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General Secretariat

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INFORMATION

From: To:	General Secretariat of the Council Delegations
N° Cion doc.:	ST 11733 2025 ADD 1 + ST 11733 2025 ADD 1 COR 1 + ST 11733 2025 INIT
Subject:	Working Party on Horizontal Agricultural Questions (Post-2027 CAP) on 14-15 July 2026 - Presentation from the Commission on Targeting of CAP interventions

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How to ensure a better targeting of CAP interventions ?

Illustration of concrete example and a related programming aspects

Council WP HAQ - 14-15 July 2026

European Commission

General disclaimer

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For **illustrative purposes only**, this presentation provides **fictional and partial examples of National and Regional Partnership Plans**, with the aim of clarifying the delivery model and some of the main programming steps that Member States and their regions will need to undertake when preparing and implementing their Plans.

The requirements presented in the slides are based on the Commission's proposal and do not reflect the changes introduced by the Presidency in the compromise texts.

Targeting and differentiation: objective

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- Support to go to those who need it most (Vision for agriculture and food)

- Current distribution of decoupled income support quite uneven

Beneficiaries	Payments	Area	Minimum amount of DABIS (equivalent) per farm	Average amount of DABIS (equivalent) per farm
Top 20%	77.4%	79.4%	4,432	16,740
Top 10%	61.8%	64.6%	9,578	23,699
Top 5%	44.7%	47.7%	17,661	34,294
Top 1%	21.0%	23.1%	39,721	68,753

Source: COM own calculations.

Targeting and differentiation: means

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- Targeting via choice of interventions
  - Coupled income support
  - Payment to small farmers
  - ANC payment

- Targeting within a single intervention (DABIS, ANC, Investments, etc)

- Effectiveness versus efficiency.
  - Income assessment not on an individual basis
  - There is flexibility for member States to target specific groups of farmers
  - Keep it simple

Targeting and differentiation: process

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1. Analysis. What is the relative income of different types of farmers? Examination of farmers' income from agricultural activity in a representative reference period (data source, reference period etc to be decided by MS). What lessons have you learnt from evaluations?

2. Policy decision. What group of farms is to receive extra support, apart from young farmers?

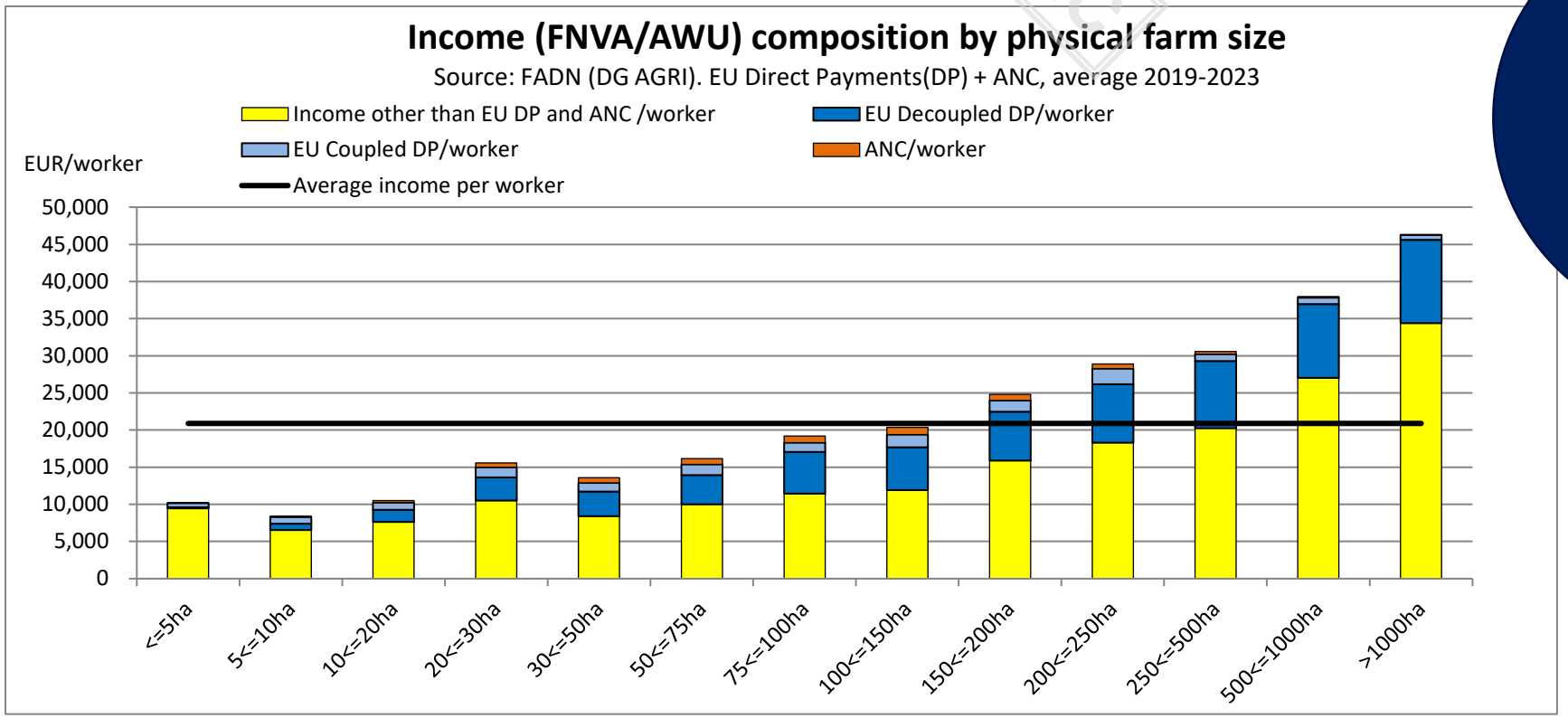
3. Choice of interventions, design of interventions, payment per eligible hectare or lump-sum? What payment levels/limitations?

