

Financing, Management and Monitoring of the CAP

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AUTOR: Martin Pýcha

WWW.ZSCF.CZ
Zemědělský svaz ČR
Hybernská 38, 110 00 Praha 1





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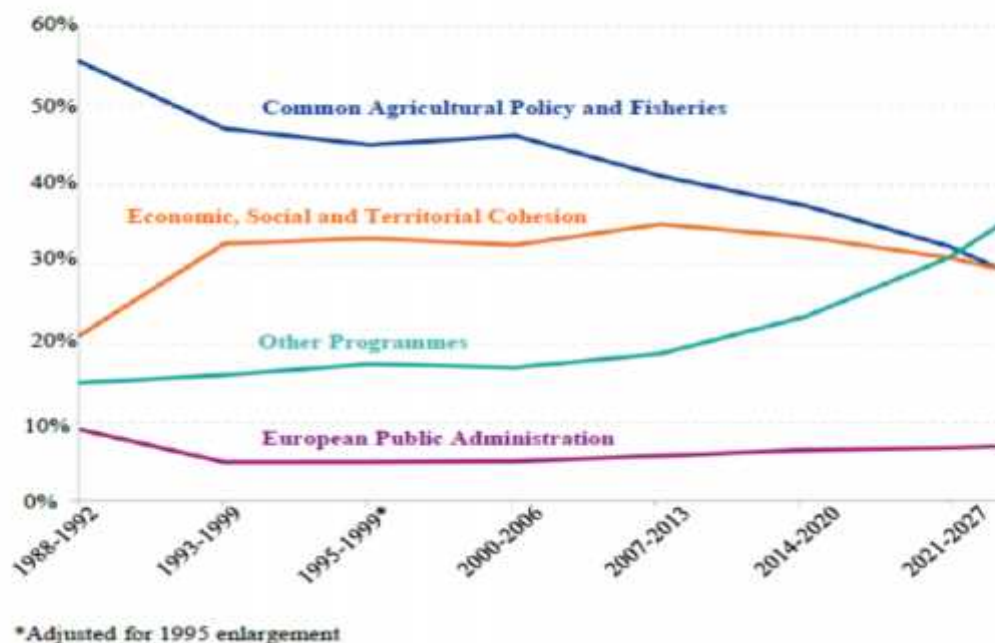
Contents:

- 1. Budget for the Common Agricultural Policy**
- 2. Management and monitoring of the CAP**

Multiannual financial framework

- Proposal total budget of € 1135 billion for the period 2021-2027
- MS should increase their national contributions to 1.114% of GNI

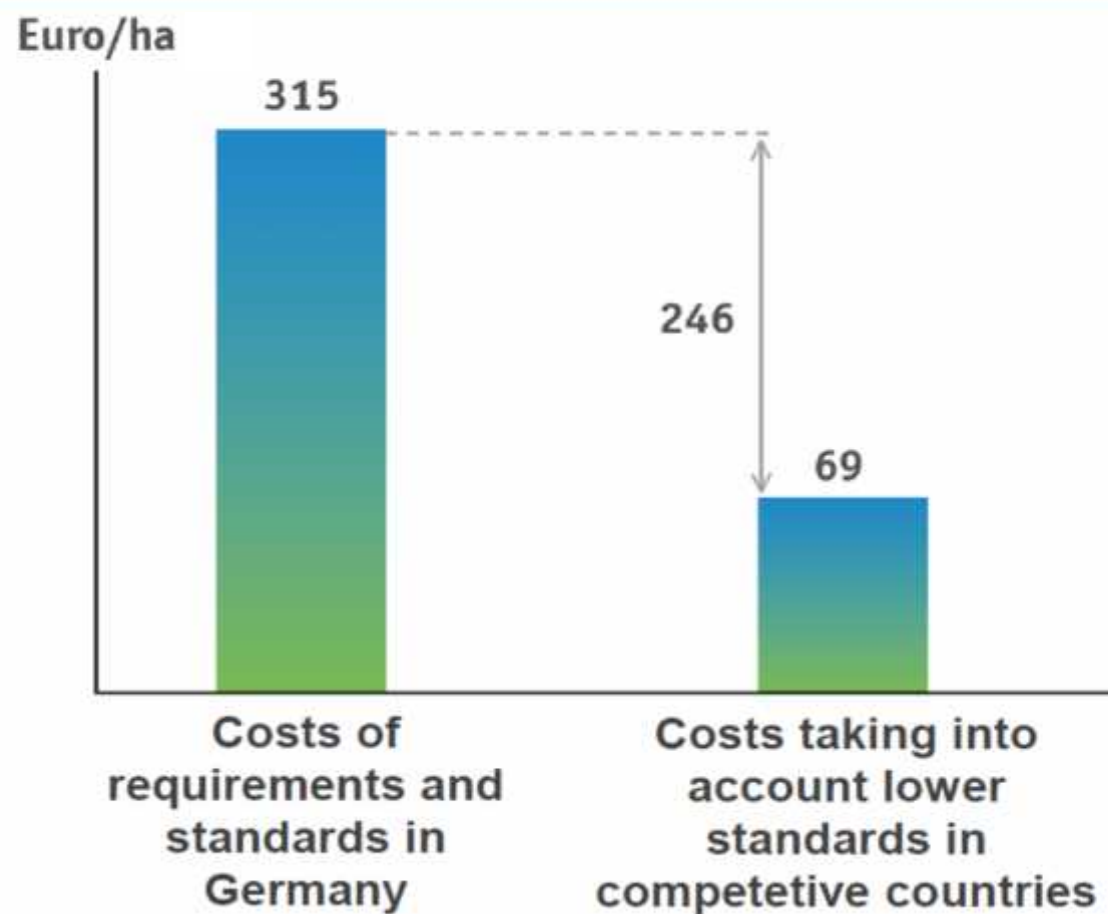
Development of the EU budget in key policies



