

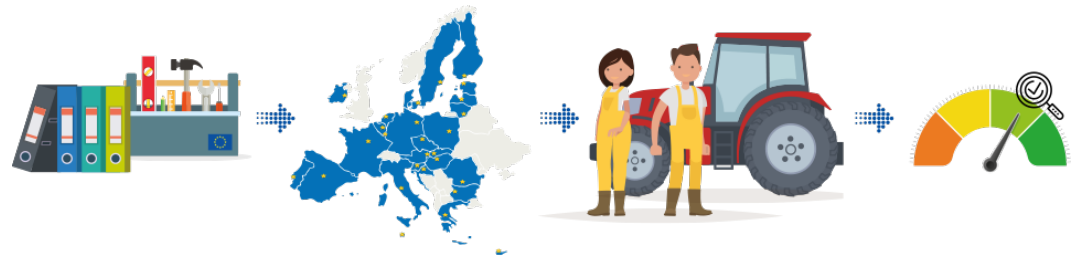
The CAP after 2020



The SWOT analysis: A key step of the future CAP Strategic Plans

DG AGRI, Unit C.1

Brussels, 29 March 2019



The SWOT analysis:

A key step of the future CAP Strategic Plans

- 1. The SWOT in the CAP Strategic Plans*
- 2. Additional legal requirements concerning some Specific Objectives*
- 3. Hints for Specific Objective 1*
- 4. How to present it? Hints from the CAP Plan Template*



1. The SWOT in the CAP Strategic Plans





Key steps towards the CAP Strategic Plan

1/ SWOT analysis



2/ Identification, prioritisation and ranking of needs



3/ Intervention strategy



*Selection of the interventions
and financial allocations*

Targets for result indicators



SWOT as a first step: why is it important?

The SWOT is a tool, not an end in itself: the first link in a chain

- To give an overall and **comprehensive** picture of the territory covered by the CAP plan
- To identify the **specificities** of the territory
- To provide the **foundation** for the needs assessment
- To support the setting of targets
- To provide justifications for priorities for intervention, providing an **evidence-based** rationale for strategic choices
- To provide the background against which the interventions can be checked to ensure that they are **justified, relevant and adequate** in terms of the optimal use of public funds



SWOT: key elements

- To be carried out for **each Specific Objective**
- Comprehensive overall description of the **current situation** of the area covered by the CAP Plan: a condensed narrative of the context baseline situation
- Where relevant, regional specificities to be reflected
- Including all relevant territorial, sectoral, economic, social, structural or environmental trends, etc.
- Based on:
 - ❖ Common **context indicators** (*draft list available*)
 - ❖ Other **quantitative and qualitative up-to-date information** (e.g. studies, past evaluation reports, sectoral analysis, lessons learned from previous experiences, etc.)



SWOT: good practice

- Early start of the preparatory work and selection of contact point(s) within the Ministry / Departments
- In case of appointment of external consultants: frequent meetings and exchanges to steer their work and ensure expectations are met
- Early start of information collection ensuring a continuous flow
 - ❖ Extensive research on all the data sources; in case of data gaps, use of proxy indicators
- Full involvement of stakeholders and administrations across the departments (I and II pillar): interactive and integrated process
 - ❖ Ensuring diversity of stakeholders involved: range, relevance and diversity of stakeholders, considering institutional background, territorial levels, gender, etc.
 - ❖ Managing stakeholders' expectations and avoiding dominant positions through adequate design of the participatory approach
 - ❖ Ensure adequate capacity of stakeholders
- Set up of e.g. thematic workshops, working groups, reflection groups, etc.
- Contracting of external experts for capacity building and technical advice throughout the preparation of the CAP plan
- Always refer to the DG AGRI geo-hubs

Key issue for the SWOT: the data

- ❖ Context (including impact) indicators available:
 - [CAP context indicators - 2018 update](#)
- ❖ EUROSTAT, FADN, JRC, EEA, COMEXT ...
- ❖ Analytical factsheets for each Member States
- ❖ Data should be quantitative and qualitative, also to cover potential data gaps
- ❖ [Evaluations](#), reports and [external studies](#)
- ❖ [National databases](#)

