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## MINUTES

### Meeting of the Civil Dialogue Group Direct Payments and Greening 7 October 2022

Chair: Head of Unit B1

Organisations present: All Organisations were present, except Bee Life, ECPA, EFFAT, Greenpeace, PAN Europe, SACAR.

#### 1. Approval of the agenda

#### 2. Nature of the meeting

The meeting was non-public.

#### 3. List of points discussed

##### 1. CAP Strategic Plans:

DG AGRI presented information on elements related to direct payments and eco schemes based on the submitted 28 draft national CAP Strategic plans.

This information contained information on elements related to the plans already approved by the Commission. DG AGRI explained that the state of play does not allow yet for a conclusive analysis since the process of approval of the national CAP strategic plans is ongoing. After the approval of the plans of 9 MS at the end of August and in the course of September, DG AGRI is in the formal procedure of approval of 8 more plans and expecting soon to receive the formal submission of the rest. Technical discussions with some MS administrations are still ongoing in view of solving issues raised in the observation letters.

DG AGRI presented some key features and facts of the draft Plans the Commission received in the beginning of this year. Data on many of those elements was not fully complete in the received plans and might change after all are approved. The

information included financial choices and planning of direct payments instruments more in detail, which contribute to the economic sustainability objectives of the policy. Information was provided on some quantitative targets MS aim to achieve in relation to redistribution and area based support along with specific data stemming from already approved plans by MS.

The discussion and exchange on this point included among others the following key questions:

Stakeholders reminded that the timeframe for farmers is very important and they have to be informed about all final elements of the approved plans. They have also urged that technical systems be put in place and questioned if MS ready technically to implement. Stakeholders also inquired if the approved requirements under conditionality (GAECs) for direct payments will differ substantially in MS. Other questions related to the impact of high inflation on the planned support.

AGRI representatives explained that the overall financial packages for CAP are strictly defined as part of the MFF defined until 2027. The plans include tools to modify levels and intensity of support which would be decisions which the management authorities can make, if justified. They also recalled of the possibility to use financial instruments within CAP to complement grants. The level playing field is ensured by the basic standards for GAECs in the CAP legislation. The legislation also gives some flexibility to MS for the way they are defined, allowing them to consider the specificities of the farming in the MS.

DG AGRI confirmed that the Commission is aware of the time pressure for setting up of all relevant systems. The Commission ensures that all discussions with MS are timely and at the same time address all necessary questions. Reminded that the plans were submitted beginning of this year and later and time was needed to ensure compliance with legal requirements, the necessary ambition and consistency in a transparent process

Representatives of stakeholders raised the question on specific criteria assessing how the coupled income support contributes to the environment objectives and requested that information is presented more holistically in the context of both environment and economic sustainability along with more clarity on potential effectiveness of the requirements for farmers on conditionality (GAECs) and the content of the interventions. Stakeholders expressed interest for more specific information on requirements related to definition for buffer strips along water courses in different Member States.

DG AGRI explained that the assessment related to the environmental ambition took into account the different elements in the plan. Reminded that the entire set up related to the climate and environment ambition is increased since the previous ‘greening’ is part of the baseline (conditionality) for direct payments now and the requirements included in the eco-schemes and agri-environmental interventions are on top and in addition to the requirements of this baseline. The assessment of the CAP plans focused on the integrity of all elements related to GAECs and to interventions in addition to the value of relevant targets. It is to be reminded that those already reflect what is beyond the baseline, which is enhanced compared to before.

As regards Agroforestry, stakeholders welcomed the observation letters and the Commission’s requests to Member States for clarifying of definition related to agro-

forestry. Pointed that some of the definitions in the plans, in particular, definitions of AT and PL (as later clarified in the meeting's 'chat'), need to be re-visited and asked how this can be done in the future. Asked for more clarity whether there is support for a newly created lines of trees as landscape features (LF) as part of the definition in GAEC 8 and requested further guidance for MS, explaining that different interpretations are observed on what is meant by tree-based landscape feature.

DG AGRI provided further details related to obligations for LF in GAEC 8 – having a minimum share of arable land devoted to non - productive features. It is up to the MS to define the list of features, which can qualify to fulfil this obligation to meet the threshold. The MS must define this list in the Plan and in the national legislation. At the outset, there is no rule in the EU legislation that has to be an already existing feature. The MS should define this. It is not possible though to pay for the creation of this feature (tree) and using it in the same year for fulfilling the baseline for direct payments. Moreover, when referring to landscape features which are not under GAEC 8, those should meet the conditions that they are not predominant and do not significantly hamper the agricultural activity on the agricultural area.

