



At a glance:

AUSTRIA'S CAP STRATEGIC PLAN

Agriculture
and Rural
Development

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.

The 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..

Austria submitted its proposal for a CAP Strategic Plan on 30 December 2021, after consultation with stakeholders. On 10 August 2022, Austria submitted a revised proposal, addressing the Commission's observations on the first draft. The Commission approved this proposal on 13 September 2022. This document presents some of the main features of the CAP Strategic Plan of Austria.

1. DID YOU KNOW?



Austrian agriculture is characterised by small-scale structures, often in areas where farming is difficult. The vast majority of farm holdings are located in mountain areas and areas facing natural or other specific constraints for farming. **The primary sector accounts for 1.2% of the country's gross value added (GVA).**

Of the total area, 32% is agricultural land while **forests cover 44%**. About half of the utilised agricultural area (UAA) is arable land and the other half is mostly permanent grassland.

- ➔ **Rural areas cover 75% of Austria**, while 18% of the land falls in the category of intermediate regions (not yet cities).
- ➔ **More than 3.5 million people live in rural areas**, which represents 40% of Austria's population. An additional 27% live in intermediate regions.
- ➔ There are **more than 110 000 farms in Austria**, while the average farm manages about 20 hectares of land.



2. GOALS AND STRATEGY OF THE CAP STRATEGIC PLAN OF AUSTRIA

Austria's strategy is aimed at ensuring the sustainable competitiveness and resilience of farms and securing food safety for the population, while at the same time improving the protection of natural resources and the climate. It contributes substantially to improving vitality and quality of life in rural areas through investments, knowledge transfer and innovation.

2.1 AN ECONOMICALLY SUSTAINABLE AND FAIRER CAP

Austria will use more than 60% of the **Plan's financial resources for rural development**. Diverse investments will strengthen rural infrastructure and help counteract ageing and depopulation in rural areas.

A key objective of Austria's Strategic Plan is a **fairer distribution and more effective and efficient targeting of direct payments**. It is about redistribution of money from larger to smaller farms via a so called redistributive payment and the consideration of special needs and circumstances. The redistributive payment will improve the profitability of small and mountain farmers in disadvantaged areas.

To support these farms, special income support for the first 40 hectares will be paid. Austria will also set an upper limit for the basic income support at EUR 100 000 after the deduction of labour costs. This will further contribute to the fairer distribution of direct payments.

Producer organisations will be supported via **quality schemes or support for short and local supply chains**, which **will improve opportunities for 70% of farms**. The CAP Plan will offer support via sectoral interventions in the fruit and vegetables, apiculture products, wine, beef and veal, milk and milk products, sheep and goat and pigmeat sectors.

➔ *Alpine pastures are grazed areas consisting of fodder plants and herbaceous vegetation, as well as peaty areas. They provide an additional base of production for approximately 26 000 farms. EUR 93 million will be invested in these alpine pastures annually.*

➔ *Annually, EUR 466 million of basic income support is earmarked for around 2.2 million ha of eligible land. Farmers receive around EUR 208 of basic income per hectare.*

2.2 A GREENER CAP

Austria is applying strengthened good agricultural and environmental conditions (GAECs) compared to the previous period. Farmers need to meet these conditions if they want to benefit from the entire income support. This improvement will deliver a higher environmental benefit through safeguarding water, soil and biodiversity, and contributing to a reduction of greenhouse gas emissions from agriculture.

