



European
Commission



At a glance:

PORTUGAL'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.

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.

Portugal submitted its first proposal for a CAP Strategic Plan on 30 December 2021, after consultation with stakeholders. On 5 August 2022, Portugal submitted a revised proposal, addressing the Commission's observations on the first draft. The Commission approved this proposal on 31 August 2022. This document presents some of the main features of the CAP Strategic Plan of Portugal.

1. DID YOU KNOW?



Portuguese agriculture is highly varied, with significant diversity in climate, topography and soil conditions. The sectors with the largest production are wine, cereals, fruit and vegetables, olive oil, pigmeat and poultry. However, the primary sector only contributes to less than 3% of the country's economy (total GVA).

- **31% of the Portuguese population live in predominantly rural areas** and 22% live in intermediate regions.
- Portugal has **around 259 000 active farms, which cover around 3.6 million ha of utilised agricultural area**. Roughly 46% of those are very small farms of less than 2 ha and up to 80% of farms are family-based.
- There are approximately **290 000 farmers in Portugal**. Female farmers represent 39% of this labour force. Portugal has the oldest farming population in the EU.



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

The Portuguese strategy, which combines regional and national elements, is built upon active management of the entire territory, based on innovative and sustainable agricultural and forestry production. The Portuguese CAP Plan seeks the sustainable development of farming, food security, forestry and rural areas.

2.1 AN ECONOMICALLY SUSTAINABLE AND FAIRER CAP

Portugal will optimise production costs, in particular by improving the organisation of the agricultural sector, encouraging producers to work together in producer organisations. One of the main aims of the Portuguese Plan is to **increase farmers' income**, mainly through income support and investment interventions. In order to achieve a fairer system of payments to farmers, the Plan introduces an upper limit to be applied to payments made to farmers, redistributive support for small and medium sized farms and the convergence of direct payments. Furthermore, the basic income support will cover 96% of the agricultural area.

The **support for investments** will primarily allow farmers to modernise and restructure their farms and to improve their negotiating capacity in the food supply chain. In the fruit and vegetables sector, 45 operational programmes will be set up by producer organisations, in order to strengthen their negotiating power in the framework of the food supply chain. Moreover, there will be support for the wine, apiculture and cotton sectors to cover their specific needs with interventions on investment, training, advice, research, crisis prevention and management.

Portugal will **strengthen prevention, risk and disaster management** through an incentive to take out insurance, with a target of 12% of farms using this instrument.

- ➔ *The CAP Plan will devote EUR 320 million to support small farmers, who play an important role in the vitality of rural areas.*
- ➔ *More than EUR 690 million of additional financial support will benefit 14% of farms in sectors undergoing difficulties – notably beef, dairy, small ruminants and rice – and will increase food security by contributing to protein crop and cereal production.*

2.2 A GREENER CAP

Portugal faces major challenges in relation to environmental and climate objectives. The **fight against desertification, erosion and forest fires** is of utmost importance.



The Portuguese CAP Plan requires farmers to adopt sustainable production methods.

More than EUR 830 million is reserved for farmers committing to more ambitious actions such as carbon sequestration, organic fertilisation, organic farming and integrated production. In order to contribute to the ambitions of the European Green Deal, **19% of the agricultural area will be farmed organically by 2030.**



As for climate change, practices for soil, improvement of grassland quality and fire protection will be promoted through the plan, among others. Water management, in terms of quantity and quality, plays an important role in the CAP Plan. Support is given to renovate old infrastructure and equipment used in collective and on-farm irrigation systems. This will add up to 4.5% of the agricultural area under support for improving water use efficiency.

Furthermore, following the invasion of Ukraine, Portugal prioritises **investments in the production of renewable energy.**

- EUR 2.9 million will reward farmers committing to active, sustainable management of the Montados (traditional agro-silvo-pastoral ecosystems with High Nature Value) to achieve results that benefit the environment and climate.
- 2 000 ha will be under support for the conservation of traditional stone walls in the Azores, to protect vineyards common to the Azorean landscape.
- More than EUR 62.5 million will be invested in restoring forestry potential following natural disasters, including forest fires on the mainland and Madeira.

