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From: Presidency
To: Delegations

Subject: AOB item for the meeting of the “Agriculture and Fisheries” Council
on 22-23 June 2026:
Regulation establishing the conditions for the implementation of Union
support under the CAP: state of play
- Information from the Presidency

Background

On 16 July 2025, the Commission presented its proposals for the post-2027 framework for the CAP. The proposal discussed in this progress report, the CAP Regulation, aimed to provide a simpler and more flexible framework, seeking to secure income and crisis support, improve the targeting and fairness of payments, strengthen generational renewal, support risk management and resilience, and promote a better balance between common rules and incentives for climate, environment and animal welfare. It also aimed to integrate the CAP within the National and Regional Partnership Plans (NRPP), with the aim of enabling stronger synergies with other Union funds and better responding to the needs of farmers, rural areas and Member States.

The Cyprus Presidency has pursued an intensive technical examination of the CAP Regulation and the rest of the CAP and MFF package, with a view to ensuring a common understanding of the proposed architecture and identifying the main issues requiring further political guidance.

Discussions have focused in particular on the need to preserve a coherent framework for farmers, administrations and beneficiaries, the common framework and share EU objectives and the scope of Member State flexibility.

Work under the Cyprus Presidency

Under the Cyprus Presidency, the Working Party on the Horizontal Agricultural Questions (WP HAQ) examined the CAP Regulation during seven two-day meetings while the CAP post-2027 was also discussed in the Special Committee on Agriculture (SCA) during its meetings on 16 February, 20 April and 1, 8 and 15 June 2026 as well as in the AGRIFISH Council on 23 February, 27 April and 23 June 2026. The overall objective has been to strike a balance between granting Member States sufficient flexibility for implementation under the future NRPP framework and preserving the common character of the CAP.

On 9 June 2026, the Presidency presented in the WP HAQ the latest compromise text for the CAP post-2027¹. The main aspects of the PCY compromise text may be summarised as follows:

- The Presidency has advanced work on the **coherence of the legal framework** for the CAP in the post-2027 framework **with the transfer of a number of CAP-specific provisions from the broader NRPP framework into the CAP Regulation** , with a view to strengthening the coherence, readability and operational clarity of the post-2027 CAP legal architecture. This work concerns, in particular, key definitions and operational provisions relevant for the CAP.

¹ An updated version of the text including some technical corrections is annexed to document 10367/26.

The compromise text brings into the CAP Regulation definitions such as farmer, Agricultural Knowledge and Innovation System (AKIS), organic farming and the smaller Aegean islands, and the definitions to be provided by Member States in their NRP Plans, including agricultural activity, agricultural area, eligible hectare, young farmer and new farmer, and, potentially, active farmer. The compromise text also strengthens the CAP-specific framework by integrating in the text from the NRP proposal, inter alia, certain financial aspects of interventions, the crop-specific payment for cotton, cooperation, State aid, crisis payments following natural disasters, adverse climatic events and catastrophic events, support for the smaller Aegean islands, monitoring of agricultural resources, CAP-related requirements in the NRP Plans, the European and national CAP Networks, the implementation of international commitments, as well as control and penalty systems for the farm stewardship and the Integrated Administration and Control System (IACS).

- The Presidency has also clarified the role of **CAP recommendations** in the compromise text by underlining their non-binding nature. At the same time, the compromise text includes the attractiveness and quality of life in rural areas as a new element for the recommendations, reflecting the broader importance of rural areas in the future CAP. The procedure for updating recommendations has been simplified so that updates would take place only in exceptional circumstances and after consultation with the Member State concerned.
- On the **definition of farmer**, the Presidency has proposed a wording which provides greater flexibility for Member States as it includes groups of natural or legal persons, ensuring a first level of targeting through the requirement to carry out agricultural activity. Further discussions will be needed on whether additional targeting should be introduced, including through a possible active farmer concept.

- The Presidency has also proposed several **simplification and flexibility elements in relation to farm stewardship**. Social conditionality obligations have been removed from the CAP framework for simplification purposes, given that these matters are covered by social and labour policies. The compromise text clarifies the general objectives for which Member States should establish protective practices under farm stewardship and aligns the text with the recently adopted Omnibus III on CAP simplification as regards the deemed compliance of organic farming certification with farm stewardship. For small farmers, the Presidency has introduced an important simplification by providing for the payment for the small farmers scheme to be deemed compliant with the “do no significant harm” principle while maintaining the exemption of the payment from farm stewardship. It also extends possible derogations from the implementation of protective practices beyond weather conditions to plant diseases and plant infestations.
- The Presidency compromise text also provides **greater flexibility as regards the environment and climate priority areas** under which Member States shall provide support to farmers. It clarifies the optional character of carbon removals and on-farm renewable energy production, including biogas production, in the context of climate change mitigation. It further clarifies that the objective is to reduce the negative effects of the use of pesticides, and adds the protection of water quality and the sustainable use of water resources as an additional priority area. In areas affected by water pollution due to nitrate surplus, the text gives Member States more flexibility to choose support actions that address the causes of pollution or contribute to the restoration of water bodies, rather than limiting support to the extensification of livestock systems or diversification to other agricultural activities.

