

The Common Agricultural Policy after 2020

An analysis of the beliefs of selected key stakeholders

By

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Abstract

The Common Agricultural Policy (CAP) lays at the core of the European Union's legislation. Introduced in 1962, it nowadays aims to grant a fair income for farmers, guarantee a stable supply chain of high-quality food products, ensuring a sustainable management of natural resources, and help to tackle climate change. Nonetheless, the European agricultural sector is responsible for more than 10% of the emissions in the European Union which makes it one of the biggest polluters. A new Common Agricultural Policy will set in force in 2023. However, critics were skeptical about this reform because previous reforms failed to green the CAP due to an imbalance of power between the environmental and consumer protection organizations which argue for a greening of the CAP and the farmer lobby which blocks effective greening measures. This master thesis analyzes the policy core beliefs of selected key stakeholders in the Common Agricultural Policy reform post 2020 alongside the Advocacy Coalition Framework (ACF) by making use of a belief analysis. The findings of this thesis confirm with previous research showing that the, although smaller, farmer lobby is more successful in translating its policy core beliefs into policies than the bigger environmental and consumer protection lobby.

Keywords: Advocacy Coalition Framework, Common Agricultural Policy, Belief Analysis, Key Stakeholders

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Roughly one and a half year ago I started my master's degree in Public Administration at the University of Twente. In that short period of time – spent most of the time at home due to the corona virus- I was able to extent my knowledge in public administration and acquire further experience in my specialization: sustainability and environmental policies.

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During my studies and the research process towards my final master thesis I learnt a lot. Next to gaining experience in public administration and environmental policies, I learnt a lot about myself. Due to a medical precondition, I must be extra careful regarding the coronavirus, which means that social distancing is a must-do for me. Thus, I used the lockdowns to find something which keeps me going. With my future work I want to make change regarding environmental policies and bring a change in thing. With this research “The Common Agricultural Policy post 2020- An analysis of the beliefs of key stakeholders” now I finish my master's degree. I consider this research as my first major academic work in environmental policies and looking forward doing more of it in my future profession.

But for now, enjoy reading this thesis.

Franziska Alexandra Drozdzyński

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1. Introduction

The European Common Agricultural Policy (CAP) lays at the core of the European Union's (EU) legislation. Introduced in 1962 it aimed to provide affordable food for EU citizens and a fair standard of living for farmers after the food shortages of the second World War. Over the decades, the policy has been reformed several times to respond to changing markets, consumer demands, climate change, and the need for a sustainable agriculture (EU Commission, 2022a).

The Advocacy Coalition Framework (ACF) is a sound theory which aims to explain the abovementioned policy changes (Sabatier & Jenkins, 1986). One of its main assumptions is that multiple actors and levels of government are involved in the policymaking process. "Belief systems" are an essential part of the ACF (Swarnakar, Shukla, Broadbent, 2021). According to the ACF, actors within a policy subsystem have different *beliefs* on how a political system should work. Policy subsystems are defined by a specific issue, geographic area and are composed of a set of stakeholders. Beliefs are divided in a hierarchical order: *Deep core beliefs*, *policy core beliefs* and *secondary beliefs*. Deep core beliefs are fundamental, normative assumptions, and unlikely to change (Cairney, 2013). However, they are too broad to make a detailed decision (Cairney, 2013). Policy core beliefs are a development of the core beliefs. They opt how core beliefs are realized. By means of secondary beliefs, actors decide how a certain policy should be implemented and which instruments should be applied. They are most likely to change since actors learn from previous decisions and during the decision-processes (Cairney, 2013; Metz et al., 2021). Beliefs are further the filter for actors in the policy subsystems to assimilate information. Moreover, the ACF states that actors align in coalitions with other actors with whom they share similar policy core beliefs. In addition, the theory assumes that no major policy change will happen as long as the advocacy coalition that implemented the political status quo remains in power (Jenkins- Smith, Nohrstedt, Weible, Ingold, 2018). Tsebelis (1995) refers to those actors as *veto players*. According to this author, veto players can be part of public institutions as institutional or partisan veto players but also represented by private interest groups. Sotirov & Winkel (2016), Quaglia (2012) and Roßegger and Ramin (2013) add that key actors are part of advocacy coalitions. Some key actors have veto powers, which makes them particularly powerful.

So, who are some of those key actors around CAP reforms and what are their policy core beliefs?

Lovec and Erjavec (2015) name the Council and the European Parliament as two key stakeholders from the public side. The authors show that these institutions had different preferences in previous CAP reforms. Further, both key institutions possess veto rights which made reforms more difficult (Lovec and Erjavec, 2015).

Alons (2017), Keeler (1996), Nedergaard (2008), Singh et al (2014) and Westhoeck et al (2012) identify farmer organizations, environmental as well as consumer protection organizations as some key stakeholders representing private interests. Nedergaard (2008) highlights that on the one hand most farmer organizations want to maintain the CAP's status quo. Environmental and consumer protection organizations, on the other hand, argue that a radical reform is needed to protect the environment effectively. The EU institutions argue for a moderate reform (Nedergaard, 2008). Alons (2017), Keeler (1996), Singh et al (2014) and Westhoeck et al (2012) present further that farmer organizations are especially more successful in shaping the CAP according to their beliefs than non-governmental organizations (NGOs) are. According to Erjavec and Erjavec (2009), Klavert and Keijzer (2012) as well as Singh et al. (2014) the farmer lobby blocks effective greening measures.

Erjavec and Erjavec (2009; 2015) show that further that debates around previous CAP reforms are accompanied by three different discourses: a productivist, a multi-functional and a (neo)-liberal discourse. The productivist discourse is surrounded by the issues of food supply and fair incomes for farmers. It is mainly used by farmer organizations and most member states. The discourse about multi-functionality is most often used by NGOs. They state that agriculture should serve multiple purposes at the same time such as providing healthy food while maintaining a sound environment. The (neo)-liberal discourse targets competition and the liberalization of the agricultural sector. The most prominent representative of this belief is the World Trade Organization (WTO). But also, some member states support a more liberal agricultural system (Erjavec & Erjavec, 2015). In some cases, stakeholders use two or more beliefs when talking about the CAP. Erjavec and Erjavec (2015) call that a hybrid discourse.

The discourse analysis by Erjavec and Erjavec (2015) serves as a basis for my thesis. However, I focus on the beliefs of key actors.

At the same time, climate scientists warn of climate change and its unforeseen consequences (EEB, 2019). In a report from 2019 the European Environmental Bureau (EEB) emphasizes that agriculture both contributes to climate change and is affected by climate change. Climate change has already negatively affected the European agricultural sector and it is likely to do so in the future. Extreme weather events, for instance, influence crop yields and livestock productivity. Current intensive farming practices often combined with a use of pesticides impair land use productivity. The combination of both, in consequence, is affecting prices, quality and quantity of food products. The current situation thus endangers not only food supply chains, but also fair incomes for farmers and more people employed in the agricultural sector. The report shows further that the CAP is highly regulated by EU policies. The policy sets objectives to combat climate change, but the specific actions are still limited and vague. However, research projects from that sector can also contribute to reduce emissions (EEB, 2019).

Thus, the main research question of this master thesis is as follows:

*What are the beliefs of key actors on the Common Agricultural
Policy post 2020?*

The two sub- questions are read as follows:

1. *Into which belief coalition do actors group?*
2. *Have the belief coalitions changed compared to previous CAP reforms?*

A new CAP will be set in force in 2023 (European Commission, 2021a).

In 2017, the European Commission (EC) published a communication entitled ‘The Future of Food and Farming’ which states that a fair standard of living for farmers as well as the pressure on the environment, and climate change as the most three urgent challenges that the new CAP must face (European Commission, 2017b). In the following month, key EU institutions as well as private interest groups published their beliefs on the CAP post 2020.

So far, the ACF together with a belief analysis has not been applied to CAP post 2020. This research assumes that the CAP is distinctive for (slow) policy change and considers the ACF thus as an appropriate methodological approach to study it. Further, this thesis argues that although the ACF focusses on coalitions, key veto actors are responsible for policy change or policy status. Moreover, this thesis reasons that key stakeholders use discourses to formulate their policy core beliefs. In that sense, the paper aims to contribute to the ACF’s literature by finding an explanation why CAP reforms do not come out as expected considering the scientific evidence.

The remaining thesis is structured as followed:

The background chapter provides an overview of the CAP’s policy processes between 1962-2021, outlines the most important changes in previous reforms, and explains what is new to the CAP post 2020. The theory section starts with a literature review. First, several studies are presented which applied the ACF to environmental policies. Further, this paper displays the role of veto players within the ACF and their importance for policy change. Afterwards, this thesis addresses the question why previous reforms failed to green the CAP. The literature review closes with a belief analysis on previous CAP reforms. In the next subchapter the conceptual framework of this master thesis- the ACF- is explained in more detail. Afterwards, the main concepts of this paper are defined. The methodological section starts by explaining how the key stakeholders were selected as well as their

respective position papers were derived. In the next step, I describe to the reader my research design. Then the code book which is used to code the position papers is provided to the reader. The analysis chapter first represents the most striking findings. In the following discussion section, an answer to the research question is given and the hypotheses are approved or disapproved. The conclusion chapter is recapitalizing the most important aspects of this thesis.

2. Background

Over time the CAP has been reformed several times (European Commission, 2021a).

This first major reform was made in 1984. This reform targeted the overproduction of agricultural products succeeding from the original CAP. It introduced several measures which interconnected better the supply and demand for agricultural goods, for example, milk quotas (European Commission, 2021a; Parliamentary Budget Office, 2018).

In 1992, the next major reform took place. It replaced commodity prices with direct payments for farmers. In addition, environmental measures were implemented into the CAP (European Commission, 2021a; Parliamentary Budget Office, 2018). Part of this environmental dimension was the first regulation for the production, labeling and control of organic agricultural products (Ecolex, 2021).

In 2003, the CAP was 'decoupled'. The link between subsidies and production was cut. That means that farmers now receive income support if they assure "food safety, environmental, animal health and welfare standards" (European Commission, 2021a; Parliamentary Budget Office, 2018).

A new reform took place in 2013, called the CAP 2014- 2020 (EU Commission, 2013). This reform included "the greening of farm payments, through the introduction of environmental sound farming practices, such as crop diversification and maintaining ecologically rich landscapes features and a minimum area of permanent grassland; more equality in the distribution of support to reduce the biggest differences in the levels of income support received by farmers across the EU, and a reduction in payments above a certain amount for the biggest farms and better targeting of income support to farmers most in need, particularly young farmers, farmers in low income sectors and farmers in areas with natural constraints" (Council of the European Union, 2021).

In 2017, the EC launched a public consultation on modernizing and simplifying the CAP post 2020 (EU Commission, 2017a). The outcome of this consultation identifies three most urgent challenges that the new CAP must face: fair standard of living for farmers, pressure on the environment, and climate change (EU Commission, 2017b).

On 1 June 2018, the EC suggested three legislative proposals to further reform the CAP with strategic plans, a regulation amending the regulation on the common market organization for agricultural products, quality schemes and measures for remote regions as well as a horizontal regulation on the financing, management, and monitoring of the CAP (Council of the EU, 2021a; EU Commission, 2021a). Moreover, this reform "aims to have a more flexible, performance- and result based approach that takes into account local conditions and needs while increasing the level of EU ambitions in terms of sustainability" (EURACTIV, 2021b). In short, the new CAP aims to be greener, fairer and to improve competitiveness (European Commission, 2021a).

In June 2018, the EP, the Council of the EU, and the Commission agreed further that the new CAP will begin on January 1, 2023. Thus, they also agreed on a transitional regulation for the years 2021 and 2022 which will extend most of the CAP rules from the 2013 reform (EU Commission, 2021c).

Negotiations on the CAP in 2020 showed large disagreements over the next EU's agricultural budget between the Council of the EU and members of the Parliament: while one bloc was pushing for more environmentally friendly spending, another part pushed back against agricultural reforms (Politico, 2020). Finally, the Commission was able to wrap up a final version informally. A couple of days later the Council of the EU adopted the version and the European Parliament's AGRI Committee approved to it in September (EURACTIV, 2021a). On November 23, 2021, the European Parliament voted and accepted the final version (EURACTIV, 2021b). Roughly one week later, the EC and the Council of the EU formally adopted the agreement of the reform on the CAP (Council of the EU, 2021a; EU Commission, 2021e).

At the same time member states must prepare national strategic plans for implementation of the new policy to the Commission by the end of 2021. Afterwards, the Commission will assess, evaluate, and agree to those in 2022 (CAP Tracker; Friends of the Earth Europe, 2021).

The new CAP implements stronger requirements for farmers: as before, beneficiaries of the CAP must comply with several mandatory rules (now called, conditionally), consisting of statutory management requirements (SMRs) and good agricultural and environmental conditions (GAECs). The new CAP extends the rules and farmers must meet higher requirements (European Commission, 2021c). Conditionally replaces the previous cross-compliance mechanisms and greening requirements (Carbonbrief, 2021).

Another contribution to the new CAP are *eco-schemes*, which are payment schemes in agriculture aiming at the protection of environment and climate. They should serve as an incentive to promote the application of, for example, organic farming or animal welfare defined at the EU level. For member states it is necessary to include eco-schemes in their national plans, but they are voluntary for farmers (European Commission, 2021c).

Regarding rural development, the new CAP will spend a higher share of its resources on interventions relating to climate and the environment (European Commission, 2021c).

Next, the share of funding that EU countries devote on sectoral interventions in fruit and vegetables will have to be spent on types of action serving the CAP specific objectives on the environment and climate will increase from 10% to 15% (European Commission, 2021c). Lastly, the new CAP will focus on climate tracking. The EC will introduce an updated methodology to ensure that the contribution of the CAP to climate action is correctly measured and accounted for after 2025 (European Commission, 2021c).

This thesis focusses on the Commission's communication on 'The Future of Food and Farming' (2017) which marks a fair standard of living for farmers, pressure on the environment, and climate change as the most important challenges that new CAP must face. In particular, it aims to show which stakeholders represent which challenge for the new CAP.

3. Theory

3.1. Literature Review

The Advocacy Coalition Framework

The Advocacy Coalition Framework (ACF) is a sound theoretical framework for analyzing policy process that tackle “wicked problems” (Koebele, 2016, p.1). One of its main assumptions is that multiple actors and levels of government are involved in the policymaking process. “Belief systems” are an essential part of the ACF (Swarnakar, Shukla, Broadbent, 2021). According to the ACF, actors within a policy subsystem have different *beliefs* on how a policy should be. These beliefs are divided in a hierarchical order: *Deep core beliefs*, *policy core beliefs* and *secondary beliefs*. Deep core beliefs are fundamental, normative, and unlikely to change (Cairney, 2013). They guide the actors towards a direction (e.g., liberty vs. security; left or right) (Metz et al., 2021; Rozbicka, 2013). However, they are too broad to make a detailed decision (Cairney, 2013). Policy core beliefs are a development of the core beliefs. They opt how core beliefs are realized in a particular policy subsystem. By means of secondary beliefs, actors decide how a certain policy should be implemented and which instruments should be applied. They are most likely to change since actors learn from previous decisions and during the decision-process (Cairney, 2013; Metz et al., 2021). The ACF states further that actors align in coalitions with other actors with whom they share similar policy core beliefs. Policy core beliefs are so to say the ‘glue’ that hold coalitions together and are thus the best level of analysis (Sabatier & Weible, 2007). The ACF assumes further that no major policy change will happen as long as the advocacy coalition that implemented the political status quo remains in power (Jenkins-Smith, Nohrstedt, Weible, Ingold, 2018). Sotirov & Winkel (2016), Quaglia (2012) and Roßegger and Ramin (2013) add that key actors are part of advocacy coalitions. Some of these key actors have veto power which makes them particularly powerful.

Different scholars analyzed the role of beliefs and advocacy coalition in the ACF (Koebele, 2016; Schlager, 1995; Weible & Sabatier, 2009). They agree that actors engage in coalitions with others with whom they share similar policy core beliefs. Further, the ACF has been applied several times to explain policy processes in environmental policies (e.g., Metz et al, 2021; Nedergaard, 2008; Wagner & Ylä-Antilla, 2018).

Metz et al (2021) investigate the role of policy core and secondary beliefs in actor constellations in the 2014 reform of Swiss agricultural policy applying the ACF to it. The Swiss policy-making system allows interest groups at several points of time to voice their opinions. The administration mediates these different interests and facilitates negotiations between the actors. The authors identify a “status quo” and a “pro change” coalition. However, the authors show further

that in their case the actors are more likely to make an agreement on the level of secondary than on policy core beliefs (Metz et al, 2021).

Wagner and Ylä-Antilla (2018) look at the role of advocacy coalitions on the Irish climate change law. The Irish government formed in 2011 agreed to implement climate legislation but was vague in its form or content. A pro-environmental coalition tried to include emission targets in the climate law, but the government rejected the proposal, supported by “several organizations that were either institutionally important or economically powerful” (Wagner & Ylä-Antilla, 2018, p.873). The authors show in their study that coalitions do not matter but that policy processes are driven by powerful organizations (Wagner & Ylä-Antilla, 2018).

Veto Players

As outlined above, the ACF seeks to explain policy change. However, it also assumes that major policy change will not happen as long as the advocacy coalition that implemented the political status quo remains in power (Jenkins- Smith, Nohrstedt, Weible, Ingold, 2018). Several ACF studies add to this that advocacy coalitions are supported by other actors to make or block policy change (Quaglia, 2012; Roßegger & Ramin, 2013; Sotirov & Winkel, 2016). Those actors are also called *veto players*. To explain policy change, one has thus to identify those veto players.

Originally Tsebelis (1995) defines a veto player as “any individual or collective actor whose agreement is needed to alter the political status quo” (1995). He further differentiates between institutional and partisan veto players. Institutional veto players are “specified by the constitution” (Tsebelis, 1995, p. 302). Partisan veto players are “the parties that are members of the government coalition” (Tsebelis, 1995, p.302). Moreover, Tsebelis (1995) argues that the more veto players are involved, the less likely is a reform change. Thus, many veto players guarantee policy stability (Tsebelis, 1995). Further, he also states that different categories of veto players exist in different political systems like “powerful interest groups” (Tsebelis, 1995, p. 306).

Although the EU is neither a presidential system nor a parliamentarian, veto players play an important role in the EU policy making (Quaglia, 2012) including the CAP (Lovec & Erjavec, 2015; Pokrivcak, Crombez & Swinnen, 2006). Pokrivcak, Crombez and Swinnen (2006) therefore ask in their article “what causes (the lack of) changes in the CAP” (p. 563). They find that the institutional co-decision structure influences the reform gridlock. In that sense, the Council and the member states involved in CAP reforms function as veto players (Pokrivcak; Crombez and Swinnen, 2006).

Lovec and Erjavec (2015) add that the changes undergone in the CAP since the 1980s “were in fact made possible by the changes in institutions of representation and decision-making” (Lovec and Erjavec, 2015, p. 1). With the Lisbon Treaty the EP gained greater decision-making power over the CAP which increased democratic representation, but the policy reform process was complicated.

With two EU institutions (the Council and the European Parliament) having different preferences and possessing veto rights made reforms more difficult (Lovec and Erjavec, 2015).

Failure to green the CAP

Alons (2017), Keeler (1996), Klavert and Keijzer (2012), Pe'er et al (2019), Singh et al (2014) and Westhoek et al (2012) look in their studies into the efforts to green the CAP.

Pe'er et al (2019) Singh et al (2014) and Westhoeck et al (2012) state that the CAP aims to become greener in its reform proposals, however, the policy outcome often looks different. This is because several interest groups try to influence the policy according to their needs during the negotiations to reform the CAP (Alons, 2017; Keeler, 1996; Klavert and Keijzer, 2012; Singh et al 2014)

Alons (2017), Keeler (1996), Klavert and Keijzer (2012) and Singh et al (2014) identify three major groups involved in the CAP reforms: First, there are the official decision makers in the EU (the Commission, the Council, and the EP). Farmer organizations and the food related industry makes of the second group of stakeholders. The third group consists of environmental and consumer protection organizations (Klavert and Keijzer, 2012).

Keeler (1996) as well as Klavert and Keijzer (2012) highlight further that farmer organizations have different interests than environmental and consumer protection organizations. While environmental and consumer protection organizations are pushing for more environmentally friendly measures, the farmer lobby wants to maintain the state of art.

Nedergaard (2008) uses the ACF to analyze the belief coalitions in the CAP reform in 2003. He identifies three groups of actors leading to the 2003 CAP reform: The *Agricultural Coalition* consisting mainly of farmer organizations which wanted to maintain the status quo; the *Radical Reform Coalition* which demanded a reversal of the current agricultural practices and the *Moderate Reform Coalition* made up by European institutions which argued for a middle way.

Moreover, it is shown that farmer organizations have greater access to EU institutions than environmental and consumer protection organizations and that EU institutions are open to farmer lobbyists (Alons, 2017; Keeler, 1996). In consequence, attempts to green the CAP are blocked by the farmer lobby (Keeler, 1996).

Beliefs around the CAP

Erjavec and Erjavec (2009; 2015) examine the discourses around the CAP reforms in 2003 and 2013. As outlined by Pokrivcak, Crombez & Swinnen (2006) discourses are used to capture the policy core beliefs in a policy domain. Erjavec and Erjavec (2009; 2015) show that the CAP is not a "homogenous discourse" (Erjavec & Erjavec, 2009, p.1). Rather the CAP is characterized by competing discourses

based on “specific ideologies” (Erjavec & Erjavec, 2009, p.1). Further, these different discourses are used by different actors (Erjavec & Erjavec, 2009).

Erjavec and Erjavec (2009; 2015) identify four discourses. A productivist, a (neo)-liberal, a multi-functional, a (neo)-liberal and in 2015 they add a hybrid discourse. The productivist discourse is characterized by keywords like food security and stable income for farmers. The (neo)-liberal discourse is more around competition and effectiveness. The multi-functional discourse entails terms like social and territorial balance. The hybrid discourse combines keywords of two or more discourses (Erjavec & Erjavec, 2015). Their study from 2009 shows that concerned actors use several discourses in speeches, press releases or alike. Nevertheless, they can recognize main representatives in the respective discourses:

The productivist/ neo-mercantilist discourse is most often used by member states and farmers interest groups, especially Copa Cogeca - the biggest farmer organization at the European level- which historically opposed any changes of the CAP” (Erjavec & Erjavec, 2009, p. 220).

The discourse around multi-functionality- that agriculture does not only produce food but also is responsible for maintaining a sound environment- is most often used by non- governmental organizations (NGOs). These NGOs include environmentalists, animal welfare activists, consumer protection organizations and public health associations. In addition, also a small alliance of farmers follows this discourse (Erjavec & Erjavec, 2009).

Lastly, the World Trade Organization (WTO) together with the UK, Denmark and the Netherlands are the most prominent actors defending the neo-liberal discourse (Erjavec & Erjavec, 2009).

Based on my research question- *What are the belief of key stakeholders on the CAP post 2020?* - and the outlined theory section I propose the following hypotheses which I will prove or disprove with my thesis:

H1) Key stakeholders involved in the CAP reform process over the years share similar policy core beliefs with organizations of the same type.

H2) Key stakeholders involved in the CAP reform process can be grouped into four different belief coalitions (productivist/ status quo, multi-functional, (neo)-liberal, hybrid).

H3) Key stakeholders have not changed their beliefs and coalition alignment compared to previous CAP reforms.

So far, the ACF together with a belief analysis has not been applied to the CAP post 2020. This master thesis seeks to fill this literature gap. Although, previous literature questioned the role of policy core beliefs in coalition building, the master thesis follows the initial ideas of the ACF argues that policy core beliefs matter in coalition alignment. Therefore, this thesis pays special attention to the policy core beliefs of selected EU institutions, conventional and organic food and farming organizations as well as environmental and consumer protection organizations, their belief usage and their coalition building. Further, this thesis aims to contribute to the body of literature by finding a new explanation why it is so challenging to green the CAP.

3.2. Conceptual Framework

The Advocacy Coalition Framework (ACF) serves as the conceptual framework in this master thesis. It was introduced in 1988 by Sabatier and Jenkin-Smith as a framework to explain policy change (Sabatier & Weible, 2007).

Figure 1 shows a flow chart of the ACF. On the left side one can see two exogenous variables (relative stable parameters and external subsystem events), which make a major policy change rare. Further, these two variables shape the opportunities and constraints of subsystem actors (Nohrstedt & Olofsson, 2016). In addition, the model assumes that policymaking happens in geographically bounded policy subsystems. Actors within a policy subsystem range from “all levels of governments, multiple interest groups, research institutions and the media” (Sabatier & Weible, 2007, p.124). Participants in a policy subsystem are characterized by different sets of resources and beliefs. Actors engage in advocacy coalitions with others with whom they share similar (policy core) beliefs, pool resources and adopt strategies to further its policy objectives/ influence policies. If strategies conflict with each other a so-called policy brokers, try to find a compromise between the different interests. Government authorities make decisions which produce policy outputs. These outputs result in several policy impacts which might lead to a change in the beliefs/ strategies of advocacy coalition actors (Nohrstedt & Olofsson, 2016; Sabatier, 1998).

The ACF focusses on several variables. Due to the limitations of this paper, this thesis focusses on the aspects of (policy core) beliefs and advocacy coalitions.

Beliefs are divided into “deep core beliefs, policy core beliefs and secondary beliefs” (Metz et al., 2020). **Core beliefs** are “fundamental and unlikely to change” (Cairney, 2013), they guide the actors towards a direction “(e.g., liberty vs. security)” (Metz et al., 2020, p. 4), however, are too broad to make a detailed decision (Cairney, 2013). **Policy core beliefs** are a development of the core beliefs. They opt how core beliefs are realized, for instance in the role of markets. They are more likely to change, but still quite stable (Cairney, 2013; Metz et al., 2020). **Secondary beliefs** decide

which policy instrument actors choose, how the policy should be implemented. They are most likely to change since actors learn from previous decisions and during the decision- process (Cairney, 2013; Metz et al., 2020).

The ACF assumes that **Advocacy coalitions** are formed by actors who share “similar policy core beliefs” (Sabatier & Weible, 2007, p.196). One actor or one single organization is unlikely to translate its beliefs into a policy. Thus, actors aggregate and pool their resources to implement their preferred policy outcome (Metz et al., 2020; Sabatier & Weible, 2007).

