

**THE RE-CAP:**  
**Does the EU's  
new farming policy  
represent a shift  
towards climate justice?**



# Europe's agriculture sector has a justice problem

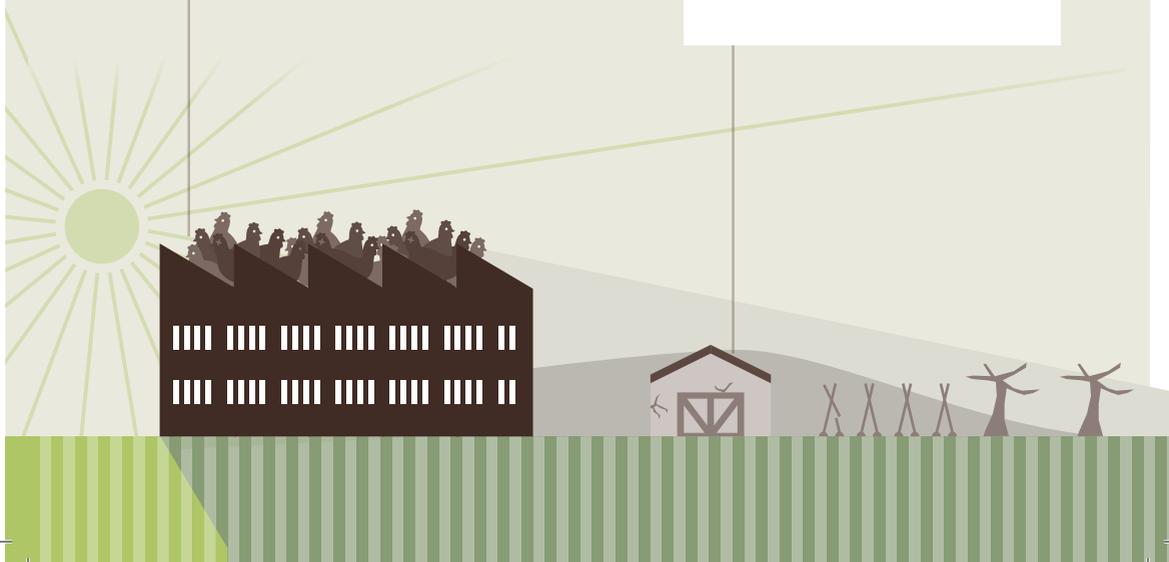
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## Food production is a climate justice issue. But what does that mean exactly?

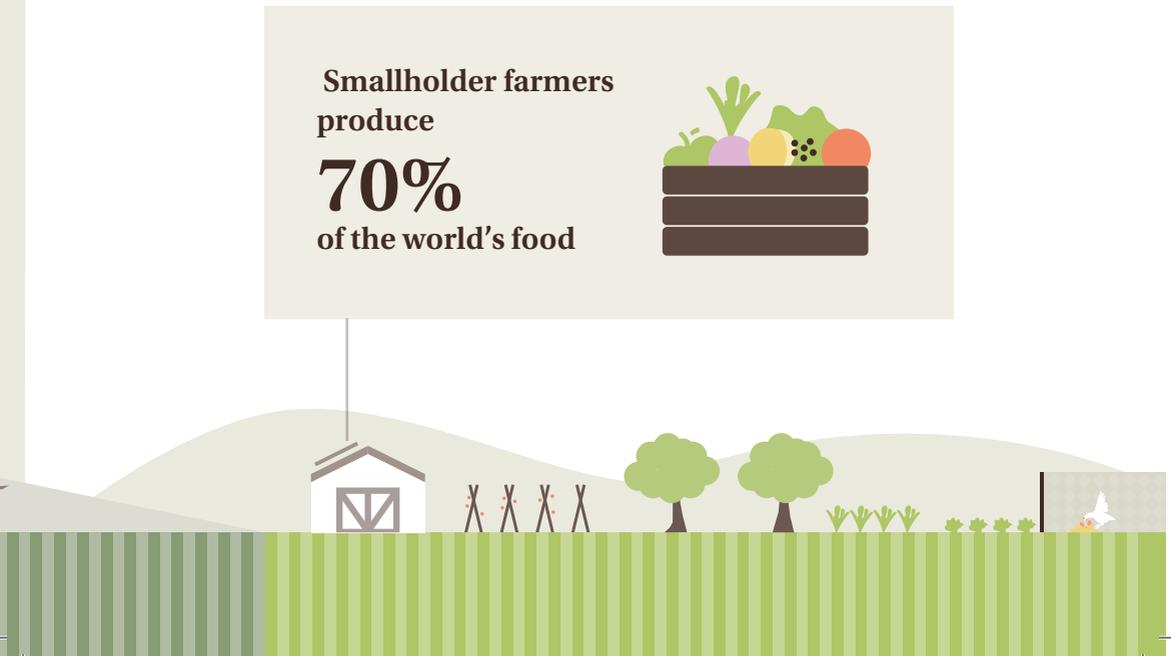
Let's set the scene. Smallholder farmers produce 70% of the world's food<sup>1</sup>. Small-scale sustainable producers have also been the backbone of European farming for decades and pioneered resilient and sustainable farming practices like agroecology and organic farming for centuries, with proven benefits for biodiversity, the climate and local communities alike. Friends of the Earth Europe (FoEE) and La Via Campesina have long called for reforms to support a green and fair agricultural transition to **support smallholder farmers, food sovereignty, relocalise food chains and foster agroecological practices.**

