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CONTRIBUTION

From:	General Secretariat of the Council
To:	Delegations
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Subject:	Regulation establishing the conditions for the implementation of Union support under the CAP - Comments from Hungary on block I

Block 1. (Post-2027 CAP regulation) – Written Comments from HU

We would like to thank the Danish Presidency for the opportunity to provide written comments in relation to Block 1 on the post-2027 CAP Regulation. We agree that even in such a restricted working environment, the work of the Working Party on Horizontal Agricultural Questions (WP HAQ) has to continue in order to find adequate compromise solutions. Therefore we really much appreciate the opportunity to send written comments.

The Annex contains our reflection to **ST11733/25**.

We ask and thank the Presidency in advance to take our comments into consideration when further improving the legal text.

Budapest, 26/09/2025

Annex

General comments

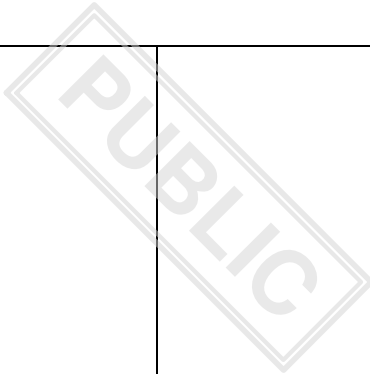
Hungary has already taken a firm stance on the CAP reform legislation for the period after 2027. We are fundamentally committed to a two-pillar CAP with its own budget, which must remain outside the NRP Fund. Based on the experience of previous programming periods, a mature, well-functioning CAP system has been established, which, with targeted simplifications, is an excellent and in many respects more advantageous alternative to the CAP under the NRP plan outlined in the Commission's proposal.

A significant part of agricultural regulation is currently included in the draft NRP Regulation. We are convinced, that all CAP related rules, including the ones on its implementation and performance, should be regulated in the CAP regulation. Therefore, I call upon the Presidency to present a structured analysis of which articles from the NRPP Regulation and the Performance Regulation should be assigned to the CAP regulation in terms of content, in particular those that directly concern agricultural measures and instruments. Putting these articles to the CAP regulation would not prejudice the heads of states decision on the single plan.

Article	Commission's Proposal	Drafting suggestions	Comments
<i>Article 1</i>	<p>Subject matter</p> <p>In order to ensure a strong, sustainable and resilient common agricultural policy, Union food security, generational renewal and vibrant rural areas, this Regulation lays down specific conditions for the implementation of the Union support for the common agricultural policy (CAP) in accordance with the general objective laid down in Article 2, point (c), of Regulation (EU) [...] [NRP].</p> <p>This Union support shall be provided under the National and Regional Partnership Fund (the 'Fund') in accordance with the rules governing that Fund laid down in Regulation (EU) [...] [NRP].</p>	<p>[...] This Union support shall be provided under the National and Regional Partnership Fund (the 'Fund') in accordance with the rules governing that Fund laid down in Regulation (EU) [...] [NRP].</p>	<p>We do not support Article 1, which places the CAP budget under the National and Regional Partnership Fund. We insist on a two-pillar CAP with its own budget, which must remain outside the single fund.</p> <p>The already existing CAP delivery system started in 2023 is an appropriate and now well-developed alternative, incorporating the same performance- and strategic approach.</p> <p>We agree that Article 1 should be part of the negotiation-box, since the European Council must take decisions on these structural issues at the highest level.</p>
<i>Article 2</i>	<p>CAP national recommendations and steering</p>		

