

SPAIN'S COMMON AGRICULTURAL POLICY STRATEGIC PLAN (2023-2027)

SUMMARY OF THE PLAN APPROVED BY THE EUROPEAN COMMISSION



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WHAT IS THE COMMON AGRICULTURAL POLICY (CAP)?

The Common Agricultural Policy (CAP) is a common policy for all the EU countries mainly focused on the agricultural sector and the rural areas.

REASONABLE PRICES
NATURAL RESOURCES
CLIMATE CHANGE



COMPETITIVENESS

AGRICULTURE LIVESTOCK ENVIRONMENT
TECHNOLOGY INNOVATION VIABILITY BIODIVERSITY
SUSTAINABILITY YOUNG FARMERS FOOD SUPPLY

FOOD SUPPLY

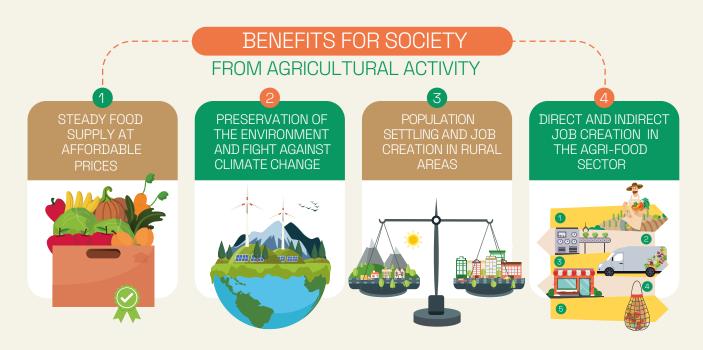
FAIR INCOME

RURAL AREAS

HIGH-QUALITY FOOD

MODERNISATION

It offers a solid support to farmers by contributing to provide them with a standard of living keeping with the rest of society and defines the conditions which allow the agricultural sector to fulfil its important functions within the society:



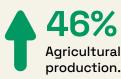


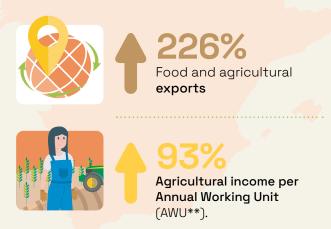
EVOLUTION OF THE SPANISH SECTOR

Spain has taken advantage from the CAP resources to consolidate a key sector for the country economy.

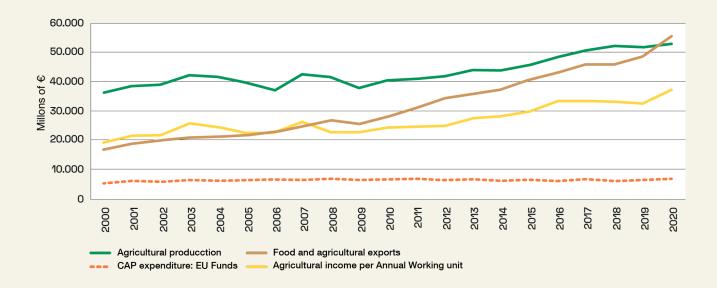
Even though Spain has received a steady amount of funds from the CAP during the period 2000-2020, some increases have been reached:







** AWU: A person's full-time work during a year.



Since the CAP's origins in 1962, this policy **has been adapted** to the sector challenges and the **citizens' needs**.

The latest CAP reform will apply from 2023 to 2027.



SUPPORT TO:

- Farmers' income
- Environment and climate
- Rural development

CAP REFORM 2023-2027

With the CAP reform, this policy turns into a policy focused on the consecution of specific results, linked to the **OBJECTIVES** based on the three **SUSTAINABILITY** pillars.



They are focused on economic, social, and environmental aspects which are complemented by a common cross-cutting objective:







ECONOMIC BLOCK

ENVIRONMENTAL BLOCK

RURAL AND SOCIAL BLOCK

Fostering a smart, competitive, resilient, and diversified agricultural sector ensuring long-term food supply.

GENERAL OBJECTIVES

Intensifying the care of the environment and climate action.

Strengthening the socio-economic fabric of rural areas.







Guaranteeing Increasing farm Rebalancing viable farms competitiveness. power along incomes. the food chain.





against

climate

change



protection





and

biodiversity





generational

renewal





areas



Protectina food quality and health

CROSS-CUTTING OBJECTIVE

Modernising agriculture and rural areas by fostering and sharing of knowledge, innovation, and digitalisation.



In accordance with Regulation 2021/2115 of 2nd December 2021 about Strategic Plans (thereinafter the Regulation), each country must elaborate a **Strategic Plan for the CAP Implementation (CAP SP)**, where the **interventions** (or measures) the countries can choose out of a common **menu** will be expressed. Once the Plan is developed, it is sent to the European Commission for its review and approval. **On August 31, 2022, the European Commission approved the Spain's CAP Strategic Plan**, being one of the first Member States to achieve approval of the Plan. When the Plan is implemented, a **continuous monitoring and evaluation process** is carried out to ensure the objectives achievement. This new delivery model consists in setting some goals and assessing the results which are obtained. The final aim is to guarantee that the foreseen goals are reached, and the existing needs to be fulfilled. For this, the Plan will be modified if necessary.

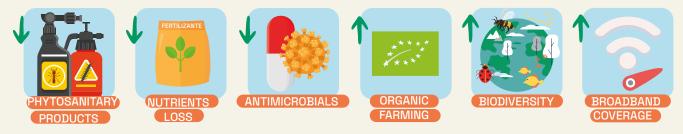




This CAP reform will allow for:

- Keeping the support to the farms' income which will ease their viability and resilience.
- A greater ambition regarding the environmental protection and the climate action, thus contributing to reach the European Green Deal objectives: To reduce the use of chemical synthesis pesticides, fertilisers, and antimicrobials, to increase the organic farming areas, to preserve and recover biodiversity (pollinators and high-diversity landscapes elements) and to expand the broadband connection in rural and remote areas.

EUROPEAN GREEN DEAL OBJECTIVES RELATED TO AGRICULTURAL SECTOR AND THE RURAL AREAS



- A more equitable treatment through a better payments' orientation towards **small and medium-sized family farms**.
- ✓ The setting up of a wide group of measures to increase the market income: investments, innovation, training, and advisory services, as well as a decisive effort to ease the incorporation of young people and the reduction of the gender gap in the sector.

The CAP Strategic Plan will allow this policy to be fairer and more sustainable and will help the agricultural sector, which is strategic in Spain, to align with the consumers' demands and to face oncoming challenges, such as the climate change, the generational renewal, and an improvement of competitiveness.

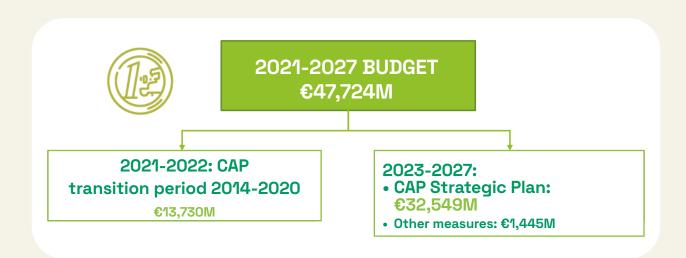
Therefore, we are faced with a CAP which will allow the agricultural sector and the rural areas to give a **balanced response to their economic, social, and environmental needs**.

POST-2020 CAP BUDGET

There is a solid budget for the Spanish CAP for the period 2021-2027, slightly higher than the one for the previous period.

The CAP budget for Spain for the period 2021-2027 if of €47,724M, distributed in the following way:

- ✓ €13,730M during the transitional period (2021-2022), for direct payments, rural development measures and market measures.
- ✓ €32,549M for the measures included in the CAP Strategic Plan 2023-2027.
- ✓ €1,445M for other measures out of the 2023-2027 Plan, such as the Programme of specific options for distance and insularity (POSEI) of the Canary Islands, the supply programme of milk, dairy products, fruit and vegetables in schools or the national promotion programmes related to agricultural products in the national market and third-party countries.



3 WHAT IS THE CAP STRATEGIC PLAN?

The CAP Strategic Plan contains the interventions needed to reach the CAP objectives and the European Green Deal ambition, based on a thorough analysis (diagnosis, identification, and prioritisation) of the agricultural sector and the rural areas' overall needs, linked to each one of the CAP objectives.

Thus, the Plan's main objective is the sustainable development of agriculture, food, and rural areas to guarantee the society's food security through a competitive sector and alive rural communities.



WHO HAVE TAKEN PART IN THE CAP STRATEGIC PLAN ELABORATION?



The CAP Strategic Plan was developed by



in collaboration with numerous actors:



Local and autonomous authorities, authorities with competencies in environmental and climate issues, economic and social partners and relevant bodies representing civil society, among others. This way a great variety of points of view and contributions were considered, which is essential to deal with the challenges the rural areas and the agricultural sector face.



PARTICIPATION IN THE PLAN'S DEVELOPMENT

During the first stage of the development of the CAP Strategic Plan, about **starting point diagnosis and assessment of the different specific objectives needs**, more than 60 meetings were held: 23 of them with autonomous communities, 19 with professional agricultural organizations and agri-food cooperatives, 18 with environmentalist organizations, 5 with representatives of the agri-food industries and distribution and 2 with women's associations. Besides, about 600 contributions to the elaborated documents were received, via e-mail, analysed, and incorporated, when considered appropriate.

Also, some meetings were held, and contributions were received from the main actors who were interested in the process of **needs' prioritisation**.

Later, during the intervention strategy stage:

- ✓ Working groups were created together with the autonomous communities for regional interventions (7 meetings), first pillar interventions and conditionality (5 meetings), governance (2 meetings).
- ✓ Meetings were held with the professional agricultural organization, agri-food cooperatives and environmentalist organizations.
- ✓ Monographic sectoral conferences and bilateral meetings were held with all the autonomous communities during 2021 to design the intervention strategy and the different Plan's interventions.
- Some proposals, questionnaires made for the autonomous communities and other documents <u>Ministry of Agriculture</u>, <u>Fishing and Food (MAPA in Spanish) website</u>. Besides, the participation via an electronic mailbox was kept so contributions to these documents could be received.

