

1962-2022: The EU common agricultural policy at 60

This year marks both the 60th anniversary of the EU's common agricultural policy (CAP) and a crucial turning point in its way of functioning, with a new delivery model in place that will kick in from 2023. The timeline below highlights major legislative and policy developments that have shaped the CAP over the past six decades.

ORIGINS OF THE CAP

- 1958** ➤ The **Treaty of Rome** places agriculture at the heart of the activities of the new European Economic Community and tasks it with achieving increased agricultural productivity, a fair standard of living for farmers, availability of supplies, stabilised markets and a secure supply chain with reasonable prices.
- 1962** ➤ After complex negotiations, the first legislative acts launch the CAP into being, establish the **Common Market Organisations** (CMOs) in cereals, pork, poultry, wine, and fruit and vegetables, and the **European Agricultural Guidance and Guarantee Fund** (EAGGF). A system of guarantees based on support for producer prices is set up to ensure the sale of agricultural output.
- 1965** ➤ The **Farm Accountancy Data Network** (FADN) starts gathering data on the income and business activities of farms; a year later the **Farm Structure Surveys** (FSS) starts gathering data on the structure of agricultural holdings. These two longest-standing sources of statistical information on EU agriculture have contributed to informing policy decision-making to this day.
- 1968** ➤ Since by now self-sufficiency has not only been reached but has also largely been exceeded, the focus shifts to creating greater balance between the measures targeting agricultural markets and those aimed at modernising agricultural structures. **Agriculture 1980**, or the **Mansholt Plan** (named after Sicco Mansholt, the Dutch European Commissioner for agriculture from 1958 to 1972), is adopted to this end.
- 1972** ➤ Three **socio-structural directives** introduce incentives for the modernisation of farms, for retirement from farming, and for the provision of advice and training to farmers.
- 1984** ➤ A **quota system** to limit over-production and manage supplies is introduced for products such as milk. Producers exceeding their quota are now required to pay a surplus levy.
- 1985** ➤ The **Green Paper** on the CAP's perspectives puts forward ideas for further debate, such as the reduction of price support and the diversification of measures supporting agricultural incomes. These ideas include the recognition that besides ensuring our food supplies, agriculture contributes to the maintenance of the social fabric in rural areas, the protection of land, and the conservation of natural resources.

REFORMING THE CAP

- 1992** ➤ The **MacSharry reform** (named after Ray MacSharry, the Irish European Commissioner for agriculture from 1989 to 1992) introduces a new approach to support for farmers, the aim being to reduce the CAP budget, cut over-production and comply with the obligations under international trade agreements. The reform effects a gradual shift from unlimited guaranteed prices and grants to compensatory income aid based on farmland area or livestock numbers. Accompanying measures focus on support for environmental protection, afforestation of agricultural land and early retirement from farming.
- 1999** ➤ The **Agenda 2000** programme paves the way to CAP and EU regional policy reform, and seeks to strengthen the EU's capacity to receive new members and continue to abide by the World Trade Organization's rules on international trade. The programme equips the CAP with a second pillar dedicated to **rural development** and introduces a more general approach to agriculture and rural development based on improving agricultural competitiveness, providing alternative sources of income to people living in rural areas, and strengthening social cohesion in rural communities.

- 2003** ➤ The **Fischler reform** (named after Franz Fischler, the Austrian European Commissioner for agriculture from 1995 to 2004), also referred to as the '**mid-term review**', overhauls the CAP. It introduces the innovative **single payment scheme** (SPS), a single farm payment that removes the link between subsidies and volumes of production for a large share of CAP support. The SPS builds on farmers' historical entitlements to CAP payments, on the 'cross-compliance' rules that farmers had to observe with regard to the environment, animal welfare, plant protection, and food safety, and on the 'modulation' approach where funds are shifted to rural development by reducing transfers to larger farms.
- 2007** ➤ The **European Agricultural Guarantee Fund** (EAGF) and the **European Agricultural Fund for Rural Development** (EAFRD) replace the EAGGF. A **single CMO** replaces the existing 21 CMOs.
- 2008** ➤ Though not as radical as previous reforms, a '**health check**' of the CAP is carried out to make it simpler and more effective. The initiative involves adapting market support, increasing modulation, and addressing challenges such as climate change and the protection of biodiversity and natural resources.
- 2009** ➤ The **Treaty of Lisbon** introduces the ordinary legislative procedure for the EU agricultural policy. Henceforth, the European Parliament and the Council will co-legislate on reforms on an equal footing.
- 2013** ➤ The **reform for the 2014-2020 CAP** seeks to respond to **new societal demands** placed on the CAP to deliver public goods alongside its original objectives. This reform addresses concerns such as climate change, the sustainable use of natural resources, animal welfare, and food safety, by greening CAP farm payments and incentivising the fairer distribution of funds (for example, for smaller farms and young farmers) and increased spending on rural development projects.
- 2015** ➤ Following the progressive increase of the quotas since 2009, the **end of dairy quotas** allows farmers to expand their production based on the market demand for milk products. Along the same lines, the end of **sugar quotas** in 2017 removes limitations on how much EU producers can put on the market.

TOWARDS THE FUTURE CAP

- 2018** ➤ The European Commission adopts the **post-2020 CAP legislative proposals**. These put forward a new delivery model for the future CAP, typified by greater flexibility as to how the Member States would apply the policy at local level, while preserving its common dimension.
- 2019** ➤ The **European Green Deal** sets out the EU's commitment to tackling climate and environment-related challenges by acting in a number of policy areas, including agri-food policies.
- 2020** ➤ In line with the Green Deal roadmap, the '**farm to fork**' and **biodiversity** strategies are unveiled. Together with the Green Deal, these strategies set quantified targets for EU farming and rural areas, calling for an additional effort in the already demanding interinstitutional negotiations on the 2018 CAP reform proposals. In the absence of an agreement on the future CAP, a **transitional regulation** extends most of the existing CAP rules until the end of 2022.
- 2021** ➤ After extensive negotiations, the Parliament and Council agree on the **2023-2027 CAP** legislative framework and adopt it at the end of the year. The future CAP envisages a fairer distribution of funds, higher green ambitions and a more results-oriented approach. The farm payment scheme is renamed as **basic income support for sustainability** (BISS). **Eco-schemes** are introduced to reward farmers for environmental care and climate action. A new tool – the **CAP strategic plan** – now allows Member States to specify how CAP funds will address local needs to achieve measurable results on common objectives. The European Commission's communication on **A long-term vision for the EU's rural areas** is a significant policy development – it puts the specific issues and challenges faced by rural areas at the core of a wide-ranging set of actions that go beyond the scope of the CAP.
- 2022** ➤ The Commission services analyse the CAP strategic plans in a structured dialogue with the Member States, aiming at timely **approval** of the strategic plans for their implementation as of 1 January 2023. The reformed CAP is seen as a key policy in moving towards more sustainable food systems.

For more information on the CAP's evolution, see the EPRS publications on [agriculture and rural development](#) and the European Parliament's [factsheets on the common agricultural policy](#).

