

LA PAC
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ÉTATS



The CAP 2023-2027 and its impact on dairy and beef sector in Italy

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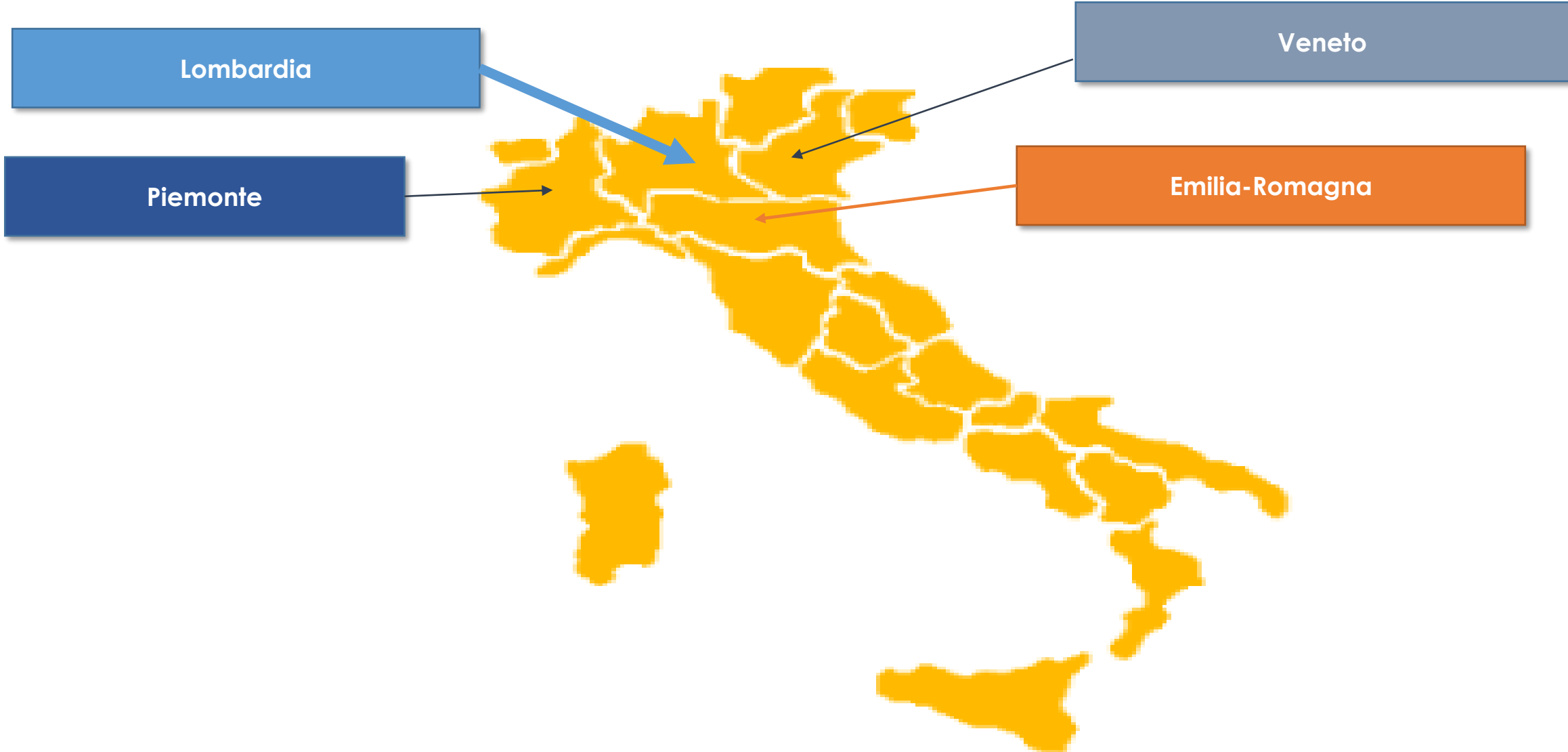
Main trends in Italian Dairy and Beef sectors

Italian milk deliveries by region in tons (2004-2021)

