



# The Commission Communication on the CAP towards 2020 and young farmers

“CAP after 2013 – young farmers in the Central European Region” II. Conference

DG for Agriculture and Rural Development  
European Commission

# Outline

## 1. The main messages of the CAP Communication

1. Why do we need a reform?
2. What are the objectives with the reform?
3. What policy instruments?
4. Young Farmers

## 2. Direct payments

## 3. Rural Development

1. Current situation
2. Measure 112: Set up of young farmers
3. Beyond 2013

## 4. Next steps

# 1.1. Main messages: why do we need a reform?

To respond to challenges ahead

## Economic challenges

- Food security
- Price variability
- Economic crisis

## Environmental challenges

- GHG emissions
- Soil depletion
- Water/air quality
- Habitats and biodiversity

## Territorial challenges

- Vitality of rural areas
- Diversity of EU agriculture

**Equity and balance of support**

**Contribution to Europe 2020 strategy**

## 1.2. Main messages: What are the objectives with the reform?

### **Viable food production**

- To contribute to farm income and limit its variability
- To improve sector competitiveness and share in food chain value-added
- To compensate areas with natural constraints

### **Sustainable management of natural resources and climate action**

- To guarantee the provision of public goods
- To foster green growth through innovation
- To pursue climate change mitigation and adaptation

### **Balanced territorial development**

- To support rural vitality and employment
- To promote diversification
- To allow social and structural diversity in rural areas

**Common EU response needed**

# 1.3. Main messages: What policy instruments?

Better targeted to objectives

Based on two pillar structure

## Direct payments

- Redistribution
- Better targeting
- Redesign:
  - *Greening of direct payments*
  - *Capping of payments*
  - *Small farmers support*
  - *Areas with specific natural constraints*

## Market measures

- Market orientation
- Streamline and simplification
- Improved food chain functioning

## Rural development

- Environment, climate change and innovation as guideline themes
- Improved coherence with other EU policies
- More effective delivery mechanisms
- Address risk management
- New distribution criteria

## 1.4. Main messages: young farmers

**2 explicit mentions of young farmers:**

- **Challenges:** “Vitality and potential of many rural areas remain closely linked to the presence of a competitive and dynamic farming sector, attractive to young farmers”.
- **Policy instruments - Rural Development):** “Addressing the specific needs of Young Farmers and new entrants will be a priority.”

## 2. Direct payments

- Reflections ongoing
- Some elements already known:
- SAPS ends the latest on the 31st of December 2013
- Switch to SPS regional model (flat-rate payment with entitlements)
- Current SPS: 2 main ways to get payment entitlements:
  - Initial allocation
  - From the national reserve: currently MS may allocate in priority to farmers commencing farming activity

## 3. Rural development

- **Communication: “Addressing the specific needs of Young Farmers and new entrants will be a priority.”**
- **Study on Employment, Growth and Innovation in Rural Areas (SEGIRA)**
  - “... in rural areas... depopulation remains the dominant demographic trend, particularly amongst the younger and economically active groups in the population “
  - “The loss of young people and the corresponding replacement by an ageing population provides a critical threat to the ongoing vitality of rural economies and rural communities.”

[http://ec.europa.eu/agriculture/analysis/external/employment/full-text\\_en.pdf](http://ec.europa.eu/agriculture/analysis/external/employment/full-text_en.pdf)



## 3.1. Current situation : Rural development measures

- A specific measure: Setting up of young farmers 112
- Combined measure: Early retirement 113/112
- Other RD tools important for young farmers:

- agricultural activities:

Vocational training and information actions and use of Advisory services. Modernisation of agricultural holdings (for young farmers, aid intensity rate for farm modernisation is 50% of the total eligible investment (60% in LFAs) - 10% higher than for other farmers), Adding value to agricultural and forestry products, participation in food quality schemes, Meeting standards, Agri-environmental payments...

- non-agricultural activities

Diversification into non-agricultural activities, Basic services for the economy and the rural population and Support for the creation and development of micro-enterprises, Leader approach...

## 3.2. Measure 112: Setting up of young farmers

- Objective of facilitating young farmers' initial establishment and structural adjustment of their holdings after initial setting up
- Beneficiaries have to:
  - be less than 40 years of age
  - set up for the first time an agricultural holding as head of the holding
  - possess adequate occupational skills and competence
  - submit a business plan for the development of the farming activities
- Support given in the form of a single premium or interest rate subsidy up to EUR 40,000. For combination of support, the maximum may not exceed EUR 70,000, raised from EUR 55,000 after the Health Check

# Erasmus for Young Entrepreneurs

DG Enterprise and Industry, Entrepreneurship Unit E.1

**European exchange programme: nascent or new entrepreneurs can learn from an experienced entrepreneur established in another Member State.**

- A new entrepreneur travels and stays with an experienced host entrepreneur in another EU country. On-the-job training.
- 1 to 6 month business to business experience
- Actors: **New entrepreneurs (NE)**: entrepreneurs active for less than 3 years (start-ups/business transfers)  
(receiving a monthly financial assistance from the programme to partly cover travel, housing and subsistence expenses during the time of the stay with the host entrepreneur) **Host entrepreneurs (HE)**: experienced entrepreneurs active for more than 3 years

[www.erasmus-entrepreneurs.eu](http://www.erasmus-entrepreneurs.eu)

<http://ec.europa.eu/small-business>

### 3.3. Beyond 2013: an outlook for young farmers

- Young farmers should have access to **all support instruments**, i.e. those specifically designed for them and those which can be tailored to their specific, local needs.
- Measures could be **bundled or combined for young farmers** with a strategic and flexible approach in relation to the rural development objectives and priorities.
- Demarcation / complementarity (1st/2<sup>nd</sup> Pillar)
- Specificity of the Rural development: role of MS and Regions!

## 4. Next steps

### **Inter-institutional debate on the Communication**

- Presidency Conclusion adopted on 17 March
- EP vote foreseen during 6-9 June Plenary

### **Preparation of Impact Assessment (IA)**

- Stakeholders' consultation: analytical contributions from stakeholders based on the Commission Communication of 23 November (ended on 25th of January)
- In-depth Commission analysis of new policy settings, options and their economic, social and environmental impacts

### **Preparation of Legal Proposals**

**Legal proposals will be presented in the second semester of 2011**

## For further information

- The CAP after 2013  
[http://ec.europa.eu/agriculture/cap-post-2013/index\\_en.htm](http://ec.europa.eu/agriculture/cap-post-2013/index_en.htm)
- The Communication on the future of the CAP  
[http://ec.europa.eu/agriculture/cap-post-2013/communication/index\\_en.htm](http://ec.europa.eu/agriculture/cap-post-2013/communication/index_en.htm)
- Public consultation  
[http://ec.europa.eu/agriculture/cap-post-2013/consultation/index\\_en.htm](http://ec.europa.eu/agriculture/cap-post-2013/consultation/index_en.htm)

**Thank you**



**European Commission**  
Agriculture and  
Rural Development

