Dear Commissioner,

In view of the next trilogue meeting on the CAP Strategic Plans Regulation on 11th March, Copa and Cogeca would like to share with you some of our views regarding the possible topics of discussion.

**Active/genuine farmer**

In the context of subsidiarity, the proposals for the future CAP allow Member States (MS) to establish the main definitions and eligibility criteria, provided they remain within the common EU framework. While we underline the need to safeguard the commonality of the policy, we recognise that a degree of flexibility needs to be given to MS. This, however, must not lead to distortion of competition across MS nor must it create divergent approaches in the EU.

We must strive for a clear definition of genuine farmer across the EU, which is based on real and effective agricultural activity. CAP support must target active farmers, that is, those producing food, feed, fibre and renewable energy, who contribute to a sustainable sector and provide public goods and growth. This should not preclude or exclude the eligibility of those farmers who have established additional sources of income to secure their livelihood (e.g., part-time farmers and agri-tourism). In line with past legislative changes (Omnibus), MS could maintain the flexibility to better target the support (in terms of eligibility). Thus, it should be possible to design a common framework whilst also allowing for the definition to be adapted to the real needs and conditions of MS.

Eligibility criteria such as the minimum area threshold should also aim to better target support at active farmers and limit support where there is no clear EU added value, taking into consideration the different farm structures in the European Union.

**Capping and redistributive payments**

Copa and Cogeca do not believe that having the same criteria across the EU for capping will have a positive impact and therefore oppose it.

BRussels, 9th March 2021
Mandatory capping is neither a beneficial nor a fair approach to ensure a "fairer distribution of payments" as all farms, regardless of their size and structure, face significant economic pressure. There is only a weak relationship between farm size and economic performance. This therefore greatly undermines any argument suggesting that larger farms are better able to withstand the impact of a reduction in direct support. It is also disruptive to farmers who have responded to societal demand for rationalisation and have consequently improved their sustainability and productivity. In this sense, farmers are receiving mixed signals from society as well as from legislators and the market.

The number of farmers affected by this measure will be vastly different in each MS. This will depend on how many farms receive more than 60,000 EUR per annum as well as on the average standard salary in the agricultural sector in each MS, which will be taken into account when applying the cap.

Consequently, Copa and Cogeca could support, as a compromise a voluntary approach to capping, to be applied only to the basic income support for sustainability (BISS) and allowing for the full deduction of salaries.

When striving for a fairer distribution of direct payments (redistributive payments), investigating the minimum size of claim could also be worthwhile to target farmers who actively contribute to the economic, environmental and social dimensions of sustainability.

Thus, redistributive payments should focus not on paying for the first hectares but rather on sustainable and viable farms. It should be ensured that these payments provide clear EU added value.

New delivery model

Copa and Cogeca has stated in multiple occasions the support to the new delivery model and the result-based system provided that it brings simpler requirements, simpler, more practical and realistic measures and guarantees timely payments to farmers.

We must equally ensure coherence between the CAP Strategic Plans regulation and the Horizontal regulation regarding the performance framework. With a shift from compliance to performance, the indicators will play a pivotal role in linking expenditure to output, measuring progress to targets, and assessing the impact of the policy. Indicators must therefore reflect the EU specific objectives built on the three pillars of sustainability – economic, environmental, and social –in a balanced way. Copa and Cogeca welcomed the reduction of indicators put forward by the European Commission and rejected any addition of further indicators. CAP performance must be assessed against all three pillars of sustainability, in an equal manner, otherwise this will go contrary to the CAP’s own specific objectives. Moreover, no additional reporting or control requirements that would represent more red-tape and administrative burden for farmers and/or EU or Member State administrations should be introduced.

Coupled support

In terms of coupled support, this must continue under precise and limited conditions to support sectors, especially livestock production, in regions where other policy tools are not available or are less efficient.

Member States should be free to identify the sectors that should benefit from this, rather than having a list of eligible sectors specified at EU level.
The Commission should ensure that distortions of competition are kept to a minimum. We nevertheless recognise that coupled support should be maintained at the current level at least.

Faithfully yours,

CC: Mr Wolfgang Burtscher, Director-General of DG Agri