



Brussels,
agri.a.1(2023)12879451

MINUTES

Meeting of the CDG CAP STRATEGIC PLANS and HORIZONTAL MATTERS

23 November 2023

Chair: Catherine Geslain-Laneelle, Director, DG Agriculture and Rural Development

Following organisations were represented: details in Annex

1. **Approval of the agenda** - Agenda was approved as provided to participants.
2. **Nature of the meeting** – the meeting was held online and was accessible as per invitation to member organisations.
3. **List of points discussed**

Point 2: Fairness and redistribution in the CAP Strategic Plans

A presentation (available on CIRCABC) was delivered by the European Coordination Via Campesina (ECVC).

Some of the points, outlined in the presentation and analysis of ECVC included:

- The realities of farms' decline in numbers and the aging of farmers require continued efforts for fair distribution of CAP support. needs....
- The ecological transformation needs to be linked in a just way with the economic perspectives for farmers.
- Income support to smaller farmers needs continued attention and must be targeted in a better way. More analysis is needed on the effects on fairness of the different tools within the CAP Strategic Plans (CSPs).
- Analysis from CSPs shows different designs of interventions targeting redistribution (i.e. inclusion of threshold of maximum ha for redistributive payments). Improvement of redistributive interventions like CRISS (Complementary Redistributive Income Support for Sustainability) may require the introduction of an obligatory limit for maximum hectares that receive additional redistributive payments.
- Support to young farmers should be considered in the analysis of fairness given the need for investments and the burden to start up a farm. Moreover, a

differentiated approach for additional payments per hectare exist in Member States.

- Some Member States have designed specific eco-schemes, targeting smaller farms, thus contributing to the objective to increase fairness of distribution of aid (in addition to top-ups for first hectares, degressivity, etc.)
- Design of direct payment support is not enough: more market regulation is needed to achieve fairer prices for farmers.
- Stronger links between tools targeting support for income and for achieving certain environmental or climate related outcomes are needed.
- More data is needed on distribution of support by farm size, by farm income class, etc.
- Better targeting may be achieved through further work on the definition of active farmers.
- Further work on generational renewal and embedding of smaller farmers in value chains is also needed.

Representatives of Commission services provided the following general comments:

- The CSP assessment of the redistribution strategy took all the direct payment interventions into account. The absence of some interventions such as CRISS or capping in a CSP does not necessarily mean that there is no redistribution or weak redistribution because other interventions (e.g. internal convergence), if designed specifically to address that issue, also contribute significantly.
- The CSP assessment uses indicator R6, which shows the global effect on redistribution of all the direct payment interventions. Also, R6 values before the reform (2021 data) versus targeted CSP values were considered in this assessment.
- It is correct that many Member States define their CRISS in a way to also support medium-sized farms. This is embedded in the regulation (CRISS purpose is redistribution towards small *and* medium-sized farms). These CSPs have linked their intervention to the specific income support needs of these medium-sized farms.
- The Commission proposed mandatory capping and reduction of direct payments in its proposal for reform of the CAP in 2018. Unfortunately, the mandatory character was not retained by the co-legislators.
- Overall, as elaborated in the report to the Council and the Parliament on the CSPs, the plans made a step towards an improved income support distribution considering the boundaries set by the legal framework.

In addition, **members of the CDG** provided comments, including that:

- Further analysis of the distribution of support through the EAFRD tools should be done.
- When analysing distribution of support, it should also be considered which share of food is produced by these farmers – further data is needed to determine the share of production per size-class of farmers.
- Size is not the only variable pointing at viability of farms.
- The design of the redistributive payment is discriminatory towards smaller farms who are part of joint cooperatives in the Czech Republic. This leads to reduction of payments for individual farm members and has an effect against the aim to form cooperatives.

- Smaller farmers need access to cheaper financial resources. But the increase of direct payments level per ha leads to increase of land rent.

The **Chair** appreciated all contributions and underlined the importance the Commission attaches to improving distribution of support. A step in the right direction had been made with this CAP reform. She encouraged CDG members to further review the report of the Commission on the CSPs alongside the published external study, mapping and analysing their joint ambition towards the 10 specific objectives that can be found at [CAP Strategic Plans - European Commission \(europa.eu\)](https://ec.europa.eu/eip/agriculture/cap-strategic-plans).

