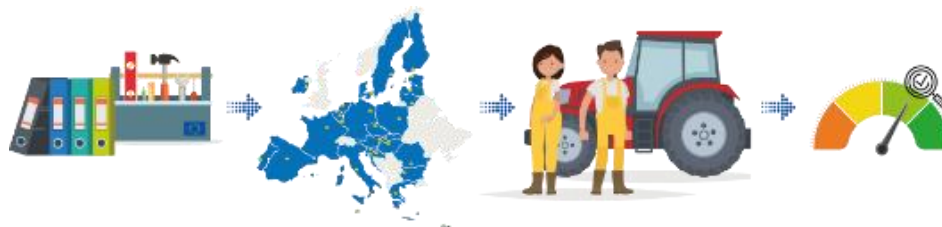


**DISCLAIMER: This presentation is only intended to facilitate the work of the ENRD workshop. It has no interpretative value as regards the draft Regulations for the CAP post-2020.**

# THE COMMON AGRICULTURAL POLICY POST-2020



## Designing a Generational renewal Strategy in the CAP plan



#FutureofCAP

ENRD Workshop

'Attracting young farmers and  
fostering generational renewal in rural areas'

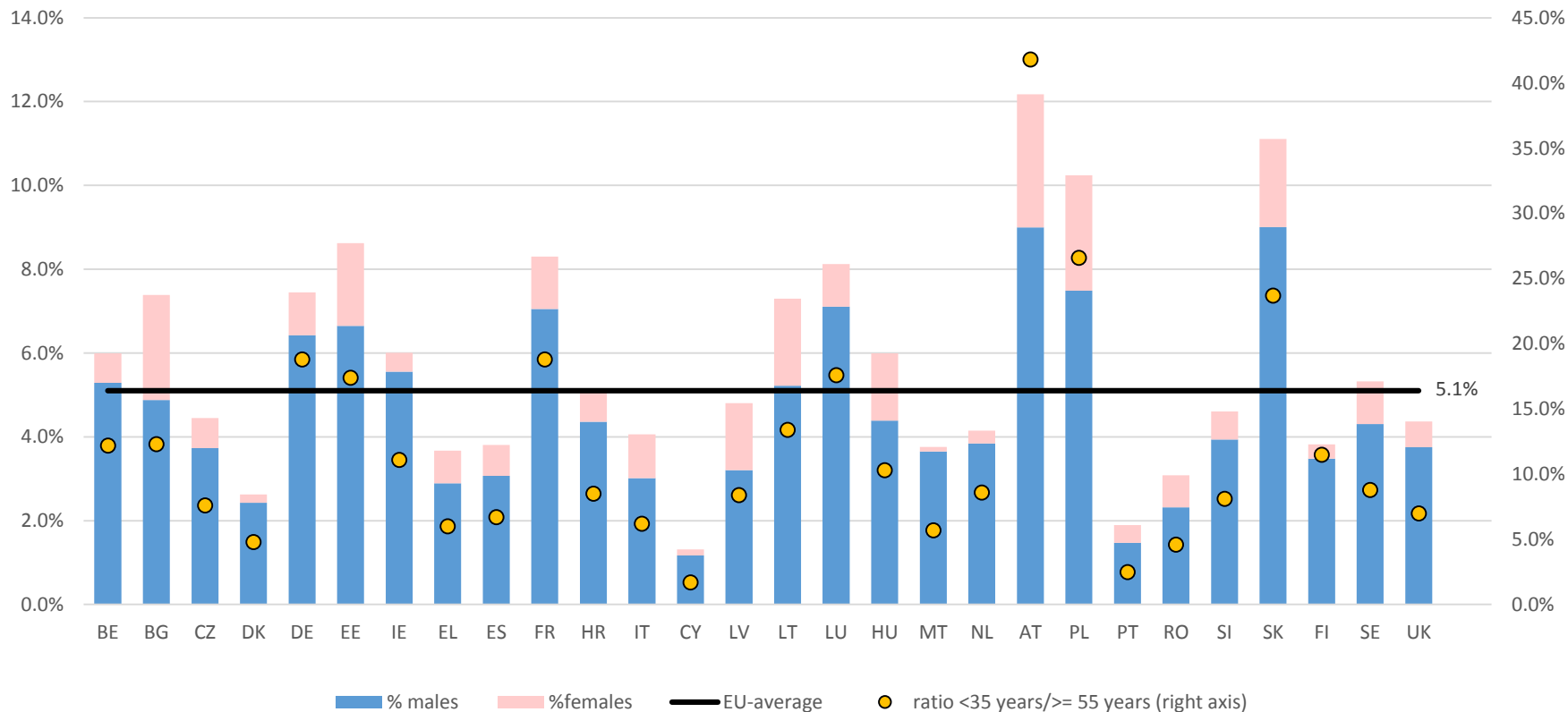
- 1. Young farmers in Europe: the figures*
- 2. The CAP plan provisional template*
- 3. Establishing a strategy for generational renewal in the CAP plans*

