

#### **EUROPEAN COMMISSION**

DIRECTORATE-GENERAL FOR AGRICULTURE AND RURAL DEVELOPMENT

Directorate A – Strategy & Policy analysis **The Director** 

Brussels, AGRI.A.1/MB/7171604

#### **MINUTES**

Meeting of the Civil Dialog Group on the CAP Strategic Plans and Horizontal Matters
20-21 June 2023

Following organisations were represented: AEEU, AREFLH, AREPO, BeeLife, BirdLife Europe, CEETTAR, CEJA, CELCAA, CEPF, CEPM, COGECA, COPA, EAPF, ECVC, EEB, EFA, EFFAT, EFOW, ELARD, ELO, EMB, ERCA, EUFRAS, EURAF, EUROMONTANA, FEFAC, FESASS, FoodDrinkEurope, Freshfel Europe, IBMA, IFOAM, IPIFF, ORIGINEU, Rural Tour, RED, and WWF.

## 1. Agenda

The agenda was approved. The chair welcomed EFFAT as a member of the CDG.

## 2. Rules of procedure

The rules of procedures for the CDG were approved as shared with members.

3. Forthcoming Commission proposal on a Framework law for a Union Sustainable Food System (FSFS): objectives, principles, definitions, and governance – State of play and exchange of views

DG AGRI provided an overview on the state of play of the FSFS initiative, with a specific focus on sustainability definitions, objectives, principles and governance mechanisms which currently constitute the basis of the ongoing Commission's reflection. DG AGRI also informed that the work is still at the level of the impact assessment and that a legal proposal is planned for adoption after the summer break. The presentation was followed by an exchange of views, with participation of representatives of DG SANTE.

Several participants showed support for the initiative and for the presented objectives. At the same time, some stakeholders stressed the need for introducing legally binding rules on sustainability requirements for all operators as well as ambitious targets. On the other hand, other stakeholders stressed the need to avoid further administrative burden on operators and avoid duplications with existing legislation. The questions and answers concerned the link between FSFS and sectoral/thematic legislation (e.g. environmental legislation or the Common Agricultural Policy), as well as the scope covered both in terms of sectors and policy areas. Several stakeholders called for the forthcoming legislation to address the three sustainability dimensions, namely the environmental, social and economic ones. The last two did not seem to be present strongly in the presentation. As regards the non-exhaustive list of sustainability principles, some

participants questioned their functioning and implications for current and future legislation, including EU trade policy. Linked to this, other organisations suggested introducing additional ones such as the polluter pays principle, the precautionary principle, the non-discrimination, solidarity and participation principles.

As regards the governance mechanisms, DG AGRI presented general ideas concerning the role of food councils across Member States and the possibility of further promoting establishment of these kind of platforms at local/regional level, as well as encouraging exchange of best practices at EU level.

Lastly, in relation to the budget implications, some stakeholders stressed the need to have a dedicated budget for the sustainability transition of food systems, in addition to the CAP, in a way that nobody is left behind.

# 4. Foresight study on implications of the digital transition on farmers and rural communities – Presentation of elements on future strategy, DG AGRI

AGRI.A4 and JRC presented the the foresight project on long-term implications of digital transition for farmers and rural communities. DG AGRI presented briefly the policy context and the challenges that agriculture and rural areas are facing today, the role of digitalisation to address those challenges and the necessity for such a foresight project. JRC described the methodology and the participatory approach followed for the project. JRC explained the role of digitalisation in transformative futures as emerged from dedicated workshops as well as the purpose, values and principles driving the digital transformation. JRC also illustrated the work done and the ongoing work to develop the toolkit for users (authorities) and create or improve digitalisation strategies. Finally, DG AGRI illustrated the related communication actions and announced that DG AGRI will launch the foresight report at the digital conference on 8 of December, right after the Outlook conference. The report will also provide input for a vision/strategy for digitalisation in agriculture at EU level. DG AGRI invited participants to send any comments or questions they may have to AGRI-A1@ec.europa.eu.