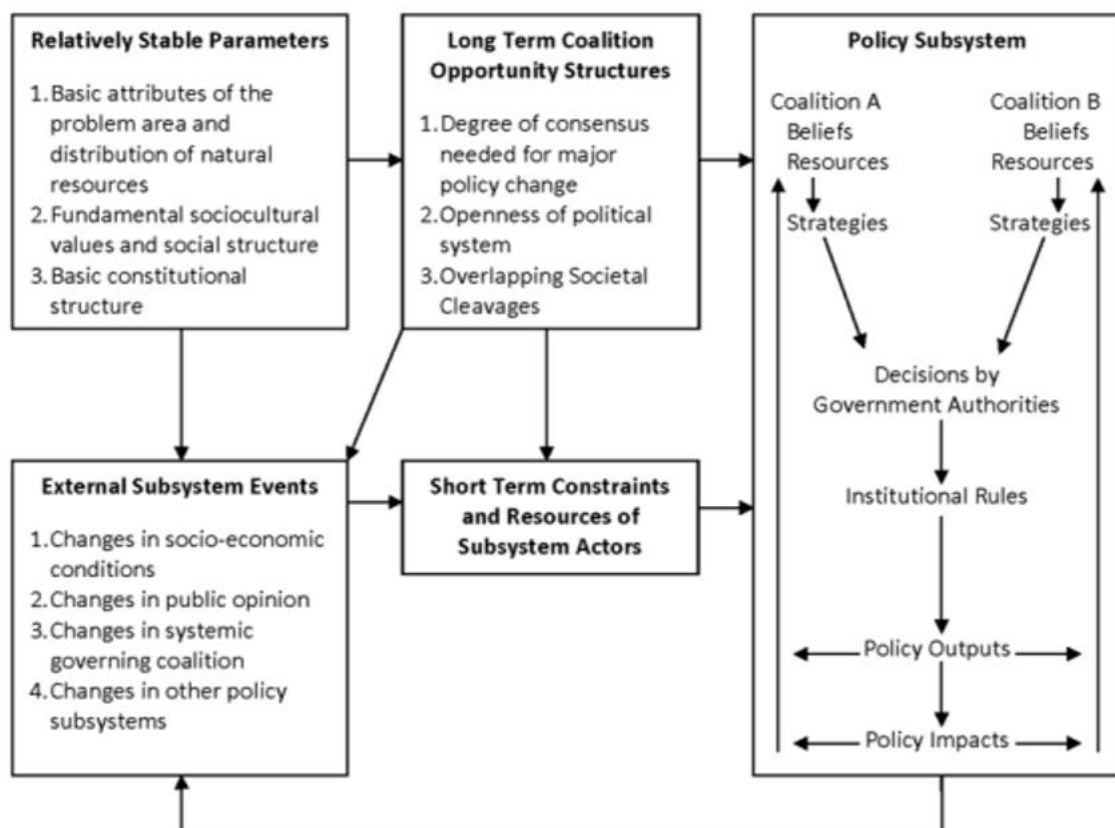


Figure 1: Flowchart of the *Advocacy Coalition Framework* by Paul Sabatier (1988)

3.3. Conceptualization

The main concepts of this master thesis are the terms *key stakeholders/ actors*, *policy core beliefs*, *discourses*, and *advocacy coalitions*.

This research paper argues that *key stakeholders/actors* can be treated as veto players. In that sense, *key actors* are “any individual or collective actor(s) whose agreement is needed to alter the political status quo” (Tsebelis, 1995). Key stakeholders can be public entities (in this research: the EU Commission, the European Parliament, the Council) or private organizations (in this case: representatives of the selected private sector organizations). Also, the terms *key stakeholders/ actors* can be used interchangeably.

Policy core beliefs are defined alongside the Advocacy Coalition Framework. Applied to this master thesis that means that *policy core beliefs* here opt for how the Common Agricultural Policy after 2020 should look like.

Discourses are used to formulate the policy core beliefs of key stakeholders. “Discourses (can) frame certain problems; that is to say, they distinguish some aspects of a situation rather than others” (Hajer, 1993, p. 45) or be understood as “a shared way of apprehending the world” (Dryzek, 1997, p.8). Following the approach by Erjavec and Erjavec (2009; 2015) and Nedergaard (2008) this research distinguished between four belief systems: the productivist/ status quo belief; the multi-functional/ green belief; the (neo)-liberal belief and the hybrid belief system.

According to the Advocacy Coalition Framework, actors who share similar policy core beliefs align in *advocacy coalitions* (Sabatier & Weible, 2007). In this thesis, coalitions are identified by key stakeholders who use the same discourses to formulate their policy core beliefs on the Common Agricultural Policy post 2020. Deployed to this master thesis, that means that I have four discourse/ advocacy coalitions: Some key actors align in the productivist/ status quo coalition; some in the multi-functional/ green coalition; some in the (neo)-liberal coalition and some in the hybrid coalition.

4. Methodology

4.1. Actor selection

Based on the outlined literature review I decide to analyze the beliefs of key EU institutions, conventional and organic food and farmer as well as environmental and consumer protection on the CAP post 2020. Due to the limitations of this paper, I select each three institutions/ organizations per sector.

In the following, the selection process of those organizations is explained.

Selection of EU institutions

Regarding the EU institutions, this master thesis includes position papers by the European Commission (EC), the agricultural committee in European Parliament (EP) and the Council of the EU (or in short, the Council), because they are the main EU institutions.

The EC “promotes the general interests of the EU by proposing and enforcing legislation as well as by implementing policies and the EU budget. It is further the only EU institution which is has legislative powers” (European Commission, 2022c).

The EP represents the European people. However, otherwise as national parliaments, it is not allowed to draft legislative proposals. Still, the approvement by the EP t is needed to adopt a policy (European Parliament, 2022b).

In the Council the respective national ministers are represented. Jointly with the EP it has the task to adopt, amend or reject laws proposed by the EC (Council of the European Union, 2022).

Selection of interest organizations

To identify three organizations for each sector, this thesis uses previous literature which analyzed relevant stakeholders in previous CAP reforms as a starting point (Klavert& Keijzer, 2012; Nedergaard, 2008; Paull, 2010; Pushkarev, 2015).

However, only in the case of conventional food and farming organizations three interest groups can be identified, namely, the European Farmers/ European Agri- Cooperatives (Copa Cogeca), Coceral and the European Liaison Committee of agriculture and agri- food trade (CELCAA) (Klavert& Keijzer, 2012; Nedergaard, 2008). In all other cases only one or two organizations can be identified.

Regarding the organic food and farming organizations, Paull (2010) identifies the International Federation of Organic Agriculture Movements (IFOAM) as the umbrella organizations for organic agriculture in the European Union.

In the case of environmental organizations, Klavert and Keijzer (2012) identify the European Environmental Bureau (EEB) as one of the largest coalitions of environmental grassroots movements in the EU and the Pesticide Action Network (PAN) as a major stakeholder aiming to reduce the use of pesticides.

Concerning consumer protection organizations Pushkarev (2015) identifies The European Public Health Alliance (EPHA) fighting for the interests of European citizens.

Thus, I consult the EU Transparency Register to find more organizations. Doing so, I take into consideration that the organizations falling into one type are registered under the same category and operate in the EU or in Germany. To give one example: Literature states that the European Environmental Bureau is a NGO operating at the European level. Thus, I search in the Transparency Register for further NGOs operating in Germany and the EU on behalf of the environment and find several NGOs fitting into this category. I apply this approach also for the other kinds of organizations.

Lastly, the availability of a position paper plays a crucial factor for the selection of organizations.

Finally, I can identify the following organizations:

- Copa Cogeca, Coceral and CELCAA for the conventional food and farming organizations (Klavert& Keijzer, 2012; Nedergaard, 2008);
- The International Federation of Organic Agriculture Movements (Paull, 2010), the Organic Processing and Trade Association (EU Transparency Register, 2022a) and the Bund Ökologische Lebensmittelwirtschaft e.V. (EU Transparency Register, 2022b) for the organic food and farming organizations.
- The European Environmental Bureau (Klavert& Keijzer, 2012), the Naturschutzbund (EU Transparency Register, 2022c) and the World Wide Fund Europe Group (EU Transparency Register, 2022d) for the environmental interest groups;
- The Bureau Européen des Unions de Consommateurs (Docter, 2019), the Health & Environment Alliance (EU Transparency Register, 2022h) and the Pesticide Action Network (Klavert& Keijzer, 2012) for the consumer protection organizations.

Disclaimer: Number of consumer protection, environmental and farmer organization in the EU

“The Transparency Register is a database listing ‘interest representatives’ (organizations, associations, groups, and self- employed individuals) who carry out activities to influence the EU policy and decision- making process” (EU Transparency Register, 2022f).

However, the register cannot give a precise number of consumer protection, environmental and farmer organizations in the EU. I assume that this is because organizations register themselves and

claim their field of interests on their own. In consequence, the transparency register counts more organizations being interested in consumer issues (3156) (EU Transparency Register, 2022g) and 2288 organizations being interested in agriculture and rural development (EU Transparency Register, 2022h) in the EU.

The summary of the results of the public consultation on modernizing and simplifying the CAP by the EC from 2017, however, gives a different picture. Here, 82% of the respondents are from the agriculture and forestry sector and four percent from the civil society and environmental protection sector (EU Commission, 2017).

I acknowledge that but will use the same number of organizations for each interest representative.

Nevertheless, the EU Transparency Register can serve as a useful tool to search for organizations, because one can apply different filters such as the type of organization (e.g., trade and business, non-governmental), the level of activity (regional, national, European) or the field of interest (e.g., agriculture, competition, youth).

	Organization	Category of registration	Budget in €	Lobby Money €	Description
Conventional Agri- Food Organizations	European Farmers/ European Agri-Cooperatives (Copa Cogeca)	Trade and business association	6,059,000 each (=12,118,000) (range 25,150-6,059,000)	700,000-815,000 (range N/A)	- recognized as the organization speaking on behalf of the EU agricultural sector as a whole - represents 30 million farmers and around 40,000 cooperatives
	Coceral	Trade and business association	N/A	800,000-899,999	- represents the cereals, rice, feedstuff, oilseeds, oil and agro- supply trade in the EU - composed of national trade organizations
	European Liaison Committee for Agriculture and agri-food- trade (CELCAA)	Trade and business association	N/A	10,000-24,999	- represents retailers and wholesalers of the agri- food business in the EU

Organic Agri-Food Organizations	Bund Ökologische Lebensmittelwirtschaft e.V. (BÖLW)	Trade and business association	N/A	50,000-99,999	- umbrella organization for the supply, purchase, and trade of organic food in Germany
	International Federation of Organic Agriculture Movements (IFOAM)	Trade and business association	N/A	400,000-499,999	- international organization aiming to bring sustainability to agriculture across the globe
	Organic Processing and Trade Association (OPTA)	Trade and business association	N/A	50,000-99,999	- represents EU-based organic processing and trade companies
Environmental Organizations	European Environmental Bureau (EEB)	Non-governmental organization (NGO)	7,258,037 (range 1-55,666,269)	7,250,000-7,499,999 (range N/A)	- largest coalition of environmental grassroots movements - represents 140 NGOs in the EU and beyond
	WWF European Policy Programme	NGO	4,974,830	N/A	- monitors and analyzes the work of European institutions, exposes deficient policies and laws, and challenges decision-makers to implement solutions that work for people and the planet
	Naturschutzbund e.V. (NABU)	NGO	55,666,269	300,000-399,999	- NABU's main objectives are the preservation of habitats and biodiversity, the promotion of sustainability in agriculture, forest management and water supply and distribution, as well as to enhance the significance of nature

					conservation in our society - The association encompasses more than 875,000 members and supporters
Consumer Protection Organizations	European Public Health Alliance (EPHA)	NGO	N/A (range 60-5,899,806)	more than 10,000 (range N/A)	- engages with European public policy dialogues with impact on public health
	Health & Environment Alliance (HEAL)	NGO	1,211,704	200,000-299,999	- supports clean air, healthy food, toxic free environment - over 90 member organizations
	Pesticide Action Network (PAN)	NGO	310,000	N/A	- aims to reduce the use of pesticides throughout Europe - network of over 600 NGOs, institutions, and individuals in over 60 countries

Table 1: List of selected key actors

4.2. Data selection

All position papers were collected by the respective webpages of the selected key institutions/organizations.

Institution/ Organization	Position Paper
European Commission	The Future of Food and Farming
European Parliament	The Future of Food and Farming
Council	The Future of Food and Farming
Copa	The Future CAP post 2020
CELCAA	The Future Common Agricultural Policy
Coceral	The Common Agricultural Policy towards 2030
BÖLW	Für eine zukunftsfähige Gemeinsame Agrarpolitik der EU
IFOAM	Towards a post-2020 CAP that supports farmers and delivers public goods to Europeans
OPTA	OPTA vision on the Common Agricultural Policy after 2020
EEB	Last Chance CAP
NABU	Gemeinsam für eine naturverträgliche Landwirtschaft
WWF	Towards a Common Agricultural Policy that works for people and nature
EPHA	Good Food-Good Farming
HEAL	Towards a fundamental green and fair reform of the Common Agricultural Policy
PAN	PAN Europe's Position Paper on the the proposals for the new delivery model for the CAP post 2020

Table 2: List of selected organizations and their position papers

4.3. Data Analysis

The software Visone serves as the analysis tool in this thesis. Visone is a visual social network tool for the creation, transformation, exploration, analysis, and representation of network data (Visone, 2022). Using a discourse analysis software to visualize the beliefs of actors is not new and has been used by previous research before (Leifeld, 2013; Swarnakar, Shukla & Broadbent, 2021)

Before I start working with the software, I code the collected position papers manually in an Excel sheet. I start with the position papers by the European institutions, followed by the position papers by the conventional food and farming organizations, the organic food and farming organizations, the environmental organizations and lastly the consumer protection organizations. Statements are coded to my previously defined coding book by Erjavec & Erjavec (2015). In the first column I enter the respective actor (e.g., the European Commission, Copa, ...). In the next column I enter the used keyword (e.g., food security or biodiversity). The third column shows under which belief system the keyword has been used (productivist/ status quo; multi-functional/ green; (neo)-liberal; hybrid). In the last column I quote the respective sentence in which I identified the keyword. To improve the results of the first coding, I code the position papers a second time.

Further, I perform an intercoder reliability test by asking a fellow student to code two of my set of position papers, namely the Council's position paper and the position paper by the European Environmental Bureau. I identified beforehand 20 keywords in the Council's position paper. My fellow student agreed on 18 of it. In the European Environmental Bureau's position paper, I found 10 keywords. My fellow student agreed on nine of these keywords.

Then, I calculate how often each keyword has been used to identify the most striking ones using Excel formula. These keywords are the core of my further analysis. Due to the limitations of this paper, I only code the actor-actor matrix for specific keywords manually. On the x and y-axes, I enter the actors. Between the axes I enter a 0 if actors disagree on the keyword and a 1 if actors agree on the keyword.

In the next step, I import the resulting tables to the network analysis software Visone. The software gives me a visualization of the keyword networks. To better differentiate between the networks, I color the actors who used the keyword under the productivist/ status quo belief system blue; the actors who used the keyword under the multi-functional/ green belief system green and actors who used the keyword under the (neo)-liberal belief system yellow. Actors who did not use the keyword are marked white. Further, I use different geometric forms to differentiate between the actors within one network. The key EU institutions are visualized with a circle; the conventional food and farmer organizations with a triangle; the organic food and farmer organizations with a rectangle; the environmental NGOs with a diamond and the consumer protection organizations with a hexagon.

4.4. Code Book

Belief system	Keywords
productivist/ status quo	<ul style="list-style-type: none"> - food security - The EU as a global food producer - strong market regulations - reduce disparities between member states - direct payments/ coupled payments - single market - The CAP as a strong agricultural policy with vast financial backing - active farmers - protectionism - secure and create jobs/ employment - income stability for farmers - price stability - rural development
multi-functional/ green	<ul style="list-style-type: none"> - maintaining the rural landscape - biodiversity - sustain the environment/ preservation of public goods - multiple benefits - reduction of greenhouse gases - climate change - social and territorial balance/ cohesion - support for areas with natural constraints - promotion of climate- and environmentally friendly practices (including organic farming, agroecology, and animal welfare programs) - maintaining of permanent grassland - promotion of different crop types - tightening of minimum requirements to receive support - maintain settlement even in remote and less favorable areas - provide consumers and the processing industry with healthy and quality food - knowledge transfer and innovation
(neo)-liberal	<ul style="list-style-type: none"> - competitiveness - efficient use/ effective policy - abolition of production quota systems - simplification - liberalization - management mechanism - (international) trade - CAP budget reduction - innovation - flexibility
hybrid	combines keywords of two or more discourses

Table 3: Code book: Belief systems and keywords (Erjavec & Erjavec, 2015; Nedergaard, 2008)

5. Analysis

5.1. Results

This research aims to answer the research question: *What are the beliefs of key stakeholders on the CAP post 2020?*

It further seeks to prove or disapprove the hypotheses which have been formulated in the theory section.

The belief systems

Different groups of key stakeholders use different belief systems in their position papers.

In the method section four belief systems were identified: the productivist/ status quo belief, the multi-functional/ green belief, the (neo)-liberal belief, and the hybrid belief based on Erjavec and Erjavec (2015) as well as Nedergaard (2008). The former three ones are characterized by a set of different keywords. The latter one combines keywords of two or more belief systems.

As shown in Figures 2 and 3, the multi-functional/ green belief is the most often used belief system, followed by the hybrid and the productivist/ status quo belief. The (neo)-liberal belief is the least often used belief system.

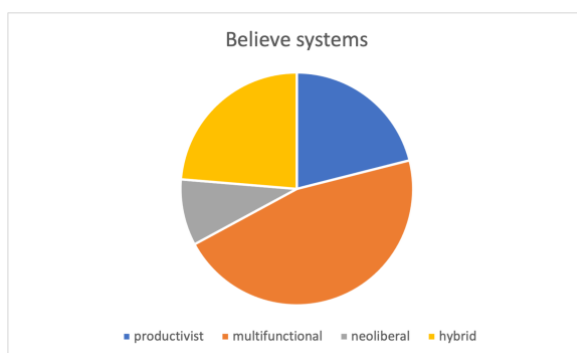


Figure 2, Share of coded belief systems

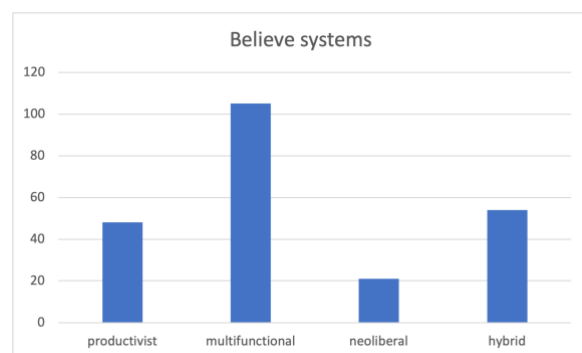


Figure 3, Number of times how often a belief system was coded in my sample

Figueres 4 to 7 show the share of key stakeholders' groups on the belief systems. One can see that the group of conventional food and farming organizations most often use the productivist/ status quo belief (Figure 4). The groups of environmental NGOs and consumer protection organizations predominantly use the multi-functional/ green belief (Figure 5). The key EU institutions most often approach the hybrid and the (neo)-liberal belief (Figure 6, Figure 7).

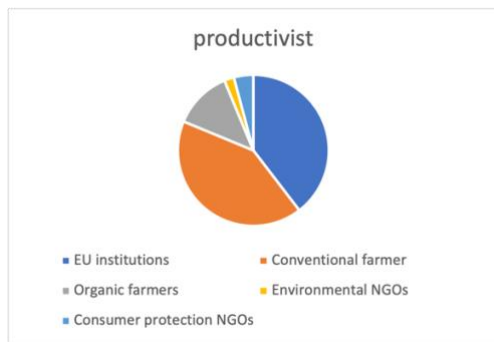


Figure 4, Share of stakeholders on the productivist/ Status quo belief system

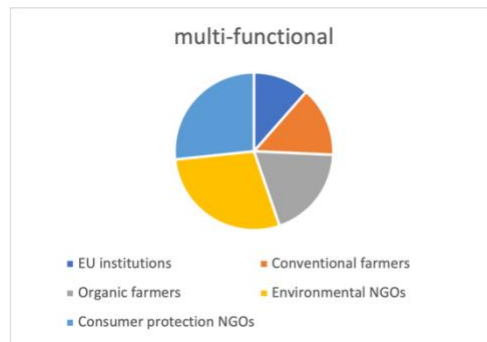


Figure 5, Share of stakeholders on the multi-functional/green belief system

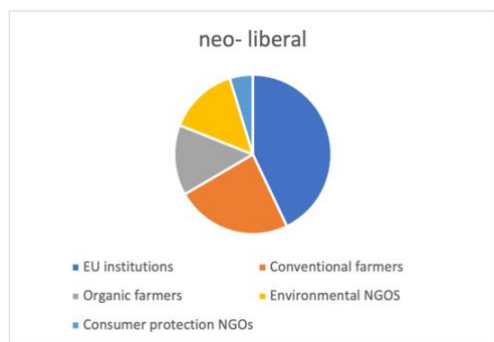


Figure 6, Share of stakeholders on the (neo)-liberal belief system

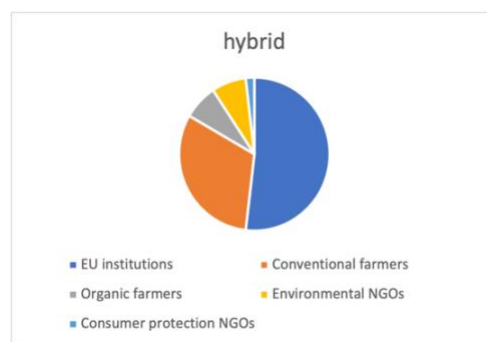


Figure 7, Share of stakeholders on the hybrid belief system

Figures 8 and 9 give a more detailed overview on how often each stakeholder uses which belief system. It shows more clearly that the EU institutions and the conventional food and farming organizations use several belief systems in their position papers, whereas the organic food and farming organizations, the environmental NGOs, and the consumer protection organizations focus on the multi-functional/ green belief. An exception is the organic food trade organization OPTA which uses the (neo)-liberal belief several times. Nonetheless, in my sample, a group of actors which focuses clearly on the (neo)-liberal belief is missing.

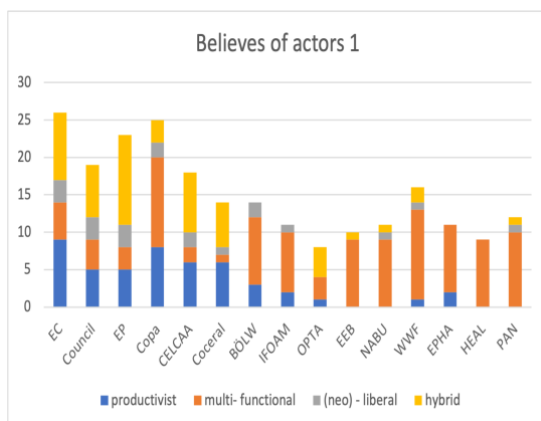


Figure 8, Frequency of stakeholders' usage on the belief systems

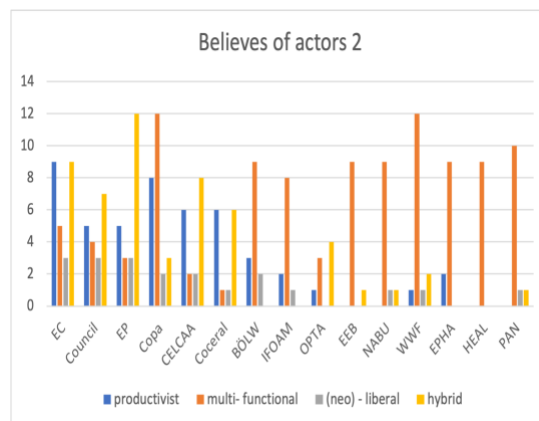


Figure 9, Frequency of stakeholders' usage on the belief systems

In the next part of my analysis, I look closer at the keywords embedded in the belief systems. I elaborate on those keywords which I consider as most striking. I further outline which key stakeholders or group of stakeholders uses these keywords and in which way.

The keywords

Erjavec and Erjavec (2015) attribute certain keywords to specific belief systems. My analysis, however, shows that key actors co-opt some keywords for other belief systems and doing so formulate new belief systems.

In total, I identify 33 used keywords in my selected documents. 13 keywords are traditionally related to the productivist/ status quo belief, 15 to the multi-functional belief/ green and further five keywords to the (neo)-liberal belief. Not all keywords which I have identified in my code book based on Erjavec and Erjavec (2015) could be identified in my selected documents,

As outlined above, the groups of key stakeholders show preferences in their belief systems. Nevertheless, in some cases key actors use keywords of the other belief systems and partly combine different keywords in the hybrid belief system.

Climate change and the reduction of greenhouse gasses

As shown in Figure 10, all 15 stakeholders mention **climate change** in their position papers, however, not in all cases within the multi-functional/ green belief system. At the same time, six key actors mention the **reduction of greenhouse gasses (GHG)** (Figure 8).

Ten out of fifteen key stakeholders look at **climate change** from the multi-functional/ green perspective. Those key actors are the Council (2018), the two conventional food and farmer organizations Copa (2020) and CELCAA (2017), the organic food trade organization BÖLW (2020), the environmental organizations EEB (2017), NABU (2017) and WWF (2017) as well as the consumer protection organizations EPHA (2019) and HEAL (2019). They argue that a change in the current agricultural system is needed to slow down the impact of **climate change** on the ecosystem. I indicate them with the green nodes.

As seen in Figure 10, the EC (2017) and the EP (2018) look at climate change from a productivist/ status quo perspective which I indicate with the blue nodes. The EC (2017) refers to the fact that “large numbers of jobs depend on farming” (p. 3) and that these jobs are more vulnerable to (extreme) weather events than other sectors. In consequence, also **climate change** poses a higher risk to the farming community than to other business activities (EC, 2017).

Simultaneously the conventional farmer organization Coceral (2017), the organic food trade organization OPTA (2021) and the consumer protection organization PAN (2017) talk about **climate change** from a (neo)-liberal perspective which I indicated with the yellow nodes. They agree that

new technologies, investments, and innovations play a crucial role in mitigating *climate change* (Coceral, 2017; OPTA, 2021; PAN, 2017).