# *1. Young farmers in Europe: the figures*



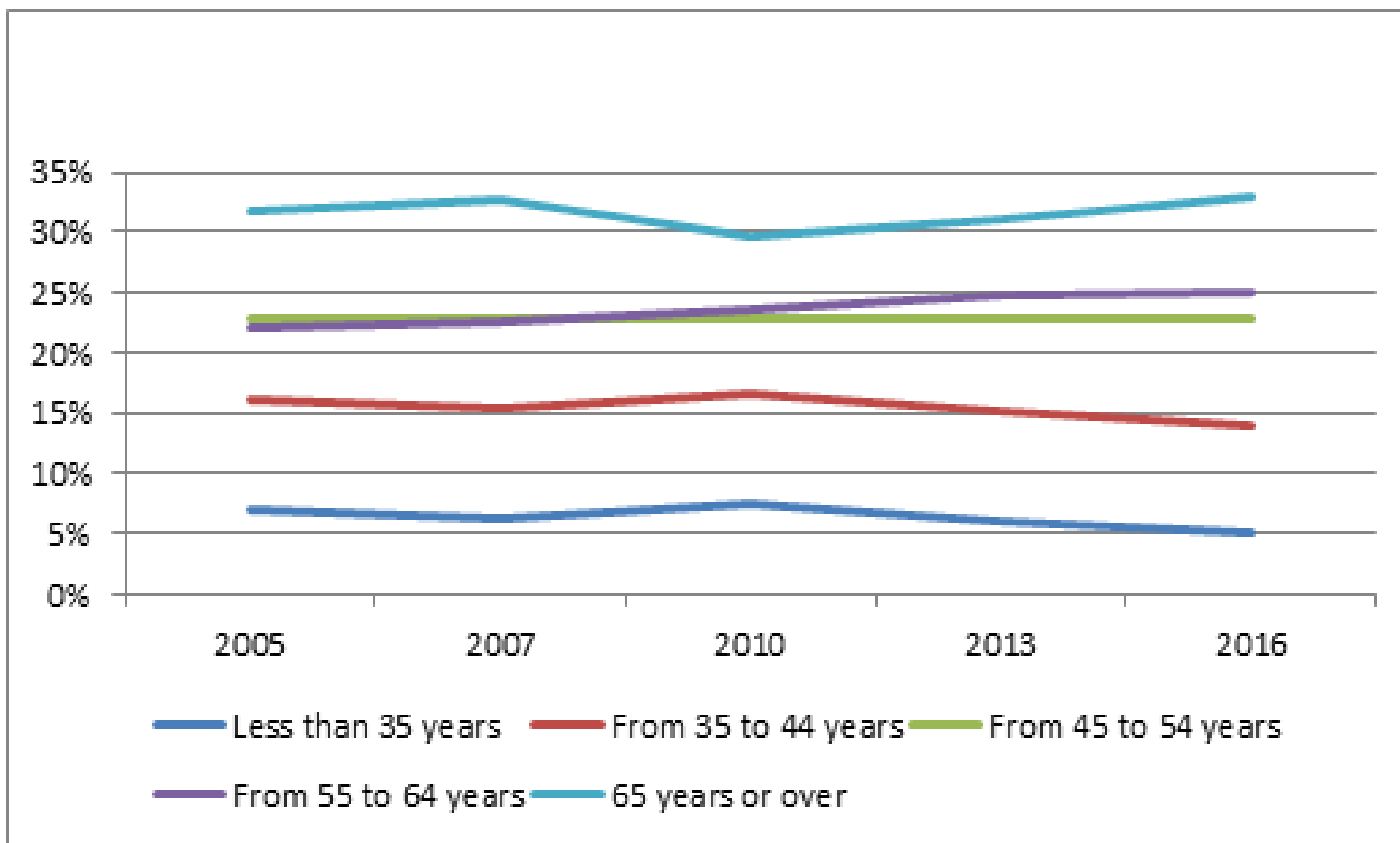
# Age structure of farm managers

Share of farm managers below 35 years old per MS by sex in 2016



