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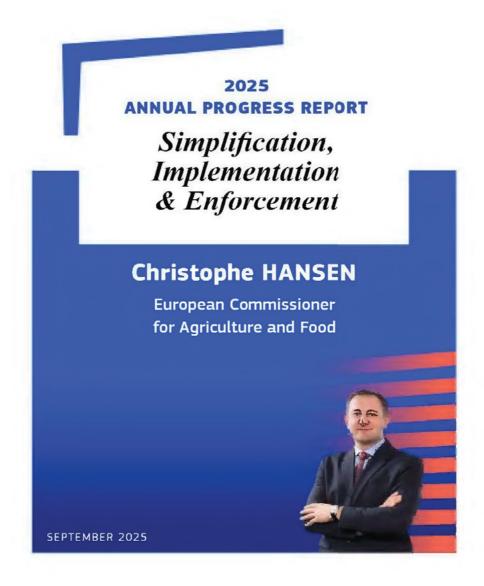
NOTE

From:	General Secretariat of the Council
To:	Delegations
Subject:	AOB item for the meeting of the "Agriculture and Fisheries" Council on 27 - 28 October 2025
	2025 Annual Progress Report on Simplification, Implementation and Enforcement (Agriculture)
	- Information from the Commission

Delegations will find in Annex the above-mentioned report.

14033/25





1. Introduction

This report presents progress on simplification, implementation and enforcement made in the policy fields of **agriculture, rural development** and **food** during the period 1 January – 31 July 2025.

As Commissioner responsible for Agriculture and Food, my main priority is to strengthen the competitiveness, resilience and sustainability of the agri-food sector, ensuring food security and generational renewal, as outlined in the <u>Vision for Agriculture and Food</u>. To deliver, it is important to ensure that our common agricultural policy (CAP) and other policies relevant for the agri-food sector are simpler, fit for purpose, efficiently implemented and enforced.

This can be achieved only in **dialogue** with the ones most concerned Therefore, the <u>European Board on Agriculture and Food (EBAF)</u> that was established on 24 January 2025 by the Commission, supports me in this endeavour. Besides, in the first seven months of the year, I have visited more than half of the Member States and took part in major agricultural fairs, to engage with farmers directly on their farms, agri-food operators, policymakers, stakeholders and citizens, to capture the sentiment on the ground and to come up with solutions that make a real difference.

2. Executive Summary

In the first half of 2025, substantial progress was achieved towards efficient implementation and enforcement of EU policies impacting the agri-food sector, while continuously simplifying them to relieve farmers from the regulatory burden and stimulate competitiveness. This is a top priority for me and my services.

A major focus is on the **simplification and stress testing** of the CAP regulatory framework, one of the flagship actions highlighted in the Vision for Agriculture and Food. Building on the simplified rules adopted already in 2024, another omnibus package of measures targeting the administrative burden, controls, implementation, crisis response and investment needs of the sector was presented in May 2025. The proposed changes could save up to **EUR 1.58 billion annually for farmers and EUR 210 million annually for national administrations**. The Commission has also proposed a simpler, more targeted and future-oriented CAP for the period after 2027. True to its commitment to always supporting the EU agri-food sector, the Commission presented a set of measures specifically targeting the wine sector, helping it to adapt to current challenging market developments.

Another significant focus area is **implementation**. The performance reports provided by the Member States demonstrate encouraging progress, with the majority of CAP interventions being successfully implemented in line with the milestones set out in the CAP Strategic Plans. The implementation of other relevant EU policies, including the promotion of agricultural products, and geographical indications is also on track. The report outlines numerous initiatives that DG AGRI / the Commission has undertaken to support the Member States and stakeholders in the effective and efficient implementation of the CAP and related agri-food policies. Another strand of action is to improve fairness for them in the food supply chain. To that end, right at the start of my mandate, the Commission presented two proposals to strengthen their position, restore trust between actors in the chain and better fight against unfair trading practices.

Additionally, rigorous **enforcement** actions were undertaken to ensure the correct application of rules on financial support provided to farmers and other beneficiaries. The Commission has acted to control the proper transposition of EU rules protecting European farmers against unfair trading practices by larger buyers in the food supply chain. As regards the EU legislation on organic production, the Commission has continued supervising Member States to ensure that they fulfil their responsibilities to carry out adequate controls.

3. Delivering Results: Key Measures

A. Simplification and stress tests

The Commission presented on 14 May 2025 **the CAP simplification omnibus**. The package aims to simplify the implementation of the CAP, ease administrative burden, enhance farmers' competitiveness, and improve their resilience to future crises. The proposed changes include on-farm simplification of requirements, better recognition of diverse farming practices, such as organic farming, streamlined support for small and medium-sized farms through simplified payments, and actions to boost competitiveness, including enhanced access to financial tools and laying the groundwork for digital solutions.