	<p>1. The Commission shall adopt CAP national recommendations providing guidance to each Member State for the implementation of the CAP-relevant specific objectives set out in Article 3, point (d), of Regulation (EU) [...] [NRP], within their NRP Plans in line with Article 22 of that Regulation in advance of the submission of the NRP Plans by the Member States. The CAP national recommendations shall be based on the following:</p> <p>(a) contribution to fair and sufficient income for farmers and their long-term competitiveness, including the farmers' position in the value chain;</p> <p>(b) improvement of attractiveness of the profession and foster generational renewal;</p> <p>(c) enhancing climate action, ecosystem services provision, circular solutions, the conservation of biodiversity and natural resources, sustainable farming and improve animal welfare;</p> <p>(d) improving resilience, farmers' preparedness and ability to cope with crises and risks;</p> <p>(e) enhancing the access to knowledge and accelerate innovation and the digital transition for a thriving agri-food sector.</p> <p>The CAP national recommendations may be updated by the Commission, as appropriate.</p> <p>2. The Commission shall base the CAP national recommendations on an analysis of</p>	<p>1. The Commission shall adopt CAP national recommendations providing guidance to each Member State for the implementation of the CAP-relevant specific objectives set out in Article 3, point (d), of Regulation (EU) [...] [NRP], within their NRP Plans in line with Article 22 of that Regulation in advance of the submission of the NRP Plans by the Member States. The CAP national recommendations shall be based on the following:</p> <p>(a) contribution to fair and sufficient income for farmers and their long-term competitiveness, including the farmers' position in the value chain;</p> <p>(b) improvement of attractiveness of the profession and foster generational renewal;</p> <p>(c) enhancing climate action, ecosystem services provision, circular solutions, the conservation of biodiversity and natural resources, sustainable farming and improve animal welfare;</p> <p>(d) improving resilience, farmers' preparedness and ability to cope with crises and risks;</p>	<p>Both the CAP and NRP draft legislation present national recommendations as practically mandatory for Member States to take into account, rather than merely being recommendations.</p> <p>On the Hungarian side, we cannot support the mandatory nature of the national recommendations for three main reasons:</p> <ul style="list-style-type: none"> - The Commission's proposal would restrict Member States' room for maneuver and give it excessive power by making the CAP national recommendations binding on Member States. This would create a stricter system compared to the current one. - The Commission would reserve the right to make changes to the CAP national recommendations, but making Member States to reconsider the plans that have already been adopted is a matter of legal certainty and stability. - Furthermore, it is unnecessary, unsuitable in planning and creates an additional administrative burden. The bottom-up nature of the plans must be preserved, rather than a top-down system, which we consider questionable and unnecessary. <p>We recommend deleting the whole article introducing national CAP recommendations and any references to them throughout the document. We have legal concerns in this regard. In our view, if something is considered important from a COM regulatory perspective, it should be included in the legislation.</p>
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	<p>the situation of the agricultural sector and rural areas, including demographic factors, structural and territorial characteristics as well as food security in each Member State.</p> <p>3. In the CAP national recommendations, the Commission shall in particular identify key challenges to be addressed by each Member State in their NRP Plan, on the basis of the CAP-relevant specific objectives set out in Article 3, point (d), of Regulation (EU) [...] [NRP].</p>	<p>(e) — enhancing the access to knowledge and accelerate innovation and the digital transition for a thriving agri-food sector.</p> <p>The CAP national recommendations may be updated by the Commission, as appropriate.</p>	<p>In line with Article 3, point (d), of Regulation (EU) [...] [NRP], the recommendation shall also be based on the objectives of stabilising agricultural markets, promoting the consumption of certain products, and enhancing the marketing of various products.</p> <p>2. The Commission shall base the CAP national recommendations on an analysis of the situation of the agricultural sector, taking into account the development of agricultural markets and rural areas, demographic trends, structural and territorial characteristics, as well as food security in each Member State.</p>
<p><i>Article 5</i></p>	<p>Types of support</p> <p>1. The following CAP interventions are set out:</p> <ul style="list-style-type: none"> (a) degressive area-based income support; (b) coupled income support; (c) crop specific payment for cotton; (d) payment for natural and other area specific constraints; (e) support for disadvantages resulting from certain mandatory requirements; (f) agri-environmental and climate actions; (g) payment for small farmers; (h) support for risk management tools; (i) support for investments for farmers and forest holders; (j) support for setting-up of young farmers, new farmers, rural business and start-ups and development of small farms; 	<p>[...]</p> <p><u>(i) support for investments for agriculture, food processing and forestry</u></p> <p>[...]</p>	<p>The definitions need to be harmonized between the two legislations to avoid misunderstandings.</p> <p>Article 5(1) can be considered a duplication of Article 35(1) of the NRP Regulation, but there is a contradictory difference in content between the two articles, given that the CAP legislation contains one more element - the ((s) crisis payment), which only appears in the CAP legislation. In order to avoid misunderstandings, it is necessary to avoid duplication and to harmonize the two draft legislations. Furthermore, it is important that the (s) crisis payment instrument should be included in the list of interventions. Limitation of investment supports to farmers and forest holders is not fulfilling the objectives of the CAP. Group of farmers and forest holders, as well as the valuta added proshution of agricultural products and food processing should be included. Investment supports outside the income support changes the implemetation rules for the food sector comparing to the current period under CAP SP, that creates unnecessary disadvantages and burden for this type of support.</p>