2. Additional legal requirements concerning some Specific Objectives





SWOT: specific requirements under certain SOs

❖ Environmental/climate objectives (4,5,6):

An explicit reference to relevant elements of national plans emanating from environmental and climate legislation (12 Directives/Regulations listed in Annex XI), e.g.:

- Current state of the Natura 2000 network described in the Prioritised Action Framework (PAF) for Natura 2000;
- Current state of waters, status objectives, pressures and risks described in the River Basin Management Plans (WFD);
- Current situation and projections with existing policies and measures from the National Energy and Climate Plan;
- ...



SWOT: specific requirements under certain SOs

❖ Young farmers (7):

A short analysis of access to land, land mobility and land restructuring, access to finance and credit and access to knowledge and advice

Ex: barriers to land transmission among generations (succession patterns, taxation...); access to land obstructed by loss of agricultural land through soil sealing, urban development, changes of use, etc.; lack of tools to match supply and demand sides...

❖ Cross-cutting Objective on knowledge and innovation:

Relevant information about the functioning of the AKIS and related structures

Ex: existing advisory services, EIP experiences...

3. Hints for Specific Objective 1



“Supporting viable farm income and resilience across the Union to enhance food security”





Data for Specific Objective 1

- ❖ Context (= impact) indicators in EUROSTAT, in particular:
 - ❖ C.25, C.26 – Agricultural factor income/agricultural entrepreneurial income
- ❖ [Dashboards](#) : already published by DG AGRI
- ❖ FADN data: [income by Type of farming, Economic size, region \(NUTS1, ANC\)](#)
- ❖ EUROSTAT : [income by NUTS2 regions](#), depending on the context
- ❖ [Evaluations](#), reports and [external studies](#) (e.g. [risk management study](#))
- ❖ National databases, for example:
 - ❖ [Statistics Netherlands \(CBS\)](#)
 - ❖ [AGRIMATIE \(Wageningen Economic Research\)](#)

- ❖ **SO 8** – CATS/national database (IACS) for distribution of support



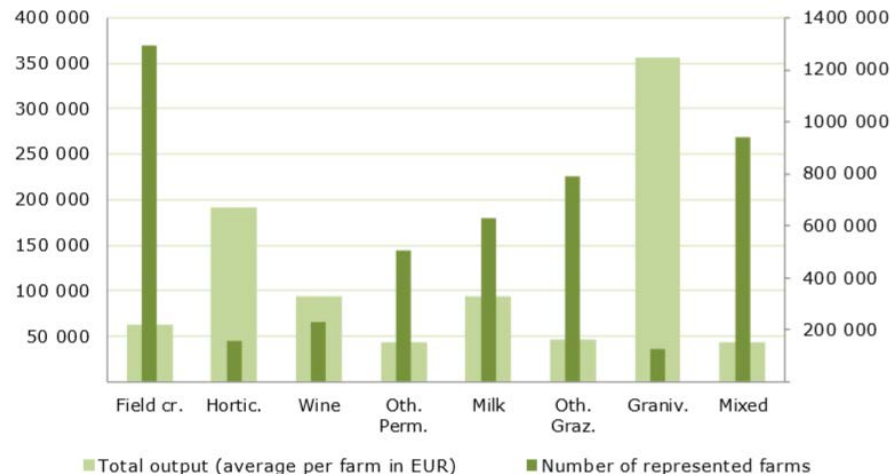
Data Specific Objective 1

What data could make a good SWOT analysis for Specific objective 1?

