



Position Paper (bloc II) :
Copa Cogeca's
Position on the
MFF, Performance
Framework, NRPP
and CAP

23 April 2026



CAP & Food Chain

copa***cogeca**

european farmers

european agri-cooperatives



MFF



PERFORMANCE FRAMEWORK

1.1 MFF STRUCTURE

Maintaining the **common and individual character of the CAP**, with its two-pillar structure, has been Copa-Cogeca's longstanding call to ensure compliance with the Treaty provisions, safeguard Europe's food security and secure a well-functioning single market.

If a separate and individualised budget line for the CAP does not receive support from the co-legislators, then separate sub-headings within the NRPP must be secured.

1.2 MFF BUDGET

To secure an economically viable, competitive and resilient agriculture, able to cope with current and future challenges, attractive to both existing and future generations of farmer and which delivers on food security and sustainability (including public goods), we call for the CAP budget to be maintained **at least at the level of the current CAP and adjusted to inflation in the present 2021-2027 period**.

In this regard, the European Commission's suggestion in November to use 10% of NRPP for "rural target" must be transformed into a concrete proposal by the co-legislators **to ring-fence this amount to the benefit of farmers and agricultural cooperatives**. We would like to stress the fact that the 10% is not sufficient to meet the objectives of the Treaty on the Functioning of the European Union and we call for an increase of this amount to at least 20%.

Similarly, the 2/3 from the allocation for the mid-term review suggested by the European Commission **must also be included in the CAP ring-fenced budget** by the co-legislators to prevent loss of commonality and allow for a level-playing field for farmers.

Co-financing – see NRPP part

2.1 DO NO SIGNIFICANT HARM (THE GUIDANCE)

The introduction of the 'do no significant harm' principle (DNSH) to environment and climate for agriculture will only add more burden, complexity and legal uncertainty when agriculture is intertwined with natural resources and ecosystems, already making a substantial contribution to environmental, climate and biodiversity objectives.

In addition, agriculture has been confronted with steadily increasing obligations under regulatory law for years, ranging from environmental and nature conservation to animal welfare, emissions control and water protection.

Against this backdrop, introducing the DNSH principle would not lead to additional environmental benefits. Instead, it would primarily create new testing, verification and documentation requirements, with a clear risk of double regulation, legal uncertainty and further overlap with existing instruments.

Especially at a time when simplification, reduction of bureaucracy and practical feasibility are rightly being demanded at both European and national level, the introduction of an additional horizontal assessment criterion such as DNSH sends the wrong signal. Agricultural holdings need reliable, coherent and workable framework conditions – not yet another layer of abstract evaluation standards with unclear boundaries vis-à-vis existing regulatory frameworks.

As such, Copa-Cogeca strongly rejects the planned introduction of the DNSH principle to any CAP interventions.

2.2 OUTPUT AND RESULT INDICATORS

The European Commission's proposed performance framework appears to rely on assessing each intervention through a limited set of predefined categories such as climate mitigation, climate adaptation and environment and social objectives. As such, it has a strong focus on **environmental issues and is overly detailed**, which can make it highly burdensome.

Many agricultural interventions pursue multiple objectives simultaneously. Reducing the evaluation of agricultural interventions to a simplified percentage-based contribution to specific categories risks producing an inaccurate reflection of their beneficial impact. **The list of indicators must include performance indicators that allow for intervention areas contribution to economic sustainability and broader challenges** to be assessed (productivity, competitiveness, resilience, food security etc.). A specific “Farm income indicator” which should assess the economic impact of CAP interventions on farm viability could be envisaged.

It is possible that not all indicators are relevant in a particular Member State, therefore a non-binding character should be applicable to those.

A more streamlined and proportionate set of indicators, with simple coefficients, has to be developed instead. There are a number of current indicators that are somewhat irrelevant as currently assigned. For example, we do not see the need for putting “smallholders in third countries” as an output indicator for almost all measures, except where relevant. Likewise, we question the need for the indicator related to “ammonia emissions reduction” linked to area-based interventions since these interventions are unlikely to contribute to significant reductions. Some indicators are duplicative and difficult to measure reliably (e.g. avoided emissions, soil carbon changes at farm-level).

