



SUMMARY REPORT on the implementation of direct payments [except greening]

Claim year 2018

This report presents the implementation of the direct payments by Member States for claim year 2018. It is based on the information provided by Member States to the Commission services to date. It is made available without prejudice to any finding in respect of their compliance with the regulatory framework. Data on the implementation in respect of previous claim years, used in this report to compare the data collected in claim year 2018, have been corrected and/or updated where relevant. As UK was part of the EU and have implemented DP in CY2018, UK is referred as Member State belonging to the EU-28 in CY2018.

June 2020

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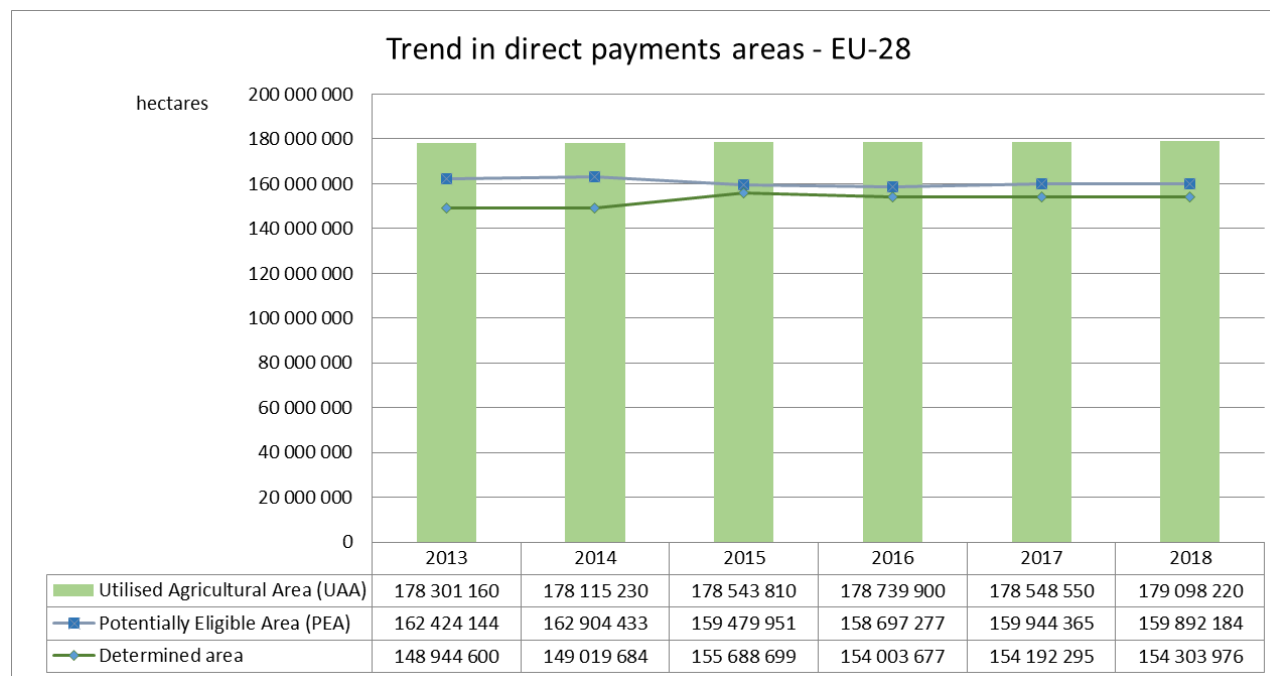
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I GENERAL IMPLEMENTATION DATA

I.1. Trend in the areas receiving direct payments

Graph 1.1: Trend in direct payments areas

- The **Potentially Eligible Area** (PEA) of direct payments (DP) remains relatively stable between claim years (CY)2015 and CY2018 (+0.3%), whereas it slightly decreased between CY2014 and CY2015 (-2.1%) following the 2013 CAP reform due to the exclusion of ineligible features in one Member State (correction following an audit).
- The PEA covers about 90% of the **Utilised Agricultural Area** (UAA) across the EU-28 Member States.
- In 2018, the **determined area** slightly decreased by 0.9 % compared to CY2015, whereas it remains higher by 3.6% compared to CY2014.
- In CY2018, the determined area is only 4% below the PEA (8.5% below in CY2014). The gap between the determined area and the PEA indeed reduced significantly between 2014 and 2015 as one of the achievements of the 2013 CAP reform - i.e. to cover as much as possible the potentially eligible agricultural area with direct payments (including in Member States applying payment entitlements (PEs) based system).
- The determined area is still 14% below the UAA, but it was 16% below in CY2014.



UAA: the "Utilised Agricultural Area" corresponds to the total area irrespective of any claim for direct payments.

PEA: the "Potentially Eligible Area" corresponds to the total area declared by beneficiaries and potentially eligible for payment.

The "Determined area" corresponds to the total area declared by beneficiaries and for which all eligibility conditions are met. It takes into consideration the results of the administrative and on-the-spot checks, and for the Basic payment scheme (BPS) the number of payment entitlements (PEs).

NB: The PEA and the determined area correspond to the area declared by farmers applying to the Single payment scheme (in CY2013 and CY2014), the BPS (from CY2015 to CY2018), the Single area payment scheme (SAPS) (all years) and the Small farmers scheme (SFS) (from CY2015 to CY2018). They do not cover the potential area declared by farmers who applied only for certain coupled payments (like cotton payments, voluntary coupled support...). In CY2018, this represents about 2.9 million ha in the EU-28, i.e. about 1.8% of total PEA. Discrepancy between the UAA and PEA or determined area can be explained by different definitions applied. Not all UAA recorded for statistics purposes is declared by farmers under the direct payments system (see further point I.2)

Data source: UAA – ESTAT and DG AGRI. PEA and Determined area – Member States' notifications in CATS.

I.2. The total agricultural area and the area under direct payments in CY2018

- In general, the differences between the determined area and the PEA are due to the limitations in the number of payment entitlements compared to the eligible area for the eighteen BPS Member States (see last bullet point and section III.1 below) and by the result of controls in all Member States.
- In CY2018, the Member States with the highest differences between the PEA and the determined area are AT, ES, IT, PT, IE and EL.
- The UAA is usually higher than the PEA and the determined area. However, it is sometimes lower because of differences in the definition of eligible area for direct payments and the UAA (e.g. common land is not always included in the UAA).
- The differences between the determined area and the UAA can be explained by several factors: farmers below the minimum requirements for being granted direct payments, farmers not fulfilling the eligibility conditions for being allocated payment entitlements in the BPS Member States (limitations for e.g. fruit and vegetables, permanent grassland located in areas with difficult climate conditions or wine producers decided by certain Member States...)¹, and farmers not applying for direct payments.

Table 1.1: Total agricultural areas, Potentially eligible areas and Determined areas 2018

in hectares		2018							
		Utilised Agricultural Area (a)	Potentially Eligible Area (BPS/SAPS + SFS) (b)	Potentially Eligible Area (BPS/SAPS + SFS + VCS + cotton) (c)	Determined Area (BPS/SAPS + SFS) (d)	Difference between Determined and PEA (b-d)	% Difference determined /PEA (b/d)	Difference between PEA and UAA (a-c)	% Difference PEA /UAA (a/c)
BE	BPS	1 356 080	1 374 743	1 397 893	1 320 764	-53 980	-4%	41 813	3%
DK	BPS	2 632 500	2 577 457	2 605 028	2 567 915	-9 542	0%	-27 472	-1%
DE	BPS	16 645 100	16 839 457	16 839 457	16 711 976	-127 481	-1%	194 357	1%
IE	BPS	4 516 040	4 629 718	4 629 718	4 402 409	-227 309	-5%	113 678	3%
EL	BPS	5 288 050	3 870 311	3 928 714	3 696 552	-173 759	-4%	-1 359 336	-26%
ES	BPS	24 201 910	20 877 933	22 341 870	19 117 827	-1 760 105	-8%	-1 860 040	-8%
FR	BPS	29 020 160	26 680 343	26 876 175	25 613 741	-1 066 602	-4%	-2 143 985	-7%
HR	BPS	1 485 650	1 078 990	1 112 308	1 067 713	-11 277	-1%	-373 342	-25%
IT	BPS	12 843 320	10 445 339	10 490 223	9 584 877	-860 463	-8%	-2 353 097	-18%
LU	BPS	131 560	122 133	122 134	120 356	-1 777	-1%	-9 426	-7%
MT	BPS	11 580	7 565	13 011	7 485	-80	-1%	1 431	12%
NL	BPS	1 822 400	1 774 637	1 789 291	1 726 622	-48 015	-3%	-33 109	-2%
AT	BPS	2 653 840	2 558 926	2 558 926	2 294 845	-264 081	-10%	-94 914	-4%
PT	BPS	3 591 420	2 983 488	3 187 428	2 788 241	-195 247	-7%	-403 992	-11%
SI	BPS	477 930	454 758	455 064	443 465	-11 293	-2%	-22 866	-5%
FI	BPS	2 271 900	2 253 155	2 262 769	2 250 050	-3 105	0%	-9 131	0%
SE	BPS	3 000 390	2 881 574	2 890 404	2 854 796	-26 778	-1%	-109 986	-4%
UK	BPS	17 357 000	14 821 761	14 825 823	14 227 948	-593 813	-4%	-2 531 177	-15%
BPS member States		129 306 830	116 232 288	118 329 601	110 797 582	-5 434 706	-5%	-10 977 229	-8%
BG	SAPS	5 030 280	3 841 824	3 982 737	3 795 754	-46 070	-1%	-1 047 543	-21%
CZ	SAPS	3 523 220	3 532 567	3 533 829	3 530 911	-1 656	0%	10 609	0%
EE	SAPS	1 004 210	961 990	962 651	959 190	-2 800	0%	-41 559	-4%
CY	SAPS	131 940	138 658	222 825	136 601	-2 056	-1%	90 885	69%
LV	SAPS	1 937 900	1 724 907	1 725 425	1 719 343	-5 563	0%	-212 475	-11%
LT	SAPS	2 947 230	2 857 118	2 857 377	2 849 241	-7 877	0%	-89 853	-3%
HU	SAPS	5 343 780	4 965 273	5 045 700	4 951 671	-13 602	0%	-298 080	-6%
PL	SAPS	14 539 550	14 271 201	14 316 012	14 236 766	-34 436	0%	-223 538	-2%
RO	SAPS	13 413 740	9 504 988	10 029 954	9 473 402	-31 586	0%	-3 383 786	-25%
SK	SAPS	1 919 540	1 861 370	1 868 988	1 853 514	-7 857	0%	-50 552	-3%
SAPS Member States		49 791 390	43 659 896	44 545 498	43 506 394	-153 502	0%	-5 245 892	-11%
EU-28		179 098 220	159 892 184	162 875 099	154 303 976	-5 588 208	-3%	-16 223 121	-9%

UAA: the "Utilised Agricultural Area" corresponds to the total area irrespective of any claim for direct payments.

PEA: the "Potentially Eligible Area" corresponds to the total area declared by beneficiaries and potentially eligible for payment.

The "Determined area" corresponds to the total area declared by beneficiaries and for which all eligibility conditions are met. It takes into consideration the result of administrative and on-the-spot checks and for the BPS the number of payment entitlements.

Data source: UAA - ESTAT and DG AGRI. PEA and Determined area – Member States' notifications in CATS.

¹ Limitations from Article 24(4) to (7) of Regulation (EU) 1307/2013

I.3. The number of admissible applicants for direct payments in CY2018

- Eligibility to the basic payment (BPS/SAPS – see section III.1 below) is a pre-condition to qualify for other direct payments (with the exception of coupled support). The number of “admissible applicants”(*) decreased by 9.4% between CY2015 and CY2018.
- The sharpest decrease is observed in some Member States that apply the BPS: IT (-21.2%), ES (-17.9%), FR (-11.9%) and EL (-10.8%) and in one Member State applying the SAPS: EE (-14.9%). Depending on the Member States, the decrease is, among other factors, due to overall decrease of farmer population (retirement...), due to the high drop in the number of the SFS participants not joining other schemes (IT, EL) (see section VIII below) or due to stricter maintenance criteria for permanent grassland and an increase of small farms merging (EE). Moreover, an increase in the minimum requirement (from EUR 100 to EUR 300 in ES, and from 250 to EUR 300 in IT) is also an important factor explaining decrease of applicants.
- On the contrary, the number of applicants has increased in CZ (+4%), SK (+3.5%), HR (+2.9%) and IE (+1.4%). It has to be noted that the average farm size in SK and CZ is among the highest across the EU-28 Member States, which explains the relatively low absolute number of admissible applicants in these countries.
- In most BPS Member States, the decrease in number of beneficiaries (on average -12.3% between 2015 and 2018) is often associated with a decrease in the area, but in much lower proportions (on average -1.8%). In most SAPS Member States, where the number of beneficiaries decreased slightly (-4% on average), the determined area rather tended to increase (+1.6% on average).

