

Policy Brief -**Towards a farmer-centric CAP rooted in agroecosystem health**
Facilitating the transformation of EU agrifood ecosystems**CONTEXT**

The European Alliance for Regenerative Agriculture (EARA) is an **independent, farmer-led coordination and political advocacy organisation** of the movement of regenerative agriculture at the European level.

In EARA, farmers of all contexts (young/old; big/small; organic/non-organic; arable/pastoralists; south/north; etc.) speak with a shared voice & vision.

In the face of the diverse ecological and societal crises Europe is facing, the next CAP cycle starting in 2027 holds a unique opportunity to rethink and redesign European agricultural policy.

By refocusing its design on the core actors of the system - European farmers - and incorporating the latest advances in science and technology, a new CAP can steer Europe into a prosperous future with resilient ecosystems and economies.

This Policy Brief gives a short overview of EARA's Policy Paper "Towards a farmer-centric and performance-based CAP". Please find the full version on our website: www.eara.farm.

SUMMARY

With its Policy Paper, EARA presents a proposal for reshaping the EU Common Agricultural Policy (CAP) towards a **farmer-centric and performance-based approach that is rooted in the health of our agroecosystems**.

EARA proposes the phasing out of decoupled direct payments without undermining farm income, livelihoods or productivity.

We argue that with a switch to fair and simple hectare-based direct payments coupled to agroecological performance, the CAP can **decrease farmer dependency on external inputs and increase on-farm climate change resilience**.

Such a farmer-empowering CAP design, anchored in result-based payments for agroecosystem health, aims to **foster long-term simplification and planning security in the agricultural sector**.

It aims further to facilitate the rapid transformation of agricultural production systems, towards being the regenerating foundation of Europe's future-proof and nature-positive agrifood ecosystems. It comes along with a **positive and meaningful public reengagement with rural livelihoods, farmer well-being, local regions, landscapes and communities** all over Europe.

KEY POINTS OF OUR POLICY PROPOSAL:

A redesign of the CAP post-2027 is one of the biggest leverage points to counteract the diverse social, economic and environmental crises Europe is facing, and to give back agency to farmers.

EARA proposes a farmer-centric and performance-based structural reform.

A fair and simple performance-based CAP can deliver:

- structural simplification & fairness
- rapid spreading of context-specific innovation
- farm labour attractiveness
- synergistic integration of productivity & ecology
- an immense co-financing opportunity of Member States for climate change adaptation
- meaningful public reengagement with rural livelihoods, farmer well-being, local regions, landscapes and communities
- healthy and sustainable food security in Europe and beyond
- the strengthening of social cohesion and European sovereignty
- a re-rooting of the European project in the health of our European continent and its inhabitants

BACKGROUND**FARMERS, LAND USE AND THE CAP ARE EUROPE'S BACKBONE**

Water and affordable diets are the backbone to any society. Both depend on farmers. Recent protests across Europe show immense frustration among farmers. Climate change impacts and food price inflation show the fragility of affordable diets in Europe and beyond.

The EU agrifood system has evolved over the last decades as an intrinsic part of a global agrifood system governed along core agro-economic indicators such as standard output, total factor productivity, comparative advantage and gross value added. Maximising these indicators, whose conceptual assumptions have very limited whole-system scope, has come at a high price of hidden costs and invaluable losses.

To date, about 40% of Europe's land surface and the majority of land used for food production is subsidised with around 33% of the total budget of the European Union - the Common Agricultural Policy, CAP (1). Thirty years ago, the governance of CAP started to increasingly include sustainability objectives. However, to date, the **CAP has failed to tip the ecological (and hence to a large extent economic) balance of agricultural land use management from degradation to regeneration (2)**.



EUROPE'S AGRIFOOD SYSTEM IN CRISIS

Achieving trend reversals in the outcomes of land use management is of highest relevance to all Europeans. More than 8.6% (an increasing figure) of the EU population is unable to afford an adequate meal every second day (3). Overweight, obesity and diet-related non-communicable diseases (NCDs) are a major public health challenge in Europe (4) - historically co-facilitated by the CAP (5).