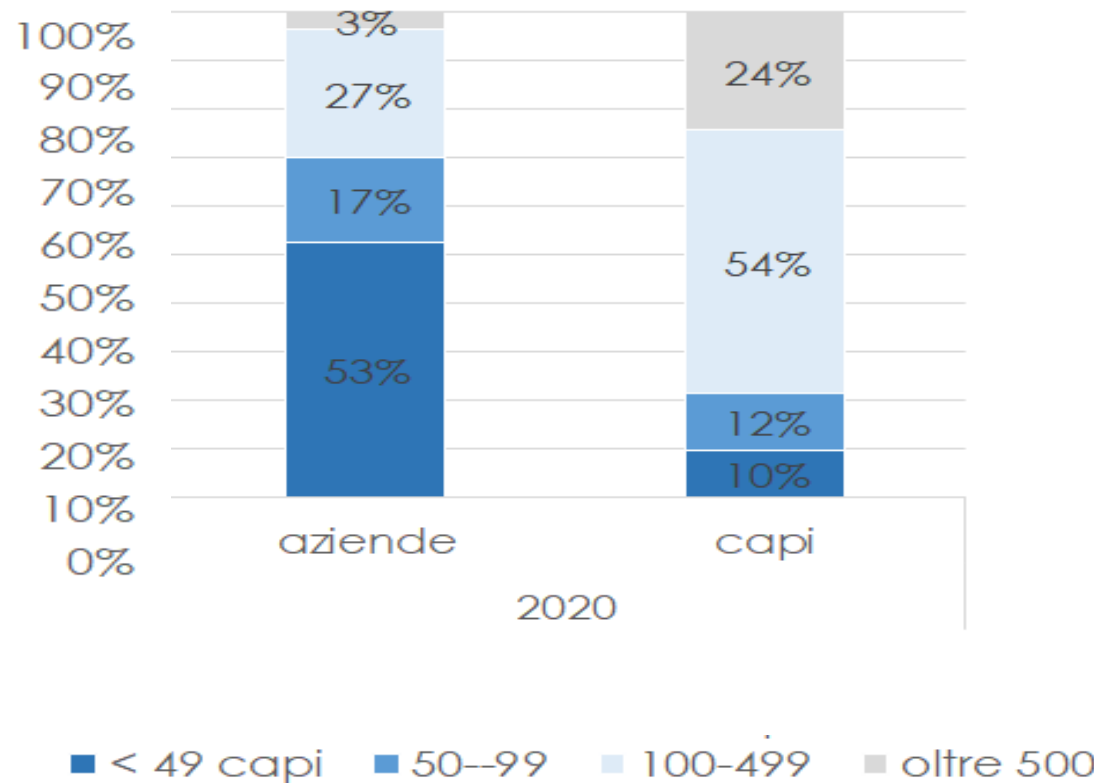
Region	2004	2021	Weight %	var % 2004-2021
Lombardia	4.078.830	5.885.614	45,0	44,3
Emilia_Romagna	1.728.320	2.086.130	15,9	20,7
Veneto	1.167.157	1.218.161	9,3	4,4
Piemonte	867.488	1.188.296	9,1	37,0
Puglia	324.147	436.260	3,3	34,6
P.A. Bolzano	384.501	409.822	3,1	6,6
Lazio	437.320	303.687	2,3	-30,6
Friuli	256.501	269.032	2,1	4,9
Sardegna	223.960	221.224	1,7	-1,2
Sicilia	171.301	201.829	1,5	17,8
Campania	252.187	197.129	1,5	-21,8
Basilicata	108.328	150.901	1,2	39,3
P.A. Trento	132.013	146.904	1,1	11,3
Calabria	58.079	75.748	0,6	30,4
Abruzzo	87.052	68.607	0,5	-21,2
Toscana	76.425	61.826	0,5	-19,1
Molise	79.080	54.688	0,4	-30,8
Umbria	58.560	50.791	0,4	-13,3
Valle d'Aosta	36.282	32.538	0,2	-10,3
Marche	45.001	25.817	0,2	-42,6
Liguria	5.999	2.345	0,0	-60,9
	10.580.535	13.087.349	100	23,7

Increase of Italian milk production by region (2004-2021)