In preparing this proposal, the Commission carefully reviewed insights from national administrations, including more than 500 individual suggestions, from the European Parliament's Committee on Agriculture and Rural Development, and from <u>farmers' representatives</u> that were provided in the context of the <u>2024 CAP simplification package</u>. Member States submitted over 400 individual suggestions. In addition, the Commission organised a Civil Dialogue Group meeting on the CAP Strategic Plans and Horizontal Matters on 24 March 2025 to exchange views with a wide range of stakeholders on simplification and the reduction of administrative burden for CAP beneficiaries. In addition, the EU CAP Network organised two <u>thematic group meetings</u> in the first semester of 2025 on effective approaches for simplification within the CAP with the participation of Member States and stakeholders.

<u>A roadmap</u> for further simplification actions in the course of this year sets out the planned actions, tools, and indicative timeline to deliver further improvements of the CAP's secondary legislation. The Commission has also launched preparations to **simplify the legislation in areas other than CAP that affects farmers**, food and feed businesses and the related administrations, with a view to tabling the legal proposals **before the end of 2025**.

On 28 March 2025, the Commission adopted a legislative proposal for a 'wine package' (COM/2025/137) following the recommendations of the High-Level Group on Wine. This proposal seeks to address prevailing challenges in the EU wine sector and introduces significant measures to simplify processes, reduce burden for operators in the EU wine sector, and help the sector adapt to market trends and harness new market opportunities. Key proposals include extending the authorisation period for new vineyard plantings to up to eight years, harmonising labelling rules for electronic labels and for de-alcoholised wines, enhancing transparency and consumer access to product information while streamlining compliance across EU markets. The proposal seeks to better support operators in developing wine tourism, consolidating markets in third countries, and investing in adaptation to climate change.

Furthermore, on 16 July 2025, the Commission adopted its proposal for the Multiannual Financial Framework (MFF) for the next 2028-2034 period. The <u>legislative proposal for CAP post-2027</u> has a central place within the EU's next budget to deliver on the strategic orientations provided by the Vision for Agriculture and Food. The proposal streamlines the CAP, making it simpler, easier to implement, more flexible, and better adapted to the needs of farmers, rural communities and Member States. The CAP will be integrated into the National and Regional Partnership Plans (NRPP) – bringing key EU funding tools under one roof. The new approach, replacing and simplifying the existing funds, the European Agricultural Guarantee Fund (EAGF) and the European Agricultural Fund for Rural Development (EAFRD), will remove rigidities and enable more flexible support to farmers and rural areas. It will also simplify the delivery and planning of measures for national administrations. Member States will have more freedom to design and implement support tools tailored to their specific regional and sectoral needs. Simplified procedures will make it easier for farmers to access support, including an increased used of lump-sum payments, targeted top-ups for young and/or small farms, and one single degressive area-based payment. Finally, it proposes to align requirements, making it simpler to achieve synergies between support to farmers with other policies such as energy production, water management, innovation or skills development, or skills development.

B. Implementation

I chaired my first Implementation Dialogue on the Common Agricultural Policy (CAP) for 2023-27 in Brussels on 3 June 2025 with the participation of stakeholders implementing and affected by the CAP. The dialogue focused on the implementation of the instruments to support farmers' income, including support for generational renewal and of the payments in favour of environment and climate, and explored potential for simplification in the implementation. I concluded the dialogue with my key takeaways on the need for support in the implementation of the CAP, stressing the importance of giving further responsibility and accountability to Member States to tailor solutions to local realities. I highlighted the importance of generational renewal, which could benefit from targeting support towards farmers who need it most, as recommended by the Strategic Dialogue on the Future of Agriculture. I finally recalled the need to continue our transition towards more sustainability, which can be best achieved by creating stronger incentives for the provision of eco-system services.

On 8 May, I also hosted the 2025 edition of the **Youth Policy Dialogue**, providing a platform for young people to engage and exchange views with me. Centred on the theme "Towards a strategy on generational renewal", this Dialogue focused on the needs, aspirations, and barriers faced by young people entering or remaining in the farming sector. In particular, the participants indicated to me that the main issues are related to access to land and access to finance. They have highlighted also possible solutions for facilitating land mobility and improving the offer of tailored financial instruments. The outcomes of the dialogue will contribute directly to the Commission's ongoing work on devising a strategy for generational renewal in agriculture.