DG AGRI explained that all MS had to provide elements of agroforestry systems as part of the definition of the agricultural area in their CAP Plans (section 4.1.2.1 of the SFC). In case of AT, it was also done, though the description was quite short and mostly based on GAEC elements. But this is the flexibility for MS to define elements of agroforestry systems in line with local specificities and needs. In this respect, MS can also request that agroforestry systems meet the conditions, which are requested under relevant Pillar II interventions. What is important is that under Pillar I MS do not limit the 'eligibility' of agro-forestry systems only to those, which are established under Pillar II interventions. In case of PL, this condition is met.

DG AGRI also summarised the possibility and margin for MS to address specific situations, is one of the key characteristics of the policy and that the Plans will be subject to possible modifications every year for needed adjustments.

A representative of the Danish Farmers asked if there are MS allowed in their CSPs to use crop diversification (GAEC 7), with what coverage and under what conditions.

DG AGRI provided further details on GAEC 7, which foresees that MS should provide standards on crop rotation. The basic act provides the possibility for an exemption of the basic standard for crop rotation - to have in certain regions a standard for crop diversification instead. The basic principle is the crop rotation standard and for any exception, a strong justification was needed, as part of the discussion of the CAP Strategic plans. It is not possible to make yet a summary given that Plans are not yet approved

As regards organic farming stakeholders, would like to know if the EU will reach the overall target of 25% of organic farming by 2030 based on the targets set at national level by Member States in their CAP SPs.

DG AGRI clarifies that the CAP support increases substantially compared to previous period and MS will not be only limiting this growth and support to CAP funding. The targets of MS for organic production growth exceed the targets for organic production with CAP funding. Final data and analysis of the overall planned contribution is still to be completed.

Questions were asked in relation to the expected impact of the plans implementation to the redistributions of support among farmers. DG AGRI explained that concentration of support is mostly, influenced by the structure of land ownership and varies a lot across MS due to different situation in terms of land concentration. The redistribution is an important objective of the policy. There is a set of tools from the CAP to address it (the CRISS payments, the payments for small farms, convergence, the possibility for capping, etc). Overall, the plans have improved their redistribution as shown in the increase of the payments for farms above the average size (result indicator 6) in almost all plans. This issue is important for the young farmers too for whose support the plans include a strategy to entailing direct support, investment and set up in combination with national tools and legislation, which is also enabling or hindering access to land and capital.

## **2. Impact of the war in Ukraine: measures adopted by the Commission in relation to direct payments**

DG AGRI Unit A1 presented the Communication on Safeguarding food security and reinforcing the resilience of food systems published on the 23rd March 2022 and the developments since then. The Communication sets out the Commission response to the invitation of the European Council in its Versailles declaration of 10 and 11 March 2022, to present options to address rising food prices and the issue of global food security. It is based on an assessment of the situation and builds on its vision for a fair, healthy and environmentally friendly food system laid down in the European Green Deal and its Farm to Fork Strategy. It lays out short term measures to support food security and agriculture in Ukraine, global food security, as well as producers and consumers in the EU. It also calls for addressing the deficiencies revealed by the developing crisis in ways that enhance the transition towards sustainable, resilient and fair food systems in the EU and globally.

The negative impacts of the high prices of fertilisers, gas, fuel and commodities on yields as well as impacts for fertilising, harvesting, processing and transport were discussed at large.

Food inflation in the EU is at record levels. Based on the above mentioned challenges, the Commission has come up with a list of actions for global food security, such as financing strategies for developing countries to sustain the green recovery. Instruments like macroeconomic support for food deficit countries through instruments, such as macro-financial assistance or budget support programmes can play an important role in easing the pressure caused by high import costs.

The Commission is engaged in several coalitions and platforms to analyse and monitor global agricultural commodities, such as the Agricultural Market Information System (AMIS), which was developed after the last food crisis in 2008-2009.

The Commission advocates against export-restrictions and export-bans to avoid “panic reactions”. It will continue to support countries in their transformation towards resilient and sustainable agriculture.

The Commission will continue to provide humanitarian assistance to Ukraine but also to developing countries. Regarding support to Ukraine’s food security, the

Commission has in place food aid humanitarian assistance and support to the agriculture and fisheries sector in close cooperation with international partners.

The Commission has developed an EU Emergency support program in favour of Ukraine of up to 330 million €, which will help to secure access to basic goods and services as well as protection.