Moreover, since the end of 2018, the <u>CAP Strategic Plan Partnership</u> have held five meetings, in which all the actors interested in the plan have taken part. The last Partnership's meeting was in November 2022. In these meetings, information about how the works progressed was given, participative dynamics about the main aspects of the Plan were made and some reports were published including the participant's contributions and comments for their evaluation during the Plan decision-making process.

Also, a continuous contact has been kept with the Ministry for the Ecological Transition and Demographical Challenge (MITERD in Spanish) and the European Commission during the whole Plan's elaboration process.

Finally, it is worth mentioning that, from the 1st of December, 2021 until the 4th February, 2022 the process of public information of the "Spain's CAP Strategic Plan (2023-2027) First Version" within the strategic environmental evaluation took place. Allegations and reports were received and taken into account for the development of the Plan's Final Version.



4 CAP STRATEGIC PLAN MEASURES



- A) DIRECT PAYMENTS INDEPENDENT
 OF PRODUCTION: → Enhanced conditionality
- Basic income support for sustainability
- Redistributive income support
- Income support for young farmers



- A) DIRECT PAYMENTS FOR SPECIFIC SECTORS:
- Coupled payments
- Crop-specific payment for cotton
- **B) SECTORAL PROGRAMMES**



- Compensations for areas with certain constraints (e.g., mountain areas)
- Compensations for environmental and climate-related commitments (e.q., oganic production)
- Compensations for the fulfilment of compulsory requirements (e.g., Natura 2000)
- Investments (agricultural, environmental, basic services, etc.)
- Young/new farmers and rural start-ups
- LEADER
- · Cooperation among actors
- Knowledge exchange and dissemination of information

The Ministry of Agriculture, Fishing and Food and the autonomous communities have worked together in a coordinated way in the elaboration of the Plan:

- The farmer's income support and sectoral measures have a national scope. They were designed together with the autonomous communities.
- Most of the rural development measures have a regional scope and were designed by the autonomous communities, who best know the reality and needs in their territories. Furthermore, the autonomous communities gave a coordinated response to the needs identified at a national level in the design of the measures.

NATIONAL LEVEL

Direct payments
Sectoral measures
Rural development
measures with Supraautonomous scope

REGIONAL LEVEL

Regional scope rural development measures

4.1. CAP DIRECT PAYMENTS: €4,800M/YEAR



Common Agricultural Policy (CAP) odirect payments are an essential element of

FARMERS' INCOME SUPPORT

They work as a security net, as the agricultural sector, despite being strategic for both the Spanish economy and society, has an INCOME WHICH IS ALMOST

30% LOWER THAN OTHER ECONOMIC ACTIVITIES.



They allow REMUNERATION to the farmers for some of their work aspects which are not remunerated by the markets, and which are VITAL PUBLIC SERVICES FOR THE SOCIETY, such as:



Food supply.



Environmental an climate ambition.



Rural areas vitality.



They make the agricultural sector to be more profitable and less vulnerable to the fluctuations in the market prices

THEY FAVOUR
THE AGRICULTURAL
ACTIVITY CONTINUITY

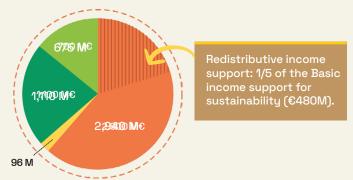




CONDITIONS TO RECEIVE DIRECT PAYMENTS

- ✓ Only those who perform an AGRICULTURAL ACTIVITY and meet the requirements of ACTIVE FARMERS can receive direct payments.
- ✓ The beneficiaries of these payments must fulfil some rules and good practices regarding environmental and climate matters, public health, animal and plant health, and animal welfare. Otherwise, the payments would be decreased or completely suspended. These rules are called conditionality. The 2023-2027 CAP will strengthen its environmental and climate ambition.
- ✓ From 2024 the compliance with the labour law will be checked to receive the CAP payments, which is called social conditionality.

→ CAP DIRECT PAYMENTS BUDGET (approximate figures)



- Basic income support for sustainability
- Income support for young farmers
- Eco-schemes Coupled payments

TYPES OF DIRECT INCOME PAYMENTS



Basic income support for Sustainability

≈ €2,460M/year

It is paid for all the hectares.



Redistributive income support

≈ €483M/year

It is paid only for the first hectares of the farm → It favours small and medium-sized farms



Income support for young farmers

≈ €96.5M/year

It is paid for the first 100 hectares → It specially favours women (15% higher payment)





Eco-schemes

≈ €1,107M/year

(23% of the whole direct payments) Commitment of compliance of specific agricultural practices environmentally more ambitious than the baseline that conditionality represents.



Coupled payments

≈ €677M/vear

Support for the maintenance of certain vulnerable sectors from the social and economic perspective, such as extensive farming.

4.2. SECTORAL PROGRAMMES: €582M/YEAR

In addition to coupled payments, which are direct payments, there are SECTORAL PROGRAMMES. These programmes are defined considering the needs of each sector and can cover very different aspects, from the promotion of products to innovation, investments, the fight against pests and diseases or the reduction of the environmental and climate impact.

The sectoral programmes for Fruit and Vegetables, Wine and Apiculture are still working.

4.3. RURAL DEVELOPMENT MEASURES: €1,762/YEAR

The overall annual public expenditures provisionally forecasted for rural development measures is €1,762M (€1,080M from the European Agricultural Fund for Rural Development -EAFRD- budget). These measures contribute to a balanced development of the territory through job creation and the improvement of living conditions in rural communities.

The 47.8% of these expenditures corresponds to environmental measures: agri-environmental measures and organic faming, investments with environmental purposes, payments for natural or other area-specific constraints and payments for area-specific disadvantages.



For the first time, an only plan (the CAP Strategic Plan) integrates the rural development measures of the seventeen autonomous communities as well as the supra-autonomous measures which, in previous periods, were to be found in the 17 Rural Development Programmes (RDPs) and the Rural Development National Programme (RDNP).

→ DISTRIBUTION OF OVERALL PUBLIC EXPENDITURES ON RURAL DEVELOPMENT MEASURES

The EAFRD overall expenditure on planned rural development measures for the Plan's implementation period is € 5,403M. The overall public expenditures taking into account EAFRD, autonomous communities and General State Administration are € 8,314.32M and its distribution is as follows:



At budgetary level, it's observed that investments, environmental, climate-related and other management commitments and cooperation stand out.

Among ENVIRONMENTAL, CLIMATE-RELATED AND OTHER MANAGEMENT COMMITMENTS (€1,837M), the organic farming budget attracts the attention with approximately €837M followed by sustainable crops support with a little more than €203M. Other measures are promotion and sustainable management of grassland, apicultural measures that favours biodiversity, measures in favour of genetic resources preservation or integrated production measures.

The budget for natural or other area-specific constraints (AREAS WITH NATURAL CONSTRAINTS) is €701M and the one for area-specific disadvantages resulting from certain mandatory requirements (NATURA 2000 AND WATER FRAMEWORK DIRECTIVE) is approximately €60M.



Furthermore, among the set of INVESTMENTS (€3,696M), the ones with the highest share of expenditure are allocated towards industry and trade with competitiveness objectives (€825M) and towards increasing farms' competitiveness (€734M). It should be emphasised that 44% of the investments have environmental objectives.

The budget for **YOUNG FARMERS AND NEW FARMERS AND RURAL BUSINESS START-UP** is **€664M**. The most important measure in budgetary terms is establishment of young farmers with **€678M**.



Regarding COOPERATION (£1,065M), it should be highlighted LEADER measure (local development method through which local actors design and implement strategies for the development of their rural areas) with £816M. According to expenditure, the second place of cooperation measure is

The mandatory requirement of spending at least 5% of EAFRD in LEADER is exceeded by far —> LEADER means 10% of EAFRD expenditure.

occupied by EIP-AGRI (European Innovation Partnership for Agricultural Productivity and Sustainability) with €168M. This measure supports the preparation and/or implementation of innovative projects that solve an issue or seize an opportunity in

the agri-food or forestry sector.

Finally, **TECHNICAL ASSISTANCE** has a planned expenditure of **€157M**. With this measure, tasks necessary for the effective administration and implementation of support in relation to the CAP Strategic Plan will be funded.

5 CAP STRATEGIC PLAN MAIN CHANGES

5.1. ACTIVE FARMER

The CAP direct payments will grant those people who fulfil any of the conditions to be considered an "active farmer":

Besides professional agriculture, the part-time agriculture is also included due to its important social and environmental role in the Spanish rural areas.

- Affiliated with the Social Security system as self-employed people in the agricultural sector.
- ✓ At least 25% of their overall income comes from agricultural activities.
- The amount of the payment they receive must be lower or equal to €5,000 a year.

5.2. BASIC INCOME SUPPORT FOR SUSTAINABILITY (BISS)

With the aim of increasing the remunerations to agricultural farms and contribute to their resilience, Spain will allocate 61% of the direct payments budget for income direct payments through the Basic income support for sustainability (51%) and from the Redistributive income support (10%).

REGIONS: Spain will provide the basic payment amounts differently according to agricultural regions (groups of agricultural territories with similar agronomic conditions) to give response to the great differences of production structures in the Spanish agricultural sector. Nevertheless, there is a simplification by turning the current 50 regions into **20 regions**. This way, as the payments convergence is made at a regional level, a reduction in the number of regions will favour a **more equitable distribution of payments**.



Maps of the new regions are placed in Annex I.

INTERNAL CONVERGENCE: In the last period the farms received the income support (basic payment) in accordance with individual payment entitlements. The value of the payments entitlements depended on the agricultural production of the farms in a historical reference period, (in many cases twenty years ago). Each payment entitlement had a specific value which converged towards the average regional value in each one of the existing 50 regions. In 2021, all the payment entitlements had a value of at least 70% of their average regional value. However, more than half of them still have a value which is not included within the middle range (80%-120%) of their average regional value.

Within the internal convergence process, the values of the payment entitlements above the average regional value are reduced with the aim of increasing the value of the payment entitlements below the average. This way, through the internal convergence of payments, the differences in the payment entitlements values of farms located in the same region, which face identical circumstances and requirements, are reduced.