Point 3: Rationalisation of reporting obligations

Information was provided by *DG AGRI* – see presentation made available through CIRCABC for the meeting (*with invitation to members to provide written follow-up*). The Commission representative outlined the following:

- The President of the Commission has tasked the Commission departments to make proposals to rationalise reporting obligation and the final objective is to reduce by 25% such burdens, but without undermining the policy, the related policy objectives.
- In the Communication on the SME relief package, adopted by the Commission on 12 September of 2023, further steps to rationalise reporting obligation are announced, included the preparation of targeted rationalisation plans by each Commission Directorate General for 2024.
- This rationalisation exercise should be seen widely beyond only cutting or removal of reporting obligation. It also concerns potential for digitalisation. It also includes the decrease of frequency of reporting requirements or the reduction of the number of concerned businesses or the number of requirements or even postponement of reporting obligation in order to allow stakeholders to adapt to the requirements.
- Although rationalisation generally concerns both business and national administration, the focus of this rationalisation plan should be requirements imposed on businesses.
- The Commission aims to rationalise reporting requirements also in agricultural policy. First steps to rationalise reporting obligation for the outermost regions, for Aegean Islands, and for reporting obligation related to the Common Market Organisation were made by DG AGRI. A rationalisation plan for 2024 and further years is in preparation.
- Input from the CDG network is welcome on any reporting requirements in the field of the agricultural policy that are seen as obsolete or overlapping with other requirements or that could be consolidated. In addition, there is a call for evidence for feedback on the rationalisation of reporting obligations on the Commission *Have your say* portal.

Point 4: Renewable energy: opportunities, challenges and trends for farmers and rural businesses

A representative of the DG ENER presented (presentation available on CIRCABC) the overall legislative and policy framework on renewable energy, with a focus on self-consumption, renewable energy communities, and agri-voltaics. The presentation

touched upon the Renewable Energy Directive and the RePower EU Plan as a tool to reinforce and modernise the Directive. The revised Directive raised the binding target for renewable energy in the EU for 2030 to a minimum of 42.5%, with an aspiration to reach 45%, which means more or less doubling the current share in 8 years. This requires acceleration of deployment of renewables. Slow and complex permitting processes are considered one of the key obstacles for the deployment of renewables. In the revised Renewables Energy Directive, which recently entered into force, Member States are called to map their national contributions towards the EU 2030 Renewable Energy Target. This should include acceleration in areas that are particularly suitable for the deployment of renewable energy as well as identifying protected areas that are excluded as much as possible to minimise environmental impact. Member States may also designate dedicated infrastructure areas for grids and storage necessary to integrate renewables in the energy system.

Regarding renewable self-consumers, it is primarily envisaged that production and consumption happen in the same location, including for collective self-consumption, while this activity cannot constitute the primary commercial or professional activity of the self-consumer. Regarding renewable energy communities, it is important to note is that they are legal entities based on open and voluntary participation, and that there is a proximity requirement. Member States can allow collective self-consumers to produce electricity in one location and consume it in a different one. However, there are still barriers to the development of renewable self-consumption and renewable energy communities. The Commission services are checking the transposition of the legislation. The deadline for Member States to transpose the directive into national law was June 2021, and the transposition check has not finished.

The Commission created an energy communities' [repository](#) ⁽¹⁾ to assist local actors with setting up these energy communities. There is also a rural energy communities' [hub](#) ⁽²⁾, which is especially focused on energy communities in rural areas. They both provide, for instance, a collection of best practice reports and advisory services.

Another important element for energy communities is the energy communities [facility](#) that is part of LIFE program.

Many consumers still do not have the opportunity to directly access self-consumption. That led to the EU proposal for energy sharing in the electricity market.

The solar strategy and the EU Solar Rooftops Initiative are also important elements to increase self-consumption and engagement in energy communities. The Strategy includes a solar obligation for certain existing and new buildings. This is discussed in the framework of the Energy Performance of Buildings Directive. The solar strategy also reflects the need to go beyond the current type of deployment, which is mostly based on rooftop and ground-mounted PV. Agri-PV is listed as one of innovative forms of solar deployment. DG ENER is currently conducting a study on these forms of innovative deployment, identifying main barriers with the aim of providing further guidance.

