

# EUROPE'S BUDGET

For a resilient, competitive and sustainable EU agriculture

SEPTEMBER 2025

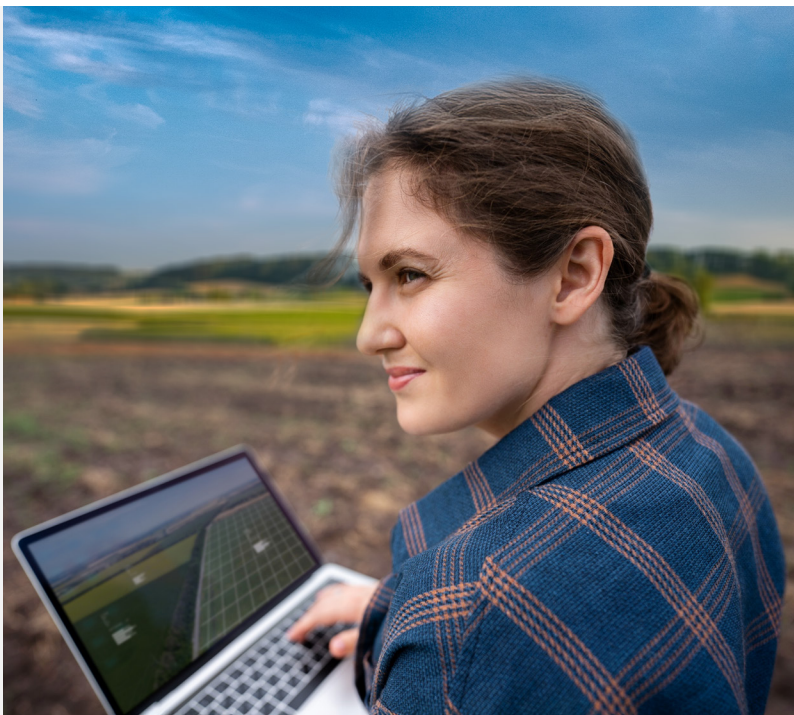
The EU budget for the 2028-2034 period will shape a Common Agricultural Policy (CAP) addressing the needs of farmers and rural areas across the EU.

- Income support for EU farmers is **guaranteed until 2034**
- All current CAP instruments and policy tools are preserved
- Agriculture and rural areas will gain from **various funding opportunities and synergies with other policy areas**

Under the Commission proposal for the National and Regional Partnership Fund (EUR 865 billion), **a minimum of EUR 300 billion are secured to support farmers' income** (EUR 293.7 billion) and help in case of market disturbances (EUR 6.3 billion).

**In addition to this minimum budget, Member States will have access to more funds to support rural areas and the agricultural sector.** Using the funds more effectively together will bring bigger benefits for farmers and rural communities.

The **existing CAP policy instruments are preserved** in the Commission proposal. They ensure a fair standard of living for the agricultural community, affordable food, stable markets, and vibrant rural areas - while also contributing to environmental and climate objectives and supporting green transition goals, generational renewal, and innovation.



# 1. A strong budget for the CAP

The future budget as proposed **guarantees stable and predictable support for farmers' income and their business prospects** throughout the next Multi-Annual Financial Framework (MFF) 2028-2034 period.

## 1.1 A secured budget for farmers' income – and beyond

An amount **of at least EUR 293.7 billion** under the National and Regional Partnership Fund is **ring-fenced to support farmers' income**. Member States can add additional funding from the Fund to this core amount.

The EUR 293.7 billion **ring-fenced amount is distributed between Member States**, in line with the share of each Member State in the current CAP in reference year 2027 (see annex).

Beyond this amount, **EUR 453 billion** remain available in the **Partnership Plans for Member States to fund national, regional and sectoral priorities and objectives**.

