Farm Adaptation Network

CAP Policy Lab • June 2026

Making Farm Adaptation Profitable

Three amendment-ready recommendations on farm adaptation through plant-rich production and protein diversification

For Members of the European Parliament and national Council delegations

policy@farmadaptation.org — **Farm Adaptation Network**

Companion document: *Making Farm Adaptation Profitable — Technical Annex* (FAN, June 2026)

The opportunity: a CAP that makes diversification profitable

The post-2027 CAP will be the most consequential agricultural reform in a generation. The Commission's July 2025 proposals integrate the CAP into a new National and Regional Partnership (NRP) Plans framework, securing at least €293.7 billion in ring-fenced income support and ending the two-pillar model. Commissioner Hansen's *Vision for Agriculture and Food*, the Strategic Dialogue conclusions, and the Irish Presidency's H2 2026 focus on strategic autonomy and climate action converge on a single proposition: **European farmers need a CAP that makes resilient, diversified, plant-rich production economically rational.**

The barriers facing farmers who want to diversify into protein crops and agroecological systems are well-mapped. The instruments to remove them exist within the new CAP architecture. What is missing is the political will to align them.

This brief proposes **three amendment-ready recommendations** mapped directly onto the Commission's draft regulations: COM(2025) 560 for CAP interventions, COM(2025) 553 for the new protein sector, and COM(2025) 565 for the NRP Fund.

Why now: three converging pressures

Strategic autonomy. The EU imports approximately 76% of its high-protein feed requirements[1] and is 96% dependent on imported soybean meal[2]. Every percentage point of protein autonomy reclaimed reduces exposure to geopolitical shocks, price volatility, and deforestation-linked supply chains.

Farmer income and resilience. Around 71% of the land required to produce food for EU citizens is dedicated to livestock and their feed[3], and 82% of CAP support flows directly or indirectly to animal production[4]. This is not primarily a reflection of farmer preference — it reflects a structural lock-in in which existing subsidies, debt cycles and deep dependence on purchased inputs make it economically rational to stay in intensive systems, even as that dependence exposes farmers to price shocks and market volatility. The income case for diversification is there. The financing pathway is not.

Climate and ecology. The livestock sector accounts for 81–86%[5] of EU agricultural greenhouse gas emissions. Legume integration in rotations fixes nitrogen biologically, reduces synthetic fertilizer dependency and nutrient surpluses, restores soils, and supports pollinators. No other intervention in the CAP toolbox delivers this combination of strategic, economic, and environmental returns.

The diagnosis: three interdependent barriers

Every credible analysis of why European farmers don't diversify identifies the same three barriers. Our recommendations address each one directly, using the legal instruments already proposed by the Commission for 2028–2034.

Barrier	Recommendation
Upfront investment costs and technological lock-in trap farmers in existing systems	1. Farm Adaptation Support
Public payments leak to downstream buyers; food-grade protein markets undersupported	2. Ring-Fenced Coupled Support for Food-Grade Protein Crops
Fragmented supply chains and missing processing infrastructure leave farm production stranded	3. Producer Organisation Empowerment and Regional Processing Programme

These are three components of a single mechanism. **Without Recommendation 1**, farmers cannot afford to start — sunk capital and income volatility lock them in. **Without Recommendation 2**, they diversify into

---

[1] FEFAC (2025). *Feed & Food 2025*. European Feed Manufacturers' Federation.
[2] European Commission – Joint Research Centre (2024). *Can the EU chart a sustainable transition to greater protein self-sufficiency?*
[3] Greenpeace (2019). Feeding the Problem: the dangerous intensification of animal farming in Europe.
[4] Kortleve et al. (2024). Over 80% of the EU's CAP supports emissions-intensive animal products. *Nature Food*, 5, 288–292.
[5] European Commission – DG AGRI (2020). *Future of EU Livestock: How to Contribute to a Sustainable Agricultural Sector*.

low-margin feed-grade markets where public support leaks to downstream buyers. **Without Recommendation 3**, they produce food-grade crops with no processing infrastructure, no aggregation capacity, and no collective bargaining power. **The three recommendations are mutually reinforcing: each is more effective in combination than in isolation.**

Together, the three recommendations fit coherently into the Commission's new architecture: they operationalise the protein sector provisions in COM(2025) 553, add substance to the "transition to resilient production systems" action in Article 10(1)(b) of COM(2025) 560, and reinforce the kind of targeted, outcome-conditional support that both the Strategic Dialogue and the Vision for Agriculture and Food call for. The package advances strategic autonomy, climate action, farmer income and generational renewal simultaneously, and remains largely revenue-neutral or modestly additive within the existing CAP envelope.