(1) [Energy Communities Repository - Homepage - European Commission \(europa.eu\)](#)

(2) [Rural energy communities hub - European Commission \(europa.eu\)](#)

a) Renewable Energy in the CAP

The Commission representative from DG AGRI gave an overview on the support for the production of renewable energy under the Common Agricultural Policy. In total, 22 CAP-Strategic Plans include targeted interventions to support investments in renewable energy generation with an EU target value of 1.560 MW production capacity (2023-2027). In the plans, there is a clear focus on producing energy on farm for own needs (52% of the planned interventions). Investments in renewable energy fall under the category of green investments and can therefore be funded up to 80%. The specific case of support for Agri-PV is mentioned. Finally, it was concluded that knowledge transfer and advisory services play an important role, while reducing the use of natural resources and achieving energy savings should always have a priority.

b) A short overview on opportunities and trends for agrivoltaics in the EU was provided by **EURAF and Solar Power Europe**.

Key highlights of the presentation from **EURAF** included:

- Agriculture is not using in an optimum way the available solar energy – efficiency of the collection of this energy can be maximized.
- Multiple benefits from agroforestry (mixing trees and crops on same land) to agriculture, trees and environment: to increase biomass, to improve nutrients for plants and thus decrease the need for fertilisers, to improve woody biomass, to absorb excessive nitrogen and help biodiversity given the higher interaction of species in such environments, to increase productivity and yields. Trees are an essential tool that should be added to farming systems.
- Agrivoltaics and agroforestry have many things in common - in both cases, there is an upper system, a sun-gathering system, either a tree or solar panel, which impacts a lower-level system: a crop, or a pasture. The advantages of agrivoltaic systems are like those of agroforestry systems.
- For example, the evapotranspiration from the crops cools the panels, and in the hot weather, cooler panels produce more electricity than warmer panels. The distributed shade from panels is also useful in hotter days of the year and keeps horticultural plants, cereals or grazeable plants grow longer, simply due to the microclimate that they produce.
- There are also questions for regulation that are particularly important. The amount of money that farmers can make from renting out their land to solar power producers is high compared to the amount of money that they can make from farming. Therefore, there is a need for regulation and for subsidy systems to encourage the continuation of agricultural activities on land that would otherwise be used to generate solar power.
- In an environment in which the climate crisis is becoming increasingly acute, the key benefits from solar panels on agricultural land or trees on agricultural land, is to boost the resilience.

Key highlights of the presentation from **Solar Power Europe** included:

- An appropriate approach to design the application of the agrivoltaic starts with the observation that these systems can protect from hail, from too much sun, etc. which may be important for farmers in the context of climate change.
- Agrovoltaic is bringing electricity on the farm, but also additional revenue to the farmer for them to change their agricultural practices with a security of revenue.

- Guidance was developed for different applications of agrivoltaic systems and the benefits for farming.
 - Systems include semi-transparency of the panel (so light can go through), homogeneous repartitions, dynamic panels, etc.
 - Regulation at national level is diverse. In some cases a choice between the use of land for farming or industrial is required to be made. EU rules might be needed to allow and enable for the multiple use of land: to have two types of production on the same land in all Member States.
 - A French example was shown. There legislation is developed to enable use of agrivoltaics and the ability of farmers to generate energy for their own use. The legislation includes advisory services as part of the package, as well as the possibility for the agrivoltaic system to be reversible.
- c) A short overview of opportunities and trends from geothermal as a source of energy was provided by a representative of the **European Geothermal Energy Council**. They indicated that, as shared in the presentation from DG AGRI, some CSPs already show planned support for geothermal. However, according to the expert, additional outreach is required to inform other holdings in Member States of the benefits of geothermal as a cost-effective and least land intensive provision of baseload electricity, heating and cooling.
- d) A short overview on opportunities and trends from biogas as a source of energy was done by representatives of the **European Biogas**. The representative highlighted that on-farm biogas production contributes to a farmer's security of supply, bringing extra income, helps to avoid and reduce emissions while also providing access to digestate that can be used as an organic fertiliser and builds-up soil organic carbon. While biogas production is already well supported in CAP strategic plans (as was shown by the DG AGRI representative presentation), the next step would be to further incentivise the use of its co-product – digestate – as an organic fertiliser.

