

EUROPE'S BUDGET

A fairer and better targeted income support for farmers

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The CAP 2028-2034 proposal explained

The Common Agricultural Policy (CAP) is crucial for supporting and stabilising farmers' income, with direct payments to farmers contributing on average 19% to their income in 2023. Looking forward, the [Vision for agriculture and food](#) outlines key principles for the CAP post 2027, emphasising **a fairer and better targeted support to farmers focused on those who need it most.**

EU farm income support in figures

Under the Commission proposal for the National and Regional Partnership Fund (EUR 865 billion), at least **EUR 293.7 billion are secured to support farmers' incomes.** This ensures farmers receive stable and predictable financial support through a well-established range of tools.

Further **funds will be available (EUR 453 billion) in the Partnership Plans for Member States to top up income support interventions,** and finance other CAP interventions such as LEADER, innovation and knowledge sharing, local cooperation, school schemes, support to the agricultural sector in outermost regions and smaller Aegean islands, as well as synergy projects in many areas.

Moreover, a **Unity Safety Net of EUR 6.3 billion over the 2028-2034 period** will help stabilise agricultural markets in case of market disturbances.



Additionally, the farming sector and rural communities can benefit from **the European Competitiveness Fund and the Horizon Europe Programme,** aimed at enhancing research, innovation, competitiveness, sustainability, resilience, and fairness in agriculture, health, bioeconomy and biotech*.

Ring-fenced budget for income support

- ▶ Degressive area-based income support*
 - ▶ Coupled income support*
 - ▶ Crop-specific payment for cotton*
 - ▶ Payment for natural and other area specific constraints
 - ▶ Support for disadvantages resulting from certain mandatory requirements
 - ▶ Agri-environmental and climate actions
 - ▶ Payment for small farmers*
- ▶ Support for risk management tools
 - ▶ Support for investments for farmers and forest holders
 - ▶ Support for the setting-up of young farmers, new farmers, rural businesses and start-ups and development of small farms
 - ▶ Support for farm relief services
 - ▶ Intervention in certain sectors

** 100% financed by the EU budget*

[For a resilient, competitive and sustainable EU agriculture](#)

Area-based income support: what's new?

The new **degressive area-based income support (DABIS)** is one of the key income support tools under the CAP 2028-2034. This new support scheme provides for public support to farmers based on the number of eligible hectares they farm.

DABIS replaces several existing support schemes in the CAP today, combining and simplifying them. These include the basic income support for sustainability, complementary redistributive income support for sustainability, and complementary income support for young farmers.

Most importantly, DABIS aims to ensure a **fairer distribution of income support and enhanced**

targeting to increase the effectiveness of public support.

When designing the rules for DABIS, **Member States will have greater flexibility and options to tailor income support to farmers' specific needs, taking into account for instance their region or type of farm.** Farmers can be supported through area-based payments, lump sums, or a mix of area-based payments and top-ups.

The scheme also focuses on active farmers and foresees specific provisions for small farms.



Whom does DABIS benefit?

DABIS is intended to support in particular:

- Active farmers
- Young and new farmers
- Female farmers
- Family and small farms
- Mixed farms (i.e. growing crops and raising livestock)
- Farms in areas with natural or other specific challenges

Active farmers: the support must primarily go to farmers whose main activity is agriculture.

The current rules do not foresee any obligation for Member States to target support to those who 'live from agriculture'. With DABIS support will be better targeted. **By 2032, farmers receiving pensions will no longer be eligible for degressive area-based income support.** The aim is to open more opportunities for young farmers to start or expand their businesses and foster generational renewal in agriculture.

Young and new farmers: the new CAP puts a strong emphasis on attracting younger generations. It offers:

- ▶ targeted **support through degressive area-based payments**
- ▶ a **"starter pack" of tailored measures** to help them get established.

In line with the Strategy on Generational Renewal, **Member States are encouraged to double their CAP funding for young farmers, emphasising the importance of investment.** The Commission and Member States will jointly shape the National and Regional Partnership Plans, considering specific needs and shared European objectives reflected in CAP national recommendations.