in 2022 Jan-July unchanged



**Farm structure: about 26,000 total specialized dairy farms.
78% of cows are in 7,800 farms**

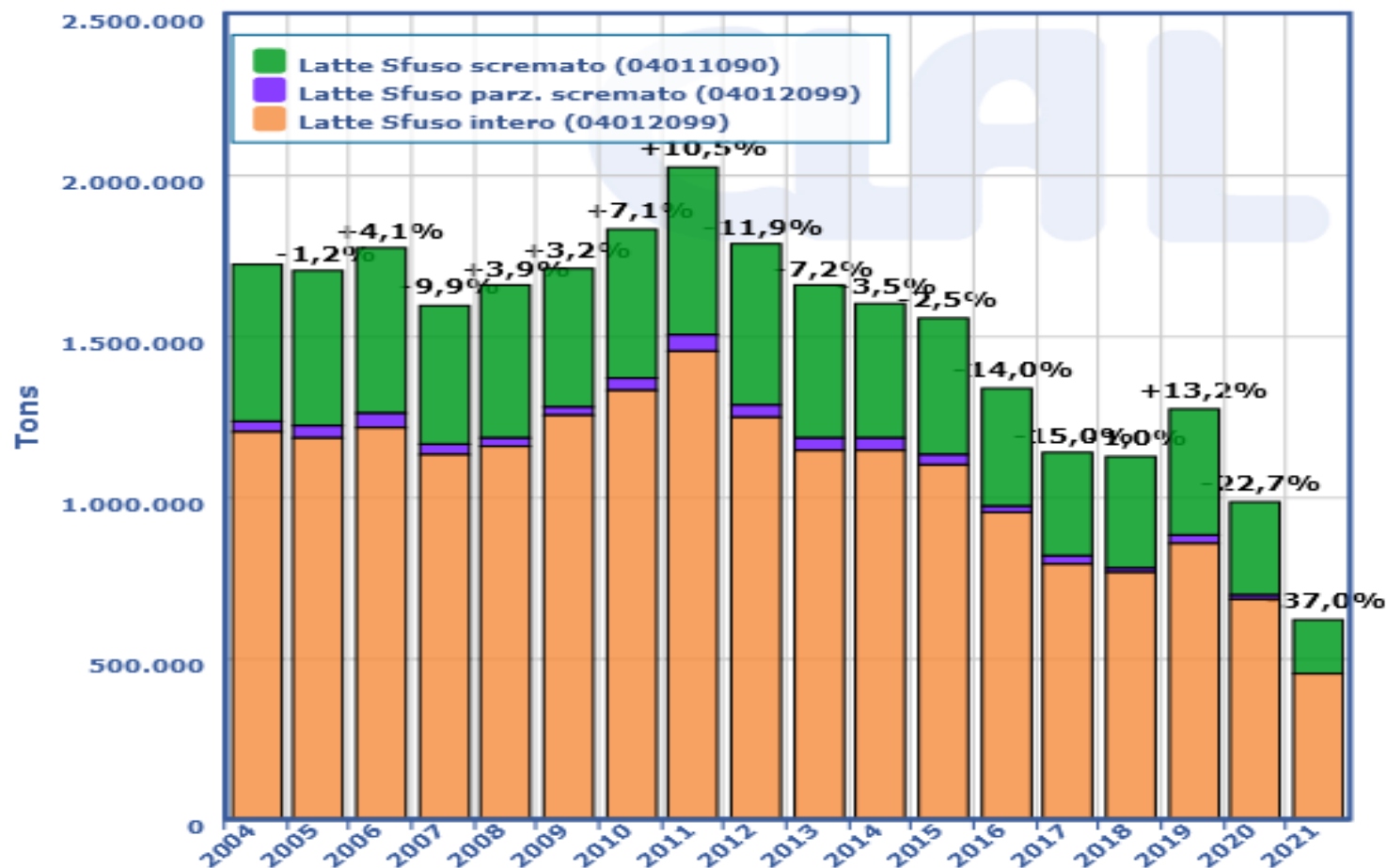


Fonte: elaborazioni Ismea su dati BDN-Anagrafe Zootecnica Nazionale

Degree of Self Sufficiency

CLAL	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Dairy	71,9	73,8	74,8	75,9	77,4	80,6	84,5	83,5	85,0	90,4
ISMEDIA	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Dairy					71,0	76,0	80,0	78,0	78,0	84,0

