

Amending certain CAP Regulations as regards the conditionality system, types of intervention in the form of direct payment, types of intervention in certain sectors and rural development and annual performance reports, data and interoperability governance, suspensions of payments annual performance clearance and controls and penalties

2025/0236(COD) - 14/05/2025 - Legislative proposal

PURPOSE: to simplify the EU Common Agricultural Policy (CAP) legal framework and reduce the administrative burden for farmers and national administrations.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: on 19 February 2025, the European Commission adopted the Commission Communication ‘A Vision for Agriculture and Food’. This Communication presents a roadmap to guide EU action towards achieving an attractive, competitive, resilient, future-oriented and fair agri-food system for current and future generations of farmers and agri-food operators.

Farmers across the EU face several challenges due to excessive administrative obligations that often fail to reflect the realities on the ground. This regulatory burden incurs costs and time for farmers and national administrations. It leads to lower acceptance of obligations and may also discourage investment. This regulatory burden slows down farm operations, drains resources, discourages innovation and investment and leads to low acceptance of requirements by farmers.

To tackle these challenges, the Commission put forward legislative amendments to the Common Agricultural Policy (CAP), targeting the administrative burden, controls, implementation, crisis response and investments needs. The proposed changes include on-farm simplification of requirements, better recognition of diverse farming practices such as organic farming, streamlined support for small and medium-sized farms through simplified payments, and actions to boost competitiveness, including enhanced access to financial tools and laying the groundwork for digital solutions.

CONTENT: the Commission proposes the following changes to the two CAP Regulations (Regulation (EU) 2021/2115 as regards the conditionality system, types of intervention in the form of direct payment, types of intervention in certain sectors and rural development and annual performance reports and Regulation (EU) 2021/2116 as regards data and interoperability governance, suspensions of payments annual performance clearance and controls and penalties).

Simplified environmental requirements and controls

The simplification package aims to better accommodate diverse farming practices and local conditions, while reducing overlap with existing national rules. For example, certified organic farms will automatically be considered as meeting some of the EU's environmental requirements for funding.

For some of the more demanding requirements, farmers may benefit from incentives to protect **peatlands and wetlands**, as set out under Good Agricultural and Environmental Condition 2 (GAEC 2). This support will also help them comply with national rules that go beyond EU standards, ensuring fair compensation for their efforts.

To reduce the administrative burden of controls, controls will be streamlined through the use of **satellite and technology**. In addition, a new principle will be introduced: only one on-the-spot check per year per farm.

Simplified payment scheme for small farmers

To make it more attractive, the annual lump-sum payment – that is, a single, annual disbursement – limit for small farmers will be increased from **EUR 1 250 to EUR 2 500**. The purpose of these payments for small farmers is to promote a more balanced distribution of support, strengthen the vitality of rural areas where small farms play a key economic role, and reduce administrative burdens for both farmers and authorities. These farmers will also be exempted from certain environmental rules (conditionality) while they may benefit from payments that reward eco-friendly farming (**eco-schemes**).

Sectoral types of intervention

Based on Member States' experience with implementation of sectoral interventions in the **fruits and vegetables sector**, the possibility for enhanced support should be expanded to reinforce the position of farmers in the supply chain in those sectors.

Strengthened crisis management and simpler procedures for national administrations

EU farmers affected by natural disasters or animal diseases will be better supported thanks to new crisis payments available under CAP Strategic Plans and thanks to more flexible and accessible risk management tools. Member States will benefit from greater flexibility in adapting their CAP Strategic Plans, with **prior approval** from the Commission required only for strategic amendments. This will have a positive impact on the farmers who will benefit faster from the changes introduced.

Enhanced competitiveness and digitalisation

Small farmers will find it easier to get financial support through a new simple funding option offering up to **EUR 50 000 as a lump-sum** to help improve the competitiveness of their farms. National administrations will be further encouraged to develop **interoperable digital systems**. Following the 'report once, use multiple times' principle, the aim is that farmers will only have to submit their data once, through a single system, saving time, cutting administrative costs, and improving farm management.

To reduce the administrative burden of controls, controls will be streamlined through the use of **satellite and technology**.

Budgetary implications

The proposal will have a budgetary impact due to the amendment facilitating the increase of the Union financial assistance for sectoral interventions in the fruit and vegetables sector. The Union financial assistance to fruit and vegetables' producer organisations approved by Member States for the

implementation of operational programmes is limited to a certain percentage (from 4.1 % to 5.5 % depending on the type of beneficiaries and the objectives pursued) of the value of marketed production of those producer organisations. The proposed amendment entails a possible increase of these limits by 0.5 percentage points for the CAP Strategic Plan interventions, subject to fulfilment of certain conditions.

Given that from 2026 all operational programmes will be implemented under the CAP Strategic Plan and based on the execution of the sector in financial year 2024 (EUR 1.15 billion), the estimated annual additional expenditure is EUR 5.75 million (EUR 1.15 billion x 0.05).