In the summer, Europe's lands emanate heat into the atmosphere, **driving heat and drought instead of cooling the continent and infiltrating water.**

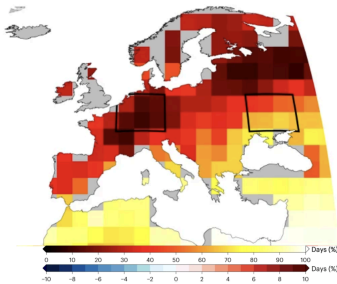


Figure 1: Percentage of days with maximum soil temperatures higher than maximum air temperatures during air hot extremes under 1.5 °C warming level (6)

THE IMMENSE POTENTIAL AT HAND - THE 4th AGRICULTURAL REVOLUTION

Highly advanced agronomic praxes and scientific assumptions open the way to an exciting and promising leap in agricultural innovation, at a time when it is critically needed.

“The emphasis must be based on living soil and plant sciences to maximise photosynthesis to capture CO2 [...] and maximise root exudations to feed [...] the soil microbiome [...].” (7)

Leverage, agencies and potentials in the transition must be clearly identified, in order to optimally spread these innovations in **farmer-empowering narratives and policy designs, enhancing uptake in land use management** so as to facilitate future-proof healthy and affordable food security in Europe.

Biodiversity	Water	Water	Carbon
20 x <small>more birds</small>	33 °C <small>less surface temperature</small>	275 % <small>improvement of the soils' water functions</small>	300 % <small>better CO2e balance</small>
Productivity	Crop Health	Nutritional Quality	Economic Health
46 % <small>increase of forage production on pastures</small>	1.000 % <small>less 'pest' abundance</small>	45 % <small>higher nutrient density</small>	70 % <small>more on-farm profit</small>

Figure 2: Evidence of the comparative agro-economic and -ecological performance of conventional vs. regenerating farms. Own illustration, for details see eara.farm

DEADLOCKED POLICY DISCOURSE & FADING SOCIAL COHESION

The prevailing policy-making narratives employed over the last years to address the deeply interlinked crises in Europe's agrifood system have resulted in a political stalemate, hindering the transformative shift towards sustainability and resilience (8):

- In Agriculture: Sustainable Intensification, Organic Agriculture, Agroecology, Conservation Agriculture and Nature Conservation
- In Market & Trade: Productivist, Globalist, One Health and Food Sovereignty

The existing agrifood system governance can be understood as a result of these competing narratives **producing an incoherent governance mosaic due to the attempts to meet the different demands** brought forward by the stakeholders.

Path dependencies and minimum position compromises between these narratives have produced a largely **practice-based, complicated, non-systematic, overly bureaucratic, unjust and mostly short-term-focused CAP policy design.**

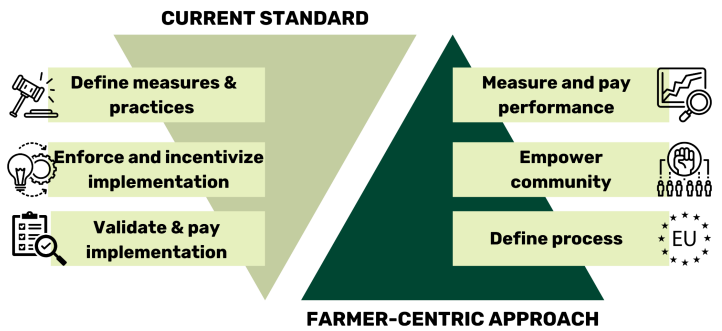


Figure 3: Approaches to agricultural policy (9)

Worse still, this governance system is producing **negative agri-sociological feedback loops**, in which farmers are held devoid of planning security and are prescribed 'practices' for monetary gain. **Society's stewards of local agro-ecological contexts are thus deprived of their agency and capacity for consequence capture.** Aside from political and economic factors, we see two main reasons why the CAP has failed to facilitate the urgently-needed trend reversal in land use management. Both are related to its mode of governance:

- The CAP design has so far adopted a measure- and/or practice-based approach to facilitate the sustainability transformation of European agriculture (10).
- The CAP design has understood sustainability not as a central agricultural production factor, but largely as a trade-off to productivity (intensive vs. extensive).

We propose a **farmer-centric governance approach that does not undermine farm income nor productivity** and sketches a way to **end the current decoupled direct payments of the CAP**, which do lock in **path dependencies** and violate global trade rules. Such an approach supports **farm input autonomy, on-farm climate change adaptation**, the resilience of a future-proof and nature-positive EU agrifood system, and **positive and meaningful public reengagement with rural livelihoods, ecosystems and farmer well-being**.

In political terms, the design opens up the urgently needed opportunity for a **policy discourse that fosters cohesiveness among the narratives currently competing** in the policy arena.

In the current debate, NGOs, science and smallholder farmers want to terminate hectare-based direct payments in the CAP. Contrarily, big landowners and powerful farmer associations want to continue decoupled hectare-based direct payments, in collaboration with other stakeholders with a vested interest in the status quo.