Liquid milk import



Main partners for liquid milk import

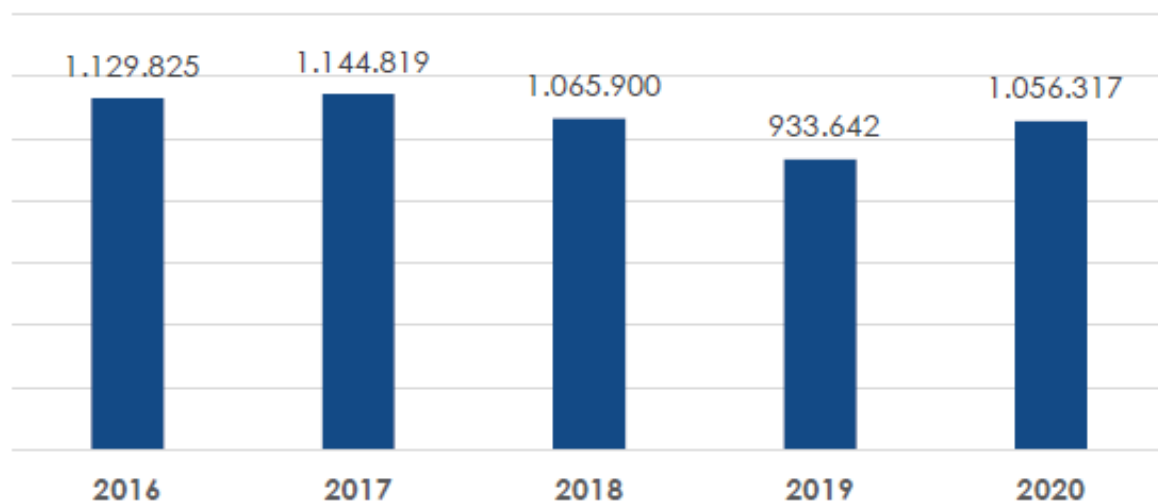
gen-giu	2020	2021	Var.%
latte sfuso	498.370	313.566	-37,1%
Slovenia	74.541	88.944	19,3%
Germania	185.539	85.608	-53,9%
Austria	70.628	45.500	-35,6%
Francia	95.670	38.515	-59,7%
Ungheria	26.003	27.559	6,0%
Slovacchia	17.944	15.731	-12,3%
Altri	28.045	11.708	-58,3%

Beef sector main trends

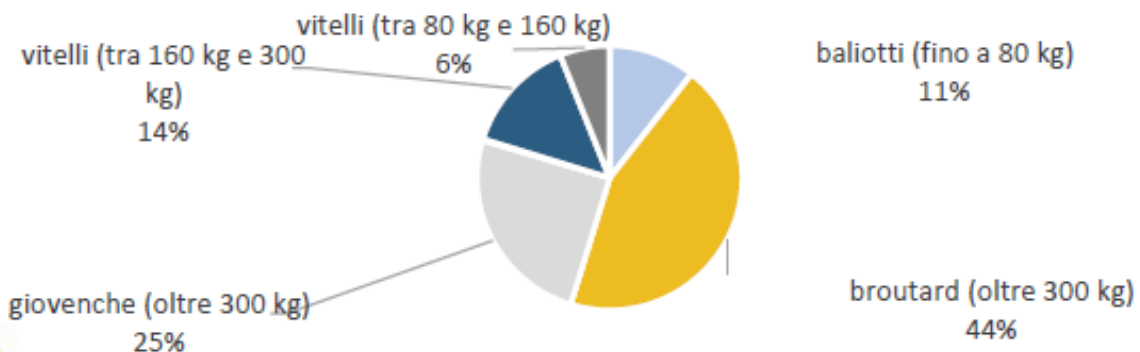
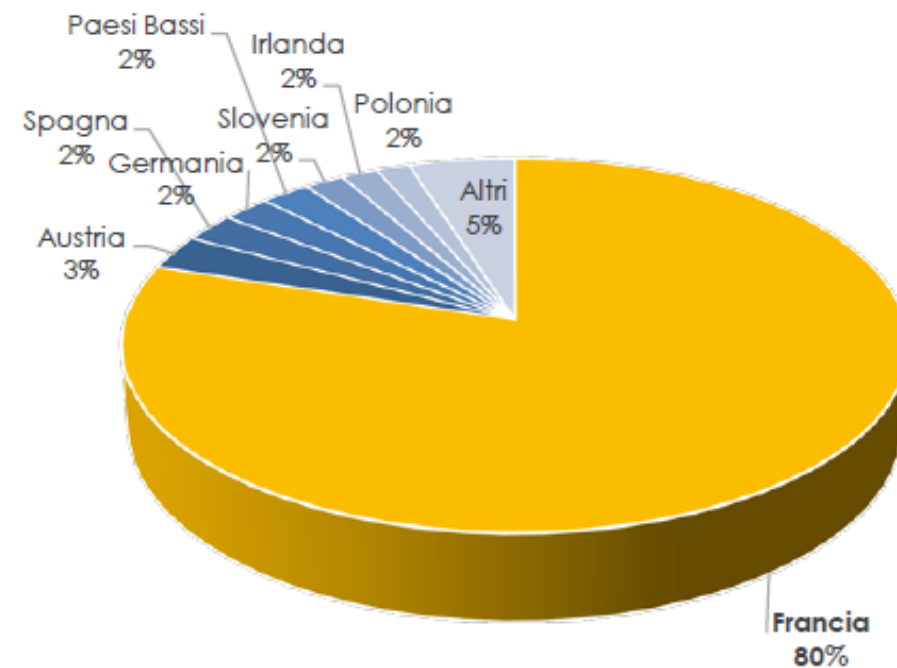
			2019	2020	2021	% Var 21/20
Structure	Beef farms	(000 farms)	105	100	95	-5,5%
	Total heads	(000 heads)	5.551	5.565	5.633	1,2%
	Live animals import	(000 tons eq.)	231	237	240	1,3%
	<i>Suckler cows</i>	(000 heads)	714	715	722	0,9%
	Slaughtered heads	(000 heads)	2.683	2.617	2.636	0,7%
	Slaughter plants	(n°)	1.540	1.062	1.021	-3,9%
Supply	Beef meat	(000 t)	775	759	753	-0,7%
	Revenue farm level	(milioni €)	2.979	2.911	2.798	-3,9%
	Revenue Industry level	(milioni €)	6.160	6.070	5.980	-1,5%
	Revenue weight beef on total food industry	(% v.)	4,4	4,2	4,2	0,0%
Import Export	import	(milioni €)	3.300	3.270	3.066	-6,3%
	export	(milioni €)	685	649	582	-10,4%
	Balance imp-exp	(milioni €)	- 2.615	- 2.621	- 2.484	-5,2%
Demand	consumption per capita	(kg)	17,1	17,2	16,8	-2,3%
Self sufficiency		%	52,1	50,3	51,4	2,20%