Farmers, in particular in the Global South, also are and will increasingly be among the first and worst affected by climate destruction, especially if the 1,5°C target of the Paris Agreement fails to be reached. Current European policies addressing climate change are not in line with the 1,5°C global heating target, while the current net-zero targets allow polluters to continue polluting and do not reduce emissions in line with Europe's responsibility for causing the climate emergency.

In the EU, the farming sector still **needs to make profound changes to be more sustainable and just.** Agriculture creates 10.3% of the EU's greenhouse gas emissions<sup>2</sup>, largely driven by industrial animal farming<sup>3</sup>. While small-scale agroecological production sustains the population, factory farms are polluting our air, soil and water.

Every year, more small farms are pushed out of business by market domination by these industrial farms and rising prices. The average income of a farmer in Europe is 50% lower than the average income<sup>4</sup>. Between 2005 and 2016, the number of farm holdings under 50 hectares fell by 29.4%<sup>5</sup>. But the EU's agriculture policies have so far not managed to reverse this trend.

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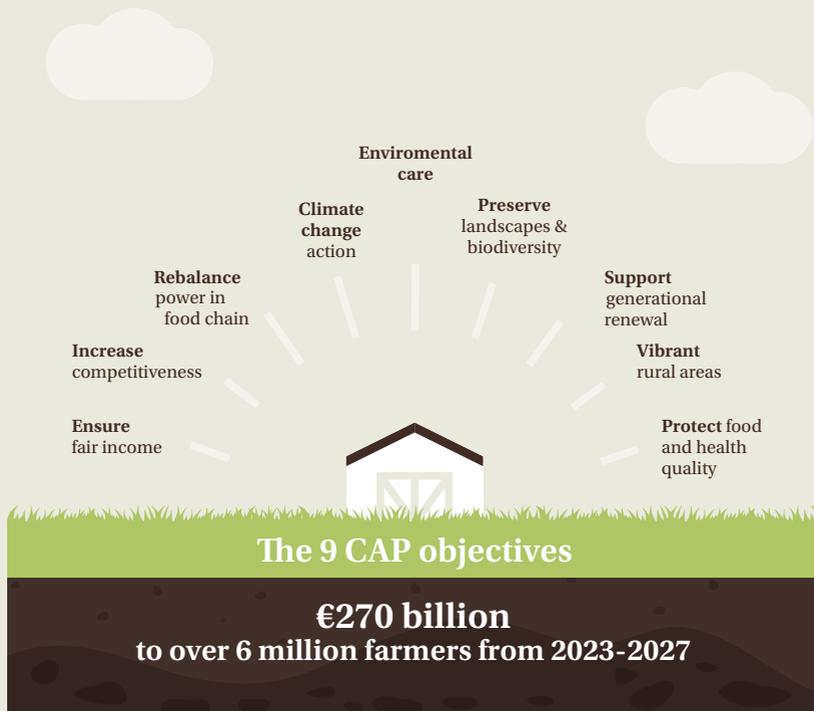