Moreover, the coefficients seem not to be able to capture the specificities at local level nor accurately reflect the true contribution of the measures to all policy objectives. Such coefficients may encourage Member States to design interventions just to satisfy indicator requirements rather than addressing the real needs of the agricultural sector and rural areas, leading to an undervaluation of some of the critical aspects such as investments, generation renewal, productivity and innovation. The coefficient for the result indicators linked to interventions in areas with natural constraints (10-11) should be higher. Also, we do not understand why green investments are not attributed 100% for environment. A 40% coefficient could be applied to intervention 16, 17 and 25 all across the objectives. We would also be in favour of a “Simplification Output/Result indicator”. We would suggest an evaluation at mid-term of the indicators in Annex I based on the experience with their implementation.

The burden with collecting and reporting data

needs to be addressed by identifying innovative systems which can guarantee individual data protection and avoid disproportionate impacts both for the Member State, the farmer and the agricultural cooperative.

We believe that there is a lack of coherence between the NRPP and Performance framework proposals when it comes to reforms in agriculture. In the NRPP, CAP interventions are not conditional on reforms, while in Annex I of the Performance Framework, output indicators are set for reforms in agriculture. **We thus ask for the output indicators for reforms in agriculture to be deleted from Annex I.** In addition, these seem more focused on procedural and administrative outputs rather than farmer/beneficiary experiences or on actual improvements in the resilience, competitiveness, generation renewal and food security aspects.

2.3 NRPP CONTRIBUTION TO ENVIRONMENT AND CLIMATE OBJECTIVES

See the relevant parts on NRPP and CAP



NRPP

It is important that the NRPP framework remains sufficiently clear and predictable for farmers. In the design of the plans, there should be an appropriate balance between flexibility for MS and commonality, while reducing administrative burden for both farmers and national authorities.

Copa-Cogeca has previously expressed its preference for an individualised CAP outside the Single Fund. However, should this not be the case, it is fundamental to achieve a faster adoption of the specific agriculture-related blocks in the NRPP, which is key for a timely implementation of the policy and disbursement of support. The approval process must be streamlined and simplified via a separate fast-track procedure.

3.1 MOVING CAP-RELEVANT ARTICLES FROM NRPP TO CAP

Splitting the CAP rules across several regulations creates complexity and difficulties in the decision-making process that will be reflected in the implementation phase where national authorities risk being faced with excessive bureaucracy, political tensions and uncertainty. This will equally impede access to EU support for the farming community due to a lack of clear understanding of the rules.

In this regard, we take note of the suggestion by President Von der Leyen that certain CAP articles could be moved from the NRPP to the CAP proposal. Nevertheless, we believe that **all the agriculture provisions (including the rural development aspects) in the NRPP must be integrated in the CAP proposals**. Aspects such as the definitions, co-financing for CAP interventions, control and penalty systems, data collection and recording as well as Integrated Administration & Control System (IACS) cannot be left out. For the sake of ensuring commonality and providing legal certainty and clarity on the decision-making process and predictability for both farmers and national administrations, this aspect should be urgently addressed by the co-legislators. Keeping CAP-related provisions clearly anchored within the CAP framework is essential to safeguard the distinct nature of the CAP as a common policy with its own governance framework, ensuring predictability and legal certainty for both farmers and national administrations.

3.2 DEFINITIONS (BENEFICIARY, FARMER AND ELIGIBLE HECTARE)

The proposal refers to the **definition of beneficiary in the context of the NRPP and that of the farmer** in the context of the **CAP**. All this should also be applicable when support is granted to CAP interventions from the NRPP funds.

In line with the comments on sections 3.2.1 and 4.3, we believe that CAP support should be granted to all farmers exercising a minimum productive agricultural activity on their holding(s) regardless of their age, size, legal form and type of production in a simple and non-bureaucratic manner.

