



BOX

The European agenda for the agrifood sector: challenges and opportunities

The Vision for Agriculture and Food, presented in February 2025 by the European Commission, starts with the following observation: **the European agrifood sector must remain competitive in a more fragmented geopolitical environment, adapt to climate change and maintain its social legitimacy and its role in rural areas.** Specifically, it acknowledges the sector's strategic role, proposes a simpler, fairer and results-oriented Common Agricultural Policy (CAP), and focuses on agricultural income, generational renewal, climate resilience, innovation, bioeconomy and a more balanced negotiating position for farmers within the food chain.

- 1) **The first tangible area of action has been regulatory simplification**, in line with the Competitiveness Compass.¹ In May 2025, the Commission presented the Omnibus III package, aimed at reducing the administrative burden and simplifying the CAP in areas such as conditionality, payments to small and medium-sized farms, organic farming and support in response to extreme weather events. The challenge lies in simplifying environmental targets without stripping them of content, in a context in which adapting to climate change is no longer an ancillary chapter but a condition for productive viability, and where innovation, digitalisation and new technologies are set to play an increasing role in reconciling sustainability and competitiveness. The proposal was ratified by the Council in December 2025 and began to be implemented in 2026. The measures have generally been well received by many agricultural organisations, although environmental groups have warned that certain simplifications could weaken some of the incentives linked to climate and biodiversity goals.
- 2) **The second front is financing.** In July 2025, the Commission proposed a new EU budget for 2028-2034 of close to 2 trillion euros, featuring greater flexibility, fewer instruments and a new architecture based on National and Regional Partnership Plans, which would integrate funds that are currently independent – including cohesion, agriculture, rural development, and fisheries.² For agriculture, this presents an opportunity for greater coherence between investments, reforms and territorial needs, but it also risks the CAP being diluted in a more competitive budget pool, pressured by new strategic priorities (defence, enlargement, energy security) and the competitive agenda (innovation, connectivity, *made in Europe*). The proposal has sparked intense debate: while some stakeholders appreciate the increased flexibility and integration of investments and reforms, others warn of the risk of diluting the common nature of the CAP and reducing its visibility within a broader budgetary framework. The budget's final configuration will also be crucial for funding priorities such as supporting young farmers entering the sector, innovation and farms' adaptation to climate change.
- 3) **The third area of action is commercial.** The EU has accelerated its network of agreements to reduce dependencies and offset more protected markets, particularly in a context of increasing protectionism in the US.³ The EU-Mercosur agreement – with the interim trade deal in provisional effect since May 2026 – is the most visible example, but it is part of a broader strategy that includes modernising agreements with Chile and Mexico and negotiations with Australia, India and Indonesia. For the European agrifood sector, these agreements open up opportunities in markets with rising incomes and significant potential demand for products where the EU has competitive advantages. In doing so, they promote greater diversification of exports and reduce reliance on a limited number of destination markets.⁴ At the same time, the Commission has strengthened safeguards for the most sensitive products by combining limited import quotas, transitional periods, monitoring mechanisms and clauses that allow for temporary import restrictions if they cause significant disruptions in European markets. The philosophy underpinning these developments seeks to reconcile greater trade openness with mechanisms that facilitate adjustment and maintain the confidence of European producers by ensuring comparable regulatory, sanitary and environmental conditions for imported products.

In short, the new European agenda presents a window of opportunity if it can bring three elements together: a CAP that is less bureaucratic but no less common, a climate transition that is financially viable and socially accepted, and a trade policy that opens up markets without undermining producers' confidence. **The opportunity lies in transforming Europe's agrifood sector into a driver of competitiveness, territorial resilience and strategic autonomy.**

① See the Focus «How far has the EU progressed on the Competitiveness Compass?» in the [Monthly Report of April 2026](#).

② See the Focus «The 2028-2034 EU budget: An impossible mission?» in the [Monthly Report of September 2025](#).

③ See the Focus «EU export diversification beyond Trump's tariffs» in the [Monthly Report of December 2025](#).

④ See the article «Tariff tensions and reconfiguration of trade flows: impact on Spain» in the [Sectoral Observatory of the first semester of 2025](#).