Female farmers: Member States can make use of the flexibility offered by **the new degressive area-based payment scheme to address the specific support needs of women in farming.** In the future, such objective may also be achieved via dedicated annual payments. This does not exclude the possibility for Member States to further prioritise support for women under other CAP support tools.

Small farms will be able to access support if they meet at least a minimum level of agricultural activity, defined by the individual Member State. Going further, **all Member States must offer smaller farms the option of an annual payment of up to EUR 3 000.** This support replaces degressive area-based income support, coupled income support, and payments for natural or area-specific constraints, simplifying access to income support. Aid may be tailored to different groups of farmers or geographical areas. Farmers participation to the scheme will be voluntary.

Mixed farms: according to sectoral specificities, Member States can also decide to design dedicated degressive area-based payment that **address the income needs of those farmers that both grow crops and raise livestock.**

Farms in areas with natural or other specific challenges: alongside sectors, territorial specificities can also be considered for a better targeting, **in the case of farms operating under challenging conditions such as in mountain areas.**

The new degressive area-based income support allows to accommodate the geographical diversity of EU agriculture, as well as targeted incentives supporting the competitiveness, resilience and sustainability of certain sectors.





Degressivity and capping

The new system of income support pays attention to the **economies of scale in the farming sector**, since the average production costs decrease with the increase in size of the farms.

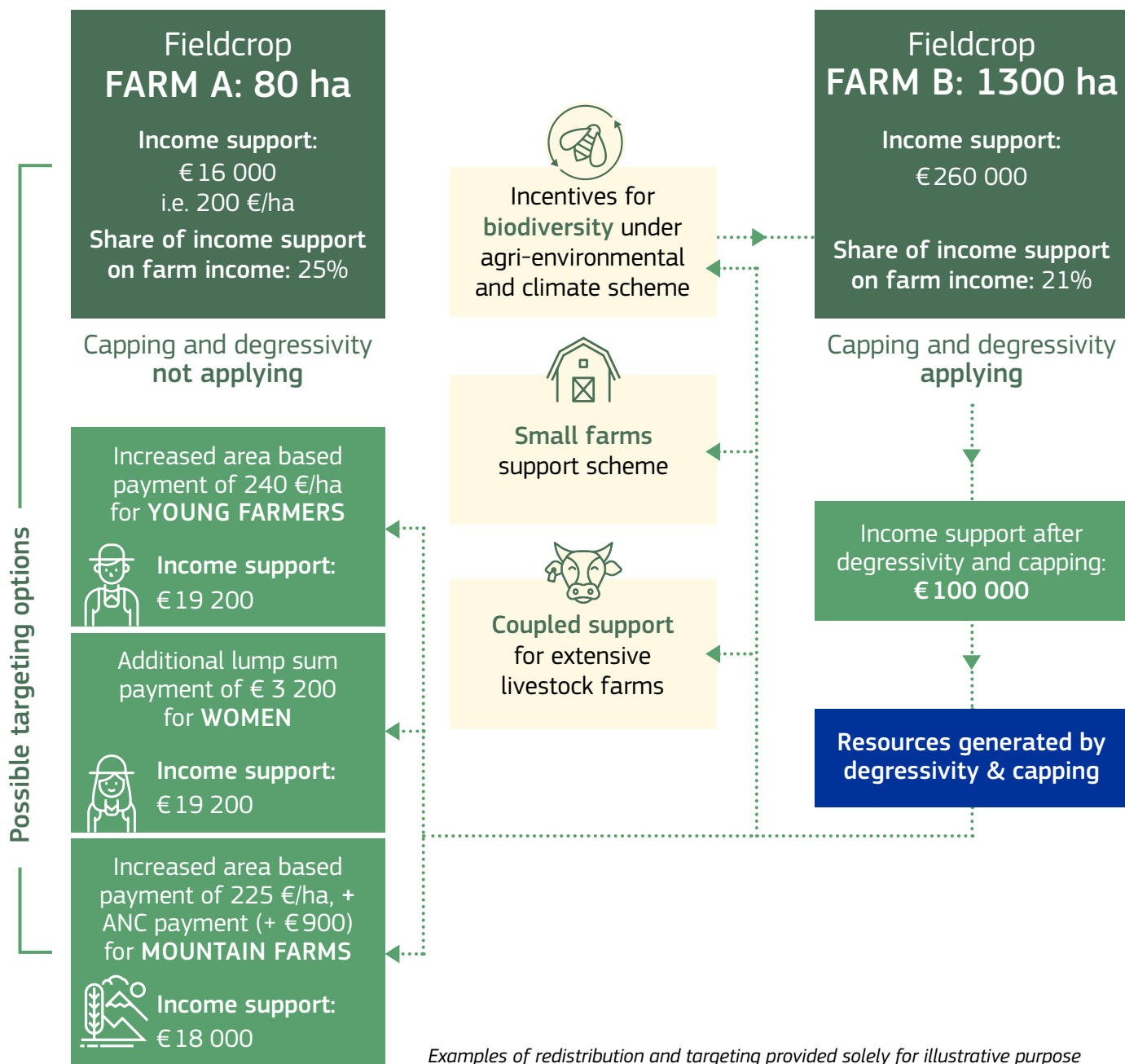
Thus, **the new CAP foresees a system to reduce the level of support, starting from certain thresholds.**