3.2.1 Definition of beneficiary/farmer

Recital 45 in the NRPP proposal should be amended in such a way as to **allow Member**

States to choose the criteria to define the farmer/beneficiary in a **clear, simple and operational manner** while keeping the possibility to add additional ones and include a negative list. This should take into account their national conditions and existing systems while protecting the functioning of the internal market.

In amending recital 45 and the definition, the concept of “principal activity” should be removed, instead referring to “natural or legal persons or groups of natural or legal persons exercising a minimum productive agricultural activity on their holding(s)” while not precluding the granting of support to pluri-active or part-time farmers in accordance with the criteria established by Member States¹.

Our proposal implies keeping the current definition therefore revising the two sub-points of the Commission’s proposal.

Besides individual farmers, **cooperatives, Producer Organisations (POs) and Associations of Producer Organisations (APOs)** play an important role in the implementation of several CAP interventions (e.g. interventions in certain sectors, investments, etc.). In this case, the definition governing the CAP interventions should reflect the activities of these structures (aggregating and marketing members’ production, providing inputs, processing agricultural products etc.). Consequently, it should be possible to use the concept of **“beneficiary” in this specific case as is currently the case**.

3.2.2 Definition of eligible hectare

As regards the eligible hectare, we propose to delete from the definition the part “under the farmer’s control in terms of management, benefits and financial risks”². The current guidance and interpretation by the European Commission to Member States on the concept ‘land at farmers disposal’ is resulting in excessive administrative burden to farmers. This concept can be acceptable for future use only if the European Commission refrains from this excessive approach and urgently adopts remedies to correct this.

In addition to environmental and climate-related CAP specific objectives, a reference to “biodiversity” may be added in the part referring to the Union or national interventions or other programmes which contribute to these objectives.

¹ Reserve by Coldiretti

² Reserve by Coldiretti

3.3 BUDGETARY FLEXIBILITY AND REFORMS

According to the proposal, CAP interventions are exempted from budgetary flexibility and reforms except for investments by farmers and agricultural cooperatives. The resulting uncertainty severely undermines predictability for multi-annual investments. As on-farm investments are key in achieving competitiveness and delivering on sustainability, we consider that **all CAP interventions should be treated equally and therefore all CAP interventions, including investments by farmers and cooperatives should be exempted from budgetary flexibility and reforms.** These strategic multi-annual investments require stable long-term planning and predictability and cannot depend on politically driven annual national allocations nor annual amendments within the NRPP.

3.4 CO-FINANCING FOR CAP INTERVENTIONS

Regarding the minimum 30% which a Member State/region needs to contribute, this percentage might be too low for some of them or too high for others. A potential way forward to keep stability in the sector should be to **maintain the current levels of co-financing for the CAP interventions.**

If Member States allocate additional NRP funds to the CAP-instruments beyond the amount ringfenced for the CAP, this should not result in market distortions or create an unlevel playing field. It should be possible for MS to use the national co-financing rates set for the CAP rather than the NRP-cofinancing rates.

Currently, some CAP interventions can have a maximum support rate above 75%/85% or even 100% compared to what is being proposed. **We would like to keep the possibility for some interventions (for example investments, including non-productive) to benefit from a higher/maximum support rate.**

3.5 CONTRIBUTION OF NRPP TO ENVIRONMENTAL AND CLIMATE OBJECTIVES

When it comes to the mandatory 43% target for the whole NRPP, **agriculture cannot bear alone the burden of this environmental and climate effort** nor compensate for insufficient contributions from

the other sectors. As a consequence, this overall proposed percentage should be set a lower level.