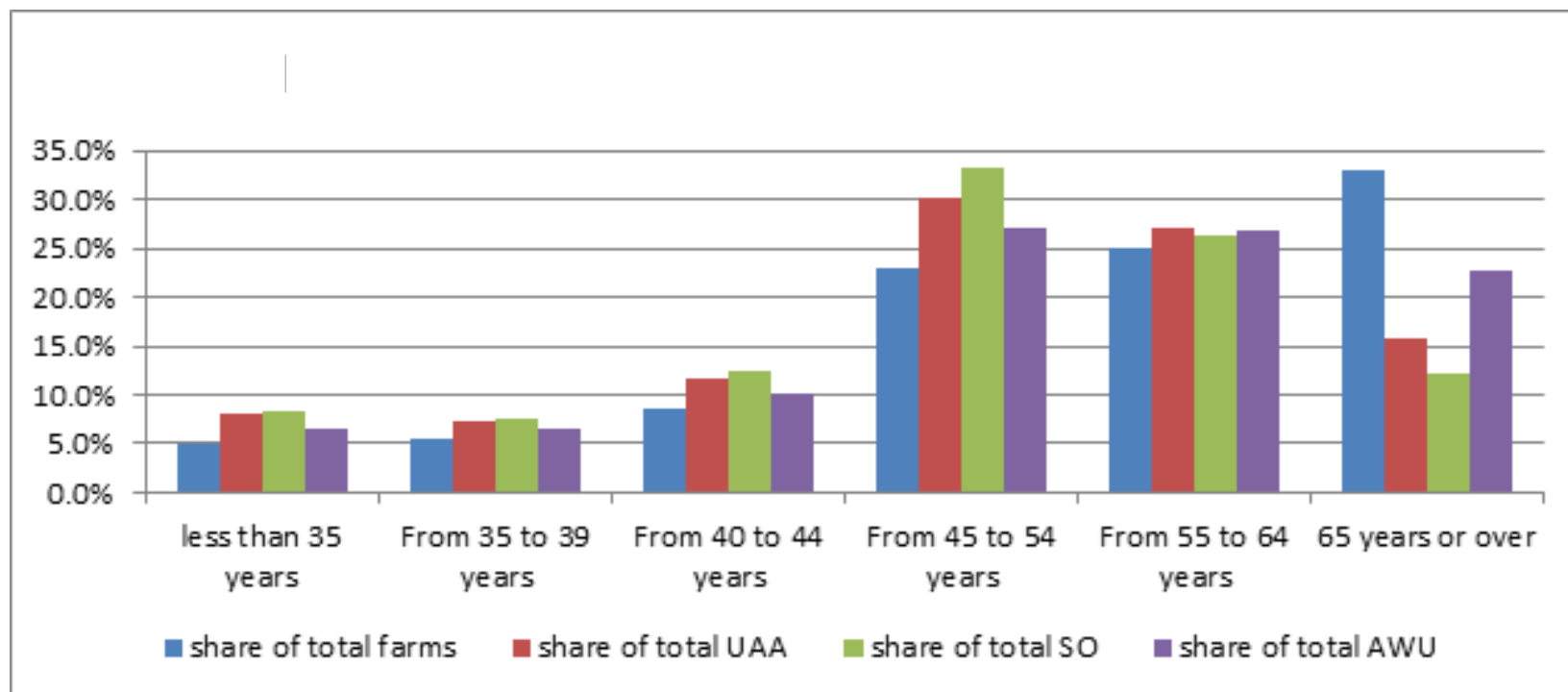


## EU farmers by age group

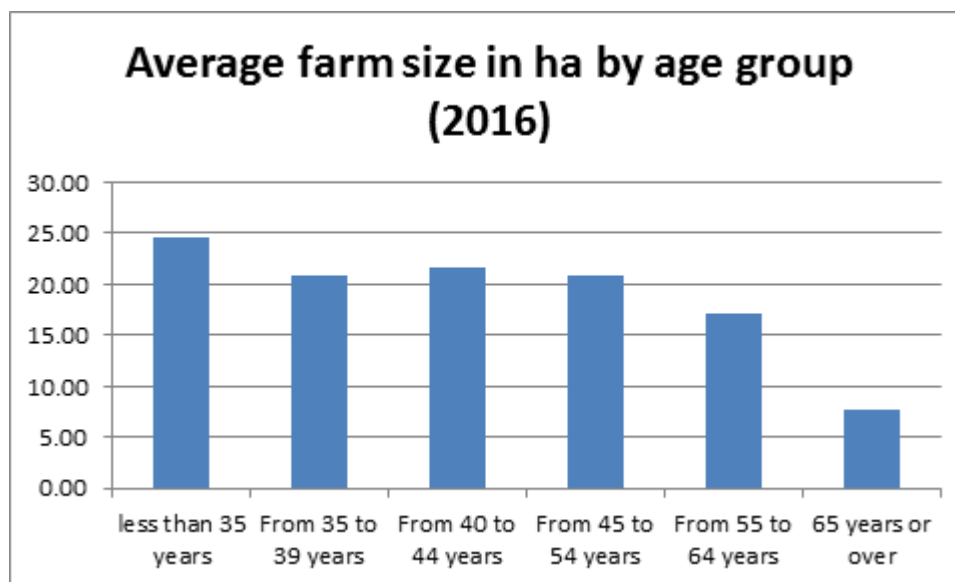
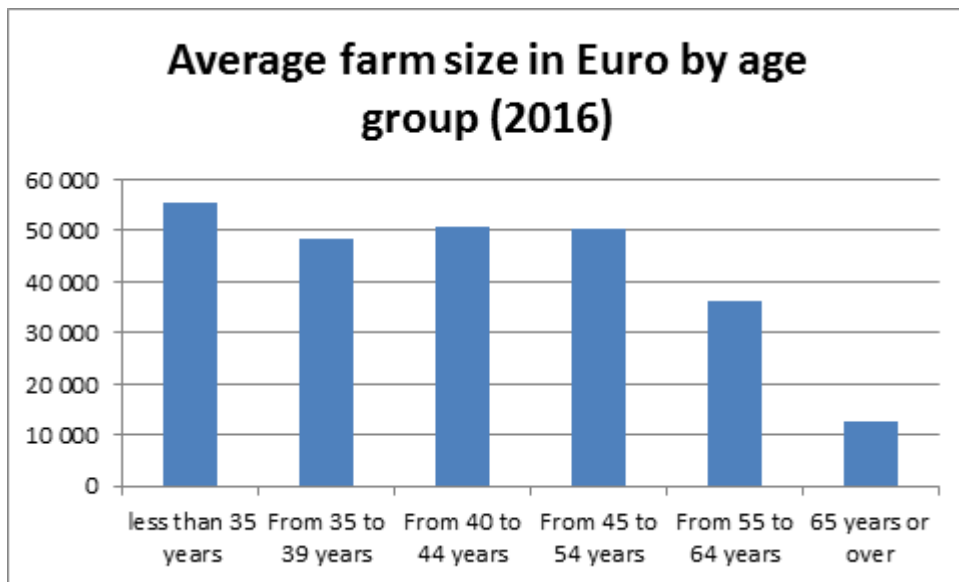




