

European Agricultural Fund for Rural Development (EAFRD): support for rural development 2014-2020

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Ministers held **two orientation debates** in the framework of the common agricultural policy (CAP) reform. The discussions focussed on specific issues in:

- the proposal for a regulation on support for rural development (rural development regulation);
- the proposal for a regulation establishing a [common organisation of the markets in agricultural products](#) (Single CMO regulation).

As regards **rural development**, the debate centred on the following issues:

Risk management: most of the delegations agreed that in light of the challenges modern agriculture faces due to climate change and price volatility, risk management has become **essential** for farmers.

- Many Member States also supported the Commission proposal on risk management through the second pillar, allowing flexibility to member states in its implementation, as well as the possibility of combining the measures with other actions under pillar II.
- However, some delegations were not convinced about support for risk management under the second pillar and oppose, in particular, the income stabilisation tool, as they were concerned that the measure would require a high level of funding, and therefore absorb a large portion of their national envelope at the expense of other measures, such as climate and environment actions. In their view, the provisions of Pillar I provide sufficient safety-nets for the farmer's income.

Level of support:

- the majority of delegations found the rates proposed by the Commission appropriate. Some of the delegations nevertheless expressed the wish to see the level of aid intensity increased, in order to match current levels of support.
- Several delegations also requested the reduction of the 30% threshold at which farmers qualify for support. This threshold is based on WTO rules.
- Some delegations requested flexibility to continue existing systems and tools such as indexing which was mentioned as valuable solution to simplify the loss of income calculations.