Draft Budget for the Common Agricultural Policy

- Envelope for direct payments – 3,9% reduction
- Envelope for 2nd Pillar - different cuts for individual countries
- Agricultural crisis reserve – 400 mil. EUR/year

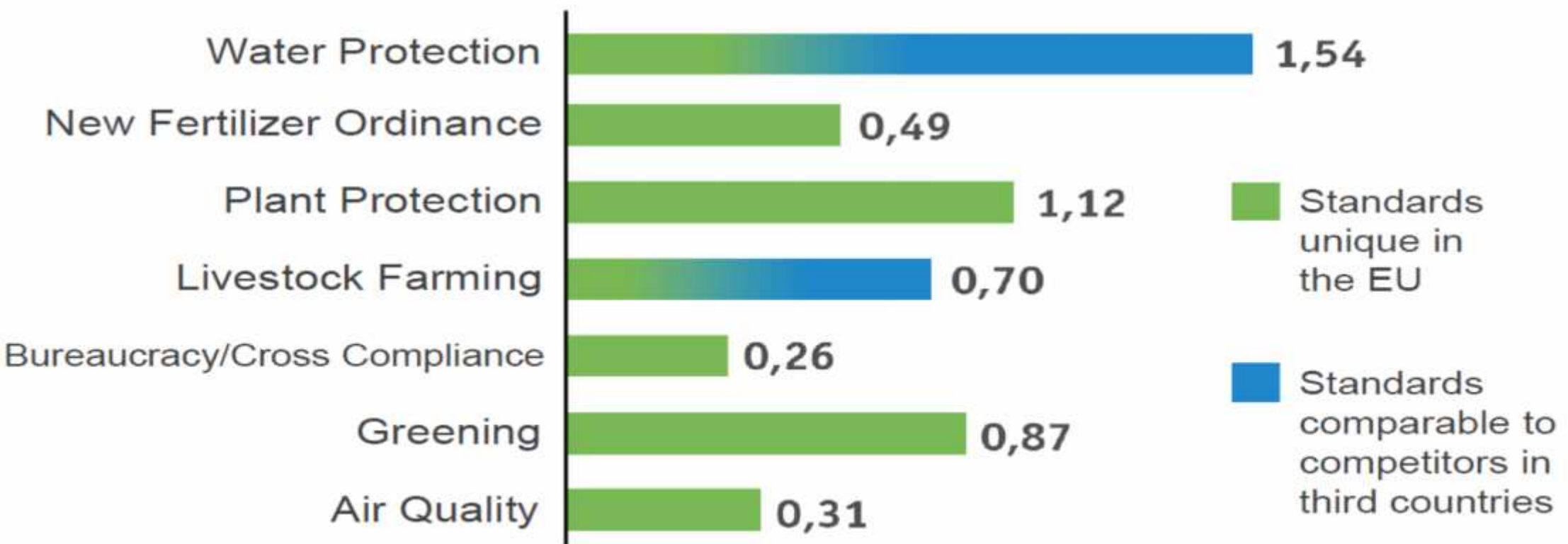
- Requirements and standards compared to competitive countries