## Key farm parameters by age group (2016)

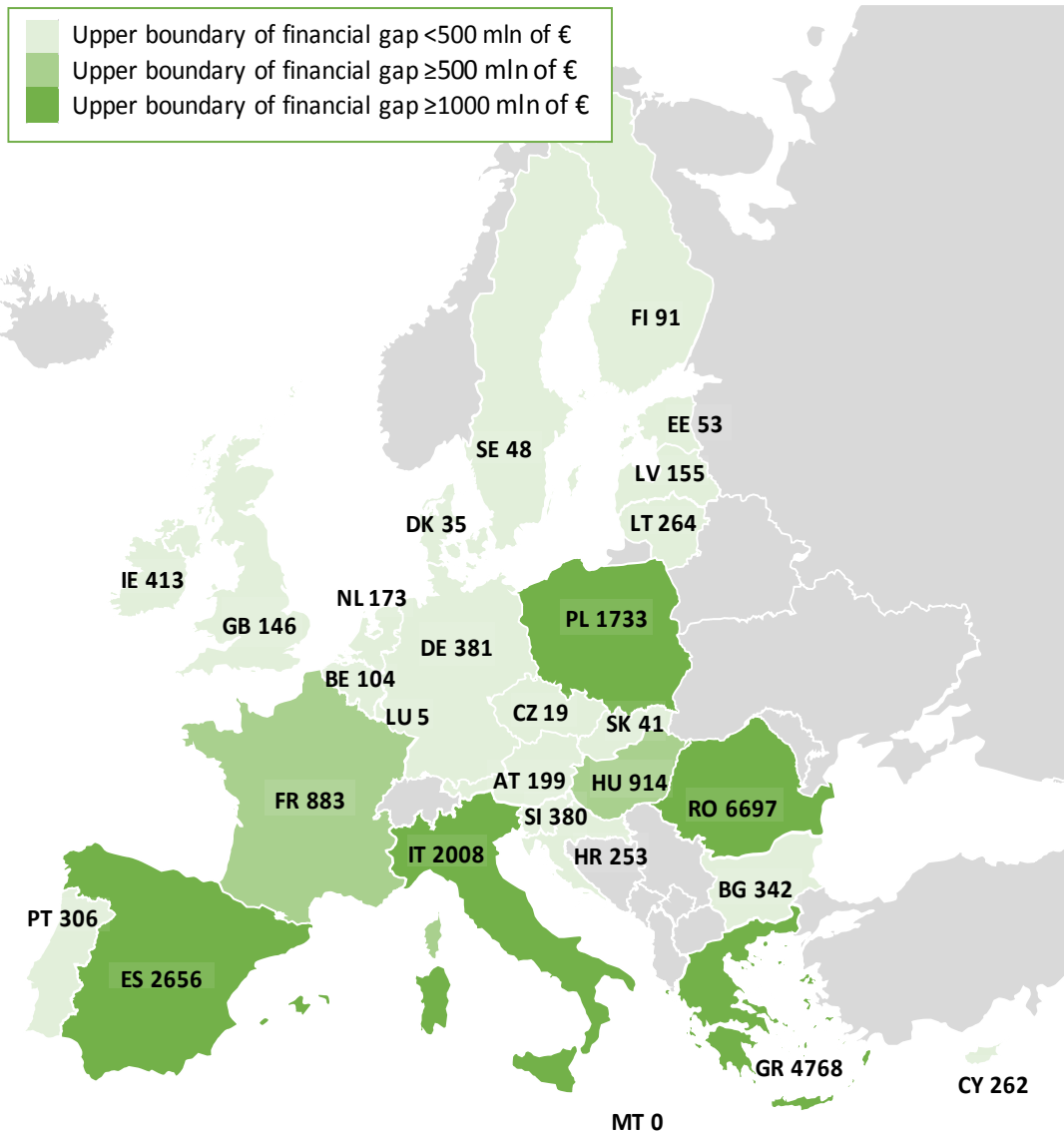


# Farm size by age





# Financial gap estimate (Total by MS)



The estimated EU agricultural sector financial gap is:

