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NOTE

From:	General Secretariat of the Council
То:	Delegations
Subject:	Communication on a Vision for Agriculture and Food
	– Policy debate

With a view to the discussion in the Council (Agriculture and Fisheries) on 26 May 2025, the annex to this note contains the summary of the Presidency of the discussions and the recommendations made by delegations.

Council discussion on the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: "A vision for agriculture and food: Shaping together an attractive farming and agri-food sector for future generations"

- Summary of the Presidency of the discussions and the recommendations made by delegations

Introduction

On 19 February 2025 the European Commission presented its Communication 'A Vision for Agriculture and Food' (doc. 6385/25), a set of reflections on the future of agriculture and food in the European Union (EU).

The Polish Presidency has held a series of open and unrestrained discussions on the Vision, with the aim of giving Member States the opportunity to provide their assessment, opinions and proposals on the objectives and solutions presented in the Vision. In the view of the Presidency, such a discussion is an essential element of the dialogue on the future of European agriculture and agricultural policy.

The Vision was discussed by the AGRIFISH Council at its meetings on 24 February 2025 and 24 March 2025, during which ministers mandated the Special Committee on Agriculture (SCA) to discuss the Vision in detail. The Vision was subsequently discussed during four meetings of the SCA, held on 31 March, 7 April, 28 April and 5 May 2025.

The Presidency focused the discussion through questions on the four priority objectives of the Vision and the horizontal objective (the questions are included in Annex 1).

Taking into account the course of this discussion, the Presidency makes the following summary related to the discussion on the Vision, and recommendations concerning rural proofing, and asks the Commission to take them into account in its work on the upcoming legal proposals for the Common Agricultural Policy beyond 2027.

- General observations

The Commission's communication was welcomed for putting food security at the heart of the <u>Vision</u>

Most Member States responded positively to the Commission's Communication on a Vision for Agriculture and Food, agreeing with many of its objectives and projects. Delegations welcomed the fact that food security and agricultural production had been placed at the centre of the Vision. They pointed out that the document contained solutions that are a good basis for ensuring food security in Europe, competitiveness and resilience of European agriculture.

Dialogue with farmers is essential in discussing the future of the CAP and agriculture

The Vision's emphasis on the need for dialogue with farmers in discussing future solutions was viewed positively. Some delegations noted that the document reflected the concerns of farmers and also addressed the comments made by stakeholders, and by the Council in its conclusions on a farmer-focused post-2027 Common Agricultural Policy (doc. 16694/24).

Maintaining the current structure of the CAP and ensuring that it is properly funded

Most delegations pointed out that the Vision did not address the issue of financing the CAP. At the same time, they pointed out that an adequate and separate budget for this policy was very important in order to meet the objectives of the Vision and agriculture. It was stressed that the financing of the CAP must continue to be based on two pillars and many delegations indicated the need to strengthen the financing of Pillar II of the CAP. On the other hand, there were voices indicating that the discussion on the Vision should not prejudge the discussion on the multi-annual financial framework, (MFF), which will be held in the appropriate forum.

The need to simplify the CAP

In general, delegations stressed the importance of simplifying the CAP in various areas related to the objectives of the Vision. Simplification was called for in the case of direct payment, both in terms of requirements and controls, as well as arrangements for supporting young farmers.

Tailor-made CAP

Delegations pointed out that it is not appropriate to apply uniform solutions in all regions and countries, highlighting the importance of regional specificities and a territorial approach. At the same time, the need for an integrated application of the different instruments of the CAP was stressed.

- First objective of the Vision

Diversification expected to strengthen agricultural incomes

Most delegations agreed on the need to diversify farmers' sources of income: through the development of the bioeconomy, renewable energy production or carbon farming. However, it was stressed that these activities should be complementary to agricultural income and should not limit the availability of land for food production. Many delegations indicated that it was important to know the details of solutions such as nature credits and what the possibility of applying these solutions to small and medium-sized farms would be.

Continuation and better targeting of direct payments

Delegations stressed the importance of the stabilising function of direct payments for farmers' income. They pointed out the need to increase the targeting of direct payments by supporting young and new farmers, to take greater account of the needs of small and medium-sized farms. At the same time, the need to maintain support for areas with natural constrains was emphasised. The need to better adapt the payment system to the conditions in the Member State and subsidiarity in the application of the different elements of the system was also pointed out.