4. For DABIS, check compliance average 130/240 €/ha range

5. Estimation of product and planned use of money resulting from degressivity and capping

Example A
Targeting and differentiation: analysis 1

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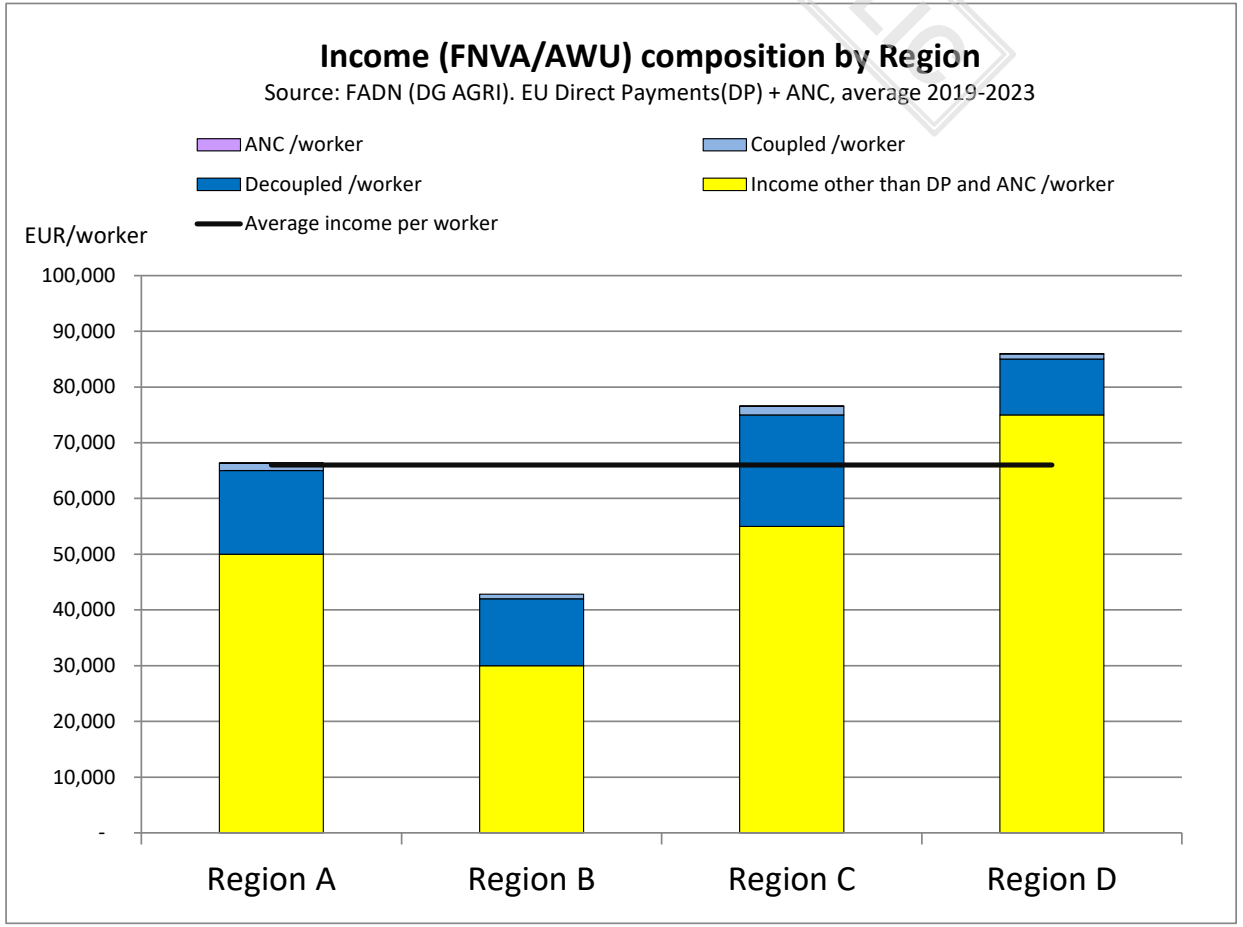