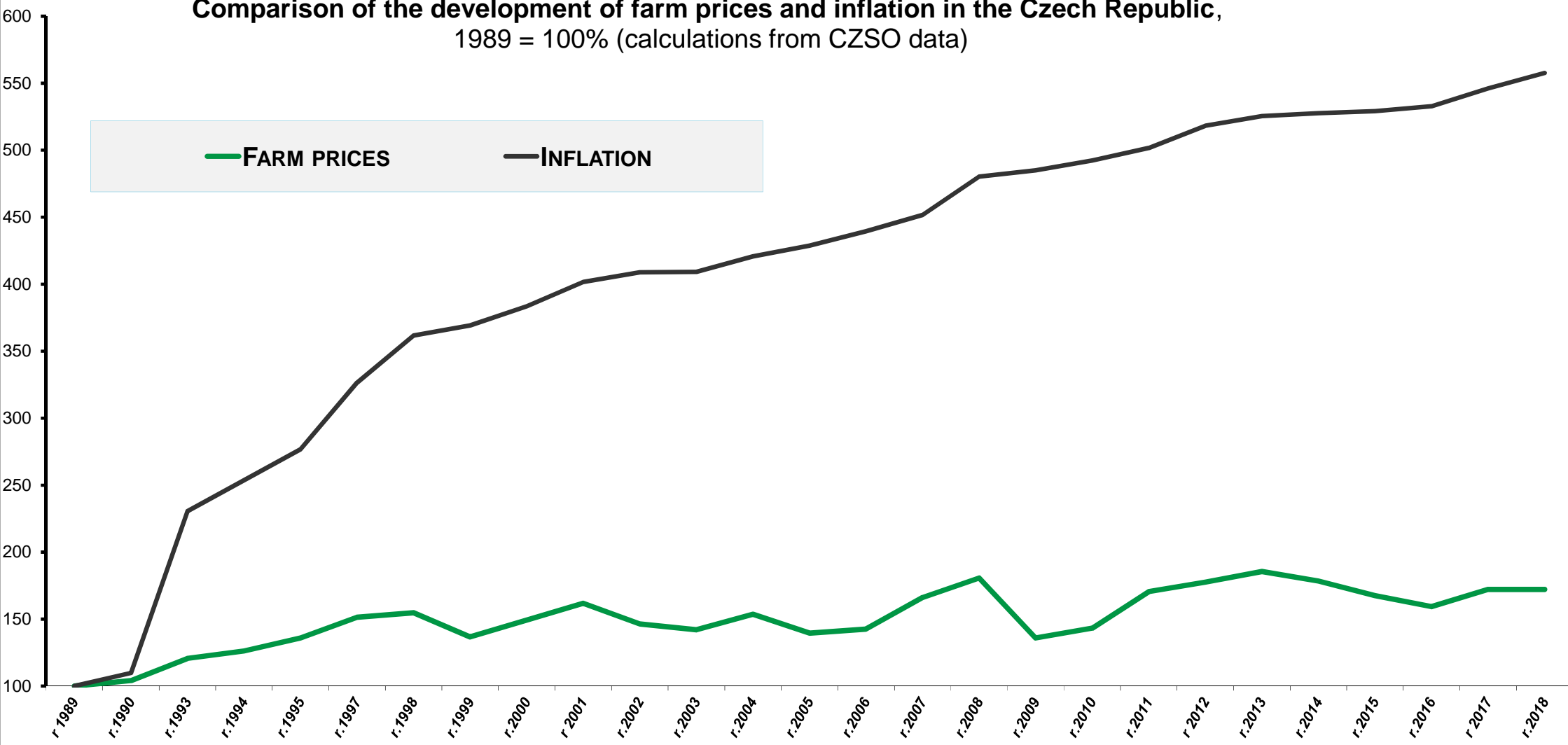
Costs of agricultural standards and regulations (III)