NB: The "admissible applicants" correspond to the number of farmers applying for the BPS, SAPS, SFS, VCS only and cotton payments.

(*) An "admissible applicant" is a farmer whose aid application for direct payments was admissible at the time of submission and remained admissible following the administrative checks. However, following the on-the-spot checks, it is not excluded that an initially admissible applicant is found to be ineligible for direct payments.

Table 1.2: Number of admissible applicants from CY2015 to CY2018 and evolution of the area determined (from 2015 to 2018)

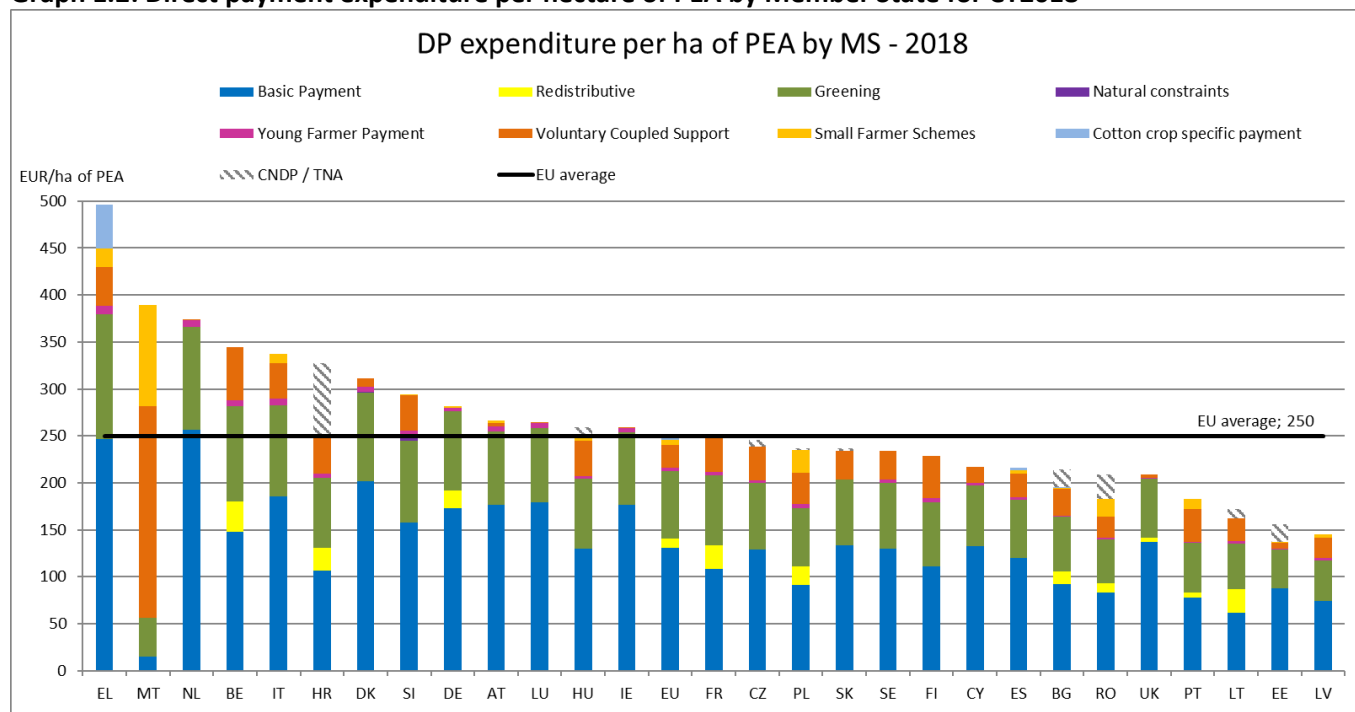
MS	CY2015	CY2016	CY2017	CY2018	2015-2018 %	Ha determined change 2015/2018
BE	35 681	35 131	34 140	33 886	-5.0%	-0.9%
DK	40 797	39 531	38 638	37 918	-7.1%	-0.9%
DE	321 388	316 897	313 917	310 655	-3.3%	-0.9%
IE	126 762	124 390	129 558	128 498	1.4%	0.0%
EL	685 508	646 380	619 772	611 557	-10.8%	-3.0%
ES	792 756	719 338	653 390	651 222	-17.9%	-1.4%
FR	354 441	330 591	318 962	312 426	-11.9%	-1.7%
HR	98 691	97 019	99 850	101 526	2.9%	5.3%
IT	1 002 205	898 695	809 764	789 840	-21.2%	-4.8%
LU	1 824	1 780	1 756	1 730	-5.2%	-1.6%
MT	5 336	9 670	5 221	5 084	-4.7%	-8.6%
NL	45 847	45 776	44 960	44 473	-3.0%	-0.5%
AT	109 472	108 607	107 380	106 348	-2.9%	-10.0%
PT	157 928	153 172	153 602	152 891	-3.2%	0.8%
SI	56 794	56 621	56 440	56 083	-1.3%	-1.3%
FI	61 000	59 730	58 124	57 118	-6.4%	-0.4%
SE	60 246	58 555	57 937	56 572	-6.1%	-2.6%
UK	145 375	143 410	142 798	141 421	-2.7%	-1.8%
BPS MS total	4 102 051	3 845 293	3 646 209	3 599 248	-12.3%	-1.8%
BG	65 642	67 836	67 183	65 621	0.0%	4.0%
CZ	28 904	29 584	29 802	30 064	4.0%	-0.2%
EE	17 100	15 542	15 019	14 558	-14.9%	1.1%
CY	33 501	33 797	32 868	32 677	-2.5%	1.7%
LV	61 111	59 744	58 484	57 689	-5.6%	3.9%
LT	136 223	134 069	127 470	125 322	-8.0%	1.7%
HU	175 278	174 635	173 752	171 347	-2.2%	0.2%
PL	1 346 848	1 344 911	1 336 349	1 317 653	-2.2%	0.7%
RO	881 989	844 460	834 166	820 299	-7.0%	3.2%
SK	18 142	18 978	18 845	18 780	3.5%	-0.2%
SAPS MS total	2 764 738	2 723 556	2 693 938	2 654 010	-4.0%	1.6%
EU 28 total	6 901 177	6 568 849	6 340 147	6 253 258	-9.4%	-0.9%

Data source: Member States' notifications in CATS.

I.4. Direct payments expenditure per hectare by Member State in CY2018

- In CY2018, the average support granted per hectare of area declared by farmers (PEA) amounts to **250 EUR/ha**, including the crop-specific payment for cotton and the possible national "top-ups" (i.e. support, which is not direct payments: the Complementary National Direct Payments for HR and the Transitional National Aid for SAPS Member States).
- The average DP/ha ranges from 145 EUR/ha in LV to 497 EUR/ha in EL.
- The part of each direct payments scheme differs depending on the initial financial allocation (fixed at EU level) and on decisions by the Member States².
- The basic payment (BPS or SAPS) represents on average 53% of the direct payments expenditure in CY2018 (without national "top-ups").

Graph 1.2: Direct payment expenditure per hectare of PEA by Member State for CY2018*



* These levels do not reflect the actual payments per hectare, notably because the animal-based Voluntary coupled support payments are included in the total amounts divided by the potentially eligible area.

PEA: The "Potentially Eligible Area" corresponds to the total area declared by beneficiaries and potentially eligible for payment. CNDP: Complementary National Direct Payments. TNA: Transitional National Aid.

The SFS is financed by a share of the envelope of each other scheme.

Those amounts do not take into account the amounts transferred to Rural Development programmes further to the flexibility between pillars, but include the amounts transferred from Rural development to direct payments. The data do not cover the programmes for outermost regions (POSEI), the measures in favour of the smaller Aegean islands nor the reimbursement of financial discipline.

Data source: Member States' notifications in AGREX for DP expenditure and in ISAMM for CNDP/TNA and in CATS for PEA.

² For more information on the decisions taken by Member States on direct payments, see the document "Direct payments 2015-2020 Decisions taken by Member States". https://ec.europa.eu/info/sites/info/files/food-farming-fisheries/key_policies/documents/simplimentation-decisions-ms-2018_en.pdf

II. THE BASIC ELIGIBILITY CONDITIONS FOR DIRECT PAYMENTS

- **The basic eligibility conditions for benefitting from direct payments are³:**
 - To comply with the so-called "minimum requirements",
 - To be an active farmer,
 - To have agricultural land at their disposal that is used for agricultural activity.
- *Direct payments can only be granted above certain thresholds defined by Member States ("**minimum requirements**"):*
Generally, direct payments are not granted where the amount of direct payments would be less than an amount fixed by Member States between EUR 100 and EUR 500 and/or where the claimed eligible area is less than an area ranging from 0.3 hectare to 5 hectares.
Those minimum requirements are meant to avoid an excessive administrative burden resulting from having to manage the payments of small amounts.
- *Moreover, the applicants must fulfil the condition of **being farmers** (natural or legal person, or a group of natural or legal persons, whose holding is situated within the territory of the EU and who exercises an agricultural activity).*
- *The performance of an agricultural activity is requested on the entire area and in principle every year, and it may consist in producing agricultural products including breeding animals, or in maintaining the land in a state suitable for grazing or cultivation.*
- *Since the 2013 CAP reform, the applicants must also fulfil the conditions of the "**active farmer clause**". This clause aims at preventing individuals and companies who hold agricultural land from receiving support from the CAP when their agricultural business is only marginal.⁴*
- **Other eligibility conditions** are added for specific schemes (e.g. greening, young farmer payment...).

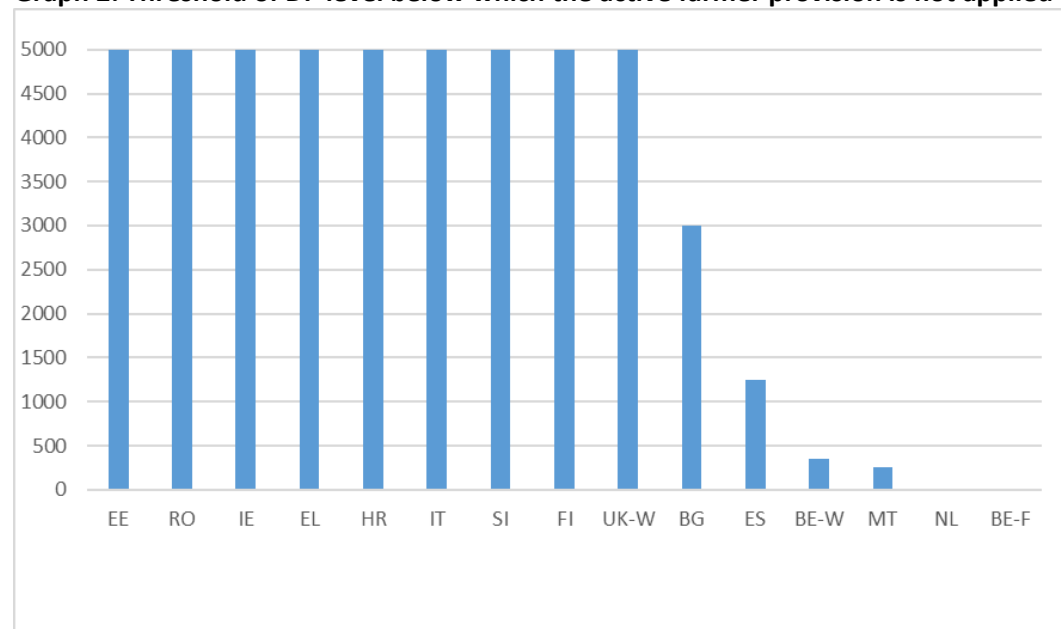
³ For more information on eligibility: https://ec.europa.eu/info/sites/info/files/food-farming-fisheries/key_policies/documents/direct-payments-eligibility-conditions_en.pdf

⁴ To be noted that, from 2018, pursuant to the adoption of the "omnibus" Regulation (EU) 2017/2393 of 13 December 2017, some Member States have decided to discontinue the implementation of the negative list under the active farmer clause. For more information on the implementation of the Active Farmer provision, please see the note: https://ec.europa.eu/info/sites/info/files/food-farming-fisheries/key_policies/documents/active-farmer-ms-decsions-omnibus-regulation_en.pdf. Nevertheless, in Member States applying BPS (payment entitlements based system) discontinuation of the negative list under the active farmer clause does not necessarily enlarge the group of eligible farmers, because the system was set up and most of the payment entitlements were allocated in 2015.