We also believe that **the European Commission must not be given the possibility to adjust this percentage for each Member State** in the context of the approval of the NRPP, based on Member States' fulfilment of the target in the Effort Sharing Regulation (ESR) and Nature Restoration Regulation (NRR). Copa-Cogeca warns that NRR cannot be financed from the CAP budget. Additional payments and financing are required to adequately finance additional requirements, such as those relating to climate protection and animal welfare. The CAP must be separate from the implementation of the NRR for the following reasons:

- The NRR's primary objective is to restore degraded areas. This is not (necessarily) the objective of the CAP's environmental measures.
- Connectivity of land parcels and a lack of synergetic measures in the implementation of the CAP would not be conducive to the fulfilment of the legally binding time-based targets under the NRR.
- Using CAP for the purposes of implementing the NRR would be in contravention of the objectives of the TFEU, the CAP, and the Competitiveness Compass.
- The CAP must not be the scapegoat of improper planning and political unwillingness to properly finance biodiversity, and farmers must not suffer for this.

3.6 CONTROL SYSTEM (INCLUDING FOR FARM STEWARDSHIP)

The proposal contains a requirement to decentralise the **control of farm stewardship** (paying agencies with long-standing CAP experience would no longer be responsible for checking compliance with farm stewardship, instead becoming the responsibility of the authorities in charge of environment, climate, public health, animal welfare and general topics). We strongly oppose this change as it will lead to an increased number of controlling authorities, administrative complexity and, consequently, uncertainty for beneficiaries when it comes to the number of controls at farm level. The **current centralised control system should be kept for reasons of simplicity and homogeneity.**

The system of payment reduction should remain proportionate, legally clear and take into account the nature and severity of non-compliance. With the introduction of satellite controls, intentional non-compliance is almost impossible. There should be a maximum 5% reduction for negligent non-compliance (3% in the case of the first instance of non-compliance). In cases where non-compliance is insignificant, it should be possible that no penalty is applied. Any payment reduction should be based on the relevant holding / unit of production rather than all holdings over which a natural or legal person has control.

To avoid disproportionate treatment between farmers for the same mistake, a fixed penalty amount (instead of percentages) could be considered.

We believe that **there must be an EU-wide system providing for the possibility for the applicant to change their CAP application without penalty (“early warning”/“right to error”)**. This helps address unintentional mistakes and supports a proportionate sanction system.

In line with the CAP simplification objectives, on-the-spot-checks should follow the principle of maximum one control per beneficiary per year.

In the case of controls via the area monitoring system (AMS), any non-compliance should result in an adjustment of the applied area and not in a penalty. In the interest of planning certainty and reliability for farmers, EU rules must require reference parcels to be updated at most once per year and any changes must be proactively communicated to farmers well ahead of the application period.

3.7 DECOMMITMENT RULE

The decommitment rules (proposed to be N+1) for unspent allocations are different compared to currently and will have an impact on the planning and spending of CAP amounts. The specificities of the agricultural sector in particular when it comes to interventions requiring longer preparation or investment planning would need to be taken into account by **setting a different decommitment rule for the agricultural sector, meaning at least N+2. In the last year of the implementation period, flexibility between amounts allocated and amounts spent for certain interventions should be ensured to prevent loss of funds.**

3.8 DATA COLLECTION AND RECORDING AND TRANSPARENCY

When it comes to the Member States obligation to communicate the CAP data to the European Commission, **Member States should send only fully anonymised aggregated data** and not individual data. This is to make sure that individual data protection and business confidentiality are ensured and that farmers' data is not misused (or re-used beyond the original purpose). **Also, we would argue in favour of better protection (including anonymisation) for individual public CAP data.**

As a principle, any data collection system should respect strict data protection rules, avoid unnecessary administrative burden and ensure farmers retain control over the use of their data.

3.9 DELEGATED ACTS

The European Commission is empowered to adopt delegated acts on the calculation of penalties, data recording and IACS. As these aspects have a direct impact on CAP implementation and consequently on farmers, we believe that implementing acts would be more appropriate, but they should be used only when such aspects cannot be specified in the basic act.