FSDN latest available 5- year average

Note: Member States are invited to use the most recent data available at national level

Example A
Targeting and differentiation: analysis 2

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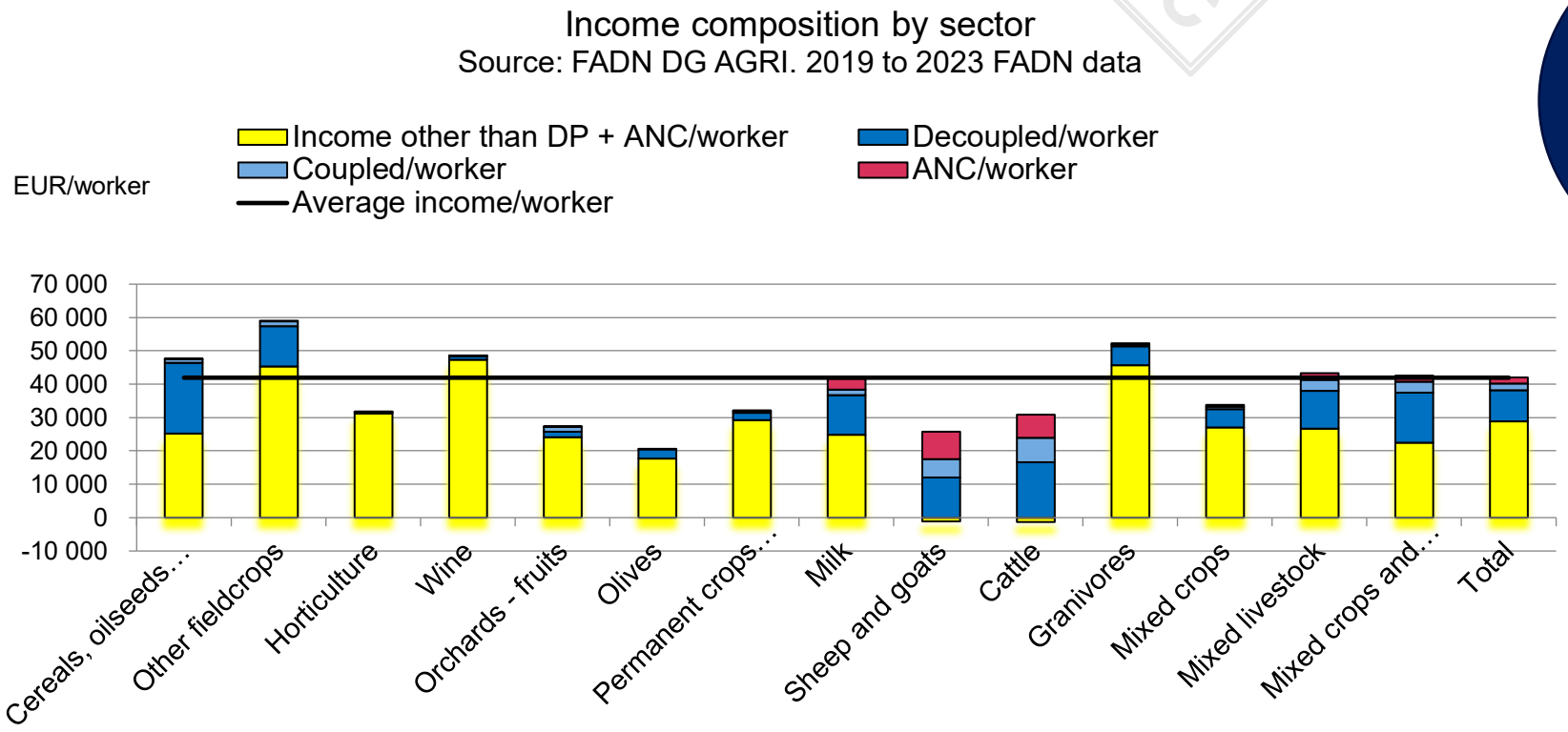


FSDN latest available 5 Y average

Example A
Targeting and differentiation: analysis 3

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FSDN latest available 5 Y average



Example A
Targeting and differentiation: policy decision 1

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- NB: the regulation makes it mandatory to increase support for young farmers!