- For short-term loans: EUR 1.56 billion - EUR 4.12 billion;
- For medium and long-term loans: EUR 5.50 billion - EUR 14.48 billion.

The total financial gap, therefore, is between EUR 7.06 billion and EUR 18.60 billion



## *2. The CAP plan provisional template*

# THE 9 CAP OBJECTIVES and main policy principles



**KNOWLEDGE & INNOVATION**



## SIMPLIFICATION



**Reduce**  
administrative  
burden

## PERFORMANCE BASED SYSTEM



**Ensure**  
policy results

## BETTER TARGETING



Rules with better  
**links to local realities**

## KEEP STRONG COMMON ELEMENTS



**Keep** a level  
playing field

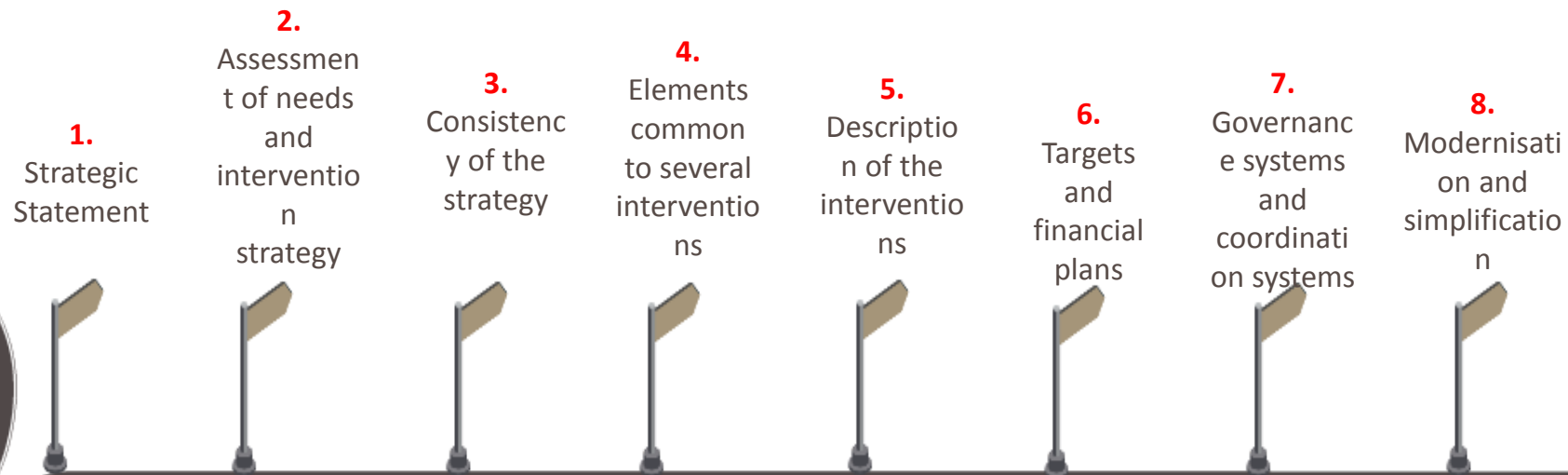
**Enhanced** ambition

# CONTENT

## 8 chapters + Annexes:

MS shall involve partners in the preparation of the CAP Strategic Plans.

Annex III: Outcomes of the consultation of the partners and description of how the consultation was carried out





# ASSESSMENT OF NEEDS AND INTERVENTION STRATEGY (I)

*To be carried out for **EACH** of the CAP specific objectives, i.e. **9 sub-chapters***

- Summary of the SWOT analysis
- Identification, prioritisation and ranking of needs
- Selection of the interventions, following a sound intervention logic
- Targets for each relevant common and, where relevant, specific result indicators and related milestones
- Allocation and justification of financial resources



# ASSESSMENT OF NEEDS AND INTERVENTION STRATEGY (II)

Aspects to be addressed under certain specific objectives (SO):

- SO1: assessment of needs, based on the SWOT analysis, in relation to risk management
- SO4, SO5 and SO6: assessment of needs taking into account the national environmental and climate plans
- **SO7:**
  - summary of the SWOT analysis related to access to land, land mobility and land restructuring, access of finance and credits, and access to knowledge and advice
  - overview of the generational renewal strategy