While all 15 stakeholders mention climate change directly in their positions, six stakeholders mention the *reduction of GHG*. This set of key actors consists of the EC (2017), the conventional farmer organization Copa (2020), the three environmental organizations EEB (2018), NABU (2017) and WWF (2017) as well as the consumer protection organization EPHA (2020). As shown in Figure 11, all of them use the keyword within the multi-functional/ green belief system (green nodes). Among these stakeholders is the EC which previously talked about *climate change* from a productivist/ status quo belief system. These organizations agree that the current agricultural system is exhausting greenhouse gases and already exceeding EU legal limits. Thus, they demand from the new CAP to set stricter limits for GHG emissions and to punish those who violate these rules (EEB, 2018; EC, 2017; EPHA, 2020; Copa, 2020; NABU, 2017; WWF, 2017). The white nodes show those key actors who did not mention the *reduction of GHG* in their position papers.

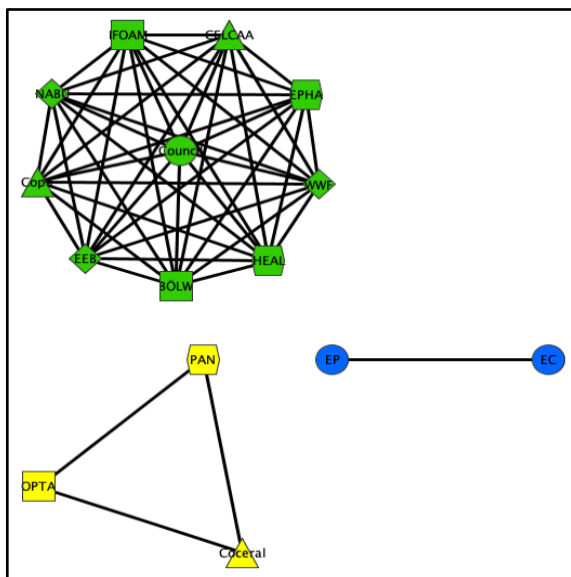


Figure 10, belief network 'climate change'

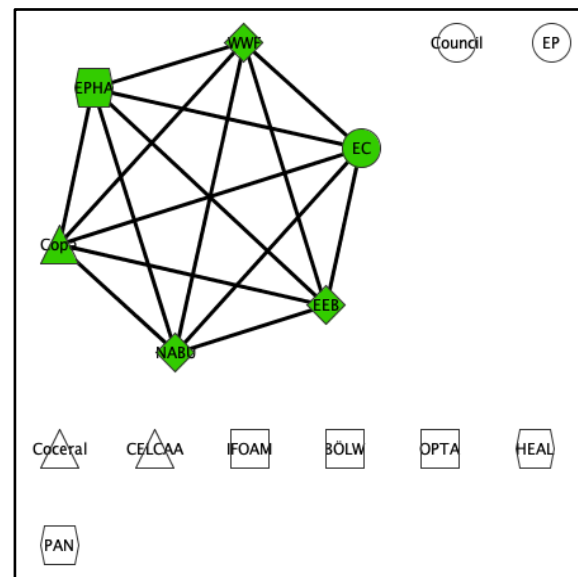


Figure 11, belief network 'reduction of GHG'

Food security and the EU as a global food producer

Figure 12 shows the belief network of key stakeholders using the keyword **food security** which belongs to the productivist/ status quo belief (Erjavec & Erjavec, 2015). However, as the figure makes clear, only the EC (2017) and the conventional food trade organization Coceral (2021) use the term **food security** within the productivist/ status quo belief system (blue nodes). The five other organizations look at **food security** from a multi-functional/ green perspective (green nodes). This set of actors consists of the EP (2018), the two conventional food and farming organizations CELCAA, (2017) and Copa (2020), the organic food trade organization OPTA (2020) and the consumer protection organization HEAL (2017). They admit that current agricultural practices are damaging soil quality and hence endanger the EU's ability to produce food in the future (CELCAA, 2017; Copa, 2020; EP, 2018; HEAL, 2017; OPTA, 2020).

As shown in Figure 13, the EC (2017) and the two conventional food and farming organizations CELCAA (2017) and Copa (2020) believe in the EU's role as a **global food producer** and all from the productivist/ status quo perspective (blue nodes). These key stakeholders refer to the fact that the EU is known to be one of the biggest producers of food in the world. The future CAP should thus assure that the EU maintains this reputation (EC, 2017; CELCAA, 2017; Copa, 2020).

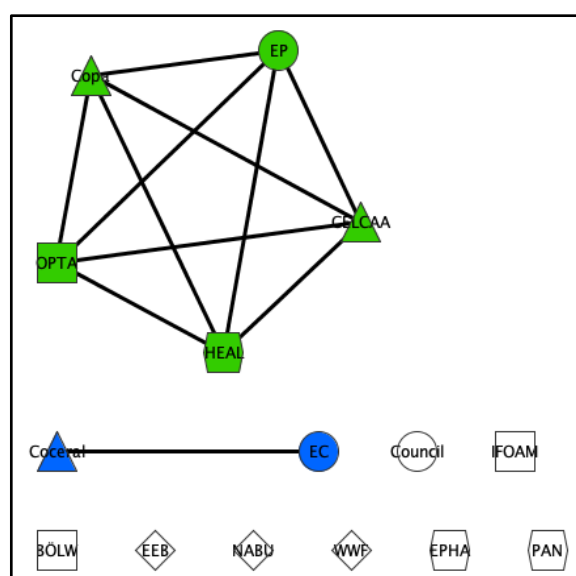


Figure 12, Belief network 'food security'.

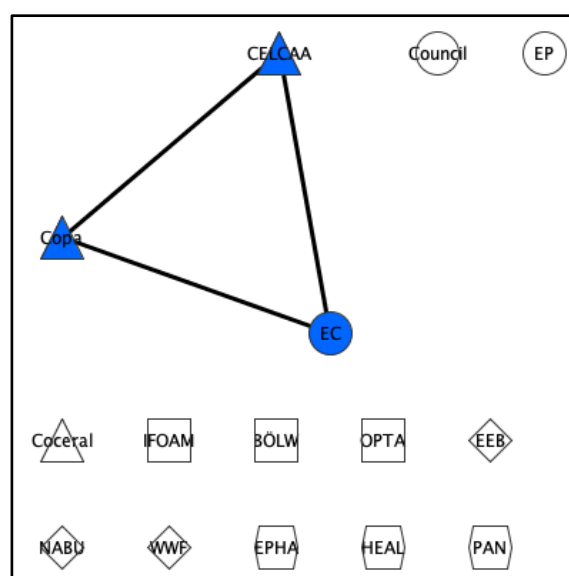


Figure 13, Belief network 'the EU as a global food producer'

Strong market regulations and flexibility

Figure 14 shows the belief network of actors using the keyword ***strong market regulations***, which belongs to the productivist/ status quo belief system (Erjavec & Erjavec, 2015). Still, my sample of environmental organizations (EEB, 2018; NABU, 2017; WWF, 2017) believes that ***strong market regulations*** are necessary to obtain an enhanced environmental profit. In that way, these organizations look at the aspect of ***strong market regulations*** from a multi-functional/ green perspective (green nodes)

As shown in Figure 15, seven key stakeholders believe that the new CAP should bring more ***flexibility*** to farmers and the food related industry. This set of actors represent different organizations: the EC (2017), the EP (2018) and the Council (2018); the two conventional food and farming organizations CELCAA (2017) and Cocala (2021) as well as the organic food and farming organizations BÖLW (2020) and IFOAM (2018).

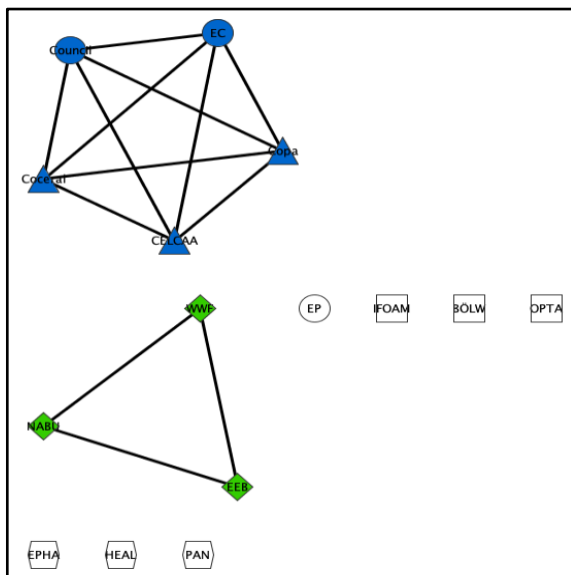


Figure 14, Belief network 'strong market regulations'

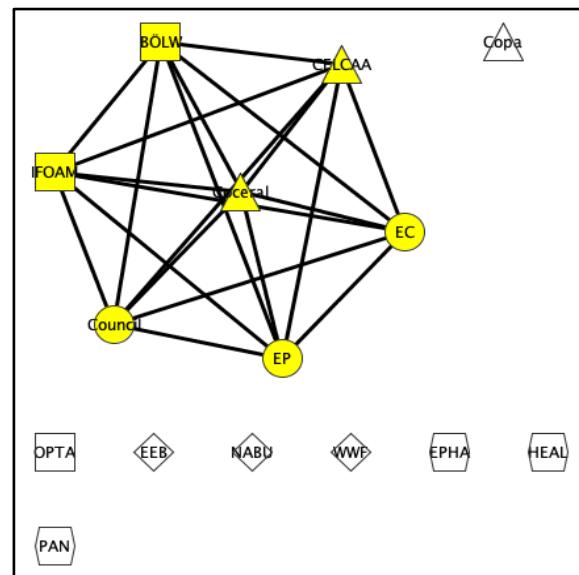


Figure 15, Belief network 'flexibility'

Liberalization and simplification

Liberalization and ***simplification*** are, next to flexibility, the most frequent keywords attributed to the (neo)-liberal belief system. Both keywords are mentioned seven times and both keywords are approached by the (neo)-liberal perspective.

As can be seen in Figure 16, all three key EU institutions, the convention food trade organization Copa (2020), the organic food trade organization BÖLW (2020), the environmental organization NABU (2017) as well as the consumer protection organization PAN (2020) believe that the new CAP should be more liberal. They agree on that fact that the current CAP places a burden on farmers regarding bureaucracy and red tape. The conventional farmer organization Copa (2020) suggests

hence that a digitalization of the farmer sector would reduce red tape. The environmental organization NABU (2017) complains that red tape reduces the incentive for farmers to shift to more environmentally friendly farming practices,

As shown in Figure 17, seven key actors want the CAP beyond 2020 to be simpler. These key stakeholders are the three EU institutions, the three conventional food and farming organizations Copa (2020), CELCAA (2017) and Coceral (2021) as well as the environmental organization WWF (2017). Like keyword **liberalization** those actors complain about bureaucracy and red tape. They argue that a liberalization of the CAP would simplify it farmers and the food processing industry to implement greening measures which would allow them to achieve environmental targets.

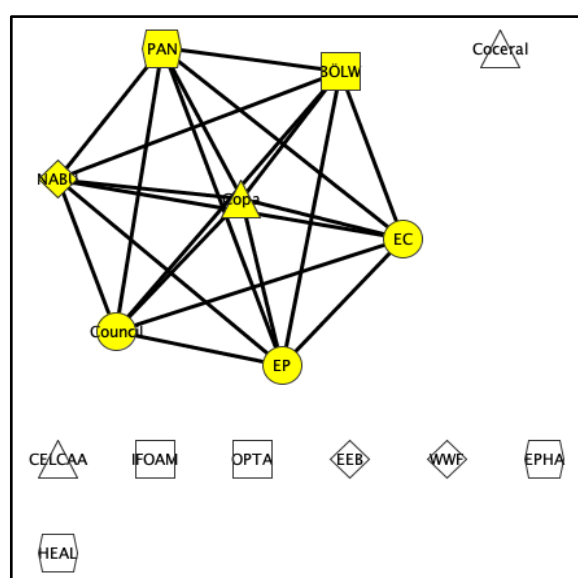


Figure 16, Belief network 'liberalization'

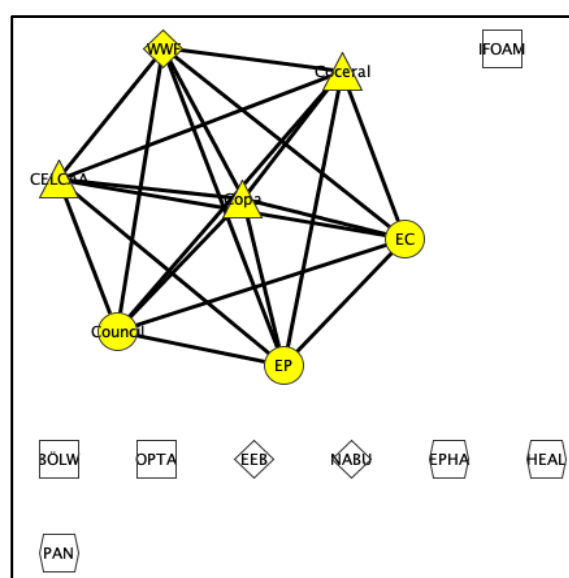


Figure 17, Belief network 'simplification'

In summary, the analysis shows that the multi-functional/ green belief system is the most frequent belief system in the position papers, followed by the hybrid and productivist/ status quo belief. The (neo)-liberal belief system is the least often mentioned belief. Further, my analysis reveals three major belief coalitions on the CAP post 2020: A multi-functional belief/ green coalition made up by the organic food and farming organizations as well as the consumer protection and environmental organizations. The EU key institutions form the coalition around the hybrid belief. The conventional food and farming organizations build the productivist/ status quo coalition. A group of actors which forms a (neo)-liberal coalition could with the sample of this master thesis is not identified.

Nedergaard (2008) identifies in previous CAP reforms also three coalitions: The agricultural coalition consisting mostly of farmer organizations which argued that no reform is needed (status quo). The moderate reform coalition which consists mostly of parts of the EU institutions. This coalition wanted to change the CAP slightly. The radical reform coalition made up by NGOs for the

environment and consumers which demanded a complete reversal of the CAP. In that sense, Nedergaard's findings match with my analysis.

Erjavec and Erjavec (2015) outline an individual (neo)-liberal discourse surrounding previous CAP reforms. This research cannot with its sample identify a sole (neo)-liberal coalition. However, the (neo)-liberal discourse is not missing. Instead, it is now incorporated into the other belief systems.

Further the analysis makes clear that the selected organizations have preferences in their usage of keywords. However, they do not strictly follow the line of one belief system. Often, they combine different keywords from several belief systems into a hybrid belief.

5.2. Discussion

Based on the result section I can answer the research question- *What are the beliefs of key stakeholders on the Common Agricultural Policy post 2020?* - in the following way:

The analysis identifies with its sample three major beliefs around the CAP post 2020. The EU key institutions have a hybrid belief in the CAP. The conventional food and farming organizations follow the productivist/ status quo belief. The organic food and farming organizations, the consumer protection and the environmental organizations believe in the multi-functionality/ green aspects of the new CAP. In other words, key organizations within the same category share similar policy core beliefs as well as key organizations of similar sectors share similar policy core beliefs (e.g., the conventional food and farming organizations share similar policy core beliefs, with organic food and farming organizations) (Figures 14 and 18).

In that sense the first hypothesis- *Key stakeholders involved in the CAP reform process over the years share similar policy core beliefs with organizations of the same type*- is accepted.

Further, I can reject the second hypothesis: *Key stakeholders involved in the CAP reform process can be grouped into four different belief coalitions (productivist, multi-functional, (neo)-liberal, hybrid)*.

With my sample I can only recognize three belief coalitions: a productivist/ status quo, a multi-functional/ green, and a hybrid coalition. A sole (neo)-liberal coalition could, with this set of key organizations, not be identified. Key actors rather embed the (neo)-liberal belief in other belief systems.

Moreover, the coalition alignment to previous CAP reforms has not changed and thus the third hypothesis- *Key stakeholders have not changed their beliefs and coalition alignment compared to previous CAP reforms*- is accepted. Nedergaard (2008) identifies three coalitions around the CAP reform in 2003: a status quo coalition, a moderate reform coalition and a radical reform coalition. This research identifies three similar coalitions as well. The coalition by the conventional food and

farming organizations uses the productivist/ status quo belief and does not want to change the current CAP too much or even at all. The moderate coalition by the key EU institutions which uses the hybrid discourse and tries to conciliate the other two competing belief systems. And lastly a more radical coalition by organic food and farmers as well as consumer protection and environmental organizations that want to change the CAP to greater extent.

The advocacy coalitions

As outlined in the result section, most key actors (the organic food and farming organizations as well as the environmental and consumer protection organization) align in the multi-functional/ green coalition. However, although this coalition has the most “members”, the coalition was not able to green the new CAP. Greenpeace Europe (2022) says, for instance, that new CAP, like previous CAP reforms, “failed to reduce greenhouse gas emission and protect water and wildlife as well as natural habitats”. Instead, the smaller productivist/ status quo coalition, formed by the conventional food and farming organizations, managed to translate their policy core beliefs into new agricultural policies. This master thesis cannot prove, if and how key actors in the productivist/ status quo coalition functioned as veto players in the reform process. But it can be assumed that the productivist/ status actors played an important role in the policy making process and block green policies. In that sense, the master thesis accords with previous literature which stated that farmer organizations block greening measures (Alons, 2017, Keeler, 1996; Nedergaard, 2008; Singh et al, 2014, Westhoeck et al, 2012).

Further, a sole (neo)-liberal coalition is with the sample of this master thesis not identified. Instead, the (neo)-liberal belief is embedded into other belief systems. Because also organic food and farming organizations as well as environmental and consumer protection organizations use (neo)-liberal keywords one can guess that the (neo)-liberal beliefs is now commonplace.

The keywords

All 15 key actors talk about the link between agriculture and climate change, while six key actors say that one needs to reduce the emission of GHG in the agricultural sector to counteract climate change. This is surprising, because several studies (European Court of Auditors, 2021; EEA, 2021) prove that European agriculture is one of the main polluters in the EU. One possible explanation for this asymmetry could be that key actors (especially the farmer lobby) do not want to admit that they are responsible for climate change and further refuse to radically change the agricultural system.

Further, key actors frame the terms food security and the EU as a global food producer differently. Half of the selected stakeholders talk about the importance of food security, while three actors mention the EU’s role as a global food producer. In that sense, the results indicate a focus on EU markets.

Moreover, liberalization and simplification are by different organizations from different sectors identified as a burden. Although these keywords traditionally belong to the (neo)-liberal discourse (Erjavec & Erjavec) they are used by roughly half of the sample's stakeholders. This is another indicator for the fact that (neo)-liberalism became mainstreamed.

Lastly, I would like to point out that the analyzed position papers are official statements by the key stakeholders. Key actors might not state their honest opinion on the CAP post 2020 publicly, because they care about their reputation. Moreover, analyzing position papers for the beliefs of actors is a subjective matter. Key actors themselves might have different opinions on what "flexibility" or "liberalization" mean. Further, with a different and a bigger set of key stakeholders my results would look differently and a sole coalition on the (neo)-liberal belief system could have been identified.

Keyword	Frequency	Stakeholder	Belief system
Climate change	15	BÖLW; CELCAA; Coceral; Copa; Council; EC; EEB; EP; EPHA; HEAL; IFOAM; NABU; OPTA; PAN; WWF	Multi-functional/ green
Promotion of climate- and environmentally friendly practices	14	BÖLW; CELCAA; Copa; Council; EC; EEB; EP; EPHA; HEAL; IFOAM; NABU; OPTA; PAN; WWF	Multi-functional/ green
Provide consumers and the processing industry with healthy and quality food	14	BÖLW; CELCAA; Coceral; Copa; Council; EC; EEB; EP; EPHA; HEAL; IFOAM; OPTA; PAN; WWF	Multi-functional/ green
Biodiversity	13	BÖLW; Coceral; Copa; Council; EC; EEB; EP; EPHA; HEAL; NABU; OPTA; PAN; WWF	Multi-functional/ green
Sustain the environment/ preservation of public goods	13	BÖLW; Copa; Council; EC; EEB; EP; EPHA; HEAL; IFOAM; NABU; OPTA; PAN; WWF	Multi-functional/ green
Knowledge transfer and innovation	10	CELCAA; Coceral; Copa; Council; EC; EEB; EP; NABU; PAN; WWF	Multi-functional/ green
Multiple benefits	10	BÖLW; Copa; EC; EEB; EP; EPHA; IFOAM; PAN; WWF	Multi-functional/ green
Tightening of minimum requirements to receive support	10	BÖLW; Copa; EC; EEB; EP; EPHA; IFOAM; PAN; WWF	Multi-functional/ green
Food security	8	CELCAA; Coceral; Copa; EC; EP; HEAL; OPTA	Productivist/ status quo
Strong market regulations	8	CELCAA; Coceral; Copa; Council; EC; EEB; NABU; WWF	Productivist/ status quo
Active farmers	7	BÖLW; Coceral; Copa; Council; EC; EP; WWF	Productivist/ status quo
Flexibility	7	BÖLW; CELCAA; Coceral; Council; EC; EP; IFOAM	(Neo)-liberal
Income stability	7	BÖLW; CELCAA; Copa; Council; EC; EP; EPHA	Productivist/ status quo
Liberalization	7	BÖLW; Copa; Council; EC; EP; NABU; PAN	(Neo)-liberal
Maintaining the rural landscape	7	BÖLW; Copa; EP; HEAL; IFOAM; PAN; WWF	Multi-functional/ green
Secure and create jobs/ employment	7	CELCAA; Copa; Council; EC; HEAL; OPTA; WWF	Productivist/ status quo
Reduction of GHG	6	Copa; EC; EEB; EPHA; NABU; WWF	Multi-functional/ green
Simplification	6	CELCAA; Coceral; Copa; Council; EC; EP; WWF	
The CAP as a strong agricultural policy with vast financial backing	6	BÖLW; CELCAA; Coceral; Copa; EP; IFOAM	Productivist/ status quo
(International) trade	5	CELCAA; Coceral; Council; EC; EP	(Neo)-liberal
Competitiveness	5	CELCAA; Coceral; Copa; EC; EP	(Neo)-liberal

Maintaining of permanent grassland	5	EC; EPHA; NABU; PAN; WWF	Multi-functional/ green
Price stability	5	CELCAA; Council; EP; EPHA; IFOAM	Productivist/ status quo
Promotion of different crop types	5	BÖLW; EP; IFOAM; PAN; WWF	Multi-functional/ green
Single market	5	CELCAA; Coceral; Copa; EC; EP	Productivist/ status quo
Global food producer	4	CELCAA; Coceral; Copa; EC	Productivist/ status quo
Social and territorial balance/ cohesion	4	Copa; Council EC; EP	Multi-functional/ green
Support for areas with natural constraints	4	Copa; Council EC; EP	Multi-functional/ green
Rural development	4	Copa; Council; EC; EP	Productivist/ status quo
Direct payments	3	Copa; Council; EC	Productivist/ status quo
Maintain settlement even in remote and less favorable areas	3	Copa; Council; EC	Multi-functional/ green
Reduction of disparities between the Member States	2	EC; EP	Productivist/ status quo
Coupled payments	2	Copa; EP	Productivist/ status quo

Table 4: Frequency table of usage of keywords

6. Conclusion

This thesis aimed to answer the research question

What are the beliefs of key stakeholders on the CAP post 2020?

Doing so, this research started with a brief introduction of the CAP: The CAP lays at the core of the EU's legislation. Introduced in 1962 it aimed to provide affordable food for EU citizens and a fair standard of living for farmers after the food shortages of the second World War. Over the decades, the policy has been reformed several times to respond to changing markets, consumer demands, climate change, and the need for a sustainable agriculture (EU Commission, 2022a). Further, nowadays a variety of public and private stakeholders are involved in CAP reforms (Erjavec and Lovec, 2015; Alons, 2017).

The ACF is a common theory which aims to explain policy change (Sabatier & Jenkins, 1986) and served as the conceptual framework in this thesis. One of its main assumptions is that multiple actors and levels of government are involved in the policymaking process. "Belief systems" are an essential part of the ACF (Swarnakar, Shukla, Broadbent, 2021). According to the ACF, actors within a policy subsystem have different *beliefs* on how a political system should work. Beliefs are divided in a hierarchical order: *Deep core beliefs*, *policy core beliefs* and *secondary beliefs*. This thesis focused on the role of policy core beliefs. The ACF states that actors align in coalitions with other actors with whom they share similar policy core beliefs. In addition, the theory assumes that no major policy change will happen as long as the advocacy coalition that implemented the political status quo remains in power (Jenkins-Smith, Nohrstedt, Weible, Ingold, 2018). Tsebelis (1995) refers to those actors as *veto players*. According to him, veto players can be part of public institutions as institutional or partisan veto players but also represented by private interest groups. Sotirov & Winkel (2016), Quaglia (2012) and Roßegger and Ramin (2013) add to this that key actors are part of advocacy coalitions. Some key actors have veto powers, which makes them particularly powerful.

Lovec and Erjavec (2015) name the Council and the European Parliament as two key stakeholders from the public side. They authors show that those institutions had different preferences in previous CAP reforms. Further, both key institutions possess veto rights which made reforms more difficult (Lovec and Erjavec, 2015).

Alons (2017), Keeler (1996), Nedergaard (2008), Singh et al (2014) and Westhoeck et al (2012) identify farmer organizations, environmental as well as consumer protection organizations as the most prominent key stakeholders representing private interests. Nedergaard (2008) highlights that on the one hand most farmer organizations want to maintain the CAP's status quo. Environmental and consumer protection organizations, on the other hand, argue that a radical

reform is needed to protect the environment effectively. The EU institutions argue for a moderate reform (Nedergaard, 2008). Alons (2017), Keeler (1996), Singh et al (2014) and Westhoeck et al (2012) present further that farmer organizations are especially more successful in shaping the CAP according to their beliefs than NGOs are. According to Erjavec and Erjavec (2009), Klavert and Keijzer (2012) as well as Singh et al. (2014) the farmer lobby blocks effective greening measures.

At the same time, climate scientists warn of climate change and its unforeseen consequences (EEB, 2019). In a report from 2019 the European Environmental Bureau (EEB) emphasizes that agriculture both contributes to climate change and is affected by climate change. Climate change has already negatively affected the European agricultural sector and it is likely to do so in the future.