- Physical farm size:
  - in the example, all farms smaller than 150 ha have incomes below the average
  - the Member State wants to focus support on full time farmers that have the most pronounced income needs (the smallest farms are mostly part time farmers)
  - support to farms smaller than 10 ha can be offered via the Payment for small farmers (Art 7)

  Decision: increase support to farms between 30 and 75 ha

Example A
Targeting and differentiation: policy decision 2

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- Regional differences
  - in the example, the 4 regions have different income levels with the farm income in region B substantially below the average.
  - the differences are not explained by specific sectoral differences

  Decision: increase support to farms in region B

- Sectoral differences
  - in the example, the sectors orchards, olives, sheep & goats and beef cattle have substantially lower than average incomes

  Decision: focus coupled support on sheep & goats and on beef. Support the olive sector via a sectoral programme.

Example A
Targeting and differentiation: Intervention design 1

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- In the example, the Member State decides to pay DABIS per hectare but to pay the obligatory increased support for young farmers as a lump sum (the young farmers also receive the per hectare payment that is applicable for their category of farm).

- As a result, this Member States has the following differentiation:

  - Standard per hectare payment: 130 €/ha

- - Young farmers additional lump sum: 5 000 €
  - top up Medium size farm (between 30 – 75 ha): +60 €/ha
  - top up Region B farm: +20 €/ha
  - all top ups cumulative

- The Payment for small farmers is set at 2500 €
- Coupled support for sheep & goats and for beef cattle

Example A
Targeting and differentiation: Intervention design 2

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Farm of 50 ha:
DABIS: € 7 700
(Region A
130 €/ha + 60 €
top up medium
size farms 30 to
50 ha)

Farm of 90 ha,
region B

DABIS: €
16 200 (Region
B
(130+20) €/ha+
60 € top up
medium size
farms 30 to 75
ha)

Farm of 80 ha:
DABIS: € 13 100
(Region C
130 €/ha + 60 €
top up medium
size farms 30 to
75 ha)



Farm of 80 ha,
managed by a YF
DABIS: €18 100
(Region C 130 €/ha
+ additional lump
sum payment of €
5 000 + 60 € top up
medium size farms
30 to 75 ha)



Farm of 10 ha in
region A, dairy sector
**DABIS: 1300 € (10 x
130€)**

This farm would
normally apply for the
Payment for small
farmers



Targeting with Coupled Support

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Coupled income support

- Targeting additional income needs specific to sectors, products or types of farming **in difficulty**
- Possible eligibility criteria (or higher premia)
  - Size, e.g. prioritising small and medium-sized holding
  - Territorial, addressing additional needs of certain geographical areas
  - Sustainable practices, e.g. grass-based livestock systems, organic farming
  - Labelled quality products, geographical indications
  - Cooperation, e.g. PO or PG members
  - …