Following the input from experts, **several CDG members** shared views including concerns around the increase of price of land in case of energy production and the need first to optimise use of roofs of agricultural facilities for energy production before use of agricultural land, the need for a clearer legal framework for farmers in terms of energy production, and the potential to install solar panels on re- wetted peatland.

Point 5: Farm Sustainability Data Network (FSDN) – update and next steps

Information and a presentation were provided by DG AGRI. Key points of the detailed presentation available on CIRCABC included:

- The Farm Accountancy Data Network (FADN) has transitioned into the Farm Sustainability Data Network (FSDN). FADN is a survey that has been conducted for 60 years (!) in the EU, based on a sample, representative in terms of farm output, economic size, farm type and region. It has been a primary source of farm-level data, used to measure farm economic performance.
- Data is available for policy making at EU, member state and regional level, as well as for academic work.
- While FADN included mainly economic parameters, more variables and topics on environmental and social dimensions are added now in the revamped system: covering the three dimensions of sustainability.

- Data is collected at farm level. After the political agreement on the FSDN between the co-legislators, the basic act will soon enter into force, in December 2023.
- The participation to the survey is voluntary for farmers, and Member States can develop incentive plans for farmer participation. Data protection is fully reinforced and clarified in the basic act. The new elements of the basic act allow for reducing the burden for farmers for data provision and for improving the potential for analysis of data for policy making.
- Next steps include the preparation of the secondary legislation. First FSDN data collection is planned for the year 2025, with data available in 2027. Confidentiality of data provided by farmers is guaranteed - data for instance cannot be used for control or tax purposes. Financial compensation for farmer participation into the data collection is foreseen. The EU will increase the budget for the implementation of FSDN and collection of data compared to FADN. Participating farmers will be able to receive farm reports that cover all the topics covered by the survey. Such reports may be used by farmers and their partners to assess and benchmark their economic, environmental, and social performance at farm level.
- Comments from stakeholders regarding variables to be developed in the secondary legislation are welcome and CDG members are encouraged to send any input by mid-January 2024. National liaisons agencies dealing with FSDN are also very eager to receive direct inputs from stakeholders.

Point 6: Future activities and updates

DG AGRI shared with members information on activities for which members of the CDG will be invited. DG AGRI is organising a series of technical workshops to identify challenges and to assess needs in agriculture with a view to future policy developments. The purpose of these workshops is not to design a new CAP - that will be under the responsibility of the new Commission after the elections of the European Parliament, but rather to enhance analysis and reflect on policy ideas. The workshops will be thematic and aim to engage with experts from each Member State and with members of this CDG formation. They will be organised with physical presence in December, February and March.

(e-signed)
Catherine GESLAIN-LANEELLE

List of participants– Minutes
**Meeting of the Civil Dialog Group on the CAP Strategic Plans and Horizontal
Matters**
23 November 2023

NAME OF ORGANISATION
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
CEJA - Conseil Européen des Jeunes Agriculteurs / European Council of Young Farmers
CELCAA - European Liaison Committee for the Agricultural and AGRI-Food Trade
CEPM - European Confederation of Maize Producers
COGECA - General Confederation of Agricultural Co-operatives of the European Union
COPA - Committee of Professional Agricultural Organisations of the European Union
ECVC - European Coordination Via Campesina
EEB - European Environmental Bureau
EFFAT - European Federation of Trade Unions in the Food, Agriculture and Tourism sectors
EFOW - European Federation of Origin Wines
ELO - European Landowner's Organisation
EMB - European Milk Board
ERCA - European Rural Community Alliance
EUFRAS - European Forum for Agricultural and Rural Advisory Services
EURAF - European Agroforestry Federation
EUROMONTANA
FEFAC - European Feed Manufacturers Federation /Fédération européenne des fabricants d'aliments composés
FEFAC - European Feed Manufacturers Federation / Fédération européenne des fabricants d'aliments composés
FoE – Friends of the Earth
FoodDrinkEurope
GEOPA-COPA - European Employers' Group of Professional Agricultural Organisations
IFOAM - International Federation of Organic Agriculture Movements European Regional Group
Rurality, Environment, Development

Ad-hoc experts
European Biogas
European Geothermal Energy Council (EGEC)
SolarPower Europe