The Active farmer clause

- Farmers who received less than a certain threshold of direct payments in the previous year are **de facto** considered to be **active farmers**. This threshold is set by Member State but may not be higher than EUR 5 000 (see [graph 2](#)). For MS having discontinued the application of the negative list from CY 2018 onwards, this threshold is no longer relevant⁵.
- Most Member States set the threshold at this maximum, which in a number of cases resulted in excluding a significant share of the applicants from the scope of the active farmer provision. For example, by setting the threshold at its maximum, almost all applicants are considered active farmer in RO (without further scrutiny of the active farmers provision), while in SI, EE, and EL, 60% or more of the claimants are de facto considered active farmers.
- Another element of the active farmer's provision is **a negative list** of businesses (airports, waterworks, real estate services...). Entities operating an activity on the "negative list" are not considered to be "active farmers" unless they can prove that their farming activity is not marginal, using one of the defined three possibilities to rebut the negative presumption.
- From 2018, 11 MS maintain the negative list (BE, BG, IE, EE, ES, HR, MT, RO, SI, FI, UK-W). EE and FI will stop from CY2019 onwards while the remaining MS decided to stop from CY2018.
- EL and NL will continue applying the option to consider active farmers only those farmers whose agricultural activity is not insignificant, or whose principal activity or company object consists of exercising an agricultural activity.
- From CY 2018, IT and RO apply the option to consider inactive those farmers who are not registered for their agricultural activity in a national fiscal or social security register.

Graph 2: Threshold of DP level below which the active farmer provision is not applied



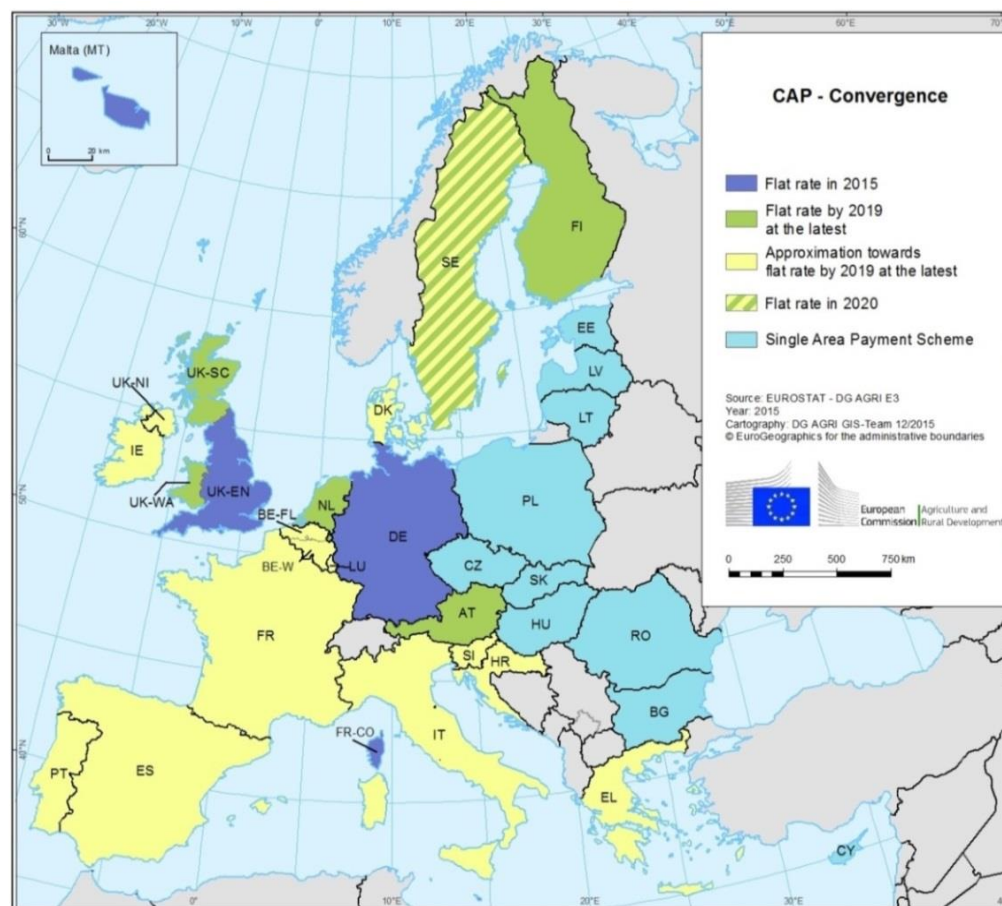
Data source: Member States' notifications in ISAMM in respect of CY2018.

⁵ The omnibus Regulation has made the negative list under the active farmer clause optional as from CY2018.

III. THE BASIC PAYMENT

III.1. The models of basic payment after the 2013 CAP reform

- The basic payment is the basic layer of income support, topped-up by other direct payments targeting specific issues or specific types of beneficiaries. The following map illustrates the model of basic payment and internal convergence chosen by each Member State.
- Eighteen Member States (BE, DE, DK, IE, EL, ES, FR, HR, IT, LU, MT, NL, AT, PT, SI, FI, SE and the UK) apply the **Basic payment scheme** (BPS) whilst ten Member States (BG, CZ, EE, CY, LV, LT, HU, PL, RO and SK) keep applying the **Single area payment scheme** (SAPS, see section III.4 below).
- Under the **BPS**⁶, farmers are allocated payment entitlements (PEs) based on historical references (for the access and, in a number of Member States, also for the unit value of their entitlements). In order to get payments, farmers need to activate those entitlements by declaring an equivalent number of eligible hectares on an annual basis.
- DE, MT, FR-Corsica and UK-England apply the model of "**flat-rate from 2015**"⁷:
 - In DE and UK-England, it is applied at regional level (i.e. different flat-rate payments in different regions).
 - In addition, DE will move to a national flat-rate in 2019.
- NL, AT, FI, UK-Scotland and UK-Wales have chosen the "**flat-rate in 2019**" model.
 - In FI and UK-Scotland, it is applied at regional level.
- BE-Flanders, BE-Wallonia, DK, IE, EL, ES, FR-Hexagone, HR, IT, LU, PT, SI, SE and UK-Northern Ireland apply a **partial convergence by 2019**.
 - EL and ES will apply it at regional level.
 - SE will close 5/6 of the gap to 100% of 2019 average by 2019 and will move to a flat-rate from 2020.



Data source: Member States' notifications in ISAMM.

⁶ For more information on BPS, see the document "Direct Payments - BASIC PAYMENT SCHEME" at https://ec.europa.eu/info/sites/info/files/food-farming-fisheries/key_policies/documents/basic-payment-scheme_en.pdf

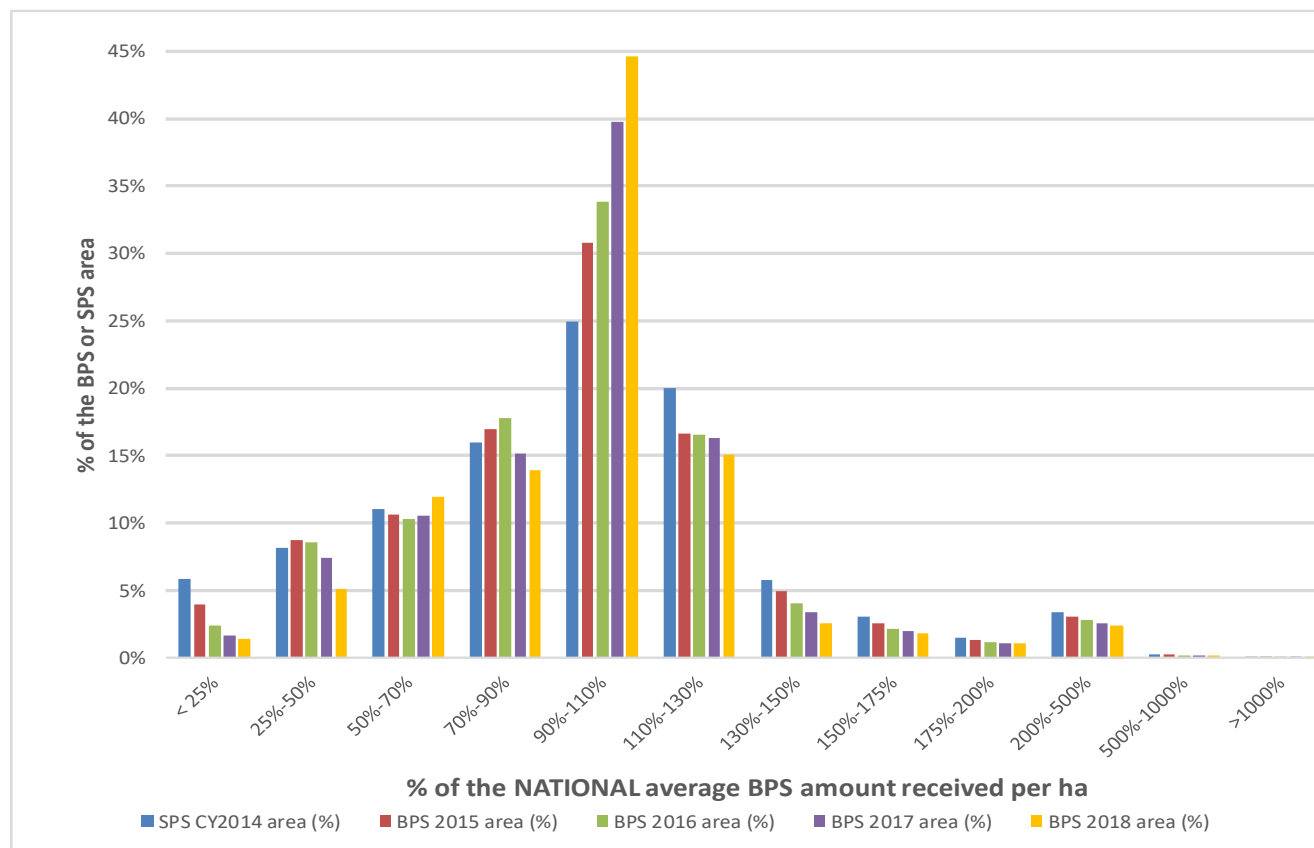
⁷ For more information on the internal convergence, see the document "Direct Payments: the Basic Payment Scheme from 2015. Convergence of the value of payment entitlements ('Internal Convergence')" at https://ec.europa.eu/info/sites/info/files/food-farming-fisheries/key_policies/documents/internal-convergence_en.pdf

III.2 The Basic payment scheme - The internal convergence

- In the eighteen Member States applying the BPS, the 2013 CAP reform has introduced a move away from historical references with a mechanism of convergence of direct payments per hectare ("**internal convergence**") within Member States (see the options taken by Member States in section III.1 above).
- The graph shows that the area benefiting from a BPS amount/hectare close to the national average is significantly higher than it was in the year preceding the reform (i.e. CY2014).
- The convergence level is currently increasing (the average amount class went from 31% in 2015 to nearly 45% in 2018) and is on its way to reach a higher level up to CY2019. However, some significant differences in BPS amounts per hectare will remain in CY2019 in the Member States applying the partial convergence.

NB: The vast majority of Member States concerned has chosen to apply the greening payment as a percentage of the BPS payment. It means that in almost all of them, the greening payment will follow the same convergence path as the BPS. DE, FR-Corsica, LU, MT, FI, UK-England and UK-Scotland apply the uniform (flat-rate) greening payment per hectare.

Graph 3.1: Distribution around the NATIONAL average BPS(SPS) amount/hectare CY2014-CY2018



SPS: The Single payment scheme (equivalent system as BPS before the 2013 CAP reform).

BPS: The Basic payment scheme.

NB: The graph is based on CATS data for financial years (FY) up to FY2019 covering up to CY2018 and sets out the share of area for which the amount determined (before penalties) per hectare represents x% from the estimated national average under SPS in CY2014 or under BPS from CY2015 to CY2018. Due to limitations in the available statistics, these data do not include the population of farmers participating in the SFS (while these farmers were also allocated payment entitlements for their eligible hectares).

Data source: DG AGRI based on Member States' notifications in CATS.

III.3. The Basic payment scheme - Allocations from the national/regional reserve

- As a matter of priority, Member States are obliged to allocate payment entitlements (PEs) from the national/regional reserve to **young farmers**⁸ and to **farmers commencing their agricultural activity** (so-called "new entrants").
- The reserve may also be used to settle allocations to farmers following a **definitive court ruling** or a **definitive administrative act**.
- Member States may also define additional categories of farmers to be served from the reserve (most typically, farmers in areas with a risk of **land abandonment** or farmers with a **specific disadvantage**)
- Entitlements from the reserve are allocated per eligible hectare and at the **national/regional average value** of entitlements in the Member States in the respective year. Member States may opt both for allocating new entitlements and for increasing the value of the existing entitlements up to the national/regional average for certain categories of farmers.