The Directorate-General for Agriculture and Rural Development (DG AGRI) continued to work closely with the Member States and stakeholders to support them in implementing the CAP and related agri-food policies through a large number of actions and using a wide range of available tools such as meetings, guidelines, replies to questions, etc. From January to July 2025, my services held 132 meetings with Member States and stakeholders, including 27 Civil Dialogue Groups and 105 Expert Groups to exchange experiences and best practices in view of enhancing implementation.

For the programming period 2023-2027, my services published in June 2025 a <u>report on the progress achieved by Member States in implementing their CAP Strategic Plans</u>, covering the financial year 2024. The annual and biennial performance reports submitted by the Member States reflect a positive trajectory, with most CAP interventions being successfully implemented as set out in the CAP Strategic Plans. In 2024, the highest achievement has been reported for the objective of generational renewal in agriculture. **Overall, it is expected that Member States are on good track to achieve the targets set for the programming period.** Nearly 164,000 young farmers, including 55,300 young women, have received support for setting-up their businesses and additional income support. This number is substantially higher than planned for the second year of CAP implementation. Most milestones have been overshot also in the area of climate and environment, showing higher uptake than expected in key areas such as soil health, reduced use of pesticides or carbon storage.

DG AGRI regularly assist Member States in the preparation, management, and supervision of their national Strategic Plans addressing diverse implementation issues and exchanging best practices. Key highlights included the development of the Union-level methodology for Integrated Administration and Control System (IACS) quality assessments and the submission of Annual Performance Reports. Discussions also covered generational renewal in agriculture, land eligibility for direct payments, and machine learning strategies for detecting land abandonment. Moreover, my services provide support to Member States through regular bilateral contacts and participate in an advisory capacity in **Monitoring Committees**, which monitor the implementation progress made towards achievement of targets and serve as a platform for reviewing the amendments of CAP Strategic Plans with key partners. Additionally, the meetings of the **Learning Network of the Paying Agencies** (27 March and 4 July), the expert group meeting of the **Certification Bodies** (16-17 June), and the **Conference of the Directors of Paying Agencies** (5-7 May) provided regular opportunities for Paying Agencies and Certification Bodies to exchange with the Commission, provide feedback, seek clarification, and contribute to a common understanding of their roles and obligations as regards the implementation of the CAP. Furthermore, the **EU CAP Network**, a platform for peer-to-

peer learning, exchange of information, knowledge and good practices between Member States' administrations, national networks and organisations at the EU level, contributed to the implementation of the CAP through its various activities, including 24 events organised between January – June 2025, on topics such as economic vulnerability of farming, innovation in food supply chain logistics, simulation models for assessing the CAP. The Commission also supported Member States in implementing the **Area Monitoring System** (AMS), the new technology-based tool under the IACS. The Commission provides technical support on AMS through expert group meetings, workshops, conferences, support missions, and Horizon-funded projects (e.g., <u>NIVA</u>).

Following the entry into force of the new Regulation (EU) 2024/1143 on geographical indications (GIs) and the adaptation of its secondary legislation, my services have regularly responded to questions from Member States and stakeholders related to the implementation of the revised framework. Several clarification letters were sent and shared in Expert Group and Civil Dialogue Group meetings. The main topics raised concerned labelling, and GIs used in the name of processed products. Guidelines on GI controls are also being prepared in close collaboration with Member States and will be ready by the end of the year.

The EU's **promotion policy** helps EU producers to sell their farm products in an increasingly competitive global marketplace, while delivering jobs and growth at home. My first EU agri-food mission to Japan, from 8-13 June, was successful on all fronts, with 102 EU companies from 22 Member States representing the main agri-food sectors. In addition, DG AGRI engaged in dialogue with Member States and stakeholders, with two Common Market Organisation and two Civil Dialogue Group meetings on promotion, to analyse potential areas for simplification, such as the extension of deadlines for the signature of grant agreements and the increase of pre-financing rates.

DG AGRI has regularly issued clarification, and interpretation replies to the Member States and the enforcement authorities designated under <u>Directive (EU) 2019/633</u> (**'UTP Directive'**) to assist its implementation. It facilitates the meetings of the enforcement authorities, by holding at least one annual meeting with them, where authorities can exchange on best practices, new cases and developments. Finally, the Commission proposed new rules on cross-border enforcement against unfair trading practices (<u>COM/2024/0318</u>).