- Accumulated costs of the herein included standards and regulations

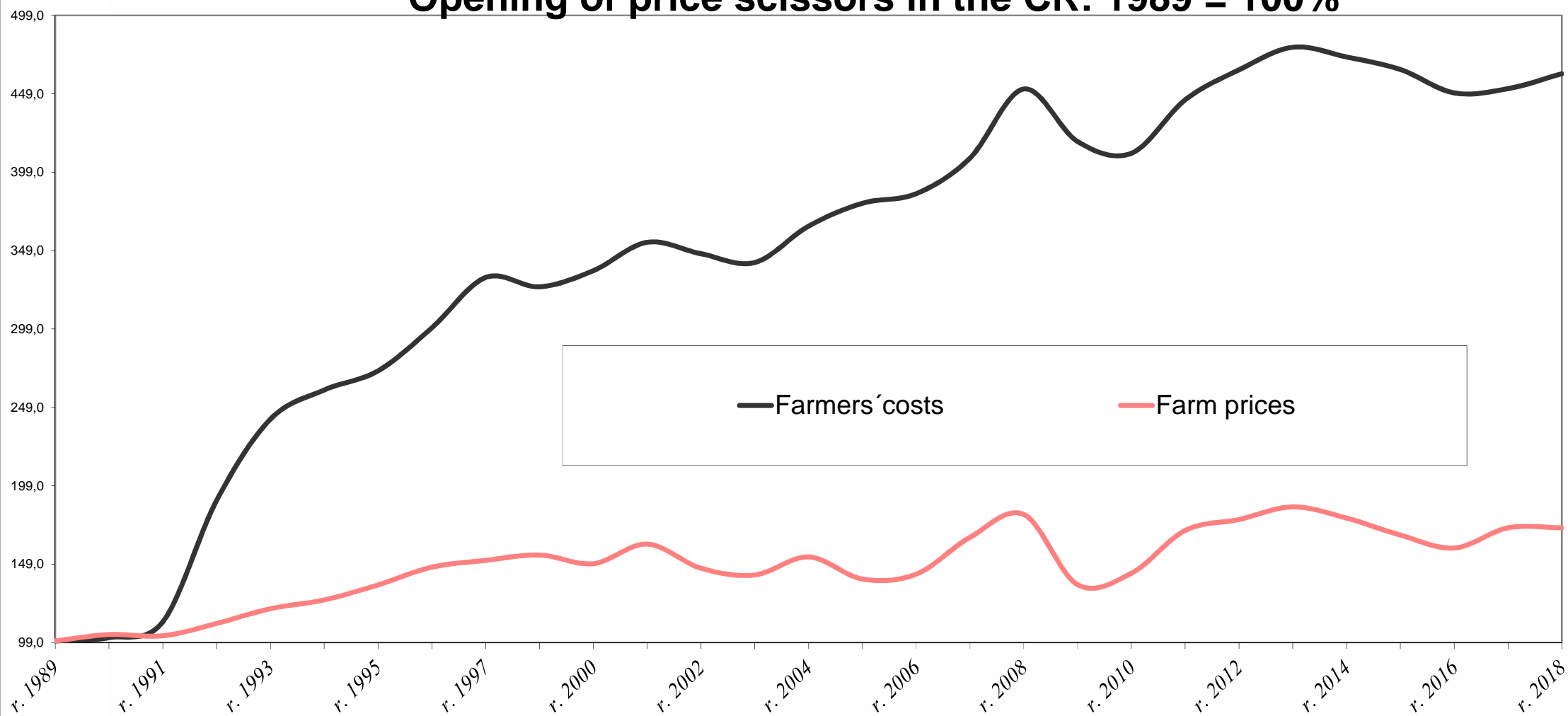
- While avoiding double counting, costs for all included environmental standards and regulations amount to **over 5.2 billion EUR** or **315 EUR/ha** in Germany.