- In the new period there will be an advance of the internal convergence process: the individual value of the BISS payments entitlements will converge towards the regional average values of the new 20 regions. This transition requires that whereas the full convergence is not reached, the BISS will be granted through individual payment entitlements.
- In 2025, the Ministry of Agriculture, Fishing and Food will present an analysis of the payment entitlement system to assess its continuity once the full convergence has been reached.
- ✓ By 2026, each one of the payment entitlements will have a value of at least, 85% of the average regional (Article 24.5 of the Regulation) and by 2029 the full convergence will be reached.

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PAYMENT LIMITATION (CAPPING) AND DEGRESSIVITY:

The amount of the Basic income support for sustainability will be limited to a farmer for a given calendar year:

 Progressive reductions for the amount exceeding €60,000.



Reduction in tranches: 25% from €60,000 to €75,000, 50% from €75,000 to €90,000 and 85% from €90,000 to €100,000.

• Capping amount: €100,000

 To avoid employment distortions, the salaries linked to an agricultural activity and the labour contracting costs declared by the farmer can be subtracted, but NO FARMER WILL BE GRANTED BASIC INCOME SUPPORT

FOR SUSTAINABILITY OVER €200,000.

Payment limitations affect big farms which do not require such an important support as the small and medium-sized ones do, due to their scale economies.

NATIONAL RESERVE: Through national reserve, payment entitlements will be allocated as a matter of priority to young people who have newly set up a holding for the first time and new farmers; to owners who, having performed farming activity for a long time, have never taken part in the payment entitlements system, as for example specific vineyards or fruits and vegetables farms, and to farms which take part in restructuration programmes, within a public intervention framework, and whose main aim is to avoid the abandonment of the lands.



5.3. REDISTRIBUTIVE INCOME SUPPORT

The Redistributive Income Support (RIS) implies the aid redistribution from big farms to small and medium-sized ones. Redistributive income support will be financed by a sixth part of the Basic income support for sustainability, this payment is also financed with the amounts obtained with the capping and degressivity.

The Redistributive income support is complementary to the Basic income support for sustainability (BISS) and is given for the first hectares of all the farms.

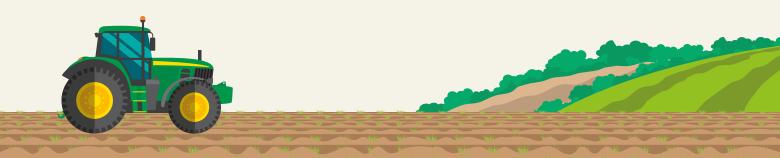
This payment has been designed to favour the professional medium-sized farms by using a double threshold system for each one of the 20 agricultural regions. This way:

- ✓ In the first farm's hectares and up to the first threshold (X hectares), the Redistributive income support will mean 20% of the regional average value → In these first X hectares, the farms would not be benefited nor affected by the fact that Spain has decided to apply the Redistributive income support. Therefore, the very small farms would not be benefited nor affected with this payment.
- From the first threshold (X hectares) and up to the second threshold (Y hectares), the Redistributive income support will mean 40% of the average regional value → The medium-sized farms, whose most part of their area is included in this range will be the ones really favoured by the Redistributive income support.
- ✓ Beyond the second the shold (Y hectares), no Redistributive income support will be given.



The thresholds have been calculated for each region, considering the farms' characteristics and structure and the available amount.

Thresholds and amounts per hectare of Redistributive Income Support for each BISS region are placed in the Annex II.



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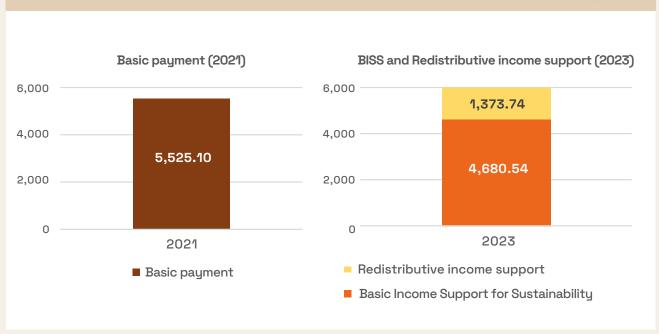
EXAMPLE OF REDISTRIBUTIVE INCOME SUPPORT CALCULATION AND COMPARISON OF THE PAYMENT IN 2021 AND 2023

It has been taken as an example an 18-hectares permanent crops farm in the region 13 and which was previously located in the region 1802. For the example, it is considered that the farm has a payment entitlements value that coincides with the region average value, to show the effect of the redistributive income support independently of the inner convergence effect.

REDISTRIBUTIVE INCOME SUPPORT CALCULATION:

Redistributive income support for section 1 (€/Ha)	Threshold for section 1 (Ha)	Redistributive income support for section 2 (€/Ha)	Threshold for section 2 (Ha)	Redistributive income support 2023 (€)
52.01	1.52	104.31	13.93	1,373.74

COMPARISON OF THE PAYMENT IN 2021 (BASIC PAYMENT) AND IN 2023 (BASIC INCOME SUPPORT FOR SUSTAINABILITY -BISS- AND RESITRIBUTIVE INCOME SUPPORT)



¹ The code 13 corresponds to one of the 20 new regions in which the example farm is located. This farm would be located, according to the former CAP, in the region 1802 (one of the 50 current regions). More information can be obtained in Annex I.



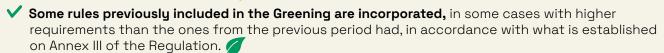
5.4. CONDITIONALITY

The conditionality is a minimum compulsory level of environmental and climate

commitment. The conditionality is the set of regulations and good practices related to agriculture and environment which any beneficiary of the CAP direct payments and rural development payments linked to hectare or head of livestock (environmental, climate-related and other management commitments, natural or other area-specific constraints, Natura 2000) and some specific support within POSEI programme, must fulfil regarding the environment, the climate change, public health, animal health, plant health and animal welfare.

The conditionality has 11 Statutory Management Requirements (SMR) and 10 Good Agricultural and Environmental Conditions (GAEC). Within this CAP reform the environmental and climate ambition is increased, that is why it is called conditionality:

- ✓ Aspects from the current conditionality are included.
- Some new aspects are added.



STATUTORY MANAGEMENT REQUIREMENTS (SMR)



SMR 1: Directive 2000/60/EC of the European Parliament and the Council of 23rd October 2000, establishing a framework for Community action in the field of water policy.

SMR 2: Directive 91/676/EEC of 12^{th} December 1991 concerning the protection of waters against pollution caused by nitrates from agricultural sources.

SMR3: Directive 2009/147/EC of the European Parliament and the Council, of 30th November 2009 on the conservation of wild birds.

SMR 4: Directive 92/43/EEC of the Council, of 21st May 1992, on the conservation of natural habitats and of wild fauna and flora.

SMR 5: Regulation (EC) No 178/2002 of the European Parliament and of the Council of 28th January 2002 laying down the general principles and requirements of food law, establishing the European Food Safety Authority and laying down procedures in matters of food safety.

SMR 6: Directive 96/22/EC of 29th April 1996 concerning the prohibition on the use of stock farming of certain substances having a hormonal or thyrostatic action and of β-agonists and repealing Directives 81/146/EEC and 88/299/EEC.

SMR 7: Regulation (EC) No 1107/2009 of the European Parliament and the Council of 21st October 2009 concerning the placing of plant protection products on the market and repealing Council Directives 79/117/EEC and 91/414/EEC.



SMR 8: Directive 2009/128/EC of the European Parliament and the Council, of 21st October 2009 establishing a framework for Community action to achieve the sustainable use of pesticides.

SMR 9: Directive 2008/119/EC of $18^{\rm th}$ December 2008 laying down minimum standards for the protection of calves.

SMR 10: Directive 2008/120/EC of 18th December 2008 laying down minimum standards for the protection of pigs.

SMR 11: Directive 98/58/EC of 20^{th} July 1998 concerning the protection of animals kept for farming purposes.

GOOD AGRICULTURAL AND ENVIRONMENTAL CONDITIONS (GAEC)



GAEC 1: Maintenance of permanent grassland based on a ratio of permanent grassland in relation to agricultural area at national, regional, subregional, group-of-holdings or holding level in comparison to the reference year 2018. Maximum decrease of 5% compared to the reference year.



GAEC 2: Protection of wetlands and peatlands.

GAEC 3: Ban on burning arable stubble, except for plant health reasons.

GAEC 4: Establishment of buffer strips along the rivers.

GAEC 5: Tillage management, reducing the risk of soil degradation and erosion, including consideration of the slope gradient.



GAEC 6: Minimum soil cover to avoid bare soil in periods that are most sensitive.

GAEC 7: Crop rotation in arable land, except for crops growing under water.



GAEC 8: • Minimum share of agricultural area devoted to non-productive areas.

- Minimum share of at least 4% of arable land at farm level devoted to non-productive areas and features, including land lying fallow. Where a farmer commits to devote at least 7% of his/her arable land to non-productive areas or features, including land lying fallow, under an enhanced ecoscheme in accordance with Article 31 (6), the share to be attributed to compliance with this GAEC standard will be limited to 3%. Minimum share of at least 7% of arable land at farm level if this includes also catch crops or nitrogen fixing crops, cultivated without the use of plant protection products, of which 3% shall be land lying fallow or non-productive features. Member States should use the weighting factor of 0.3 for catch crops.
- Retention of landscape features.
- Ban on cutting hedges and tress during the bird breeding and rearing season.



GAEC 9: Ban on converting or ploughing permanent grassland designated as environmentally-sensitive permanent grassland in Natura 2000 sites.



GAEC 10: Sustainable fertilisation.



5.5. ECO-SCHEMES

Eco-schemes will remunerate the farms which perform agricultural practices which are beneficial for the climate and the environment through voluntary annual commitments. These practices must have a greater requirement level than the one derived from the compliance with conditionality, (which constitutes the baseline) as well as any other environmental legislation in force which encompasses mandatory requirements.



Usually, the requirements compliance will be annual. However, in case of direct sowing and vegetation covers, there is a possibility of accessing to an additional support if the commitment is maintained the following year.

Eco-schemes are **specific practices**, which cover all the possible soil uses, that is, permanent and temporary pastures, arable lands and permanent crops.