- In 2018, around **40 000 farmers** entered the BPS via the reserve (representing nearly 1.2% of all BPS beneficiaries, compared to 3.2% in CY2015, 1% in 2016 and 1.6% in 2017) of which **18 690** are **young farmers**. The area of farmers entering the BPS via the reserve represents 0.6% of the total area determined in 2018.

- The highest shares of young farmers among the farmers "entering" the BPS via the reserve are found in IE (90%), BE (86%), ES (83%) and SI (83%).

Table 3: Number of farmers and number of hectares "entering" the BPS via the reserve (CY2018)

MS/REGION	"Entry" in the BPS via the reserve		Total in the BPS (incl. SFS)		Share of the "entry" via the reserve compared to the total	
	Number of farmers	Number of hectares determined	Number of farmers	Number of hectares determined	Number of farmers	Number of hectares determined
AT	309	3 209	106 175	2 294 845	0.29%	0.14%
BE Flanders	58	2 257	21063	585 857	0.28%	0.39%
BE Wallonia	41	1386	12 759	734 907	0.32%	0.19%
DE	1515	24 662	310 655	16 711 976	0.49%	0.15%
DK	72	622	37 703	2 567 915	0.19%	0.02%
EL	11628	53 939	608 223	3 696 552	1.91%	1.46%
ES	1357	130 386	643 874	19 117 827	0.21%	0.68%
FI	49	2 395	49 289	2 250 050	0.10%	0.11%
FR - Corse	108	6 789	310 416	24 603 965	0.03%	0.03%
FR - Hexagone	1859	113 214	89 187	1009 776	2.08%	11.21%
HR	4 427	34 503	100 310	1067 713	4.41%	3.23%
IE	492	11079	128 498	4 402 409	0.38%	0.25%
IT*	16 129	164 114	586 254	9 584 877	2.75%	1.71%
LU	12	218	1728	120 356	0.69%	0.18%
MT	26	21	4 936	7 485	0.53%	0.28%
NL	102	8 727	44 422	1 726 622	0.23%	0.51%
PT	738	46 591	148 285	2 788 241	0.50%	1.67%
SE	510	8 979	56 389	2 854 796	0.90%	0.31%
SI	408	1922	56 003	443 465	0.73%	0.43%
UK England	177	7 434	83 774	8 292 617	0.21%	0.09%
UK Northern Ireland	78	2 685	24 068	939 745	0.32%	0.29%
UK Scotland	170	11 443	17 997	3 641 916	0.94%	0.31%
UK Wales	42	1 256	15 465	1 353 670	0.27%	0.09%
Total MS	40 307	637 830	3 457 473	110 797 582	1.17%	0.58%

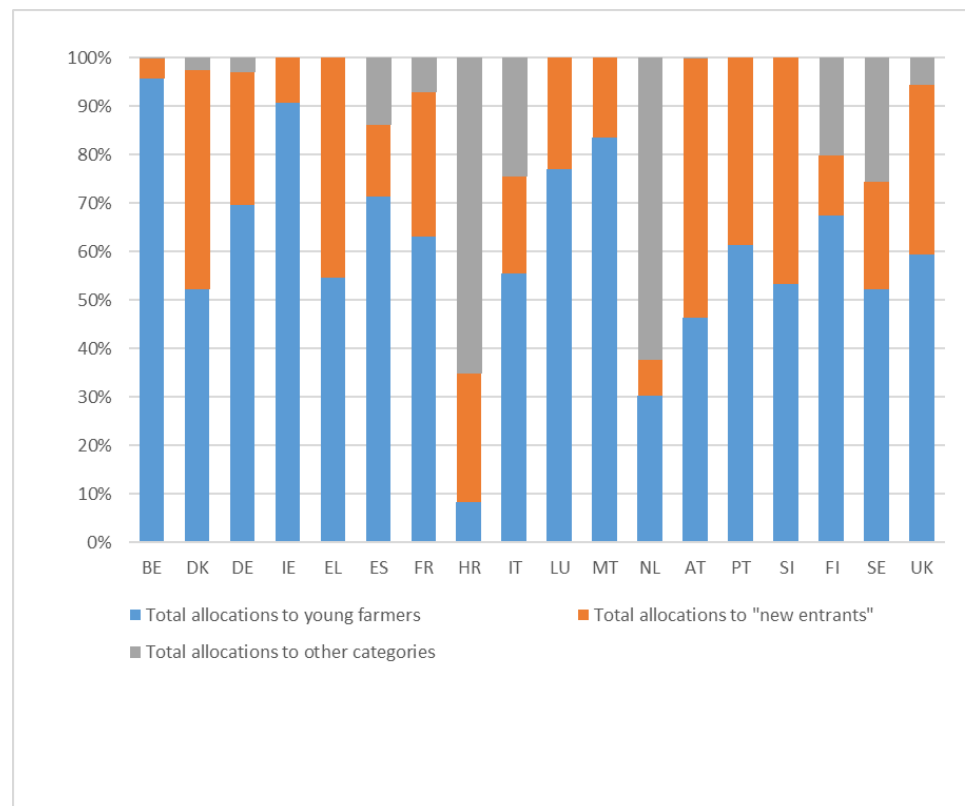
Data source: Member States' notifications in ISAMM and CATS. IT data includes also BPS framers supported by the reserve to increase the value of their entitlements up to average

⁸ "Young farmers" are defined as farmers eligible for the payment for young farmers (see section VI below).

- Taking into account all allocations from the reserve, the **share of allocations**⁹ in CY2018 in terms of amounts allocated consists of:
 - 54% to young farmers,
 - 25% to "new entrants",
 - 11% to the other categories of farmers; i.e. "risk of land abandonment" and "specific disadvantage" (defined pursuant to Article 30(7)(a) and (b) of Regulation (EU) N° 1307/2013), or to linearly increase the value of all PEs (pursuant to Article 30(7)(e)).
- For instance, in HR where the majority of allocations belongs to the other categories, 19 % of allocations are for farmers to prevent land from being abandoned (Article 30(7)(a)), nearly 46% for farmers with a specific disadvantage (Article 30(7)(b)) and around 8 % for young farmers.

Graph 3.2: Share of allocations from the reserve for the different categories of farmers

Data source: Member States' notifications in ISAMM. Allocations to "new entrants" correspond to allocations to farmers commencing their agricultural activity (i.e. one of the obligatory categories along young farmers).



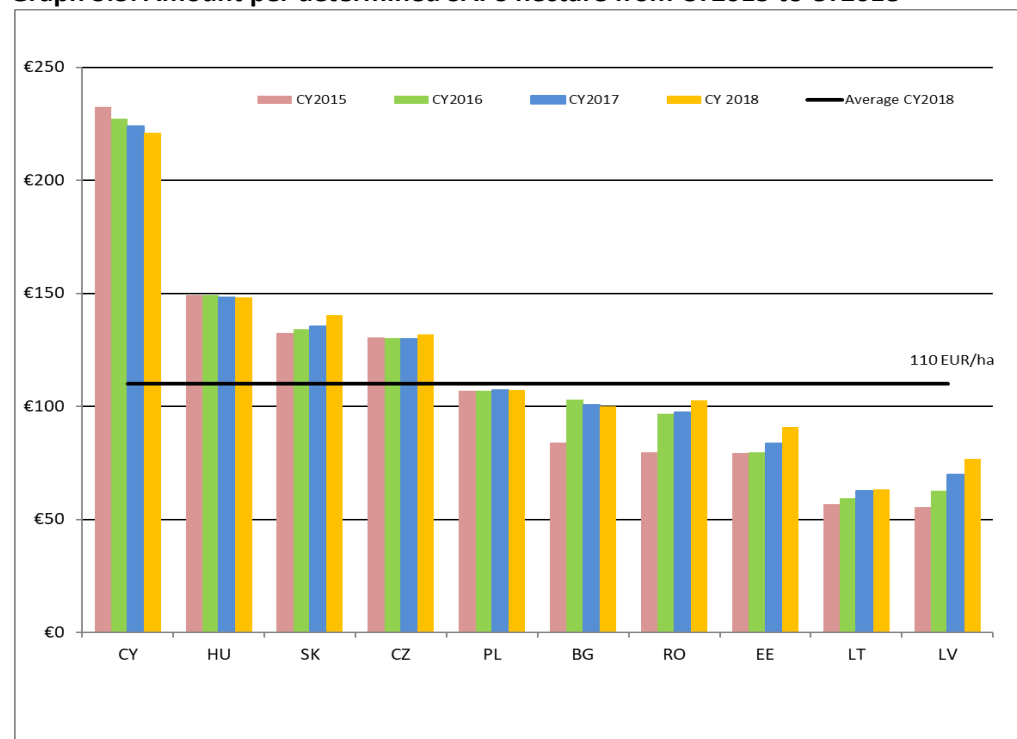
⁹ This includes the allocations of new entitlements and the increase of value of the existing entitlements. In some cases, Member States provided the information cumulatively from 2015, while most of the Member States provided information in respect of amounts for which allocation was claimed in the year 2018.

III.4. The Single area payment scheme (SAPS)

- The **Single area payment scheme (SAPS)** is implemented by ten Member States applying SAPS in CY2014: BG, CZ, EE, CY, LV, LT, HU, PL, RO and SK.
- The SAPS is a **flat-rate payment** calculated annually taking into account the annual financial envelope for SAPS and the total number of eligible hectares declared by farmers in the claim year. Similarly to BPS, the SAPS is a decoupled payment (the type of agricultural activity exercised or the agricultural sector a farmer is active in has no impact on the eligibility and on the level of SAPS support).

- Regarding the total area determined and the total number of farmers supported under SAPS (incl. the SFS), see sections I.2 and I.3 above.
- On average, the determined SAPS amount¹⁰ is **EUR 110** per hectare in CY2018. Increase of 5% compared to 102.5 EUR/ha in CY2015, it illustrates the impact of the external convergence.
- However, differences persist at Member State level: CY, HU, SK and CZ have amounts per hectare above the average of SAPS Member States, while LT and LV have amounts significantly below that average. Such differences can be explained by the difference in the proportion between the financial envelope and the agricultural area, the chosen flexibility towards (or from) rural development (RD) (CZ, RO, EE, LT and LV have transferred DP amounts to RD) and by the policy choices made by the SAPS Member States for other DP schemes.
- For example, LT applies the redistributive payment for the first 30 hectares a farmer declares and hence its SAPS envelope is relatively low. Also, LV applies the SFS as a "lump-sum payment" of EUR 500 (22% of farmers eligible for SAPS participate in the SFS). As a result, the SAPS amount remaining for farmers not participating in this scheme is also relatively low.
- Finally, Voluntary Coupled Support (VCS) complements SAPS payments in some specific sectors (see MS details in section VIII).

Graph 3.3: Amount per determined SAPS hectare from CY2015 to CY2018



Data source: Member States' notifications in CATS.

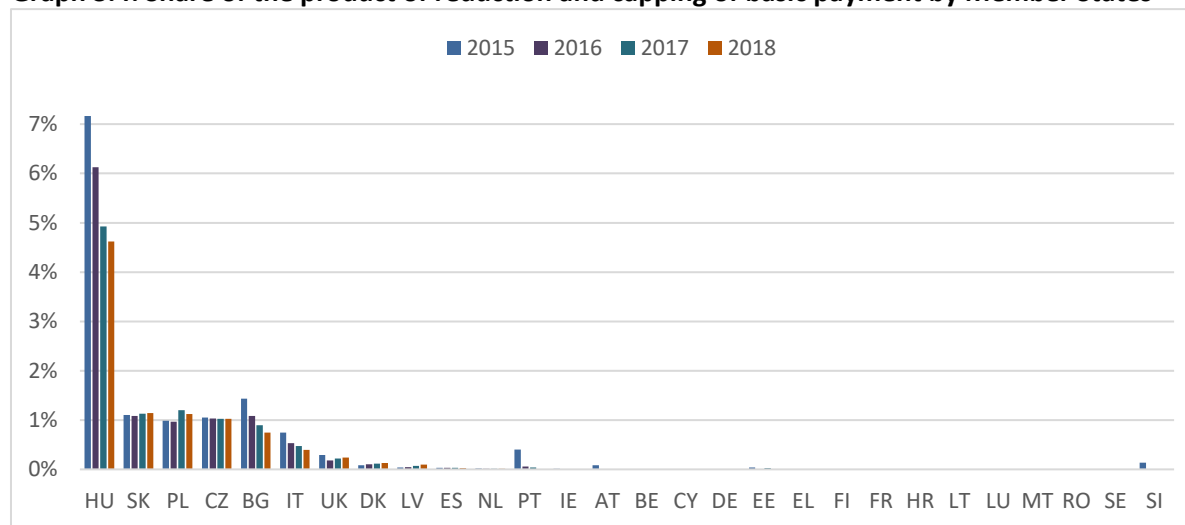
¹⁰ This amount is calculated by dividing the total amount determined under SAPS (before penalties) by the total number of hectares determined under SAPS. It corresponds to the payments to be made under SAPS, and does not include the amounts or hectares determined under the SFS.