❖ **Agricultural structure:**

- ✓ Trend in number of farms, area (farm size), animals, output per sector
- ✓ Importance of certain sectors (production value, employment, area)

OUTPUT BY FARM TYPES

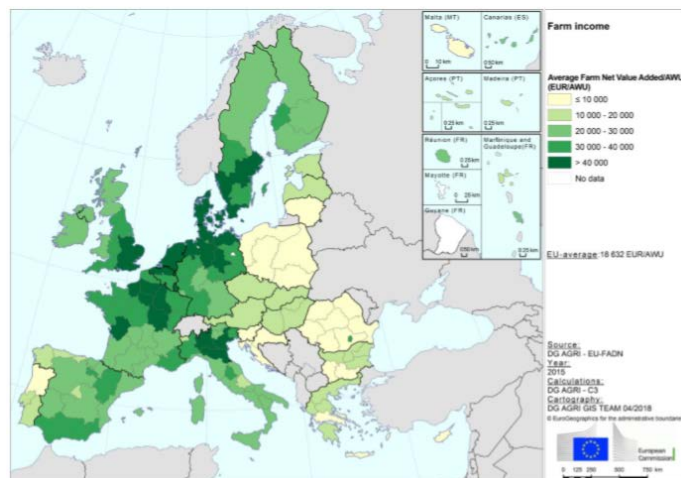
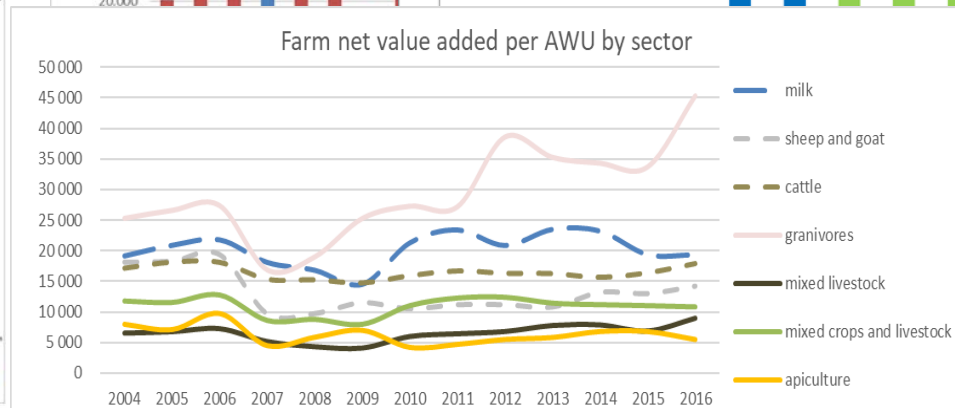
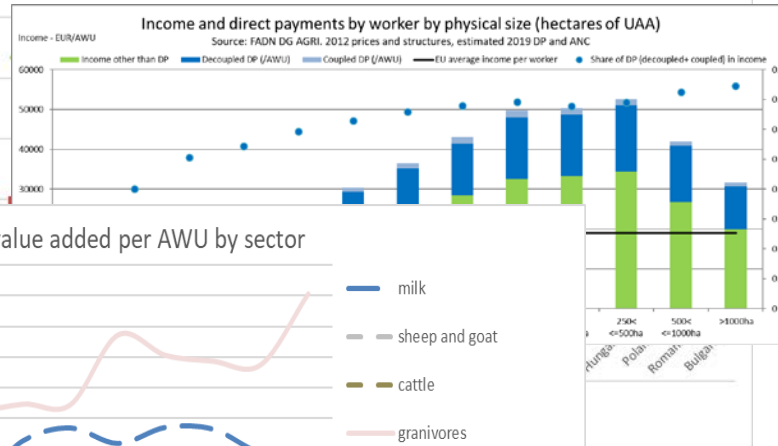
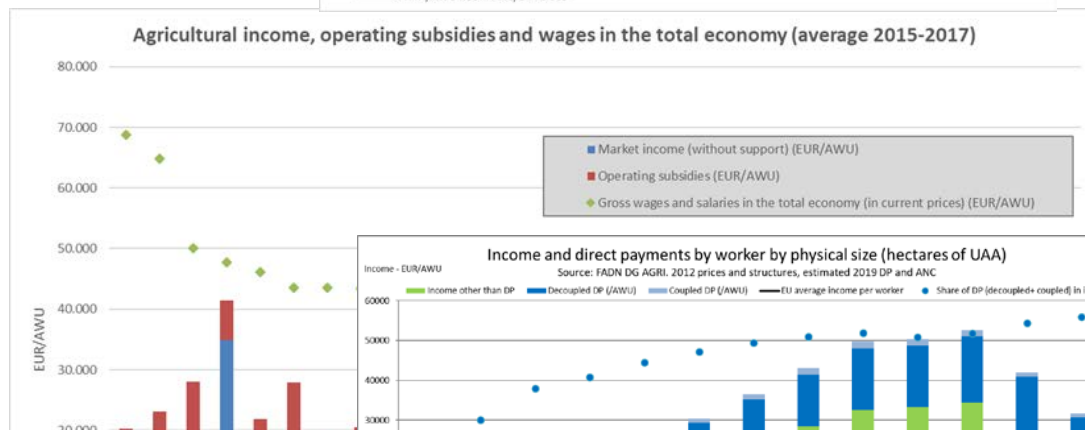
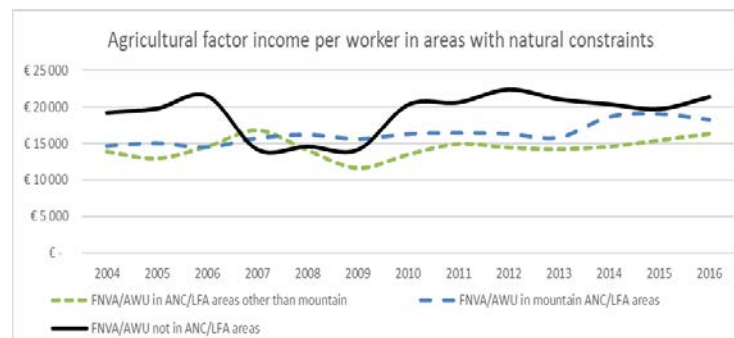