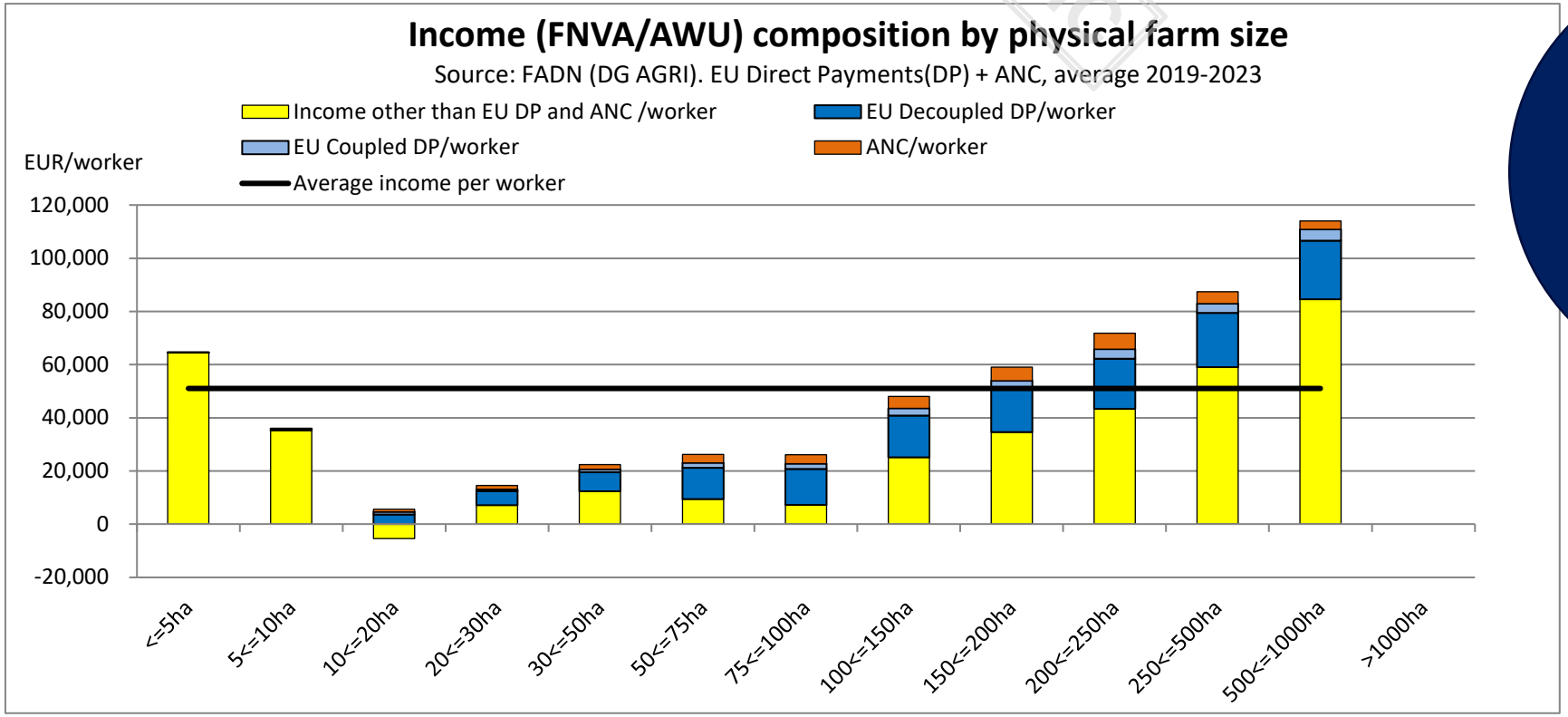
Targeting with ANC Support

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- Payment is related to the additional costs and income foregone of agricultural production compared to such activities in not designated areas
- Differentiation between areas (mountain – non-mountain – specific)
- Differentiation between farming systems
- Relation with DABIS

Example B
Targeting and differentiation: analysis 1

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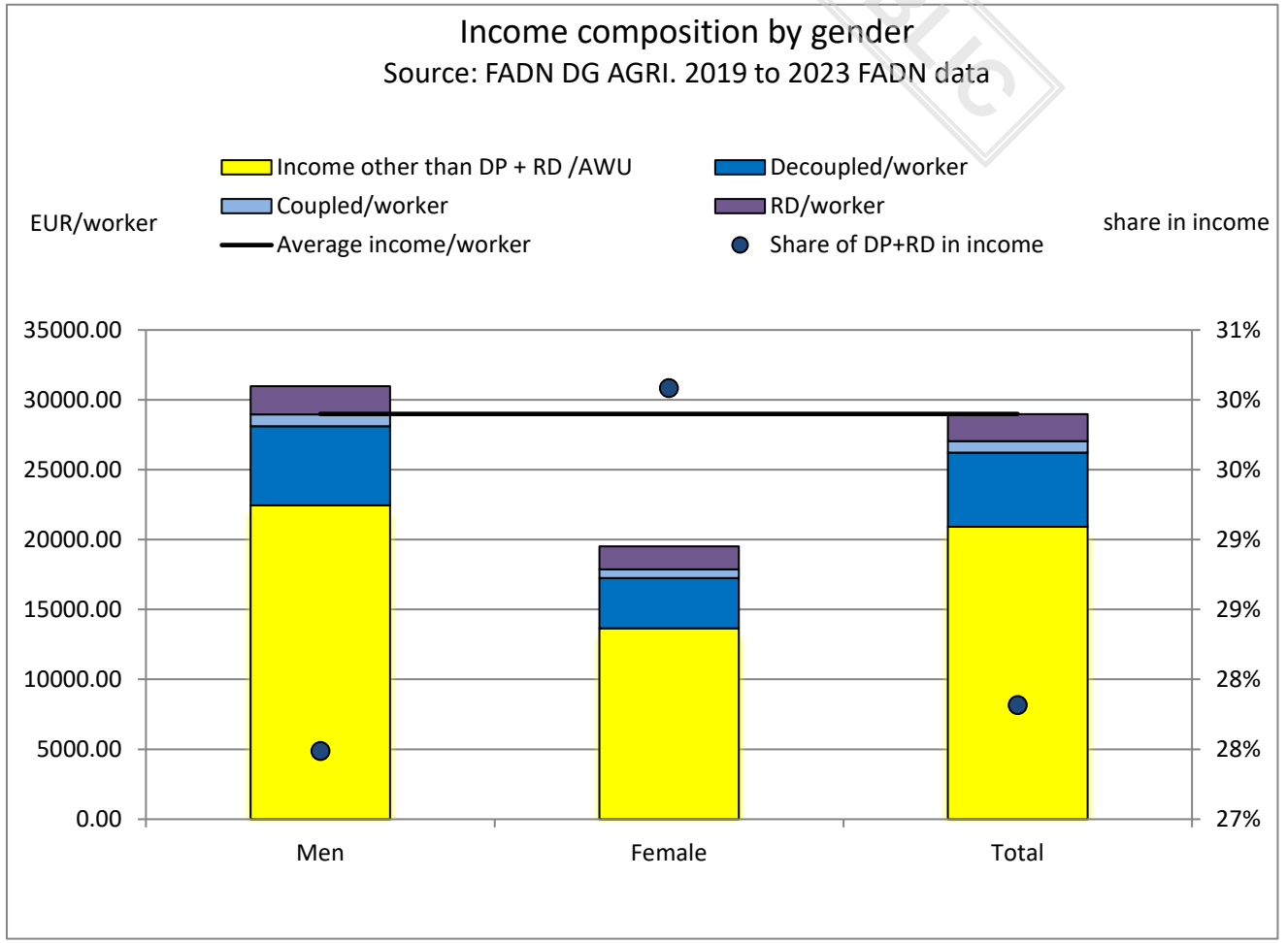


