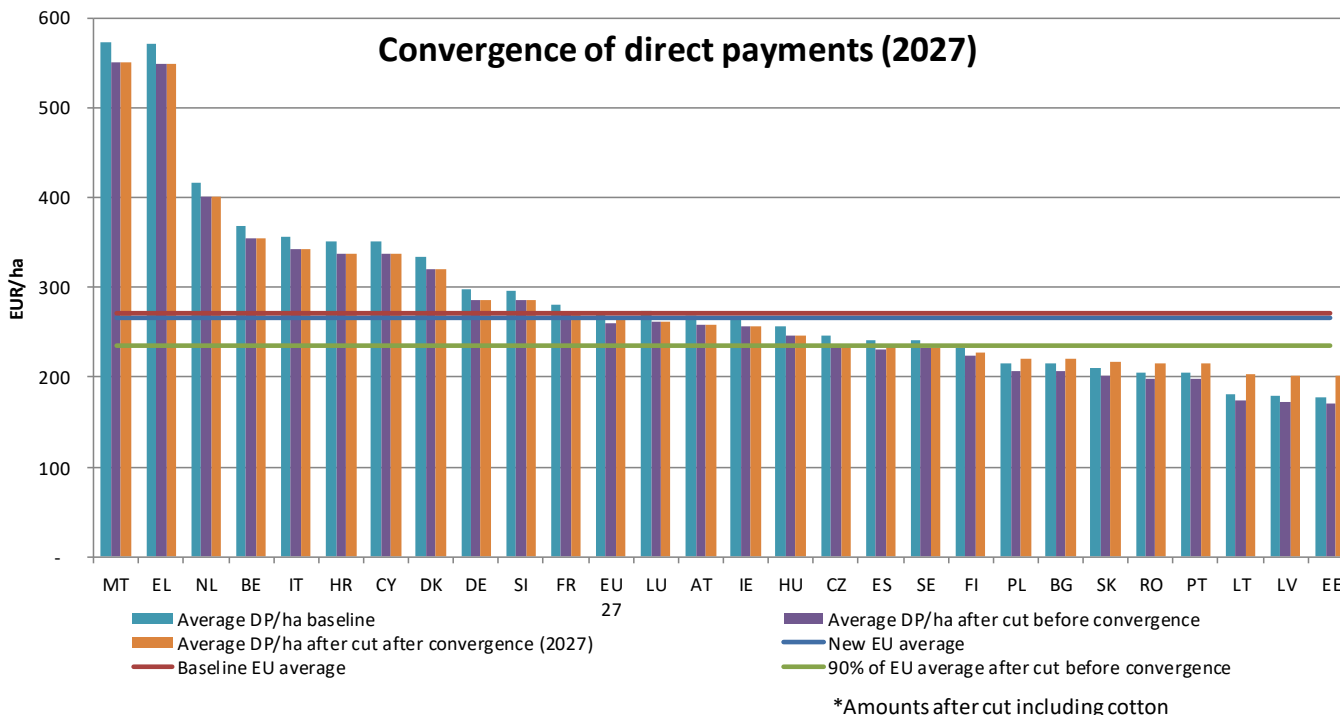
Context:

- Brexit
- Traditional policies vs new challenges (research; digital; migration; defence, etc.)

European Agricultural Guarantee Fund

Direct payments

Limited cut of direct payments + Further external convergence



COM proposal on external convergence

- MS with aid/hectare < 90% of EU average => closing 50% of gap over 6 years
- Financed by all MS
- EUR 2.4 billion over MFF period

How much convergence ?

How to finance convergence ?

EAGF – Direct payments and market related expenditure

3.9% cut

Other EAGF

Agricultural reserve

- Direct payments
- MS allocations: wine; POSEI & Aegean islands; olive oil, hops
- Promotion
- Beekeeping: increase
- School schemes: status quo minus UK
- Fruit & vegetables producer organisations: no ceiling per MS
- For public intervention, private storage aid & exceptional measures
- At least EUR 400 million/year in budget
- Roll-over mechanism + financial discipline cut only as last resort

Amended proposals MFF and CAP Strategic Plan

27 May 2020

Summary: CAP allocation 2021-2027

Current prices

	2018 proposal	2020 proposal		
	EUR million	EUR million	EUR million	%
EAGF	286 195	290 702	4 508	1,6%
EAFRD	78 811	100 738	21 927	27,8%
<i>of which Next Generation EU</i>		16 483		
CAP	365 006	391 440	26 434	7,2%
Compared to current levels (2020)	5% decrease	2% increase		

EAGF – What is proposed?

In the revised MFF:

[cf. COM(2020)442]

Current prices (EUR million)	2021	2022	2023	2024	2025	2026	2027	2021-2027
European Agricultural Guarantee Fund (EAGF)	40 933	41 162	41 435	41 578	41 720	41 865	42 010	290 702

- ➔ **EUR 4.5 billion extra** for 2021-2027 as compared to 2018 proposal (current prices)
- ➔ Figures based on the discussions at February 2020 European Council

EAFRD – What is proposed?

In total: EUR 21.9 billion extra (current prices) for 2021-2027, split as follows:

1) In the revised MFF:

EUR 5.4 billion extra spread over 2021-2027

Current prices (EUR million)	2021	2022	2023	2024	2025	2026	2027	2021-2027
European Agricultural Fund for Rural Development (EAFRD)	14 249	11 667	11 667	11 667	11 667	11 667	11 671	84 255

2) From the Recovery Instrument « Next Generation EU »:

EUR 16.48 billion spread over 2022-2024 (\pm 50% - 25% - 25%)

- ➡ Allocation as per Article 83(3) CAP Strategic Plan Regulation
- ➡ New specific objective added in draft CAP Strategic Plan Regulation
« *complementing the specific objectives set out in Article 6
to support operations preparing the recovery of the economy* »

Next step ...

