

At a glance:

SPAIN'S CAP STRATEGIC PLAN



CAP Strategic Plans support the transition towards a smart, sustainable, competitive, resilient and diversified agricultural sector, while ensuring long-term food security. They also contribute to climate action, the protection of natural resources and the preservation/enhancement of biodiversity, as well as strengthen the socio-economic fabric of rural areas.

CAP Plans support a wide range of interventions addressing the specific needs of Member States and their territories. Designed in line with a new result- and performance-oriented approach, they aim to deliver tangible results in relation to EU-level CAP specific objectives, while contributing to the European Green Deal.

For the first time, each CAP Plan defines a strategy covering all the main CAP funded instruments: direct payments, support for rural development and interventions specific to certain market sectors.

The needs of rural areas will also be addressed by other EU instruments such as the Recovery and Resilience Facility (RRF) or the European Structural and Investment Funds (ESIF).

The Russian aggression against Ukraine and the ongoing commodity price surge highlight the integral link between climate action and food security. In this context, the Commission invited Member States to review their CAP Strategic Plans to exploit all opportunities: to strengthen the resilience of the EU's agricultural sector; to reduce their dependence on synthetic fertilisers and scale up the production of renewable energy without undermining food production; and to transform their production capacity in line with more sustainable production methods.

Spain submitted its first proposal for a CAP Strategic Plan on 29 December 2021, after consultation with stakeholders. On 27 July 2022, Spain submitted a revised proposal, addressing the Commission's observations on the first draft. The Commission approved this proposal on 31 August 2022. This document presents some of the main features of the CAP Strategic Plan of Spain.

1. DID YOU KNOW?



Spanish agriculture is characterised by a high contribution to the country's economy, with the primary sector accounting for 2.9% of the country's economy (total GVA). Spanish agriculture is highly varied, with significant diversity in climate, topography, and soil conditions. This results in significant differences in types of farming between territories. Vegetables and horticulture, fruit and pigmeat are the most important sectors in terms of production value. Spain is responsible for half of the EU's production of olives and for one third of fruit.

- → 77% of Spain is covered by predominantly rural areas and intermediate regions.
- → 3.4% of the Spanish population live in predominantly rural areas and 33.3% live in intermediate regions.
- → There are more than 800 000 farmers in Spain, half of whom own farms of 5 hectares or less.



2.1 AN ECONOMICALLY SUSTAINABLE AND FAIRER CAP

environmental, economic and social sustainability.

Spain is building a more targeted and fairer system of financial support to farmers, through the combination of a mechanism to cap very high payments, redistributive support for small and medium sized farms and harmonisation of the amount of payments to farmers.

Basic income support for sustainability, covering 86.4% of the utilised agricultural area, will play an essential role in the resilience of farms. Together with the national insurance system, it **minimises** the volatility of farm income against climate and market instability. In addition, farmers operating in certain sectors undergoing difficulties (such as extensive livestock), benefit from additional financial aid. This prevents the abandonment of the activity.

Other sectors (fruit and vegetables, wine and apiculture) benefit from dedicated support to cover their different, specific needs with investments, training, advice or crisis prevention and management.

To address challenges specific to certain supply chains, the Plan will **boost cooperation**, focusing for example on participation in and promotion of quality schemes (such as geographical indications or protected designations of origin), the succession of agricultural holdings and environmental actions.

- → More than EUR 750 million will be used to help 128 580 farms take part in producer groups, producer organisations, local markets, short supply chains and quality schemes supported by the Plan. This support can help to improve their organisation, to sustain the costs relating to the design of the projects, and to compensate for certain inherent administrative costs (such as registration and controls).
- → The control of energy consumption and autonomous energy production are central to the competitiveness of farms and of agri-food industries. Thus, the Plan will contribute to 372 investments aimed at, among other things, improving thermal isolation of farms' buildings and producing energy on-farm from renewable resources.

2.2 A GREENER CAP

Spain faces major challenges in relation to environmental and climate-related objectives. The fight against desertification and erosion and the improvement of the soil structure and soil organic content are of utmost importance. Water management is

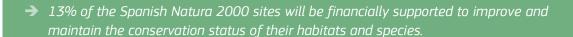


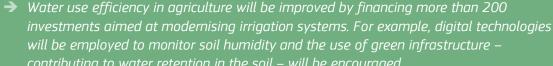
also a priority, in terms of both quantity and quality. Driven by the Strategic Plan, Spain is strengthening its framework of measures of a regulatory nature to ensure better synergies among the various tools, in order to achieve the environmental objectives.