III.5. The reduction of payments and capping of basic payment

- The **reduction of payments** applies only to the basic payment (and not to the total direct payments): 5% reduction shall be applied to amounts from EUR 150.000 of BPS/SAPS, with the possibility to deduct salaries from the amount of basic payment before applying the reduction.
- Higher reductions and **capping** (= 100% reduction) can be implemented but are not compulsory¹¹.
- Member States applying the redistributive payment with more than 5% of the national ceiling allocated to the scheme may decide not to apply the mechanism (BE-Wallonia, DE, FR, HR, LT, PL¹² and RO).

- In CY2018, the product of the reduction and capping amounted to EUR 69 million, representing 0.3% of the basic payment expenditure (compared to EUR 74 million or 0.35% in CY2017).
- This product has remained generally low with the exception of HU (see graph 3.4), where the product of reduction and capping represents 4.6% of the SAPS envelope in CY2018, seeing a progressive decline from previous years (5% in CY2017, 7% in CY2015) but still being much higher than other MS.
- The difference between the percentage of the reduction and capping between CY2015 and CY2018 can be explained by an increase in the basic payment envelope in SAPS Member States (BG), and possibly by the internal convergence process in BPS Member States, thus decreasing the value of high-valued payment entitlements.

Graph 3.4: Share of the product of reduction and capping of basic payment by Member States



Data source: Member States' notifications in AGREX.

¹¹ For more information on the reduction of payments and capping, see the document "Direct Payments: Financial mechanisms in the new system" at https://ec.europa.eu/info/sites/info/files/food-farming-fisheries/key_policies/documents/direct-payments-financial-mechanisms-jun2016_en.pdf

¹² While PL uses more than 5% of its direct payments envelope for the redistributive payment, it did not opt for an exemption from the reduction of payments.

IV. TRANSITIONAL NATIONAL AID

- The **Transitional national aid (TNA)** is **not an EU direct payment**: it is a successor of the complementary national direct payments (CNDPs) introduced in the Accession Treaties of the Member States joining the EU from 2004 onwards.
- The TNA can be granted only by SAPS Member States and this support is **100% financed by the national budget**. For CY2018, the TNA was paid in all SAPS Member States, except for LV and CY (see [table 4.1](#)).
- The TNA is aimed at supporting certain sectors for which similar support was granted in the past (in case of BG and RO, this past reference is the CNDPs granted in CY2013; in the other SAPS Member States, it is the TNA granted in CY2013).
- The reason why TNA have been maintained after completion of the phasing-in mechanism is to avoid a sudden and substantial decrease of support for certain sectors. However, the level of support available under the TNA is to be steadily decreased annually (for 2018, the level of TNA compared to 2013 was 60%).
- In total, ten SAPS Member States decided to grant **EUR 623 million** in TNA for CY2018 (14% of this amount is paid as coupled support). However, due to budgetary restrictions, LV and CY ended up not granting any TNA for CY2018. In addition, for the other eight SAPS Member States, implementation data show an under-execution: according to the information available only **EUR 500.7 million** are **actually paid** (15% of this amount is paid as coupled support). Compared to CY2017, the total amount paid slightly decreased (559 million paid in CY2017).

Table 4: Decisions on TNA and implementation data on payments and beneficiaries

MS	sectors	Number of beneficiaries	Amount of TNA granted (total payments made, 000 EUR)	Execution rate= amount paid/amount decided
Bulgaria	Bovine animals	4 876	19 649 €	100%
	Sheep and goat (coupled)	7 617	16 116 €	98%
	Tobacco	41 246	41 030 €	85%
Czech Republic	Decoupled area payment	25 145	19 509 €	97%
	Hops	114	827 €	98%
	Potato starch	168	1 298 €	97%
	Ruminants	8 301	2 911 €	98%
	Sheep and goat (coupled)	3 049	37 €	92%
	Suckler cows (coupled)	7 411	759 €	98%
Estonia	Arable crops	4 363	5 536 €	100%
	Cattle	1 918	3 265 €	100%
	Ewe (coupled)	721	370 €	92%
	Ewe (decoupled)	399	44 €	100%
	Milk	900	7 827 €	100%
	Seeds	38	15 €	100%
	Suckler cows (coupled)	1 583	1 273 €	99%
Lithuania	Bulls 1	17 610	9 187 €	65%
	Ewe (coupled)	1 373	140 €	99%
	Milk	24 464	13 889 €	94%
	Protein crops	4 405	989 €	77%
	Suckler cows (decoupled)	9 651	3 350 €	48%
Hungary	Beef (decoupled)	6 576	9 492 €	83%
	Cattle extensification (decoupled)	1 778	7 788 €	93%
	Ewe (coupled)	6 982	51 €	80%
	Ewe (decoupled)	623	1 213 €	96%
	Milk	4 204	32 148 €	99%
	Suckler cows (coupled)	6 300	6 189 €	74%
	Tobacco (Burley) - decoupled	590	1 398 €	61%
	Tobacco (Virginia) - decoupled	349	2 556 €	38%
Poland	Tobacco (group I - Virginia)	8 024	18 276 €	99%
	Tobacco (group of varieties II,III,IV)	5 474	10 182 €	98%
Romania	Beef and veal (decoupled)	138 654	91 793 €	98%
	Decoupled area payment	632 293	100 218 €	98%
	Decoupled payment for dairy	51 783	17 481 €	79%
	Decoupled sugar beet payment	893	1 804 €	99%
	Flax and hemp (decoupled)	8	3 €	48%
	Hops	4	88 €	87%
	Sheep and goat (coupled)	48 686	45 679 €	97%
	Tobacco (decoupled)	304	1 623 €	98%
Slovakia	Sheep and goat (coupled)	1 471	2 337 €	93%
	Suckler cows (coupled)	1 506	2 312 €	98%

Data source: Member States' notifications in ISAMM.

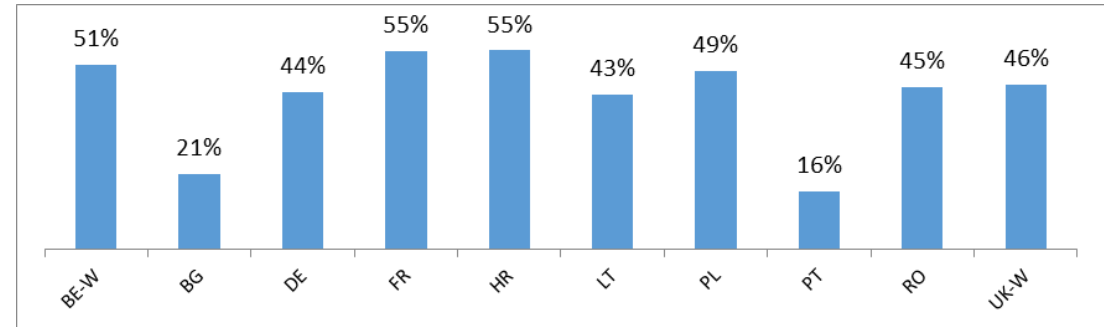
V. THE REDISTRIBUTIVE PAYMENT

- In CY2018, the **Redistributive payment (RP)** is implemented by ten Member States: BE-Wallonia, BG, DE, FR, HR, LT, PL, PT, RO and UK-Wales.
- The financial allocation to the scheme goes from 0.5% (UK) to 15% (LT) of the Member States' national ceiling for direct payments.
- It **aims at enhancing income support for smaller farmers** by granting an extra payment per hectare for the first hectares below a certain limit¹³.

- In Member States applying the RP, all farmers eligible for BPS/SAPS may receive the RP. However, beneficiaries only receive this payment up to a certain number of hectares per holding. As a result, only a part of the BPS/SAPS area benefits from this payment creating a redistributive effect.
- The farmers participating in the SFS scheme (see section VIII below) have the redistributive payment component included in the calculation of the SFS payment (unless, Member States grant the SFS as a lump-sum payment (PT, LV¹⁴)).
- In [graph 5.1](#), it can be observed that in most of these Member States the RP is paid for approximately 50% of the basic payment (incl. the SFS) area, except for PT and BG (16% and 21%). The latter can be explained by the fact that PT grants redistributive payment only for the first 5 hectares. To be noted that PL does not grant redistributive payment for the first 3 hectares and supports only the first 3.01 to 30 hectares. RO and DE use, also, ranges to modulate the redistribution.

Graph 5.1: Share of the area determined under the RP (incl. SFS) in comparison to the total area determined under BPS/SAPS in CY2018

Data source: Member States' notifications in CATS and ISAMM for SFS.



¹³ For more information on the redistributive payment: https://ec.europa.eu/info/sites/info/files/food-farming-fisheries/key_policies/documents/ds-dp-redistributive-payment_en.pdf

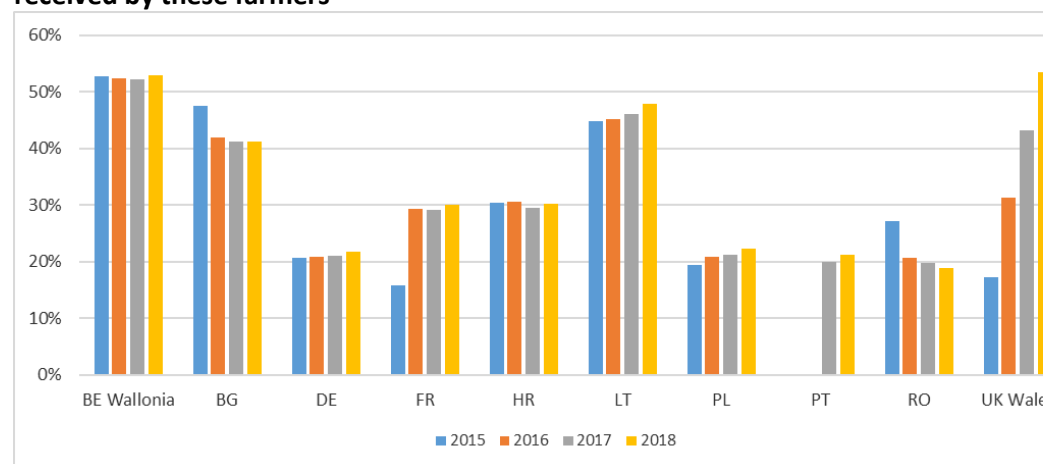
¹⁴ LV does not apply the redistributive payment.

- As regards the RP unit rate, Member States could fix an amount up to 65% of the average national/regional direct payment per hectare.
- The actual percentage went from 0% for the first range in PL to 65% in UK-Wales
- The share of the redistributive amount received by the eligible farmers for the redistributive payments compared to the total amounts received by these farmers (BPS/SAPS and YF) show that a very significant share is constituted by the redistributive support. It goes from around 20% in 2018 for PT, PL, DE and RO to more than 40% for BE-W, BG, LT and UK-W.
- In CY2018, the actual unit rates per hectare are as follows:

Table 5: Unite rate chosen by MS/region 2018

MS	threshold / tranche	Unit rate CY2018
BE-W	0 - 30ha	124
BG	0 - 30ha	70.33
DE	0 - 30ha	50.87
DE	30.01 - 46ha	30.52
FR	0 - 52ha	48.64
HR	0 - 20ha	73.69
LT	0 - 30ha	57.88
PL	0 - 3ha	0
PL	3.01 - 30ha	41.62
PT	0 - 5 ha	50
RO	0 - 5 ha	5
RO	5.01 - 30 ha	48.63
UK-W	0 - 54ha	127.54

Graph 5.2: Share of redistributive amount to farmers with holdings up to the area limit set by Member States compared to the total decoupled direct payments received by these farmers



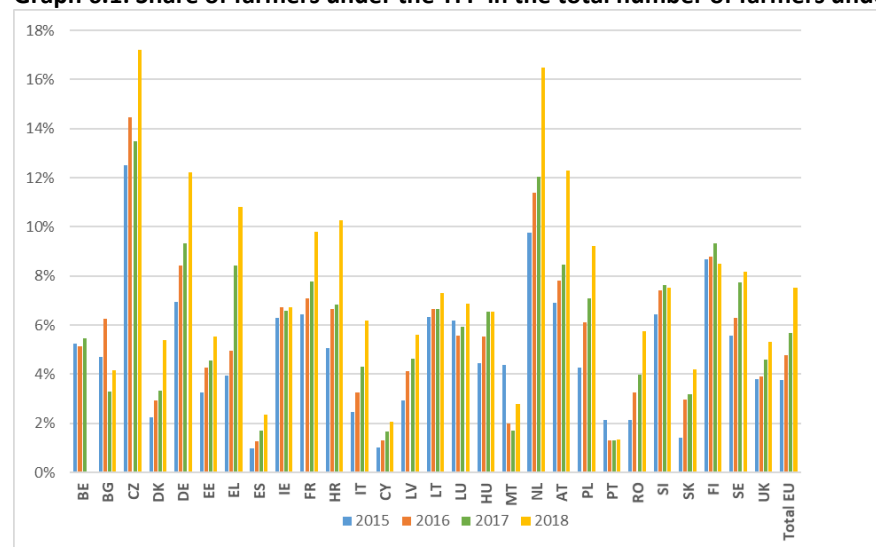
It concerns only farmers admissible for receiving the redistributive support and it does not include farmers participating in the SFS. Total decoupled direct payments includes the basic payment, greening payment, redistributive payment and, where relevant, payment for young farmers.