- On **Degressive Area-Based Income Support (DABIS)**, the Presidency has introduced greater flexibility for Member States in the targeting of support. Differentiation remains obligatory for young farmers, reflecting the importance of generational renewal, while Member States would have the possibility to further target support to other groups of farmers, including through criteria based on size or geographical area, where justified by additional income needs. The compromise text also provides flexibility as regards retired farmers by leaving it to the Member States to decide whether applicants who reach the retirement age are no longer to receive DABIS, while ensuring compliance with the principles of equal treatment and non-discrimination and requiring Member States to justify their approach in relation to better targeting of income support or generational renewal. In order to support generational renewal, the Presidency has also introduced a mandatory measure on inter-generational cooperation, aiming to facilitate farm succession.
- Further clarifications have been made as regards **payments for natural or other area-specific constraints**, as regards the designation of new areas and the fine-tuning of areas affected by such constraints. At the same time, the support for such payment has been clarified to provide for compensation for all or part of the additional costs and income foregone.
- The relevance of **forest holders as beneficiaries of the CAP support** has also been clarified across interventions giving more flexibility to Member States.
- On **agri-environmental and climate actions**, the compromise text provides Member States with more flexibility to determine the actions to be included under voluntary management commitments and transition with organic farming and extensive livestock production becoming voluntary. The list of possible actions under voluntary management commitments has been complemented with protection of air quality, biodiversity restoration, protection of carbon in soils and biomass, increased carbon sequestration, and conservation of genetic resources.

- On **coupled income support**, the compromise text has removed the obligation to demonstrate difficulties for protein crops, providing additional flexibility for Member States. In addition, the compromise text gives Member States greater scope to tailor the intervention. In particular, it removes the obligation to set a maximum livestock density criterion in nitrate vulnerable zones, while still allowing Member States to take environmental impacts into account through criteria adapted to their national specificities. Further flexibility has also been proposed by allowing derogations from the rules on financial allocations, in order to better reflect the specificities and needs of Member States.
- In the area of **risk management**, the Presidency has clarified that the existing systems allowing Member States to be exempted from the obligation to set up a risk management intervention in their NRP Plans may be either private or public systems providing equivalent risk management tools.
- On **investments**, the Presidency has clarified that support may cover both tangible and intangible assets. Clarifications have also been introduced regarding beneficiaries, that may include cooperatives, recognised producer organisations and other forms of collective farmer structures. The text has been complemented to cover investments in afforestation in line with sustainable forest management principles. Flexibility has also been introduced as regards the use of simplified cost options, for which an exemption can be provided depending on the nature of the intervention.
- The Presidency has also further developed the provisions on **generational renewal** and the attractiveness of the farming profession. Support for setting up of young farmers has been maintained as an obligation for Member States, supporting generational renewal, while the support for setting up of new farmers and rural business start-ups has been made voluntary for Member States. In addition, the compromise text distinguishes more clearly between the mandatory and voluntary elements of the starter pack for young farmers.
- Further flexibility has also been introduced for **LEADER**, by broadening the scope to all rural areas while maintaining a focus on areas facing disadvantages.

- In the area of **knowledge and innovation**, the compromise text provides additional flexibility for EIP-AGRI by making certain elements voluntary, including support for EIP-AGRI operational groups for the preparation of projects or actions to ensure broader uptake of results, the setting up of farm advisory services, and capacity building of advisors. The Presidency has also clarified that farm advisory services include advice related to forestry reflecting Member States needs on the topic.
- Finally, the Presidency has simplified the proposal for the **interoperability** requirements while preserving the necessary elements to support the modernisation of CAP implementation. The possible role of paying agencies has been clarified, reporting has been reduced to two reports for the whole programming period, and milestones and targets for the roadmap have been removed. This provides Member States with greater flexibility to adapt their approach during implementation, while reducing administrative burden for authorities.

Next steps

The Council is invited to take note of the progress made on the post-2027 Regulation for the CAP under the Cyprus Presidency.
