



STUDY REPORT

The core of the EU's agricultural sovereignty targeted by cuts in aid

Brussels, 23rd July 2025 - The choice of how to distribute Common Agricultural Policy (CAP) aid is the main lever for action under this policy, and this lever underpins much of the investment capacity and future prospects of EU farms. It reflects the EU's priorities for the future of agriculture and farms on the continent.

Since the beginning of its term, the current College of Commissioners has focused the debate on concentrating CAP subsidies on "those who need them most", a particularly difficult challenge given the climate, agronomic, geographical and sectoral sensitivities, and also difficult given the need for a European approach to avoid distortions of competition while offering sufficient flexibility to respect the diversity of farm structures.

On 16 July, the European Commission therefore decided to put forward a double proposal for a significant budget reduction for the CAP, accompanied by a radical redistribution of aid, combining a degressive support scheme above €20,000 and a cap of €100,000.

Farm Europe has analysed the scope of the formula envisaged by the European Commission on the basis of public data on the distribution of aid in 2022. These data provide a tool for analysing the structure of farms across the Union. Although the figures are not accurate to the nearest euro, they provide a solid initial projection that can be refined by national paying agencies.

This analysis reveals that the degressivity and capping rates for basic income support will hit hardest those farmers who are currently the backbone of European production. More than half of the EU's utilised agricultural area would be affected by the reduction in aid, rising to two-thirds when the smallest farms (receiving less than EUR 5,000 in aid), which are mainly concerned by flat-rate aid or at the threshold for such aid, are excluded. One third of farmers with more than 12 hectares would see their subsidies reduced by the degressivity at EU level.

This European analysis is not enough to realise the full extent of the consequences of the formula chosen by the European Commission. In countries such as France and the Czech Republic, which have very different structures, it is the very agricultural model of the country that would be called into question. In France, more than 50% of farmers receiving more than €5,000 per year would be affected by a reduction in aid, representing 73% of the total agricultural area in France. In the Czech Republic, this figure would rise to 85% of the productive sector concerned. In Italy, known


for its relatively small average size farms, no least that 57% of the hectares would be affected by degressivity when it comes to structures not eligible to the small farmers scheme.

On various scales, all Member States would be severely affected by this proposal, which seems to be dictated more by a desire to save money than by a genuine desire for fairness or a vision for the future of the sector. While the European executive has expressed the welcome ambition of refocusing policy on those who produce, its proposal to target 'those who need it most' would therefore do the opposite.

Such a formula would further increase the economic pressure on farms, which currently account for the bulk of EU production. There is no doubt that this approach would accelerate the process of agricultural restructuring across Europe, encouraging expansion and making it particularly difficult for young farmers to set up traditional family farms. It could also encourage EU farmers to focus their efforts on reducing costs rather than optimising production, which would seriously undermine the objective of agricultural sovereignty.

EU

Country	EU
Payment Category	Decoupled direct payments...



TOTAL SAVINGS	4,56	Billion €
Total Payments before capping/degressivity	23	Billion €
% Total Payments before capping/degressivity	20%	

Total Farmers (0 - >500 000€)	4611584
Total Farmers concerned (small farms excluded)	374279
% of Farmers concerned (small farms excluded)	28,6%

Total Mha (5 000- >500 000€)	103,4
Total Mha (small farms excluded)	67,1
% hectares concerned (small farms excluded)	65%
% Total hectares	54%

Strat	ha equivalent Strat	Number of beneficiaries	Total ha	Scenario	Amount	Total before degressivity / Capping (1000€)	Total after degressivity / Capping (1000€)	SAVINGS (1000 €)	
Tranche 1	≥ 0 and < 500 €	1	634658	799942	Degressivity	0%	152072	152072	0
Tranche 2	≥ 500 and < 1 250 €	3	983311	3091553	Degressivity	0%	608920	608920	0
Tranche 3	≥ 1 250 and < 2 000 €	6	659418	4043936	Degressivity	0%	768143	768143	0
Tranche 4	≥ 2 000 and < 5 000 €	12	1026894	12638853	Degressivity	0%	2379416	2379416	0
Tranche 5	≥ 5 000 and < 10 000 €	27	540296	14793847	Degressivity	0%	2796097	2796097	0
Tranche 6	≥ 10 000 and < 20 000 €	55	392728	21452233	Degressivity	0%	4076870	4076870	0
Tranche 7	≥ 20 000 and < 50 000 €	118	292757	34622833	Degressivity	25%	6482765	4862074	1620691
Tranche 8	≥ 50 000 and < 100 000 €	257	59364	15269947	Degressivity	62,5%	2882504	1080939	1801565
Tranche 15	≥ 100 000	≥ 450	22158	17211333	Capping	100000	3225088	2086842	1138246

ITALY

Country	Italy
Payment Category	Decoupled direct payments...