A farmer can choose among the practices which best suits according to his/her farming model. Only one practice can be applied on a single hectare and, although in some cases two practices can be performed on the same plot (for example, crop rotation and direct sowing), the payment will be received only once.

Farms must be registered in the Register of Agrarian Exploitations (REA in Spanish) or in the General Register of Livestock Exploitations (REGA in Spanish)

Eco-scheme	Main objective	Practices	Crops allowed
Low-carbon agriculture		Extensive grazing (P1).	Permanent pastures and permanent grasslands.
	To improve soil structure, reducing erosion and desertification, increasing the carbon amount and reducing emissions.	Direct sowing (P4).	Arable land.
		Spontaneous or sowed vegetation cover (P6).	Permanent crops.
		Inert vegetation cover (P7).	Permanent crops.
Agroecology	To favour biodiversity	Sustainable mowing and the establishment of biodiversity isles (P2).	Permanent pastures and permanent grasslands.
	associated to agricultural areas, landscapes, and the conservation and quality of the natural resources, water, and soil.	Crop rotations with improver species (P3).	Arable land.
		Establishment of biodiversity areas or sustainable management of the sheet of water (P5).	Arable land and permanent crops, including woody crops.



Regarding the amounts, for the same type of surface, the expected amount per hectare received will be the same independently of the practice which is performed, except for practice P5.

Surface soil use	Practices	Estimated amount (€/Ha)	Degressivity threshold (ha)
Wet pastures	P1/P2	62.16	65
Mediterranean pastures	P1/P2	40.96	95
Arable land: damp dry land	P3/P4	85.72	30
Arable land: dry lands	P3/P4	47.67	70
Arable land: irrigated land	P3/P4	151.99	25
Woody crops: slope < 5%	P6/P7	61.07	15
Woody crops: slope 5-10%	P6/P7	113.95	15
Woody crops: slope > 10%	P6/P7	165.17	15
Arable land and permanent crops: biodiversity areas	P5	56.05 (156.78 in the case of crops growing underwater)	Does not apply

The estimated amount was calculated foreseeing that, in 2023, between 70 and 80% of the potential area take part in any of the practices. Except for the case of practice 5, when the indicative amount does not allow to pay the estimated amount for the whole eligible area which applies for the Eco-scheme, degressivity will be applied, therefore, the payment will be reduced to 70% for the farm's hectares which are above the degressivity thresholds shown on the previous table.

For more information, see Annex II.



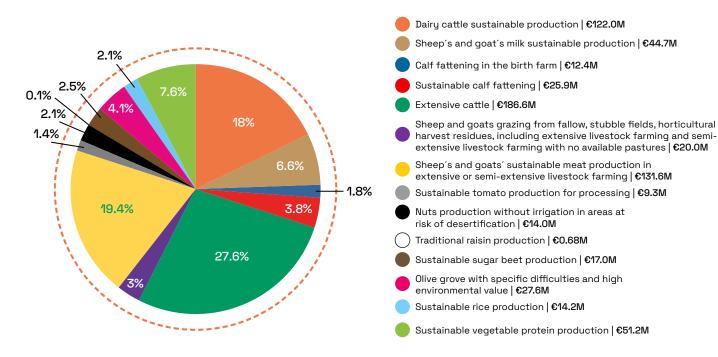
5.6. COUPLED PAYMENTS

The couple payments are granted for the production of a specific crop or for the maintenance of a specific type of livestock.

They are aimed to sectors or specific types of farming which are vulnerable from a social and economic point of view, especially livestock sectors (beef cattle, ovine and goat and dairy cattle), but also for plants. With these payments it is intended to favour these sectors' sustainability and viability.

Moreover, in this period the budget for coupled payments associated with **protein crops** increases with the aim of reducing Spain's outer dependency on vegetable proteins.

→ CAP BUDGET DISTRIBUTION FOR COUPLED PAYMENTS



On the other side, besides these interventions, the **Crop-specific payment for cotton** of sound, fair and marketable quality of specific varieties grown on authorised agricultural areas will continue. An annual budget of €59.7M will be allocated for this payment during the period 2023-2027.

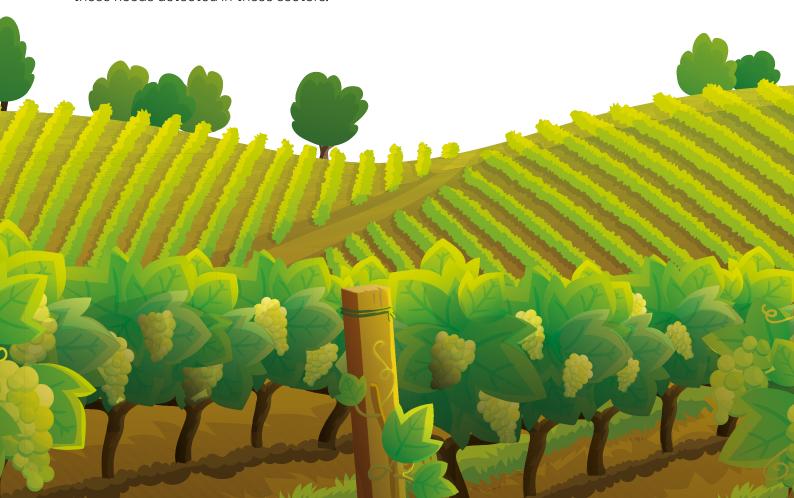
For more information, see **Annex III**.

5.7. SECTORAL INTERVENTIONS

During the next period, the current sectoral interventions will continue:

- ✓ Operational Programmes from the Fruits and Vegetables producer organisations in which the main change is that at least 15% of the expenditure must be allocated for environmental actions and 2% of it for research. The planned financial allocation fot these programmes will reach the amount of €377M in the 2027 finacial year.
- ✓ Sectoral intervention in the **Wine Sector**, by which it will be allocated at least 5% of the expenditure to fulfil environmental and climate objectives. This programme will count on an **annual budget of €202.1M**.
- ✓ Sectoral Intervention for the Apiculture Sector: its budget increases in relation to the previous period. Its annual budget will be €19.1M.

In the case of Fruit and Vegetables sectoral intervention the payment is granted to producer organizations and not directly to the farmers. The producer organizations must co-finance the implementation of actions of the operational programmes, and they must design them taking into account the objectives pursued. This type of interventions is, therefore, a good opportunity to face those needs detected in these sectors.



5.8. GENERATIONAL RENEWAL AND WOMEN INCORPORATION ENHANCEMENT

The CAP Strategic Plan 2023-2027 means a great opportunity for the generational renewal and for women:

- ✓ Strategic and integrated approach of the generational renewal within the Plan which guarantees the coherence among the CAP measures. A good example of this is the new definition of young farmers, unique for all the CAP payments, which favours bureaucracy simplification and reduction.
- ✓ There will be an appropriate budget for young people during this period. There is a specific €220 annual budget exclusively aimed at generational renewal incentives. Furthermore, young farmers will be able to benefit from the rest of CAP payments.
- ✓ Young people who have newly set up a holding for the first time will have a priority regarding the allocation of payments entitlements from the national reserve.
- ✓ Regarding women, gender mainstream has been integrated in the CAP for the first time (becoming a part of specific objective 8), given the current inequality between men and women in rural areas (defeminisation, gender gap, lower employment rate for women, etc.).

On the one side, there is the **Complementary Income support for young farmers** up to 40 years of age to favour the generational renewal in the agricultural sector. It is aimed at people who have incorporated for the first time and recently as farms' managers and who fulfil one of the minimum agricultural formation and/or training criteria:

- ✓ This payment's amount is the average regional value of the payment entitlements up to a maximum of 100 ha.
- ✓ If the farm's owner or co-owner is a woman, the payment will increase 15%.
- ✓ The payment endures for 5 years.

On the other side, the autonomous communities can apply **rural development measures which may favour young people**, on their territories, such as the settling of young farmers, besides **other measures which may have a differentiating and favourable treatment for young people**, for example, regarding training and advisory services and rural business start-up.

5.9. TRAINING, ADVISORY SERVICES, INNOVATION AND DIGITALISATION ENHANCEMENT

The 2023-2027 CAP has as a cross-cutting objective of **modernising** agriculture and rural areas, by fostering and sharing of **knowledge**, innovation and digitalisation in agriculture and rural areas and by encouraging their uptake by farmers, through improved access to research, innovation, knowledge exchange and training.

The aim is to ease the sector's response to challenges it may face, through an improvement of competitiveness and sustainability and by adapting itself to the citizens' demands. For this, the following Plan measures will be available:



CAP'S MEASURES



ADVISORY SERVICES FOR FARMS

They are a key tool to share new knowledge and ideas. The advisory will be related to economic, environmental,

and social aspects, thus offering updated, technological and scientific information — Advisory services will be enhanced with more diversified contents, and which are aimed at sustainability, innovation and the use of technology and digital elements.



CAP NETWORKS

The CAP NETWORKS, ONE OF THEM AT A EU LEVEL AND THE OTHER ONE AT A NATIONA LEVEL will

provide a platform for promoting increased exchange of knowledge, innovation and, especially, a practical implementation.



RURAL DEVELOPMENT MEASURES

- \bullet KNOWLEDGE EXCHANGE AND TRAINING AND INFORMATION ACTIVITIES, which include ADVISORY services.
- COOPERATION
 It should be noted that the implementation of the EUROPEAN ASSOCIATION FOR INNOVATION REGARDING AGRICULTURAL PRODUCTIVITY AND

SUSTAINABILITY, is a part of cooperation measure. Its aim is to accelerate the innovation within the agricultural sector according to its needs, through the enhancement of knowledge exchange and transfer from the research field to the practical one. The main actors are the operative groups which have been created on their own initiative and consisting of, at least, two members (they may be farmers, researchers, counsellors, food and agricultural companies, etc).

• INVESTMENTS: Especially, in basic services in rural areas (communications and infrastructures).

It should be highlighted that during 2023-2027 these aspects will be reinforced, especially **the advisory services and training budget, which will increase 60%.**

6 CALCULATION EXAMPLES OF DIRECT PAYMENTS FOR THE PERIOD 2023-2027

Below we can find different payment options for four farm examples from different sectors and territories, and which represent a professional family productive model. This way we can see the amounts of the different payments depending on the cases or options chosen. The regions' codes refer to the 20 new regions established by the CAP SP. More information in Annex I.