# 5. Implementation of the CAP - State of play on implementation of Rural Development Programs (2014-2022)

The representative of the Commission reported on the progress of the Rural Development Programmes 2014-2022 and highlighted the ongoing implementation efforts. As of 14 June 2023, the overall implementation rate is 77.1%, a significant increase from the 69.7% rate recorded in January. This increase in implementation means that significant progress has been made in the meantime.

During the update, it was highlighted that implementation rates for EAFRD and EURI vary across Member States. In particular, it was noted that 12 countries have exceeded an implementation rate of 80%. However, in two Member States the implementation rate is lower, below 60%.

For EAFRD, the cumulative payments reached 80%, while the rate for EURI was 31%. These rates for EURI vary significantly between Member States, with the highest rate at 98% and the lowest at only 1%. These differences illustrate how Member States implement EAFRD and EURI.

6. Organic support in CAP Strategic Plans (2023-2027) and the state of implementation of the EU Action Plan for the Development of Organic Production – presentations from DG AGRI, an external expert and exchange of views

AGRI.B4 provided an overview of the state of implementation of the EU Action Plan for the Development of Organic Production.

This was followed by a presentation by AGRI.A1 and AGRI.B2 providing an overview of the support for organic farming in the CAP Strategic Plans, constituting a more ambitious approach overall compared to the support provided through CAP funding in the previous period.

Expert Nicholas Lampkin of the Thuenen Institute in Germany further enriched the picture with a presentation on the organic sector based on studies of his institute. Key findings were summarised with a focus on the support planned through the CAP Strategic Plans for 2023-2027:

- All MS now provide support for organic farming conversion and maintenance, using a mix of approaches from both funds;
- The payment rates per ha foreseen are similar to the 2015-2022 period, with most MS planning some increases, and a few planning substantial increases;
- In the context of the EU objective of 25% of all EU agricultural land under organic farming by 2030, all MS now have land area targets at national level, going up to 35% (AT). Most of those national targets are indicated in the CAP strategic plans, some in national organic action plans. The combined targets on EU level are equivalent to almost 20% of EU UAA by 2030;
- All but two MS (EL and LT) also have national organic action plans in place or in preparation to run from 2023;
- EU and MS expenditure on organic farming support and the supported area under the CAP Strategic Plans, are set to almost double by 2028 compared with 2018, reaching 3.3 billion € and 10% of EU UAA.

Key issues for future policy development, indicated by Mr Lampkin included:

- The high variability in payment rates within and between countries, with potential impacts on market development;
- The need to recognise more fully the actual costs of conversion to encourage more intensive holdings to participate;
- The need to balance policy support for environmental public good delivery from organic land management and support for rural economic development through organic markets;
- The need to ensure a strong focus on AKIS, given the large number of new professionals that will need to engage with organic farming if the EU target is to be achieved.

In the subsequent exchange, IFOAM expressed support for the EU Action Plan and the view that, given difficult market conditions, the focus of the Plan should not only be on the stimulation of organic production but also on that of the demand for organic products. AGRI.B4 highlighted the demand-driven approach taken in the EU Action Plan.

IFOAM also said that, though premia increased compared to the previous CAP, support for organic farming in the CAP Strategic Plans was still not proportionate to the public goods it delivers. AGRI.B4 replied that a clear break and improvement in the Plans can

be seen in comparison with the past as far as the overall ambition and support for organic farming is concerned.

IFOAM then raised concerns on the impossibility of organic farmers in FR to receive support for other agri-environment-climate interventions. IFOAM members also emphasised the need for consumer awareness and referred to the need to fight greenwashing through, for instance, the green claims initiative.

AGRI.B2 replied that when such specific cases are identified, they can be raised directly with the Member States. AGRI.B2 also added that, given that implementation is in its first year, it is still early to assess the uptake of the interventions supporting organic practices. Member States always have the possibility to adjust their Plans in case of difficulties with the implementation or low uptake. The Commission is also paying great attention to the green claims initiative in relation to concerns for greenwashing. IFOAM also emphasized the importance of a ring-fenced budget for the promotion of organic products in the agricultural promotion budget. They also referred to the guidelines on green public procurement from 2019 and called for making them obligatory. It also asked for a target of 25% for organic food in the reviewed EU school scheme. Representatives of DG AGRI pointed to the importance of fully using the budget already available for promotion. It considers carefully options related to minimum mandatory criteria for sustainable food public procurement.