More than 86% of the utilised agricultural area will need to comply with good agricultural and environmental conditions, while EUR 6 billion is reserved by regions for farmers committing to more ambitious actions (such as carbon sequestration and maintenance of landscape features). EUR 540 million is destined for interventions beneficial for climate, the environment and animal welfare, such as forest fire prevention and islands of biodiversity.

To help reverse biodiversity loss and in line with the European Green Deal's ambitions, Spain aims to cultivate 20% of its utilised agricultural land with organic agriculture by 2030. The CAP Strategic Plan will help this process by providing financial aid to 1 252 970 ha. As in the past, Spain will keep a large budget allocated to forests: EUR 283 million will promote afforestation, agroforestry, fire prevention, restoration and adaptation of forests and forest activities







2.3 SOCIALLY SUSTAINABLE CAP

Rural areas in Spain are facing major challenges in terms of depopulation and ageing, as well as important social imbalances. Consequently, the Spanish Plan prioritises actions in these fields.

Actions for the local development of rural areas will ensure better employment opportunities, particularly in the most disadvantaged territories and social groups. Coordination with other sources of EU funding will play a key role in this process. In this framework, more than **58 000 rural businesses**, including bio-economy businesses, will be supported by the Plan, as well as the creation of **17 347 new jobs**. 16 Smart Villages will also be developed.

Moreover, for the first time in Spain, a gender balance approach will be applied in the distribution of the Strategic Plan financial aid: targeted, additional financing will be granted to women farmers who are already active in agriculture or who want to start a new business.

Considering the importance of livestock production in Spain, major efforts will be put in place to improve animal welfare and antimicrobial use. For instance, an ambitious national regulatory package, combined with the interventions of the Plan, will encourage a 50% cut in the use of antimicrobials by 2030.

- → 16 639 new young farmers will be helped to start their activities. They will receive a grant (from EUR 20 000 to EUR 100 000), to cover part of their initial investments.
- The endogenous development potential of rural areas will be entrusted to Local Action Groups, which will receive funding in the framework of LEADER: with EUR 500 million, they will bring together public, private and civil society stakeholders in a particular area to find shared solutions for its challenges.



3. KNOWLEDGE SHARING, INNOVATION AND DIGITALISATION

The functioning of the Agricultural Knowledge and Innovation System (AKIS) in Spain is relatively strong, but fragmented. For this reason, a coordination body will be set up.

This will further boost the spread of digital and innovative solutions, which show significant potential. Indeed, part of the Spanish agricultural system could easily take advantage of digital, automated solutions, for which a positive trend has already been observed. While the Recovery and Resilience Facility will bring digital infrastructure to rural areas, the CAP Strategic Plan will help farmers and foresters make the most out of it. More than **1 million people will benefit from training** (with a special focus on closing the digital skills gap), advice and awareness actions. Advisors will receive funding to bring innovative solutions to farmers and foresters, who will thus gain the knowledge tools to address the economic, green, social and digital challenges ahead of them.



4. FINANCIAL ANNEX

	EU budget (€)	National co-financing (€)	Total (€)
Direct payments	24 440 095 296	n/a	24 440 095 296
Sectoral support	812 980 217	46 843 087	859 823 305
Rural development	5 403 083 170	2 757 830 855	8 160 914 026
Total	30 656 158 684	2 804 673 942	33 460 832 626

National funding does not include additional national financing referred to in Article 146 of Regulation (EU) 2021/2115. Direct Payments include allocations for cotton set out in Annex VIII of Regulation (EU) 2021/2115 and reflect possible transfers between pillars. Payments for support under Regulation (EU) No 1308/2013 are not included in the CSP. National funding for sectoral support only relates to apiculture. Rural Development reflect possible transfers between pillars and include technical assistance.

EU FUNDING RESERVED FOR	In EUR
Young farmers (generation renewal)	887 233 201
Environmental and climate objectives under rural development	2 580 854 771
Eco-schemes under direct payments	5 552 577 672
LEADER	542 154 229
Complementary Redistributive Income Support	2 414 164 212

The minimum financial allocations for support for young farmers can be reserved either under Direct Payments and/or Rural Development. Eco-schemes under Direct Payments may be lower than 25% if the possibility to use the rebate mechanism from Rural Development is used, in line with Article 97 of Regulation (EU) 2021/2115.

More financial information can be found in section 6 and in Annex V of Spain's CAP Strategic Plan.