Some delegations stressed the need to complete the external convergence of direct payments, from the perspective of fairness and balance in the EU, but other delegations pointed to the need to take into account the differentiation of production costs and agricultural incomes.

The need to improve generational renewal

Support for generational renewal in agriculture, as well as the need to stop depopulation in rural areas, also in terms of border areas' security, was supported by most delegations. In this context, delegations pointed to the importance of ensuring the attractiveness and competitiveness of agriculture and the vitality of rural areas. Measures to improve access to capital and land were cited as key to generational renewal in agriculture.

Maintaining a strong investment component within the CAP

Many delegations stressed the need to maintain a strong investment component within the CAP. The importance of an appropriately funded Pillar II of the CAP was highlighted in this context. Delegations pointed out that additional arrangements, e.g. those linked to support from the European Investment Bank (EIB), would not replace CAP funding. Green and digital transformation, reducing the impact of agriculture on the climate and the environment, strengthening its resilience, introducing new technologies and innovations, and knowledge sharing were identified as areas requiring investment support, regardless of the source of funding.

Ensuring fair prices for agricultural products

In the discussion, delegations highlighted the need to develop solutions that ensure fair trading conditions in the supply chain, including limiting the sale of agricultural products below the cost of production.

- Second objective of the Vision

Strengthening the competitiveness and sustainability of agriculture

Delegations agreed that the competitiveness of agriculture and its sustainability needed to be strengthened. They stressed at the same time that it was essential for agriculture to achieve its economic objectives and that all three dimensions of sustainability were important. They highlighted the need to strike a balance between the competitiveness of the sector and measures to reduce its environmental and climate impact. Delegations qualified actions towards increasing the availability of new technologies and innovations to farmers as highly relevant, ensuring their access to knowledge, also through training and advice, and increasing the importance of research.

The strategic role of livestock production in agriculture

Delegates stressed the strategic role of the livestock sector. Diverse livestock models require tools to adapt support to individual production models, to transform towards sustainability of production and to respond to different challenges. Support should include both direct payments, including coupled payments, and payments for areas with natural constrains, as well as investment support. The role of research and innovation, especially in animal genetics and zootechnics, was emphasised.

Improving agricultural resilience

Delegations stressed the need to strengthen the resilience of agriculture, including to challenges such as animal diseases and extreme weather events, which requires appropriate adaptation tools, risk management and crisis instruments. The important role of the agricultural reserve was highlighted in this context. Agriculture requires stability and predictability of production.

Mirror clauses in international trade

The need to have stronger alignment of imported products with EU production standards and to ensure a level playing field for EU farmers was stressed. However, some Member States are against mirror clauses, pointing to potential negative consequences for EU exports.

<u>New strategies at European level</u>

Delegations expressed support for proposals to develop a number of European strategies, and were particularly positive about: (a) generational renewal, (b) water resilience, (c) protein, and (d) livestock sector strategies.

- Third objective of the Vision

Voluntary benchmarking in farm sustainability efforts

Most delegations supported the development of a benchmarking system for farm sustainability assessments. Such a system should be simple, transparent, not increase the burden on farmers and administrations and be based on reliable and comparable data. The system should have an incentive value, not increase requirements and not restrict farmers' access to the market. The system should be developed in cooperation with farmers, take into account the wide diversity of agriculture in the EU and build on the experience of such systems in some Member States. The system should give farmers the opportunity to share good practices and learn from the example of other farms. Some delegations expressed concerns about the possibility of harmonising the benchmarking system at EU level, given the diversity of production systems, and doubted the advisability of such a system.

Implementation of incentive-based climate and environmental action

Delegations stressed the need for appropriate incentives for farmers to implement climate and environmentally beneficial actions that deliver ecosystem services. The development of solutions based on the use of private sector funds was also pointed out. The need for a balance between incentives and requirements was stressed in the context of measures concerning water management and soil health.

Need to develop a water resilience strategy

Delegations stressed that water should be a priority in the context of agriculture and food production. They welcomed the announcement that the Commission would draft a water resilience strategy to develop new actions adapted to the challenges, including strengthening farm competitiveness.