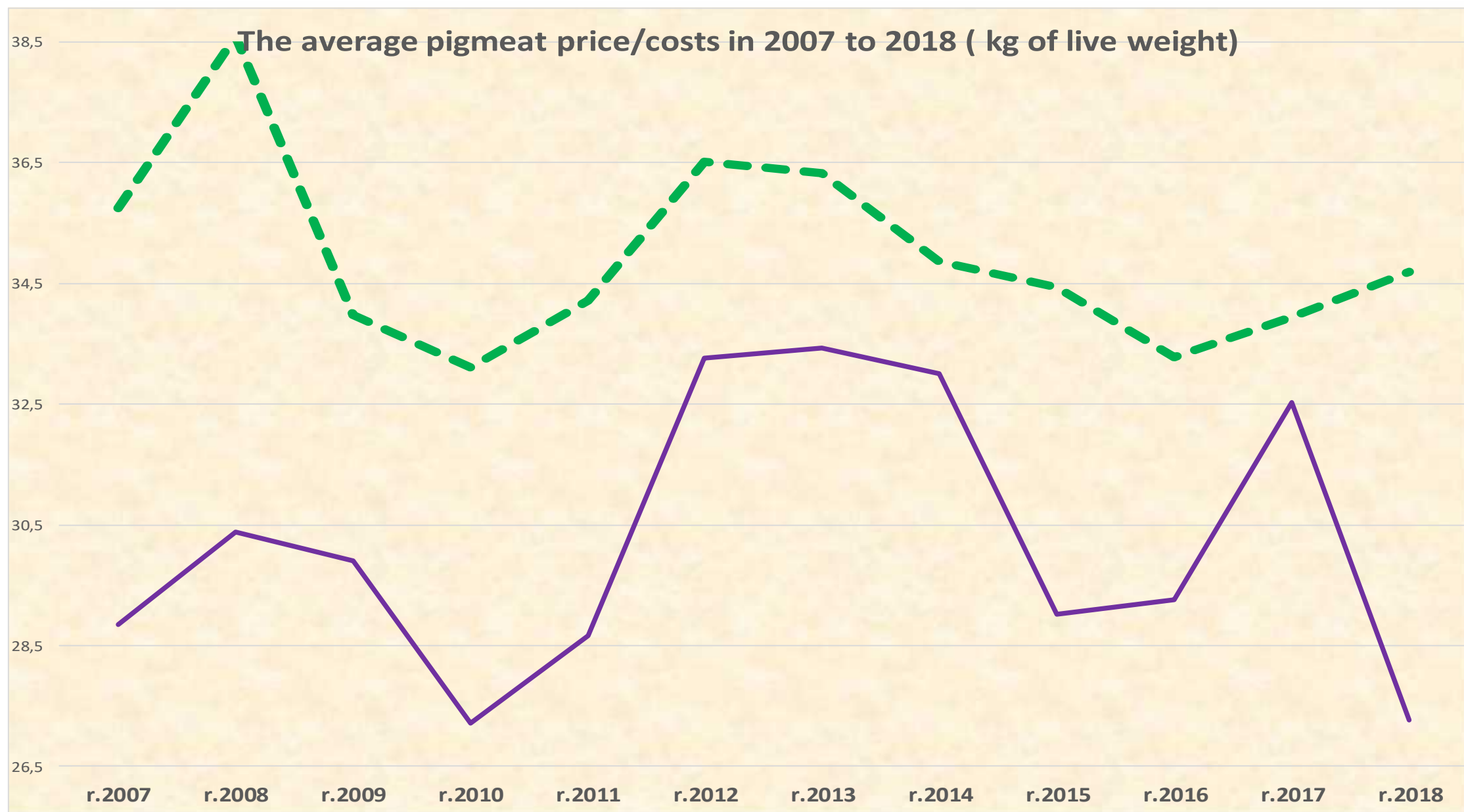
Comparison of the development of farm prices and inflation in the Czech Republic, 1989 = 100% (calculations from CZSO data)