TOTAL SAVINGS	0,32	Billion €
Total Payments before capping/degressivity	2	Billion €
% Total Payments before capping/degressivity	15%	

Total Farmers (0 - >500 000€)	664970
Total Farmers concerned (small farms excluded)	28847
% of Farmers concerned (small farms excluded)	22,0%

Total Mha (5 000- >500 000€)	6,7
Total Mha (small farms excluded)	3,8
% hectares concerned (small farms excluded)	57%
% Total hectares	42%

	Strat	ha equivalent Strat	Number of beneficiaries	Total ha	Scenario	Amount	Total before degressivity / Capping (1000€)	Total after degressivity / Capping (1000€)	SAVINGS (1000 €)
Tranche 1	≥ 0 and < 500 €	1	115545	128328	Degressivity	0%	29422	29422	0
Tranche 2	≥ 500 and < 1 250 €	2	193203	467628	Degressivity	0%	112129	112129	0
Tranche 3	≥ 1 250 and < 2 000 €	5	91281	430415	Degressivity	0%	102231	102231	0
Tranche 4	≥ 2 000 and < 5 000 €	9	134043	1259320	Degressivity	0%	298405	298405	0
Tranche 5	≥ 5 000 and < 10 000 €	21	63878	1338015	Degressivity	0%	317387	317387	0
Tranche 6	≥ 10 000 and < 20 000 €	42	38173	1584887	Degressivity	0%	375316	375316	0
Tranche 7	≥ 20 000 and < 50 000 €	90	22301	2003463	Degressivity	25%	474105	355579	118526
Tranche 8	≥ 50 000 and < 100 000 €	202	5002	1008266	Degressivity	62,5%	237456	89046	148410
Tranche 15	≥ 100 000	≥ 450	1544	806011	Capping	100000	188341	139784	48557

FRANCE

Country	France
Payment Category	Decoupled direct payments...



TOTAL SAVINGS	0,96	Billion €
Total Payments before capping/degressivity	4	Billion €
% Total Payments before capping/degressivity	24%	

Total Farmers (0 - >500 000€)	299249
Total Farmers concerned (small farms excluded)	111898
% of Farmers concerned (small farms excluded)	50,4%

Total Mha (5 000- >500 000€)	21,8
Total Mha (small farms excluded)	16,4
% hectares concerned (small farms excluded)	75%
% Total hectares	73%

	Strat	ha equivalent Strat	Number of beneficiaries	Total ha	Scenario	Amount	Total before degressivity / Capping (1000€)	Total after degressivity / Capping (1000€)	SAVINGS (1000 €)
Tranche 1	≥ 0 and < 500 €	1	9220	11285	Degressivity	0%	2090	2090	0
Tranche 2	≥ 500 and < 1 250 €	3	22660	74970	Degressivity	0%	13541	13541	0
Tranche 3	≥ 1 250 and < 2 000 €	6	13069	82549	Degressivity	0%	14863	14863	0
Tranche 4	≥ 2 000 and < 5 000 €	13	32132	416541	Degressivity	0%	75428	75428	0
Tranche 5	≥ 5 000 and < 10 000 €	29	36884	1071474	Degressivity	0%	193659	193659	0
Tranche 6	≥ 10 000 and < 20 000 €	59	73386	4334329	Degressivity	0%	771028	771028	0
Tranche 7	≥ 20 000 and < 50 000 €	125	95183	11921276	Degressivity	25%	2073417	1555063	518354
Tranche 8	≥ 50 000 and < 100 000 €	255	15669	3988843	Degressivity	62,5%	701900	263213	438688
Tranche 15	≥ 100 000	≥ 450	1046	532319	Capping	100000	94192	87888	6304

CZECHIA

Country	Czechia
Payment Category	Decoupled direct payments....



TOTAL SAVINGS	0,17	Billion €
Total Payments before capping/degressivity	0	Billion €
% Total Payments before capping/degressivity	38%	

Total Farmers (0 - >500 000€)	30215
Total Farmers concerned (small farms excluded)	5240
% of Farmers concerned (small farms excluded)	42,5%

Total Mha (5 000 - >500 000€)	2,8
Total Mha (small farms excluded)	2,5
% hectares concerned (small farms excluded)	89%
% Total hectares	85%

	Strat	ha equivalent Strat	Number of beneficiaries	Total ha	Scenario	Amount	Total before degressivity / Capping (1000€)	Total after degressivity / Capping (1000€)	SAVINGS (1000 €)
Tranche 1	≥ 0 and < 500 €	1	3162	4498	Degressivity	0%	696	696	0
Tranche 2	≥ 500 and < 1 250 €	3	5330	18633	Degressivity	0%	2885	2885	0
Tranche 3	≥ 1 250 and < 2 000 €	7	3257	21861	Degressivity	0%	3396	3396	0
Tranche 4	≥ 2 000 and < 5 000 €	14	6135	83108	Degressivity	0%	12804	12804	0
Tranche 5	≥ 5 000 and < 10 000 €	30	3922	117410	Degressivity	0%	18136	18136	0
Tranche 6	≥ 10 000 and < 20 000 €	59	3169	186992	Degressivity	0%	29045	29045	0
Tranche 7	≥ 20 000 and < 50 000 €	128	2455	313212	Degressivity	25%	48360	36270	12090
Tranche 8	≥ 50 000 and < 100 000 €	296	1072	316934	Degressivity	62,5%	49476	18553	30922
Tranche 15	≥ 100 000	≥ 450	1713	1887047	Capping	100000	289373	161144	128229