Data Specific Objective 1

❖ Agricultural income:

- ✓ Trend, compared to the total economy
- ✓ By farm size (economic, physical)
- ✓ By sector
- ✓ By region, if relevant
 - ANC
 - NUTS level





Data Specific Objective 1

❖ Farm viability:

- ✓ Income volatility/variability
- ✓ Climate/weather, presence and use of risk management instruments/strategies
- ✓ Resilience of farm sectors: Assets and liabilities, profitability (output, gross margins, cost structure), reliance on CAP payments

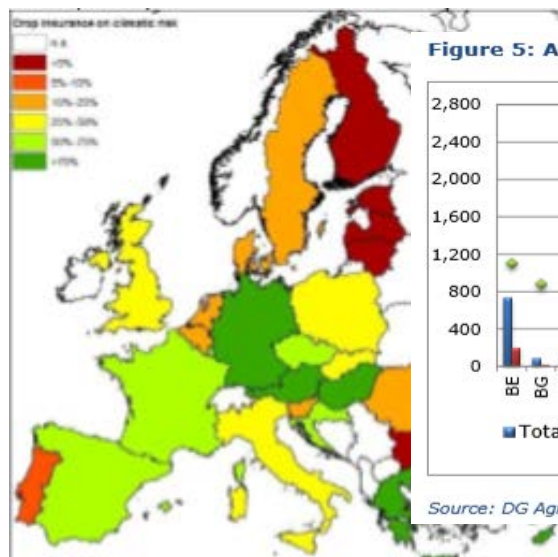
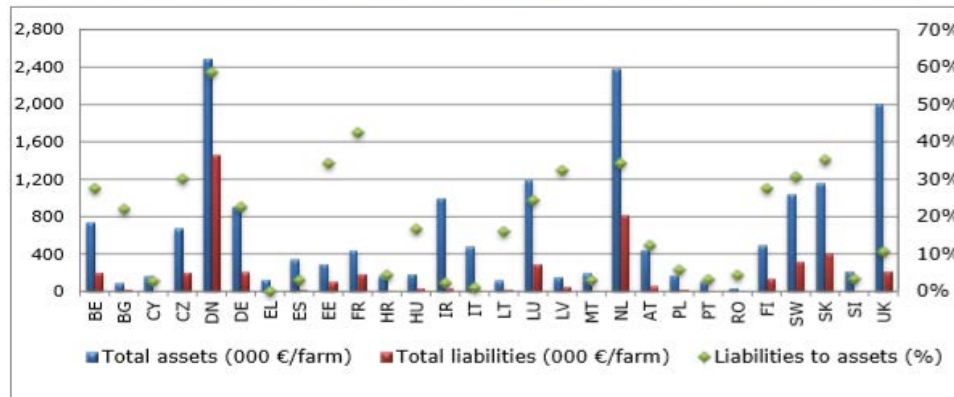
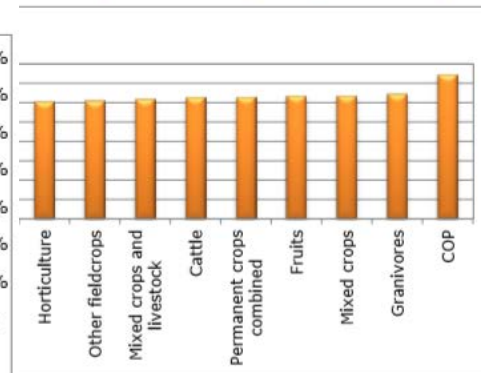


