On 11 November 2022, the European Commission (EC) approved the Strategic Plan for the Common Agricultural Policy of Latvia (CAP SP) for 2023-2027.

The CAP SP envisages investing EUR 2.5 billion in agriculture and rural development in Latvia over the next five years (2023-2027). Most of the funding, or EUR 1.7 billion, will take the form of direct payments, EUR 0.791 billion for rural development measures and EUR 10 million for support measures of the common organisation of the market.

Kaspars Gerhards, the Minister for Agriculture: “Latvian CAP Strategic Plan was developed in close cooperation with industry. Unlike other countries, Latvia chose to go the way of dialogue with industry organisations. This was not an easy route, because Latvian farmers are very diverse and organisations, representing farmers are just as diverse. The European Commission's alignment with Latvia's CAP Strategic Plan makes it possible to significantly change the current approach to the EU support – to ensure fairer incomes and more targeted support mechanisms from 2023 onwards, which will allow for sustainable investments in farm development in particular for small and medium-size and organic farms. Small and medium-size farms play an important role not only in the production of local food, ensuring its quality and diversity, but also in the population of rural areas.”

In order to facilitate Latvia's agricultural progress towards the European Green deal, a significant part of the aid – ~ 48% of the CAP SP will be invested in environmental and climate measures – promoting environmentally and climate-friendly agricultural practices within the framework of the new eco-schemes, improving conditions for agri-environmental measures and making environmental investments.

From 2023, redistribution of income support will be implemented in Latvia in favour of small and medium-size farms, because by introducing the redistributive payment, farmers will receive more income support per 3.1 to 100 ha than for further hectares. A maximum amount of EUR 100 thousand basic income support will be set per beneficiary per year. Similarly, for the first time,
Farmers in counties, bordering Russia and Belarus (i.e. along the EU external border with third countries) and in counties with specific conditions, the basic income support rate will be set higher by EUR 10 per ha than in other counties.

Direct payment aid will only be granted from 2023 to farmers who carry out agricultural activities and fulfil at least one of the seven criteria for active farmers, laid down in Latvia. Only farmers who received direct payments of EUR 500 or less in the previous year are exempted from the active farmer condition.

In order to promote the involvement of young and educated people in agricultural activities, additional support is provided to young farmers in the form of both income and investment aid.

The new CAP SP provides for investment in the development of co-operation to strengthen the position of farmers in food chains, as well as support for the formation of new cooperative societies. Support for participation in different food quality schemes is also included. In order to facilitate cooperation between producers in the overall development of production on the market, support for the implementation of operational programmes of producer organisations will be made available not only in the fruit and vegetables sector, but also in the milk, pork, beef, cereals and leguminous vegetables sector.

Significant support is provided for knowledge, research and innovation in order to promote exchange of experience and improvement of knowledge, thus Latvian farmers will be educated and knowledgeable. Support will also be provided for cooperation between farmers and scientists in developing new solutions, products, technologies, innovations and promoting the use of digital tools.

See further: Strategic Plan of the Common Agricultural Policy of Latvia 2023-2027 approved.

The Latvian government approved the strategic plan for the CAP 2023-2027 in January 2022.

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