# Introducing the CAP

In 2021, the EU finished **reforming their Common Agricultural Policy (CAP), which defines how a third of the EU budget will be spent.** The new CAP will distribute nearly €270 billion to over 6 million farmers<sup>6</sup> from 2023-2027.

The way that this money is shared out and spent has the power to re-balance power in food supply chains and create a fairer farming sector by supporting smallholder farmers, rural development, and sustainable farming practices. Or it could become an instrument to further entrench inequalities and fund big polluting businesses and corporations.

## The EU laid out 9 priorities for the new CAP



So how far does the new CAP measure up as a tool to create a sustainable and fair agriculture system? Let's dive into the details.

# What are CAP funds used for?

CAP funds are distributed according to a system to decide who gets what, and the money comes with certain conditions attached. The need-to-know:

- **CAP funding is split into two pillars.** Pillar 1 is the biggest, with up to €207.5 billion in funds being allocated for income support for farmers. The remaining €62.5 billion goes to promoting rural development<sup>7</sup>.
- **Both pillars of funds come with some conditionality** i.e. minimum requirements that beneficiaries have to reach to get the funds. For example:
  - Member states must spend at least 25% of their income support to 'eco-schemes,' which are voluntary schemes to foster practices that are good for the environment, the climate or animal welfare.
  - Member states must devote at least 10% of the income support to smaller farms.
  - At least 3% of the spending must go to supporting young farmers.

**Income support  
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**Rural  
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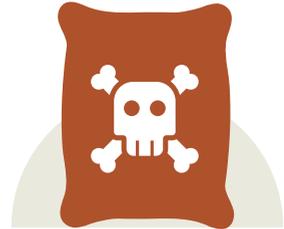
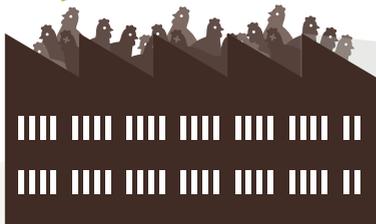
# Who has a say in the new CAP?

CAP reforms are first proposed by the European Commission and then discussed with and approved by the European Parliament and by the agricultural ministers of member states. This policy has gone through a reform process every 7 years since the 60s and each reform can take 2-3 years.

Having been approved, it's up to member states, according to the changes in the most recent reform, to create their own National Strategic Plans to determine how to use the funds in line with CAP spending criteria. Those plans will be agreed by the European Commission throughout 2022, and the **new CAP rules are then put into place from 2023.**

# Does the new CAP promote climate justice?

The EU claims that the new CAP creates a fairer farming sector and tackles climate commitments. But the details paint a different picture. The new policy might be set to **continue propping up big agribusiness, threaten the livelihoods of small-scale farmers, and treat fairness and sustainability as an optional extra rather than a fundamental part of the future of farming.** In its current form, the new CAP is unlikely to really reduce GHG emissions. Here's why:

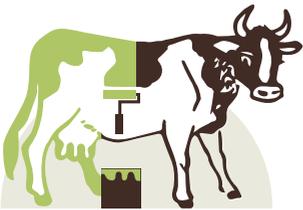


## Large scale farms get most of the money.

Farmers will get money based on how large their fields are. In the past, 2% of beneficiaries received 30% of the money<sup>8</sup>. The limited redistribution measures might not be enough to solve this problem. This means that once again, the EU might pay billions to supporting industrial farms. Capping payments to avoid disproportionate spending on big farms is also just optional.