Via Campesina expressed support for the Action Plan and asked how the Commission could have approved the FR CAP Strategic Plan given the different modalities for support for organic farming. It asked for better regulating the market for organic products given current disruptions and called for an increased focus on agroecological practices as a kind of training ground for organic farming. With respect to market regulation, while acknowledging AGRI.B4 replied that. market disruptions local/regional/individual Member State level, on average, the war in Ukraine had perhaps caused less of a decrease in demand than was often considered. The market is also recovering now. Via Campesina also emphasized the importance of organic products in public canteens.

**7. CAP Strategic Plans (2023-2023) -** overview of selected elements and exchange of views

#### A) Definitions

AGRI.B.1 explained that the topic of definitions encompasses land and farmer related eligibility rules (section 4.1. of Member States' CSPs), which form the basis for CAP income support interventions as well as some other CAP interventions. General highlights of changes in land and farmer related eligibility rules under the CAP Strategic Plan Regulation, compared to the old regulation, were presented. Main Member States' decisions in the CSPs in relation to those rules were showed with a brief analysis of what we can learn from it. Also, specific topics of eligibility of paludiculture (Non-Annex I products) and Agri-photovoltaics (Agri-PV) were raised. Likewise, it was explained how the EU legal framework evolved in relation to the coverage of those practices and how Member States cover the practices in question in their CSPs and what we can learn from it. Finally, members of CDG were invited to bring up their questions and comments regarding the presented topic, with special encouragement to present their views in relation to paludiculture and Agri-PV.

COPA representatives confirmed that in Austria the land with Agri-PV installations (i.e. where agricultural activity is not hampered by the presence of PVs) are eligible to direct payments. Positive examples especially with permanent crops were mentioned such as installed PVs protect crops from hail. An example was given from Germany for a low targeting effort through the definition of an active farmer. This together with the optional degressivity and capping was given as an example of low ambition for using the flexibility and different approaches on regional level. Thus, the views related to the use of definitions differed in relation to different MS.

The Italian COPA member raised a general question whether the land with Agri-PV should be eligible to direct payments. AGRI.B.1 recalled that lands, on which Agri-PVs are deployed, i.e. where the presence of PVs do not hamper the performance of an agricultural activity, should, in principle, be eligible to direct payment. However, it depends on how Member States define in their CSPs the criteria, based on which the land is considered to be predominantly used for an agricultural activity, when the land is also used for non-agricultural activity, which in this case is energy production.

### **B)** Eco-schemes - Presentation by DG AGRI and exchange of views

AGRI.B.2 presented the main features of the eco-schemes; the main intervention within direct payments for achieving environmental and climate objectives, as well as animal welfare and combatting antimicrobial resistance. The legal framework sets out a simple legal framework, while leaving flexibility to Member States in its design. Eco-schemes are compulsory for Member States to design but voluntary for farmers to apply, while requirements must go beyond conditionality, and a minimum 25% of the direct payment envelope should be allocated to them.

AGRI.B.2 also covered the practices which Member States supported via the ecoschemes. Those practices should not be seen in isolation, but in combination with other interventions under the green architecture. AGRI.B.2 informed on the number of ecoschemes per Member State and the type of payment used, the main practices that are supported via the eco-schemes (including by Member State), and zoomed into different soil conservation, and landscapes and biodiversity practices supported under the ecoschemes.

CDG Members highlighted that eco-schemes should not be assessed in combination with other interventions under the green architecture. Certain eco-schemes need to be made more attractive through higher payments and provide a contribution to farm income. Currently there is around 50% of uptake of eco-schemes in Germany where there is a lower uptake under small-sized farms (Via Campesina). However, in Austria the uptake is good where the eco-schemes used to be implemented under the rural development programme in the past (COPA). Moreover, one member (Birdlife) expressed that eco-schemes designed for biodiversity could be improved, and whether the monitoring and evaluation plans by Member States should target the monitoring of eco-schemes and how they can be improved. Other questions were asked: which Member States pay eco-schemes according to costs incurred and income foregone; whether there were good examples on eco-schemes for small farmers or that address socio-economic elements; and how fast the Commission would support Member States to improve the situation for eco-schemes in the CSPs.