CASE 1: 140 HA DRY LAND FARM AND THE SAME NUMBER OF PAYMENT ENTITELMENTS IN REGION 1. 30 HA OF GRAIN LEGUMES AND 30 HA OF FORAGE LEGUMES

Type of payment	Unit (ha)	Unit amount (€/ha)	Farm payment (€)	Comments	
Basic Income Support for Sustainability (BISS)	140.0	81.47	11,405.8	The unit amount is the one which corresponds to region 1. It requires payment entitlements.	
Redistributive income support	76.61		2,302		
Redistributive income support section 1	11.92	16.29	194	Calculation of the redistributive income support up to the first threshold.	
Redistributive income support section 2	64.69	32.59	2,108	Calculation of the redistributive income support between the first and the second threshold	
Grain legumes coupled payments	30.00	80.00	2,400	Grain legumes can be admitted for coupled payment.	
Forrage legumes coupled payments	30.00	60.00	1,800	Forrage legumes can be admitted for coupled payments.	
Sub-total (BISS + RIS + coupled payments)	77 000				
Eco-scheme	140,00		5,673	If the farm is submitted to an ecoscheme.	
Section within the degressivity threshold	70.00	47.67	3,337	The farmer receives the total amount on the eligible area and it is calculated	
Section above the degressivity threshold	70.00	33.37	2,336	by using the estimated unit amount and applying degressivity (dry land degressivity threshold: 70ha)	
Multiannual complement	140.00	25.00	3,500	If the farmer commits to perform direct sowing the following year.	
Total if an eco-scheme is performed			23.581	(+ €3,500 if there is an multiannual commitment related to Eco-scheme)	
Income support for young farmers	100.00	81.47	8,147	It is calculated as the 100% of the regional average value of the BISS up to a total of 100 ha.	
Total if young farmer performs an eco-scheme			31,728	(+ €3,500 if there is an multiannual commitment related to Eco-scheme)	
Increase of the income support for young farmers when the owner/coowner is a woman	100.00	12.22	1,222	If the farm's owner or co-owner is a woman, the payment is increased 15% of the regional average value of BISS.	
Total if young woman eco-scheme			32,950	(+ €3,500 if there is an multiannual commitment related to Eco-scheme)	

CASE 2: 50 HA IRRIGATED FARM AND THE SAME NUMBER OF PAYMENT ENTITELMENTS IN REGION 7. 5 HA OF LEGUMES AND 4 HA OF SUGAR BEET

Type of payment	Unit (ha)	Unit amount (€/ha)	Farm payment (€)	Comments
Basic Income Support for Sustainability (BISS)	50.00	205.47	10,274	The unit amount is the one which corresponds to region 7. It requires payment entitlements.
Redistributive income support	45.79		3,571	
Redistributive income support section 1	4.91	41.09	202	Calculation of the redistribution payment up to the first threshold.
Redistributive income support section 2	40.88	82.41	3,369	Calculation of the redistributive income support between the first and the second threshold.
Legumes coupled payments	5.00	80.00	400	Legumes can be admitted for coupled payments.
Sugar beet coupled payment	4.00	591.75	2,367	Sugar beet can be admitted for coupled payments.
Sub-total (BISS + RIS + coupled payments)			16,661	
Eco-scheme	50.00		6,460	If the farm is admitted for an eco-scheme.
Section within the degressivity threshold	25.00	151.99	3,800	The farmer receives the total amount on the eligible area and it is calculated by using
Section above the degressivity threshold	25.00	106.39	2,660	the estimated unit amount and applying degressivity (damp land degressivity threshold: 25ha).
Multiannual complement	50.00	25.00	1,250	If the Farmer commits to perform direct sowing the following year.
Total if an eco-scheme is performed			23,071	(+ €1,250 if there is an multiannual commitment related to Eco-scheme)
Income support for young farmers	50.00	205.47	10,274	It is calculated as the 100% of the regional average value of the BISS up to a total of 100 ha.
Total if young farmer performs an eco- scheme			33,344	(+ €1,250 if there is an multiannual commitment related to Eco-scheme)
Increase of the income support for young farmers when the owner/coowner is a woman	50.00	30.82	1.541	If the farm's owner or co-owner is a woman, the aid is increased 15% of the regional average value of BISS.
Total if young woman eco-scheme			34,885	(+ €1,250 if there is an multiannual commitment related to Eco-scheme)

CASE 3: 110 HA CATTLE AND THE SAME NUMBER OF PAYMENT (ENTITELMENTS FARM IN REGION 16 (MEDITERRANEAN) PASTURES). 80 SUCKLER COWS AND 60 OWN FATTENING CALVES

Type of payment	Unit (ha)	Unit amount (€/ha)	Farm payment (€)	Comments
Basic Income Support for Sustainability (BISS)	110.00	71.42	7,856	The unit amount is the one which corresponds to region 16. It requires payment entitlements.
Redistributive income support	94.62		2,397	
Redistributive income support section 1	21.96	14.28	314	Calculation of the redistributive income support up to the first threshold.
Redistributive income support section 2	72.66	28.67	2,083	Calculation of the redistributive income support between the first and the second threshold.
Suckler cow coupled payments	80.00	90.25	7,220	Wet nurse cows can be admitted for coupled payments.
Own fattening calves coupled payments	60.00	32.03	1,922	Own calves' fattening can admitted for coupled payments.
Sub-total (BISS + RIS + coupled payments)				
Eco-scheme	110.00		4,260	If the farm is admitted for an ecoscheme.
Section within the degressivity threshold	90.00	40.96	3,686	The farmer receives the total amount on the eligible area and it is calculated by using
Section above the degressivity threshold	20.00	28.67	573	the estimated unit amount and applying degressivity. Farm located in Mediterranean pastures area.
Total if an eco-scheme is performed			23,655	
Income support for young farmers	100.00	71.42	7,142	It is calculated as the 100% of the regional average value of the BISS up to a total of 100 ha.
Total if young farmers perform and eco-scheme			30,797	
Increase of the income support for young farmers when the owner/co-owner is a woman	100.00	10.71	1,071	If the farm's owner or co-owner is a woman, the payment is increased 15% of the regional average value of BISS.
Total if young woman performs an eco-scheme			31,868	

CASE 4: 65 HA DAIRY CATTLE FARM AND THE SAME NUMBER OF PAYMENT ENTITELMENTS IN REGION 18 (WET PASTURES). 60 COWS

Type of payment	Unit Unit amount		Farm	Comments	
	(ha)	(€/ha)	payment (€)		
Basic Income Support for Sustainability (BISS)	65.00	137.29	8,924	The unit amount is the one which corresponds to region 18. It requires payment entitlements.	
Redistributive income support	13.12		608		
Redistributive income support section 1	4.15	27.46	114	Calculation of the redistributive income support up to the first threshold.	
Redistributive income support section 2	8.97	55.11	494	Calculation of the redistributive income support between the first and the second threshold.	
Dairy cattle coupled payment	60.00	157.96	9,478	Dairy cattle can be admitted for coupled payments.	
Sub-total (BISS + RIS + coupled payments)					
Eco-scheme	65.00		4,040	If the farm is admitted for an eco-scheme.	
Section within the degressivity threshold	65.00	62.16	4,040	The farmer receives the total amount on the eligible area and it is calculated by using the estimated unit amount and applying	
Section above the degressivity threshold	0.00	43.51	0	degressivity. Farm located in damp pastures area.	
Total if an eco-scheme is performed			23,050		
Income support for young farmers	65.00	137.29	8,924	It is calculated as the 100% of the regional average value of the BISS up to a total of 100 ha.	
Total if young farmers perform and eco-scheme			31,974		
Increase of the income support for young farmers when the owner/ co-owner is a woman	65.00	20.59	1,339	If the farm's owner or co-owner is a woman, the payment is increased 15% of the regional average value of BISS.	
Total if young woman performs an eco-scheme			33,313		

For all the cases shown above, rural development payments consisting in yearly payments could be requested if appropriated, such as agri-environmental measures for organic production or for areas with natural constraints. In addition, some other rural development payments can be applied for, i.e., for investments, for the first settlement if the farm's owner is a youngster (compatible with the income support for young farmers).

On the other hand, the farm's owner can take part in sectoral interventions, be it individually (in the case of wine production and apiculture), or as part of a producer organization or a recognised association of producer organizations (for fruit and vegetables).

EXPECTED IMPACT OF THE CAP STRATEGIC PLAN

The agricultural and food sector has a great economic, social, strategic, and territorial importance in Spain:

- Its economic and social importance comes from its weight within the whole of the economic system, as it contributes with more than 10% to the Spanish economy and employs more than 2.6 million people. Moreover, the sector is highly internationalised, its exports mean more than €55,000M a year and the net trade balance is about €20,000M. Spain has become the eighth country in the world in agri-food trade balance and the fourth in the EU.
- ✓ Its strategic importance is increased due to its mission of guaranteeing people's food security. This need has been highly appreciated during the most difficult months of the COVID-19 pandemic restrictions, when the Spanish food system has shown its great resilience to adversities.
- ✓ Its importance for the territorial balance is obvious as it involves activities which are mainly performed in rural areas, essential territories to face the demographic challenge, the territorial balance, and the fight against rural depopulation.

The CAP Strategic Plan sets the basis for the sector to go on being strategic during the next decade, allowing it to give a **balanced response** to its economic, social, and environmental needs.

This reform attempts to drive deep, but also gradual, changes, which may allow the increase of its efficiency and guarantee more equitable payments that also remunerate the environmental and climate commitment acquired by the farmers. There are three types of impacts:



✓ Environmental

✓ Social and on rural areas



7.1. ECONOMIC IMPACT

BETTER INCOME SUPPORT'S ORIENTATION SO IT IS MORE EQUITABLE

✓ Incomes specially supported will be:



Those who need it the most: young people, women, small and medium-sized farms, and and specific sectors at risk.



Those who provide the society with greater benefits, for their respect towards the environment and the climate.