## Climate and environmental measures are optional.

The measures that could secure a fairer and more equitable farming sector are optional add-ons. Farmers using national eco-schemes is optional. Conditions to make the farming sector fairer are voluntary until 2025, and member states are permitted to underspend on eco-schemes for a two-year 'learning period'<sup>9</sup>. This means that farmers lack any real incentive to take up environmentally-friendly practices, and small-scale sustainable farmers reap few benefits for their social and environmentally-friendly food production.



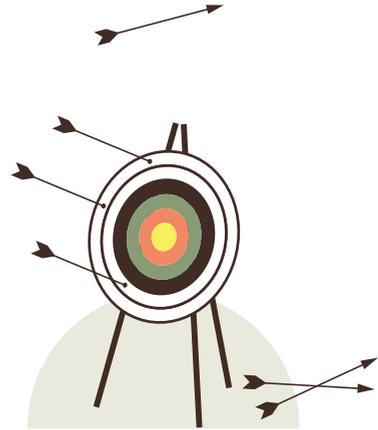
### Loopholes galore.

A quarter of income support is earmarked for 'eco-schemes' - but the criteria for an eco-scheme is so broad they risk being meaningless, and a range of legal loopholes and exemptions allow member states to water down the funds even further. This leaves the ball in the court of member states to put eco-schemes to good use.



### Monitoring is weak.

Measures to monitor the implementation of the National Strategic Plans and penalise non-compliance with conditionality requirements are very weak. This once again waters down the effectiveness of climate and social justice conditionality.



### Member states are falling short.

As of December 2021, none of the proposed National Strategic Plans are sufficient to meet the climate action targets of the CAP<sup>10</sup>.

The most recent CAP reform could have funded significant social and economic support for smallholder sustainable farmers, promoted eco-friendly farming techniques, and built a more stable, fair and resilient food system. Instead, the fingerprint of this lauded policy **paves a path to deepen existing inequalities, fund fossil fuel consumption and biodiversity loss, and further destabilise the livelihoods of small farmers.**

This reform should have addressed both the climate crisis and social injustice in agriculture - instead it addressed neither.



# So what happens now?

Member states now have the responsibility to create and implement National Strategic Plans that go further than the weak CAP commitments, and **use the funds available to subsidise measures for justice and sustainability**. The next years are the fork in the path: either a journey towards deeper inequalities and environmental degradation, or one that defends justice, the climate and a future for farming we want.



## Endnotes

- 1 ETC Group (2017). Who will feed us? The Industrial food chain vs the peasant food web. Val David: ETC Group
- 2 8 EEA (2019), Annual European Union greenhouse gas inventory 1990-2017 and Inventory report 2019. These figures do not include CO2 emissions from land use and land use change
- 3 See for example <https://grain.org/e/5639>
- 4 FOEE CAP reaction
- 5 Own calculation using data from: Eurostat (2018). Agricultural holdings by agricultural area. Available at: [http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=ef\\_m\\_farmleg&lang=en](http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=ef_m_farmleg&lang=en)
- 6 [https://ec.europa.eu/info/sites/default/files/food-farming-fisheries/key\\_policies/documents/factsheet-cap-reform-to-fit-european-green-deal\\_en.pdf](https://ec.europa.eu/info/sites/default/files/food-farming-fisheries/key_policies/documents/factsheet-cap-reform-to-fit-european-green-deal_en.pdf)
- 7 [https://ec.europa.eu/info/food-farming-fisheries/key-policies/common-agricultural-policy/financing-cap/cap-funds\\_en](https://ec.europa.eu/info/food-farming-fisheries/key-policies/common-agricultural-policy/financing-cap/cap-funds_en)
- 8 <http://capreform.eu/more-on-capping-direct-payments-2/>
- 9 [https://ec.europa.eu/info/sites/default/files/food-farming-fisheries/key\\_policies/documents/factsheet-newcap-environment-fairness\\_en.pdf](https://ec.europa.eu/info/sites/default/files/food-farming-fisheries/key_policies/documents/factsheet-newcap-environment-fairness_en.pdf)
- 10 <https://www.birdlife.org/news/2021/11/17/cap-national-strategic-plans-assessment-nov2021/>