Recommendation 1 — Farm Adaptation Support for Diversification toward Plant-Rich Production

The ask

Strengthen the new *"transition to resilient production systems"* action established by Article 10(1)(b) of COM(2025) 560 — part of the merged agri-environmental and climate actions intervention — by attaching dedicated funding, mandatory advisory support, and EIB loan coordination. The new **Farm Adaptation Support** sub-measure would provide €30,000–€200,000 over three to five years for farmers diversifying production systems toward protein crops and agroecological practices, modulated by farm size and depth of adaptation.

Why it matters

Livestock buildings and intensive production systems carry 7–20 year debt repayment cycles. A farmer who wants to diversify cannot simply walk away from sunk capital and existing income streams. EU farmers face **€62 billion in unmet financing demand** — of which €18.9 billion relates directly to green transition investments — falling disproportionately on small and young farmers[6]. The Commission's draft regulation already creates the *legal vehicle for transition support* — Article 10(1)(b) allows farmers to draw up a transition action plan, approved by the Member State, covering whole or part of the holding. But as IEEP's August 2025 analysis flags, **no dedicated funding and no advisory support** are attached[7]. This recommendation closes that implementation gap.

Front-loaded payments (largest instalments paid in the first years, final instalment on completion) compensate for transition costs and income foregone, while milestone conditions — hectares converted, measurable reduction in synthetic nitrogen use, market contracts secured — ensure public support produces verified adaptation outcomes. Coordinated EIB loan guarantees give farmers access to up to €500,000 in reduced-rate finance for equipment and infrastructure. Farm succession is a particularly high-leverage entry point — a farmer taking over a holding is already making structural decisions about infrastructure and production, and Farm Adaptation Support should be accessible from the moment of transfer.

What farmers gain

- **Income security** during the 3–5 year period when new production systems mature
- **Capital access** without exposure to commercial loan rates farmers cannot meet
- **Priority access for young farmers** (under 40), with an uplift on the standard payment rate — direct contribution to generational renewal
- **Voluntary opt-in** — farmers who wish to continue current systems are unaffected
- **Modulation by farm size** — €30,000 for small farms (under 20 ha), €100,000 for medium farms, €200,000 for larger farms with employment commitments

---

[6] European Commission / fi-compass (2023). *Access to finance remains insufficient for farmers and agri-food SMEs*. 12 October 2023.
[7] IEEP (2025). *The post-2027 CAP and MFF proposals for the EU: first reflections on their environmental implications*. August 2025.

Recommendation 2 — Ring-Fenced Coupled Support for Food-Grade Protein Crops

The ask

Amend Article 11 of COM(2025) 560 (Coupled Income Support, CIS) so that Member States allocating CIS to protein crops must direct **at least 60% of that allocation to crops destined for human consumption** (not feed) — a food-grade versus feed-grade distinction the regulation does not currently make. Add mandatory price transparency through an expanded EU Market Observatory to prevent downstream buyers from absorbing the support through reduced farm-gate prices.

Why it matters

Twenty Member States already use CIS for protein crops, and the 2021–2027 CAP gave the sector a 25% budget increase[8]. The Commission's new proposal embeds CIS more firmly in the CAP architecture and raises the ceiling to **20% of the Member State's relevant income-support allocation** — with an additional 5 percentage points available where support targets protein crops, mixed crop-livestock farming, or areas at risk of agricultural abandonment[9]. The instrument is becoming more central, not less. So why has European protein autonomy barely moved?

Because the current design has two structural flaws. First, the support flows overwhelmingly to **feed-grade production** — keeping farmers in the low-margin commodity-feed complex instead of the higher-value food markets that diversification depends on. Second, where buyers know farmers are receiving subsidies, they routinely lower purchasing prices to capture part of the support. The public investment leaks out of the farm and into downstream margins.

Ring-fencing 60% of protein-crop CIS for food-grade production directs support toward higher-margin markets and crops with stronger sustainability profiles. Food-grade legumes command premiums over commodity feed prices — premiums that increase as processing infrastructure matures and long-term contracts become established. Mandatory weekly farm-gate price reporting through the Market Observatory closes the information asymmetry that lets buyers absorb support payments, and gives farmers, cooperatives, and policymakers a real-time view of whether the policy is working.