Live beef import

Import live animals (N. Heads)



Main countries for live animals import



Source: ISMEA

The CAP 2023-2027 and its impact on dairy and beef sector in Italy

CAP composition 2023-2027

	Million euro		
	Total	Yearly	%
Direct payments	18.142,5	3.628,5	51,4
<i>Support by sector (bees)</i>	85,0	17,0	0,2
<i>Support by sector (wine)</i>	1.619,4	323,9	4,6
<i>Support by sector (Oil)</i>	172,0	34,4	0,5
<i>Support by sector (potatoes)</i>	30,0	6,0	0,1
Rural development	15.281,5	3.056,3	43,3
TOTAL	35.330,4	7.066,1	100

Source RRN



	Million euro	%
Direct payments		
Basic payment	1.741,7	48%
Eco-schemes	907,1	25%
Coupled payments	544,3	15%
Redistributive payments	362,9	10%
Young farmers	72,6	2%
Total	3.628,5	100%

The total amount is almost unchanged from the previous CAP

RURAL DEVELOPMENT PLANS

Measures	Million Euro	%
Environment and climate	4.376	28,2
Natural environments and territorial specific areas	1.152	7,42
Support disadvantaged areas	79	0,51
Investments including irrigation	4.227	27,24
Young farmers	926	5,97
Risks management	3.025	19,49
Cooperation	1.147	7,39
Knowledge exchange and dissemination	219	1,41
Assistance to NSP	369	2,38
TOTAL	15.519	100,01