Data source: Member States' notifications in CATS

VI. THE YOUNG FARMER PAYMENT

- The **Young farmer payment (YFP)** targets farmers of no more than **40 years of age** who are setting up for the first time an agricultural holding as head of the holding, or who have already set up such a holding during the five years preceding the first application to the YFP.
- The scheme is **compulsory** for all Member States¹⁵.
- The payment, additional to other direct payments is limited to a maximum period of **5 years**. Following the amendments in Article 50 of Regulation (EU) 1307/2013, as from CY2018 the payment for young farmers shall be granted for a period of 5 years as long as the young farmer applies for the payment within the 5 years following his/her first setting up. In practical terms this means that the number of years elapsed between the first setting up and the first application for the young farmer payment will be no longer deducted.

Graph 6.1: Share of farmers under the YFP in the total number of farmers under BPS/SAPS/SFS



Data source: MS notifications in CATS. Note: Due to lack of data for CY2015, the number of young farmer beneficiaries under the Small Farmer Scheme is assumed to equal that of CY2016, potential slight underestimate for some MS)

- In CY2018, **almost 463 460** young farmers, or **7.5% of the BPS/SAPS/SFS applicants**, benefited from the YFP in the EU-28 Member States (see [graph 6.1](#))¹⁶. This is an increase of about 63% in comparison to 2015 (see [graph 6.2](#)) and 13% in comparison to 2017.
- In CY2018, the share of beneficiaries under the YFP remains the highest in CZ (17.2%), followed by NL (16.5%), AT (12.3%) and DE (12.2). It shows an upward trend in almost all MS and is above 6% in the majority of Member States. The share of beneficiaries under the YFP remains below 3% in CY, ES, MT and PT.
- In addition, in CY2018, 18 690 young farmers received allocations from the reserve in the form of new Payment Entitlements and increase in the value of existing Payment Entitlements.

¹⁵ For more information on the YFP: https://ec.europa.eu/info/sites/info/files/food-farming-fisheries/key_policies/documents/young-farmer-payment_en.pdf

¹⁶ The total number of YFP beneficiaries includes the beneficiaries of the SFS who would have benefitted from the YFP had they not opted for the SFS. This data does not exist for CY2015; therefore the conservative assumption is that the number of young beneficiaries under SFS who would have benefited from YFP in CY2015 was equal the number for CY2016. For some MS this may be a slight underestimate.

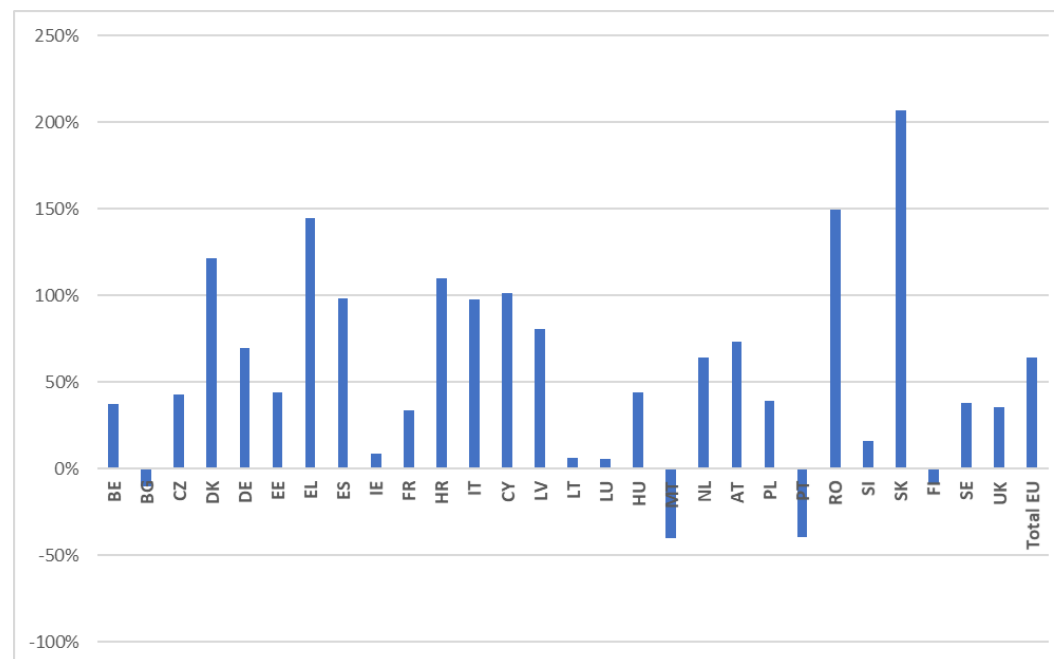
- The calculation of the payments can be based on payment entitlement¹⁷ or number of hectares (up to a maximum fixed by the MS between 25 and 90). Since 2018, after the entry into force of the “omnibus regulation”, the fixed percentage of 25% may be increased up to 50%, thus represent either:

- 25-50 %¹⁸ of the average value of entitlements held by a farmer; or
- 25-50 % of the basic payment (or 25-50 % of the SAPS rate where applicable); or
- 25-50 % of the national average payment per hectare.

Alternatively it can be an annual lump-sum payment irrespective of the size of the holding, representing 25-50 % of the national average payment per hectare multiplied by a figure corresponding to the average farm size of young farmers. The payment cannot be more than the total basic payment that the holding has received in any given year.

- Due to the above, In CY2018, the total amount of the "top-up" payment for young farmers has dramatically increased and amounts approximately to **EUR 537 million** (approx. 1.3 % of Annex II of Regulation 1307/2013)¹⁹.
- This number has increased as share of DP envelopes (from 0.8% in 2015 to 1.3% in 2018), and in 2018 it is closer to the initial estimates of Member States. Some MS, such as CZ, LT, LU, FI, HU, PL and SI exceeded – in some cases significantly – their initial estimates (even though e.g. in the case of CZ expenditure on young farmers under Pillar I YFP remains at less than 0.5% of the total Pillar I expenditure). To be noted that YFP is compulsory, and payments to YF are dues in any case, thus underestimation can be on purpose to avoid creating unspent funds.

Graph 6.2 : Percentage change in the number of YFP beneficiaries between 2015 and 2018



Data source: European Commission calculations based on Member States' notifications in CATS. Note: Due to lack of data for CY2015, the number of young farmer beneficiaries under the Small Farmer Scheme is assumed to equal that of CY2016, which may be a slight underestimate for some MS

¹⁷ For BPS MS, generally, one payment entitlement corresponds to one hectare.

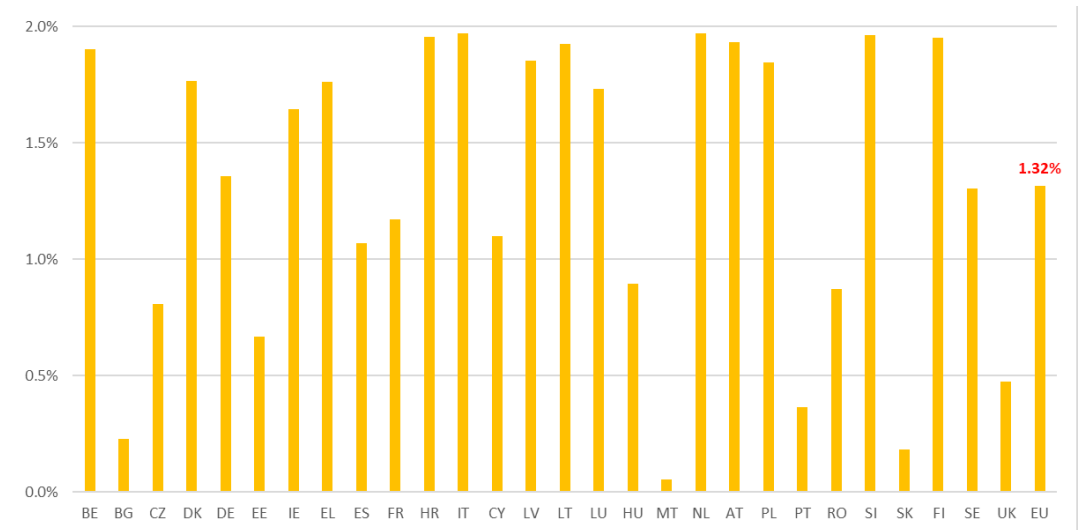
¹⁸ “Omnibus Regulation” also enabled Member States to increase the multiplier used in the YFP calculation methods, defined under Article 50(6) to (8) and (10) of Regulation (EU) No 1307/2013, from 25% up to 50%.

¹⁹ It is not possible to disaggregate the data on the amounts that the young beneficiaries of the SFS received who would have benefitted from the YFP had they not opted for the SFS; therefore, these amounts are not included.

- Graph 6.3 shows how far each Member State is from the maximum 2% ceiling of the Young Farmer Payment. Around half of the Member States spent more than 1,5% on this scheme and for the majority of Member States this share has increased over the period, in some cases significantly (BE, CZ, FR, EE, ES, LV, DE, NL, EL, HR, IT). On the other hand, SK, UK, BG, PT and MT spent less than 0.5%.

- Thus the spending under the Young Farmer Payment increased at the level of 1.32% at EU level, closer to the maximum 2% that can be spent on YFP under Pillar I. Yet, The payments under the Young Farmer Scheme in CY2018 has increased by 62% compared to the CY2015 and by 39% compared to CY2017. This can be explained as a result of the flexibility provided for in the Omnibus Regulation²⁰.

Graph 6.3 : Young farmer payment expenditure as a share of total Direct Payments CY2018

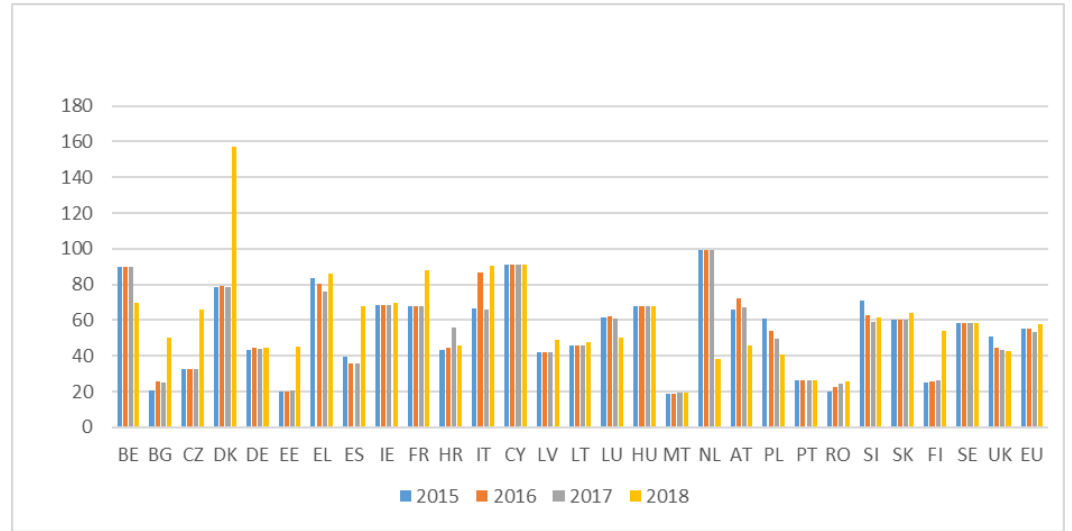


Source: Member States reporting to AGREX

²⁰ Two possibilities: to increase the percentage of the top-up applied to calculate the amount of the payment for young farmers in the range of 25% to 50% and/or, where relevant, to increase the maximum number of hectares supported to the maximum of 90 hectares allowed under Article 50(9) of Regulation 1307/2013.

