

# European Commission public consultation on the revision of state aid rules for the agricultural sector

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## Existing support tools for organic farming do not make it possible to reach the 25 % organic surface by 2030

The revision of the rules on state aid to the agricultural sector provides an opportunity to align these rules with the **main strategic priorities** of the European Union (EU), such as **the Green Pact and the farm to fork strategies and biodiversity**.

Indeed, the European Union has set ambitious targets for the **development of organic land (25 % in 2030)**, the reduction of synthetic chemical **pesticides and fertilisers**, the reduction of **antibiotics**, the protection of **water quality, soil and biodiversity**. It is scientifically documented that the environmental benefits of organic farming will enable the European Union to achieve all the **priority objectives of the Green Pact**.

However, **the tools currently in place to support the sustainable development of organic farming are not calibrated** to achieve this objective of 25 % organic surface area by 2030. These instruments are subject to too many constraints:

The main instrument to support organic farming is now **the Common Agricultural Policy (CAP)** through its second pillar (agri-environment measures). However, for the 2023-2027 CAP, the very **strong subsidiarity** left to the Member States leads to **decisions to counter the objectives of the Green Pact**, such as the abolition of aid for the maintenance of organic farming in France. In this CAP, there is therefore no longer any framework for financing the sustainability of organic land and the environmental services they provide to ecosystems and thus to society.

The other existing instrument to support organic farming remains extremely marginal: these are the **aid notified in favour of organic farming provided for in the agricultural guidelines**. As this notification system is cumbersome to bear, it closes the door to public authorities, particularly local authorities, which wish to support organic farming in their territories in a sustainable manner: for example, Water Agencies, Regional Councils, Departments, Agglomerations, Communities of Municipalities, town halls.

It is therefore essential to **amend the regulatory framework linked to State aid for agriculture so as to make it possible to multiply the support tools for the development and long-term maintenance of areas under organic farming**.

# Add support for organic farming in the Agricultural Exemption Regulation

The European Commission proposes to **amend the ABER** (Agricultural Block Exemption Regulation)<sup>1</sup> to add to it, in particular aid to compensate for the additional costs incurred by agricultural production in Natura 2000 areas. Support for the maintenance of organic farming should also be added.

In accordance with recital (45) of its proposal, during the period 2014-2021 the European Commission has gained experience in assessing certain aids for organic farming and declaring them compatible with the internal market in the light of the agricultural guidelines. This was particularly the case for **payments for environmental services (PES) for organic farming notified by [Eau de Paris](#)**.

Building on this experience, the European Commission should therefore use its powers to **exempt from the notification obligation** state aid intended either to **compensate for the additional costs and losses to gain from organic farming** or to reward the benefits of organic farming by means of a **payment for organic environmental service (OSP bio)**.

Along the same lines as aid to compensate for disadvantages linked to Natura2000, aid for organic farming may be granted annually, per hectare, to compensate beneficiaries for the additional costs and losses to gain from maintaining organic farming. But a flat-rate scheme may also be possible.

**This exemption from notification will make it easy for local authorities such as the Water Agencies, Regional or Departmental Councils and town halls to sustain support for organic farming in the long term and thus contribute to the target of 25 % organic UAA by 2030.**

It is essential to create this instrument in order to compensate for the shortcomings identified, in particular where the allocation of CAP aid does not meet the target of 25 % organic UAA in 2030 (as is the case in France for the period 2023-2027).

<sup>1</sup> Communication from the European Commission on the approval of the draft content of the ABER Regulation: <https://ec.europa.eu/competition-policy/document/download/175cdc88-322e-4546-949b-7b6dbac1ad24> in

<sup>2</sup> Article 29 of that communication.

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