



# Voluntary Coupled Support (VCS)

AGRI D 1  
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## Main principles

- **Optional** scheme that depends on Member State support decisions. No approval/rejection by the Commission (but under exceptional circumstances).
- **Production limiting** scheme. It does not aim to increase production:
  - Annual payment, whose amount per unit is calculated based upon fixed (historical) areas / number of animals (WTO blue box);
  - Must respect financial ceilings at measure level.



# Main principles

- Subject to various **preconditions**:
  - It may only target sectors/types of farming that
    1. undergo certain **difficulties** (broad notion); and
    2. are particularly important for economic/social /environmental reasons.
  - Closed list of potentially **eligible sectors** (21 sectors, i.a. sugar beet).
- **Budgetary limit** per Member State : 8(+2)% / 13(+2)%



## Main principles

- These conditions and limits aim to ensure the advantages of VCS (i.e. targeted support for sectors in difficulty), whereas its risks (i.e. potential market distortion) are mitigated.
- Large degree of subsidiarity:
  - Member States have substantial leeway to tailor-make their support measures in light of local needs;
  - annual review possibility.



## Main principles

- **Not a crisis scheme;** it aims to help sectors/types of farming affected by long-term/structural difficulties.
- No accumulation of support.
- Member States may apply modulated unit rates (economy of scale).
- Structural market imbalances: payments may be (exceptionally) based upon areas/animals held by the farmer in a past reference period (prior Commission act needed).



## **VCS: Member State support decisions (CY2019)**

- 27 Member States decided to use VCS (all except DE).
- Total amounts allocated: some EUR 4.2 billion/year.
- This represents around 10% of the total direct payments' budget.
- It is distributed over 261 support measures, which target 18 sectors.
- The three animal based sectors receive around 3/4 of all VCS allocations.
- Sugar beet, with 4.3% of all VCS allocations, is the 5<sup>th</sup> most important sector; and the 2<sup>nd</sup> most important area based sector.





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# Sugar beet: Member State support decisions (CY2019)