Erjavec and Erjavec (2009; 2015) show that further that debates around previous CAP reforms are accompanied by three different discourses: a productivist, a multi-functional and a (neo)-liberal discourse. The discourse analysis by Erjavec and Erjavec (2015) served as a basis for my thesis. However, I focused on the beliefs of key actors.

Based on the literature review I was able to formulate three hypotheses:

H1) Key stakeholders involved in the CAP reform process over the years share similar policy core beliefs with organizations of the same type.

H2) Key stakeholders involved in the CAP reform process can be grouped into four different belief coalitions (productivist/ status quo, multi-functional, (neo)-liberal, hybrid).

H3) Key stakeholders have not changed their beliefs and coalition alignment compared to previous CAP reforms.

Methodologywise, I used the work by Nedergaard (2008) as a comparative value regarding the advocacy coalitions and the work by Erjavec and Erjavec (2015) to identify the belief systems of key stakeholders.

Key stakeholders were identified in academic literature as well as by consulting the EU transparency register. In total, I had a sample of 15 stakeholders: Three key EU institutions, three conventional food and farming organizations, three organic food and farming organizations as well as each three environmental and consumer protection organizations. The position papers were derived from the respective webpages by the key actors.

The network analysis software Visone served as the analytical tool in this thesis. Therefore, I coded the position papers by a previous defined code book by Erjavec and Erjavec (2015).

The results of my analysis allowed me to answer the research question and the hypotheses. The organic food and farming organizations, the environmental and consumer protection organizations used the multi-functional belief most often in the reform process of the CAP post 2020.

In that sense, not only organizations of the same type share similar policy core beliefs but also organizations from different sectors share similar policy core beliefs. Further, those organizations have not changed their coalition alignment compared to previous CAP reforms.

The key EU institutions most often argued with the hybrid belief system in the reform process of the CAP post 2020 like they did in previous CAP reforms. Moreover, the hybrid believe system is the second most used believe system.

The conventional food and farming organizations made most often use of the productivist/ status quo belief system. In total, the productivist/ status quo belief system was the least frequent used believe systems. Like the other institutions and organizations, the conventional food and farming organizations did not change their coalition alignment.

A coalition forming a sole (neo)-liberal coalition could with the sample of this thesis not be identified. However, that does mean that the (neo)-liberal belief disappeared rather it seems that the (neo)-liberal believe is now embedded into the other belief systems and accepted as commonsense.

Moreover, the lines between the belief systems are often blurred. Key stakeholders do not strictly follow the line of argumentation of one specific belief system. This research suggests that dominant coalitions co-opt ideas of smaller coalitions in other belief systems.

In addition, it can be assumed that the organizations of the productivist/ status quo advocacy coalition functioned as veto players in the reform process towards the CAP post 2020. Then although the multi-functional advocacy coalition consists of more “members”, they did not manage to translate their policy core believes into European regulations. Thus, one can assume that coalition which implemented the previous CAP reform is still in power as it is argued in the ACF.

Limitations and outlook to future research

I cannot preclude that the results of my analysis are due to my personal believes and values. I consider myself as an environmentalist and might have been more critical to the position papers by the conventional food and farmer organizations than to the position papers by the environmental and consumer protection organizations. Still, I tried to be as objective as possible and not seeing greening for granted as the best solution for a new CAP.

Fuhrer, this thesis was only able to analyze a small sample of stakeholders. I thus invite future research to elaborate more on that topic with a broader set of actors. It would be especially interesting to see, if the (neo)-liberal believe has been faded into the other belief systems or if the missing of a (neo)-liberal coalitions is due to the selection of my key stakeholders. Moreover, it would be worthwhile to analyze the role of veto players in more detail: Who exactly are those veto players, how do they operate, what are their powers?

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**COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN
PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL
COMMITTEE AND THE COMMITTEE OF THE REGIONS**

The Future of Food and Farming

The Future of Food and Farming

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1. A NEW CONTEXT

The EU's farm sector and rural areas are major players in terms of the Union's well-being and its future. EU agriculture is one of the **world's leading producers of food**, and guarantees food security for over 500 million European citizens. The EU's farmers are also the first stewards of the **natural environment**, as they care for the natural resources of soil, water, air and biodiversity on **48% of the EU's land** (foresters a further 36%) and provide essential **carbon sinks and the supply of renewable resources for industry and energy**. They also depend directly on these natural resources. Large numbers of jobs depend on farming, either within the sector itself (which provides regular work for 22 million persons) or within the wider food sector (farming, food processing and related retail and services together provide around 44 million jobs). The **EU's rural areas** as a whole are home to **55% of its citizens¹** while serving as **major bases for employment, recreation and tourism**.

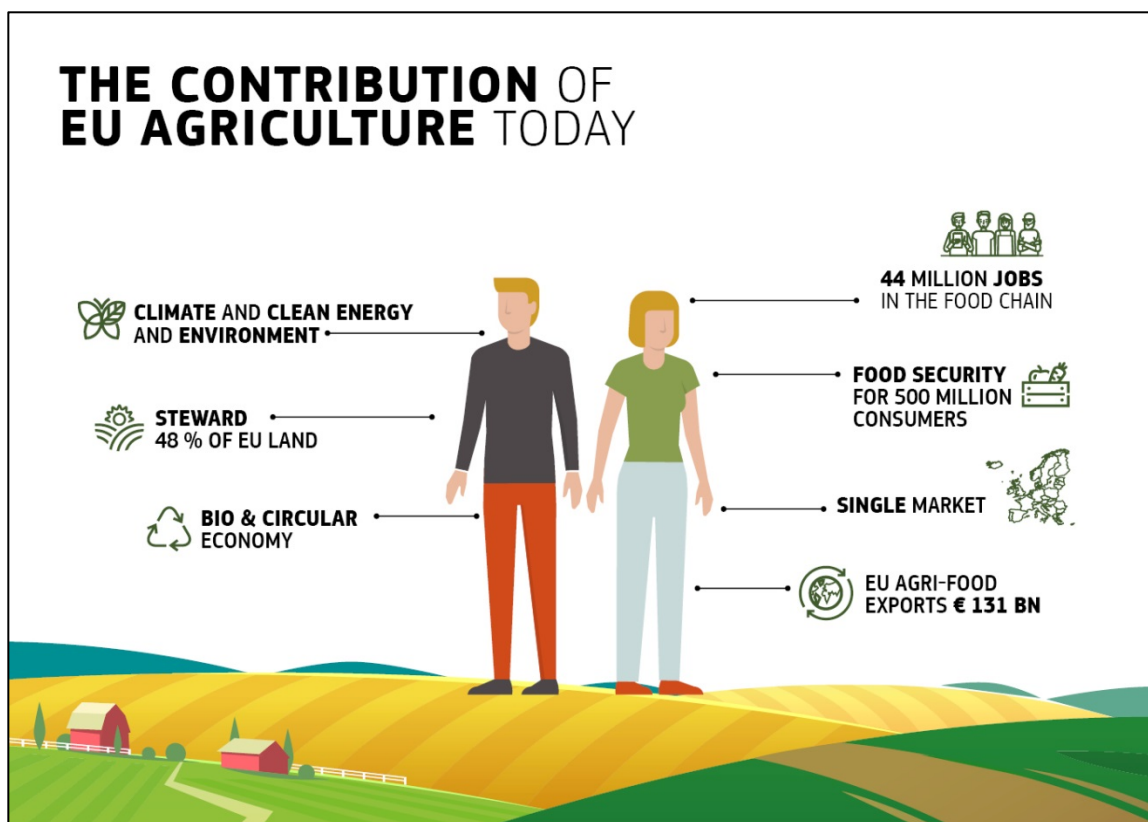


Figure 1

¹ Covering predominantly rural and intermediate areas (OECD definition).

None of these benefits can however be taken for granted. Unlike most other economic sectors, farming is strongly affected by the **weather**; it is also frequently tested by **volatile prices, natural disasters, pests and diseases** – with the result that, every year, at least 20% of farmers lose more than 30% of their income compared with the average of the last three years. At the same time **pressure on natural resources** is still clearly present partly as a result of some farming activities. **Climate change** threatens to make all of the above-mentioned problems weigh more heavily. The Common Agricultural Policy (CAP) should therefore lead a transition towards a more sustainable agriculture.

The CAP enabled the development of the most integrated **single market**. It is thanks to the CAP that the EU farm sector is able to respond to citizens' demands regarding food security, safety, quality and sustainability. However, at the same time the sector faces the challenges of low profitability - due *inter alia* to the EU's high production standards, the high costs of production factors and the fragmented structure of the primary sector. The sector now competes at world market prices in most sectors, leads the field in terms of food product diversity and quality and achieves the globe's highest agri-food exports (worth EUR 131 billion in 2016²)

Solid performance but further work to be done

Direct payments currently shore up the resilience of 7 million farms, covering 90% of farmed land. While they make up around 46% of the income of the EU farming community, the proportion is much higher in many regions and sectors. They thereby provide relative income stability to farmers facing significant price and production volatility - which helps to keep the EU's vital high-quality food production base spread around the Union³. Their impact is supplemented by market instruments. Areas with Natural Constraints are also the object of specific support.

Rural development policy makes a substantial contribution to the farm economy and vital rural livelihoods in various ways. It supports investments; knowledge-building; supply chain organisation; environmental protection and climate action. Rural development programmes in 2014-2020 build on this and widens provision for innovation and risk management. The creation of the European Innovation Partnership for Agricultural Productivity and Sustainability (EIP-AGRI) gave an impetus to knowledge creation and sharing. However, important efforts still need to be done to facilitate the access of farmers to knowledge⁴.

² See https://ec.europa.eu/agriculture/trade-analysis/statistics_en

³ Ecorys et al. (2016) *Mapping and analysis of the implementation of the CAP*, p 76-94

⁴ See Evaluation study of the implementation of the European Innovation Partnership (EIP), November 2016: https://ec.europa.eu/agriculture/external-studies/2016-eip_en

There are lessons to be learned from the public consultation carried out in the first half of 2017 on "modernising and simplifying the CAP"⁵ which confirmed a widespread consensus that the current CAP tools successfully addresses current challenges to some extent only. This covers also environmental and climate challenges, where a majority of farmers and other stakeholders consider that the CAP should do more. At the same time, the excess of bureaucracy has been highlighted as a key obstacle preventing the current policy from successfully delivering on its objectives.

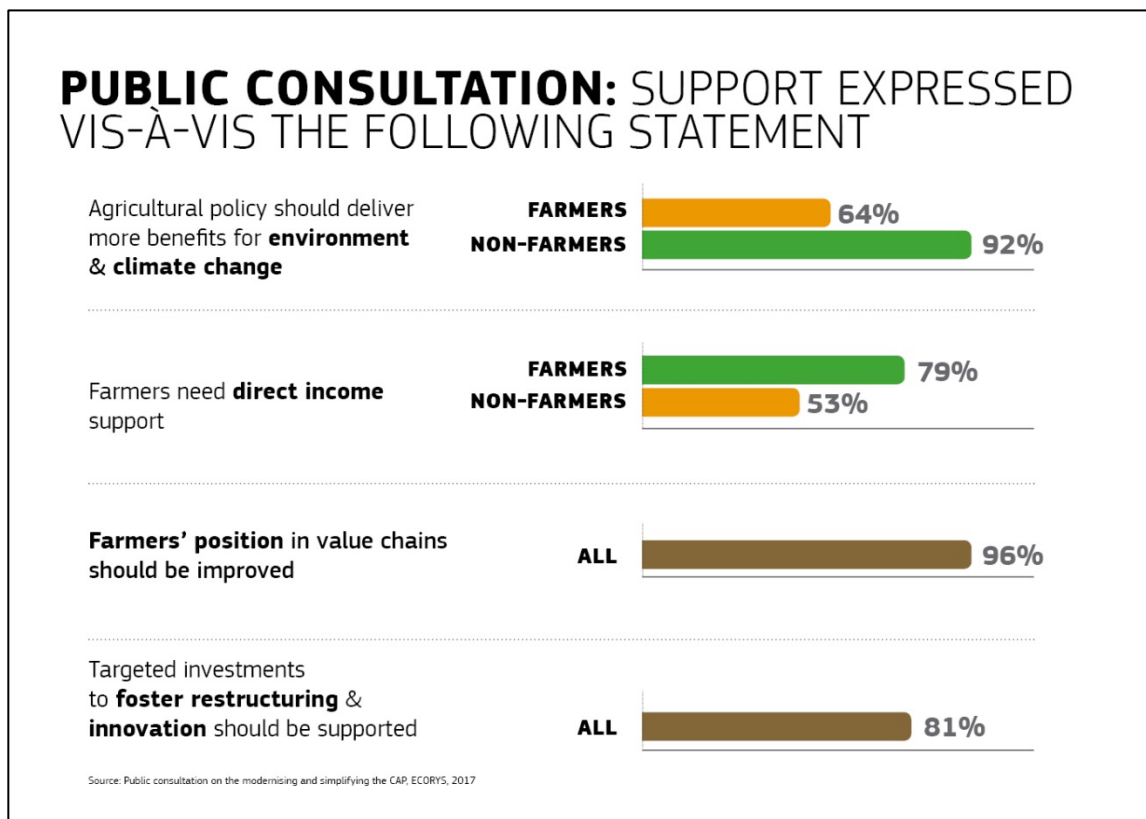


Figure 2

Land-based measures are pivotal to achieving the environmental and climate-related goals of the EU, and farmers are the primary economic agents in delivering these important societal goals. In this context, we need to look at direct payments in order to ensure that a large portion of the EU's actively farmed area is managed with practices beneficial for the environment. The current area-based Rural Development payments build on this foundation. Partly thanks to the CAP, organic farming expanded significantly, to cover 6% of UAA in 2015 compared to 2% in 2000.

⁵ See https://ec.europa.eu/agriculture/consultations/cap-modernising/2017_en

The implementation of “greening⁶” is qualified as sometimes less ambitious than intended, and is identified in the public consultation as the most burdensome and complex element of the CAP which limits its effectiveness. Climate change has in the meantime become an even more urgent priority, with important costs to be faced by the farming community in the future.⁷

This view has also been highlighted by the REFIT Platform, which has put the focus on the excessive administrative burden of the current greening measures, the control and audit system and the growing overlaps between pillar I and II⁸. As indicated by the REFIT Platform, there is a need to reduce the regulatory burden of the CAP and improve its value for money while ensuring the achievement of the objectives and increase its integration with other policy areas.

A first report on the implementation of the current common monitoring and evaluation framework of the CAP, including first results on the performance, will be presented to the European Parliament and the Council in 2018. The Impact Assessment that will underpin the Commission proposal for the post-2020 Common Agricultural Policy will take into account all available evidence on the performance of the policy so far (including results of evaluations and input from the REFIT Platform) and will use this information when analysing specific solutions for the future.

⁶ European Commission staff working document: Review of greening after one year https://ec.europa.eu/agriculture/sites/agriculture/files/direct-support/pdf/2016-staff-working-document-greening_en.pdf; also Report from the Commission to the European Parliament and the Council on the implementation of the ecological focus area obligation under the green direct payment scheme (COM/2017/0152 final) of 29.3.2017

⁷ See *Ecampa2 study (2016)* with the most updated assessment of greenhouse gas mitigation policy options for EU agriculture: http://publications.jrc.ec.europa.eu/repository/bitstream/JRC101396/jrc101396_ecampa2_final_report.pdf

⁸ REFIT Platform Opinions on "Cross Compliance", "Greening", "Overlaps between pillar I and II", "Control and Audit", "Rural Development support" and "EU legislation on the Farm subsidies reform". Available at: https://ec.europa.eu/info/law/law-making-process/overview-law-making-process/evaluating-and-improving-existing-laws/reducing-burdens-and-simplifying-law/refit-platform/refit-platform-recommendations_en

A future- proof CAP

While addressing the CAP Treaty objectives, the CAP has **kept evolving, increasing the EU added value**. It has also substantially increased its emphasis on the **environment, climate** and the **wider rural context** in which farming operates. This enabled the sector to increase its productivity by nearly 9% since 2005 while cutting greenhouse gas (GHG) emissions by 24% since 1990 and reducing fertiliser use with a positive impact on water quality. However, in the absence of stronger and more ambitious policy support it is unlikely that EU agricultural emissions will continue to decrease at the same pace. The CAP must continue stepping up its response to these challenges and it also shall play an essential role in realising the Juncker priorities in full coherence with other policies, especially:

- boosting quality **employment, growth and investment**;
- harnessing the potential of the **Energy Union, the circular economy and the bio-economy while bolstering environmental care and fighting and adapting to climate change**;
- bringing **research and innovation** out of the labs and onto the fields and markets;
- fully connecting farmers and the countryside to the **digital economy**; and
- contributing to the European Commission's agenda on **migration**.

At the same time, the EU is strongly committed to action on the **COP21 Paris Agreement** and the **United Nations Sustainable Development Goals (SDGs)**. Notably, the CAP underpins the policies spelled out in the 2030 Climate and Energy framework, which calls upon the farming sector to contribute to the economy-wide emission reduction target of -40% by 2030 and EU Adaptation strategy. European farming also needs to step up its contribution towards the EU environmental objectives. These commitments cannot be met without farmers, foresters and other rural actors who manage over half of the EU's land, are key users and custodians of the related natural resources and provide large carbon sinks as well as renewable resources for industry and energy. This is why a **modernised CAP should enhance its EU added value by reflecting a higher level of environmental and climate ambition, and address citizens' concerns regarding sustainable agricultural production**.

The Cork 2.0 Declaration of 2016, A Better Life in Rural Areas, gave voice to ambitious aspirations for the future success of the EU's agriculture and countryside and the contributions they could make to society as a whole. It presents an agenda for reforming the CAP to improve its delivery and bring it up to date to the current day challenges. In particular there is a need to invest in skills, public services, infrastructure and capacity building in order to generate vibrant rural communities.

THE CONTRIBUTION OF THE CAP TO THE SDGs



Figure 3

The **public consultation** underlined the importance of the three dimensions of sustainability (economic, environmental and social) and linked them to a broader need to **modernise** and **simplify** the policy.

The Commission's **White Paper on the Future of Europe** of 1 March 2017 set in motion a wide-ranging debate on tomorrow's EU, calling on the Union and its Member States to interact better with citizens, be more accountable to them and deliver faster and better on what has been collectively agreed, such as the European Pillar of Social Rights. The Commission's Reflection paper on the Future of EU Finances of 28 June 2017 stimulates further this debate, setting out options and scenarios for the future direction of the EU budget, including among other options a degree of co-financing of the CAP and its implications. As recalled in the Reflection Paper, the EU budget should continue dealing with current trends that will shape the EU in the coming years. There are also a number of new challenges in which the EU budget will need to do more than today. In this context, all existing instruments including the CAP will need to be looked at. Hence, this Communication does neither pre-empt the outcome of this debate nor the proposals for the next multiannual financial framework (MFF).

The Reflection Paper on the future of EU finances called for a shift towards new, sustainable growth that combine economic, social and environmental considerations in a holistic and integrated way and stronger focus on the provision of public goods.

This is the backdrop against which the CAP must take the next steps in its evolution – modernising and simplifying, and working hand in hand with other EU policies – to meet a wide range of pressing challenges and bring out the very best from the Union's farm sector and rural areas, with a greater focus on high standards and actual results, and to support farmers in anticipating and dealing with future relevant challenges and developments.

2. TOWARDS A NEW DELIVERY MODEL AND A SIMPLER CAP

The CAP needs to evolve in various ways and sharpen its responses to the challenges and opportunities as they manifest themselves at EU, national, regional, local and farm levels. This also includes for the CAP to streamline its governance and improve its delivery on the EU objectives, and to significantly decrease bureaucracy and administrative burden.

The current CAP delivery system relies on detailed requirements at EU level, and features tight controls, penalties and audit arrangements. These rules are often very prescriptive, down to farm level. In the Union's highly diversified farming and climatic environment, however, neither top-down nor one-size-fits-all approaches are suitable to delivering the desired results and EU added value.

In the delivery model of the future CAP, **the Union should set the basic policy parameters** (objectives of the CAP, broad types of intervention, basic requirements), while **Member States should bear greater responsibility** and be more accountable as to **how they meet the objectives and achieve agreed targets**. The CAP objectives would fulfil the EU Treaty obligations but also the already agreed objectives and targets on for instance the environment, climate change (COP 21), and a number of the SDGs. When preparing CAP strategic plans, the Member States will take into account their planning tools adopted emanating from EU environmental and climate legislation and policies.⁹ At the same time, Member States would be accountable for providing credible performance monitoring and reporting, underpinning the assurance of the budget.

Greater subsidiarity would make it possible to better take into account local conditions and needs, against such objectives and targets. Member States would be in charge of tailoring CAP interventions to maximise their contribution to EU objectives. While maintaining current governance structures – that must continue to ensure an effective monitoring and enforcement of the attainment of all policy objectives - the Member States would also have a **greater say in designing the compliance and control framework** applicable to beneficiaries (including controls and penalties).

⁹ Such as the Management Plans and Prioritised Action Frameworks for Natura 2000, River Basin Management Plan, Air Quality and Air Pollution Programmes, Biodiversity Strategies.

To enhance EU added value and to preserve a functioning agricultural internal market Member States would take their decisions not in isolation, but in the framework of a structured process that would materialise in establishing a **CAP strategic plan**, which would cover interventions in both pillar I and pillar II, thus ensuring policy coherence across the future CAP and with other policies. The delivery model will thus continue to ensure a level playing field, preserving the common nature and the two pillars of the policy. The Commission would assess and approve such plans with a view to maximising the contribution of the CAP towards the EU priorities and objectives and the achievement of Member States' climate and energy targets. This is important to ensure the maintenance of a common approach to the delivery of environment and climate objectives across Member States. Increased ambition is the only viable policy option in this regard.

The planning process should be shaped in a much simpler way, remaining clearly below the levels of complexity exemplified by the current rural development programming. This means in particular that prescriptive compliance elements such as measures' details and eligibility rules at the level of EU legislation should be eliminated. Such simplification would also favour integrated and innovative approaches and render the policy framework more adaptive and innovation friendly.

This means the CAP and the Member States plans should focus above all on the objectives and expected results while leaving sufficient room for Member States and regions to address their specificities. In line with the logic of the Commission's "budget focused on results" approach, a **future delivery system** should thus **be more result-driven**, boost **subsidiarity** by giving Member States a much greater role in rolling out CAP schemes, pursue agreed **realistic and adequate targets**, and help **reducing the EU-related administrative burden** for beneficiaries. In such a context simplified cost options and modern technologies offer huge opportunities to reduce this burden, in particular as regards controls. Both farmers and citizens should be enabled to benefit from such advances with a less prescriptive framework.

In this way, as proclaimed by the Cork 2.0 Declaration, the architecture of the CAP as a whole would provide for targeting interventions to well-defined economic, social and environmental objectives while reflecting the needs and aspirations of the territories concerned.

Another crucial function of the Commission would of course consist in supervising the delivery on results and the respect of basic EU rules and international commitments in the framework of a well-designed audit and assurance system. To this end the assurance process would need to be adapted to the requirements of a result-driven policy design including the development and application of solid and measurable indicators and of a credible performance monitoring and reporting.

3. A SMARTER, MODERN AND SUSTAINABLE CAP

European citizens should continue to have access to safe, high quality, affordable, nutritious and diverse food. The way this food is produced and marketed should adapt to citizens' expectation, in particular concerning the impact on their health, the environment and the climate. To ensure this in a context of growing world population, increased environmental pressure and climate change, the CAP has to continue evolving, maintaining its market orientation and its support to the EU family farm model across all the regions of the Union. Similarly, the CAP needs to support and be compatible with efforts that address the root causes of migration towards the EU.

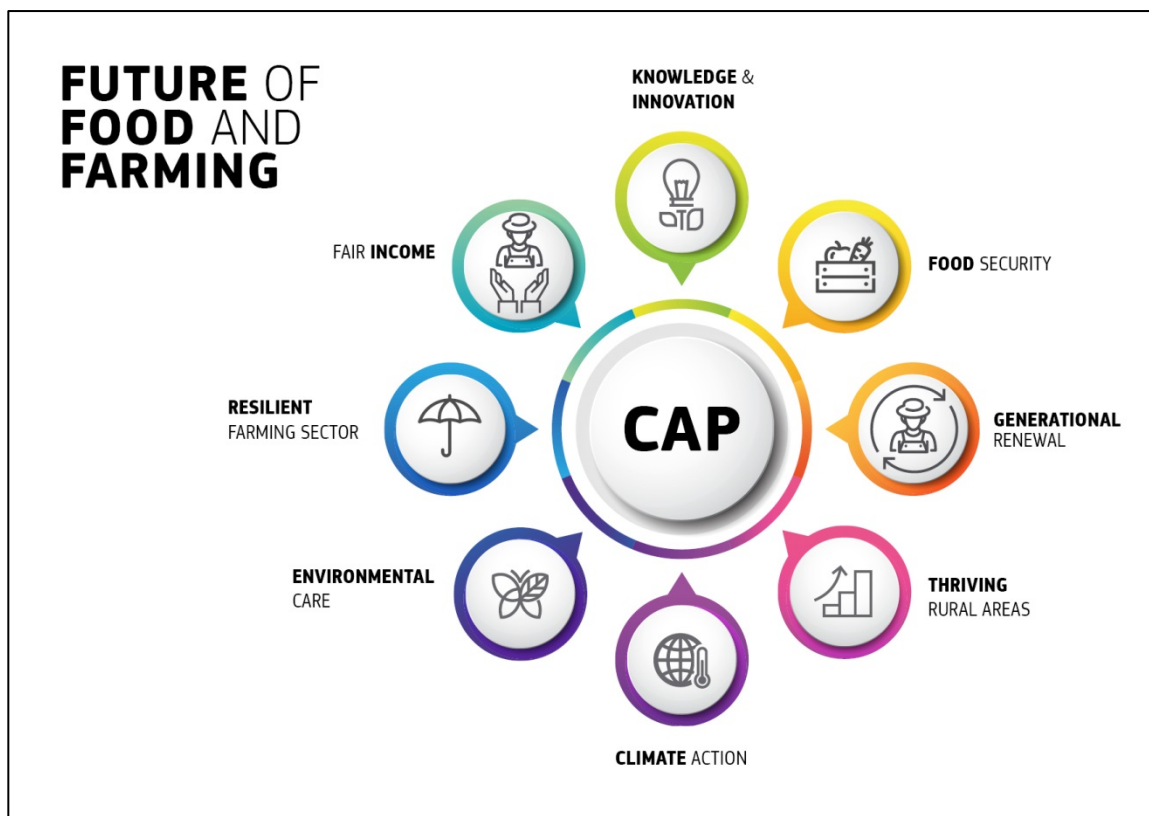


Figure 4

Fulfilling these goals will be made possible by building on what the CAP has already achieved through its policy objectives, in a new economic, climate, environmental, social, technological, industrial and political context. The section below sets out the main objectives of the future CAP:

- to foster a smart and resilient agricultural sector;
- to bolster environmental care and climate action and to contribute to the environmental and climate objectives of the EU;
- to strengthening the socio-economic fabric of rural areas.

