

The Impact Of Reform Of The Common Agricultural Policy

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The Impact of the 2013 CAP Reform on the Decoupled Payments' Capitalisation into Land Values

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Abstract

We assess the effects of the 2013 CAP reform on the capitalisation of decoupled payments in land rental values. Our estimates suggest that the reform leads to an increase in the capitalisation of decoupled payments by an additional 18 cents for each Euro of decoupled payments relative to the pre-reform situation. However, there is an important variation in the reform effects between Member States (MS) particularly between Old Member States (OMS) and New MS (NMS). In NMS, the capitalisation rate slightly reduces from 83% in the pre-reform period to 79% in the post-reform period. Although, the rate is significantly lower in OMS, it doubles (from 21% to 43%) due to the reform. The main sources of the post-reform capitalisation in the European Union (EU) are the pre-reform capitalisation accounting for 69% of the total post-reform capitalisation, followed by the entitlement stock change with 19%, by the internal convergence of payments with 18%, the budget change (including external convergence) with 1%, and the differentiation of payments (redistributive payment) with -7%. Overall, our estimates suggest that on average in the EU, the non-farming landowners' policy gains are 27% of the total decoupled payments in the post-reform period compared to 18% in the pre-reform period.

Keywords: Capitalisation; decoupled subsidies; CAP reform; land market; land prices; land rents; EU.

JEL classifications: H22, Q11, Q18.

1. Introduction

Annually, the European Union (EU) spends around 58 billion Euro on the Common Agricultural Policy (CAP) with the aim of supporting farmers' income and the

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Being the biggest world agri-food importer and exporter, the European Union plays an important role in international agricultural markets. The Common Agricultural Policy (CAP) has considerable influence on international agri-food market. Increased competition can boost agricultural. Reform of the EU Common Agricultural Policy (CAP) contributes to uncertainty in This paper extends this literature by examining the effect of past reform on. Keywords: Common Agricultural Policy CAP, productivity, agricultural value added First, what is the impact of agricultural policies and policy reforms on the . The limits of common agricultural policy reform and the option of denationalization in a series of attempts to overhaul the Common Agricultural Policy (CAP). Policy feedback and paradigm shift in EU agricultural policy: the effects of the. This article analyses the reform of the EU Common Agricultural Policy. .. theoretical framework for analysing the economic impact of agricultural policies. Reform of the EU Common Agricultural Policy: Environmental impacts in developing countries 6. Summary 6. Introduction 8. The reform will not alter the structure. This ODI Project Briefing summarises work from ODI on the current EU Common Agricultural Policy, proposals for its reform, and its impact on developing. Impact of EU Common Agricultural Policy reform on Uganda's food trade with EU v. Contents. Contents v. Tables & figures vi. Abbreviations vii. 1. Introduction. 1. It analyses the impacts of policy changes on production, trade, land use, farm The recommendations in this report for future EU agricultural policy reform. This background briefing outlines the main reform scenarios for the Common Agricultural Policy (CAP) and their impacts on key stakeholders: consumers, small. This study examines the effects of the Common Agricultural Policy (CAP) on developing countries from a PCD (Policy Coherence for Development) perspective. Ulrich Koester, Jens-Peter Loy: "EU Agricultural Policy Reform: Evaluating the EU's New Methodology for Direct Payments" Intereconomics, Volume When the external impact of the Common Agricultural Policy (CAP) is discussed, it is often in the context of evaluating the CAP's impact on. image of Evaluation of Agricultural Policy Reforms in the European Union the OECD Workshop on the Disaggregated Impacts of CAP Reform, held on The Impact of Common Agricultural Policy Reform on UK Agriculture be a Common Agricultural Policy for food and environmental security. PDF Full-text Citations: 1 The paper aims to assess the impact of the Common Agricultural Policy reform (post) in the environmental vulnerable areas. Wageningen University & Research investigates what the consequences of the reform of the Common Agricultural Policy (CAP) are on the income of farmers.

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