3.10 EU FACILITY INCLUDING THE UNITY SAFETY NET

The risks related to animal diseases should be better and more clearly specified in the EU Facility by including a specific reference to the European Veterinary Fund outside the Unity Safety Net. There should be an increase in the budget for prevention, control and eradication of animal diseases. The use of the EU Facility should not endanger the proper functioning of the internal market.

This should cover the costs incurred in controlling animal diseases, including compensation for compulsory slaughter and compensation for livestock farmers affected by restrictions on the movement and sale of their animals.

The Unity Safety Net is part of the EU Facility. There is a need that the Unity Safety Net is simple, fast and efficient in its deployment. It is extremely important that when the Unity Safety Net is triggered, there is clear activation criteria and efficient deployment mechanisms. It is necessary

to ensure the complementarity between crisis response tools and risk management, including preventive instruments. The use of the Unity Safety Net should not cause disruption to the proper functioning of the internal market.

See specific article on crisis payments

3.11 CRISIS PAYMENTS TO FARMERS FOLLOWING NATURAL DISASTERS, ADVERSE CLIMATIC EVENTS AND CATASTROPHIC EVENTS

Depending on the local and climatic conditions, some Member States and farmers are more exposed than others to natural disasters, adverse climatic events and catastrophic events, which leads to different approaches. Consequently, Member States should have a certain degree of flexibility in implementing this measure. Nevertheless, there should be a commitment by the Member State that such support (crisis payments) would be made available promptly, in principle via NRPP or via national measures, while respecting State Aid rules and the functioning of the internal market should such an event occur.

Incentivising farmers to take up preventive measures against climatic events could be of use, nevertheless in the event of severe natural disasters and catastrophic events, the lack of a preventive approach should not lead to farmers being denied the right to an adequate level of compensation because there is not always a correlation. To improve the efficiency of the system, a lower damages threshold should be set.

3.12 TRANSITION PROVISIONS

Given the legislative timeline and the complexity of the new governance framework, we believe that there should be transitional arrangements securing continuity of support to farmers based on the corresponding existing rules. These would allow for the co-legislative process to be finalised, for the design and approval of the NRPPs, for the adoption of the EU secondary legislation as well as the national implementing rules. This would be equally necessary to allow farmers to become familiar with the new rules and be able to plan ahead (usually a period between six and twelve months before the rules enter into force is needed for this purpose, meaning no later than August 2027). Therefore, a transitional period between 1 and 2 years would be required.

Given the uncertainties of the budgetary allocations for the future CAP, it is premature to establish predefined ringfencing levels.



CAP

4.1 CAP RECOMMENDATIONS

We believe that the scope, role and legal status of the Commission's CAP recommendations would need to be clearly defined. In our view, these **should cover broad strategic guidance, focus on the CAP objectives (policy priorities) and the challenges identified at Member State level, whilst ensuring the commonality of the policy and preventing market distortions. They should also not interfere with the intervention design and prioritisation, prescribe financial targets for the CAP interventions or go beyond the basic regulations. When drafting the recommendations, the Commission must bear in mind the overarching objectives of food sovereignty, income stability, competitiveness in agriculture, and the development of resilient and vibrant rural areas.**

The European Commission's recommendations cannot replace the basic act; therefore, they should be **non-binding**. They should focus on achieving simplification and reduction of administrative burden for farmers and this should be included as an overarching principle in the specific article. By no means should these recommendations impact the process and approval of the plans as has been the case for some CAP National Strategic Plans.

These recommendations must neither anticipate nor pre-empt political decisions taken in the upcoming negotiations between the European Parliament and the Council.

4.2 CAP INTERVENTIONS

While the CAP budget is decreasing, the European Commission is suggesting more mandatory measures. Excessive rigidity in the list of mandatory interventions could reduce the ability of Member States to adapt support to the specific needs of the agricultural sector, and some of these could become voluntary.