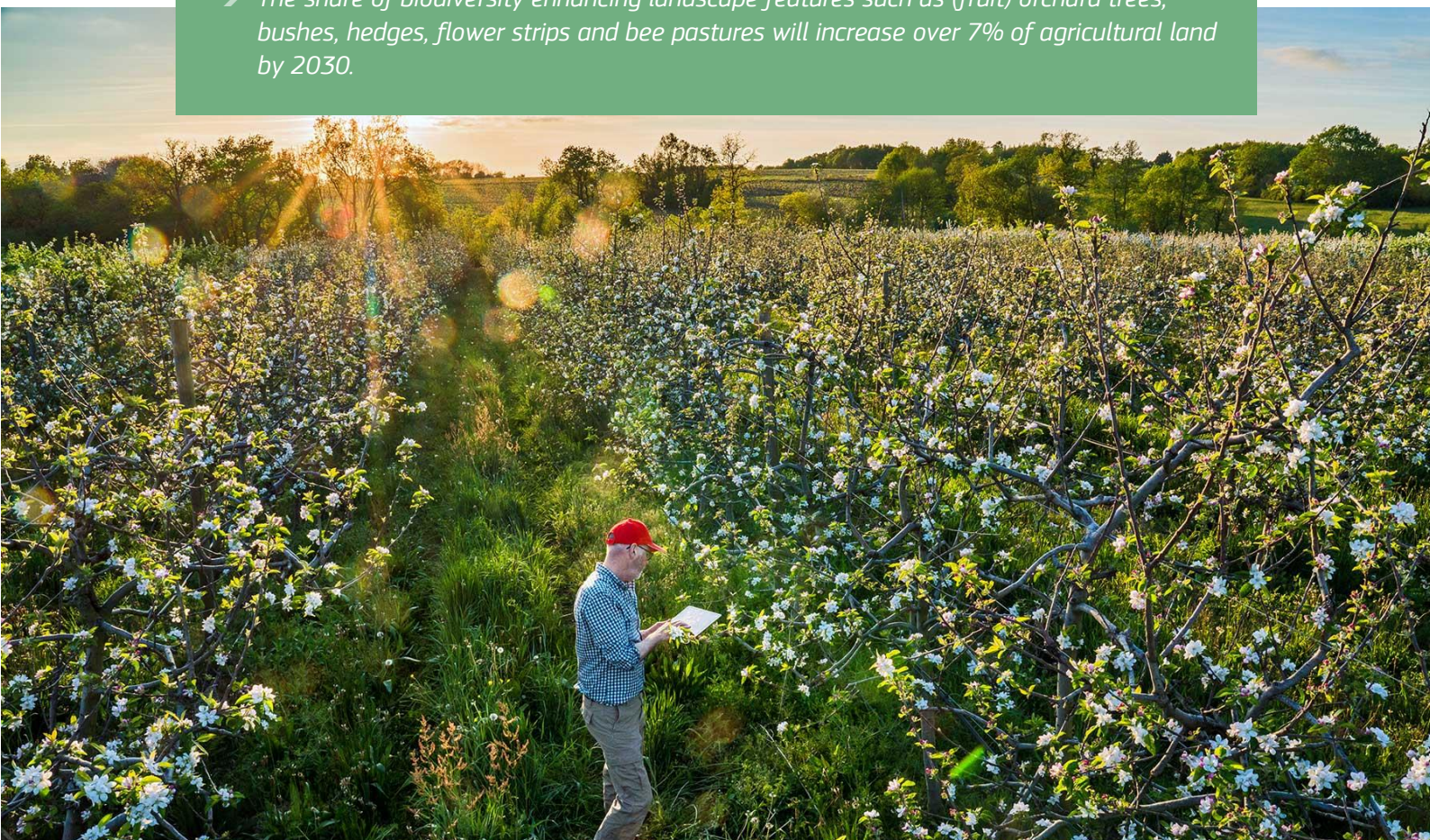


Austria spends almost **60% of its rural development budget on environmental objectives**, such as eco-schemes and area-based payments for environmentally friendly practices going beyond the legally required. One of the strongest interventions in the Plan are payments for agri-environmental and climate measures. A major aim of the Plan is to strengthen biodiversity-friendly agriculture. On more than 20% of the agricultural area practices such as nature conservation, mowing of mountain meadows or results-oriented management will be applied. Over 56% of agricultural area will be farmed to protect water quality.



The eco-schemes - measures that incentivise farmers to implement environmental and climate-friendly practices - are designed to increase environmental performance. Austria's eco-schemes **focus on soil and water protection, as well as aiming to improve animal welfare.**

- ➔ *Austria already has one of the highest shares of organic production in the EU. With the help of the CAP, this share will be further increased to 30% of the agricultural land.*
- ➔ *The share of biodiversity enhancing landscape features such as (fruit) orchard trees, bushes, hedges, flower strips and bee pastures will increase over 7% of agricultural land by 2030.*



2.3 SOCIALLY SUSTAINABLE CAP

The competitiveness of rural areas depends on improving the state of technical infrastructure and accessibility to basic services as a basis to develop sustainable entrepreneurship. With the support of the CAP, more than **11 000 jobs will be created and over 1 800 rural businesses will be supported**. Focus will be given to tourist infrastructure and more attractive local centres. Social services will also be supported, with a focus on childcare facilities. 80% of the rural population will be able to benefit from local development strategies implemented by Local Action Groups under LEADER. With LEADER, around EUR 210 million in total will be invested in rural areas and contribute to social innovation.

Austria will focus on the alignment of farms with certain provisions of the European labour laws and will thus apply the so-called social conditionality of the new CAP **from January 2023**. A sanction system was drawn up in partnership with the relevant social partners. The implementation of the Plan will also be based on the principle of equal opportunities and non-discrimination, including accessibility for persons with disabilities and equal opportunities for women and men.

Higher animal welfare standards in animal husbandry and responsible handling of antibiotics will be supported. The Austrian Plan offers interventions intended to support improved husbandry in cattle fattening and improved pig husbandry.

➔ *In total, 40% of livestock units will be covered by actions to support and improve animal welfare. For example, livestock will have access to grazing areas in alpine pastures for at least 60 days per year, or pigs and cattle will have more space in the stables.*



3. KNOWLEDGE SHARING, INNOVATION AND DIGITALISATION

The Plan offers **support for various training and advisory activities**. The Agricultural Knowledge and Innovation System (AKIS) will be expanded and strengthened. This will also further facilitate the establishment of Operational Groups of the European Innovation Partnership for Agricultural Productivity and Sustainability (EIP-AGRI), through which innovative projects will be developed and implemented.

Other EU instruments such as the Recovery and Resilience Facility (RRF) or the European Regional Development Fund (ERDF) will address additional rural needs. For example, the **broadband and mobile infrastructure** will be further improved in rural areas. In Austria, a basic supply of fixed broadband is offered to almost all of the approximately 3.9 million households.

- ➔ *Over 1.3 million persons will benefit from advice, training or knowledge exchange regarding different topics (such as climate, environment, farming in general, and efficiency) or participate in EIP Operational Groups supported under the Austrian Plan between 2023 and 2027.*
- ➔ *Over 98 000 persons will receive advice or training or participate in knowledge exchange and in EIP Operational Groups related to environmental and climate performance with the support of the Austrian Plan.*





4. FINANCIAL ANNEX

	EU budget (€)	National funding (€)	Total (€)
Direct payments	3 387 909 230	n/a	3 387 909 230
Sectoral support	59 730 940	7 110 940	66 841 880
Rural development	2 600 123 760	2 636 998 146	5 237 121 906
Total	6 047 763 930	2 644 109 086	8 691 873 016

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)	103 407 083
Environmental and climate objectives under rural development	1 520 216 589
Eco-schemes under direct payments	500 000 000
LEADER	130 200 000
Complementary Redistributive Income Support	338 790 925

The minimum financial allocations for support for young farmers can be reserved 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 Austria's CAP Strategic Plan.