- ✓ There will be tools to reach a more equitable aids distribution such as internal convergence, the capping and degressivity of the payments and the Redistributive income support.
- ✓ The National reserve will allow farms under specific circumstances to grant payment entitlements.
- ✓ The CAP direct payments will be addressed to people who perform agricultural activities ("active farmers"). People (physical or legal) who perform non-agricultural activities will not be granted any of the payments (water supply facilities, sports and leisure facilities, airports, etc).

INCREASE OF THE COMPETITIVENESS AND PRODUCTIVITY OF THE FARMS

It is intended to increase the **competitiveness and productivity** of the farms through:

✓ Income payments, which guarantee the income stability at farms.
The payments currently represent 11% of the farmer income and 23% of the agricultural sector income in Spain.

In comparison, within the EU the payments mean 30% of the EU agricultural sector income, which shows a greater productivity and market orientation of the Spanish agriculture.

- Coupled payments, which enhance la competitiveness, sustainability and quality of some sectors at risk.
- ✓ Specific rural development measures and sectoral payments which allow the fostering of:
 - Investments and a reduction in production costs
 - Application of R&D and digitalisation
 - Advisory services and training



Research progress, knowledge exchange, and innovation will be essential to guarantee a competitive, smart, and sustainable agricultural sector.

BETTER ORIENTATION OF INCOME PAYMENTS SO THEY ARE MORE EFFICIENT

THE PAYMENTS WILL BE MORE EFFICIENT



New CAP approach based on results.



For the first time, there will be a unique strategy, the CAP Strategic Plan, which will include all the CAP measures.



Bureaucracy simplification for the beneficiaries of the payments.



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SECTORAL MEASURES RURAL DEVELOPMENT MEASURES

Greater coherence between the CAP measure





Greater flexibility to adapt the CAP's measures to Spain's national and regional particularities.



Regular monitoring of the implementation of the CAP Strategic Plan and its progress to achieve the objectives.

7.2. ENVIRONMENTAL IMPACT

The CAP Strategic Plan will imply:

- ✓ A greater impact on the environment and the climate action: 42.7% of the Plan expenditures will have an environmental and climate contribution, in accordance with Article 100 of the Regulation.
- ✓ Almost €1,500M of the annual payments will be linked to environmental and climate commitments which may be acquired above the conditionality starting point.
- ✓ The EAFRD budget for organic farming is incremented in 40%.
- ✓ With all these measures, there will be a contribution for the objectives of the Farm to Fork Strategy and the Biodiversity Strategy, both included in the European Green Deal.



The CAP green architecture are the tools on which the CAP counts to face the environmental and climate change needs. During the period 2023-2027 it will consist of a new conditionality (enhanced), new direct payments called Eco-schemes and rural development measures with an environmental and climate nature, besides other horizontal support measures (farm advisory services and other rural development measures) and sectoral measures which include environmental aspects.



ENVIRONMENTAL AND CLIMATE NATURE MEASURES

1 ECO-SCHEMES PAPPROXIMATELY 2 RURAL DEVELOPMENT MEASURES BENEFICIAL

New annual direct payments
for developing voluntarily.

47.8% OF THE RURAL DEVELOPMENT FUNDS FOR ENVIRONMENTAL OBJECTIVES.

for developing voluntarily agricultural practices which benefit the environment and the climate.



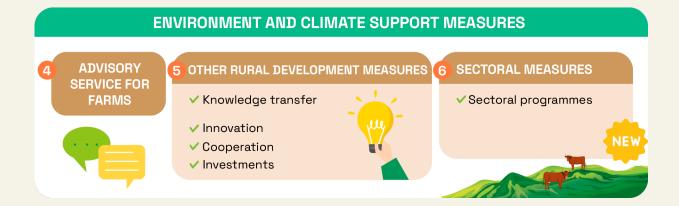
Long-term payments which compensate for:

- Environmental, climate and other management commitments.
- Areas with natural constraints (they count 50%).
- Specific disadvantages for particular compulsory requirements.

ENVIRONMENTAL AMBITION LEVEL

3 ENHANCED CONDITIONALITY

Increase of the minimum compulsory environmental and climate commitment.



The CAP Strategic Plan measures will be complementary with other national measures which are in line with the Strategic Plan's objectives although they are not included in the CAP. A good example of it is the development of national laws of an environmental nature related to sustainable fertilisation, the water protection against wide-spread pollution or the individualised calculation of the phytosanitary products and antimicrobials use in farms.

7.3. SOCIAL AND RURAL AREAS IMPACT

- ✓ Following Spain's proposal, the **gender mainstreaming is integrated** in the CAP's objectives for the first time. Spain will be the first Member State to turn it into an increase of direct payments: +15% income support for young farmers and for women who are owners or co-owners of a farm.
- ✓ The budget for young people is increased: €220M a year devoted exclusively to generational renewal incentives. Besides them, young farmers may benefit from the rest of CAP payments.



- ✓ **Social Conditionality:** it will be applied from 2024 on, a year before becoming compulsory by the Regulation. It implies:
 - An annual checking of possible sanctions for not fulfilling the labour laws
 → Data crossing with labour authorities.
 - If there are sanctions, reductions to the CAP payments will be applied.
 - The advisory systems will include information about social conditionality.
- ✓ Income payments play an important role in the farms' resilience and stability to the markets' volatility, climate severity, etc. Without the income payments, the annual percentage of farms which experience a decrease of their income higher than 30% would be increased in 10 points.
- ✓ A redistribution of the income payments which favours small and medium-sized farms (which, due to their dimensions, do not benefit from the scale economy) is made through multiple tools such as the capping, degressivity and the Redistributive income support.
- ✓ The support to innovation, knowledge transfer and digitalisation is increased.
- ✓ 10% of the EAFRD budget is allocated towards **LEADER**, doubling the minimun amount required by the Regulation.



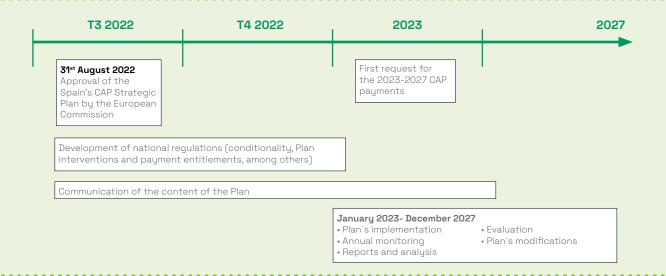
✓ Within the rural development measures, some payments for areas with natural constraints are included, whose objective is to keep agriculture in areas where it is faced with special difficulties, for example, mountain areas. This way, the presence of population in these areas is favoured when supporting the development of the agricultural activity.





(3) CAP REFORM TIMELINE

The next steps within the CAP Strategic Plan framework will be the following:



9 PLAN MONITORING

The monitoring of the CAP Strategic Plan measures will be annual and participative through the Monitoring Committee (Article 124 of the Regulation) and CAP National Network (Article 126). During the period 2023-2027 both the implementation of the measures (monitoring system) and their impact (evaluation) will be analysed through a double system:

- ✓ Annual reports on its efficiency and biannual exams on its efficiency (Articles 134 and 135), based on results indicators (RI; Annex I of the Regulation), which will give information about the scope of the foreseen results of the interventions. For example, regarding Eco-schemes, R14, will give information about the shared of utilised agricultural area under supported commitments to reduce emissions or to maintain or enhance carbon storage in relation to the percentage foreseen in the Plan.
- Evaluation Plan of the CAP Strategic Plan (Article 140), which will use, among others, the impact indicators (I.I; Annex I of the Regulation). In the same example, the indicator I.11 measures the soil organic carbo in agricultural land.

As a result of these reports, both Spain and the Commission will be able to propose or request modifications on the Strategic Plan, to ensure that the interventions provide the expected results and impacts. The Plan can be modified once a year and up to 3 additional times during the period 2023-2027.

10 CONCLUSIONS

The CAP Strategic Plan sets the bases for the sector to go on being strategic for Spain within the next decade, as it will allow a balanced response for its economic, social, and environmental needs.

The Plan will ease the evolution towards a smart, sustainable, and competitive agriculture. For that changing process the country's different models of agriculture and the agricultural particularities have been considered and are focused on those who need greater attention, those being family-run and professional farms, so nobody is left behind.

This changing process will allow the sector to face oncoming challenges, such as improving the adaptation and mitigation of climate change and the preservation of natural resources, biodiversity, and landscapes, give response to the citizen's demands, keep the farms' profitability, and attract young people towards the sector. In this sense, it should be highlighted the important role played by technology, innovation, and digitalization.

This reform intends to **drive changes** (deep, but also gradual) which may allow the increase of its efficiency and guarantee **fairer and more efficient payments** and which remunerate the **environmental and climate commitment** the farms may acquire.

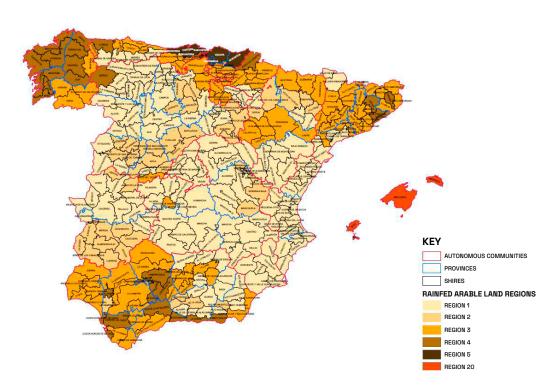
With the application of the CAP Strategic Plan a balanced response for the agricultural sector's economic, social, and environmental needs will be obtained, thus easing its evolution towards a smart, sustainable and competitive agriculture which will allow it to give long-term value in a sustainable way.