Figure 5: Assets and liabilities in EU farming 2015 by MS (000 euro/farm)



Source: DG Agriculture and Rural Development, based on FADN.

Figure 4: Farms with annual income drop above 30% (average of 2007-15)



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ent, based on FADN.

Uptake crop insurance covering climatic risks (ECORYS, 2017)



SWOT analysis: Outline example, ideas for Specific Objective 1

Strengths

- High agricultural income in the territory for specialist cereals, oilseeds and protein crop, other field crop producers and horticulture
- Low dependence on income support for horticultural farms
- Low income variability for mixed crops and mixed livestock farmers, as only 10% of farms experienced an income drop larger than 30% over the last 6 years.

Weaknesses

- Low availability of risk management instruments and a lack of knowledge on risk management strategies by (especially older) farm managers
- Incomes are significantly lower for small farms compared to the average income level, while they are numerous and farm more than 20% of farm land
- Incomes lower for olive farmers, sheep and goat, cattle and dairy farming.
- Number of bovine decreased with 20% compared to 2015, production decreased by 15% compared to 2015 as production costs have increased in the sector.
- Lack of available high-skilled labour in the agri sector.

SWOT

Opportunities

- Production/input costs can be significantly reduced with new technologies
- More demand for quality and authentic products can increase income for farms in mountainous areas
- The low incidence of animal diseases and low use of antibiotics can be more efficiently commercialized as demand is increasing.