The Commission also adopted a proposal to enhance the legal framework of the **Common Market Organisation** (CMO; <u>COM/2024/0319</u>) aimed at strengthening the farmers' position in the agri-food supply chain and boost trust among its actors. The proposal reflects recommendations from the Strategic Dialogue on EU agriculture. Key objectives are improving farmers' contracts, boosting the power and financial support for producer organisations, and defining terms such as "fair" and "short" in supply chains. In the framework of the CMO, DG COMP and DG AGRI prepared the first Commission opinion on **sustainability agreements** benefiting from the new exception to competition rules: the opinion adopted in July 2025 concerns agreements between wine producers and traders on the guidance price for organic and other environmentally certified wines produced in the region of Occitanie in France.

products, in particular on olive oil to clarify legislation, discuss possible changes and share best practices, but also on poultry and eggs where surveys were conducted to collect precise information on how Member States implement and control marketing standards, including on imported products. These surveys are crucial for ensuring the integrity of the Single Market, providing a clear picture of how common EU rules are applied on the ground. Ultimately, this work is fundamental for safeguarding fair competition and upholding high standards of quality and transparency that European consumers expect and deserve.

On the so-called **Breakfast Directives**, DG AGRI supported Member States in the transposition of the revised directives, in particular on **jam and juices** (<u>Directive</u> (EU)2024/1438), with an additional focus on the development of secondary legislation defining essential characteristics and authorising new technologies, but also on **honey** (<u>Directive</u> (EU) 2024/1438), which introduces mandatory origin labelling for honey blends and new provisions on traceability and authenticity. This was notably done through a newly established Honey Platform that provides the Commission with recommendations for the adoption of future delegated and implemented acts on honey traceability and authenticity.

C. Enforcement

The Commission has continued to ensure the correct application of **rules on financial support provided via the**<u>CAP</u> to farmers and other beneficiaries through the assessment and approval of the amendments by Member States of their CAP Strategic Plans and by carrying out a number of audits of Member States' governance systems (under the new delivery model, in case of serious deficiencies in the proper functioning of the governance systems, the Commission excludes the relevant amounts from EU financing). The Commission has also dealt with complaints relating to the implementation of CAP financial support (in relevant cases by referring the case to Member States who share the handling of individual complaints falling within the scope of their CAP Strategic Plan according to <u>Art</u> 59(7) of Regulation (EU) 2021/2116).

The Commission has acted to ensure proper functioning of the **Single Market** It has delivered detailed opinions under <u>Directive (EU) 2015/1535</u> on Member States' draft legislation related to the notification of national rules that would have hampered the functioning of the internal market (for example Hungary, Lithuania and Czechia). The Commission has in particular continued to draw the attention of Member States, through pre-infringement dialogues or reactions under Directives (EU) 2015/1535 (Spain and Poland) to the need to ensure, whenever they put in place national or regional quality schemes, that these schemes be open to producers from other Member States and not jeopardise the exclusive remit of <u>Regulation (EU) 2024/1143 on geographical indications</u>. The Commission is currently analysing the compatibility with EU law, including the internal market rules, of national legislation restricting the movement of hemp inflorescences, which has triggered complaints and a petition to the European Parliament (<u>PETI 1144/24</u>).

The Commission has continued to control the proper transposition of EU rules protecting European farmers against **unfair trading practices** by larger buyers in the food supply chain (<u>Directive (EU) 2019/633</u>) through pre-infringement dialogues with twelve Member States. This is in the interest of reinforcing the position of farmers in the food supply chain, as pursued as an objective by the Directive. As regards four Member States, the closure of the dialogue is imminent, pending communication of the modified national legislation. The dialogue is still ongoing in respect of eight Member States. My services have also regularly issued clarification, and interpretation replies to the Member States and the enforcement authorities designated under <u>Directive (EU) 2019/633</u> in order to assist in its implementation.

As regards the **EU legislation on organic production**, the Commission has continued <u>supervising</u> EU Member States to ensure that they fulfil their responsibilities to carry out adequate controls. The Commission has also, through a number of audits, evaluated the quality and effectiveness of the controls carried out by control authorities or control bodies in third countries. Furthermore, the Commission has ensured compliance with this legislation by following up on complaints in the field of organic production or by reacting and exchanging with Member States on notifications of draft national legislations under Directive (EU) 2015/1535.

For more information, a <u>website</u> illustrates the Commission's enforcement activities and Member States' compliance with EU law in general through interactive maps and customisable graphs.