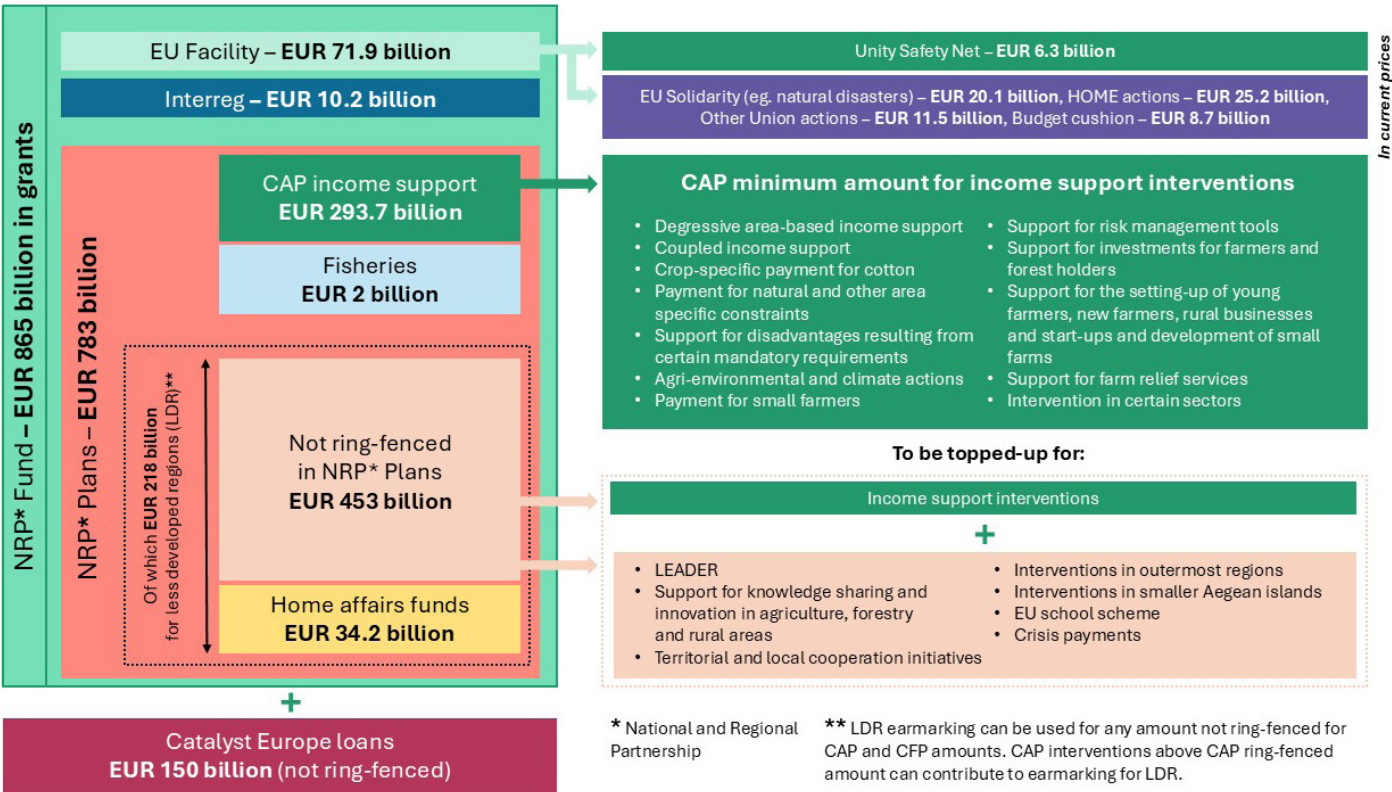


Member States can use the EUR 453 billion available in the Plans to complement the minimum CAP allocations for:

- **income support interventions beyond the ring-fenced amounts**
- **other CAP interventions - not income support related** - such as, LEADER, innovation and knowledge sharing, local cooperation, school schemes and agricultural activities in outermost regions, among others. **For interventions that are mandatory, Member States are obliged to provide support in their plans.**

The Commission will provide national recommendations on the CAP to guide Member States in drawing up their plans to ensure the challenges of agriculture and rural development are adequately addressed.