Threats

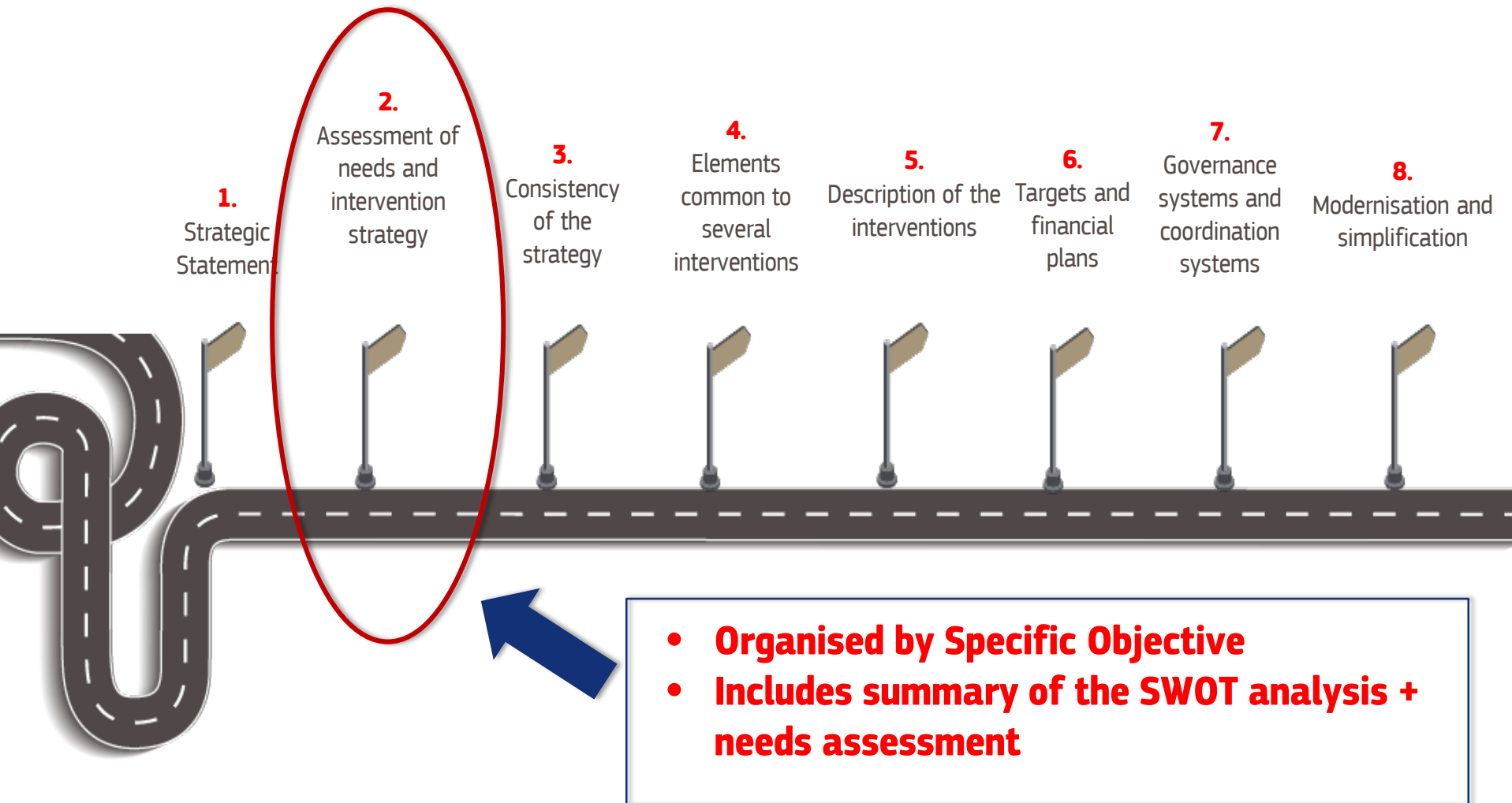
- Income volatility is expected to increase as number of extreme weather events is increasing
- Number of farms in decline as income is going down and there are no successors
- Low prices are a threat for the viability of pig farms in the whole territory, as the ratio of assets and liabilities are high.
- A growing demand for more environmental and climate adaptation on farm, can increase production costs and reduce output.

4. How to present it? Hints from the CAP Plan Template



CAP Plan Template

8 chapters + Annexes:





Annexes of the CAP Strategic Plan

1. **Ex-ante evaluation + Strategic Environmental Assessment (SEA)**

- Summary of the main results
- How have been addresses/why have not been taken into account
- Link to the complete reports

2. **SWOT analysis**

3. **Consultation of the partners** (outcome + brief description of how it was carried out)

4. **Crop-specific payment for cotton** (and its complementarity with other interventions)

5. **Additional national financing provided within the scope of the CAP Strategic Plan**

- Short description, including the amounts per measure and indication of the compliance with the requirements
- Complementarity with the CAP Plan interventions
- Indication of whether falls outside of Art. 42 TFEU and is subject to State aid assessment



European
Commission