# ELEMENTS COMMON TO SEVERAL INTERVENTIONS

- Definitions and minimum requirements
- Conditionality: table of practices + description
  - ❖ Summary, territorial scope, type of farmers concerned, justification – info to be provided can vary depending on the individual GAEC (e.g. GAEC 4: minimal width of buffer strips)
- Elements related to direct payments
  - ❖ Value of payment entitlements and functioning of the reserve
  - ❖ Reduction of direct payments
- Technical Assistance
- CAP Network
- Coordination, demarcation and complementarities between EAFRD and other Union funds in rural areas



## DESCRIPTION OF THE INTERVENTIONS (I)

*To be carried out for each intervention foreseen in the CAP plan*

<b>Fund</b>	<b>EAGF/EAFRD</b>
<b>Type of intervention</b>	
<b>Territorial Scope</b>	
<b>Related Specific Objectives and where relevant sectoral objectives</b>	
<b>Result indicator(s)</b>	
<b>Eligible Beneficiaries</b>	

- Description of the design/requirements of the intervention
- Relevant baseline elements (e.g. relevant GAEC or statutory management requirements (SMR)), where applicable, and explanation as to how the commitment goes beyond the mandatory requirements
- Eligibility conditions





## DESCRIPTION OF THE INTERVENTIONS (II)

- Support rates/premia/calculation methods and, where relevant, brief explanation of why these are appropriate for achieving the targets, also in relation to the baseline
- Individual tables to be filled for:

	2021	2022	2023	2024	2025	2026	2027
Planned unit amount(s)							
Annual planned outputs							
Annual indicative financial allocation							

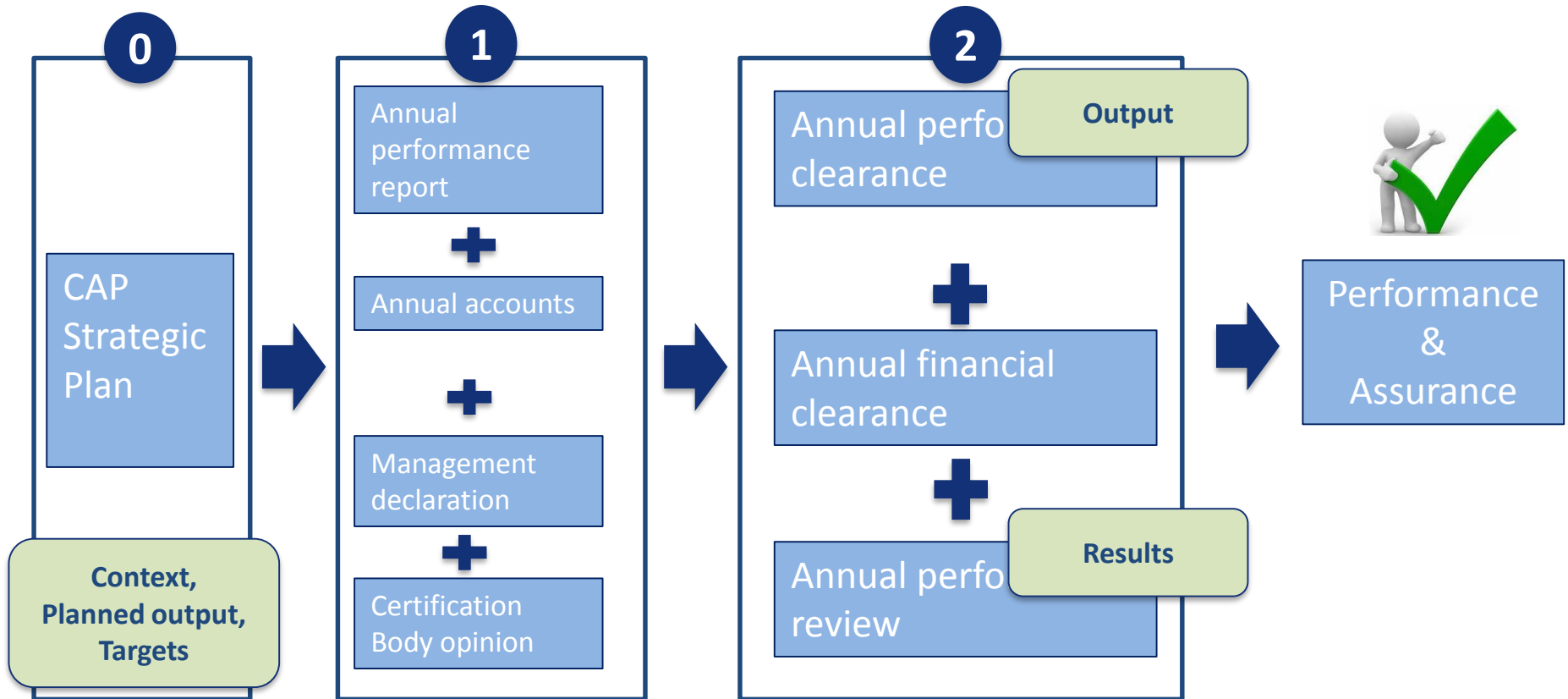
## 6. TARGETS AND FINANCIAL PLANS

- Result indicators, broken down in annual milestones
- Financial tables:
  - ❖ MS allocations of the different funds, including transfers
  - ❖ Detailed information: breakdown by intervention and output