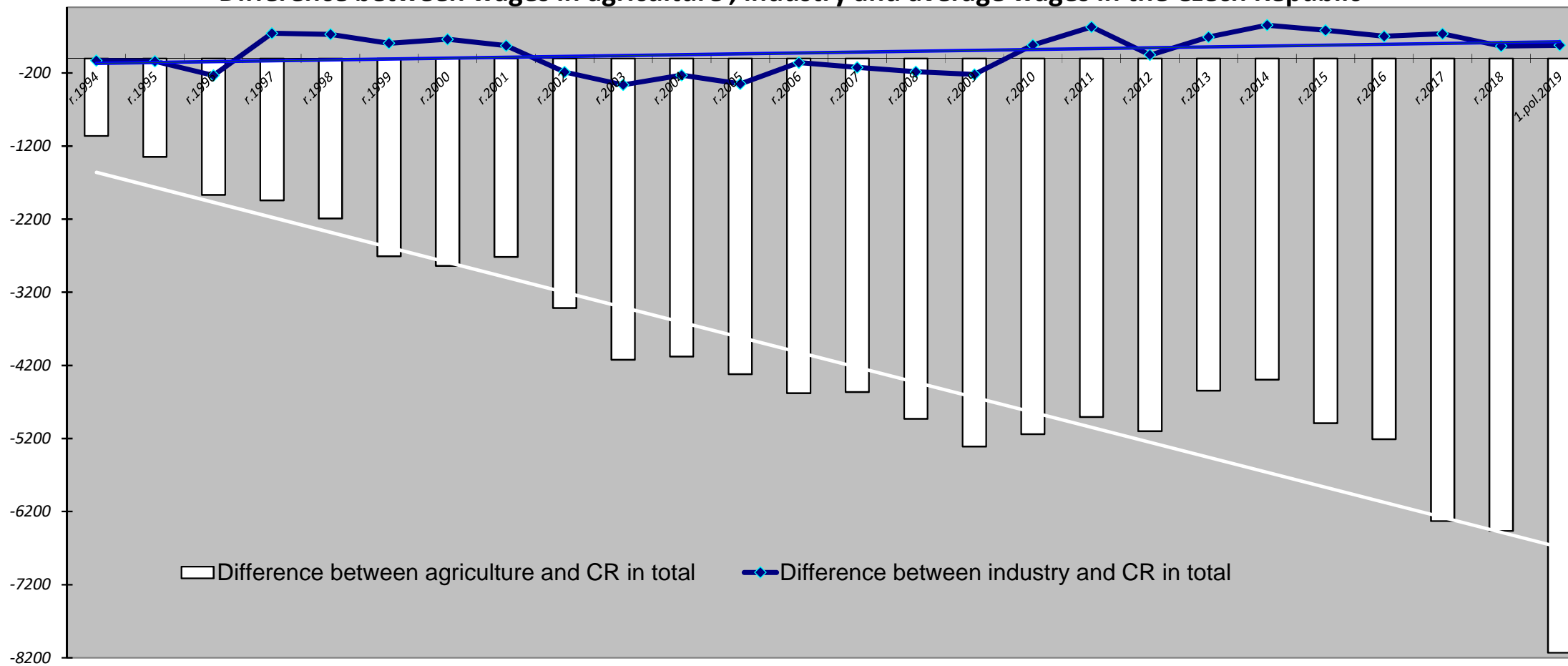
Opening of price scissors in the CR: 1989 = 100%



The average pigmeat price/costs in 2007 to 2018 (kg of live weight)



Difference between wages in agriculture , industry and average wages in the Czech Republic





Management and monitoring of the CAP

1. New delivery model and the result-based system

- clear, specific and quantified EU objectives for which achievement can be measured,
- measures that are clearly linked to objectives,
- a fully developed set of output, result and impact indicators,
- requirements for Member States to compile reliable and comparable statistics on disposable farm income,
- transparent criteria for assessing the content and quality of the CAP strategic plans,
- performance-based payments to the Member States.



Management and monitoring of the CAP

1. New delivery model and the result-based system

- Clear, specific and quantified objectives - measuring achievement
- performance evaluation x evaluation of legality (2 systems)
- Simplification?

2. Another controlled points

- Active/genuine farmer
- Capping

= **NO simplification**



Management and monitoring of the CAP

3. Sanction system for conditionality

The Early warning system

- should offer more guidance and more possibilities to correct errors in advance,
- there should be an upper limit for penalties imposed on farmers,
- should be provide a time period during which farmers can voluntarily correct possible errors in their aid application.

Conclusion:

- 1. The main challenge of the new CAP is environmental protection and climate change and farmers are ready to participate,**
- 2. Without a strong budget (and crisis reserve) it will not be possible to fill it,**
- 3. The proposal for new CAP speaks of performance evaluation and achievement of objectives, at the same time, however, it proposes measures that are not related to performance**
- 4. On the contrary, it creates pressure for greater profitability with negative pressure and impact on the environment**
- 5. The proposal does not guarantee the simplification of the CAP, but creates a dual evaluation system**

Thank you for your attention.

Ing. Martin Pýcha



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