See specific reference to sectoral interventions

4.3 AREA-BASED INCOME SUPPORT

Reinforcing the competitiveness of the sector requires addressing farmers income and the reasons why it is still lagging behind other sectors of the economy. This makes it necessary, as also recognised in the European Commission's Vision for the future of agriculture, to **maintain area-based income support to farmers regardless of their age, size, legal form and type of production** as an instrument of the CAP, which is critical to maintain the production potential of the sector, ensure farm business continuity in crisis situations and contribute to securing food security and agricultural sovereignty.

A significant share of farms in the EU are considered small-scale farms and might require targeted support as well as support for improving productivity. In this regard and given the diversity of farm structures across the 27 EU Member States, we consider that **mandatory capping and degressivity are not the adequate tools to contribute to this objective**. Capping also negatively impacts farmers who effectively contribute to food production, food security, sustainability as well as securing employment in rural areas. The use and implementation conditions of any instruments aimed at redistributing support (including capping) must be revisited upon any future EU enlargement processes.

If a Member State opts to apply degressivity and capping on a voluntary basis, then a mandatory deduction of labour costs (including family labour costs and contracted services for agricultural work provided by third parties) must be included and the thresholds and reduction percentages should be established at Member State level in a simple, non-bureaucratic, proportionate and non-discriminatory manner, taking into consideration their national farming structures. We strongly reject the sentence in article 6 of the CAP regulation referring to "in the case of a legal person or groups of legal persons, the capping shall cover all holdings under the control of one legal or natural person" and it should be removed. Furthermore, for legal entities such as agricultural cooperatives, it is necessary to consider the individual member. This is because, in this legal form, various individuals/families have joined together to operate the farm jointly. Anyone who wants to make their farm viable for the future can no longer avoid cooperation with others. A cap or reduction in subsidies would therefore weaken farms that have positioned themselves for future viability through cooperation.

Another alternative would be to provide **Member States with the possibility to choose no more than one option from a set of measures which contribute to this objective: capping, degressivity, small farmers scheme, current redistributive schemes or creating a system for setting an optimal level of profitability**.

Moreover, we believe that **differentiating payments for different categories of farmers within area-based income support should be voluntary for Member States for the sake of keeping a simple, non-bureaucratic system**. Member States have dedicated additional CAP interventions at their disposal to provide for improved support to these categories instead of being obliged to fragment the core income support payment. They can, therefore, achieve a holistic approach and also consider other elements and actions that could contribute to making this profession attractive, facilitating access to land, access to credit for young farmers and new entrants and improving the standard of living in rural areas.

When granting area-based income support, Member States should take into account the criteria that they established when defining farmers/beneficiaries for their actions towards food security and agricultural sovereignty.

Member States still using the mechanism of payment entitlements should be able to choose to continue using it.

Similarly, Copa-Cogeca rejects the Commission's proposal to **remove the eligibility for area-based income support for farmers who have reached retirement age and are in receipt of retirement pension. We could be open to Member States that currently use this option continuing to do so** and linking it to the definition of beneficiary/farmer. This would be needed to take into account the links with the national social policies and the differences and frequent changes at Member State level. Instead of the rigid provisions in article 6 of the CAP regulation, more incentives should be created in a common level-playing-field manner to support generational renewal (e.g. farm transfers, mechanisms that encourage a gradual transition between generations and similar measures).

4.4 COUPLED SUPPORT

Where coupled support is used at national level within the EU framework, Copa-Cogeca does not agree with establishing an obligation for Member

States to consider the environmental impacts (by setting maximum livestock density criteria in nitrate vulnerable zones) as it disregards the diversity of livestock production systems and the trade-offs with other environmental goals, including on climate and the other environmental requirements, to which this support is subject (farm stewardship). Therefore, this provision must be deleted.