# INDICATORS AND THE PERFORMANCE AND ASSURANCE SYSTEM





## 8. MODERNISATION AND SIMPLIFICATION

- **Modernisation:**
  - ❖ Identification of the needs, based on the SWOT analysis, in relation to the cross-cutting objective related to fostering and sharing of knowledge innovation and digitalisation, including information about the functioning of the AKIS and related structures
  - ❖ Overall organisational set-up of the AKIS
  - ❖ Description of the farm advisory services provided
  - ❖ Description of how advisory services, research and CAP networks will work together within AKIS, and how advice and innovation support services are provided
  - ❖ Digitalisation strategy and for the use of technology and data-driven solutions
- **Simplification** and reduction of administrative burden for final beneficiaries



# ANNEXES

- Ex-ante evaluation and Strategic Environmental Assessment
- SWOT analysis by specific objective
- Consultation of the partners
- Crop-specific payment for cotton
- Additional national financing

### *3. Establishing a strategy for generational renewal in the CAP plans*



## OVERVIEW

# Attract young farmers and facilitate business development in rural areas

- ✓ Summary of the SWOT analysis:
  - ✓ access to land, land mobility and land restructuring
  - ✓ access to finance and credits
  - ✓ access to knowledge and advice
- ✓ Overview of the generational renewal **strategy**, identifying a clear and coherent set of interventions, including the interplay with **national instruments** with a view of improving the consistency between Union and national actions

- Top-up income support (I pillar) and/or lump-sum payment (II pillar)



*Ring-fencing of the budget*

- Cooperation
- Investments and financial instruments
- Agricultural Knowledge and Innovation System (AKIS)
- Risk management
- Other relevant rural development interventions

# DEFINITION

## YOUNG FARMER

shall be defined in a way that includes:

A maximum age limit that may not exceed 40 years

The conditions for being 'head of the holding'

The appropriate training and/or skills required





## A RING-FENCED BUDGET FOR THE TWO MAIN TOOLS

At least **2%** of the national envelope  
of direct payments

Top-up:  
Complementary  
income support  
for young farmers  
(I pillar)

*And / Or*

Lump-sum:  
Installation grant  
for young farmers  
up to EUR 100,000  
(II pillar)

*+ reserves for payment entitlements*



# KEY TYPES OF INTERVENTION (1)

## ✓ COOPERATION, e.g.

- Farm partnerships between generations of farmers
- Retirement planning or lump-sum payments for farmers in the retirement age who permanently transfer their holding to a young farmer
- Farm succession or transition planning services
- Brokerage for land acquisition
- Innovative national or regional organisations engaged in promoting and facilitating matching services between young and old farmers
- LEADER





## KEY TYPES OF INTERVENTION (2)

### ✓ INVESTMENTS

- **Preferential** conditions or priority via selection criteria may be set for young farmers and new entrants with higher risk profiles

### ✓ FINANCIAL INSTRUMENTS

- Purchase of **land** (exception for young farmers)
- Support for **working capital**: key for young farmers, whose start-up difficulties often lie with high investments and low returns
- **Preferential** conditions may be set for young farmers and new entrants with higher risk profiles

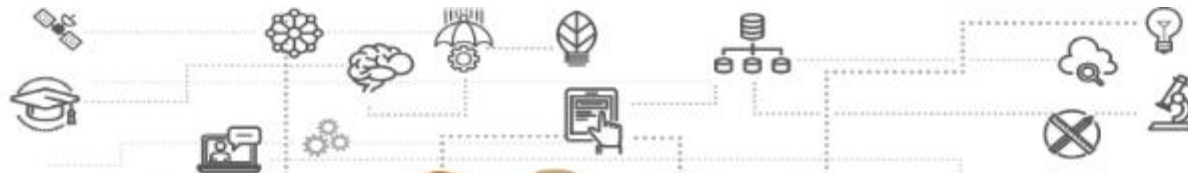
### ✓ RISK MANAGEMENT

- **Working capital** to overcome crises and a more flexible toolkit to better target the needs



## KEY TYPES OF INTERVENTION (3)

- ✓ **KNOWLEDGE, INNOVATION and DIGITALISATION as a CAP cross-cutting objective**
  - Use of digital technology, e.g. area monitoring system; geo-spatial application (GSA)
  - Agricultural Knowledge and Innovation Systems (**AKIS**)
  - European Innovation Partnership (**EIP**) and **Horizon** Europe
  - **Erasmus+**
    - A certain share of the EAFRD may be used to finance actions in respect of transnational learning mobility with a focus on young farmers





