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COMMISSION STAFF WORKING DOCUMENT
EXECUTIVE SUMMARY OF THE EVALUATION

of the impact of the CAP measures on the general objective `viable food production`

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The evaluation examined the effectiveness, efficiency, relevance, coherence, and EU added value of CAP measures under Regulations 1307/2013, 1308/2013, 1305/2013 and 1306/2013 and looked at their impact on the CAP general objective of ensuring viable food production (with a focus on farm income, price stability and competitiveness)¹.

The evaluation faced a number of inherent **challenges and constraints** due to the limited availability of accurate, detailed and homogenous data, and the very narrow observation period. An additional difficulty in arriving at a comprehensive and conclusive judgement on the CAP 2014-2020 measures addressing viable food production stemmed from the variety of implementation choices by Member States, the existence of specific national legislation and the prevalence of external factors ‘polluting’ the precise identification of the cause and effect of certain developments relevant for the analysis.

The **conclusions of the evaluation** are generally positive on the effectiveness, efficiency, relevance, coherence and EU added value of the measures but indicate room for improving the effectiveness of coupled payments (purpose and competitiveness), decoupled direct payments (targeting choices by Member States) and price stability tools (use of available measures). The evaluation also concluded that there was room for improving the administrative and management efficiency of the greening payment (more flexibility and subsidiarity) and the active farmer clause (having a seemingly negligible effect). The coherence within the CAP and with other EU policies requires close monitoring, and this is particularly true given the increased flexibility in implementation under the CAP reform proposal and the objectives under the Green Deal on farm to fork and biodiversity².

The evaluation considers that direct income support greatly helps in stabilising farm income, with both pillars of the CAP playing an important role through various measures and instruments that address different needs and challenges. Market measures, EU quality schemes and various EAFRD measures also support farm income by contributing to productivity growth, limiting downward price volatility and improving competitiveness.

External convergence is effective in reducing disparities between Member States. Internal convergence is also generally effective in reducing disparities between farmers within Member States, but its implementation, along with the reduction of payments (degressivity), has been limited and has not always led to a noticeable improvement in a more equitable distribution of direct income support overall. However, the redistributive payment has been effective in targeting small farms.

The overall effectiveness of the young farmer payment in reaching its primary objective is limited and highly dependent on the ambitions of individual Member States (the measure being effective in more ambitious Member States); and Member State choices determine the extent to which the active farmer clause, minimum requirements and the small farmers scheme are effective. Although measures under the 2014-2020 CAP are better targeted, their effectiveness depends on how Member States chose to implement them.

The higher complexity of CAP measures introduced with the 2013 CAP reform and the limited number of beneficiaries of certain measures have led to a perception of increased administrative costs. Furthermore, in Member States where non-agricultural investors rent and own a significant proportion of agricultural land, basic payments generate a rise in land rents and/or capitalisation of direct payments into land prices. This further raises the costs of entry and growth for younger and expanding farmers.

¹ The CAP’s performance in achieving the objectives of ‘sustainable management of natural resources and climate action’ and ‘balanced territorial development’ is dealt with in separate evaluations, which, altogether, will contribute to an assessment of the performance of the 2014-2020 CAP.

² The Commission is already planning to verify, when approving strategic plans, that the plans are coherent with the targets set under the Green Deal; and it will monitor Member State progress in achieving Green Deal targets based on the evaluation framework proposed for the future CAP.