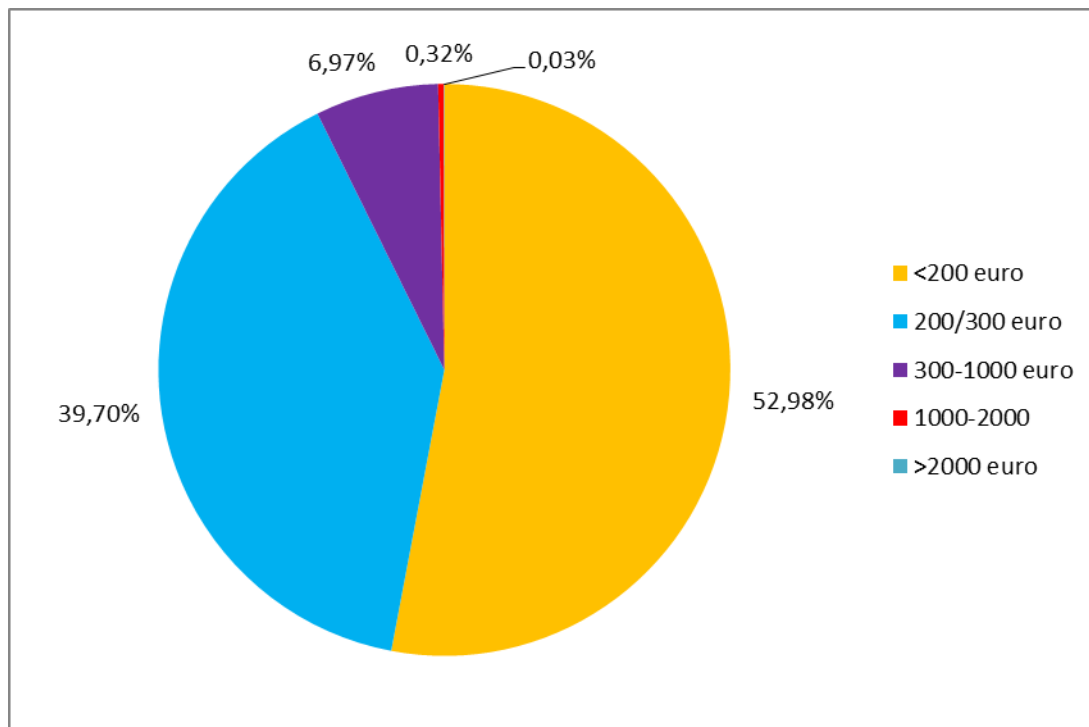
Source RRN

RDP are managed at regional level so there are 21 RDPs regionally adapted

CAP direct payments comparison 2015-2022 vs 2023-2027

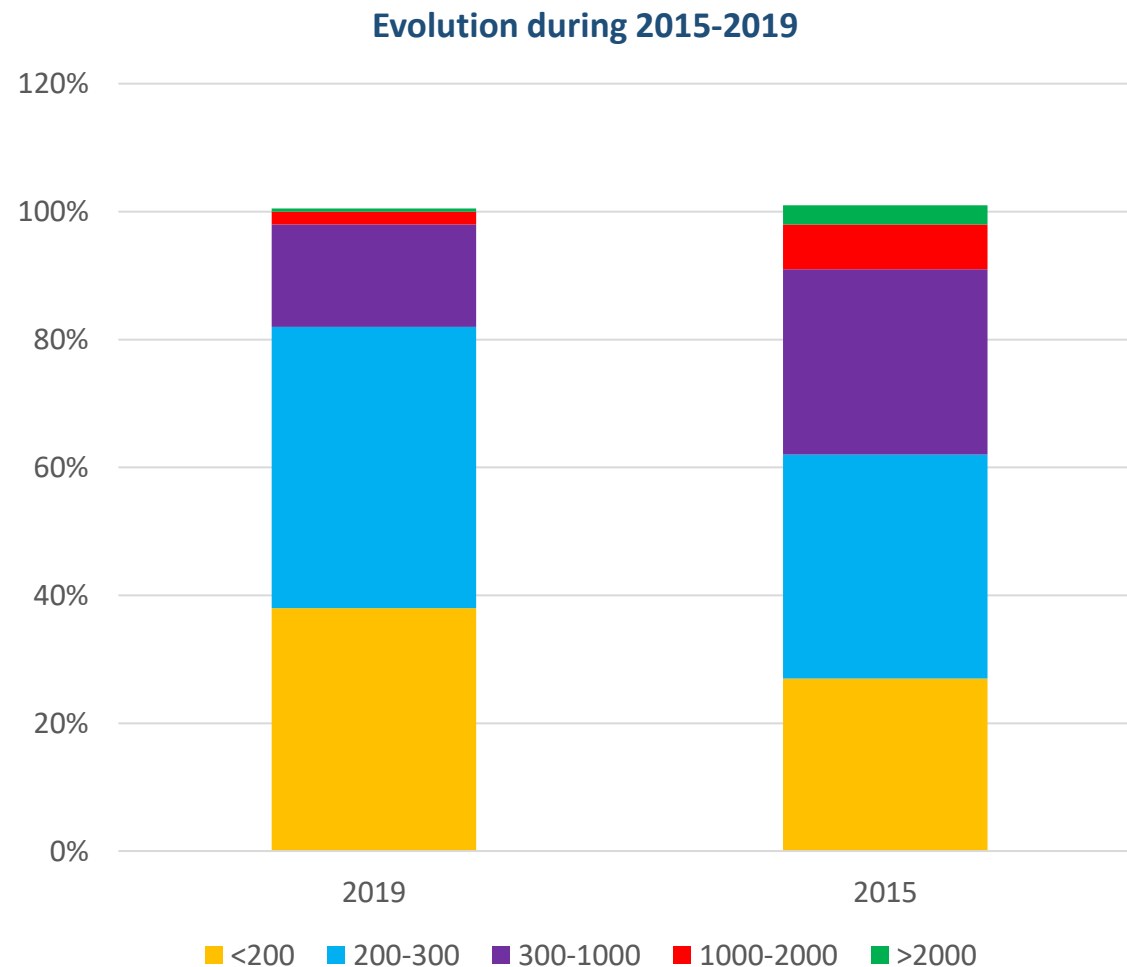
CAP 2015 - 2022	%	CAP 2023 - 2027	%
Basic payments	55	Basic payments	48
Greening	30	Redistributive payments	10
		Eco-schemes	25
Support young farmers	2	Support young farmers	2
Coupled payments	13	Coupled payments	13+2

BASIC PAYMENTS: CONVERGENCE SYSTEM



TITLES DISTRIBUTION ACCORDING TO THEIR VALUE
(4.7 million titles in total)

Source: ISMEA



CONVERGENCE SYSTEM

By 2026 → the title value will converge to 85% of the average value (about 167 €/title);

In practice about 4 million titles should increase their value and about 700.000 titles should decrease their value.