<p>(k) support for farm relief services; (l) LEADER; (m) support for knowledge sharing and innovation in agriculture, forestry and rural areas; (n) territorial and local cooperation initiatives; (o) interventions in outermost regions; (p) interventions in smaller Aegean islands; (q) EU school scheme referred to in Title I, Part II, Chapter IIa, of Regulation (EU) No 1308/2013 of the European Parliament and of the Council ; (r) interventions in certain sectors referred to in Title I, Part II, Chapter IIa, of Regulation (EU) No 1308/2013; (s) crisis payments for farmers.</p>		
<p>2. Interventions referred to in paragraph 1, points (a) to (k), and interventions in certain sectors referred to in Title I, Part II, Chapter IIa, of Regulation (EU) No 1308/2013 shall be income support interventions to be financed from the Fund in accordance with Article 10(2), point (a), second subparagraph, of Regulation (EU) [...] [NRP].</p>		<p>According to the draft NRP regulation, no earmarked amounts are available to finance certain parts of rural development support (which currently runs under the second Pillar of the CAP). At the same time, the draft CAP regulation makes the implementation of several elements of the current CAP Pillar II (knowledge transfer, LEADER etc.) mandatory. Therefore, dedicated resources are needed for those rural development measures that are included in the list but are not provided for in the draft regulation from the CAP budget.</p>
<p>3. Production of hemp varieties with Tetrahydrocannabinol (THC) content exceeding 0,3% shall not be eligible for support under this Regulation.</p>		<p>no specific comment</p>

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We also have questions regarding Articles 3 and 10 of draft ST11733/25, which was discussed on September 17, 2025, within the framework of WP HAQ. We are aware that these articles belong to Block 2, but we need most of the background information for the Council debate, so we would like to receive answers to our questions as soon as possible.

Questions relating to Article 3 of the draft regulation on the conditions for implementing EU support under the CAP for the period 2028-2034 (11733/25):

At the consultation held on 17 September 2025, the vast majority of Member States said they would like to see social conditionality removed from Farm Stewardship. What is the Commission's position on this?

The draft refers to the term 'other beneficiaries' in several places, but its meaning is unclear. We would ask the Commission to provide a written response explaining who this term covers.

In the event of a change in the guidelines underlying the SMRs, will the date of application be the date of the change in the guidelines or 1 January of the following year?

Based on a preliminary analysis of DABIS, under the degressivity and capping rules, area-based basic support will be withdrawn above a certain area size. The situation of hectares not receiving payments due to capping needs to be clarified. It would not be reasonable to impose conditions on farmers for hectares above the capping threshold without providing compensation. The question is therefore whether it is necessary to comply with the Farm Stewardship conditions for areas that are not eligible for payments due to the capping rule. In the absence of fair compensation, how can farmers be expected to comply with the strict conditions?

One of the key differences between the current system and the envisaged future system is that protective practices (former GAEC requirements) are not part of the baseline in Farm Stewardship, so only the SMR requirements remain in the baseline. In other words, compliance with SMR requirements will be the basic condition for the allocation of subsidies. However, compliance with protective practices, i.e. the current GAEC requirements, will also be mandatory for farmers, but can the Member State provide support for compliance? And will all other payments be based on this support? In other words, protective practices are mandatory, but they are not a basic condition for the allocation of support, rather an element that is mandatory for both Member States and farmers, which is added to the basic support?

Questions relating to Article 10 of the draft regulation on the implementation conditions for EU support under the CAP for the period 2028-2034 (11733/25):

We foresee implementation difficulties. Due to the AEC and other programmes announced in the CAP SP, a transitional period will definitely be necessary, as their commitment period may cover the year 2029 in some cases. When does the Commission plan to draw up the transitional rules?

This article combines many rural development and direct support measures known from previous CAP cycles: eco-scheme, AEC, organic farming, forest and environmental protection, preservation of the genetic stock of native animals, animal health, animal welfare, and the fight against antimicrobial resistance. We intend to retain these forms of support in the new programming cycle. Are we right in thinking that we will be able to do so?

Regardless of the fact that the eco-scheme and AEC are mentioned in the same article, we see no obstacle to continuing them separately. We would like clarification on whether we are correct in thinking that we will be able to continue with the current green structure in the new programming cycle?

The question arises as to how farmers participating in the 5-year AEC commitment launched in the 2023-25 period will be able to access these new subsidies announced under a different structure. Can these be operated in parallel?

Is the transition action plan referred to in paragraph 4 and the related transition payment mandatory for Member States? If so, how should it be implemented? Farmers receive the basic payment and, for fulfilling the requirements set out in the protective practices built on top of it, they receive a payment on top of the basic payment. In addition, they can participate in the eco-scheme and, if they have not yet participated in organic farming but would like to, they must prepare a transition plan for the transition. If they meet the requirements, can they receive the transition support?