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# GAIN Report

Global Agricultural Information Network

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## EU-28

**Post:** Brussels USEU

### **Commission Introduces Measures to Help EU Farmers Tackle Drought**

**Report Categories:**

Agriculture in the News

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**Report Highlights:**

The prolonged and ongoing drought in Northern Europe and the Baltics is significantly affecting arable crop and animal feed production in the EU. The reduction in animal feed supplies is hitting livestock farmers' incomes hard as their input costs will increase with a fodder shortage later in the year. In response, the European Commission has introduced measures aimed at helping EU farmers tackle the drought.

## **General Information:**

On Thursday, August 2, 2018, the European Commission introduced two specific measures aimed at helping farmers tackle the drought. These measures complement existing support under the Common Agricultural Policy (CAP).

### Two specific measures

More specifically, farmers will be able to improve their cash flow situation by receiving up to 70 percent of their direct payments and 85 percent of payments under rural development policy as of mid-October 2018 instead of waiting until December.

Furthermore, farmers may derogate from specific greening requirements to allow land to be used for the production of animal feed. The derogations are in respect of the requirement for crop diversification and ecological focus area (EFA) rules on land laying fallow.

### Existing measures under the CAP

In addition to these two measures, agricultural state aid rules allow the granting of aid up to 80 percent of damage caused by drought. The purchase of fodder may qualify for aid as income loss or damage. Member States are allowed to grant aid of up to Euro 15,000 per farmer over three years as compensation for damage without the need to notify the Commission.

A range of measures is provided under the rural development section of the current CAP legislation as follows:

- Member States may provide total financial support to restore agricultural production potential damaged by drought, such as investing in re-seeding of pastures for example.
- Farmers may use buffer strips for fodder production.
- Member States can use risk management tools to support farmers. By way of example, Member States may contribute to mutual funds to pay compensation to farmers affected by drought. Additionally, farmers suffering income loss in excess of 30 percent of their average annual income are subject to financial compensation.

### Commission to assess effectiveness of measures taken

The Commission has requested all Member States to provide updated information on the impact of the drought by August 31. It will then analyze the information provided and assess the effectiveness of the current measures. As a function of the assessment, existing measures may be modified, and additional measures may be introduced.

EU Agriculture Commissioner, Phil Hogan, expressed his concern about “...*these prolonged climatic developments...*” and said that the Commission “...*is ready to support farmers affected by the drought using a number of instruments, including higher advance payments, derogations from greening requirements and state aid. The Common Agricultural Policy already provides a safety net for farmers who have to deal with unpredictable events*”. Hogan confirmed that he had been in contact with a number of Agriculture Ministers in affected Member States, and encouraged “...*all Member States to look into all possible actions and measures provided for in our legislation.*”