Convergence to higher value:	Convergence to lower value:
4 Steps increasing:	4 Steps decreasing:
2023: + 5% ;	2023: - 6,0% ;
2024: + 6% ;	2024: - 7,2% ;
2025: + 7% ;	2025: - 8,4% ;
2026: + 7% .	2026: - 8,4% .
	STOP LOSS AT 30%

There is a minimum level of payment per farm of 300 €

REDISTRIBUTIVE PAYMENTS (10% OF THE BUDGET)

- To riequilibrare support in favour of small-medium farms
- Beneficiaries will be farms from 0,5 to 50 Ha for the first 14 Ha
- The amount will be 80-85 €/ha considering an estimate of 4.3 million ha involved

COUPLED PAYMENTS (13 +2 % OF THE BUDGET)

- 13%- Distributed in about 306 million per year to crop production (41%) and 218 for **animal production (45%)** the rest (20 million) goes to Citrus trees, Olive trees
- 2% - In the crop production budget 31,9 million euro are allocated to soia and 39,2 to other legume crops

COUPLED PAYMENTS (13% OF THE BUDGET)

TARGET PRODUCTION	Total budget (euro)	Estimated Average Payment €/LU
Dairy cows (>20 mesi) in farms registered in ClassyFarm	68.625.533	67
Dairy cows (>20 mesi) in farms in mountain areas	20.907.538	121
Suckler cows registered in herd books	27.270.746	121
Suckler cows not registered in genealogoc book (not dairy cows)	7.726.816	70
Dual-purpose cows registered in herd books or included in breed management plans	9.998.722	107
Beef slaughter 12-24 months of age (at least 6 months in the farm) following specific production requirements (PDO/PGI, or other voluntary labelling schemes)	64.542.834	58
Beef slaughter 12-24 months of age (at least 6 months in the farm)	3.176.745	39
Buffaloes	3.181.028	32
SUB TOTAL	205.429.962	
Sheep and goats	13.180.839	6
TOTAL	218.610.802	

Support to Young farmers (2 % OF THE BUDGET)

- To support young farmers for a max of 5 years
- Max 40 years of age with specific agricultural education
- The support is 80-100 €/ha for a max of 90 Ha.

Risk management 3 % of of direct payments budget (48%-3%)

- To activate specific measures to protect for catastrophic events
- This measure was already in place in the previous RDP 1.7 billion euro
- The new measures will add 1,3 billion euro

ECO-SCHEMES (25% OF THE BUDGET)

	Amount Euro	Annual Amount Mill. Euro	%
Eco-scheme 1 Antibiotic reduction and animal welfare	1.826.559.016	365	41%
Eco-scheme 2 Grass on tree crops	782.238.063	156	18%
Eco-scheme 3 Saveguard of Olive trees with special landscape value	755.525.680	151	17%
Eco-scheme 4 Extensive forage systems	819.190.064	164	19%
Eco-scheme 5 Specific measures for pollinators	218.363.329	44	5%
	4.401.876.152		

The eco-schemes are compulsory for the Member State but optional for farmers

Eco scheme 1: Antibiotic reduction and animal welfare

- This scheme intend to pay farmers according two levels of commitment in reducing antibiotics and improving animal weirare. The payment is per year and per LU

Level 1	€/LU		level 2	€/LU
Dairy	66		Dairy and mixed (dairy/beef)	240
Beef	54		Beef	240
Bovine mixed (dairy/beef)	54		Pigs	300
Buffaloes	66			
White meat calves	24			
Pigs	24			
Sheep	60			
Goat	60			

ECO- 1 Antibiotic reduction and animal welfare

LEVEL 1

AIM:

- Antibiotic reduction will be based on the DDD (defined daily dose)
- Farms will be classified in relationship to the median regional level
- Improving animal welfare
- Joining the *Classy Farm* system