Figure: The CAP within the National and Regional Partnership Fund 2028-2034



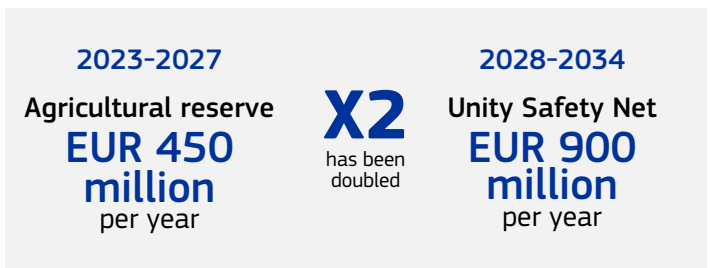


## 1.2 Support for the CAP under the EU Facility

The EU Facility in the National and Regional Partnership Fund foresees a **Unity Safety Net of EUR 6.3 billion over the 2028-2034** period to stabilise agricultural markets in case of market disturbances.



This will improve the protection of farmers in a changing global context and strengthen the resilience of the agricultural sector.



Furthermore, the EU Facility provides for Union actions such as **promotion of agricultural products, support to data collection regarding agriculture, and other technical assistance.**

## 2. CAP allocations and external convergence

Between 2021 and 2027, the EU works to make direct payments to farmers more balanced across Member States. This process is called external convergence.

In the new Partnership Plan, this is done in two ways:

1. When calculating each country's **total EU funding, countries that receive less than 90% of the EU average in direct payments get extra money.**
2. By setting a minimum and maximum amount per hectare for degressive area-based income support, **it is ensured that the differences in average aid per hectare are not too big between EU countries.**

## 3. Member States national contributions

The degressive area-based income support, coupled income support, support for small farmers and the payment for cotton are **100% EU financed**, with the aim to ensure a level playing field among Member States.

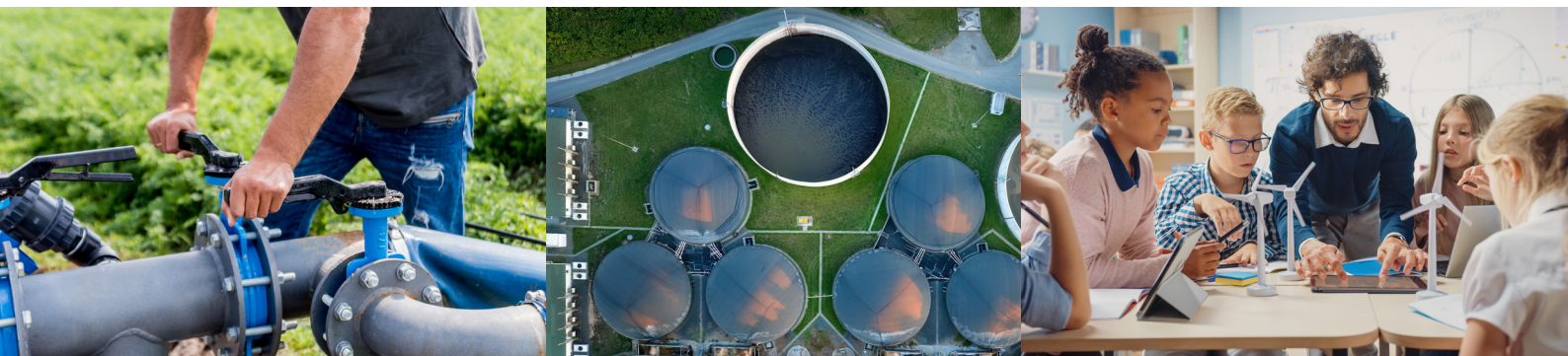
For all other income support interventions, a mandatory national contribution **of at least 30% of the eligible public expenditure is required.**

Beyond the ring-fenced amounts for income support, national contributions rates will be **at least 15%, 40% or 60% depending on the region receiving the funding.**

The extension of the requirement for national contributions to all agri-environmental and climate actions, the sectoral interventions and the school scheme, means that **overall public expenditure for the CAP (from EU and Member States) will increase, creating a larger financial volume for CAP support.**

## 4. Synergies between the CAP and other policy areas

Agriculture and rural areas stand to gain from various funding opportunities and **synergies with other policy areas** that are part of the Partnership Plan. The **joint planning exercise for the CAP and other policies** offers Member States the possibility to **better consider the needs of their agricultural sector and rural areas at national, regional and local level**.