Continuation of existing CAP instruments for water resource management and soil health

Delegations stressed that the CAP already had a number of instruments favouring water management and soil health: GAEC standards, agri-environment-climate measures, eco-schemes, support for permanent grassland. They pointed to the large role of the CAP Pillar II instruments in financing measures for healthy soils, water resilience and reducing intensive farming practices. It was pointed out that the future CAP should maintain this broad scope of measures.

Sustainable water and soil management

Delegations spoke of the major role of circular solutions with regard to both soil and water. Solutions for the organic matter cycle, the use of rainwater, investments in sustainable water collection systems, water reuse, irrigation and conservation were referred to. The importance of cooperation between science and practice, the role of research and innovation and advice to support the implementation of solutions at the farm level was emphasised.

- Fourth objective of the Vision

Strengthening complementarities and synergies between policies supporting rural <u>development</u>

Delegations called to maintain the two-pillar structure of the CAP, with support for rural development in Pillar II. At the same time, most delegations noted that the CAP should not be the only instrument for such support and that it was also necessary to maintain funding for rural areas from other policies, including, inter alia, cohesion policy. Complementarity and synergy of support from different sources and instruments for rural development should focus on: technical and social infrastructure, support for entrepreneurship (especially small and medium-sized enterprises), generational renewal and accessibility of basic services. Some Member States highlighted the need to invest in rural resilience, also in view of the geopolitical situation and territorial security challenges.

Rural proofing as an instrument to support the complementarity of rural development policies

The majority of delegations pointed to the use of rural proofing at different levels as an important systemic solution to foster complementarity and synergy between the different instruments of rural support. At the same time, there were calls for it not constitute an additional administrative burden. Annex 2 contains the broader recommendations on rural proofing made by Member States in the separate discussions initiated by the Presidency before presentation of the Vision.

LEADER for rural development

Delegations pointed out that a very good instrument for supporting the activation of local communities and supporting bottom-up development initiatives in rural areas is and should remain the LEADER programme.

- Horizontal objective of the Vision

Ensuring adequate infrastructure for the development of digitalisation in agriculture and <u>rural areas</u>

Delegations qualified the digital accessibility and telecommunication infrastructure, including broadband and 5G, as very important prerequisites for the development and implementation of digitalisation in agriculture and rural areas. These require funding from various sources and very often a commitment of public resources. Some delegations stressed the importance of digital accessibility as a basis for the overall development of the rural economy. Digitalisation was also pointed out as an important factor in promoting generational renewal in agriculture and rural areas.

Necessary funding to support the implementation of innovation

Delegations pointed to the provision of diverse and appropriate financial instruments, including accessible and favourable loans, to allow farmers to put innovation and new solutions into practice. It was stressed that these solutions should be tailored to the specificities of agriculture and to the needs of SMEs operating in the sector and in rural areas.

Essential support for advice and training

The majority of delegations pointed to widespread and easy access to training and advisory services as a key factor for achieving many of the elements and objectives of the Vision, so that farmers, both new and experienced, as well as inhabitants of rural areas, could acquire the right skills and competences. An adequate advisory system was pointed out in this context.

The training programme should cover elements facilitating farm management, the introduction of new solutions (e.g., no-tillage, regenerative farming, precision and climate smart farming, new techniques for irrigation, the use of digital technologies), and entrepreneurship, modern technologies in the agri-food sector, and the establishment and development of rural businesses.

The need to create and develop systems to exchange knowledge, share experiences, new solutions and good practices, including using hubs, digital collaboration and communication platforms, was also pointed out.

Research and development - a key element of the EU' agricultural and food strategy

Delegations stressed that research and innovation, funded through various sources, including European research programmes, would play an important role in achieving the objectives and priorities of the Vision. Delegations stressed that research was crucial for the competitiveness and resilience of the European agri-food sector, for improving the sector's environmental performance (including in livestock production), for reducing dependence on imports of key inputs such as feed protein and fertilisers. The importance of investing in research on new resistant plant varieties (including new genomic techniques) and animal genetics was emphasised. The importance of cooperation between science and practice was also emphasised, including support for European Innovation Partnerships (EIPs).