|                        | BE/F        | BE/W        | 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/S        | Sum:           |
|------------------------|-------------|-------------|--------------|--------------|-------------|------------|------------|--------------|--------------|----------------|-------------|--------------|------------|-------------|-------------|------------|--------------|------------|------------|-------------|--------------|--------------|--------------|-------------|-------------|--------------|-------------|-------------|----------------|
| Beef and veal          | 23,2        | 54,0        | 14,5         | 25,0         | 24,1        | -          | -          | 38,3         | 227,9        | 612,9          | 15,0        | 117,8        | -          | 6,6         | 20,1        | -          | 39,4         | 0,5        | 2,3        | 12,4        | 173,5        | 59,8         | 12,6         | 4,0         | 9,0         | 54,3         | 91,0        | 45,2        | 1.683,5        |
| Milk and milk products | -           | 3,2         | 33,9         | 51,8         | -           | 5,6        | -          | -            | 93,6         | 127,1          | 15,7        | 98,2         | 2,9        | 20,2        | 27,7        | -          | 68,9         | 1,6        | -          | -           | 153,4        | 12,5         | 96,6         | 4,7         | 34,7        | 32,2         | -           | -           | 884,4          |
| Sheepmeat and goatmeat | -           | 0,6         | 14,0         | 2,9          | -           | -          | -          | 55,8         | 168,5        | 127,1          | 3,7         | 14,3         | 0,7        | 0,6         | 2,5         | -          | 22,0         | 0,1        | 1,1        | 0,9         | 5,0          | 35,9         | 64,3         | -           | 5,3         | 2,6          | -           | 8,0         | 535,8          |
| Protein crops          | -           | -           | 15,9         | 17,2         | -           | -          | 3,0        | 36,7         | 44,5         | 137,6          | 6,4         | 34,1         | -          | 5,6         | 12,3        | 0,2        | 13,4         | -          | -          | -           | 69,0         | -            | 49,8         | -           | 9,0         | 6,3          | -           | -           | 461,0          |
| <b>Sugar beet</b>      | <b>-</b>    | <b>-</b>    | <b>-</b>     | <b>16,7</b>  | <b>-</b>    | <b>-</b>   | <b>-</b>   | <b>3,3</b>   | <b>16,8</b>  | <b>-</b>       | <b>3,7</b>  | <b>22,3</b>  | <b>-</b>   | <b>-</b>    | <b>1,5</b>  | <b>-</b>   | <b>8,0</b>   | <b>-</b>   | <b>-</b>   | <b>-</b>    | <b>82,0</b>  | <b>-</b>     | <b>18,8</b>  | <b>-</b>    | <b>8,2</b>  | <b>1,0</b>   | <b>-</b>    | <b>-</b>    | <b>182,4</b>   |
| Fruit and vegetables   | -           | -           | 41,2         | 9,3          | -           | 0,5        | -          | 21,0         | 6,4          | 14,5           | 3,1         | 10,7         | 0,3        | 2,8         | 5,2         | -          | 34,4         | 0,9        | -          | -           | 12,8         | 3,3          | 10,5         | 2,0         | 1,4         | 1,2          | -           | -           | 181,5          |
| Cereals                | -           | -           | -            | -            | -           | -          | -          | 11,7         | -            | 6,4            | -           | 80,6         | -          | 3,7         | 3,2         | -          | -            | -          | -          | -           | -            | -            | -            | 6,7         | -           | 1,5          | -           | -           | 113,7          |
| Rice                   | -           | -           | -            | -            | -           | -          | -          | 7,6          | 12,2         | 1,9            | -           | 33,8         | -          | -           | -           | -          | 2,0          | -          | -          | -           | -            | 6,0          | 4,9          | -           | -           | -            | -           | -           | 68,5           |
| Olive oil              | -           | -           | -            | -            | -           | -          | -          | -            | -            | -              | -           | 66,8         | -          | -           | -           | -          | -            | -          | -          | -           | -            | -            | -            | -           | -           | -            | -           | -           | 66,8           |
| Nuts                   | -           | -           | -            | -            | -           | -          | -          | 3,9          | 14,0         | -              | -           | -            | -          | -           | -           | -          | -            | -          | -          | -           | -            | -            | -            | -           | -           | -            | -           | -           | 17,9           |
| Starch potato          | -           | -           | -            | 3,1          | -           | -          | -          | -            | -            | 1,8            | -           | -            | -          | 0,2         | -           | -          | -            | -          | -          | -           | 8,7          | -            | -            | -           | -           | 3,7          | -           | -           | 17,6           |
| Seeds                  | -           | -           | -            | -            | -           | -          | -          | 2,9          | -            | 0,5            | -           | -            | -          | 1,2         | 0,1         | -          | -            | -          | -          | -           | -            | -            | 0,8          | -           | -           | -            | -           | -           | 5,4            |
| Hops                   | -           | -           | -            | 3,1          | -           | -          | -          | -            | -            | 0,3            | -           | -            | -          | -           | -           | -          | -            | -          | -          | -           | 0,8          | -            | 0,1          | -           | 0,1         | -            | -           | -           | 4,5            |
| Hemp                   | -           | -           | -            | -            | -           | -          | -          | -            | -            | 1,6            | -           | -            | -          | -           | -           | -          | -            | -          | -          | -           | 0,1          | -            | 0,2          | -           | -           | -            | -           | -           | 1,9            |
| Grain legumes          | -           | -           | -            | -            | -           | -          | -          | -            | 1,0          | -              | -           | -            | -          | -           | -           | -          | -            | -          | -          | -           | -            | -            | 0,4          | -           | -           | -            | -           | -           | 1,4            |
| Oilseeds               | -           | -           | -            | -            | -           | -          | -          | -            | -            | -              | -           | -            | -          | 1,0         | -           | -          | -            | -          | -          | -           | -            | -            | -            | -           | -           | -            | -           | -           | 1,0            |
| Silkworms              | -           | -           | -            | -            | -           | -          | -          | 0,8          | -            | -              | -           | -            | -          | -           | -           | -          | -            | -          | -          | -           | -            | -            | 0,0          | -           | -           | -            | -           | -           | 0,8            |
| Flax                   | -           | -           | -            | -            | -           | -          | -          | -            | -            | -              | -           | -            | -          | -           | -           | -          | -            | -          | -          | -           | 0,6          | -            | -            | -           | -           | -            | -           | -           | 0,6            |
| Nuts                   | -           | -           | -            | -            | -           | -          | -          | -            | -            | -              | -           | -            | -          | -           | -           | -          | -            | -          | -          | -           | -            | -            | -            | -           | -           | -            | -           | -           | -              |
| Dried fodder           | -           | -           | -            | -            | -           | -          | -          | -            | -            | -              | -           | -            | -          | -           | -           | -          | -            | -          | -          | -           | -            | -            | -            | -           | -           | -            | -           | -           | -              |
| Cane&chicory           | -           | -           | -            | -            | -           | -          | -          | -            | -            | -              | -           | -            | -          | -           | -           | -          | -            | -          | -          | -           | -            | -            | -            | -           | -           | -            | -           | -           | -              |
| <b>Total</b>           | <b>23,2</b> | <b>57,8</b> | <b>119,4</b> | <b>129,3</b> | <b>24,1</b> | <b>6,1</b> | <b>3,0</b> | <b>182,1</b> | <b>584,9</b> | <b>1.031,6</b> | <b>47,6</b> | <b>478,6</b> | <b>3,9</b> | <b>42,0</b> | <b>72,6</b> | <b>0,2</b> | <b>188,0</b> | <b>3,0</b> | <b>3,4</b> | <b>13,3</b> | <b>505,9</b> | <b>117,5</b> | <b>259,0</b> | <b>17,5</b> | <b>67,7</b> | <b>102,8</b> | <b>91,0</b> | <b>53,2</b> | <b>4.228,7</b> |