### Investments in water systems

Access to water services is challenging in many rural areas. Currently, various strands of **EU funding already support investments in water infrastructures in agriculture**, each with a different focus: from secondary infrastructure to primary networks for mixed uses. **In the future, a better integrated planning of EU support will enhance efficiency, optimise the use of public funding and increase synergies between investments.**

### Renewable energy production

**National initiatives can use the Recovery and Resilience Facility (RRF) to fund on-farm solar electricity production, reducing production costs for farmers. Equally, Innovation Fund projects have helped establish innovative biomethane plants using local agri-food waste, providing farmers with a stable revenue stream.** Looking ahead, optimised fund programming and reforms are expected to improve connections to energy grids, offer farmers with additional income, support and possibly reduce the cost for local renewable energy for consumers, and advance the EU's renewable energy objectives.

### Education in rural areas

Many rural areas, in particular those experiencing population decline, face challenges due to insufficient infrastructure and educational support services. This can be particularly difficult for young generations and their families. **Several EU funds and programmes currently support education and training in rural and remote areas. In the future, the streamlined fund and programming approach will facilitate development of skills and social infrastructure in rural areas allowing easier and targeted synergies between the EU and national funding.**

Furthermore, the farming sector and rural areas and communities will benefit from the **European Competitiveness Fund** and the **Horizon Europe Programme**, where **around EUR 40 billion** will be available to foster research and innovation, competitiveness, sustainability, resilience and fairness of agriculture.

In addition, the **Global Europe Instrument** will include pre-accession support for agriculture and rural development in candidate countries.



## 5. Balancing the impact of inflation

A new **inflation-handling mechanism is proposed for the whole multiannual EU budget**. It will avoid that unexpected high inflation impacts the EU's ability to fund and deliver on its objectives.

In practical terms, **an annual price adjustment of 2% will apply whenever EU inflation is between 1% and 3%**, and the adjustment will be equal to the actual inflation forecast rate whenever the inflation forecast is lower than 1% or higher than 3%.

**This mechanism, applied for the first time to EU financial support, will allow maintaining the value of support throughout the entire period.**













## ANNEX: Member State allocations of CAP income support

The ring-fenced amount for CAP income support is allocated to Member States in a way that ensures fairness and continuity for the financing of the agricultural sector and rural areas.

This has been done by determining, for each Member State, their respective share of the total CAP envelope for year 2027 (which is the last year of the current MFF and of external convergence for direct payments), and applying a pro-rata allocation of the ring-fenced amount per Member State that reflects this share of each Member State of the CAP.

| Member State   | Minimum amount<br>(in EUR 1 000, current prices) |
|--|--|
|  <b>Belgium</b>       | 3 598 717  |
|  <b>Bulgaria</b>      | 6 202 350  |
|  <b>Czechia</b>       | 6 153 974  |
|  <b>Denmark</b>       | 5 142 499  |
|  <b>Germany</b>       | 33 106 250                                       |
|  <b>Estonia</b>     | 1 589 390  |
|  <b>Ireland</b>     | 8 161 085  |
|  <b>Greece</b>      | 14 639 674                                       |
|  <b>Spain</b>       | 37 235 304                                       |
|  <b>France</b>      | 50 938 681                                       |
|  <b>Croatia</b>     | 3 708 359  |
|  <b>Italy</b>       | 31 003 434                                       |
|  <b>Cyprus</b>      | 415 889  |
|  <b>Latvia</b>      | 2 620 796  |
|  <b>Lithuania</b>   | 4 386 480  |
|  <b>Luxembourg</b>  | 246 093  |
|  <b>Hungary</b>     | 9 239 294  |
|  <b>Malta</b>       | 135 410  |
|  <b>Netherlands</b> | 5 087 414  |

| Member State  | Minimum amount<br>(in EUR 1 000, current prices) |
|---|--|
|  <b>Austria</b>  | 6 624 524  |
|  <b>Poland</b>   | 24 636 906                                       |
|  <b>Portugal</b> | 7 428 950  |
|  <b>Romania</b>  | 16 574 344                                       |
|  <b>Slovenia</b> | 1 340 578  |
|  <b>Slovakia</b> | 3 731 185  |
|  <b>Finland</b>  | 4 800 434  |
|  <b>Sweden</b>   | 4 951 986  |