The Presidency questions to guide the discussion on the Vision and its objectives

First objective

- The Vision refers to the need for farmers to get revenue from various sources of the market, including new complementary income sources. Do you find this achievable and, if so, what is the best way to reach this objective, taking into account market, climatic and structural challenges?
- How to reconcile the stronger targeting of support to farmers that actively engage in food production, advocated in the Vision, with the premise of directing support towards farmers who need it most, keeping in mind the objective of a simplified CAP?
- Do you see space and instruments for greater CAP involvement in generational renewal in agriculture? If so, please give examples.
- The Vision envisages the building of an ambitious investment agenda. What new elements do you think should appear in this agenda and which existing ones can be used in a smarter way in the future?

Second objective

- Do you consider the Commission's plans outlined in the Vision to be sufficient to strengthen the competitiveness and resilience of the European agriculture? If not, what further actions do you suggest?
- While recognising that the EU's livestock sector has an important economic role for EU agriculture and at the same time a positive impact on, e.g., maintaining biodiversity and providing a natural source of fertilisers, it also negatively impacts the environment and climate. How can CAP instruments reduce this negative impact of the EU's livestock sector, while maintaining the competitiveness of production and high EU standards in this sensitive sector?
- The EU agricultural sector is dependent on imports of key inputs such as fertilisers, protein and energy. What actions do you see as necessary to reduce that dependency, in a way that would also create new opportunities for the agricultural sector?

<u>Third objective</u>

- What is your understanding of a voluntary benchmarking system for on-farm sustainability assessments? Do you have any national experiences and examples of good practice that you could share with other Member States and the Commission?
- How could we encourage more actions to promote water resilience and soil health?

Fourth objective

- How can synergies and complementarities among different policies be used to enhance the competitiveness, resilience and vitality of rural areas? Could you share any good examples of how coordination of funding instruments benefited rural areas in your member state?

Horizontal objective

- What priority action can the Commission, in addition to the measures provided by the CAP, take to create an enabling environment for innovation and new technologies in food and agriculture, and to provide farmers with the widest possible access to those?
- What enabling conditions and support instruments are needed to accelerate the digital transition in agriculture and in rural areas?

Recommendations on rural proofing

Member States supported a wider use of rural proofing in the programming of EU funds and policies beyond 2027 during the discussions that took place at the meeting of the Special Committee on Agriculture on 3 February 2025 and at the meeting of the Agriculture and Fisheries Council on 24 February 2025. They noted at the same time that this should not entail additional administrative burdens. The implementation of the rural proofing by all Directorates-General of the European Commission is expected to bring greater complementarity and synergy between the different instruments of support for rural development.

The Presidency presents the key recommendations expressed by delegations for the EU Commission on the application of the rural proofing within the framework of EU policies and funds beyond 2027.

- Rural proofing is worth applying to all EU policies and funds beyond 2027 to ensure their contribution to sustainable rural development and their coherence and complementarity with Common Agricultural Policy instruments.
- Greater cooperation and involvement of the other Directorates-General (not only DG for Agriculture and Rural Development) in rural development programming and funding beyond 2027 is desirable.
- 3) EU funds and policies (including cohesion policy) beyond 2027 need to be better coordinated so that rural development needs are adequately addressed.
- 4) Tools and access to high quality data to monitor the impact of EU funds and policies on rural development based on a common set of indicators should be further developed. It is advisable to strengthen analysis and research on the impact of policies on rural development and for the Commission to set up a network of Rural Observatories across the EU.

- 5) As part of rural proofing, the Commission should continue to assess the impact and effects of draft EU legislation on rural development and regularly review the EU policies for their impact on rural development. This should not be reduced to ex-ante assessments only. Analyses of legal solutions developed by the Commission should also include ex-post evaluations.
- 6) Rural proofing should be a voluntary mechanism at country level and its dissemination must not impose additional administrative burdens by the Commission on Member States.
- Rural development should be a priority for all policies projected by the Commission after 2027, taking into account the diverse needs of rural areas in Member States.
- 8) As part of rural proofing, the Commission should strengthen the dialogue with stakeholders of EU policies and funds so that feedback from local rural communities can be obtained.