Based on national income data over 5 years

Note: Member States are invited to use the most recent data available at national level

Example B
Targeting and differentiation: analysis 2

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Based on national income data over 5 years

Example B
Targeting and differentiation: policy decision 1

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- NB: the regulation makes it mandatory to increase support for young farmers!

- Physical farm size:
  - in the example, the smallest farms have relatively high incomes. All medium sized farms with a size between 10 and 150 ha have incomes below the average even after CAP support.
  - 90% of the agricultural output in this MS comes from farms > 150 ha

  Decision: no DABIS differentiation based on farm size (degressivity and capping will apply to the biggest farms). A special investment and training package will be offered to the group of farms smaller than 150 ha to allow them to become more competitive.

- Women farmers have a substantially lower income. The MS decised to grant a 1000 € lump sum to all women farmers.

Example B
Targeting and differentiation: Intervention design 2

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- In the example, the Member State decides to pay a uniform DABIS per hectare and to pay the obligatory increased support for young farmers as a lump sum. Women farmers receive an additional lump sum as well.

- As a result, this Member States has the following differentiation:

  - Standard per hectare payment: 170 €/ha
- - Young farmers additional lump sum: 5 000 €
  - Woman farmer additional lump sum: 1 000 €

Check 130/240 €/ha planned average

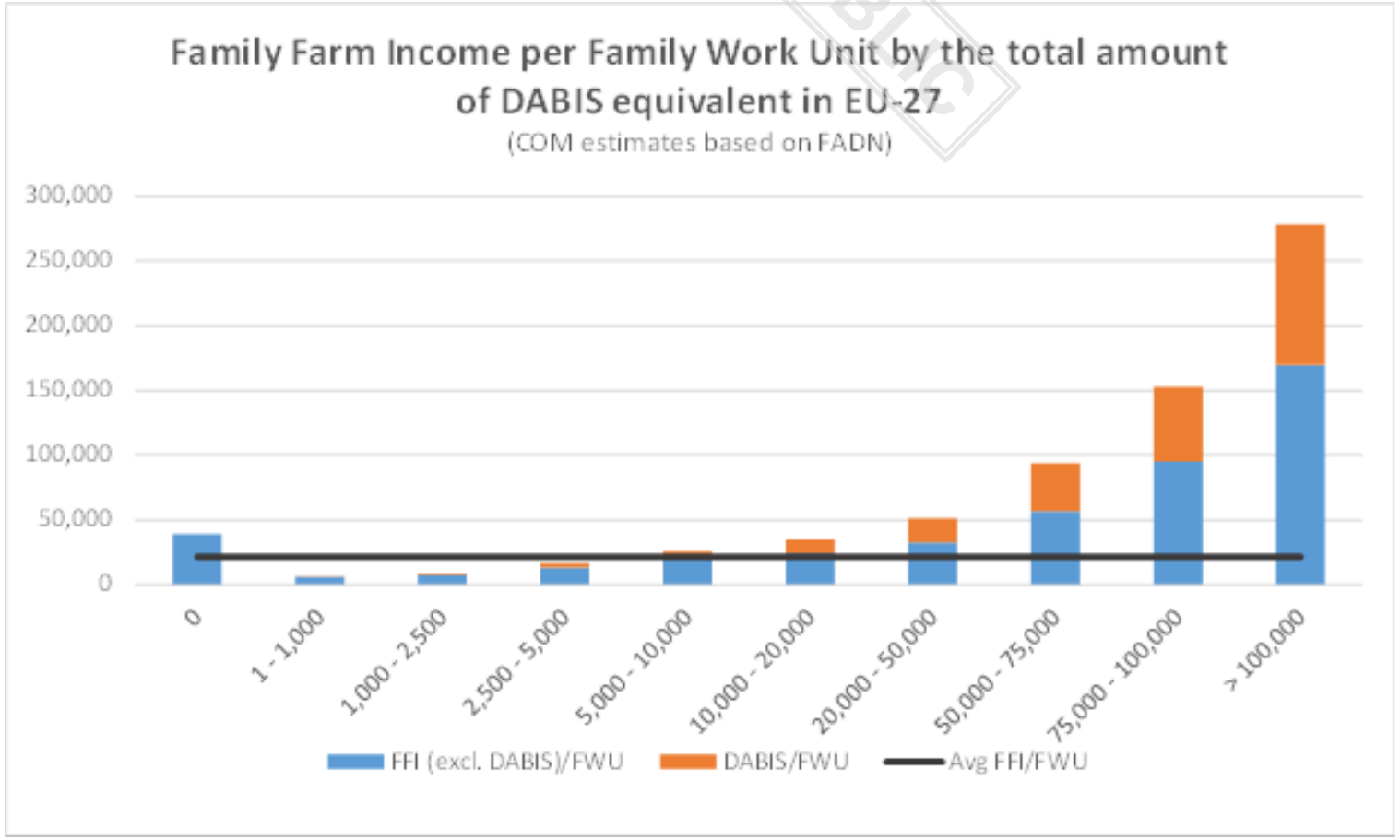
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- The planned average rate for DABIS is defined as:
  - the planned DABIS budget divided by the expected eligible area
- Therefore, this requirement does not have an impact on the principle of differentiation under DABIS (i.e. it does not change the budget nor the eligible area)
- In line with the proposed regulation, some groups of farmers or geographical areas might receive
  - Lower DABIS than 130 EUR/ha
  - Higher DABIS than 240 EUR/ha

