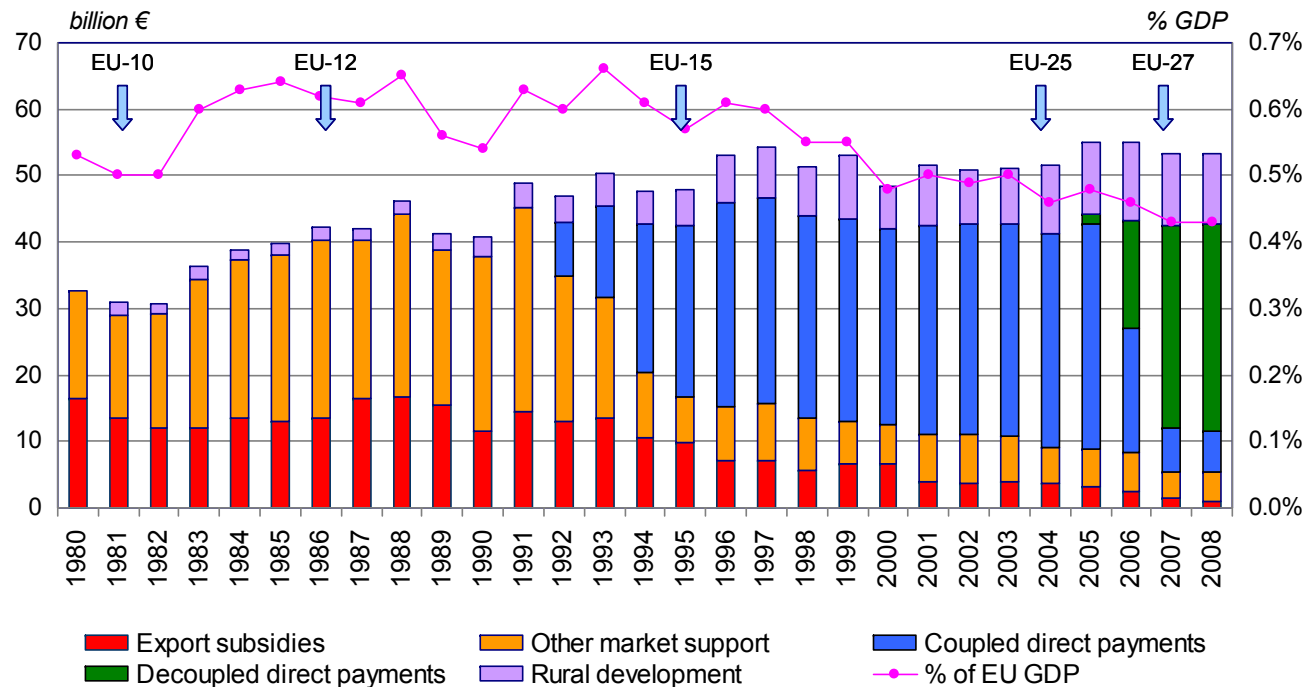


## CAP expenditure and CAP reform path (2007 constant prices)



This graph shows **how the CAP has evolved through the evolution of the CAP expenditure:**

- **In the 80s the expenditure was mainly due to price support through market mechanisms** (intervention and export subsidies) which raised by the end of this decade due to the agricultural surpluses.
- **In 1992** there is the first big shift, due to the 1992 reform. **The market mechanisms** (in red and yellow) **were reduced and replaced by direct payments** (in blue). Thus price support is replaced by producer support. Finally, **spending on rural development measures also increased** (in purple).
- **In 2003**, one can see the impacts of the 2003 reform, with **direct payments shifting to decoupled payments** (green). Payments are no longer paid per ha or per animal but paid in function of what the farmer received in a reference period. **Spending in rural development is again reinforced** in this reform.
- **Spending has been stabilized** and despite the successive enlargements, **the overall spending as a share of the GDP has actually decreased:** 0.5% of GDP in the 80s to 0.4% now (graphic line).

Sources: CAP expenditure – European Commission, DG Agriculture and Rural Development (Financial Reports); GDP – Eurostat.

Annual expenditure, in 2007 constant prices.

Updated: 20.1.2010