

European Commission
(attn. DG Competition, COMP-H6-CONSULTATION@ec.europa.eu)
Place Madou/Madouplein 1
1210 Bruxelles/Brussel, Belgium

Subject: Public consultation concerning the review of rules on exemptions for small amounts of aid (de-minimis aid) in agriculture

Transparency register number of our organization: 70699309784-62

Wageningen, 17 July 2024

Wageningen University & Research (WUR) would like to thank the European Commission for the opportunity to provide input as regards the draft amendments to the agricultural de-minimis Regulation. Our organisation carries out research concerning among others the economic and environmental policies of the European Union in relation to agriculture, such as the CAP, state aid and competition, and their implementation in the EU Member States.

The agricultural sector faces considerable challenges. These include mitigation of and adaptation to climate change, pollution reduction and biodiversity protection. CAP and state aid subsidies are important instruments to help farmers with the sustainability transition. The agricultural de-minimis Regulation in this respect offers an attractive option that is complementary to the CAP and state aid, since it involves relatively simple procedures and brings along less risks for the government and for farmers.

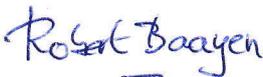
In The Netherlands, the provinces are responsible for implementing the agricultural policies of the EU under the second pillar of the CAP. They widely use the agricultural de-minimis Regulation to support the transition to a more sustainable agriculture, among others in pilot projects. The applicable individual and national caps are however too low to leverage the sustainability transition significantly.¹ Higher caps than now proposed in the draft amended Regulation, exclusively targeted to sustainability measures, would be most helpful.

We would therefore suggest that the European Commission considers adjusting the amended agricultural de-minimis Regulation for increasing its usefulness for the sustainability transition. This may be done by introducing a mechanism in which the applicable individual and national de-minimis caps are substantially increased (e.g. doubled), on condition that additional support (i.e. above the currently proposed caps) is provided exclusively for agro-environment-climate measures as may also be supported under Article 70 of CAP Regulation 2021/2115, and on the basis of costs incurred and income foregone. Such support does not distort competition or trade, nor the functioning of the internal market. Evidently, it should be registered separately.

Further increasing the de-minimis caps specifically for sustainability purposes will help farmers adjust to legal and societal requirements in this respect, and will help alleviate the tensions in society between the farming sector and sustainability interests.

We will be happy to provide further clarification if so requested.

Kind regards,



Dr. Robert P. Baayen
Senior researcher on the CAP, State Aid, Competition policy
Wageningen Environmental Research
P.O. Box 47, 6700 AA Wageningen
The Netherlands

¹ C.L. Wolberink & R.P. Baayen (2024). Scope and usefulness of the EU legislation as regards the sustainability transition in agriculture. Options, obstacles and opportunities. <https://denhollander.info/artikel/18007>