To fulfil these objectives the agricultural sector and the EU rural areas will need to be better linked to human capital development and research and support for innovation will need to be stepped up.

The future CAP will also need to continue to address societal expectations regarding sustainable food production, in particular concerning food safety, food quality, environmental and animal welfare standards.

3.1. Using research and innovation to better link what we know to what we grow

Innovations in various fields (agronomy such as nature based solutions, breeding, vertical farming, zootechnics, biological, technological, digital, organisational and product related) are within reach and can serve the multi-functionality of EU agricultural and food systems. Research and innovation are part of the foundation of progress concerning all the challenges which confront the EU's farm sector and rural areas: economic, environmental and social. The needs and contributions of rural areas should be clearly reflected on the research agenda of the European Union and the future CAP will need to enhance even more **synergies with the Research and Innovation Policy in fostering innovation**.

Technological development and digitisation make possible big leaps in resource efficiency enhancing an environment and climate smart agriculture, which reduces the environment-/climate impact of farming, increase resilience and soil health and decrease costs for farmers. However, the uptake of new technologies in farming remains below expectations and unevenly spread throughout the EU, and there is a particular need to address small and medium-sized farms' access to technology.

Not only technology but also access to **sound, relevant and new knowledge is very patchy around the Union**. This impedes the performance of certain CAP instruments as well as the farm sector's overall competitiveness and development potential. By contrast, the CAP's capacity to increase the flow of knowledge between partners from different parts of the EU offers strong added value as it will save costs, increase the impact of EU funding and speed up innovation in the different parts of the EU.

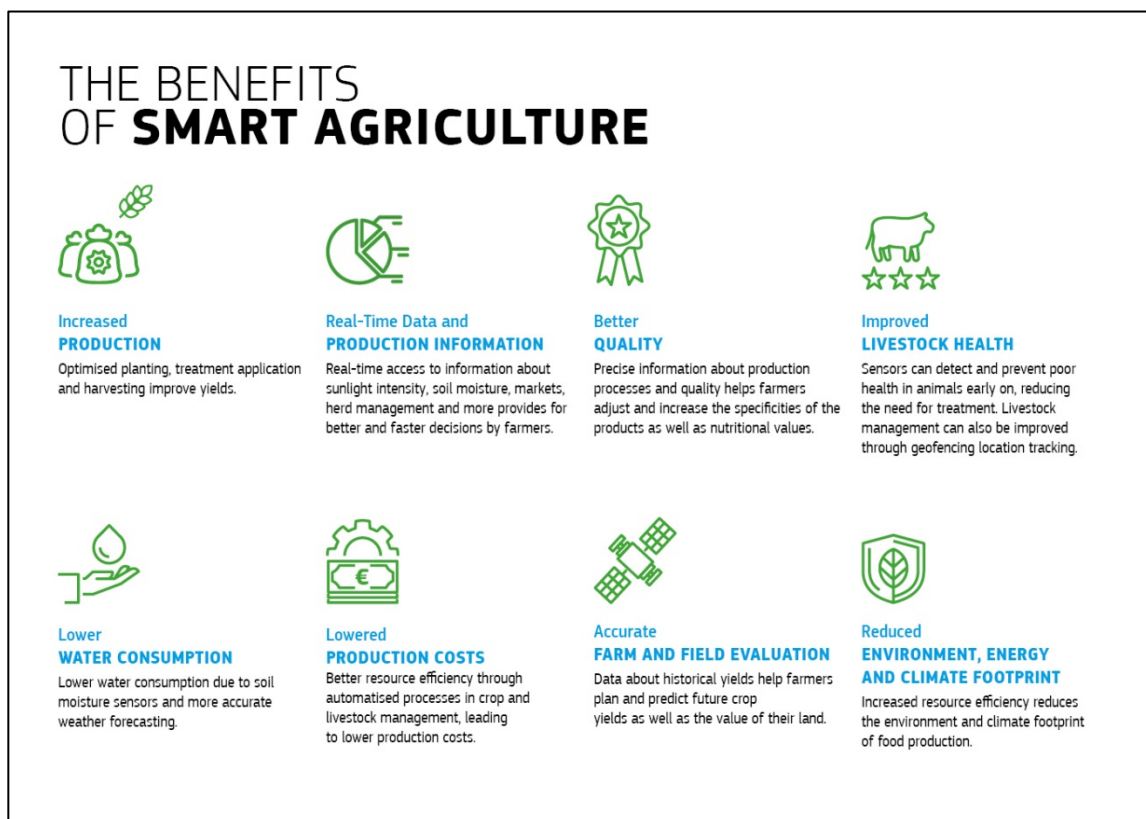


Figure 5

Support for knowledge, innovation and technology will be crucial to future-proofing the CAP. Schemes that aim at enhancing economic, social or environmental performance as well as climate change adaptation and mitigation will be linked to the advisory services providing knowledge, advice, skills and innovation.

The **European Innovation Partnership for Agricultural Productivity and Sustainability (EIP-AGRI)** and the European Innovation Partnership on Water have proven their value in mobilising the agricultural sector for innovation. It has funded multi-participant pilot projects and is networking across Europe to make new knowledge generally available. Its success depends on the combined performance of advisors, agricultural training and educational systems, researchers and farmer organisations often referred to as the **Agricultural Knowledge and Innovation System (AKIS)** – which operates very differently from one Member States to another. The role of the farm advisor stands out as particularly important. A modern CAP should support the strengthening of farm advisory services within the AKIS systems. This should become a condition for the approval of CAP Strategic Plans. This should be facilitated by strengthening the support for peer-to-peer exchange, networking and cooperation amongst farmers including through **Producer Organisations ("POs")**, as these can be important vehicles of knowledge sharing, innovation as well as cost savings for the farmers on a very regular basis.

3.2. Fostering a smart and resilient agricultural sector

3.2.1. A fair income support to help farmers to make a living

As emphasised in the *Reflection paper on the future of EU finances*, direct payments partially fill the gap between agricultural income and income in other economic sectors. They provide an important income safety net, ensuring there is agricultural activity in all parts of the Union including in areas with natural constraints (which also receive income payments under Rural Development Policy) with the various economic, environmental and social associated benefits, including the delivery of public goods. Therefore, direct payments remain an essential part of the CAP in line with its EU Treaty obligations.

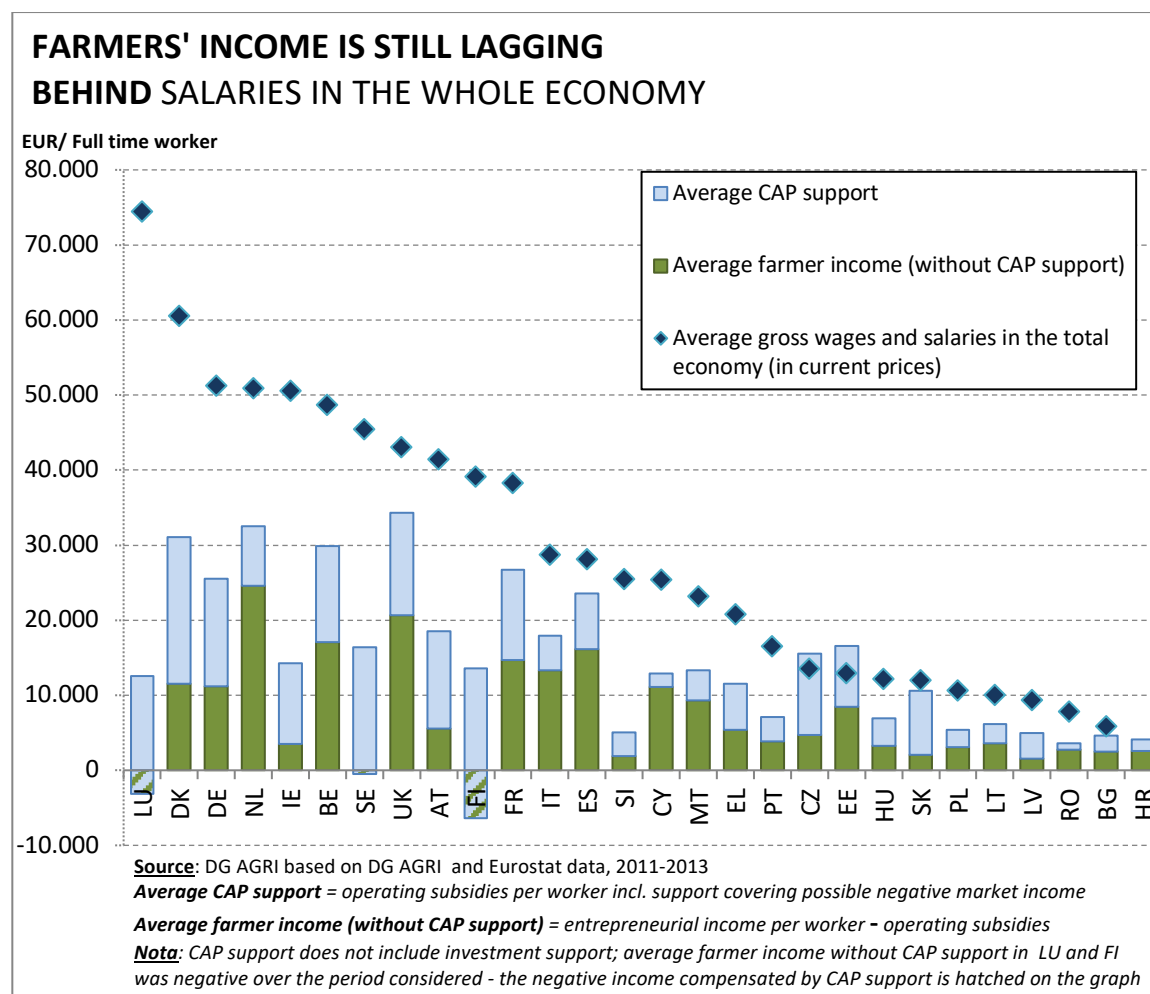


Figure 6

Although the role of direct payments in stabilising farm income is generally welcomed, the fact that 20% of farmers receive 80% of the payments sometimes prompts accusations of "unfairness". These numbers are a reflection of a system where payments are linked to land which is concentrated among a minority of farmers. Half of CAP beneficiaries are very small farms and most of the payments go to medium-size professional family farms, however a more balanced distribution of support should be promoted. Direct payments will fulfil their mission more effectively and efficiently if they are simplified and better targeted. Any change would however have to preserve one of the key assets of the policy: the protection of the well-functioning internal market the CAP has created over the years.

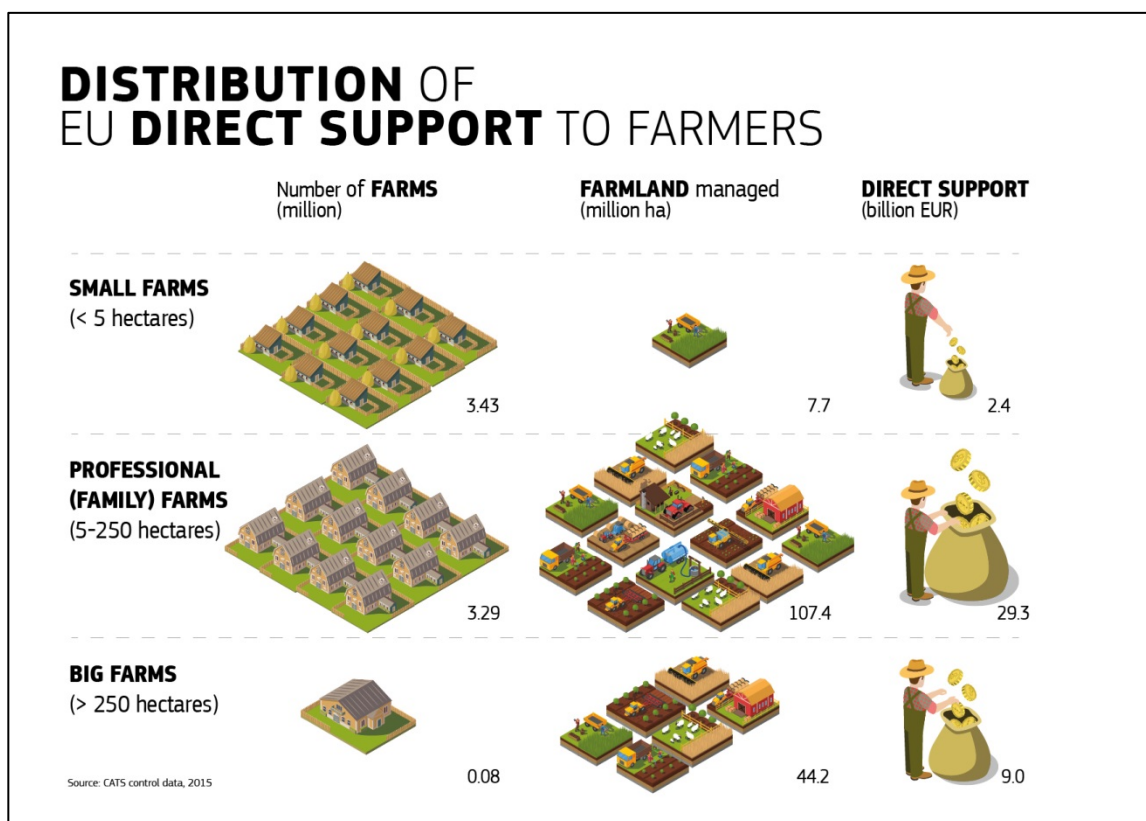


Figure 7

To target direct payments more effectively to ensure income to all farmers across the EU, as evoked in the above-mentioned *Reflection paper*, without being exhaustive the following possibilities in order to ensure a fair and better targeted support of farmers' income should be further explored:

- A compulsory capping of direct payments taking into account labour to avoid negative effects on jobs;
- Degressive payments could be introduced as well, as a way of reducing the support for larger farms;
- Enhanced focus on a redistributive payment in order to be able to provide support in a targeted manner e.g. to small-medium sized farms;

- Ensure support is targeted to genuine farmers, focussing on those who are actively farming in order to earn their living.

At the same time, the CAP needs to play its role in following the principles of "Equality between its Members, big or small, East or West, North or South", which were recalled by President Juncker in his State of the Union address of 2017. In this sense, it should reduce differences between Member States in CAP support. Even if the wide diversity of relative costs of labour and land as well as the different agronomic potentials across the EU should be acknowledged, all EU farmers face similar challenges.

3.2.2. *Investing to improve farmers' market reward*

The CAP should play a larger role in helping farmers make more money from the market. There is a clear need to boost **investments** into farm restructuring, modernisation, innovation, diversification and uptake of new technologies and digital-based opportunities such as precision agriculture, the use of big data, and clean energy in order to improve individual farm sustainability, competitiveness and resilience, including against the negative impacts of climate change. The position of farmers in the food chain is an important factor, and will also be addressed by the scheduled proposal to improve the EU food supply chain¹⁰. Additional reflections are needed on the role and effective functioning for agricultural producer organisations. Recognised producer organisations can be a useful tool to enable farmers to strengthen their bargaining position in the value chain and to cooperate to reduce costs and to improve their competitiveness to improve market reward. As producer organisations are particularly relevant for small farmers, it is important that they are organised so they offer opportunities for them. Emerging sustainable rural value chains in areas such as bio-based industries, bio-energy and circular economy, as well as ecotourism offer opportunities for farmers and rural businesses to diversify their businesses, hedge risks and provide additional income: the policy should increasingly focus on supporting such efforts.

The performance of investment support under the CAP should also be improved through better integration of business advice and promotion of collective investments and mechanisms to get effective synergies with research and innovation. The current investment gap in agriculture needs to be addressed, also through more use of innovative financial instruments that take into account the specificities of farming as well as more integrated projects that link various EU instruments (EFSI, ESIF). Further work with the European Investment Bank (EIB) may point the way.

¹⁰ Commission Work Programme 2018 – An agenda for a more united, stronger and more democratic Europe, COM(2017)650 final of 24.10.2017.

3.2.3. Risk Management

In the context of a greater market orientation of the CAP, more market exposure led to higher risks of price volatility and an increasing pressure on incomes. Risks also stem from climate change, the associated increased frequency and severity of extreme events and more frequent sanitary and phytosanitary crises affecting the EU livestock and agronomic assets. While **farmers, as entrepreneurs, are ultimately responsible** for designing their own on-farm strategies, it is important to set up a robust framework for the farming sector to successfully prevent or deal with risks and crises, with the objective of enhancing its resilience and, at the same time, providing the right incentives to crowd-in private initiatives.

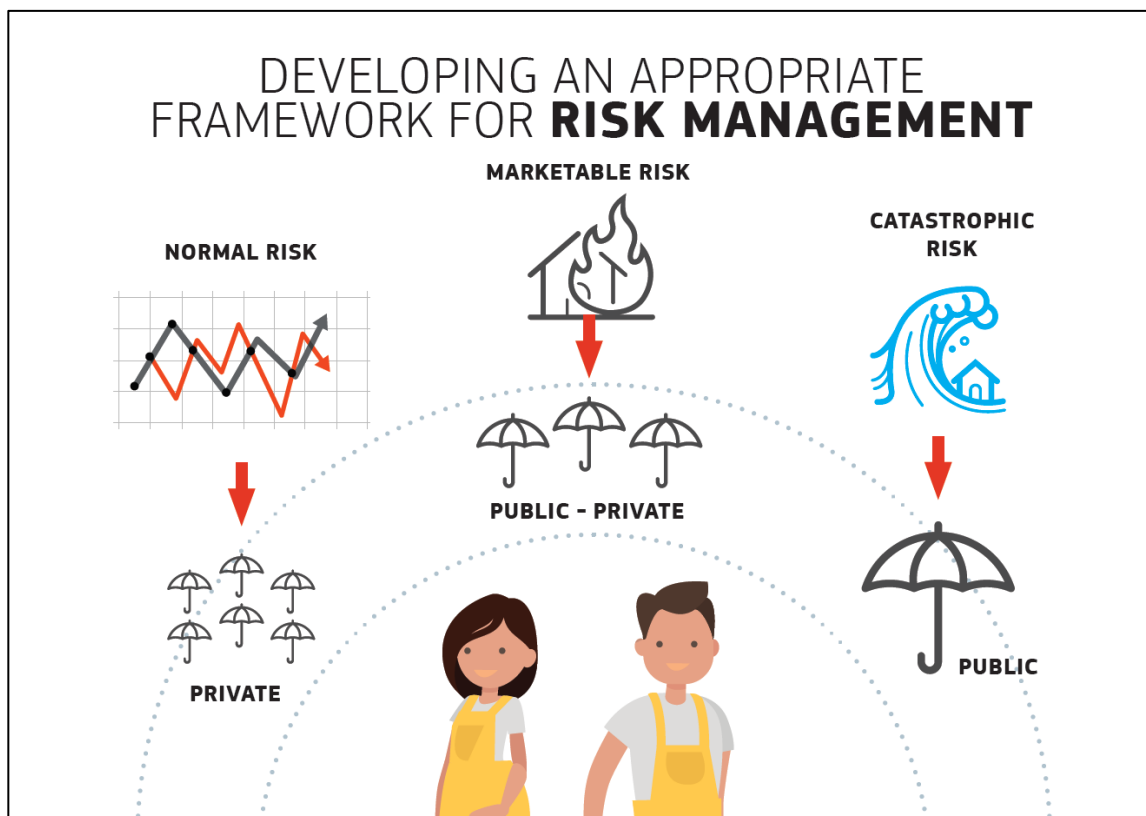


Figure 8

The CAP already offers a layered set of tools helping farmers to prevent and manage risks, from direct payments and market intervention to post-crises compensations and the present second pillar measures in particular an Income Stabilisation Tool (IST) and insurance support. For example sector specific stabilisation tools with a 20% trigger level for income loss can be effective. It is important to consider whether to further adjust its design to improve its functioning. Furthermore, it should be explored how existing possibilities as regards risk management can be better exploited, for instance by the use of indexes to calculate farm income losses, reducing red tape and costs.

The understanding and consideration by the farming community of risk management instruments in general and agricultural insurance in particular can be improved. There is an opportunity to increase knowledge of the benefits of those systems through rural development training, knowledge transfer initiatives and the inclusion in the farm advisory service.

In the short run, a permanent EU-level platform on risk management will be set up, providing a forum for farmers, public authorities and stakeholders to exchange experiences and best practices, with the objectives of improving implementation of the current tools and informing future policy developments.

At the same time, it is worthwhile exploring how to further develop an **integrated and coherent** approach to risk prevention, management and resilience, which combines, in a complementary way, EU-level interventions with Member States' strategies and private sector instruments which address income stability as well as climate risks. A flexible approach, in this context, is a necessary condition to allow tailored solutions for the different types of regional and sectoral needs of farmers and to support their market orientation.

New avenues should however be explored. Financial instruments stimulating the inflow of private capital can help to overcome temporary cash flow shortages. Other complementary measures to the current risk management toolkit, such as support for re-insurance of mutual funds or incentives for precautionary savings, may also be envisaged.

Beyond the CAP toolbox, **certain actions at Member State level could help** provided that they are compatible with state aid rules. This concerns for instance provisions in taxation policy that currently discourage farmers to make from savings in good years to cope with bad years.

3.3. Bolstering environmental care and climate action and contributing to the achievement of EU environmental and climate objectives

Climate change and constraints on natural resources will continue affecting farming and driving food security challenges. The EU 2030 Climate and Energy targets set ambitious goals. As all sectors, agriculture should make a fair contribution to these targets, as outlined in the Commission proposals on Effort Sharing and Land-Use, Land Use Change and Forestry (LULUCF). At the same time, agriculture is one of the sectors most vulnerable to climate change. Water scarcity, changing precipitation patterns, overall temperature increases and variation, increased intensity and frequency of climate-related extremes, presence and persistence of (new) pests and diseases, and fire risks are already challenging current agricultural and forestry practices and production. However, farmers and foresters are not only users of natural resources, but also, indispensable managers of ecosystems, habitats and landscapes. Any new CAP should reflect **higher ambition and focus more on results** as regards **resource efficiency, environmental care and climate action**.

The future CAP should make the best use of research results, ensure that knowledge is shared and implemented and support proliferation of modern technologies to maximise the contribution of agriculture to the EU and global objectives. Climate-smart farming supported by training, advice and innovation is one part of the answer; but this requires an agricultural policy with strong commitment to deliver public goods and ecosystems services related to soil, water, biodiversity, air quality, climate action and the provision of landscape amenities. It is also important that the contribution of the CAP to these objectives is strategic and measurable.

The current green architecture of the CAP, that primarily relies on the complementary implementation of three distinct policy instruments – cross compliance, green direct payments and voluntary agri-environmental and climate measures will be replaced and all operations integrated into a more targeted, more ambitious yet flexible approach. The new delivery model will allow Member States to devise a mixture of mandatory and voluntary measures in Pillar I and Pillar II to meet the environmental and climate objectives defined at EU level. Member States will need to define quantified targets which will ensure that the agreed environmental and climate objectives defined at EU level are achieved. Member States will have the flexibility to formulate strategic plans allowing for addressing climate and environmental needs at local level. It should be explored how an obligatory EU-wide requirement to have a nutrient management plan and incentives for precision agriculture, forming part of any Member State CAP strategic plan, could improve results. The Commission will explore inter alia how to cater for measures that yield high EU environmental added value, such as conservation of permanent pastures, maintenance and creation landscape features, agriculture in areas with natural constraints, organic farming, as well as individual or collective schemes aimed at soil health, biodiversity and /river basin stewardship.

The granting of income support to farmers will be conditioned to their undertaking of environmental and climate practices, which will become the baseline for more ambitious voluntary practices. The new conditionality will rely on the implementation of a streamlined set of environmental and climate conditions, providing environmental and climate public goods. These practices would be further defined by Member States in order to better take account of their specific situation, climate risks and needs, while ensuring that these practices adequately contribute to the objectives agreed at EU level. Member States would have to ensure that the agreed targets are met and monitor performance in a robust and credible way. Additional environmental / climate benefits will be achieved through voluntary entry level schemes and more ambitious agro-environment-climate schemes that will allow Member States/Regions to target their specific concerns.

Such approach will lead to simplification - one layer of requirements for direct payments, a single set of management and control rules and a reduction of administrative burden to the Member State and the farmer. Greater subsidiarity will remove "the one size fit all" approach and ensure a clear environmental link for actions taken. However, to ensure coherence with the overarching EU objectives, all actions and targets put forward by the Member State will be approved by the Commission within an EU framework agreed as part of the CAP strategic plan.

The overall performance of the new green architecture should encourage the promotion of co-operative/collective approaches, involving Farmers and Stakeholders in a result-oriented delivery of environmental and climate public goods and developing schemes that integrate the provision of knowledge and environmental investments.

3.4. Strengthening the socio-economic fabric of rural areas

3.4.1. Growth and jobs in rural areas

Many rural areas in the EU suffer from structural problems, such as a lack of attractive employment opportunities, skill shortages, underinvestment in connectivity and basic services and a significant youth drain. In a Union of equals the potential and aspirations of rural citizens and communities must be better addressed in EU policies. The CAP, and in particular Rural Development Policy, has an important role to play to promote rural jobs and growth as well as to preserve the environmental quality of rural areas.

Joint EU and national investment in infrastructure, natural and human capital development is paramount to support sustainable, quality employment in rural areas. The rural communities should have better access to public services, health care, vocational training, programmes to develop new skills notably in the digital sector, quality education, and connectivity.

The CAP is one of several EU policies that contribute to prosperous rural areas and it must improve its complementarity with other EU policies such as Cohesion Policy - which also provides substantial EU funding in rural areas - and the Connecting Europe Facility as well as national funds and strategies. Improved coordination between these policies would result in simpler delivery mechanisms and less red tape for administrations and citizens.