4.5 AGRI-ENVIRONMENTAL MEASURES AND REQUIREMENTS

4.5.1 Environment and climate priority areas

The European Commission is proposing six mandatory environment and climate priority areas. We favour a **voluntary approach to extensification of livestock systems or any other measures to reduce the impact of agricultural activities in vulnerable areas designated as such by Member States and areas with water pollution due to nitrate surpluses, without negatively impacting livestock production. This would also include any cooperative solutions. Any solution to address these challenges should remain with the Member State, including by providing incentives for improved water quality, nutrient recovery of livestock by-products and/or promoting innovative approaches and collective or cooperative solutions.** Such approaches better reflect farm-specific conditions and take greater account of the overall impacts on farmer's activities and on the environment. **Any measures implemented must be economically viable, practical and incentive-based.** In this context, we oppose the concept of diversification to other agricultural activities as this proposal effectively implies an indirect reduction of livestock production.

4.5.2 Farm stewardship

The European Commission has acknowledged that the current conditionality system has imposed a huge burden on farmers, triggering a lot of criticism, and has consequently presented a couple of simplification proposals to the current rules to try to make the system more adapted to the realities on the ground. In the future CAP, the European Commission is trying to give a new name to the requirements to be imposed on farmers: farm stewardship. However, the proposed system remains similar to the current one in particular when it comes to constraints and

requirements which currently lead to extra costs and payment reductions for farmers. It also has the potential to usher in further renationalisation.

Instead of rigid requirements for mandatory protection practices (Annex I CAP Regulation), **Member States must be provided with a voluntary catalogue** from which they can design national protective practices adapted to national and regional realities which they will make available to farmers via incentives. It should be possible to adjust them to existing national legal requirements and serve the same purpose as protective practices. In this context, the **penalty system must be made more proportionate and the "right to error" for the farmer should be kept** (see the part on controls in the NRPP).

Social conditionality leads to double penalties for non-compliance and creates disproportionate bureaucracy without substantial added value and **must be removed from CAP conditionality**³.

SMRs and the so-called protective practices (Annex I CAP Regulation) must be practical and easy to implement and must not impair the economic attractiveness of the CAP measures.

Moreover, the introduction of **the 'do no significant harm' principle to environment and climate** for agriculture will only add more burden, complexity and legal uncertainty when agriculture is intertwined with natural resources and ecosystems, being subject to many environmental and climate requirements. As such, this principle should not apply to any CAP intervention (see section 2.1). In addition, we oppose any potential reference to the principle of 'no back sliding'.

4.5.3 Agri-environmental and climate actions

With regard to the **voluntary agri-environmental and climate actions**, the European Commission's proposal leaves completely open how the structure and measures can be made significantly more attractive in future. Here, the mechanism for **incentive-based payments must be provided in a way that ensures a tangible effect on the income.** In the proposed form, the payment for these actions are not real incentives and fail to go beyond costs incurred and income foregone. Providing additional services for the society must be attractive, practical and simple for farmers.

³ Reserve by Coldiretti

It would be important to provide for the possibility to grant support for other sustainable and alternative production systems (integrated production, precision farming, digitalised irrigation, minimum tillage, etc.).

It is key to make this intervention attractive and accessible to all types of farms. Furthermore, EU legislation must explicitly provide for effective and low-bureaucracy incentives allowing agri-environmental and climate actions to be implemented at regional or local level also through cooperative approaches. Also, it should be possible for Member States to continue using the existing units of support (per hectare, per livestock unit, per hive and other relevant units).

Imposing mandatory measures for extensive livestock farming and organic farming does not follow a market-oriented approach nor does it take account of the diversity of livestock production systems in the EU and creates trade-offs with other goals. Instead, Member States and regions must be given practical leeway and economically **viable incentives that go beyond cost incurred and income foregone.**

When designing agri-environmental actions for livestock, Member States, must take into account the ecosystem services provided on lands used for other agricultural activities, on lands where other environmental measures are implemented or on agroforestry and forestry lands.

Requirements such as the **mandatory transition plans may trigger new administrative burdens** and discourage farmers from implementing voluntary measures. The obligation for Member States to recover the payments regardless of the reasons behind farmers' failing to implement the transition plan is not realistic. We believe that there should be **flexibility if the farmer fails to implement the transition action plan for specific reasons.** There should be no maximum amount (200,000 EUR) for transition actions. It is also unclear whether or not these payments can be combined with other payments such as investment support.

