



CORONAVIRUS: Emergency response to support the agriculture and food sectors

May 2020 #UnitedAgainstCoronavirus #StrongerTogether



"The outbreak of the coronavirus is having an unparalleled effect on our society and economy. Our farmers and every actor of the EU food supply chain are working hard to keep feeding Europe, despite the difficulties they face. The European Commission will continue to support farmers and food producers, collaborate with EU member states, and take whatever measures are necessary to ensure the health and well-being of the people of Europe."

Janusz Wojciechowski, European Commissioner for Agriculture

Following the outbreak of coronavirus, the European Union's agri-food sector is showing its resilience and continues to provide Europeans with high quality and safe food. Nonetheless, farmers and producers are facing difficulties and increasing pressure. Ensuring food security through a strong food supply chain remains one of the Commission's priorities.

To keep food flowing, the Commission issued practical advice and guidelines on the movement of goods and critical workers.

Key decisions and cooperation with member states means that farmers, food producers and others active in rural area can secure earlier and better access to financial support.

The Commission launched exceptional measures to support and stabilise agricultural markets, including private storage aid, authorisation for self-organisation of producers/operators and flexible use of market support programmes.

Finally, CAP procedures have been simplified to guarantee that beneficiaries will continue to get the support they need during these challenging times.

Since the beginning of the crisis, the European Commission has been in close contact with Member States and sectoral organisations to closely monitor the situation and take action. We will continue to take whatever action is necessary to ensure food security, an effective food supply, and the health and well-being of all involved.



Guidelines to
ensure an efficient
food supply chain



Measures directly
supporting farmers
and rural areas



Exceptional market
measures



CAP simplification
and increased
flexibility measures

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Guidelines to ensure an efficient food supply chain

- **Green lanes to keep food flowing across Europe:** the Commission is coordinating closely with Member States to ensure a functioning single market for goods by creating green lanes. These green lanes, based on designated key border crossing-points, will have border crossing checks that will not exceed 15 minutes. Passage is now granted for all goods, including agri-food products.
- **Seasonal workers qualified as 'critical workers' to secure food sector support:** The Commission published practical guidelines to ensure that, within the EU, mobile workers who qualify as critical in the fight against the coronavirus pandemic can reach their workplace. Seasonal workers are critical to the agricultural sector in terms of harvesting, planting and tending functions, especially in the current season.



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Measures directly supporting farmers and rural areas

The Commission has also announced the following measures to directly support farmers and rural areas:

- **Flexibility in the use of financial instruments under rural development:** Farmers and other rural development beneficiaries will be able to benefit from loans or guarantees to cover operational costs of up to €200,000 at favourable conditions, such as very low interest rates or favourable payment schedules.
- **Commission proposes new rural development measure :** a new temporary measure would allow Member States with remaining rural development funds to pay farmers and small agri-food businesses in 2020. This should provide immediate relief to those most impacted by the crisis. Member states can offer support of up to €5,000 per farmer and €50,000 per small and medium enterprise (SME).
- **Higher advances of payments:** to increase the cash flow of farmers, the Commission will increase the advances of direct payments (from 50% to 70%) and certain rural development payments (from 75% to 85%). Farmers will start receiving these advances from mid-October.
- **Higher state aid possible for farmers and food processing companies:** under the Commission's temporary framework for state aid, farmers can now benefit from a maximum aid of €100,000 per farm. Food processing and marketing companies can benefit from a maximum of €800,000. This amount can be topped up by 'de minimis' aid. This type of national support specific to the agricultural sector can be granted without prior approval from the Commission, and has a ceiling of €20,000 (and €25,000 in specific cases). With the new rules, Member states can now assist farmers with state aid of up to €120,000 (or €125,000).



➤ Up to to
€120,000
for state aid

➤ **70% and 85%**
advances for CAP
payments

➤ **€200,000**
loans or guarantees
for operational costs

3 Exceptional market measures

Commission proposes new rural development measure

- **Private storage aid:** the Commission will support [private storage aid](#) for dairy (skimmed milk powder, butter, cheese) and meat (beef, sheep and goat meat) products. This measure allows the temporary withdrawal of products from the market for a minimum of 2 to 3 months, and a maximum period of 5 to 6 months. Applications to participate in the scheme will open from 7 May 2020. This measure aims to stabilise the market by temporarily reducing available supply.
- **Temporary derogation from EU competition rules:** the Commission will authorise the derogation from certain EU competition rules, available under Article 222 of the [Common Markets Organisation Regulation](#), for the milk, flowers and potatoes sectors. It allows operators to self-organise and implement market measures at their level for a maximum period of 6 months. For example, the milk sector will be allowed to collectively plan milk production and the flower and potatoes sector will be allowed to withdraw products from the market. Storage by private operators will also be allowed. Consumer price movements will be monitored closely to avoid adverse effects.
- **Flexibility for market support programmes:** the Commission will allow flexibility in the implementation of [market support programmes](#) for wine, fruits and vegetables, table olives and olive oil, apiculture and the [EU's school scheme](#) (covering milk, fruit and vegetables). This flexibility aims to limit available supply in each sector to lead to a rebalancing of markets. In addition, it will allow the re-orientation of funding priorities towards crisis management measures.



4 CAP simplification and increased flexibility measures

Member States and farmers are facing practical difficulties in meeting certain requirements under the Common Agricultural Policy (CAP) and the Commission aims to help through a range of concrete measures.

- **Extension of deadline for CAP payment applications:** the deadline will be extended by a month, offering more time to farmers to fill in their application for both direct payments and rural development payments.
- **Fewer farm on-the spot checks:** EU countries carry out checks to ensure that eligibility conditions are met. However, in the current exceptional circumstances, it is crucial to minimise physical contact between farmers and inspectors. This measure will help reduce administrative burden and avoid unnecessary delays.

Up-to-date information is available on the Commission's [coronavirus response website](#).