## Sugar beet: Member State support decisions (CY2019)

| MS          | Fixed number of<br>hectares | Envelope<br>2019 | Estimated<br>unit Rate |
|-------------|-----------------------------|------------------|------------------------|
| CZ          | 62.400                      | 16.666.707       | 267                    |
| EL          | 5.814                       | 3.342.183        | 575                    |
| ES*         | 40.100                      | 16.836.000       | 210                    |
| HR          | 23.000                      | 3.748.211        | 163                    |
| IT          | 62.266                      | 22.285.291       | 358                    |
| LT          | 19.200                      | 1.536.886        | 80                     |
| HU          | 20.200                      | 7.982.885        | 395                    |
| PO          | 211.340                     | 81.999.117       | 388                    |
| RO          | 28.100                      | 18.752.000       | 667                    |
| SK          | 20.429                      | 8.223.636        | 403                    |
| FI          | 14.820                      | 1.000.000        | 67                     |
| Total / avg | 507.669                     | 182.372.916      | 359                    |

\* ES: two measures (total / average amounts)

## Sugar beet: implementation by Member State (CY2015 - CY2017)

|              | 2015           |                       |                    |            | 2016           |                       |                    |            | 2017*          |                       |                    |            |
|--------------|----------------|-----------------------|--------------------|------------|----------------|-----------------------|--------------------|------------|----------------|-----------------------|--------------------|------------|
|              | paid ha        | fixed<br>nr. of<br>ha | paid<br>(EUR)      | EUR/<br>ha | paid ha        | fixed<br>nr. of<br>ha | paid<br>(EUR)      | EUR/<br>ha | paid ha        | fixed<br>nr. of<br>ha | paid<br>(EUR)      | EUR/<br>ha |
| CZ           | 57.480         | 62.400                | 16.618.217         | 289        | 60.486         | 62.400                | 16.637.400         | 275        | 66.104         | 62.400                | 16.403.999         | 248        |
| EL           | 4.703          | 13.367                | 2.461.084          | 523        | 5.296          | 13.367                | 3.816.594          | 721        | 6.377          | 13.367                | 4.518.062          | 708        |
| ES           | 27.139         | 32.500                | 14.122.693         | 520        | 24.902         | 32.500                | 14.259.231         | 573        | 28.652         | 32.500                | 14.108.811         | 492        |
| ES           | 8.231          | 7.600                 | 2.337.638          | 284        | 6.879          | 7.600                 | 2.428.637          | 353        | 7.272          | 7.600                 | 2.288.129          | 315        |
| FI           | 12.392         | 14.820                | 981.551            | 79         | 11.537         | 14.820                | 982.636            | 85         | 11.856         | 14.820                | 983.739            | 83         |
| HR           | 13.652         | 23.000                | 2.746.248          | 201        | 15.019         | 23.000                | 3.064.495          | 204        | 19.210         | 23.000                | 2.843.480          | 148        |
| HU           | 14.344         | 20.200                | 7.485.090          | 522        | 14.290         | 20.200                | 7.451.359          | 521        | 17.097         | 20.200                | 7.625.477          | 446        |
| IT           | 37.605         | 62.266                | 16.606.729         | 442        | 31.974         | 62.266                | 16.434.170         | 514        | 35.807         | 62.266                | 16.293.438         | 455        |
| LT*          |                |                       |                    |            |                |                       |                    |            |                | 19.200                | 1.470.278          |            |
| PL           | 161.917        | 187.982               | 81.226.478         | 502        | 178.535        | 187.982               | 81.083.223         | 454        | 226.045        | 211.340               | 80.952.946         | 358        |
| RO           | 22.331         | 29.300                | 17.510.783         | 784        | 22.259         | 29.300                | 17.437.511         | 783        | 25.298         | 28.100                | 20.168.878         | 797        |
| SK           | 21.557         | 20.429                | 7.967.344          | 370        | 21.467         | 20.429                | 8.019.515          | 374        | 22.329         | 20.429                | 7.976.607          | 357        |
| <b>TOTAL</b> | <b>381.350</b> | <b>473.864</b>        | <b>170.063.855</b> | <b>446</b> | <b>392.645</b> | <b>473.864</b>        | <b>171.614.772</b> | <b>437</b> | <b>466.047</b> | <b>515.222</b>        | <b>175.633.844</b> | <b>377</b> |

\*Preliminary data (LT only partially available)

**VCS areas represent 30% of the total sugar beet areas in the EU.**



## Post-2020: Coupled Income Support (CIS)

- **Optional** scheme; large degree of subsidiarity
- **Preconditions:**
  - Difficulty/importance of targeted sector/type of farming
  - Closed list of potentially eligible sectors (22 sectors, also including sugar beet)
- **Aim:** to address the difficulty by improving competitiveness/quality/sustainability (WTO amber box)
- **Budgetary limit:** 10(+2)%



## Conclusions

- VCS is an important (optional) tool to support sectors in difficulty.
- It does not aim to increase production. Strict preconditions and limits to mitigate the risk of market distortion.
- Not a crisis scheme; it aims to address structural difficulties.
- Member States' support decisions: sugar beet is the 2nd most important area-based VCS sector; though its share is relatively small (4.3%).
- Despite the year-on-year increase, sugar beet areas are generally below their historical level in the VCS Member States.
- Post-2020 proposal: Coupled support (CIS) with precisely defined aim (i.e. to address difficulty by improving competitiveness/quality/ sustainability).