New rural value chains such as clean energy, the emerging bio-economy, the circular economy, and ecotourism can offer good growth and job potential for rural areas. By-products from agri-food and forestry could find new value as inputs for bio-energy and bio-based industries, while manure can turn into biogas and fertiliser thus supporting both the energy transition and the wider nutrient recycling. This also contributes to the substitution of more polluting and non-renewable resources and materials, and to a reduction of food losses and waste. Sustainable agriculture and forestry are both strategic sectors to develop this potential.

Growth of the bio-economy in a sustainable business model should therefore become a priority for the CAP strategic plans, and support the EU circular economy strategy and the development of new business models which will benefit farmers and foresters whilst creating new jobs. This would also boost the CAP's potential to contribute to the Energy Union and the EU Industrial Policy by promoting clean and efficient energy production, including sustainable biomass mobilization in respect of the core principles of the EU circular economy strategy. The EFSI and other financial instruments should leverage additional support from Rural Development programmes in order to provide low cost and longer term loans for entrepreneurs that are willing to invest in rural areas.



Figure 9

One priority for this future joint work across policy areas is development of "Smart Villages" throughout the Union. This emerging concept, currently developing through a number of initiatives and pilots, will help local communities address issues of inadequate broadband connectivity, employment opportunities and service provision in a clear and comprehensive manner. The Commission is committed to reinforcing support for rural communities and local authorities that wish to develop Smart Villages through capacity building, investments, innovation support, networking as well as through the provision of innovative financing tools for improving skills, services and infrastructure.

Continued joint EU and national investment in human capital development in rural areas is needed to support sustainable and quality employment and to help people living in these areas fulfil their potential, and their community's potential by helping them acquire new skills, and have improved access to quality key services, including access to quality education.

The bottom-up, locally led approach LEADER has proven to be an effective means to local capacity building and to promoting social inclusion, poverty reduction and job creation in the local economy. There is a need for better synergy and coordination with municipal authorities and local agencies to fully mobilise rural potential.

Through its rural development policy, the CAP is the "rural champion" of the Union. However, while all macro and sectorial policies have a potential impact on rural communities and many EU funds the capacity to promote rural prosperity, this capacity for rural regeneration is not always maximised. The Commission is therefore committed to promoting a "rural proofing" mechanism, which systematically reviews relevant policies through a "rural lens", considering possible impacts on rural communities.

3.4.2. *Attracting new farmers*

A prosperous agricultural sector can develop only if a real change of generation takes place: our aging agricultural community needs new blood to make the sector more dynamic and open to on-going technological transformations. However, young farmers and other new entrants face considerable obstacles to starting up farming activity, among them economic ones such as high land prices but also societal ones such as the perception of farming as an unattractive or old fashioned occupation, sometimes with inappropriate social protection.

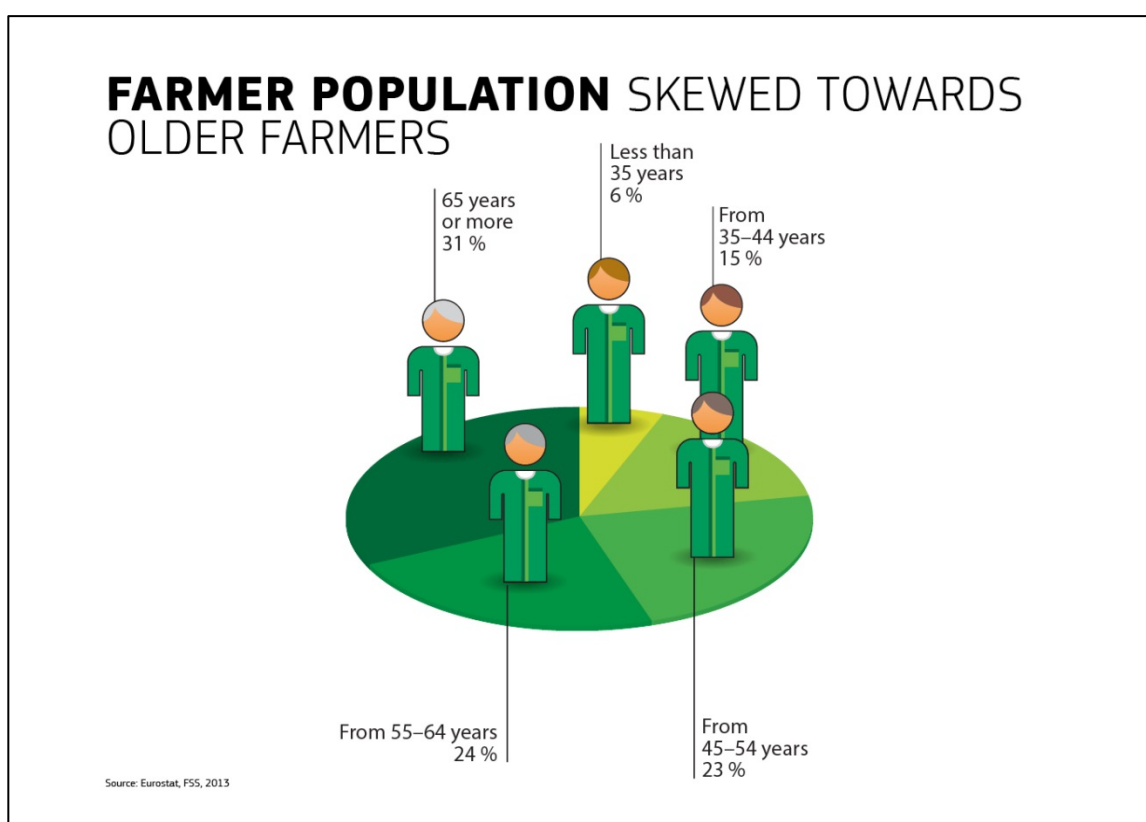


Figure 10

Generational renewal should become a priority in a new policy framework, but it must be recognised that Member States are in the best position to stimulate generational renewal using their powers on land regulations, taxation, inheritance law or territorial planning¹¹. Taking this into account, there is a need to **improve the consistency between EU and national actions**. The CAP should give flexibility to Member States to develop tailor made schemes that reflect the **specific needs of their young farmers**. The new delivery system will facilitate Member States' actions to assist young farmers. The CAP strategic plans could include support for skills development, knowledge, innovation, business development and investment support. Producer Organisations can play a valuable role here. To increase learning opportunities abroad for young people living in rural areas, Erasmus exchange possibilities for young farmers should be bolstered.

Setting up in agriculture implies high risk with large capital requirements and uncertain income. The CAP should help mitigate this risk in the first years after launching a farming business by providing an **EU-wide system of support to the first installation** with necessary support in a simpler and better targeted way: this could be achieved with a simplified top-up payment for new entrants (tailored by Member States according to the specific needs) and/or the reinforcement or extension of current lump-sum payments.

Access to **financial instruments** to support farm investments and working capital should be facilitated and better adapted to the investment needs and higher risk profiles of new entrants. Support to the new generation of farmers could be combined with the appropriate incentives to **facilitate the exit** of the older generation and increase land mobility. Furthermore, there is a growing need to support actions that stimulate the **transfer of knowledge among generations** (through partnerships and other new business models) and **facilitate succession planning** (i.e. advisory services, mentoring and the preparation of “farm succession plans”).

3.5. Addressing citizens' concerns regarding sustainable agricultural production, including health, nutrition, food waste and animal welfare

The CAP is one of the EU policies responding to societal expectations regarding food, in particular concerning food safety, food quality, environmental and animal welfare standards. Farmers are the real gatekeepers of food production systems; as such the contribution they can give to a sustainable food chain is crucial.

¹¹ In this context, the European Commission has recently published guidance on how to protect agricultural land (Interpretative Communication on the Acquisition of Farmland and EU law, 2017/C 350/05 of 18.10.2017).

Citizens are also increasingly valuing access to a wide variety of food that carries **broader benefits for society**, such as organic produce, products with geographical indications (GIs), local specialties and innovative food. In synergy with other EU policies, the CAP must continue to respond to these concerns, for instance by modernising organic rules, continuing to make GIs more attractive to farmers and consumers and easier to manage, or supporting the objectives of the Sustainable Use of Pesticides directive¹². The CAP should become more apt at addressing critical health issues such as those related to **antimicrobial resistance (AMR)** caused by inappropriate use of antibiotics. In line with an ambitious and encompassing approach with regard to **human and animal health** - as embodied by the "**One Health**" concept¹³ – it should also promote the use of new technologies, research and innovation to reduce risks to public health.

Identically the CAP can help farmers to improve the application of EU rules on **animal welfare** and to further increase standards through voluntary initiatives aimed at promoting the market value of animal welfare both within and outside the EU.

The CAP should continue to support production with specific and valuable characteristics through Rural Development as well as to promote and improve its international recognition. The CAP also has a role to play in promoting **healthier nutrition, helping to reduce** the problem of **obesity and malnutrition**, making nutritious valuable products such as fruits and vegetables easily available for EU citizens. A good example is the Schools schemes, under which free fruit, vegetable and dairy products are subsidised in schools and by using these schemes to promote class room activities related to healthy eating. Campaigns to promote healthy dietary practices and increasing the consumption of fruit and vegetables should be a focal point in the CAP promotion activities.

Consumers' food choices depend on a number of factors going far beyond the remits of the CAP. The most important role for the policy is therefore to **help farmers anticipate developments** in dietary habits **and adjust their production according to** market signals and consumers' demands. Strengthening the knowledge triangle in agriculture and forging better links to relevant initiatives such as the European Institute for Innovation and Technology's Food Partnership and the EU Food 2030 research strategy will also help maximise the contribution of the CAP to future-proofing our food system. .

Finally, the CAP can help to reduce **food waste** and food losses by stimulating better production and processing practices (e.g. promoting new technologies that extend the shelf life of perishable products or better matching supply and demand through increased transparency) and by supporting initiatives that transform traditional produce-use-discard consumption patterns into a circular bio-economy.

¹² Directive 2009/128/EC of the European Parliament and of the Council of 21 October 2009 establishing a framework for Community action to achieve the sustainable use of pesticides.

¹³ See also https://ec.europa.eu/health/amr/sites/amr/files/amr_action_plan_2017_en.pdf

4. THE GLOBAL DIMENSION OF THE CAP

The CAP is a policy for the EU but it obviously has **global implications and linkages**. Close attention must be paid to these when decisions are taken about the policy's future. The linkages between the CAP and Sustainable Development Goals are presented in figure 3. The EU is committed to support partner countries achieving the same goals through **external policies and instruments**. Therefore it will seek coherent action among its policies in line with the 2030 Agenda, and with its commitment to enhance policy coherence for sustainable development¹⁴. The latter requires taking into account the objectives of development cooperation in policies which are likely to affect developing countries.

To this regard, the CAP is and will continue to be coherent with the EU development policy¹⁵, which recognises the important role sustainable agriculture plays for poverty eradication and sustainable development in developing countries and promotes also the development of agricultural markets and inclusive value chains which benefit the poor and encourage the agro-industry to generate jobs.

4.1. Trade

Thanks to the efforts of the EU's agricultural and food processing sector, with support of EU trade agreements and the CAP (including its promotion policy) the EU is the world largest agri-food exporter. Further liberalisation of trade and increased participation in global value chains will allow the EU agri-food sector to develop exports even further, responding to growing middle-class demand worldwide, as well as dietary changes. For citizens, further growth in international trade will improve the accessibility, variety and affordability of food.

Maintaining the market-orientation of the EU agri-food sector and the compatibility of CAP measures with international trade law will also allow the EU to retain its leading role in international bodies such as the World Trade Organisation (WTO), promoting open trade and advocating strict disciplines on trade-distorting forms of support.

At the same time, it cannot be ignored that **specific agricultural sectors cannot withstand full trade liberalisation and unfettered competition with imports**. We therefore need to continue to duly recognise and reflect the sensitivity of the products in question in trade negotiations and explore ways how to **address the geographical imbalances** of advantages and disadvantages that affect the farm sector within the Union as a result of EU trade agreements.

¹⁴ Cf. art. 208 TFEU

¹⁵ The new European Consensus on Development signed on 07/06/2017, and available on https://ec.europa.eu/europeaid/sites/devco/files/european-consensus-on-development-final-20170626_en.pdf

Currently, the EU faces export restrictions from many important agri-food markets of third countries due to unjustified sanitary and phytosanitary (SPS) barriers. The EU will continue seeking a fair and balanced relationship with our trading partners and, where appropriate, promoting the EU SPS 'Single Entity' concept. The high standards of the EU will in no case be compromised. Furthermore, the EU, through its different cooperation and technical assistance tools, should foster increased cooperation with EU partner countries and regions, in particular when facing new and emerging animal health and phytosanitary threats.

4.2. Migration

The future CAP must play a larger role in implementing the outcome of the Valetta Summit¹⁶, addressing the root causes of migration.

Knowledge and know-how gained from CAP-supported projects should be used to develop employment opportunities and revenue-generating activities in regions of origin and transit of migrants, including through the EU External Investment Plan Pilot projects for training young farmers - with the involvement of European farmers' organisations. Furthermore, EU-Africa Union exchange schemes are avenues to explore. Cooperation on agricultural research and innovation must be deepened through the relevant EU policies and instruments. The Commission is also committed to enhancing strategic policy cooperation and dialogue with the Africa Union on issues related to agriculture and rural development so as to help the region develop its agri-food economy.

Within the EU, agriculture offers opportunities for seasonal workers.

Moreover, through its rural development arm, the CAP can play a role in helping to settle and integrate legal migrants, refugees in particular, into rural communities. Experience shows that Community-Led Local Development/LEADER is particularly apt for this.

¹⁶ See <http://www.consilium.europa.eu/en/meetings/international-summit/2015/11/11-12/#>



Council of the
European Union

Brussels, 20 March 2018
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OUTCOME OF PROCEEDINGS

From:	Presidency
On:	19 March 2018
To:	Delegations
Subject:	Communication on "The Future of Food and Farming" - <i>Presidency conclusions</i>

Following the debate at the "Agriculture and Fisheries" Council on 19 March 2018, delegations will find in Annex the Presidency conclusions on the Communication on "The Future of Food and Farming", supported by Belgium, Bulgaria, Czech Republic, Denmark, Germany, Ireland, Greece, Spain, France, Croatia, Italy, Cyprus, Luxembourg, Hungary, Malta, Netherlands, Austria, Portugal, Romania, Slovenia, Finland, Sweden and United Kingdom.

Presidency Conclusions

THE COUNCIL OF THE EUROPEAN UNION

1. HAVING REGARD to the Communication from the Commission on 'The Future of Food and Farming' (COM(2017) 713 final) adopted on 29 November 2017;
2. WITHOUT PREJUDGING the negotiations on the next Multiannual Financial Framework (MFF) and pending further information on the Commission proposal for the future Common Agricultural Policy (CAP);
3. RECALLING the added value of the CAP for farmers, citizens and society as a whole, and its key role in providing safe, high-quality food in sufficient quantities, contributing to a fair standard of living for farmers, protecting the environment, mitigating and adapting to climate change, promoting animal welfare, creating jobs and growth, keeping rural areas strong and sustainable, and maintaining agricultural production throughout the EU, in particular in areas with natural constraints or other specific constraints;
4. ACKNOWLEDGING the important role of direct payments in providing income support, remunerating farmers for the provision of public goods and services, supporting agricultural activity in all parts of the EU and contributing to the protection of the environment and the development of rural economies;
5. ACKNOWLEDGING that EU market support contributes to counter-balancing high price volatility and reducing the impact on vulnerable agricultural markets of external factors.
STRESSING the importance of continued market orientation;

6. RECOGNISING that rural development provides a pivotal contribution to the life and resilience of rural areas and farming and boosts their vitality by creating growth, innovation and employment opportunities and facilitating young people's access to farming.
RECALLING the principles and goals set out in the Cork 2.0 Declaration "A better life in rural areas", adopted in September 2016;

Enhancing the CAP's added value to deliver on new challenges

7. CONSIDERS that, in spite of its merits, the CAP should be further improved by strengthening the EU added value and by making the policy greener, simpler and more result-driven;
8. STRESSES the importance of a trust-based partnership with farmers and the need for farmers to remain at the centre of the policy in order to successfully deliver on enhanced policy objectives;
9. RECALLS the CAP's objectives as set out in Article 39 of the Treaty on the Functioning of the European Union (TFEU), which are still valid and relevant: *i)* increasing agricultural productivity; *ii)* ensuring a fair standard of living for the agricultural community; *iii)* stabilising markets; *iv)* assuring the availability of supplies and *v)* ensuring reasonable prices for consumers;
10. HIGHLIGHTS the need for the CAP to contribute to the Union's international obligations and commitments, such as the COP21 Paris Agreement and the UN 2030 Agenda for Sustainable Development. STRESSES the CAP's role in meeting citizens' expectations and its contribution to the objectives of other relevant EU policies, in particular jobs and growth, environment, climate change, biodiversity, health and nutrition, animal and plant diseases, and animal welfare. On these grounds, SHARES the three main objectives for the future CAP identified in the Commission's Communication;

11. HIGHLIGHTS the added value of the CAP and its ambitious objectives related to the provision of public goods, particularly in relation to environmental protection and climate change. ACKNOWLEDGES the need for discussions in the context of the MFF negotiations to address an adequate level of support for the future CAP.

Empowering Member States to take decisions fitting local needs and specificities

12. ENDORSES the view that Member States should enjoy more subsidiarity and flexibility to take account of their national and regional specificities and to contribute to a more efficient delivery of the policy;
13. While in principle sharing the result-oriented approach of the proposed "new delivery model", pending further information from the Commission, NOTES that there is a potential risk of fragmentation of the CAP. Therefore, CALLS on the Commission to continue ensuring a level playing field among Member States and the integrity of the internal market through basic common rules at EU level;
14. STRESSES that a new delivery model should bring substantial and tangible simplification and reduction of administrative burden for both beneficiaries and national/regional administrations. To this end, CALLS for simple CAP Strategic Plans, allowing flexibility in their design and subsequent amendments, taking into account the division of competences within each Member State, and for secondary legislation not to undermine the subsidiarity approach and the simplification goal;
15. HIGHLIGHTS that the CAP indicators should be simple, realistic, easily quantifiable, controllable and applicable to local realities. They should be directly linked to the defined CAP objectives and aligned with indicators and their definitions used in other relevant policies, with the aim of streamlining Member States' reporting obligations. A mismatch on output targets should not lead to automatic financial corrections;

16. HIGHLIGHTS that the audit and control systems should be based on the principles of proportionality, simplification and single audit, focusing on achieving policy results. INSISTS on the reduction of controls, which should be based on risk analysis, further relying on the use of new technology, including satellite images;
17. CALLS for the possibility for Member States to transfer funds between pillars.

Strengthening the resilience of the agricultural sector

18. TAKES NOTE of the Commission's intention to explore instruments to make direct payments more targeted. STRESSES the importance of providing the necessary flexibility to Member States to take into consideration national specificities and needs, in particular of a voluntary approach to targeting mechanisms;
19. RECOGNISES the different views of Member States on the subject of external convergence of direct payments. ACKNOWLEDGES that further discussions will be needed in the framework of the negotiations on the MFF package;
20. RECALLS that, following successive CAP reforms, the overwhelming volume of CAP support is decoupled. RECOGNISES the importance of current voluntary coupled support (VCS), in the form of area- or animal-related payments, for many Member States for vulnerable sectors and types of farming, consistent with the EU commitments under the WTO Agreement on Agriculture. RECALLS its commitment to CAP market orientation and STRESSES the importance of not distorting market and trade in any specific sector;
21. STRESSES that, in order to simplify direct payment provisions and facilitate generational renewal in agriculture, as well as to take account of different national conditions, decoupled area-based payment schemes (currently the Single Area Payment Scheme and the Basic Payment Scheme) should continue to be available to all Member States, including the option not to use payment entitlements;

22. RETAINS the role of the Common Market Organisation as a safety net and with regard to market and crisis measures. CONSIDERS that measures could be explored in this regard, including the development of programmes for other sectors on a voluntary basis, increased market transparency and reinforcement of producer cooperation, in particular through producer and interbranch organisations. NOTES the Commission's commitment to reflect on how to strengthen farmers' position in the food supply chain;
23. NOTES that the agricultural crisis reserve introduced in 2013 has not been used and CONSIDERS that reflection is needed on how to improve its design and efficiency, including exploring the possibility of a multiannual approach.

Fostering CAP's contribution to environmental objectives

24. While recalling that farmers already contribute to environmental and climate protection, SUPPORTS a higher level of environmental ambition for the CAP in the future, while adequately remunerating farmers for the public goods they provide;
25. AGREES that, while a common level of ambition and environmental objectives should be set at EU level to ensure a level playing field, Member States should enjoy a higher level of subsidiarity and flexibility in the implementation of environmental and climate measures, respecting their territorial characteristics and local needs to design their specific interventions;
26. Subject to further information and clarifications from the Commission on the proposed new conditionality, SUPPORTS the Commission's intention to make the new "green architecture" simple and more efficient and CALLS for the streamlining of the current requirements in relation to greening and cross-compliance;
27. STRESSES that, in addition to compensating for income forgone and costs incurred, effective incentives should be provided to farmers engaging in more ambitious environmental and climate practices going beyond the mandatory conditions;

28. CALLS for the coordination of environmental and climate interventions under both pillars to be ensured, avoiding overlaps between them and taking into account the different characteristics of the measures under each pillar. Measures under pillar II should remain voluntary as at present.

Improving life in rural areas

29. RECOGNISES the particular challenges rural areas are facing and EMPHASISES the need to keep them vital and resilient, in particular by creating jobs, promoting growth, favouring generational renewal in the farming sector and further developing the bioeconomy and the circular economy;
30. SUPPORTS the development of rural areas in an integrated manner, through a wide range of actions (investments, connectivity and broadband, basic services, preservation of life and nature, forestry, renewal of villages, digitalisation, etc.), making them more attractive places to live and prosper; POINTS TO enhancing synergies with other relevant policy areas and EU funds, in particular the European Structural and Investment Funds and the European Fund for Strategic Investments (EFSI), to optimise the impact on rural development;
31. NOTES the difficulties that young people face with regard to access to farming and CALLS for the future CAP to address this common challenge as a priority, improving the supporting instruments for generational renewal available under both pillars and their complementarity with other EU and national measures;
32. UNDERLINES the importance of fostering innovation and knowledge sharing in the farming sector, as well as transferring research results into farming practice;
33. EMPHASISES the positive experience of the LEADER approach and the importance of continuing it;

34. While recognising the importance of non-refundable grants, CALLS for further efforts to facilitate the implementation of financial instruments, on a voluntary basis, in order to increase the potential of raising further private capital for investments in rural areas;
35. HIGHLIGHTS that, following the lessons learned from the current Rural Development Programmes, the future CAP Strategic Plans should be simpler, avoid overlapping with other programming documents (such as current partnership agreements), rely on less complex and more understandable rules and be approved in a quicker manner to allow for timely implementation. CALLS for a simpler process for amending the CAP Strategic Plans *in itinere*, as necessary. INSISTS on the positive experience of the "one-window approach" regarding state aid to be continued and extended;
36. WELCOMES the Commission's efforts to optimise the use of the existing risk management tools and INVITES it to explore further voluntary measures and to reflect on better coordination with existing national measures.

Looking forward

37. INVITES the Commission to set up appropriate and functional mechanisms and procedures to ensure the timely approval of the future CAP Strategic Plans and to avoid delays and disruption in the disbursement of payments to farmers;
38. CALLS on the Commission to support Member States, in a partnership-based approach, in the process of designing and adapting CAP Strategic plans and in their implementation;
39. LOOKS FORWARD to receiving the Commission's legislative proposals in order to allow the co-legislators sufficient time for examination and negotiations;
40. STRESSES the need to foresee a sufficiently long transitional period for Member States to adapt to the new CAP delivery model. In this regard, CALLS upon the Commission to provide Member States with the necessary assistance.



2018/0000(INI)

20.2.2018

DRAFT REPORT

on the future of food and farming
(2018/0000(INI))

Committee on Agriculture and Rural Development

Rapporteur: Herbert Dorfmann

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on the future of food and farming (2018/0000(INI))

The European Parliament,

- having regard to the Commission communication of 29 November 2017 entitled ‘The Future of Food and Farming’ (COM(2017)0713),
- having regard to Articles 38 and 39 of the Treaty on the Functioning of the European Union (TFEU) establishing the common agricultural policy and its objectives,
- having regard to Regulation (EC) No 2017/2393 of 13 December 2017 amending Regulations (EU) No 1305/2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD), (EU) No 1306/2013 on the financing, management and monitoring of the common agricultural policy, (EU) No 1307/2013 establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy, (EU) No 1308/2013 establishing a common organisation of the markets in agricultural products and (EU) No 652/2014 laying down provisions for the management of expenditure relating to the food chain, animal health and animal welfare, and relating to plant health and plant reproductive material¹ (‘omnibus regulation’),
- having regard to the European Court of Auditors Special reports Nos 16/2017 entitled ‘Rural Development Programming: less complexity and more focus on results needed’ and 21/2017 entitled ‘Greening: a more complex income support scheme, not yet environmentally effective’,
- having regard to the Commission reflexion paper of 28 June 2017 on the future of EU finances (COM(2017)0358),
- having regard to the Cork 2.0 Declaration 2016, ‘A Better Life in Rural Areas’, issued at the European Conference on Rural Development,
- having regard to the opinion of the European Economic and Social Committee on ‘A possible reshaping of the Common Agricultural Policy’²,
- having regard to the opinion of the European Committee of the Regions entitled ‘The CAP after 2020’³,
- having regard to the UN Sustainable Development Goals (SDGs), most of which are relevant to the common agricultural policy,
- having regard to the Paris Agreement at the 2015 UN Climate Change Conference (COP21), and notably the commitments undertaken by the European Union as ‘nationally determined contributions’ (NDCs) in order to achieve the agreement’s

¹ OJ L 350, 29.12.2017 p. 15.

² OJ C 288, 31.8.2017, p. 10.

