

## **The Council of Ministers approves new urgent measures to support crop and livestock farmers and alleviate the effects of the drought**

The Council of Ministers has approved urgent support measures for the agricultural sector and water supply to address the prolonged drought situation and the worsening conditions in the primary sector due to the war in Ukraine.

The Minister for Agriculture, Fisheries and Food stressed that the initiatives approved, which amount to €784 million, extend those already adopted during the legislature.

The new measures aim to alleviate the burdens on farmers that the drought has caused, and to regulate the functioning of agri-food production to guarantee supply and prevent further price rises. The minister underlined that the decisions adopted are the outcome of dialogue and meetings held with the autonomous communities and agricultural organisations and cooperatives.

### **Direct aid to the primary sector**

The agricultural sectors will benefit from a direct aid fund of €276.7 million.

The budget earmarked for subsidising the contracting of agricultural insurance has once again been increased by almost €40.5 million. This envelope will enable the subsidising of up to 70% of the cost of insurance policies already taken out that include drought risk in extensive arable crops, including olives, wine grapes, almond trees, hazelnut trees, kiwi, blackthorn, alfalfa, sugar beet and fodder maize.

The Government will also allocate €355 million to beef, sheep and goat meat and milk producers in compensation for the increase in the cost of feed and other inputs, while the beekeeping sector will receive direct aid amounting to €5 million.

### **Fiscal measures**

In the area of taxation, the Council of Ministers has decided to exempt from property tax farmers who, in the financial year 2023, will suffer a reduction in the net yield from their agricultural activities.

Some 270,000 farmers will benefit, and will be able to apply for the tax refund at the end of this year.

### **Flexibility of the CAP**

With regard to the Common Agricultural Policy (CAP), the deadline for applying for aid has been extended to 30 June, a measure that will benefit some 600,000 farmers.

### **More, better managed and higher quality water**

The Government of Spain is also speeding up the construction of new infrastructure to increase water availability, promoting urban water reuse and strengthening worker protection from high temperatures.

First, the initiatives agreed today complete the regulatory framework to further increase water reuse, in line with European legislation. While currently 10% of urban water is reused, the target is to double this percentage by 2027.

Second, to support irrigators whose water allocations have been reduced, they are exempted from the water use tariff.

The Council of Ministers has also earmarked €35.5 million for immediate actions in the basins affected by the drought to guarantee supply, including emergency pumping and supply connections.