Under the new rules, the targeted degressive income support received by farmers will be reduced according to the amount of area-based support they would be in principle entitled to (**degressivity**). An upper limit (**capping**) on the total yearly amount received by a farmer **is set at EUR 100 000**, with the goal to promote fairness in the allocation of resources, particularly for small and medium-scale farming operations. Importantly, **these limits apply only to DABIS**, leaving other forms of support — such as coupled income aid, investment programmes, or agri-environment and climate measures — unaffected.

Degressivity and capping applying to degressive area-based income support

	Ranges of area-based support per farmer/per year (EUR)	% reduction applying degressivity and capping
Degressivity	0 to 20 000	No reduction
	20 000 to 50 000	25% reduction on the EUR 20 000 to 50 000 range
	50 000 to 75 000	50% reduction on the EUR 50 000 to 75 000 range
	Above 75 000	75% reduction on amounts above EUR 75 000
Capping	Maximum amount of support fixed at EUR 100 000	

Income support: fairer and more targeted



Member States will be able to reallocate the funds made available through degressivity and capping rules to specific agriculture and rural areas needs, in line with national and regional priorities. For example, the resources generated can flow into designing more attractive incentives for any farm that decides to engage in agri-environmental actions to improve its biodiversity status. These incentives may benefit the same farms that were subject to capping and degressivity rules under DABIS in the first instance.

Maximum and minimum amount by hectare:

Average aid at national level under degressive area-based income support will range from EUR 130 to EUR 240 per hectare. These lower and upper limits ensure that the differences between the average aid per hectare for direct payments are more homogeneous between Member States.



Beyond degressive area-based support – Synergies with other CAP income support schemes

To address specific support needs at national and regional level, degressive area-based support can work in synergy with other CAP income support schemes. These include for example coupled income support, payments for natural or other area-specific constraints, and incentives for agri-environmental and climate actions.

- ▶ **Coupled income support targets agricultural sectors, products, or farming types facing difficulties due to socio-economic or environmental reasons.** Member States can allocate to coupled income support interventions up to 20% of the Union contributions to the degressive area-based income support, the crop specific payment for cotton, agri-environmental and climate actions, and support for small farmers. An additional 5% can fund protein crops, mixed crop-livestock farms, or agricultural areas at risk of abandonment.
- ▶ According to the Commission's proposal Member States have to **support farms in areas with natural constraints (ANC).** **Farm income in ANC areas is on average substantially lower than in other regions.** This type of support benefits as a result the farms with the lowest incomes.
- ▶ **Member States can make participation to agri-environmental and climate actions more attractive by offering financial incentives to all farmers.** These incentives can provide farmers with additional income streams, when they choose to implement sustainable farming practices that benefit the environment and the climate. Additionally, **farmers transitioning to more sustainable farming methods may be eligible to receive lump-sum payments of up to EUR 200 000.**

All the elements of the Commission's proposal – targeted support, annual lump-sum payments, and degressivity and capping – work together to enhance the fairness and effectiveness of CAP support. How far this objective is achieved will depend on the programming decisions of Member States.



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