



EUROPEAN COMMISSION
DIRECTORATE-GENERAL FOR AGRICULTURE AND RURAL DEVELOPMENT

Deputy Director-General, in charge of Directorates D, E and F

Brussels
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Dear Mr Szabó,

Thank you for your letter of 10 September 2021 (our ref. Ares(2021)5596869) in which you enquire on the possible support for existing producer groups (PGs) and producer organisations (POs) in the Common Agricultural Policy (CAP) post 2022.

First of all, let me confirm that the Commission strongly supports cooperation between farmers, since it considers it key to ensure their resilience and a better position in the value chain.

In the new CAP post 2022, specific support for POs and PGs will be offered through sectorial interventions and rural development.

As regards rural development, support will be available on cooperation that includes the possibility to support new “producer groups, producer organisations or interbranch organisations” or new activities of existing groups or organisations.

The rural development cooperation measure of the 2014-2022 period set out a list of several types of cooperation activities suitable for support. In the post 2022 period, in principle, all these types of cooperation activities can still receive support under it, but the new legislation does not go to this level of detail. On the basis of the needs and policy decisions of the Member State, cooperation measures maybe designed in the CAP Strategic Plan to be set up by Member States for the period 2023 to 2027. The supported cooperation has to contribute achieving one or more of the specific objectives set out in Article 6.

Please note that contrary to the rules for the period 2014 to 2022, Member States may only grant support to promote forms of cooperation involving *at least two entities*. Moreover, Member States may only grant support to promote new forms of cooperation. Existing ones can only get support if starting a new activity.

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As regards the duration of the support, a maximum period of seven years is foreseen. The Member States could decide to reduce this timeframe which, in the case of PGs, could be relevant taking into account previous programming periods experiences (e.g. five years).

Finally, apart from a general provision with regard to simplified costs options, no specific requirements on other possible conditions for providing the support (such as degressive payments and links to a business plan) or on methods for calculating the level of support are laid down. Those conditions are left to the discretion of the Member States, which could therefore decide to replicate existing requirements or to create new ones.

As regards sectoral interventions, possibilities to support producer organisations via operational programs as set in Chapter III of Title III of the Commission proposal will remain and will even be broadened since they may also cover “other” sectors different from the ones listed in the proposal.

The choice and implementation of detailed actions is the responsibility of the Member States. Based on the needs and policy decisions of Hungary, cooperation measures will have to be designed and laid down in the 2023-2027 CAP Strategic Plan, that is expected to be submitted by 1 January 2022 to the Commission that will subsequently assess it and approve it.

The Commission services are aware that the 2023-2027 Hungarian CAP Strategic Plan is under development and they are encouraging an inclusive public consultation process with the Hungarian stakeholders. For further details on the state of play of the Hungarian CAP Strategic Plan and its planned content, please contact the Hungarian Authorities (Ministry of Agriculture, Mr. István Madarász, Head of Department, contact point for the future CAP, istvan.madarasz@am.gov.hu).

The purpose of the present letter is to clarify and explain the provisions based on the recent political agreement as regards the SPR. Please note that the ordinary legislative procedure is not finished, and the Regulation not formally adopted yet. The reply expresses the view of the Commission services and does not commit the European Commission.

Once the Regulation is adopted, it is in the event of a dispute involving Union law, under the Treaty on the Functioning of the European Union, ultimately for the Court of Justice of the European Union to provide a definitive interpretation of the applicable Union law.

Yours faithfully,



Mihail DUMITRU