In terms of macroeconomic support for Ukraine, DG ECFIN has a macro-financial assistance programme in support of Ukraine of over 1.5 billion €. This is in addition to support provided by Member States.

On the actions for EU food security: the Commission is helping vulnerable EU citizens deal with food security challenges through a fund for the most deprived which is called FEAD.

The Commission has set-up package of 500 million € to support farmers most affected. Member States can top-up this support by 200% of national aid and it will be up to Member States to decide which farmers have been most affected.

There is a derogation on certain greening obligations in 2022, which will bring additional agricultural land into production subject to Member States 'decision, to alleviate food security and the pressure on the markets.

The Commission has also introduced market safety net measures and a temporary crisis framework for State Aid.

Member States are encouraged to prioritise investments, which would reduce the dependence on gas and fuel. This could be through increasing sustainable biogas production or by increasing the area under precision farming.

The Commission is also encouraging Member States to make use of carbon farming methods and agro-ecological practices.

Member states have a number of instruments at hands when it comes to effectiveness and coverage of social protection systems to support the most vulnerable population through targeted schemes

The Commission stays firm in its commitment to the implementation of the Farm to Fork and Biodiversity Strategies. Food sustainability is a pre-condition for food security in the long term. The Commission is planning to review its protein policy to reduce the dependence on imports.

Stakeholders raised several questions mainly regarding the measures to strengthen food security. Food waste is also a concern of the Commission shown in the Communication, but consumption patterns take time to change.

The Commission recalled a number of actions under the Farm to Fork strategy which tackle food waste and are aiming at consumers. The Commission is working on sustainability labelling and on a legislative framework for sustainable food systems. The Commission continues also with the implementation of the organic action plan.

### **3. Evaluation of CAP performance**

The Commission presented the different components of the performance assessment of the CAP, including a strategic approach to the CAP plans design, comprehensive target setting, enhanced monitoring and reporting, annual review meetings with Member States, performance clearance, performance review and evaluations.

A corner stone of the new Performance Monitoring and Evaluation Framework is the system of indicators, reported by Member States annually in the Annual Performance Reports and completed with the underlying data that Member States will share with the Commission to allow deeper analyses.

Remarks and questions were raised by several members in relation to the difficulties linked to the policy cycle in view of the transition period and the late availability of data on the uptake of measures (not before 2025 for a comprehensive dataset); the discrepancy between the Green Deal target for organic and the sum of national values set by Member States in their plans leading to a value below the EU target; the need to follow-up what Member States will do outside CAP plans to address the needs identified in their CAP strategic plans; the importance not to sanction farmers if Member States do not reach their targets; the dissemination strategy of the data for monitoring and evaluation, the link between the collection of these data and FSDN as well as the need to ensure more interoperability while at the same time providing personal data protection; the need to take into account in evaluations the impact of the war in Ukraine and of the Covid crisis.

#### **4. Conclusions/recommendations/opinions: /**

#### **5. Next steps: /**

#### **6. Next meeting:**

This was the last meeting of the CDG-DP Greening.

#### **7. List of participants - Annex**

e-signed  
Pierre BASCOU

List of participants– Minutes  
**Civil Dialogue Group Direct Payments and Greening**  
**7 October 2022**

MEMBER ORGANISATION	NOT PRESENT ----
Bee Life-European Beekeeping Coordination (Bee Life)	----
Stichting BirdLife Europe (BirdLife Europe)	
European Liaison Committee for Agriculture and agri-food trade (CELCAA)	
European agri-cooperatives (COGECA)	
European Coordination Via Campesina (ECVC)	
European Crop Protection Association (ECPA)	----
European Council of Young Farmers (CEJA)	
Confédération Européenne de la Production de Maïs (C.E.P.M)	
European farmers (COPA)	
European Environmental Bureau (EEB)	
European Federation of Food, Agriculture and Tourism Trade Unions (EFFAT)	----
European Forum on Nature Conservation and Pastoralism (EFNCP)	
European Landowners' Organization asbl (ELO asbl)	
European Milk Board (EMB)	
European Agroforestry Federation (EURAF)	
Fertilizers Europe	
FoodDrinkEurope	
Greenpeace European Unit	----
International Federation of Organic Agriculture Movements EU Regional Group (IFOAM EU Group)	
Pesticide Action Network Europe (PAN Europe)	----
Secrétariat des Associations du Commerce Agricole Réunies / Joint Secretariat of Agricultural Trade Associations (SACAR)	----
WWF European Policy Programme (WWF EPO)	