CEMA
European Agricultural Machinery Association

Position Paper

CEMA's Contribution to the Post-2027 CAP Vision

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Introduction

As the voice of the European agricultural machinery industry, CEMA is dedicated to supporting EU farmers in delivering food, feed, fiber, and fuel to the world. We strongly believe that the EU Vision for Agriculture can be realized – provided all stakeholders come together with a shared commitment to action.

As we approach the next cycle of the EU Common Agricultural Policy (CAP) reform, it is crucial to address the evolving needs of European agriculture. A robust EU Multiannual Financial Framework, along with a dedicated CAP budget, should remain to safeguard farmers' incomes, enhance competitiveness, ensure food security, and promote sustainability across the EU agri-food sector. CEMA also supports initiatives such as an Agriculture Just Transition Fund and new private initiatives across the economic value chain.

CEMA's underlying position outlines the vision of the European agricultural machinery industry for a future-ready Post-2027 CAP framework, ensuring that European farmers remain at the forefront of innovation and sustainability.

Leverage Opportunities for the CAP Transformation

The future CAP must address novel challenges related to the potential EU integration of countries with strong agricultural sectors, such as Ukraine. It should encourage EU farmers who significantly contribute to European food security in an environmentally sustainable and climate-friendly manner. Crucially, it must support generational renewal to ensure younger generations are motivated to enter and sustain farming activities. In that regard, we welcome recent initiatives aiming to simplify administrative processes for farmers, reducing regulatory burdens and boosting competitiveness.

The CAP design needs to increasingly incorporate result-oriented incentives aimed at enhancing farming productivity and efficiency, improving soil health and biodiversity, and driving climate protection across EU farms. Support should be extended to farming activities such as the precision application of nutrients and chemicals, diversified crop rotations, cover crops, and reduced tillage. Specific indicators, including nutrient use efficiency, pesticide load, soil coverage, and soil organic content, along with farming output/yield, could potentially be used to measure the outcomes of these activities. Smart technologies can assist in planning, executing, monitoring, and documenting respective interventions at the farm level.

Mind Key Role of Digitalization and Smart Technologies

Digitalization and smart technologies are essential for modernizing European agriculture. The adoption of precision agricultural technologies and novel agricultural machinery, such as automated, intelligent, and autonomous equipment, should be increasingly supported by the CAP. These technologies can enhance sustainability, competitiveness, and strategic resilience of European farmers, making farming more attractive to younger generations and improving public acceptance of agriculture.

Embrace Renewable Fuels for Resilient Agriculture

The CAP should also incentivize farmers to use renewable fuels to support their continued sustainability efforts. Additionally, the CAP should also support the expansion of using sustainable biomass for renewable fuels, growing markets, and the global competitiveness of EU farmers. Sustainable biomass fuels, biomethane, hydrogen and green electricity produced on farms, in circular agriculture would reduce energy costs, improve revenue streams and provide energy resilience for farmers in rural areas. Expanding the use of renewable energy sources (wind and solar) on farms can reduce the reliance of farmers on external energy & fuel sources, while also offering additional income from unproductive land. The use of biofuel crops and manure digestion can also contribute to soil improvement and carbon sequestration, combining ecological and economic benefits. Mixed cropping or multi-cropping for biofuel production can enhance biodiversity and system resilience.

Boost Farm Investment Support

Investments in precision agriculture and renewable energy research and innovation, education, training, extension services, and enhanced connectivity in rural areas are crucial for the future of European farmers. Targeted CAP single farm investment programs, multiannual agri-environment and climate schemes (AECS), and rural development programs should increasingly support digital transformation and green transition in agriculture at large scale.

Importantly, we recognize the necessity of a simplified investment application design for farmers, with a single point of application entry within and beyond the traditional CAP framework. Future-oriented CAP incentives should also enable farmers to access sustainable solutions and services provided by rural contractors, which are indispensable in many farming operations.

Create EU Level Playing Field

Importantly, reasonable harmonization between national CAP strategic plans is essential to foster equal EU-wide conditions for farming operations. Innovation and smart technologies should be accessible to all farm sizes and regions of Europe and applicable in different farming settings, including organic, conventional, arable crops, open-field vegetables, specialty crops, and animal husbandry. Along with a certain harmonized level of conditionality, Member States are encouraged to foster regionally targeted support for farmers.

Enhance Farm Risk Management Programs

As a new element of the CAP, unified farm risk management programs should be introduced to help EU farmers transition towards more competitive, resilient, and sustainable practices. Currently, crop insurance schemes in the EU vary from country to country in terms of government support and coverage. Despite the CAP Pillar 2 provisions for subsidizing insurance premiums by EU Member States (Article 76 of EU Regulation 2021/2115), disparities exist.

To expedite the adoption of crop insurance across Europe, farmers should have access to subsidized insurance policies under an EU-wide program. This insurance would safeguard farmers against yield losses due to natural causes exacerbated by the dramatic climate change impacts, such as drought,

excessive moisture, hail, wind, frost, insects, and disease. It would compensate farmers for a portion of their losses due to below-average yields.

Crop insurance can play an important role in maintaining steady farm cash flows, enabling much-needed investments in modern agricultural technologies, and renewing farm generations in Europe. Other risk management programs, such as price loss coverage and revenue/margin risk coverage, could also be considered. These programs could be supported either through CAP or through national programs, but the latter should pose a minimum harmonized degree of requirements across Members States. Modern technologies can assist interested farmers in documenting their operations to ensure they meet the necessary insurance standards.

Conclusions

In conclusion, the Post-2027 CAP reform should focus on advanced digital transformation, green transition, and farm risk management to ensure sustainable, competitive, and resilient EU agriculture. By supporting the adoption of smart technologies, renewable fuels, and harmonized national strategies, the future CAP can help European farmers achieve better ecological and economic outcomes, attract younger generations to agriculture, and rebuild consumer trust. CEMA stands ready to work with EU policymakers, farmers' communities, and industry stakeholders to foster the necessary changes enabling the future-ready agriculture in Europe.

ABOUT CEMA

CEMA aisbl (www.cema-agri.org) is the association representing the European agricultural machinery industry. With 11 national member associations, the CEMA network represents both large multinational companies and numerous European SMEs active in the sector. CEMA represents about 1,300 manufacturers, producing more than 450 different types of machines with an annual turnover of about €40 billion and 150,000 direct employees. CEMA companies produce a large range of machines that cover any activity in the field from seeding to harvesting, as well as equipment for livestock management.

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