Our proposed CAP design can mediate a middle way. Rather than agreeing to a minimum reform without sufficient ambition and with alienating consequences, **this design creates a synergistic middle way by opening an achievable systemic shift led by innovative farmers** from all European regions and farm types. It aims at building the practical bridge between the stakeholders by mobilising a critical mass behind the **proposal of hectare-based, simple, direct payments that are specifically designed to fairly remunerate and incentivize agroecosystem health performance, sustainable factor productivity and farmer livelihoods**.

TOWARDS A FARMER-CENTRIC AND PERFORMANCE-BASED CAP - IN A NUTSHELL

We argue that for a governance design fit to achieve the CAP's objectives in the 21st century, the two fundamental 'production factors' are a **result- and outcome-orientation, as well as a focus on sustainable total factor productivity**.

We need a farmer-centric governance approach for all farmers – big or small, with any agronomic farm type or ecological context. We need the governance NOT to overload farmers with bureaucracy, but **to empower capacities in the agricultural sector through reflexive governance** that assures and enhances **agency, planning security and socio-ecological diversity for high-value rural livelihoods**.

By switching to fair and simple hectare-based direct payments coupled to agroecological performance, the CAP can decrease farmer dependency on external inputs. It can also increase on-farm climate change resilience in a positive engagement with farmer livelihoods and food security.

We propose a future CAP to start remunerating farmers for **Net primary productivity (NPP) and soil protection results** per year and per hectare, as well as per absolute and year-over-year results, benchmarked to the results of other plots from the same pedoclimatic region and land use category.

A structural yet politically feasible CAP reform that leverages the experience of diverse pioneering farmers from across varying European agroecosystems and economic contexts, can be achieved. These **farmers may act as guiding stewards for advancing the economic, social and ecological trajectory** of all farmers and their agroecosystems.

EARA's proposed reform has the potential to **bring youth back into farming, and leverages fairness and innovation in the agricultural sector** for a future-proof food security based on shared values and vibrant rural livelihoods in Europe and beyond. It lies at the heart of any attempts towards a genuine EU Common Food Policy or the like. It is embedded in a **policy narrative designed to foster systemic understanding and cohesion between the stakeholders** in the policy arena that are influencing and deciding the next CAP reform.

IMMEDIATE PROPOSED POLICY PRIORITIES

- Discuss a simple and fair performance-based CAP reform in the Strategic Dialogue
- Develop MRV capacities of Joint Research Council, EC, etc. in coordination with Member States
- Develop a wider pilot program with farmers at the centre
- Embed CAP reform in wider market and trade reforms for agrifood ecosystem transformation

ENDNOTES

- (1) European Parliament. (2023). FINANCING OF THE CAP. ([LINK](#))
- (2) European Soil Observatory, Soil Health Dashboard. ([LINK](#)); EUROSTAT. (2023). Economic accounts for agriculture - indices: volume, price, values. ([LINK](#))
- (3) Eurostat. (2022). 8.6% of people in the EU are unable to afford a proper meal. ([LINK](#))
- (4) JPI-HDHL Policy Evaluation Network. (2021). The Healthy Food Environment Policy Index (Food-EPI): European Union. An assessment of EU-level policies influencing food environments and priority actions to create healthy food environments in the EU. ([LINK](#))
- (5) James McEldowney. (2020). EU agricultural policy and health EPRS ([LINK](#))
- (6) García-García et al. (2023). Soil heat extremes can outpace air temperature extremes. ([LINK](#))
- (7) Leu, A. (2023). Maximising Photosynthesis and Root Exudates through Regenerative Agriculture to Increase Soil Organic Carbon to Mitigate Climate Change. ([LINK](#))
- (8) Bless, A., Davila, F., & Plant, R. (2023). A genealogy of sustainable agriculture narratives: implications for the transformative potential of regenerative agriculture. *Agriculture and Human Values*, 1-19. ([LINK](#))
- (9) Own graphic adapted from [AgriCircle](#)
- (10) A measure- and/or practice-based approach to encouraging the agricultural transition focuses on providing incentives for specific climate- and environment-friendly farming practices. Policy measures aimed at supporting climate, biodiversity, environment and animal welfare so far have been mainly programmed in a 'do' or 'do not do' non-context-specific way.

Picture Credit page 1: Peter Fröhlich. Highly diverse and productive cover crops with 23 species planted after winter wheat and before sugar beet