  - Example:
    - the total NRPP planned to DABIS is 3 500 000 000€ (planned annual DABIS average is 500 000 000 EUR (=3 500 000 000 EUR/7Y)
    - total planned annual DABIS eligible area is 3 200 000 ha (annual average if relevant)
    - Verification: 500 000 000 EUR /3 200 000 ha = **156.25 EUR/ha**

Degressivity and capping

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DABIS: Degressivity and capping mechanism

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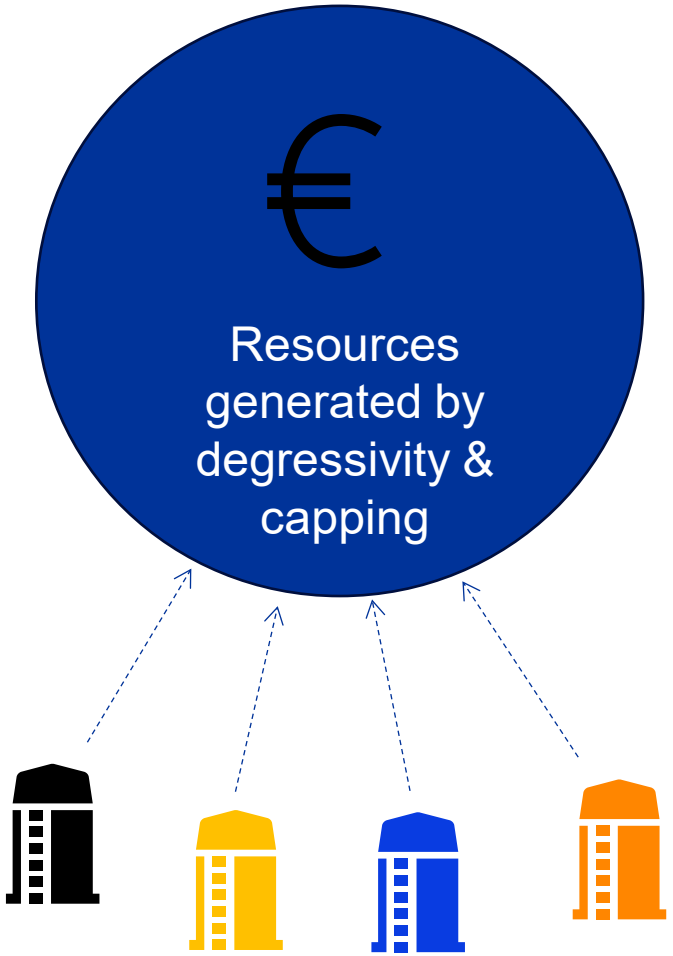
- **Degressivity:**
  - below 20k : no degressivity
  - 20 – 50k : 25% reduction
  - 50 – 75k : 50% reduction
  - Above 75k : 75% reduction
- **Capping:** max 100k per farmer per year (applies to DABIS > 255k)