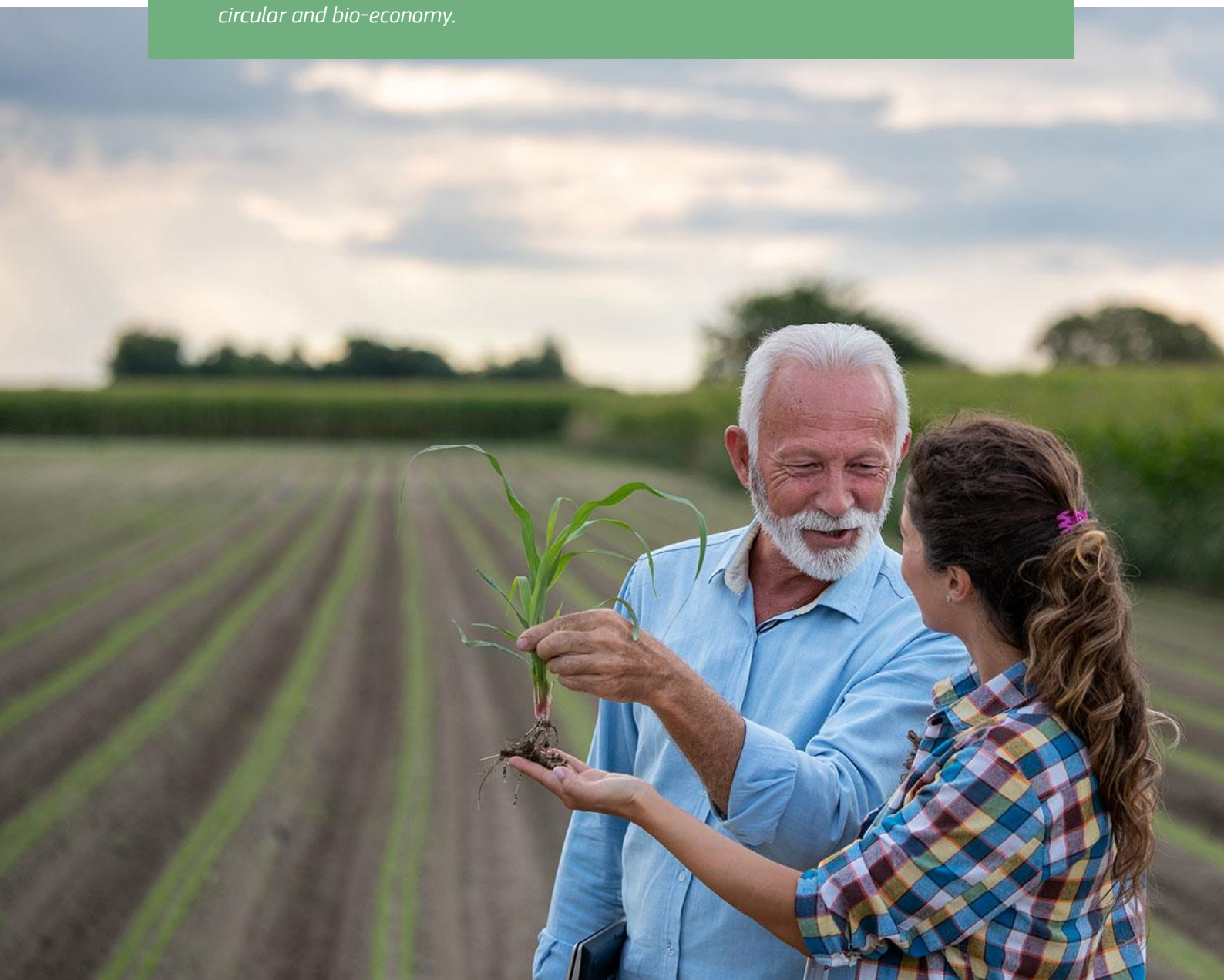


2.3 SOCIALLY SUSTAINABLE CAP

The Portuguese Plan addresses the worrying depopulation and ageing trend that affects Portuguese rural areas, as well as income disparity vis-à-vis urban areas, with other EU and national funds. Therefore, the CAP Plan, the RRF and the ESIF funds are coordinated to promote integrated local development approaches. This will increase the attractiveness of rural areas for setting up businesses, ensuring access to essential services and supporting innovation and research.

As regards generational renewal, **2 685 new young farmers will be supported** in the start of their business, prioritising projects by young female farmers. More than 1 000 businesses other than farms will also be supported and forestry will benefit from EUR 335 million of investment. In addition, the plan will support the development of rural areas at large, by covering all of them with local development strategies under LEADER.

- *Support will be provided to 443 000 livestock units for improvements in the area of animal welfare and limited use of antimicrobials; for example, through the promotion of good animal husbandry practices and the prevention of animal diseases, thus contributing to the European Green Deal target.*
- *The Portuguese Plan will also dedicate EUR 150 million to supporting investments in the circular and bio-economy.*



3. KNOWLEDGE SHARING, INNOVATION AND DIGITALISATION

The Agricultural Knowledge and Innovation System (AKIS) in Portugal needs to be improved. Therefore, a set of specific measures will help to reinforce it, particularly its better articulation and organisation. **More than 43 000 people will benefit** from advice, training, knowledge exchange or participation in Operational Groups, in order to improve the performance of farmers and other rural business entrepreneurs in economic, social and environmental sustainability. Advisors will be encouraged to play an active role, with 2 517 advisors receiving support for integrating the AKIS system.

- *EUR 500 000 will be used to support agro-environmental and climate knowledge, through actions promoting the dissemination of information and structured and systematised knowledge exchange to improve the environmental performance of farms (climate change, natural resources and biodiversity).*
- *EUR 2 million will target the creation of farm and forestry advisory services in the Azores and Madeira.*





4. FINANCIAL ANNEX

	EU budget (€)	National funding (€)	Total (€)
Direct payments	3 487 151 982	n/a	3 487 151 982
Sectoral support	261 538 500	10 858 500	272 397 000
Rural development	2 277 833 100	563 323 123	2 841 156 223
Total	6 026 523 582	574 181 623	6 600 705 205

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)	131 578 125
Environmental and climate objectives under rural development	1 057 595 989
Eco-schemes under direct payments	874 262 820
LEADER	140 240 182
Complementary Redistributive Income Support	348 646 703

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 Portugal's CAP Strategic Plan.