³ OJ C 342, 12.10.2017, p. 10.

worldwide goals,

- having regard to Rule 52 of its Rules of Procedure,
 - having regard to the report of the Committee on Agriculture and Rural Development (A8-0000/2018),
- A. whereas the Commission's communication on the Future of Food and Farming acknowledges that the common agricultural policy (CAP) is the most integrated policy in the EU and is enabling the EU farming sector to respond to citizens' demands regarding not only food security, safety, quality and sustainability, but also environmental care, climate change action and high animal welfare standards;
- B. whereas the European Union's overarching objective of multifunctional agriculture, driven by family farms, remains key to delivering the positive externalities and public goods that European citizens demand;
- C. whereas over the years the CAP has undergone regular re-programming in line with new challenges, but another step in this continuous process of modernisation and simplification, building on previous reforms, is now necessary;
- D. whereas the new delivery model (NDM) is at the core of the Commission's communication on the Future of Food and Farming, and is to be welcomed, provided that it ensures genuine simplification, not only at EU level but also at Member State and regional level, and flexibility for farmers, without adding new constraints on Member States and thus a new layer of complexity;
- E. whereas the CAP must play an important role in overcoming stagnation and volatility of farm incomes which, despite the concentration and intensification of production and increasing productivity, are still lower than in the rest of the economy;
- F. whereas over the last few years farmers have been confronted with increasing price volatility, which has reflected price fluctuations on global markets and uncertainty caused by macroeconomic developments, external policies, sanitary crises and more frequent extreme weather events in the EU;
- G. whereas it is essential to ensure a fair standard of living across regions and Member States, affordable prices for citizens and consumers, and access to quality food and healthy diets, while delivering on the commitments for environmental care, climate action, and animal and plant health and welfare;
- H. whereas there is a need for an updated and fairer system of payments, as in many Member States the current system of entitlements is based on historic benchmarks which are now almost 20 years old and which constitute an obstacle to generational renewal and hinder young farmers' access to farmland, as new entrants do not possess entitlements and are thus at a disadvantage;
- I. whereas the emergence of new challenges, such as increasing global trade, is necessitating fair and sustainable conditions for the global exchange of goods and services, within the framework of the WTO and in accordance with existing EU social,

economic and environmental standards, which should be promoted;

- J. whereas while the focus on research and development for both product and process innovation is to be welcomed, more must be done to translate the results of research into farming practice, facilitated by EU-wide agricultural extension services;
- K. whereas the agriculture and food sector must be incentivised to continue to contribute to the environmental care and climate action objectives of the EU set out in international agreements such as the Paris Agreement and the UN SDGs;
- L. whereas the European Court of Auditors has underlined the fact that the green payments introduced as part of the 2013 reform create added complexity and bureaucracy, are difficult to understand, and fail to significantly enhance the CAP's environmental and climate performance;
- M. whereas the objectives of the Cork 2.0 Declaration for a Better Life in Rural Areas stipulate vibrant rural areas, multi-functionality, biodiversity in and outside agriculture, rare animal breeds and conservation crops, as well as organic agriculture, less-favoured areas and commitments in the context of Natura 2000;
- N. whereas it is essential to ensure fair competition within the single market within the sector and with other players in the food chain, both up and downstream, and to further strengthen incentives to prevent crises with active management tools to be deployed at sectoral level and by public authorities;
- O. whereas the new challenges for European agriculture within the EU's political priorities, as stated in the Commission's reflection paper on the future of EU finances, require the next multiannual financial framework (MFF) to provide sufficient public funds to cover both existing and new challenges;
- P. whereas any changes to the current CAP must be introduced in such a way as to ensure stability for the sector and security of planning for farmers by means of adequate transition periods and measures;
- Q. whereas Parliament must play a comprehensive role in setting a clear policy framework to maintain common ambition at European level and democratic debate on the strategic issues which have an impact on the everyday lives of all citizens when it comes to the use of natural resources, the quality of our food and the modernisation of agricultural practices;

A new relationship between the European Union, the Member States, regions and farmers

- 1. Welcomes the intention to simplify and modernise the CAP, but emphasises that the integrity of the single market and a truly common policy must be the overriding priorities of reform;
- 2. Points out that even the flexibility that Member States currently enjoy in defining basic rules may risk distorting competition within the single market and granting unequal access to support for farmers in different Member States or even in different regions;

3. Considers that subsidiarity for Member States should only be granted within a common set of rules and tools agreed at EU level as part of a uniform approach to all programming efforts and eligibility criteria, should cover both of the CAP's pillars and ensure, in particular, a European approach in Pillar I and thus a level playing field;
4. Reminds the Commission of the need to fully respect the distribution of powers within each Member State, often set out in their constitutions, particularly in terms of respecting the legal competences of the EU's regions when implementing policies;
5. Welcomes the efforts of the Commission to establish programme design, implementation and control of an output-based approach in order to foster performance rather than compliance, while ensuring adequate monitoring via clearly defined, solid and measurable indicators at EU level, including an appropriate system of quality control and penalties;
6. Calls on the Commission to ensure that financial and performance control and audit functions are performed to the same standard and under the same criteria across all Member States, irrespective of enhanced flexibility for Member States in programme design and management, and with a view, in particular, to ensuring a timely disbursement of funds across Member States to all eligible farmers;
7. Calls on the Commission to grant more flexibility to Member States and regions within the framework of the agricultural *de minimis* rules;

A smart and efficient sector – delivering for citizens, rural areas and the environment

8. Considers it necessary to maintain the current two-pillared architecture, particularly Pillar I, which is dedicated to income support for farmers; considers it necessary, at the same time, to compensate for the provision of public goods on the basis of uniform criteria, while allowing Member States to take specific approaches to reflect local conditions;
9. Considers that the current CAP architecture can only deliver its objectives if sufficiently funded; calls, therefore, for the CAP budget to be maintained in the next MFF at at least the current level in order to achieve the ambitions of a revised and efficient CAP beyond 2020;
10. Believes that more targeted support for family farms is necessary and can be achieved by introducing a compulsory higher support rate for small farms; considers, moreover, that support for larger farms should be digressive, reflecting economies of scale, with the possibility for capping to be decided by the Member States;
11. Underlines the necessity of identifying the key elements of a transparent and objective system of penalties and incentives for determining farmers' eligibility for public funding, which should consist of voluntary and mandatory measures;
12. Calls for the existing system for calculating direct payments in Pillar I, which is often based on historic entitlements, to be replaced by an EU-wide uniform method of calculating payments, in order to make the system simpler and more transparent;

13. Stresses the need for a fair distribution of direct payments between Member States, which must take into account socio-economic differences, different production costs and the amounts received by Member States under Pillar II;
14. Believes that, provided that a level playing field in the single market can be guaranteed, voluntary coupled support (VCS) payments should be maintained, as a tool to counteract specific difficulties, particularly those arising from the structural competitive disadvantage of less-favoured and mountainous regions, as well as those which are more temporary in nature and arise from a shift away from the old entitlement scheme, for example;
15. Recalls that generational renewal is a challenge faced by farmers in many Member States and that each national strategy must therefore address this issue through a comprehensive approach, including top-ups in Pillar I and targeted measures in Pillar II, as well as by means of new financial instruments and national measures, in order to incentivise farmers to pass on their farming operations;
16. Underlines the importance of rural development, including the LEADER initiative, in supporting multi-functional agriculture and in fostering additional entrepreneurial activities and opportunities, in order to generate income from agri-tourism, and to secure community-supported agriculture and the provision of social services in rural areas;
17. Calls on the Commission to introduce a new and comprehensive legal framework which allows the integration of the various types of environmental actions at present, such as cross compliance, greening and the good agricultural and environmental conditions (GAEC) standards, as well as agri-environment measures (AEMs) for rural development, so that farmers can deliver effectively and with less bureaucracy on environmental care, biodiversity and climate action, while ensuring that Member States have adequate control and taking into account local conditions;
18. Believes that this new framework should be underpinned by the possible allocation of a minimum amount of the total available budget to AEMs, including organic agriculture, support for biodiversity and genetic diversity in animals and plants;
19. Calls on the Commission to foster innovation and modernisation in agriculture by supporting training and agricultural extension as a pre-condition in programme design and implementation in all Member States, while fostering the transfer of know-how and the exchange of best practice models between Member States;

A strong position for farmers in the global food system

20. Calls on the Commission to maintain the current common market organisation (CMO) framework, including the individual sector plans (wine, and fruit and vegetables) and the EU school fruit, vegetables and milk scheme, with the ultimate aim of strengthening the sustainability and competitiveness of each sector while enabling access for all farmers;
21. Insists on the critical need for the future CAP to support farmers more efficiently in order to cope with price and income volatility due to climate, health and market risks,

by creating additional incentives for flexible risk management and stabilisation tools while ensuring broad access;

22. Insists on the necessity of strengthening the position of producers within the food supply chain, in particular by guaranteeing them a fair share of the added value, by fostering inter-sectoral cooperation, and strengthening transparency in the markets and crisis prevention;
23. Calls on the Commission to allow and indeed encourage – particularly in the dairy sector – active crisis management instruments, such as voluntary sector agreements to manage supply in quantitative terms among producers, producers organisations and processors, and to examine the possibility of extending such instruments to other sectors;
24. Calls for an in-depth review of the current crisis reserve mechanism in order to create an independent financial instrument exempt from the budgetary principle of annuality, so as to permit budgetary transfers from one year to the next, thereby enabling quick and effective responses to crisis situations, including those involving animal and plant health, disease-related issues and food safety;
25. Believes that while trade agreements are beneficial to the EU agricultural sector overall, and necessary for strengthening the EU's position on the global agricultural market, they also pose a number of challenges that require reinforced safeguard mechanisms to ensure a level playing field between farmers in the EU and in the rest of the world;
26. Calls for initiatives to promote EU production, safety and environmental standards and quality production schemes, through both labelling and marketing activities on internal and third-country markets;

A transparent decision process for a solid CAP proposal 2020-2027

27. Stresses that Parliament and the Council should, via the co-decision procedure, set the general objectives, measures and financial allocations, and determine the level of flexibility needed to enable the Member States to cope with their specificities and needs in line with the single market;
28. Regrets the fact that the whole process of the CAP post-2020 programming exercise – consultation, communication, impact assessment and legislative proposals – is starting with a significant delay as the end of the eighth legislature approaches, jeopardising the possibility of a final agreement being reached before the European elections;
29. Calls on the Commission to propose, before the application of the NDM, a transitional period long enough to ensure a soft landing and to avoid any delay in farmers' annual payments and in the implementation of rural development programmes;

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30. Instructs its President to forward this resolution to the Council and the Commission.

EXPLANATORY STATEMENT

On 29 November 2017 the Commission adopted its Communication on modernising and simplifying the Common Agricultural Policy (CAP) under the title ‘*The Future of Food and Farming*’. (COM(2017)713final).

This Communication has already been announced by President Juncker in 2016, it is included in the Commission Work Programme 2017 and was originally foreseen for spring 2017. The 26 pages of text kick-off the multi-stage process by which the 27 EU’s Institutions eventually have to agree on the legislation determining the CAP post-2020. The Communication thus aims to provide both basis and framework of the discussion between institutional and individual, public and private stakeholders across the EU27.

It will be followed by legislative proposals as legal basis for the next programming period 2020-2027 and accompanied by an Impact Assessment comprising the relevant evidence-base. The proposals will be published after the adoption of the Multi-annual Financial Framework (MFF) which is foreseen for May 2018.

The *original purpose* of the Communication is to

- present the main EU agricultural challenges (food explicitly not mentioned);
- highlight the contribution of the agriculture sector to the ten Commission’s priorities and to the Sustainable Development Goals (SDG) in synergy with other EU policies;
- specify policy priorities for the future CAP enhancing its EU added value;
- explore operational proposals for a simpler CAP, improved governance, better reflection of the diversity in EU agriculture, increased subsidiarity, limiting administrative burden for beneficiaries and strengthening the focus on results.

The Communication also sets out three *key objectives* for agriculture in contrast to the original Treaty-based objectives:

1. Fostering a smart and resilient agricultural sector;
2. Bolstering environmental care and climate action;
3. Strengthening the socio-economic fabric of rural areas.

A first step in the *CAP post-2020 programming process* was a broad on-line *public consultation* which received in excess of 320,000 online responses from all EU Member States with the vast majority submitted by individuals as well as over 1400 position papers.

The second step is the elaboration of the comprehensive *Impact Assessment* (IA) aiming to draw lessons from the implementation of the 2013-2020 programming period and specifically the aims for a “greener, simpler, fairer” CAP. Consequently, while reflecting broad ideas of the ongoing public debate, the IA will develop a set of *policy options* for development including an assessment how the policy objectives can best be met, including:

- Option 1 (baseline) will assess the impact of the CAP remaining as it currently stands, including the recently adopted Omnibus proposal.
- Option 2 will assess the impact of a “no CAP” scenario to test the consequences of the absence of policy intervention with respect to the economic, environmental and social EU-added value of the CAP.
- Option 3 sees Member States/regions programming CAP operations against EU priorities based on identified needs. The focus shifts to risk management, investments

- in restructuring and business development in agriculture and rural SMEs, climate and environment services and access to innovation, knowledge and ICT.
- Option 4 redefines the division of tasks between EU-, MS- and farm-level to enhance the income safety-net with better synergies between direct support including area payments and risk management, to better target climate and environmental action, and to simplify and modernise controls towards performance-based outcomes.
- Option 5 envisages strong redistribution of direct support towards small and environmentally friendly farms, and promotes short circuits.

The evidence base of the Communication and the IA is the following:

- DG AGRIs own Common Evaluation and Monitoring Framework (CEMF) for measuring CAP performance based on Member states indicators;
- EU-wide targets and indicators agreed for monitoring the SDGs (Communication “European Action for Sustainability” COM (2016) 739 final);
- EU27 Member states annual implementation reports will provide data on progress towards targets and corresponding budget envelopes;
- DG AGRI regular evaluation studies on CAP general 2013 objectives and input for the Outlook conference in late 2017;

From the wider European context, the main driver of CAP reform is the budget issue: The CAP continues to be the largest single spending item in the EU budget, accounting for around 38% of the total expenditure. In the next MFF, the EU needs to address significant new challenges, such as migration, security and growth while the UKs departure will reduce the available budget yet there is great reluctance among Member States to increase the overall size of the budget (1% GNI).

For **public and private stakeholders** the key issues raised in the Communication are therefore:

- National Strategy - design, adoption and implementation: Notably Governance structure (legal aspect such as relationship regions-central state, transparency and citizen participation), internal coherence (consistency with rural development programmes and sector plans), external coherence (e.g. European Structural and Investment Funds);
- Delivery model - output-orientated and performance-based funding programs: Control and audit (EU and national competencies), indicators (availability and definition, quality control, penalties), management models (simplified cost options), equal approach across Member states (eligibility, mandatory/voluntary, controls);
- Environmental and climate action - integrated approach to compensating environmental services by merging current CAP greening, cross compliance and good agriculture practice as well as rural development measures to allow for compensation of public goods including climate action and human and animal and plant health and welfare;
- Financial allocation - EU-support programmes: Transition models for reduced/targeted funding, differentiation between Member states (external convergence) based on objective criteria (see ESIF), co-funding by regions / Member states, entitlements reflecting socio-economic conditions within Members states regions (internal convergence);

Regarding the **forward perspective**, it is relevant to recall that the last CAP programming 2013-2020 exercise took two years from the initial publication of the Commission proposals

(June 2011) as part of the Multiannual Financial Framework (MFF) proposal 2014-2020 to political agreement (June 2013) and the final legislative approval (in December 2013) which necessitated transitional measures across sectors (until 2015). However, this did neither coincide with the end of the Commissions mandate nor the EPs legislative period.



The Future CAP post 2020





The Future CAP post 2020

Agriculture is, and must continue to be, at the core of the European Union as a strong, common and adequately financed policy. Farmers, play a vital role in providing food as well delivering territorial, environmental and social objectives. Therefore, Copa and Cogeca call for a common, strong, simpler and more sustainable CAP. A policy with a long-term vision that supports farmers delivering food security in the EU and providing safe, quality, nutritious food produced in a sustainable manner.

#FutureofCAP must be:

COMMON

Common rules and common financing are fundamental to secure a well-functioning EU Single Market and prevent distortion of competition whilst taking into account the diversity of European agriculture. The future CAP must deliver to all EU citizens and farmers and therefore any renationalisation of the CAP is unacceptable.

STRONG

Farmers are the first producers of food. The CAP therefore must ensure a strong, economically viable and competitive agriculture all across the EU, for the benefit of consumers and farmers. It is important to maintain two strong pillars of the CAP, and not to favour transfers between the pillars (mainly from first to second), in particular if there is not corresponding national co-financing. Since the share of farmers' income from the market has been declining as result of the difficult market situation in the past years a strong CAP support is even more relevant. In this context, it is necessary to improve and further develop market safety nets in order to curb the impacts on farmers income of market volatility.

SIMPLE

The future CAP must be more efficient, simpler and easier to use for all beneficiaries. It also needs to assure simpler and more effective ways to positively communicate on why, how and for whom the CAP budget is and will be spent, as well as on how important it is to keep rural areas viable and the need for competitive farming system in EU. Simplifying the CAP must go beyond the current simplification exercise and it must deliver policy measures that are simple, effective, and easily implementable by farmers

SUSTAINABLE

The agricultural sector needs long-term stability of its policy framework in order to deliver an economically viable and sustainable farming sector. For farmers, forests holders and agri-cooperatives sustainability is the most important element for the entire CAP. Economic, environmental and social sustainability are at the core of any farm and agri-cooperative business, these are interdependent aspects that mutually strengthen one another. Therefore, the future CAP must ensure a balanced and comprehensive approach addressing all three dimensions. Some of the main elements the future CAP needs to tackle in order to assure a sustainable agriculture long-term are:

- Climate change and Sustainable Development Goals (SDGs)
- Improving market resilience and risk management
- Strengthen farmers' position in the food supply chain, supporting agri-cooperatives & producer organizations (POs)
- Rural development and Cork 2.0
- Investment support and improving infrastructures (European Fund for Strategic Investment - EFSI)
- Generation renewal including access to land



Introduction

All European citizens depend and rely on a well-functioning and competitive agricultural sector that provides safe, quality, nutritious food produced sustainably throughout the EU territory. The society also demands food being produced in a manner that protects the countryside, the environment, the welfare of animals, enhances biodiversity and contributes to combat climate change. Family farms, agricultural cooperatives and other agricultural undertakings in all their diversity play a key role to achieve these objectives.

This also has the support of a majority of citizens as reported by a Special Eurobarometer Survey¹ that looked at the relationship between Europeans, agriculture and the CAP. Nine out of ten respondents indicated that agriculture and rural areas were important for their future. An overwhelming majority of 87% were against any decrease of the CAP budget, with 45% demanding an increase.

The CAP is, and must continue to be, the policy that supports European farmers to deliver an adequate supply of food as well public goods thus generating benefits for citizens and consumers. Furthermore agriculture and forestry can also contribute to meet the Climate and Energy targets in providing renewable and climate friendly raw materials.



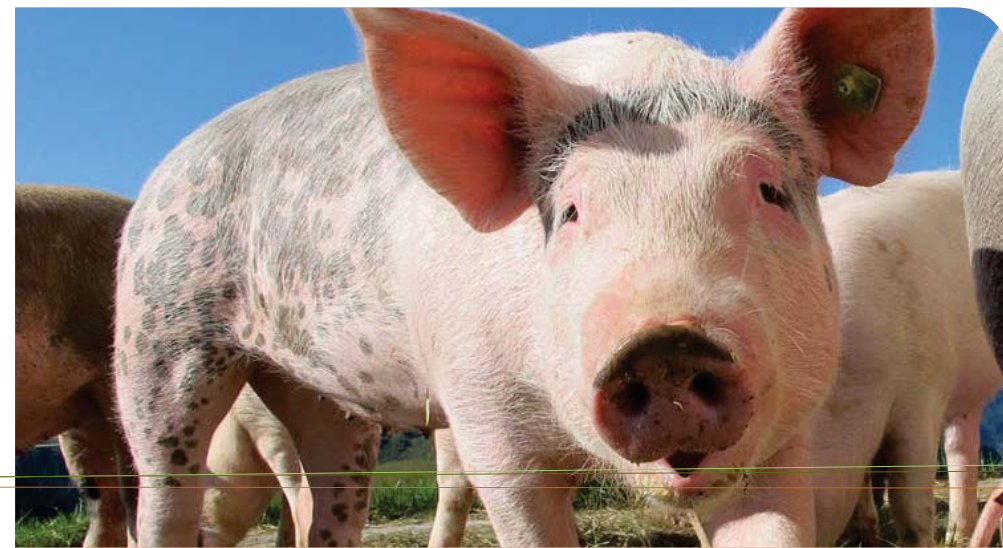
The CAP is, and must continue to be, the policy that supports European farmers to deliver an adequate supply of food as well public goods thus generating benefits for citizens and consumers.

The CAP also contributes to a stable rural environment and employment for the 40 million people working in the agri-food chain, at a time where the EU faces a number significant challenges.

The recent crisis have clearly showed that the policy tools in the current CAP are not sufficiently adapted to the market conditions, hence the need to modernise the CAP. In these challenging times, a truly strong and common CAP can contribute not only to strengthen Europe but also to contribute to the priorities of the Juncker Presidency (e.g. jobs and growth). The Commission President himself outlined his support at the 2016 Agricultural Outlook Conference: "Europe will always stand by its farmers!"

Modernising the CAP also means developing strong synergies with other policy areas such as research and the digital single market agenda. New advances and innovation uptake and use will strongly drive growth & development in the agricultural sector and contribute to improve the sustainability, viability and competitiveness of the sector. Developments in new information and communication technologies (ICT), broadband infrastructures and access and digitalisation are particularly relevant to improve the sector's performance.

Simplifying the CAP must go beyond the current simplification exercise by Commissioner Hogan and deliver policy measures that are simple, effective, and easily implementable by farmers.



¹ See Special Eurobarometer 440 Report "Europeans, Agriculture and the CAP" [COM(16)35 (rev.1)], published January 2016.

Objectives of the CAP

In earlier discussions² Copa and Cogeca have agreed that the current objectives of the CAP as established under article 39(1) of the TFEU remain equally relevant today.

Agriculture is, and must continue to be, at the core of the European Union as a strong, common and adequately financed policy. Common rules and common financing are fundamental to secure a well-functioning

Single Market and prevent distortion of competition whilst taking into account the diversity of European agriculture. In this context any renationalisation of the CAP is unacceptable.

Farmers, unlike any other economic sector, play a vital role in providing food as well delivering territorial, environmental and social objectives, as clearly recognised by the 2014 Council declaration on the multiple objectives of agriculture.

² See conclusions [PAC(16)4415 (rev.1)] from the Workshop on "Main Challenges for a future CAP" held on 13th May 2016.

The CAP must continue the market orientation from earlier reforms. However it must be recognised that the market alone will not deliver and adequately remunerate these multiple objectives. The fact the share of farmers' income from the market has been declining as result of the difficult market situation and an underperforming food supply chain makes the maintenance of CAP support even more relevant.

In this context, it is necessary to improve and further develop market safety nets in order to curb the impacts on farmers income of market volatility.

This is even more relevant in a period where the urban/rural gap is increasing and it is necessary to ensure financial solidarity so as to guarantee economic and social cohesion all across the EU.

Farmers, unlike any other economic sector, play a vital role in providing food as well delivering territorial, environmental and social objectives, as clearly recognised by the 2014 Council declaration on the multiple objectives of agriculture.

Importance of a strong CAP

Copa and Cogeca call for a strong, common and adequately financed CAP that support farmers delivering food security in the EU as well as providing safe, quality, nutritious food produced in a sustainable manner.

The CAP also contributes to a stable rural environment and employment for the 40 million people working in the agri-food chain, at a time of severe unemployment in the EU.

The geo-strategic importance of the agricultural sector must not be overlooked as farmers are the ones producing food for consumers in the EU and in third countries.

Farmers are indeed the first producers of food. In addition the CAP must ensure a strong, economically viable and competitive agriculture all across the EU, for the benefit of consumers and farmers alike.

Copa and Cogeca have underlined the importance of two strong pillars of the CAP, and do not favour transfers between the pillars (mainly from first to second), in particular if there is not corresponding national co-financing.

Pillar I is the basis of the common EU approach across all farms, supporting farm incomes, ensuring farming sustainability, the maintenance of viable food production and food security. Taking into account Member States differences in structures and historic developments capping and degressivity are unacceptable.

Pillar II provides tailor made solutions at farm level, from investments to specific measures (e.g. agri-environment-climate measures, ANC and animal welfare) that respond to societal expectations and supporting the entry of younger farmers to the sector. The subsidiarity part is the core element of the Rural Development policy which allows Member States to better target support whilst maintaining the element of communality of policy that is so important. A strong financial commitment is required from Member States for the Rural Development policy.

A CAP that compensates for natural handicaps. In addition to direct payments, the ANC (Areas with Natural Constraints) measure, in particular, must continue to play an important role in the future CAP due to its crucial role in maintaining

the viability of rural areas that have natural or other specific constraints including the mountain areas. This targeted measure contributes to the continuation of the use of land and the maintenance and promotion of sustainable agriculture production in these areas. The ANC measure is critically important to prevent land abandonment and contribute positively to biodiversity, water management and jobs in the rural areas. Member States should however be given enough flexibility, also in the future, to implement this measure.

All the arguments above are consistent with the maintenance of the CAP support only to active farmers in producing food, feed, fibres and renewable energy – those who actively contribute a sustainable sector and provide public goods and growth.

It is of paramount importance to ensure an adequate and common funding for common policies, especially in what regards the level of CAP funding. This is very much relevant, not only in the context of the current MFF and the post 2020 MFF but especially also in view of the budgetary implications of Brexit.

In order for the CAP to reach its goals and also, contribute to new challenges, the post 2020 MFF must therefore ensure an increase of the funding for the CAP. This is necessary in view of the economic hardships being faced by farmers in recent years³ and the additional requirements that they have had to carry. This would provide the means for farmers to contribute to feed consumers, fight climate change, improve environmental performance and maintain vibrant rural areas, and, globally contribute to create growth and jobs in the EU.

Further to this, it is vital to develop, in collaboration with all relevant stakeholders, simpler and more efficient ways to positively communicate on why, how and for whom the CAP budget is and will be spent, how important it is to keep rural areas viable and the need to have competitive farming systems. The examples and stories of millions of farmers can actually contribute to this.

All these elements will help EU to improve the performance of the policy and to better communicate on its achievements to citizens and tax payers.



It is of paramount importance to ensure an adequate and common funding for common policies, especially in what regards the level of CAP funding.

