**CAP POST 2020**

**KEY POINTS AS AT 11th April 2019**

Assuming that the UK leaves the EU prior to the next round of CAP beginning, the budget has been set at 5% below current levels for the remaining 27 Member States (MS) ie the UK appears to have been subsidising all EU farmers in past rounds of CAP to the tune of 5% of their payments.

CAP is structured around 9 objectives: Fair Income, Increase Competitiveness, Rebalance Power in the Food Chain, Climate Change Action, Environmental Care, Preserve Landscapes & Biodiversity, Support Generational Renewal, Vibrant Rural Areas and Protect Food & Health Quality.

The BPS type approach will be retained with hectarage payments being made. A higher level of support will be provided for small and medium sized farmers (locking in inefficiency?). Payments will taper after E60,000 and the maximum area payment that can be received by a farm will be E100,000.

2% of the MS budget will need to be ring fenced for young farmers.

The payments will only be made to “genuine” farmers. There is currently no definition of “genuine”.

The Climate Change measures will focus on carbon rich soils, including wetlands and peatlands. It will seek to increase water quality and decrease ammonia and nitrous oxide.

Crop rotation will take the place of crop diversification. (Presumably this will see the 3 crop rule being replaced by something more complicated to administer.)

Young farmers will be encouraged. This will be via increased payments but also schemes designed to assist with succession planning. It will also involve getting MS to change taxation and inheritance rules (!! – an extension of the influence of CAP.).

There will be additional, tougher, regulation concerning food safety and quality.

It is said that there will be new ways of working in order to streamline administration and to make environmental protection easier. (This is stated at every CAP reform and precisely the opposite occurs. From the additional burdens outlined in this document, this seems likely again.)

There will be a policy shift from compliance and rules, to results and performance. MS will only be required to produce one CAP Strategic Plan, which must be approved by the EU.

Innovation will be boosted with an increase in R&D spend.

On environmental protection, the terms “Greening” and “Cross Compliance” will go, and be replaced by “Conditionality”. (I am sure that the birds and the bees will be delighted!)

Conditionality will involve the compliance with 10 GAECs, as opposed to the current 7.

“Eco-Schemes” will be introduced. (These are what we currently know as Agri-environmental Schemes.) Each MS must introduce at least one of these schemes and they must be voluntary.

There does appear to be some flexibility in these schemes. They could top-up the area payments and/or be stand alone schemes. However, payments would continue to be based on income foregone and additional costs incurred.

There will also be “Agri-Environment-Climate Measures” (AECM) introduced. Again, each MS will need to introduce at least one such scheme. Activities covered could include the likes of organic farming, agro-forestry, forest conservation, precision farming etc

Each MS must have a Farm Advisory Service. (As we do now – the UK has the very minimum.)

At the beginning of the CAP period, each MS must submit a single CAP Strategic Plan to cover all elements of its CAP delivery. This must be approved by the EU. The delivery of the Plan will be reviewed by the EU on an annual basis(!!). If the MS is deemed not to be delivering according to the agreed Plan, the EU will suspend payments and can step in to help the MS with the delivery of the plan (!! – a further extension of powers under CAP.)