European Commission - Press release

Commission amends rules on small amounts of State aid to the agricultural sector

Brussels, 10 December 2024

Today, the European Commission has adopted an amendment of the *'de minimis'* Regulation for the agricultural sector ('Agricultural *de minimis* Regulation'). The Regulation exempts small amounts of support in the agricultural sector from State aid control since they are deemed to have no impact on competition and trade in the Single Market. The revised Regulation will enter into force three days after its publication in the Official Journal and will apply until 31 December 2032.

The amendment

Under the current Agricultural *de minimis* Regulation, Member States can grant support to the agricultural sector of up to €20,000 per beneficiary (€25,000, if the Member State has a central register to register *de minimis* aid) over a period of three fiscal years without prior notification for Commission approval. Besides these ceilings per beneficiary, each EU Member State has a maximum national amount for such support (a so-called 'national cap'), in order to avoid any potential distortion of competition.

The **amendment** adopted today includes the following changes:

- The **increase in the maximum *de minimis* ceiling** per company over three years, from €25,000 to €50,000, to reflect several factors including the experience gained, as well as market developments and the exceptional sector-specific inflation in recent years, as well as forward looking the expected inflation until the expiry date of the Regulation.
- The **adjustment of 'national caps'**, which are calculated based on the value of agricultural output of the Member State. The national caps are updated from 1.5% to 2% of the national agricultural output and the reference period is extended from 2012-2017 to 2012-2023. This allows to take account of the increased value of agricultural production particularly over the last years, thereby increasing the national cap for all Member States.
- The **deletion of the 'sectorial cap'** which precluded Member States from granting *de minimis* aid exceeding 50% of the national cap to the same product sector.
- The introduction of a mandatory **central register** of *de minimis* aid at national or European level. This will increase transparency and reduce administrative burden on farmers - mostly micro companies - who currently use a self-declaration system. In addition, they will no longer need to self-monitor compliance (currently, such central registers are voluntary for Member States).
- The extension of the validity of the revised Agricultural *de minimis* Regulation until **31 December 2032**.

With the amendment approved today, Member States can to a larger extent support farmers in a simple, fast, direct and efficient manner, as such *de minimis* support does not need to be notified to nor approved by the Commission.

In parallel to today's amendment, the Commission took further steps to strengthen the position of farmers in the EU. The Commission proposed targeted amendments to the current legal framework set in the Regulation establishing a common market organisation of agricultural products (CMO) and a new Regulation on cross-border enforcement against unfair trading practices.

Background

Article 108(3) of the Treaty on the Functioning of the European Union requires Member States to notify all State aid to the European Commission and to implement it only after the Commission's approval. The EU State aid Enabling Regulation allows the Commission to declare that certain categories of State aid are compatible with the Single Market and exempted from the notification obligation provided for in the Treaty.

The agricultural *de minimis* Regulation was last revised in 2019 and was set to expire on 31 December 2027. In May 2024, the Commission launched a revision of the Agricultural *de minimis* Regulation, in light of the inflationary pressure in recent years and the current context with, amongst others, high commodity prices affecting the agricultural sector. The revision process included a public consultation launched in June 2024, as well as meetings with the Member States in July and October 2024. During the consultation and meetings, many stakeholders called for an increase of the individual ceiling and national cap to reflect inflation as well as market developments. Many stakeholders also asked for flexibility to react to quickly developing crises in the market, as well as crises caused by increasing occurrences of natural disasters due to climate change.

More information on State aid in the agricultural sector can be found on DG Competition's dedicated website.

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Quote(s):

"The revised rules on small amounts of aid to the agricultural sector will help farmers tackle inflationary pressure and high commodity prices. By raising the exemption ceilings, Member States can now deliver more support faster and simpler. We have also introduced a central register to reduce reporting obligations for farmers."
Teresa Ribera, Executive Vice-President for Clean, Just and Competitive Transition - 10/12/2024

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