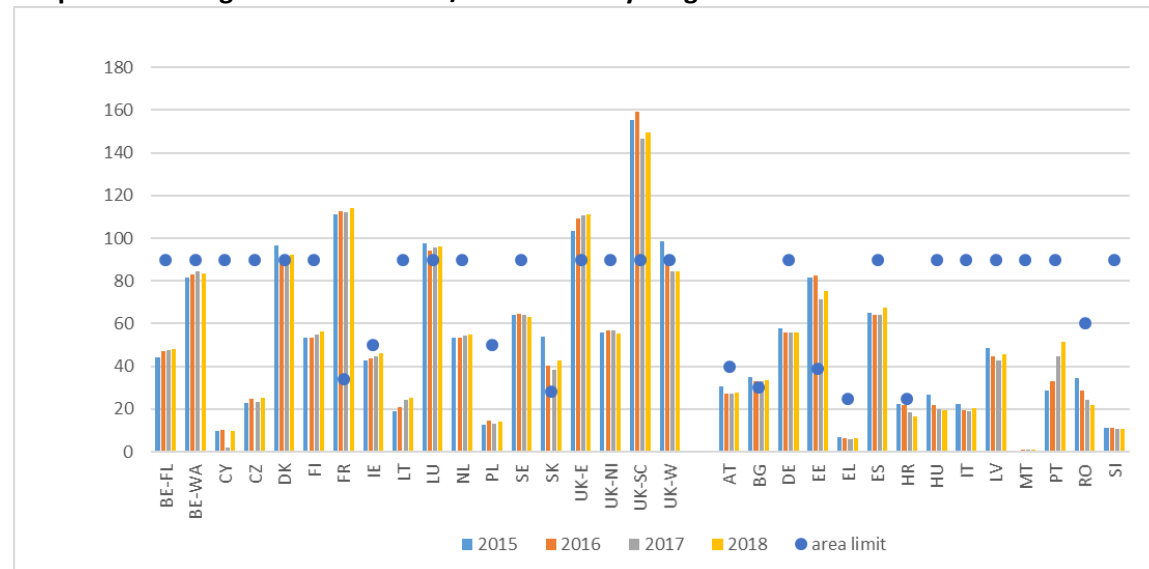
Graph 6.4: Average young farmer payment per hectare from CY2015 to CY2018

- The average YFP per hectare in CY2018 ranges from about 25 EUR/ha (PT and RO) to around and above 90 EUR/ha (IT, FR). The average in DK is the highest one – 157 EUR/ha. The average payment per hectare at EU level is about 58 EUR/ha. See graph 6.4.
- The average YFP per hectare remained stable in most Member States. It has doubled compared to 2017 in DK, EE, BG, CZ, ES and FI. On contrary, the average payment per hectare has diminished, in some cases significantly, compared to 2017 notably in NL, BE, AT. This can be explained by different factors in different MS, including the dynamics in the number of applicants and their area, the calculation method applied by the MS and the effects of external convergence.



Data source: DG AGRI estimates based on Member States' notifications in CATS and AGREX.

Graph 6.5: Average determined BPS/SAPS area of young farmers and the YFP area limit



Data source: Member States' notifications in CATS and ISAMM.

- The YFP can be granted up to a certain limit in hectares set by Member States (between 25 hectares and 90 hectares)²¹.
- Graph 6.5 shows that in most Member States, the area limit has been set at the maximum allowed, i.e. 90 hectares (represented with blue dots in the graph).
- In some Member States, it has been decided to set the area limit at a level well below 90 hectares allowed (and below the average farm size of young farmers in FR, SK).

²¹ LU is the only Member State who decided to grant a lump-sum payment to young farmers based on Article 50(10) of Regulation No 1307/2013. The "area limit" does not apply. The area of young beneficiaries of the SFS who would have benefitted from the YFP had they not opted for the SFS is not included.

VII. THE VOLUNTARY COUPLED SUPPORT

- Member States may use up to a certain percentage of their annual national ceiling for direct payments to finance the **Voluntary coupled support (VCS)**²².
- The support may only be granted to certain **sectors** or **regions** where specific types of farming or specific agricultural sectors that are particularly important for economic, social or environmental reasons undergo certain **difficulties**. Furthermore, it may only be granted in compliance with the **"production limiting"** character of the support.
- All EU Member States decided to implement VCS, except Germany.

VII.1 Sectors supported

258 support measures were implemented in CY2018. The total number of measures remained almost identical as in CY2016 and 2017 (260).

In CY2018, VCS measures were distributed between the following sectors (Table 7.1), which shows only slight differences compared to CY2017:

- beef and veal sector: support granted in 24 Member States under 54 measures for approximately 16.6 million animals;
- sheep and goat meat sector: 21 Member States granted support under 36 measures for approximately 32.7 million animals;
- fruit and vegetables sector: 19 Member States granted support under 52 measures, for approximately 0.45 million hectares;
- milk and milk products sector: 19 Member States granted support under 31 measures, for approximately 8.7 million animals;

Table 7.1: Number of sectors covered per Member States in CY2018

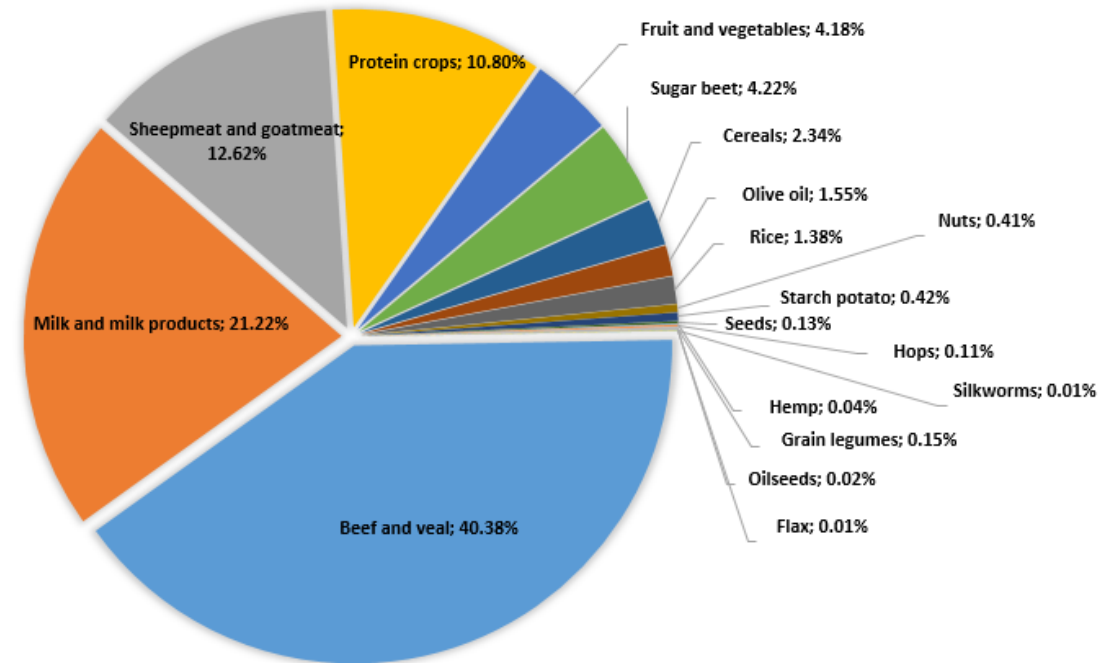
	BEF	BEW	BG	CZ	DK	EE	IE	EL	ES	FR	HR	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UKS	Total number of MS
Beef and veal	✓	✓	✓	✓	✓			✓	✓	✓	✓	✓		✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	24
Sheepmeat and goatmeat		✓	✓	✓				✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓		✓	✓		✓	21
Milk and milk products	✓	✓	✓	✓		✓			✓	✓	✓	✓	✓	✓	✓		✓	✓			✓	✓	✓	✓	✓	✓			19
Fruit and vegetables		✓	✓	✓		✓		✓	✓	✓	✓	✓	✓	✓	✓		✓	✓			✓	✓	✓	✓	✓	✓			19
Protein crops			✓	✓			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓				✓		✓			✓			15
Sugar beet				✓				✓	✓		✓	✓			✓		✓				✓		✓		✓	✓			11
Cereals								✓		✓		✓		✓	✓									✓		✓			7
Rice								✓	✓	✓		✓					✓					✓	✓						7
Seeds								✓		✓				✓	✓								✓						5
Starch potato				✓						✓				✓							✓					✓			5
Hops				✓						✓											✓		✓		✓				5
Hemp										✓											✓		✓						3
Nuts								✓	✓																				2
Grain legumes								✓	✓														✓						2
Silkworms								✓															✓						2
Flax																					✓								1
Olive oil													✓																1
Oilseeds														✓															1
Total nr of sectors	1	3	5	8	1	2	1	11	9	11	6	8	3	8	8	7	7	4	2	2	10	5	12	4	7	8	1	2	

Data source: Implementation reports by Member States in CATS.

²² For more information on the VCS: https://ec.europa.eu/info/food-farming-fisheries/key-policies/common-agricultural-policy/income-support/additional-optional-schemes/voluntary-coupled-support_en

- protein crops: 15 Member States granted support under 25 measures, for approximately 4.8 million hectares;
- sugar beet: 11 Member States granted support under 12 measures, for approximately 0.44 million hectares;
- the other smaller sectors cover the remaining 47 measures;
- no MS decided to grant any coupled support to dried fodder, short rotation coppice and cane & chicory.

Graph 7: Sector split in terms of payments in CY2018 (in %)



Data source: Implementation reports by Member States in CATS.

VII.2 Financial execution

From the EUR 4.18 billion available for VCS in CY2018, the payments amounted to EUR 3.99 billion²³, representing an execution rate of almost 95.5%.

The sector split in terms of payments (Graph 7 and Table 7.2) has remained relatively stable since CY2015.

In CY2018, these shares were as follows:

- 40.4% is targeted to the beef and veal sector (EUR 1 613 million);
- 21.2% to the milk and milk products sector (EUR 847 million);
- 12.6% to sheep and goat meat sector (EUR 503 million);

²³ Only includes those payments that were declared to the Commission by the end of financial year 2019.

- 10.8% to protein crops (EUR 432 million);
- The remaining 14.9% of the total VCS envelope (some EUR 597 million) is allocated to the other 17 sectors (also including dried fodder, short rotation coppice and cane & chicory, to which no Member State granted any support).

VII.3 Total number of beneficiaries

The total number of VCS beneficiaries in CY2018 was 2.51 million, which is the lowest level since 2016. (There were 2.64 million in CY2016 and 2.57 million in CY2017)²⁴.

- The number of beneficiaries of the area-based measures remained stable (around 1.32 million);
- The same can be said of the animal-based measures (around 1.2 million beneficiaries).

VII.4. Total number of hectares and animals paid

In comparison to CY2017, the total number of animals paid decreased from 60.7 million heads to 58.17 in CY2018. The total area paid decreased from 9.31 to 8.97 million hectares.