DG AGRI explained that, for example, some Member States have set degressive payments under eco-schemes to support smaller farms more. 18% of the 158 eco-schemes are paid based on top ups to BISS, with 12 Member States planning this type of payment. The Commission is also already supporting Member States in the approval process of CAP plan amendments. Evaluating the targeted uptake of eco-scheme is a good example that can be recommended to Member States to include in their monitoring and evaluation plans, but it is up to Member States to decide.

Catherine GESLAIN-LANEELLE

# List of participants—Minutes Meeting of the Civil Dialog Group on the CAP Strategic Plans and Horizontal Matters Tuesday, 20 June, and Wednesday, 21 June 2023

ORGANISATION
AEEU - AGROECOLOGY EUROPE
AREFLH - Assemblée des Régions Européennes Fruitières Légumières et Horticoles
AREPO - Association des régions européennes des produits d'origine
BEELIFE - BEE LIFE - EUROPEAN BEEKEEPING ORGANISATION
BIRDLIFE EUROPE
CEETTAR - Confédération Européenne des Entrepreneurs de Travaux Techniques Agricoles
CEJA - CONSEIL EUROPÉEN DES JEUNES AGRICULTEURS / EUROPEAN COUNCIL OF YOUNG FARMERS
CELCAA - EUROPEAN LIAISON COMMITTEE FOR THE AGRICULTURAL AND AGRI-FOOD TRADE
CEPF - CONFEDERATION OF EUROPEAN FOREST OWNERS
CEPM - European Confederation of Maize Producers
COGECA - EUROPEAN AGRI-COOPERATIVES / GENERAL CONFEDERATION OF AGRICULTURAL CO-OPERATIVES OF THE EUROPEAN UNION
COPA - "European farmers / Committee of Professional Agricultural Organisations of the European Union
EAPF - EUROPEAN ALLIANCE FOR PLANT-BASED FOODS
ECVC - EUROPEAN COORDINATION VIA CAMPESINA
EEB - EUROPEAN ENVIRONMENTAL BUREAU
EFA - Eurogroup for Animals
EFFAT -European Federation of Food, Agriculture and Tourism Trade Unions
EFNCP - European Forum on Nature Conservation and Pastoralism
EFOW - EUROPEAN FEDERATION OF ORIGIN WINES

ELARD - EUROPEAN LEADER ASSOCIATION FOR RURAL
DEVELOPMENT

ELO - EUROPEAN LANDOWNER'S ORGANISATION

EMB - EUROPEAN MILK BOARD

EPHA - EUROPEAN PUBLIC HEALTH ALLIANCE

ERCA - EUROPEAN RURAL COMMUNITY ALLIANCE

EUCOFEL - FRUITVEGETABLESEUROPE

EUFRAS - EUROPEAN FORUM FOR AGRICULTURAL AND RURAL ADVISORY SERVICES

EURAF - EUROPEAN AGROFORESTRY FEDERATION

#### **EUROMALT**

#### **EUROMONTANA**

FEFAC - EUROPEAN FEED MANUFACTURERS FEDERATION / FÉDÉRATION EUROPÉENNE DES FABRICANTS D'ALIMENTS COMPOSÉS

FESASS - FÉDÉRATION EUROPÉENNE POUR LA SANTÉ ANIMALE ET LA SÉCURITÉ SANITAIRE

FOE - FRIENDS OF THE EARTH

FOODDRINKEUROPE

FRESHFEL EUROPE

IFOAM - International Federation of Organic Agriculture Movements European Regional Group

IPIFF - INTERNATIONAL PLATFORM OF INSECTS FOR FOOD AND FEED

PFP - PRIMARY FOOD PROCESSORS

RURAL TOUR - EUROPEAN FEDERATION OF RURAL TOURISM

WWF - WORLD WIDE FUND FOR NATURE