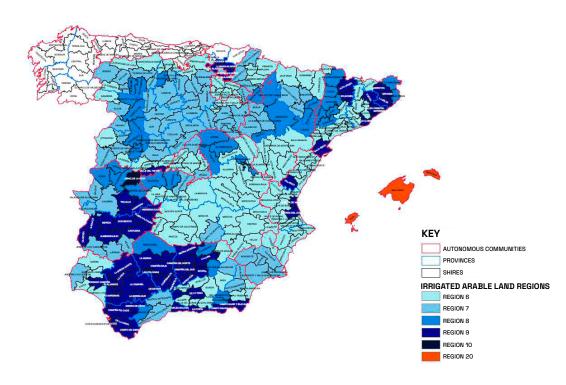
ANNEX I. IMPLEMENTATION MODEL OF BISS AND REDISTRIBUTIVE INCOME SUPPORT

A) MAP OF THE REGIONS 2023-2027 FOR BISS AN REDISTRIBUTIVE INCOME SUPPORT

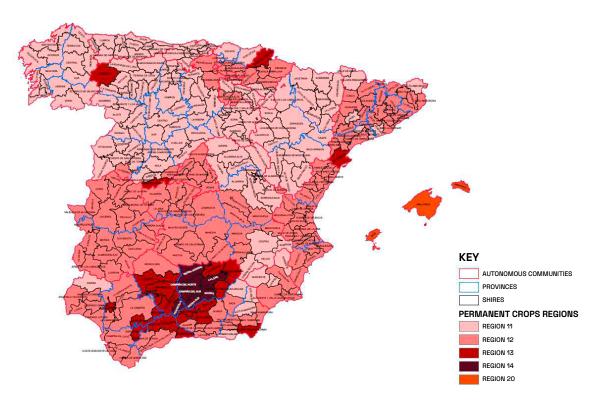
→ RAINFED ARABLE LAND



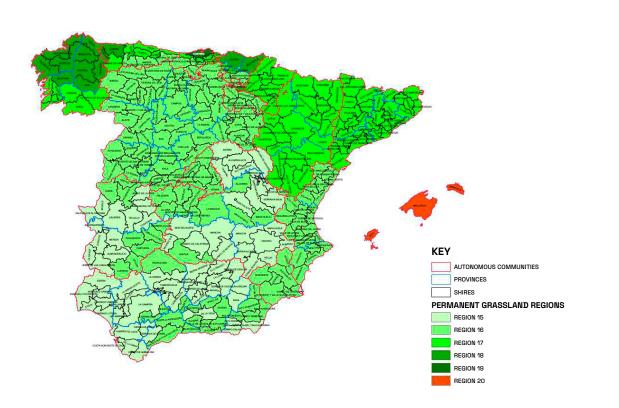
→ IRRIGATED ARABLE LAND



→ PERMANENT CROPS



→ PERMANENT GRASSLAND



B) BIIS REGIONAL AVERAGE VALUE IN 2023 AND CALCULATION PARAMETRES OF REDISTRIBUTIVE INCOME SUPPORT

LAND USE	REGION	BISS (It's paid for all hectares of the farm)	Redistributive Income Support (it's paid for the first hectares of the farm)			
		Regional Average Value (€/ha)	Threshold 1	RIS 1 (€/ha)	Threshold 2	RIS 2 (€/ha)
	1	81.47	11.92	16.29	76.61	32.59
	2	97.64	10.83	19.53	71.66	39.06
Rainfed Arable land	3	129.85	7.78	25.97	53.65	51.94
	4	199.03	5.85	39.81	42.66	79.61
	5	307.88	1.21	61.58	10.32	123.49
	6	157.85	5.27	31.57	55.07	63.31
	7	205.47	4.91	41.09	45.79	82.41
Irrigated Arable land	8	251.72	3.78	50.34	30.25	100.99
	9	407.2	3.53	81.44	33.59	163.33
	10	1,229.17	2.00	220.72	20.00	220.72
	11	98.42	2.61	19.68	17.68	39.49
Permanent 12	12	142.01	1.67	28.4	14.53	56.98
crops	13	260.03	1.52	52.01	13.93	104.31
	14	367.26	1.07	73.45	8.43	147.32
	15	56.1	34.29	11.22	149.88	22.52
Permanent grassland	16	71.42	21.96	14.28	94.62	28.67
	17	102.93	10.26	20.59	51.72	41.31
	18	137.29	4.15	27.46	13.12	55.11
	19	197.58	6.64	39.52	17.62	79.32
Balear Region	20	187.53	5.53	37.51	23.05	60.94

ANNEX II. ECO-SCHEMES PRACTICES

→ AGRICULTURAL PRACTICES OF ECO- SCHEMES

The following tables show the major requirements of the practices. For more detail, it's recommended to see the **Approved CAP Strategic Plan**.

PERMANENT PASTURES AND PERMANENT GRASSLANDS

Farm location	Planned unit value (€/ha)
Wet grasslands: average annual precipitation (AAP)≥650mm	62.16
Mediterranean grasslands: AAP<650mm	40.96
Island grasslands	62.96

1 EXTENSIVE GRAZING (P1)

- → Tooth grazing with own cows, sheep, goats, horses and pigs in extensive livestock farming system.
- → Minimum grazing period (continuous o discontinuous): 120 days per year (90 days per year in case of justified reasons).
- -> Maximum and minimum stocking density (annual average in the eligible area):
 - Wet grasslands: 0.4 2 LU per ha
 - Mediterranean and island grasslands: 0.2 1.2 LU per ha
- → All grassland and pasture hectares under this practice must be grazed, but there's no need to do so all mentioned days.
- → Farm register: livestock entrances and exits to agricultural parcels.

2 BIODIVERSITY ISLANDS OR SUSTAINABLE MOWING (P2)

→ To fulfil this practice, it must be chosen between the establishment of biodiversity islands (P2A) or sustainable mowing practice (P2B).

ESTABLISHMENT OF BIODIVERSITY ISLANDS (P2A)

- → Establishment of **biodiversity islands or areas** (non-mowed stripes, landscapes features or other structural features) in certain areas of the farm.
- → They will comprise **7% of the area** of declared mowed pastures in the farm. This unmowed area will be able to rotate year after year.
- → This area won't be able to be mown until the 31st of August. After this, an agricultural, livestock or maintenance practice must be carried out (extensive grazing, mowing, weeding, ploughing, sowing, etc.) to ensure the surface remains in good agricultural and environmental conditions, registering the developed activities in the farm register.
- → Herbicides use is banned.

SUSTAINABLE MOWING (P2B)

- → The practice is applied on the hectares of the farm likely to mowing.
- → Mowing during the main vegetative stage.
- → Frequency: 3 cuts per year (altitude ≤ 300m) or 2 cuts per year (altitude > 300m).
- Non- exploitation period (mowing cannot be carried out) ≥ 60 days between June and August.
- → Fodder conservation practice: it's preferred tedding or other alternative practices to grass silage (when possible and agroclimatic conditions allow it, especially in Natura 2000 areas).
- → Farm register: mowing calendar and practices carried out.

ARABLE LAND

Farm location	Planned unit value for the Peninsula(€/ha)	Planned unit value for Balearic Islands (€/ha)
Rainfed arable land	47.67	75.67
Wet rainfed arable land	85.72	-
Irrigated arable land	151.99	231.99

An additional amount of 25€/ha to the direct sowing one if there is a commitment of performing the practice the following year. This amount isn't subject to degressivity.

3 CROP ROTATION WITH IMPROVER SPECIES (P3)

- Annual rotation with improver species:
 - ≥ 50% of any crop area must differ from the previous crop, every year (there are exceptions).
 - \geq 10% of improver species area \rightarrow ½ of this area with legumes.
 - Fallow ≤ 20% of the area (there are exceptions).
 - · Legumes are allowed as green manure.
 - The next season, legumes cannot be followed by fallow.
- → Flexibility in small areas (farmland < 10ha):
 - An alternative diversification can be carried out: > 2 crops.
 - The use of improver species is not a requirement.

4 DIRECT SOWING (P4)

- \rightarrow Not working on the soil and stubble maintenance on the field in \geq 40% of the corresponding arable land.
- → Crop rotation in areas where conservation agriculture is performed.
- → Irrigated arable land:
 - There must not be a firm penalty for illegal use of irrigation water.
 - Fertilisers application according to a **fertiliser plan developed by a technical advisor** and according to sustainable soil nutrition legislation (in progress).
 - Writing down the input of nutrients, organic matter and irrigation water.
 - Additional requirements are possible in case of farms located in vulnerable areas in conformity with Nitrate Directive (91/676/CEE).



ARABLE LAND AND PERMANENT CROPS

Farm location	Planned unit value (€/ha)
Arable land and permanent crops	56.04
Crops under water	156.78

5 ESTABLISHMENT OF BIODIVERSITY SITES (P5)

% of areas an non-productive features including landscape features		
Rainfed arable land	> 7%	
Irrigated arable land	> 4%	
Crops under water (rice)	>3% or sustainable water sheet management	
Permanent crops	> 4%	

→ The weighting coefficients for biodiversity sites are as follows:

Surface types and non-productive features	Weighting coefficient
Biodiversity fallow lands (per m²)	1.5
Biodiversity banks (per m²)	2
Retain terraces (per m²)	1
Hedgerows/ tree strips (per m²)	2
Isolated tree (per tree)	1.5
Row of tress (per m²)	2
Group of trees (per m²)	1.5
Field edges (per m²)	1.5
Natural pools, lagoons, ponds and watering holes (per m²)	1.5
Islands or spots of natural vegetation or rock (per m²)	1
Biodiversity islands (per m²)	1.5
Stone boundaries	1
Traditional architecture features	1
Areas of cereal and oily crops not harvested	1

→ "Biodiversity sites" are:

- Landscape features: stone-walls, pools, lagoons, retain terraces, ponds, watering holes, hedges, field edges, islands and spots of vegetation, etc., which can be used as shelter, reservoir and food for bird life, insects or pollinators.
- Land with seeding fallow containing suitable species in terms of biodiversity.
- Sites where grains and oily crops aren't harvested making them available for bird life.
- Banks and islands of biodiversity.
- → On the sites and non-productive features (non-harvested areas not included), fertiliser and pesticide use won't be allowed, with some exceptions, if the competent authority determines so.
- → In the case of crops under water, two options are given to achieve the practice:
 - Establishment >3% of the area as biodiversity sites.



ESTABLISHMENT OF BIODIVERSITY SITES (P5)

- To do a sustainable water sheet management, which implies to perform at least one of the following practices:
 - Levelling the land annually.
 - Flooding the land after 30-45 of dry seeding.
 - Drying up the land when applying treatments (herbicides, pesticides).
 - Ridge building.
- → Besides, it must be fulfilled in both options:
 - There must not be a firm penalty for illegal use of irrigation water.
 - Fertilisers application according to a fertiliser plan developed by a technical advisor and according to sustainable soil nutrition legislation (in progress).
 - Writing down the input of nutrients, organic matter and irrigation water.
 - Additional requirements are possible in case of farms located in vulnerable areas in conformity with Nitrate Directive (91/676/CEE).