# EXAMPLE OF A GENERATIONAL RENEWAL STRATEGY IN A CAP PLAN (1)

- Summary of the SWOT analysis, including in particular:
  - Age structure; farms, land and output by age class; training levels by age group, etc.
  - Specific analysis in relation to:
    - access to land, land mobility and land restructuring:
    - access to finance and credits
    - access to knowledge and advice
- Identification of needs: 5 areas of intervention
  1. Access to land
  2. Access to finance and jobs
  3. Access to income support
  4. Access to knowledge, advice and innovation
  5. Access to risk management





# EXAMPLE OF A GENERATIONAL RENEWAL STRATEGY IN A CAP PLAN (2)

## 1. Access to land: Interventions supported

- Land purchase (FIs – EAFRD)
  - ✓ Long-term investment loans and guarantees
- Land Mobility Scheme (Cooperation - EAFRD)
  - ✓ Lump sum payments for farmers in the retirement age who permanently transfer their holding; matching services; farm partnerships, share-farming arrangements and mentoring; brokerage for land acquisition; creation of community land trusts.
- Bank of agricultural land (National instrument (NI))
  - ✓ National instrument to collect, organise and favour the matching of supply and demand of agricultural land
- Agricultural relief for inheritance tax (NI)
- Pre-emption rights (NI)
- Tax incentives (NI)
- “Starter Farms Programme” (NI)
  - ✓ YF to access and farm publicly-owned small units for a period of maximum 10 years.



# EXAMPLE OF A GENERATIONAL RENEWAL STRATEGY IN A CAP PLAN (3)

## 2. Access to finance and jobs: Interventions supported

- Installation support (EAFRD)
- Investments (EAFRD and FIs via EAFRD)
  - ✓ YF preferred access via selection criteria and higher aid intensity
  - ✓ Delivered in combination with other interventions (knowledge exchange and information)
- Tax deductions (NI)
  - ✓ National instrument to collect, organise and favour the matching of supply and demand of agricultural land

## 3. Access to income support: Interventions supported

- CYS-YF (EAGF)
- National reserves for payment entitlements
- Income stabilisation tool



# EXAMPLE OF A GENERATIONAL RENEWAL STRATEGY IN A CAP PLAN (4)

## 4. Access to knowledge, advice and innovation: Interventions supported

- AKIS (EAFRD and EAGF)
  - ✓ “Young farmers start-up kit”
  - ✓ Vouchers for regular vocational training
  - ✓ “Succession planning” scheme
- European Innovation Partnership (EAFRD)
- National CAP network (EAFRD)
  - ✓ Permanent “Young farmers hub”
- Erasmus for young farmers (EAFRD and Erasmus+ programme)
- LEADER (EAFRD and ESF)



# EXAMPLE OF A GENERATIONAL RENEWAL STRATEGY IN A CAP PLAN (5)

## 5. Access to risk management:

### Interventions supported

- Risk management tools (EAFRD)
  - ✓ Insurance premiums
  - ✓ Mutual funds
- Working capital (EAFRD)
- Precautionary savings (NI)
  - ✓ Income tax basis to be calculated over a period of 3 years



# EXAMPLE: Linking output, result and impact indicators

- O.1 Number of EIP operational groups
- O.2 Number of advisors setting up or participating in EIP operational groups
- O.4 Number of ha for decoupled DP
- O.5 Number of benef. for decoupled DP
- O.6 Number of ha subject to enhanced income support for young farmers
- O.7 Number of beneficiaries subject to enhanced income support for young farmers
- O.8 Number of farmers covered by supported risk management instruments
- O.18 Number of supported on-farm productive investments
- O.20 Number of supported non-productive investments
- O.21 Number of off-farm productive investments
- O.22 Number of farmers receiving installation grants
- O.26 Number of generational renewal projects
- O.27 Number of local development strategies (LEADER)
- O.28 Number of other cooperation groups (excluding EIP)
- O.29 Number of farmers trained/given advice

- R.1 Enhancing performance through knowledge and innovation
- R.2 Linking advice and knowledge systems
- R.3 Digitising agriculture
- R.5 Risk management
- R.7 Enhancing support to farms in areas with specific needs
- R.9 Farm modernization
- R.10 Better supply chain organisation
- R.30 Generational renewal
- R.31 Growth and jobs in rural areas:
- R.32 Developing the rural bioeconomy
- R.33 Digitising the rural economy
- R.34 Connecting rural Europe

Other intervening factors

**I.21 Attracting young farmers:  
Evolution of number of new farmers**



# THANK YOU !

***REPORTS AND MORE INFORMATION :***

***On CAP legislative proposals, Impact Assessment and Background***

[https://ec.europa.eu/info/food-farming-fisheries/key-policies/common-agricultural-policy/future-common-agricultural-policy\\_en](https://ec.europa.eu/info/food-farming-fisheries/key-policies/common-agricultural-policy/future-common-agricultural-policy_en)