LEVEL 2

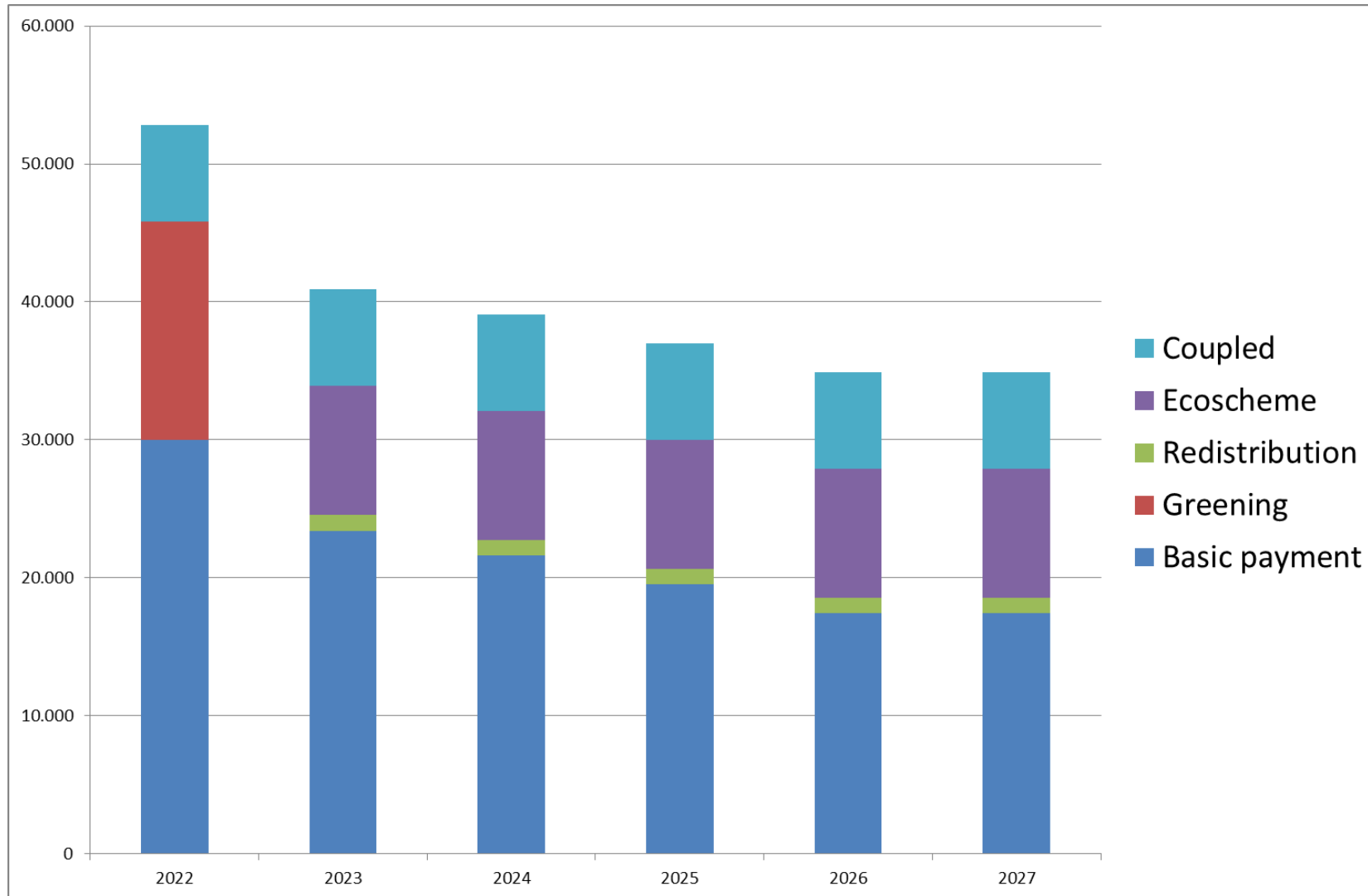
AIM:

- To join the National Certification System on Animal Welfare (SQNBA) promote «grazing».
 - Dairy cows and double purpose
 - Cows: at least 30 days/year
 - Heifers: at least 3 months/year
 - Beef
 - Suckler cows: at least 4 months/year
 - Calvs : at least 4 months/year

Eco scheme 4 Extensive forage systems

- The objective is to introduce legumes in the crop rotation
- Avoiding the use of herbicides or other chemical products
- The yearly amount is about 110 €/ha

SIMULATED EFFECTS OF THE NEW CAP ON A DAIRY FARM



100 COWS DAIRY FARM

50 HECTARES
(25 Ha MAIS and 25 Ha
ALFA ALFA)

**The expected support
reduction in 2026/27 is
estimated in 34%**

THANK YOU!

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