PERMANENT CROPS

Farm location	Planned unit value for the Peninsula(€/ha)	Planned unit value for Balearic Islands (€/ha)
Plain	61.07	101.07
Medium land slope	113.95	177.95
High land slope	165.17	253.17

An additional amount of 25€/ha to the vegetation covers (P6) one if there is a commitment of performing the practice the following year. This amount is not subject to degressivity.

6 SPONTANEOUS OR SOWED VEGETATION COVER (P6)

- → Vegetation cover (sowed or spontaneous), alive or scorched, on the field during the whole year. The cover must remain alive, at least, for 4 moths between the 1st of October and the 1st of April.
- → Minimum space of the vegetation cover (>40% of the free width of the crown projection) → high land slope field covers must be one meter wider.
- → Vegetation cover management through **mechanical mowing or weeding.** The cuttings are left on the field so that the initial space taken up by the vegetation cover is covered.
- → The use of phytosanitary products over the vegetation cover is not allowed, with some exceptions.

7 INERT VEGETATION COVER (P7)

- Crushing the pruning remains and place them on the field.
- -> Farm register: date of pruning.
- → Minimum space of the pruning remains inert cover (>40% of the free width of the crown projection).
- → The use of phytosanitary products over the pruning remains inert cover is not allowed, with some exceptions.

ANNEX III. COUPLED PAYMENTS

- TYPES OF COUPLED PAYMENTS:
 CRITERIA, SPECIFIC REQUIREMENTS
 AND AMOUNTS
- DAIRY CATTLE SUSTAINABLE PRODUCTION: €122M/YEAR



- → Cows suitable for milk ≥24 months of age included in the Animal Identification Individual Register (RIIA in Spanish).
- → Farms included in REGA as livestock reproduction for milk or mixed production.

Planned unit value (€/ha)		
Farm location	≤150 cows	151-725 cows
Peninsula	157.96	78.99
Mountain sites	181.66	90.83
Balearic Islands	189.67	189.67

- → Payments are not granted starting at 726 cows.
- → It must be counted on deliveries and/ or direct selling statements in Statement System of the Dairy Sector (INFOLAC).

2 EXTENSIVE CATTLE: €186.6M/YEAR



- → Suckling cows included in the Animal Identification Individual Register (RIIA in Spanish).
- → Farms included in REGA as:
- Grasslands.
- Extensive for cattle reproduction for meat or mixed production.

Planned unit value (€/ha)		
Farm location	Non- traditional breed	Traditional breed (+10%)
Peninsula	90.25	99.27
Balearic Islands	135.37	148.91

→ Traditional breeds must be included in the genealogic book and registered in ARCA database.

SHEEP'S AND GOATS' SUSTAINABLE MEAT PRODUCTION IN EXTENSIVE OR SEMI-EXTENSIVE LIVESTOCK FARMING: €131.62M/YEAR



- → Breeding ewes and goats (SITRAN census).
- → Farms included in REGA as:
- Ovine and goat livestock reproduction or ovine and goat reproduction for meat production or mixed and grasslands.
- → At least, 30 sheep and 10 goats.
- → Minimum movement threshold 0.6 lambs/ kids per year and eligible female between the 1st of July of the previous year and 31st of May of the claim year.

Farm location	Planned unit value (€/ha)
Peninsula	14.46
Balearic Islands	21.68

CALF FATTENING IN THE BIRTH FARM: €12.29M/YEAR



- → Calves of 6-24 months of age included in RIIA destined for slaughtering in slaughterhouses or exportation (directly or by an intermediary).
- → Farms included in REGA as:
 - Cattle reproduction for meat or milk production or mixed.
 - Grasslands (in accordance with ordinance of cattle holdings legislation).
- → At least, 3 eligible animals.
- → Farms must be classified as extensive or semi-extensive.

Farm location	Planned unit value (€/ha)	
Peninsula	32.03	
Balearic Islands	48.04	

6 SHEEP'S AND GOAT'S MILK SUSTAINABLE PRODUCTION: €44.68M/YEAR



- → Breeding ewes and goats (SITRAN census).
- Farms included in REGA as ovine and goat livestock reproduction or ovine and goat reproduction for milk production or mixed.
- → At least, 30 eligible sheep and 10 eligible goats.
- → It must be counted on deliveries and/or direct selling statements in INFOLAC.
- → Minimum production threshold of 80 I/ ewe or 200 I/goat.

Farm location	Planned unit value (€/ha)	
Peninsula	12.49	
Balearic Islands	18.73	

SUSTAINABLE CALF FATTENING: €25.9M/YEAR



- → Calves of 6-24 months of age included in RIIA destined for slaughtering in slaughterhouses or exportation (directly or by an intermediary).
- → Farms included in REGA as cattle reproduction for fattening or feeding place.

Planned unit value (€/ha)			
Farm location	≤600 calves	601-1,417	
Peninsula	18.94	9.47	
Balearic Islands	28.41	28.41	

- → Payments are not granted starting at 1,418 calves.
- The farm must be the last before the departure of the calf to the slaughterhouse or exportation (passing by an intermediate farm is allowed in a maximum of 15 days).
- → At least, 3 eligible animals.
- SHEEP AND GOATS GRAZING
 FROM FALLOW, STUBBLE FIELDS,
 HORTICULTURAL HARVEST RESIDUES,
 INCLUDING EXTENSIVE LIVESTOCK
 FARMING AND SEMI-EXTENSIVE
 LIVESTOCK FARMING WITH NO
 AVAILABLE PASTURES: ©20M/YEAR



- → Breeding ewes and goats (SITRAN census).
- Farms included in REGA as ovine and goat livestock reproduction or ovine and goat reproduction for milk, meat or

mixed production, and grasslands.

- → Eligible animals:
 - Tooth grazing from: Owned fallow, stubble fields or horticultural harvest residues → Statement of eligible hectares.
 - Non-owned grassland → Documentation about the availability of undeclared grasslands.
- → Maximum stocking density of 1,2 LU/ha.

Farm location	Planned unit value (€/ha)
Peninsula	10.28
Balearic Islands	15.43

SUSTAINABLE RICE PRODUCTION: €14.2M/YEAR



- → Certain rice varieties (registered or authorised).
- → Sowing before the 30th of June.
- Performing the normal required practices for the crop until its **full** agricultural maturity.
- → Sustainable input management according to the applicable normative provisions.

Farm location	Planned unit value (€/ha)
Peninsula	135.69
Balearic Islands	157.4

SUSTAINABLE TOMATO PRODUCTION FOR PROCESSING: €9.3M/YEAR



- → Tomato production destined to processing → Supply contract or commitment with a tomato processing industry.
- → Minimum sowing density of 22,000 seed/ha or minimum plant one of 20,000 plants/ha.
- → **Delivery** of the raw material from 15th of June to 15th of November.
- → Farm register.
- → Sustainable input management according to the applicable normative provisions.
- → Planned unit value: 282.68€/ha.

SUSTAINABLE SUGAR BEET PRODUCTION: €17M/YEAR



- → The beneficiary is the farmer which bears the economic risk.
- → Certain sugar beet varieties (registered or authorised).
- → Minimum sowing rate: 1 unit per hectare in irrigated system and 0.9 unit per hectare in rainfed one.
- → Supply contract with a sugar industry.
- → Sustainable input management according to the applicable normative provisions.

Farm location	Planned unit value (€/ha)		
Peninsula	591.75		
Balearic Islands	331.25		

NUTS PRODUCTION WITHOUT IRRIGATION IN AREAS AT RISK OF DESERTIFICATION: €14 M/YEAR



- → Rainfed cultivated area.
- → In areas with almond trees, hazelnut trees and carob tress with a land slope higher than 10% or less but located in a region whose annual average

precipitation in 10 years is < 300mm.

- → Minimum tree/ha: 80 almond trees, 150 hazelnut trees and 30 carob trees.
- → Minimum plot size when payment is claimed: 0.1 ha.
- → Minimum farm size: 0.5 ha.

Farm location	Planned unit value (€/ha)
Peninsula	63.93
Balearic Islands	120.20

TRADITIONAL RAISIN PRODUCTION: ©0.68M/YEAR



- Fresh grapes destined for being raisined and linked to a supply contract or commitment with the processing industry.
- 75% of the harvested fresh grapes must be dried.
- Minimum plot size when payment is claimed: 0.1 ha.
- → Moscatel variety grown without irrigation.
- → Planned unit value: 750.63€/ha.

SUSTAINABLE VEGETABLE PROTEIN PRODUCTION: €51.25M/YEAR



- → Growing some of the species included in the list and certain varieties (registered or authorised).
- Agricultural practices and activities which ensure the normal agricultural development of the crop until its required phenological stage is reached (specific for each payment).
- → Irrigated lucerne only for EU domestic market supply.

Planned unit value (€/ha)			
	Farm location		
Type of Support	Peninsula	Balearic Islands	
Legumes production support	80.00	92.80	
Other legumes production support	60.00	69.60	
Certified legumes seeds support	80.00	92.80	
Certified other legumes seeds support	60.00	69.60	

OLIVE GROVE WITH SPECIFIC DIFFICULTIES AND HIGH ENVIRONMENTAL VALUE: €27.5M/YEAR



- → Rainfed area, declared in CAP or included in REA in 2018, 2019 or 2020.
- → Maximum plant density and minimum land slope: ≤100 tress/ha and/or an average slope ≥25%.
- → Minimum density ≥ 30 trees/ha.
- → Average plantation age > 10 years.
- "Centenary" olive groves with specific international recognition as cultural heritage will be eligible (despite not fulfilling density or slope requirements) only if they are clearly geographically delimited.
- → Minimum eligible area for support claim: 0.1 ha/plot, and 0.5ha/farm.

Planned unit value (€/ha)			
Farm location	≤ 10 ha ≥ 10 h		
Peninsula	42.76	21.38	
Balearic Islands	47.03		

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