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## **Common Agricultural Policy (CAP) and the Multiannual Financial Framework (MFF) will shape European agriculture for the next decade.**

For MTK, these decisions are critical to ensuring food security, sustainability, and competitiveness while safeguarding the viability of family farms.

### **Why This Matters**

Agriculture is not just an economic sector—it is a cornerstone of food security, rural vitality, and strategic autonomy for the European Union. The CAP and MFF framework for 2028–2035 must enable Europe to maintain stable food supply chains in times of geopolitical uncertainty, deliver on climate and biodiversity commitments without undermining farm viability, support generational renewal and innovation, and ensure fair competition in global markets. Finland’s position is particularly sensitive: as a net contributor and an eastern border state, it faces unique challenges in maintaining agricultural competitiveness under harsh climatic conditions and long supply chains.

It must remain possible in the future to implement tailor-made national support measures that uphold traditional agricultural practices across Finland. Our country is vast and diverse, with unique regions such as the archipelago, the eastern border areas, and the long-distance landscapes of Lapland. In these areas, traditional farming plays a vital role in sustaining rural communities. It also helps attract young farmers and entrepreneurs when combined with rural development instruments designed to meet local needs.

### **Assessment of Commission Proposals**

The Commission’s proposals include positive developments. Budget simplification under the National and Regional Partnership (NRP) framework improves transparency. The shift from compliance-based conditionality to incentive-driven measures through the Farm Stewardship system is welcome, as is the introduction of a one-off transition measure to de-risk sustainability shifts. The Unity Safety Net for market crises and updates to the Common Market Organisation (CMO) also represent constructive progress.

However, MTK has serious concerns. Minimum allocations for CAP income support risk underfunding essential measures. Degressive income support and capping, as currently designed, penalize efficient family farms and undermine investment capacity. Linking coupled support to the amount of the degressive income support creates zero-sum trade-offs between income support and co-financed measures. Mandatory risk management schemes reduce flexibility and may crowd out effective national solutions. Finally, compensation for environmental and climate measures must be based on EU-level baselines, not stricter national rules, to ensure fairness and comparability.

### **MTK’s Key Policy Recommendations**

To address these concerns, MTK calls on policymakers to:

- Secure an agricultural budget at least equal to today’s real level to avoid erosion of funding and recognize agriculture’s role in food security and resilience.
- Target support to active producers and family farms, excluding pensioners from area-based income support after transition and maintaining coupled support for livestock and sensitive sectors.
- Set degression and capping thresholds that reflect national realities, ensuring flexibility to avoid penalizing scale-efficient family farms.
- Maintain coupled support at current levels, decoupled from degressive income support to prevent harmful trade-offs.
- Anchor environmental payments at EU-law baselines and reward early movers, ensuring fairness and recognizing past investments.
- Keep risk management tools voluntary and adaptable, encouraging uptake through incentives rather than obligations.

- Ensure national flexibility in CAP implementation, allowing member states to tailor measures to local conditions.
- Focus on functioning food chain by addressing unfair trading practices and improving transparency.
- Support growth in food exports and competitiveness in global markets.
- Promote smart, targeted incentives for innovation, sustainability, investments and generational renewal.

### **Strategic Rationale**

These objectives reflect MTK's core principles. Europe cannot afford to compromise its ability to produce food domestically. Farmers are key actors in delivering environmental goals but need fair compensation and practical tools. Competitiveness must be preserved to avoid structural decline, and rural cohesion requires strong ANC measures and national co-financing. Decisions on budget levels, support targeting, and environmental architecture will directly impact farm viability and rural economies. Misaligned thresholds or rigid rules risk undermining investment, innovation, and resilience. A balanced CAP must combine predictable funding, flexibility, and incentives to achieve EU strategic goals without sacrificing farm competitiveness.

### **Conclusion**

The decisions taken on CAP and the MFF will define Europe's ability to meet its strategic objectives in food security, climate resilience, and rural development. A strong and predictable agricultural policy is a prerequisite for a strong and stable European Union.

A fair and flexible CAP is essential to maintain the viability of family farms, which remain the backbone of European food production and rural communities. Without adequate funding and targeted support, the risk is twofold: erosion of production capacity and accelerated structural decline in rural areas. This would undermine not only economic stability but also social cohesion and environmental stewardship. The next CAP must strike a balance between ambition and practicality. Competitiveness must remain at the heart of policy design. Europe cannot afford to weaken its agricultural sector in a global market where food security is increasingly strategic.

Member states need room to tailor measures to their unique conditions—whether it is degression thresholds, coupled support, or risk management tools. One-size-fits-all solutions will not deliver the desired outcomes in a union as diverse as the EU. In short, MTK calls for a CAP and MFF framework that is predictable in funding, fair in distribution, and forward-looking in design. By securing adequate resources, targeting active producers, and embedding sustainability in a practical way, policymakers can ensure that agriculture remains a cornerstone of food security, climate action, and rural vitality for decades to come.

Yours sincerely,

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