DABIS before Degressivity and Capping (EUR)	Product of Degressivity (EUR)	DABIS after Degressivity (EUR)	Product of Capping (EUR)	DABIS after Degressivity and Capping (EUR)
20,000	n.a.	20,000	n.a.	20,000
50,000	7,500	42,500	n.a.	42,500
75,000	20,000	55,000	n.a.	55,000
100,000	38,750	61,250	n.a.	61,250
150,000	76,250	73,750	n.a.	73,750
200,000	113,750	86,250	n.a.	86,250
250,000	151,250	98,750	n.a.	98,750
255,000	155,000	100,000	n.a.	100,000
300,000	188,750	111,250	11,250	100,000

n.a. (not applicable)

Income support: flexibility in the use of product of degressivity and capping

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Payments also benefitting beneficiaries that have been capped.e.g.

- Investments in competitiveness
- Transition towards resilient production systems
- Coupled income support

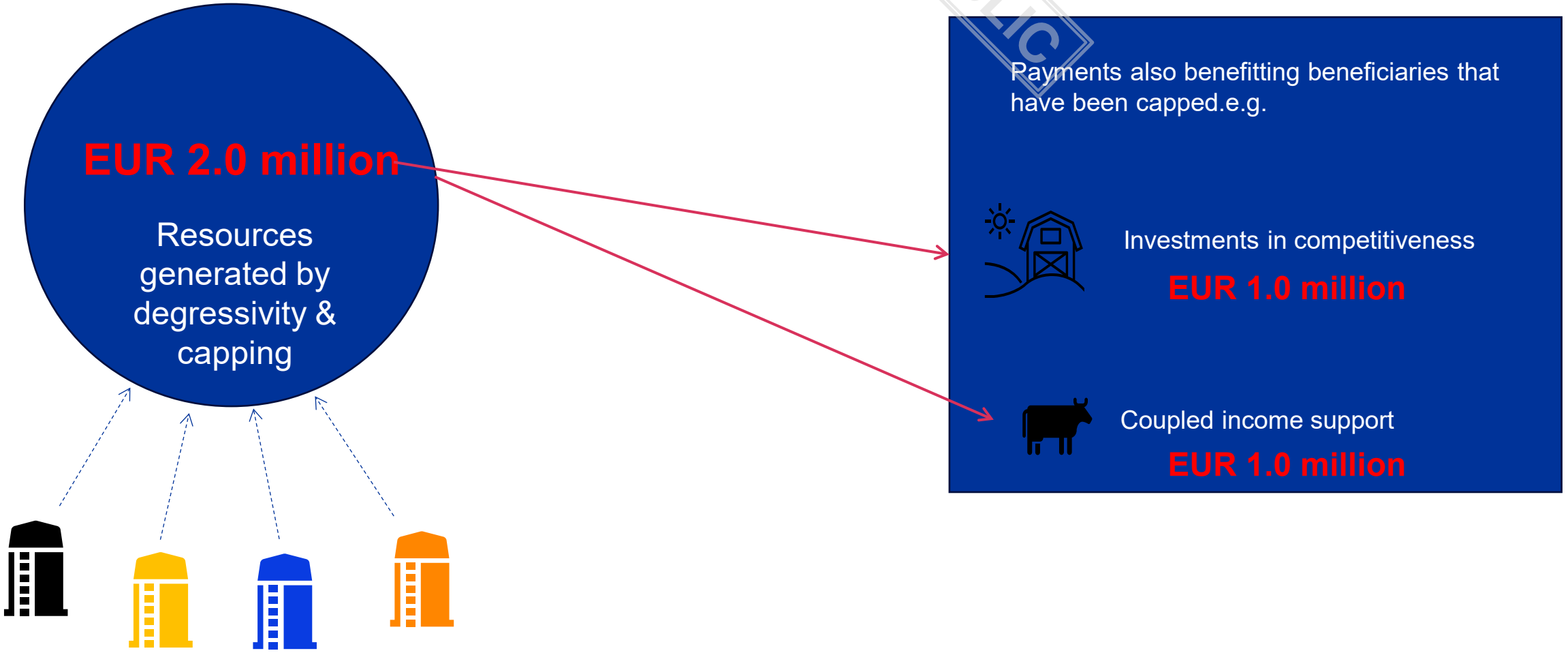
Payments benefitting other beneficiaries, e.g.

- Small farms support scheme
- DABIS (young, women, mountain farms…)

These examples are provided solely for illustrative purpose

Income support: flexibility in the use of product of degressivity and capping

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Any questions?