There is a need for more clarity when it comes to defining "resilient production systems" and "agroecology", to avoid ambiguity and ensure practical implementation.

4.6 RISK MANAGEMENT

Currently most Member States are providing support for risk management tools. Those who

do it finance them from sources either inside or outside the CAP. The most common financial support to farmers comes via the premia of insurance schemes, mutual funds and income stabilisation tools as well as other schemes. Other private tools are also available in some Member States. This variability recognises the significant differences between Member States to the management of risks in agriculture. Thus, a "one size fits all approach" at EU level cannot be the solution to risk management. We support the recognition of existing specific national circumstances and the existing systems or schemes or programmes (either public or private). Any future systems should also be considered.

Given the wide variability of risks in the agricultural sector, preventive measures and incentive-based instruments to manage risks must be introduced and promoted.

The development of mutual funds and risk management tools including those managed by cooperatives or producer organisations could be encouraged and supported.

The current "Olympic average" for calculating losses is not appropriate for all agricultural sectors. **The period must be increased** (from the current five years) **regardless of the sector and/or production type, while keeping the possibility for shorter reference periods. In this regard, we call on the co-legislators to take into account the outcome of the simplification package and further simplify the system.**

In addition, the **calculation of sectoral losses must be made more flexible** and incorporate criteria on a per-hectare basis and/or based on the number of animals (besides the existing per-holding or per-holding's activity approach).

To complement these aspects, a European reinsurance facility (with the support of EIB) could be created outside the CAP. It may also be worthwhile looking into an early warning system based on satellite data to automatically assess the losses at Member State level.

4.7 INVESTMENT SUPPORT

It is important that key investments and strategic priorities currently supported are not lost. As already underlined it is important that the Do No Significant Harm principle is not applied to agriculture (including to investments).

Investments in water capture and management (irrigation), including precision water management tools, should be considered one of the priorities within this intervention, ensuring that the CAP framework provides meaningful support for climate adaptation where it is most needed.

As investments by actors in the agricultural sector (farmers, forest holders and cooperatives) support resilience, sustainability and competitiveness, the title could be altered to capture all of this as follows: **Support for investments to enhance resilience, sustainability and competitiveness.**

Higher support rates for certain types of investments (both productive and non-productive) **should be possible** as is currently the case.

4.8 CAP DATA INTER-OPERABILITY

While we support the principle and consider that there might be advantages for the farmers (e.g. no need for farmers to communicate data twice), we believe that the system should be voluntary. There is a need to ensure **more clarity when it comes to the rules governing data access, individual data protection (aggregation, anonymisation) and secondary use of farm-level data as well as preventing its misuse.** This clarification would need to be provided for as early on as the basic act.

As already mentioned in point 3.8, as a principle, any data collection system should respect strict data protection rules and business confidentiality, avoid unnecessary administrative burden, ensure farmers retain control over the use of their data as per the EU Code of Conduct on Agricultural Data Sharing and the Data Governance Act. Digitalisation must reduce the administrative burden on farmers and cooperatives and farmers organisations already play an important role in the digital transition of the sector.

4.9 TRANSITION PROVISIONS

See NRPP section.



Copa and Cogeca, founded respectively in 1958 and 1959, form the united voice of farmers and agri-cooperatives in the EU.

Copa members represent leading farming unions at national level, speaking for millions of farmers across Europe. Cogeca members represent the interests of the thousands of agricultural cooperatives in Europe.

Our democratic organisations, led by elected representatives, embody the vibrant diversity of European agriculture across all 27 EU Member States.

We are the collective voice of farmers and agricooperatives of all sizes and specialisations dedicated to the daily production of crops, livestock or mixed farming, encompassing both conventional and organic practices. Together, we ensure that EU agriculture is sustainable, innovative and competitive, guaranteeing food security to half a billion people throughout Europe and contributing to reducing food insecurity globally.

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