Table 7.2: VCS payments per Member States and per sector CY2018 (in million EUR)

	BE	BG	CZ	DK	EE	IE	EL	ES	FR	HR	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK	Total	Share of total VCS expenditure	
Beef and veal	22.13	52.60	13.07	24.62	23.62		36.25	220.15	537.14	13.10	30.76		5.10	13.35	36.19	4.6	44	10.67	161.36	56.00	11.95	3.39	0.81	52.33	03.61	44.12	1 612.72	40.38%		
Milk and milk products		3.08	33.35	51.10	546			9146	124.32	13.78	90.14	2.02	17.35	26.63	65.72	153			14340	12.24	89.28	4.65	33.66	0151			047.39	21.22%		
Sheepmeat and goatmeat	58	14.02	2.70				53.82	162.93	125.07	3.32	11.41	.70	63	2.42	20.82	.07	.91	.63	4.87	33.29	50.45		5.15	2.52		159	593.96	12.62%		
Protein crops			15.30	16.31		2.81	30.63	42.46	131.25	5.53	32.32		5.01	11.87	.35	25.53			66.56		38.76			6.18			431.44	10.80%		
Fruit and vegetables		40.24	8.81		53		11.96	6.19	13.88	2.46	3.81	.25	2.43	4.83	32.69	.86			12.23	3.29	11.65	1.95	1.45	1.17			167.02	4.18%		
Sugar beet				16.33			.35	16.34		3.23	16.03			1.43	1.50				73.80		17.63		0.04	.38			168.69	4.22%		
Cereals							1143		618		5124		3.43	3.07								6.68		1.47			93.51	2.34%		
Olive oil											6176																61.76	1.55%		
Rice							1.50	12.03	1.62		21.25				1.91						5.68	5.04					55.82	1.38%		
Nuts							3.53	12.72																			16.31	0.41%		
Starch potato			3.04						1.17				.20						0.11					3.63			16.74	0.42%		
Seeds							2.73		.40				1.16	.06								.72					5.07	0.13%		
Hemp									1.43											.08		18					1.16	0.04%		
Hops			3.10						.30										.84			13		.05			4.43	0.11%		
Grain legumes							4.61	.36														.23					5.80	0.15%		
Oilseeds													.39														.99	0.02%		
Silkworms							.33														.03						.41	0.01%		
Flax																				.55							.55	0.01%		
Grand total	22.13	56.35	116.10	126.67	23.62	5.30	2.91	163.32	565.87	1 004.03	41.63	402.78	3.76	37.56	69.75	.15	190.34	2.33	1.35	11.36	430.47	112.59	224.44	17.26	57.16	100.41	63.61	51.11	3 933.58	100.00%
Share of total VCS expenditure	0.57%	1.41%	2.91%	3.17%	0.59%	0.15%	0.07%	4.10%	14.17%	25.14%	1.04%	10.09%	0.09%	0.94%	1.75%	0.00%	4.77%	0.07%	0.03%	0.28%	12.28%	2.82%	5.62%	0.43%	1.43%	2.51%	2.24%	1.29%	100.00%	

Data source: Implementation reports by Member States in CATS.

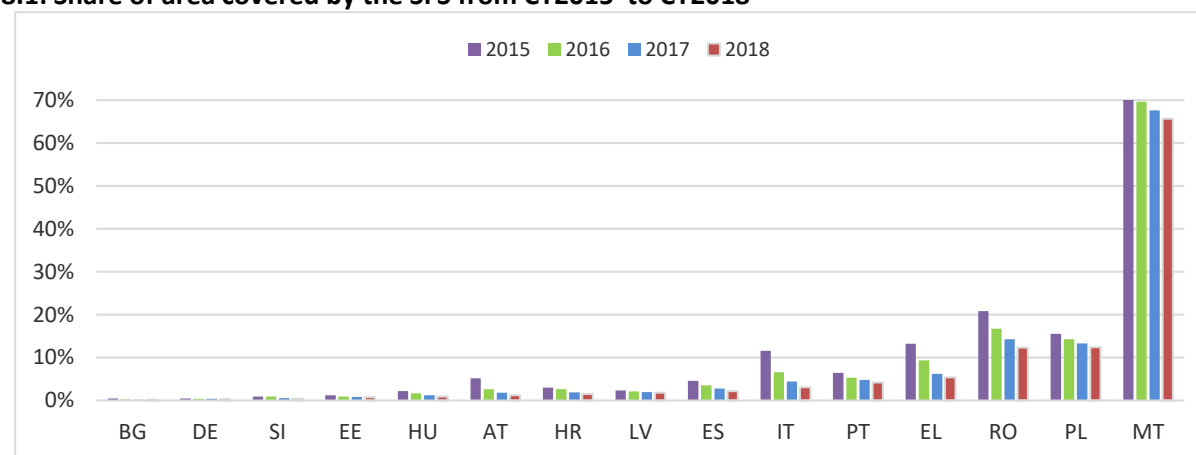
²⁴ Double counting of certain beneficiaries (in any CY) is possible, if a beneficiary gets VCS from more than one support measure. For instance, the same farmer may get VCS after his dairy cows under one support measure, whereas also after his protein crop areas under another measure; in this case the same farmer would be counted as a beneficiary under both measures.

VIII. THE SMALL FARMERS SCHEME

- The **Small farmers scheme (SFS)** is a **simplified scheme** replacing all other direct payments that a farmer could be entitled to.
- The scheme is **optional** for Member States and is applied in fifteen Member States: BG, DE, EE, EL, ES, HR, IT, LV, HU, MT, AT, PL, PT, RO and SI.
- It includes simplified administrative procedures for farmers: participating farmers are exempted from greening obligations and cross-compliance penalties²⁵.
- The Member States can choose between different **methods of calculation** of the annual payment that is granted to the farmers participating in the SFS (either as a lump-sum per holding (LV, PT), or as an amount due taking into account what a farmer could receive outside the SFS either in CY2015 (HU, IT, ES, SI) or annually (the other MSs).
- The level of payment is limited to a maximum of **EUR 1 250** (a lower maximum can be fixed by the Member States).

- In CY2018, in the fifteen Member States applying the scheme, the total number of participants in the SFS (around **1.6 million** applicants) represented around 32% of the total BPS/SAPS (incl. SFS) applicants in these countries. However, as the size of the SFS holdings is rather small (2.5 hectares on average in these Member States), the share of the SFS area determined in the total area determined under decoupled direct payments is rather limited (4.6% or 4.1 million hectares).
- In CY2018, the area determined covered by the SFS ranges from 0.2% in BG to 67.6% of total decoupled DP area in MT (see [graph 8.1](#)). High share in MT reflects its specific farmland structure with predominance of small holdings.

Graph 8.1: Share of area covered by the SFS from CY2015 to CY2018

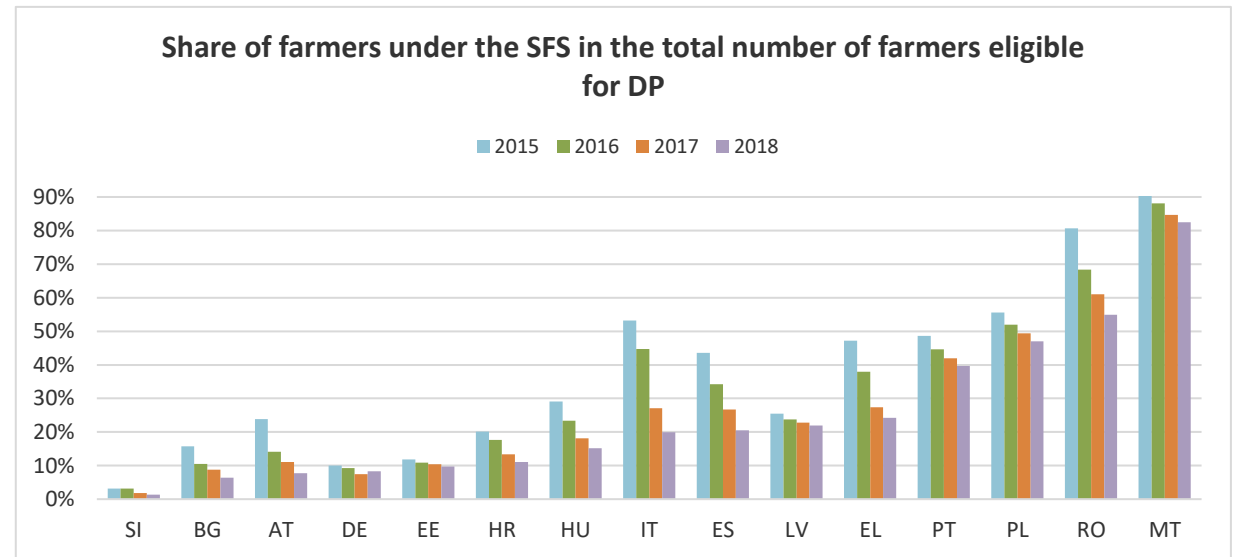


Data source: Member States' notifications in CATS.

²⁵ For more information on the SFS: https://ec.europa.eu/info/sites/info/files/food-farming-fisheries/key_policies/documents/small-farmers-scheme_en.pdf

- In CY2018, the SFS applicants represent between 1.3% (SI) and 82.5% (MT) of the total decoupled DP applicants (see graph 8.2).
- Between CY2015 and CY2018, there is a significant drop in the total number of admissible SFS applicants (-43%). The most important overall decreases in the number of farmers participating in the SFS is in MSs applying the payment due in 2015 (HU, IT, ES and SI) with up to 60% in SI, whereas the MSs with smallest decrease are MT and LV with 8 and 10% decrease. This drop is due to either 'inactive farmers' (around 42% of the decrease) or farmers having withdrawn from the SFS in years 2017-2018 (nearly 58% of the decrease).
- "Inactive participants" may be farmers who did not apply for direct payments at all in 2018 or did not meet minimum requirements for receiving any direct payments.
- The main reason for withdrawing from the SFS (leading to the impossibility of participation in any later year) is that beneficiaries could receive higher payments by applying to the standard direct payment schemes instead of the SFS (limited to a maximum amount of EUR 1 250 or lower). In Member States applying SFS payment as a lump-sum or payment due in 2015, farmers need also to respect special conditions (i.e. keeping at least a number of eligible hectares corresponding to the number of eligible hectares farmer entered with in 2015) which may be seen as an obstacle for some farmers.

Graph 8.2: Share of farmers under the SFS from CY2015 to CY2018

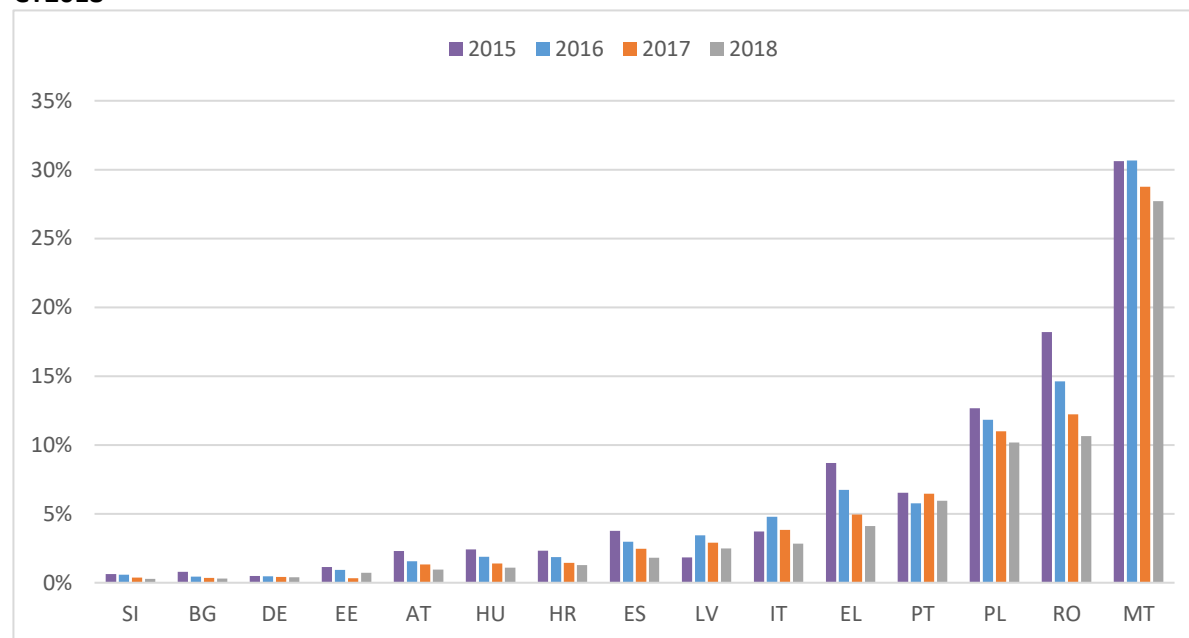


Data source: Member States' notifications in CATS.
 (*) The % refers to data for CY2018.

The total expenditure for the SFS in CY2018 is equal to **EUR 893 million** (EUR 1 030 million in CY2017) representing **3.7%** of the total expenditure for direct payments in the Member States applying the scheme.

- **MT** has the highest share of direct payment' expenditures for the SFS (27.7%), followed by **RO** (10.6%) and **PL** (10.2%). In **BG**, **DE**, **SI** and **EE**, the total expenditure under the SFS represents less than 1% of their direct payment' expenditure.
- Due to the method chosen for calculating the SFS support, **BG**, **ES**, **IT**, **LV**, **HU**, **PT** and **SI** should not grant more than a maximum of 10% of their annual direct payment' envelope to finance the SFS. In these Member States, the 10% maximum was significantly higher than the actual financing needs for the SFS (see [graph 8.3](#)).

Graph 8.3: Share of the total expenditure for SFS in the total expenditure for DP from CY2015 to CY2018



Data source: Member States' notifications in AGREX.

(*) The % refers to data for CY2018