This is a targeted instrument. It places no constraint on Member States that support protein crops for food, and none on those that support no protein crops at all; its only bite is on feed-grade protein-crop support, which it conditions on a parallel commitment to food-grade production. It rebalances within the protein-crop envelope. It does not redirect coupled support away from livestock, by design. Instead, it directs support toward higher-margin food markets and the domestic supply chains that durably reduce import dependence.

What farmers gain

- **Access to higher-margin food markets** — food-grade fava beans, peas, lentils, chickpeas and lupins generally command premiums over commodity feed prices
- **Protection from value capture** by downstream buyers, through public price data farmers can use in negotiations
- **Predictable income signals** enabling multi-year rotation planning
- **Phased, evidence-gated introduction** (40% from 2028, rising to 60% from 2031 subject to Market Observatory review) gives supply chains time to develop

Recommendation 3 — Producer Organisation Empowerment and Regional Processing Infrastructure Programme

The ask

Operationalise the protein sector created by COM(2025) 553 by adding three specific safeguards within the existing legal framework: (1) a **cooperative-ownership preference** for sectoral interventions and investment co-financing, (2) a **food-grade focus** for the operational programmes of Producer Organisations recognised

[8] European Parliamentary Research Service (2023). EU protein strategy (Briefing PE 751.426).
[9] COM(2025) 565, Article 35. Note that the budget base to which these percentages apply has changed from the current CAP, meaning the practical effect on total CIS funding remains to be determined as noted in IEEP (2025).

under Article 159, and (3) a **ring-fenced budget for regional processing infrastructure** within Member State NRP Fund investment budgets.

Why it matters

Every successful European protein-crop transition shares one critical factor: **guaranteed offtake agreements coordinated through cooperatives or producer organisations.** The Belgian pea cooperative model, the Donau Soja integrated approach across the Danube region[10], and the French Terres Univia interbranch coordination all demonstrate that farmers organising collectively to capture value and de-risk supply is what makes protein-crop transitions work.

The Commission's proposal already establishes the institutional backbone: COM(2025) 553 creates a distinct protein crop sector (Recital 5) and makes Producer Organisation recognition mandatory for Member States (Article 159(a)(v)). The sectoral framework provides operational programmes of 3–7 years (Article 33) and access to seventeen intervention types covering investments, training, promotion, research and traceability (Article 31). What the proposal does not yet do is **direct these mechanisms toward the outcomes farmers and the wider food system need** — cooperative rather than corporate ownership, food-grade rather than feed-grade production, and a guaranteed share of investment budgets for the regional processing capacity that turns farm production into market access.

This recommendation closes that gap without creating new legal architecture. The cooperative-ownership preference favours farmer-owned aggregation and minimal processing infrastructure (cleaning, drying, sorting, storage, milling, thermal treatment) over corporate processors. The food-grade focus directs PO operational support toward higher-margin human-consumption markets aligned with Recommendation 2. The processing infrastructure ring-fence ensures Member States cannot starve the sector of the capital investment that bridges the 'missing middle' between farm and market. The €5 million per facility ceiling keeps the focus on regional cooperative capacity rather than industrial-scale processing.

What farmers gain

- **Collective bargaining power** that no individual farmer can achieve alone, within an established CMO framework
- **Shared infrastructure** reducing per-farm capital costs through economies of scale
- **Long-term offtake contracts** (3–5 years) negotiated through POs and supported by sectoral operational programmes
- **Cooperative ownership** of processing capacity — farmers as infrastructure owners, not as raw material suppliers to processors they do not control
- **Young-farmer leadership uplift** — priority access and an enhanced operational funding rate for POs with significant under-40 membership

The Irish Presidency H2 2026 negotiating window is the moment to act on these recommendations.

ABOUT THIS BRIEF

Anchored in the Commission's July 2025 CAP and MFF proposals (COM(2025) 560, 553 and 565). Full implementation specifications are available in the *Making Farm Adaptation Profitable — Technical Annex* (FAN, June 2026).

Contact: policy@farmadaptation.org — Farm Adaptation Network

[10] Donau Soja (2022). 10 Years Anniversary & Annual Report. Vienna.