4. Way forward

Looking ahead, the <u>simplification and competitiveness package of measures for the CAP 2023-2027</u> presented in May 2025 was submitted to the European Parliament and the Council for adoption. A speedy co-decision process will enable implementation to ease the life of the farmers as of 2026 and reduce the burden on national administrations. The simplification package is part of a broader process that will continue later this year. Alongside changes to the main CAP rules, the Commission will propose further simplification measures targeting other policies impacting famers, agri-food business and administrations, aimed at reducing reporting obligations and control burden, and facilitating uptake of the new flexibilities offered by the CAP simplification omnibus, and will screen implementing acts and delegated acts for burden reduction. Furthermore, we will make the organic legislation fit for

future, taking into account court judgements and, where appropriate, simplification aspects, while maintaining the high organic standards. To deliver further impetus to support a new generation of farmers, I will present in Autumn a Generational Renewal strategy. It will look at current barriers and how to address them, by joining forces with the national and regional levels, and looking for synergies beyond the CAP.

We will establish a multi-annual and annual planning of stress tests to cover the entire agricultural acquis by 2029. Planning will be based on relevant information sources such as stakeholders' views (including outcomes of the implementation dialogues and reality checks), previous evaluations, insights from expert groups and existing monitoring instruments used by my services. To simplify processes and reduce administrative burdens the Commission is planning reality checks that aim at getting direct feedback from beneficiaries on the ground about the implementation of the legislation and ensuring they serve their purpose and are supportive of the farmers and rural communities. The reality checks will be organised to seek detailed technical feedback from practitioners on the implementation of EU agricultural policies.

Services will also keep working closely with the Member States and support them in effective and efficient implementation of the current CAP, with focus on the simplification measures, and other relevant agri-food policies.

In line with the Communication on implementation and simplification, in case of shortcomings in the implementation or application of the CAP rules, and where cooperation fails to bring timely implementation of agreed rules, the Commission will take the steps to achieve compliance. It will do so by excluding the relevant amounts from EU financing, through pre-infringement dialogues or, where necessary, the opening of infringement procedures and the referral of cases to the Court of Justice.

I will continue engaging with farmers, agri-food operators, Member States, stakeholders and citizens at large, notably through my visits on the ground, the next implementation dialogue and reality checks scheduled for the second half of 2025. My services will design a stress-testing plan for the agricultural acquis, drawing on stakeholder views. Moreover, I will also live up to my promise to visit all Member States still this year to further improve my understanding of farmers' realities and actions needed to build together a competitive, resilient and sustainable agri-food sector for today and tomorrow.

Annex: examples

Simplification

The <u>legislative proposal adopted by the European Commission on 14 May 2025</u> is guided by the objectives of reducing administrative burden, simplifying rules, improving the support to foster the competitiveness of EU farms, as well as ensuring a cost-effective delivery of the CAP's objectives for the period 2023-2027, while maintaining its objectives. The following four examples of proposed targeted solutions are based on operational experience and extensive feedback from stakeholders and Member States:

1. Simplified payment scheme for small farmers

To make it more attractive, the annual lump-sum payment – that is, a single, annual disbursement – limit for small farmers will be increased from EUR 1.250 to EUR 2.500. The purpose of these payments for small farmers is to promote a more balanced distribution of support, strengthen the vitality of rural areas where small farms play a key economic role, and reduce administrative burdens for both farmers and authorities. These farmers will also be exempted from certain environmental rules (conditionality) while they may benefit from payments that reward eco-friendly farming (eco-schemes).

2. Simplified environmental requirements and controls

The simplification package aims to better accommodate diverse farming practices and local conditions, while reducing overlap with existing national rules. For example, certified organic farms will automatically be considered

as meeting some of the EU's environmental requirements for funding. Farmers may benefit from incentives to protect peatlands and wetlands, as set out under Good Agricultural and Environmental Condition 2. This support will also help them comply with national rules that go beyond EU standards, ensuring fair compensation for their efforts. To reduce the administrative burden, controls will be streamlined using satellite and digital technologies. In addition, a new principle is proposed: only one on-the-spot check per year per farm

3. Simpler procedures for national administrations

Member States will benefit from greater flexibility in adapting their CAP Strategic Plans, with prior approval from the Commission required only for strategic amendments. This will have a positive impact on the farmers who will benefit from faster clarity on the changes introduced. The Commission proposed the discontinuation of the annual performance clearance, which would ease administrative and reporting burdens for Member States.

4. Facilitating access to finance and investment support for young and smaller farmers

Small and young farmers will be able to get financial support more easily through a new simplified funding option offering up to EUR 50.000 as a lump-sum to help bring farms up to legal standards and improve their competitiveness.

Implementation: Improved uptake of geographical indications (GIs)

Thanks to fruitful bilateral exchanges between my services and the Polish authorities and Polish wine producers as well as hands-on support from our GI experts during a visit in June, Poland is preparing its first wine GI registration ('Dolina Dolnej Odry').