Dear Mr,

Thank you for your letter of 26 March 2021 to Executive Vice-President Timmermans on the Green Deal and young farmers, in follow-up to the meeting you had with him and for your letter of 22 March 2021 concerning the minimum budget allocation dedicated to young farmers. I will reply to both letters.

With the Executive Vice-President, I welcome the engagement of young farmers to make the European Green Deal and the Farm to Fork Strategy a success. At this moment, we are working with the European Parliament and the Council to ensure that the reformed Common Agricultural Policy (CAP) provides the right support, which includes a particular focus on young farmers and generational renewal.

A key element of the new CAP are the eco-schemes: a novel way to address the pressing environmental and climate challenges. The proposals that are under negotiations give Member States the flexibility to design interventions according to specific environmental and climate needs and tailor these to local conditions, selecting land management actions relevant to different farmland types and farming systems. The eco-schemes will play a major role in targeting income support to farmers who deliver on the green ambition. Rather than increasing prices for lease contracts, these schemes are expected to be particularly advantageous for farmers who adopt sustainable practices. This represents a shift from rewarding land ownership to land stewardship. In addition, the agri-environmental interventions supported under the Rural Development Fund will remain available in the future CAP Plans. I believe young farmers to be very well placed in that regard.

At the same time, it is important to take into account that the eco-schemes will be only one tool within the CAP Strategic Plan implemented in each Member State. There are also specific tools under the two CAP funds to support the setting-up of young farmers as well as schemes to incentivize land mobility. A key novelty of the new programming logic is that Member States will need to plan all the different interventions in a consistent way, taking into account the synergies and the need to combine appropriate tools to cope with both environmental and generational renewal challenges.
I am aware about your concern that the Farm to Fork and Biodiversity Strategies may lead to higher land needs from existing farmers. Land markets are affected by multiple, often local, developments, which makes predictions and generalisations complex. However, in light of the strengthened link between sustainable practices and payments, I am convinced that EU policy changes not only target, but also favour active farmers. With our Green Deal initiatives (combined with national and regional actions, private sector initiatives, research and innovation, etc.) we aim to deliver knowledge, build capacities and provide innovative solutions that help these farmers to manage land in sustainable ways, while increasing productivity to ensure that food remains available for our population. This is also closely linked to societal demands. Again, I am convinced that the new generation of farmers will play a key role in this transition and will support us in this process.

There are important differences in the distribution of direct payments across Member States, reflecting the level of fragmentation (more or less very small beneficiaries, few very large beneficiaries) and the diversity of sectors (arable farming vs. livestock and permanent crops). As you say, 80% of direct support is received by 20% of beneficiaries, further details can be found in this factsheet: https://ec.europa.eu/info/sites/default/files/food-farming-fisheries/key_policies/documents/factsheet-cap-reform-to-fit-european-green-deal_en.pdf

What matters is whether direct payments actually go to those farmers who need it most to deliver on the CAP objectives (economic, environmental and social). A main objective of the post-2020 reform is to improve the fairness of the distribution of direct payments. The Commission proposals offer many tools in that perspective, notably: reduction and capping of payments, a complementary redistributive income support for sustainability, a round sum payment for small farmers, and the basic income support for sustainability that may be differentiated according to groups of territories and their different needs.

Concerning your suggestion to increase the minimum allocation of 4% dedicated to young farmers within direct payments' envelopes, please note that the inter-institutional negotiations are ongoing and any potential compromise will be decided in that context. The Commission fully supports a high level of ambition in achieving the objective of generational renewal, and Member States will in any case have the possibility to allocate more than this minimum amount to generational renewal.

I believe the reformed CAP will provide particular support for young farmers to support their contribution to the Green Deal and I am looking forward to a continued constructive dialogue with you and your member organisations on all these important topics.

Yours sincerely,

Janusz WOJCIECHOWSKI