The CAP costs less than 1% of the total EU public spending and the per capita spending on the CAP has decreased by 30% over the past 25 years. This is a good investment and it also contributes decisively to the priorities of the Juncker Commission (e.g. growth & jobs).

³ Farmers income in the EU has decreased in four of the last five years and it currently represents less than 50% of average earnings in other economic sectors.

The geo-strategic importance of the agricultural sector must not be overlooked as farmers are the ones producing food for consumers in the EU and in third countries.

The future CAP must ensure a sustainable european agriculture



In the context of the current discussions of the CAP post 2020 the focus must be on improving the current policy structure and measures rather than on a major policy overhaul. The agricultural sector needs long-term stability of its policy framework in order to deliver an economically viable and sustainable farming sector.

An economically viable, market oriented agricultural sector is a pre-condition to deliver public and environmental goods and services for the benefit of the society.

Simplification

What is at stake is to improve the effectiveness and the implementation of the current policy whilst making it simpler and easier to use for all beneficiaries. The CAP is still, and probably more than ever, an extremely complex policy despite the simplification exercise currently being carried out by Commissioner Hogan. This complexity in the implementation, follow-up, use, controls and audits doesn't serve the farmers nor anyone else and furthermore endangers sustainability. In particular a less detailed structure of the Rural Development Policy (e.g. priorities and focus areas) would contribute to simplify the delivery of the policy and therefore benefiting administrations and farmers alike.

The agricultural sector needs long-term stability of its policy framework in order to deliver an economically viable and sustainable farming sector.

The control system for the implementation of both Pillar I and Pillar II measures must also be addressed during the simplification exercise due to the direct impact on farmers. Currently, farm inspections are extremely complex, time consuming, bureaucratic, inefficient in terms of cost/benefit and cause farmers an unbearable level of risks and uncertainty. The single-audit principle should be the basis for both the EAGF and EAFRD. The number of on-the-spot-checks (OTSC) must be reduced.

The sanctions system must also be revised and simplified as it has a significant effect on farmers' activities and their participation in various measures. As it currently stands, sanctions are too complex and too severe (not proportionate). Sanctions should therefore be clear, understandable, proportionate and fair, otherwise they could jeopardise the continuation of farming activities. In the context of the current payments and controls system, a sufficient level of tolerance must be found taking into consideration risks, control costs and the level of payments.

Among the current policy measures, greening, in particular, must be streamlined and simplified by implementing practices consistent with agricultural activities normally carried out by farmers.

The system should evolve from a "controls and sanctions" approach to a "guidance and corrections" one.

Furthermore an increased use of digitalisation, remote sensing and ICT, can contribute to improve efficiency, accuracy, quality and timeliness of controls and audits whilst effectively reducing red tape not only for farmers but also for administrations (both national and European). Connected farmers should be encouraged and rewarded for their own actions in using ICT tools.

Among the current policy measures, greening, in particular, must be streamlined and simplified by implementing practices consistent with agricultural activities normally carried out by farmers. This must be done in compliance with the political agreement from 2013 of a production-oriented greening. The current proposals are not simple and furthermore they undermine the production potential of European agriculture.

Copa and Cogeca are currently looking at tangible proposals for the simplification of greening and cross-compliance obligations that will be presented at a later stage.



Sustainability, Climate change and SDGs

For farmers, forests holders and agri-cooperatives sustainability is the most important element for the entire CAP. Economic, environmental and social sustainability are at the core of any farm and agri-cooperative business, are interdependent and mutually strengthen one another. The future CAP must ensure a balanced approach between these three dimensions. European farmers' economic viability and competitiveness is crucial so that they can deliver on the environmental and social sustainability dimensions.

Agriculture and forestry cover more than 75% of the land in the EU and play a crucial role in ensuring a sustainable management of natural resources. The availability and quality of natural resources is paramount for the farming sector to ensure sustainable business opportunities from an environmental point of view. Farmers and forest holders always pay close attention to the inextricable links between land management, the environment and ecosystem services in their daily activities.

Farmers are, and have been, committed to the adoption of new management practices that reduce their environmental impact and enhance sustainability.

Sustainable EU agricultural and forestry practices balance various needs and deliver benefits, such as healthy and safe food, renewable and climate friendly raw materials to further develop the EU bio-economy, ecosystem services, recreational activities for society, mitigation and adaptation to climate change, and protecting key habitats and nature.

Agricultural production is dependent on the environment. Farmers are, and have been, committed to the adoption of new management practices that reduce their environmental impact and enhance sustainability. Society thus benefits greatly from ecosystem services delivered by farmers, and farmers must be recognised and supported for providing these services and for using natural resources more efficiently.

Maintaining and creating jobs, ensuring growth and competitive business through investments in the agriculture and forestry sectors are some of the most important elements of the socio-economic part of sustainability. In this respect we must ensure that the agricultural and forestry sector has a strong focus on generation renewal and becomes more attractive to new (younger) entrants thus competing with other economic sectors. Support provided must cover not only the transfer of farming businesses but also of start-ups.

The adoption by the United Nations of the Sustainable Development Goals (SDGs) and the outcomes of the Paris agreement on Climate Change represent additional challenges to improve the sustainability status and performance of farms. Further to this the SDGs and the Paris agreement must be integrated in EU policies as both the EU and MS are legally bound by them.

Resource efficiency⁴ and the promotion of an active land management⁵ are part of the tool box of the agriculture and forestry sector to adapt to and mitigate climate change. In addition to these elements, rural development measures can support practices that actively reduce greenhouse gas emissions and plans for carbon auditing. Investment in irrigated agriculture areas and adequate drainage systems can also reduce GHG emissions caused by water extraction and irrigation, and improve the sustainability of water use whilst furthering climate resilience.

⁴ Resource efficiency – producing more by using less and supporting a climate resilient agriculture.

⁵ Promote active land management – prevent land abandonment and support carbon sequestration.

Only through farmers' efforts in climate change adaption and mitigation can we contribute to a sustainable and competitive agri-food chain that provides safe, quality and nutritious food to consumers in Europe and elsewhere in the World.

Therefore farmers as land managers play an active and relevant role in contributing to environmental sustainability. Only through farmers' efforts in climate change adaption and mitigation can we contribute to a sustainable and competitive agri-food chain that provides safe, quality and nutritious food to consumers in Europe and elsewhere in the World.

In particular the legislative proposals on Climate Change and energy policy must take into consideration relevant agricultural aspects. When it comes to this agriculture is clearly part of the solution. Farmers are committed to this process.





Improving market resilience and risk management⁶

Farmers and agri-cooperatives have been facing in recent years greater market fluctuations as well as a significant increase of risks derived mostly from greater market volatility; more exposure to new animal and plant diseases; and an increased frequency of extreme weather events due to climate change. More recently the agricultural and forestry sector have also been facing market disruptions resulting from political decisions.

Direct payments provide a basic income level that ensures stability, secure liquidity for farmers (regardless of the size and management form of the farm) and certainty in face of market volatility which in turn guarantees food security, employment and sustainability.

The presence and incidence of such risks has different impacts on regions, Member States and sectors as it depends on numerous factors, such as type of product, international markets, market management, or natural and climate conditions.

Some of these risk factors are interconnected. For instance, climate change may lead to variations in weather conditions and therefore changes to ecosystems, thus leading to new opportunities for pests and diseases to develop.

All this, combined with an increasingly more open EU market and international trade flows, has created disruptions on markets, in addition to low prices resulting in an extremely low level of cash-flow for farmers across the EU. These risks increase uncertainty for production and certainly impact on farm income.

Direct payments provide a basic income level that ensures stability, secure liquidity for farmers (regardless of the size and management form of the farm) and certainty in face of market volatility which in turn guarantees food security, employment and sustainability.

Decoupled direct payments support farmers in their activity of agricultural production that respects production standards with regards to quality, food safety, animal welfare, environment and climate. Direct payments should be granted only to active farmers who contribute to food security and deliver public goods and services.

Further progress in harmonising the comparative level of direct payments between Member States, taking into consideration differences in conditions, should be pursued to contribute to viable rural areas across the EU.

Coupled payments must continue under precise and limited conditions to support sectors, especially livestock production, in regions where other policy tools are not available or are less efficient.

As stated above for Copa and Cogeca direct payments are still the main tool to support and stabilise farm income. In addition, more efficient and better functioning tools must be designed and implemented. This would make it possible to better address market volatility, the serious consequences of animal and plant disease outbreaks, and weather extremes. Such tools should complement the existing system of direct payments and market management measures, and, under no circumstances, replace them.

Copa and Cogeca also believe that the different risk management tools must be complementary. These tools include national schemes and income taxation systems to address income volatility. Such an approach would allow farmers to benefit from a wide range of tools covering different risks, be they economic, climatic, sanitary, etc.. These tools must, however, be voluntary for Member States to apply.

In what regards market risks, it is necessary to maintain the current measures to cope with market volatility – direct payments, market safety nets and risk insurance. These measures need to be speedier both in their activation and in their results. Furthermore, market risks can also be managed by obtaining better market access for European agriculture and food products in export markets.

The current EU veterinary and phytosanitary fund should be maintained and continued in the future, with the aim to prevent and reduce the number of outbreaks.

The existing market management tools such as intervention and private storage aid still have a part to play in reducing risk for the farming community across all of Europe.

Copa and Cogeca want to highlight the important role of the safety nets. It is crucial for market management measures to help producers cope during periods of low market prices and/or rapid increases in costs, as well as high price volatility, for both inputs and production.

Market management through intervention requires a review of reference prices in order to take into account higher production costs. However, this adjustment must not lead to permanent stock accumulation and should be managed cost neutral for the EU-budget long term. In any case, these measures may not suppose a renationalisation of market tools.

Well-functioning derivative markets, including future markets, play an important role in reducing price volatility impacts. It is therefore essential to allow farmers and agri-cooperatives to engage in forward trading. The specific nature of farmers and agri-cooperatives should be taken into account in the process to review the Markets in Financial Instruments Directive. Efficient and well-functioning futures markets help farmers and agri-cooperatives to manage risks and reduce their reliance on one single outlet. Futures markets should also be further developed, its' operations improved and extended to other commodities.

It is crucial for market management measures to help producers cope during periods of low market prices and/or rapid increases in costs, as well as high price volatility, for both inputs and production.

This requires among other a number of conditions such as data collection on prices, margins and its transmission along the food chain. These are consistent with the recommendations of the Agricultural Markets Task Force.

As farmers are the first producers of food it is important that other policies (e.g. trade policy, promotion policy) also play a positive indirect role in supporting farmers income by facilitating exports of EU agri-food products to third countries. In this context an European export credit scheme could contribute to alleviate the pressure in EU markets and reduce market risks.

It is especially important that farmers can access adequate advisory, networking and training services to improve the knowhow about markets and to develop the best appropriate resilience and risk management strategies for the individual farm environment.

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⁶ See reflection document on the role of risk management tools under the future CAP [RM(16)4584 (rev.7)]



Strengthen farmers' position in the food supply chain, supporting agri-cooperatives and POs

Whilst the extension of POs to all sectors in the current single CMO regulation is positive, the current provisions haven't yet contributed significantly to improve farmers' position in the food value chain.

It is fundamental to ensure that agricultural cooperatives, POs and APOs fulfil the following criteria as a precondition for eligibility of support: economic responsibility; adequate resources and structures; minimum number of members, and; mandatory marketing of members' production. The precise conditions should be individually defined for each sector so as to take into consideration its specific characteristics.

Recognising the specificities of the agricultural sector and allowing farmers to work collectively are two fundamental pre-conditions to strengthen farmers' position in the food supply chain and consequently improve their bargaining power.

Measures supported must go beyond the simple concentration of supply and must support value adding activities in the production of food, development of alternative products as well as placement on the market.

Steps must therefore be taken to remove blockages that prevent agricultural cooperatives, POs and APOs to make the full use these provisions.

Among these blockages is the competition policy that needs to be revised (in line with the recommendations of the Agricultural Markets Task Force report). Recognising the specificities of the agricultural sector and allowing farmers to work collectively are two fundamental pre-conditions to strengthen farmers' position in the food supply chain and consequently improve their bargaining power. Without legal certainty regarding joint action farmers' uptake and use of these measures will be minimal. In this context a modernisation of the competition law should be envisaged.

These measures must also promote, whenever necessary, the setting-up of agricultural cooperatives, respect the integrity of existing ones, facilitate concentration and should be non-distortive from a competition policy angle as well as contribute to a well-functioning Single Market.

Broader aspects related to improving the efficiency of business-to-business (B2B) commercial relations and curbing unfair trading practices (UTPs) should be tackled under other policy areas rather than through the CAP.

Rural development and Cork 2.0⁷

The Rural Development Policy (Pillar II) must provide the right tools for farmers to deliver public goods and services to society whilst ensuring a fair income for farmers and a competitive and market-oriented agricultural and forestry sector. The Rural Development Policy must be strengthened through a long-term coherence with other EU policies supporting rural areas in the provision of the necessary infrastructures and services, in promoting generation renewal and fostering both innovation and efficiency.

Copa and Cogeca believe that the rural development (Pillar II) policy must continue to focus on farmers as they are the backbone of the economy in many of EU Member States.

Agriculture and forestry still provide most jobs in rural areas and farmers are the main actors to preserve natural resources across the European landscape.

The Cork 2.0 declaration "A better life in rural areas", covering several policy areas, recognises the current challenges faced by farmers and proposes solutions to further support the sustainable growth of both the farming sector and of rural areas.

⁷ See also the future of Rural Development Policy: Contribution to the implementation of the Cork 2.0 Declaration [DR(17)1180 (rev.4)].



Copa and Cogeca believe that the rural development (Pillar II) policy must continue to focus on farmers as they are the backbone of the economy in many of EU Member States.

For European farmers, forest holders and agri-cooperatives the implementation of the Cork 2.0 Declaration and the modernisation of the CAP should focus on the 3S – Sustainable and Smart agriculture and forestry and Simpler EU and national policies. In addition to this, the four building blocks of the declaration – 1. Jobs, growth and investment in the agri-food supply chain and the wider rural economy; 2. Rural environment, climate & water; 3. Targeting innovation to farmers' needs, and; 4. Rural viability – must be a central part of the 3S.

Furthermore, Copa and Cogeca would like to stress that rural development as a relevant horizontal policy area, should be covered by all ESI-funds and not only by EAFRD.



For European farmers, forest holders and agri-cooperatives the implementation of the Cork 2.0 Declaration and the modernisation of the CAP should focus on the 3S – Sustainable and Smart agriculture and forestry and Simpler EU and national policies.

Investment support and improving infrastructures (EFSI)

Further to investment support under the framework of the Rural Development Policy, the EIB Group must maintain and further develop its facilitator role when it comes to access to credit for the agri-food sector. The EIB Group must also continue to design and develop simpler, more flexible and targeted Financial Instruments (FIs) for the agri-food sector. These FIs must be used complementary to the use of grants under Rural Development and not instead of them. Furthermore EU legislation must not favour one tool against the other.



It is necessary to guarantee the functioning of EFSI (European Fund for Strategic Investment) as a driver for infra-structure development (e.g. transport, stocking, digital networks) across the EU, in particular in the most recent Member States of the EU. This will contribute, directly and indirectly, to improve the competitiveness and sustainability of the agricultural sector.

Particular attention must be paid to the upcoming legislative proposals related to Basel 3.5 as they might have a strong negative impact both on the access and the cost of credit for the agri-food sector. Given the fact that most loans in the agricultural sector are financed against collateral, the proposals may lead to less availability of credit and/or to less favourable lending conditions. This will definitely have an impact to the competitiveness of the agricultural sector.



Generation renewal including access to land

In the future CAP a number of more targeted and efficient measures addressing generation renewal must be put in place to increase the number of new younger entrants in the sector, improve social sustainability and prevent desertification of rural areas.

These measures should be introduced preferably within the Rural Development Policy supporting the setting-up of new and younger farmers (regardless of the legal form) and be combined with on-farm investment support. In addition to these, longer-term measures accompanying the farm business development must be made available to improve their start-up success rate. Member States and regions should be obliged to make them available for farmers.

Advisory, networking and training services should be made available to improve the knowhow and competences of younger farmers benefiting from this targeted support.

Member States should be encouraged to facilitate access to land to younger entrants to the sector by way of increasing land mobility and access to land and facilitating access to credit.

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COPA AND COGECA:

THE VOICE OF EUROPEAN FARMERS
AND EUROPEAN AGRI-COOPERATIVES

Copa and Cogeca are the united voice of farmers and agri-cooperatives in the EU. Together, they ensure that EU agriculture is sustainable, innovative and competitive, guaranteeing food security to half a billion people throughout Europe. Copa represents over 23 million farmers and their families whilst Cogeca represents the interests of 22,000 agricultural cooperatives. They have 66 member organisations from the EU member states. Together, they are one of the biggest and most active lobbying organisations in Brussels.

Copa-Cogeca

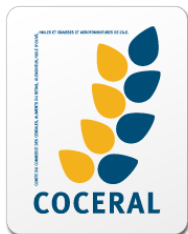
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Comité du commerce des céréales, aliments du bétail,
oléagineux, huile d'olive, huiles et graisses et agrofournitures

March 2021

The Common Agricultural Policy towards 2030 COCERAL vision for the EU Agriculture

The agribulk commodities trade sector plays an important role in maintaining food security in the EU, by moving agricultural commodities from areas of surplus to areas of deficit in an efficient way. Thanks to its position in the EU supply chain, COCERAL and its members balance the different requests of the food, feed and non-food markets, from the farmers, processing industry and the consumers through the retailers' demands. Our businesses thrive on seamless supply chains, which need clarity, predictability and clear regulatory regimes in order to avoid disruption.

Through this short position paper, COCERAL would like to highlight important concepts for a successful EU Agricultural sector and Common Agricultural Policy (CAP).

COCERAL recognises the importance of transitioning towards a more EU sustainable food system as set out in the EU Green Deal and related policies such as the EU Farm to Fork and the Biodiversity Strategies. The new CAP envisioned by the EU policy makers needs to be fit to address both the challenges of the European agricultural production and the need to increase the competitiveness of the supply chains for the next decades.

A sound development and implementation of CAP National Strategic Plans, while maintaining market orientation based on consumer demands, will be key. It is essential to preserve the level-playing field in the EU Single Market while ensuring sufficient budget and incentives are available to support the climate and environmental transition. COCERAL believes that having a strong Single Market and a coherent EU agricultural policy is beneficial for all actors of the supply chain. Measures focusing on innovation, technology and education will be critical in helping the EU agricultural sector to adapt to the changes in climate and in consumer demands, notably as regards to sustainability.

Furthermore, when seeking to implement the EU Farm to Fork targets through the CAP National Strategic Plans, other elements need to be taken into account to mitigate impacts on farmers to avoid disruptions for the entirety of the food chain. These should include tools such as alternative and effective measures to the use of Plant Protection Products and better access to innovative technologies and flexibility for agriculture practices. Additional logistical solutions should be considered throughout the supply chain so that operators can adapt to the new EU vision for the agri-food sector.

An ambitious trade policy, supporting trade openness and diversification, is also a fundamental element in building a resilient feed and food chain and maintaining the EU's position as a major player in the global agri-food market.

As a key framework for the whole food and feed supply chain, the CAP towards 2030 should be a dynamic, sustainable, innovative and competitive policy factoring in its crucial priority of maintaining food security in the EU and globally.

COCERAL is the European association of trade in cereals, oilseeds, pulses, olive oil, oils and fats, animal feed and agrosupply. It represents the interests of the European collectors, traders, importers, exporters and port silo storekeepers of the above-mentioned agricultural products. COCERAL's direct members are located in 14 EU countries, with one European association, Unistock representing the professional portside storekeepers for agribulk commodities within the EU and one associated member in Switzerland. With about 3000 companies as part of COCERAL national members, the sector trades agricultural raw materials destined to the supply of the food and feed chains, as well as for technical and energy uses. Gafta is an extraordinary member of COCERAL.



27th April 2017

CELCAA preliminary comments on the consultations of future of the Common Agricultural Policy

CELCAA, the European Association representing the trade in agri-food and agri-commodities in the EU, is pleased to contribute to the debate on the future of the Common Agricultural Policy launched by Commissioner Hogan in February 2017. CELCAA represents the EU traders of agri-food commodities and in this capacity, has a key interest in the future of the Common Agriculture Policy.

CELCAA believes that the future Common Agriculture Policy (CAP) should:

- deliver high standard and affordable products for the internal market and export markets;
- be in full coherence with other policies and instruments of the European Union, including food, trade, competition and environmental policies;
- maintain its market-orientation whilst providing mechanisms to prevent or manage crises (safety net, risk management tools or exceptional measures);
- simplify market instruments such as trade mechanisms by making them more transparent and efficient;
- support market transparency to help private operators make the right commercial decisions;
- contribute to mitigate climate change and therefore efforts to make CAP more sustainable should be fostered;
- enhance quality policy with adequate tools such as Integrated Pest Management (IPM), Good Agricultural Practices (GAP) and marketing standards with due consideration of DG SANTE food policy and international standards;
- support employment in rural areas, in line with the Lisbon Strategy, focusing also on social sustainability adopting good Agricultural Labour Practices (ALP);
- contribute to research and innovation in the agriculture and food sector to maintain the competitiveness of the EU agri-sector;
- position agricultural products in the EU trade policy and facilitate market access for EU products in third countries, among others, by addressing SPS issues;
- enhance policy on promotion and information in order to support producers of agri-products to sell their products on an increasingly competitive market;
- continue supporting the integration of the EU single market.

The CAP should continue to deliver high standard and affordable products for the internal market while enhancing competitiveness on the international market.

The sustainable agricultural production that contributes to food security and retains employment in rural areas, in the EU and worldwide should continue to be the primary objective of the CAP. The EU is the first trading partner worldwide in agricultural products, both in terms of imports and exports. Agricultural trade contributes to the economic growth in the EU agri-sector, and hence to the support of the farming community and rural areas of the EU, by trading goods from areas of surplus to areas in shortage.

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The world's population today is 7.3 billion and is projected to rise to 10 billion in the year 2056. The increase in food demand worldwide, driven by the combination of population growth, increasing income per capita and scarcity of food production in some areas of the world will challenge global food security. The FAO has projected the need of 60% increase of agricultural production by 2050 compared to 2007.

The future CAP should therefore continue to deliver sufficient quantity of products at an affordable price while meeting the high level standards set in the EU.

The CAP should maintain its market-orientation and develop right risk management tools, while providing a safety net in case of crisis.

The successive reforms of the CAP to make European agriculture more market-oriented have been a success. Europe is self-sufficient for many agricultural products and is competitive on world markets. The future reform of the CAP should therefore maintain and foster its market orientation policy in order to reach its objective.

The economic sustainability of the agricultural sector is vital to guarantee a successful food supply chain. Therefore, the trading community recognises that a safety net is needed for farmers, in times of market disruption and crisis. This safety net can take the form of public intervention, private storage or emergency measures, and should be decided after consultations with stakeholders. It should also provide schemes to address exceptional circumstances such as (political) embargoes with adequate non-distortive measures.

Looking to the next CAP, there are opportunities for risk management strategies to play a bigger role. Risk management tools, such as insurance products, mutual funds or future markets can be used as part of a risk management strategy to provide greater income stability and business protection with regard to both commodity markets and longer term environmental challenges such as climate change.

The CAP should promote further simplification to enable private operators to make the right decision and support the functioning of the market.

The market instruments relating to the CAP should continue to be simplified and modernized leading to more efficiency and transparency, and less trade distortion. This refers in particular to the management of TRQ or the functioning of minimum import prices.

The CAP should enhance market transparency to support the functioning of the market.

For the market to function, there is the need for market information to be comprehensive, reliable and timely available to private operators through the food chain to provide them with the right signals. Increased market transparency is essential for the development of risk management tools and strategies. Existing initiatives such as the Agri-Outlook studies or the market observatories for milk, meat and grains have a positive track record and should be further improved and developed for other sectors.

The CAP should enhance food quality by complementing international standards and DG SANTE food and non-food policies.

The EU aims to assure a high-level quality of its agricultural products. To achieve and maintain this level, adequate tools on Integrated Pest Management (IPM), Good Agricultural Practices (GAP) and marketing

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standards are required. The CAP needs to complement those policies and standards. In light of the EU's commitment to the Sustainable Development Goals (SDG) and climate change commitments, IPM promotes a more sustainable use of pesticides via low pesticide-input management. For this, the CAP should complement and be consistent with DG SANTE's policies, and ensure to be coherent and complement international standards such as those of UNECE/CODEX.

The CAP should enhance promotion policy.

The CAP should ensure the continuation and enhancement of current promotional measures both for the internal and international market. The visibility of the origin, as well as a guarantee of a maximum flexibility for the priorities of the action, should be a key objective for securing the best efficiency of the program and best return on investment.

To be fully effective, promotion programmes could be paired with a tool aiming at improving market access to third countries by tackling Technical Barriers to Trade (TBT). The increasing number of TBT that the EU agri-food sector has to face is limiting its expansion and reducing its access to new markets. A tool to tackle TBT could take the form of a fund, which could be used by either associations or companies, to finance analysis and studies relating to market access in third countries or to cover the cost of hiring consultants when a technical dossier has to be presented. This would benefit all agri-sectors, as all companies willing to export to the third country in question will profit from the opening of the market through a collective and mutualized action.

The CAP should promote and stimulate research and innovation in the agriculture and food sector to maintain the competitiveness of the EU agri-sector.

The future CAP should maintain sufficient funding to guarantee public and public-private research in the agriculture and food sector. Innovation is one of the key drivers to enhance competitiveness in the agricultural sector. Innovation in the sector should be promoted through public research and public-private consortia.

The future CAP should therefore continue to stimulate research and innovation under a continuation of the Horizon 2020 scheme and in the European Innovation Partnership (EIP). While focusing on priorities to improve the quality and competitiveness of EU agriculture products, the strategy should be geared towards a supply chain approach, also considering aspects relating to packing, storage and distribution, cold chain efficiency, sustainability and nutrition, involving all the partners of the supply chain in research and innovation projects.

The CAP should be complemented by the EU Trade policy.

The EU trade policy should be complementary to the CAP to guarantee affordable supply of products needed in the EU while promoting EU exports to third country markets. The Russian ban has demonstrated the need to diversify export markets, and the efforts of the Commission to find alternative export markets are much welcomed.

Therefore, while recognizing that discussions in the WTO are key to develop multilateral rules, CELCAA encourages the bilateral negotiations undertaken by the European Commission to conclude new generation FTAs. CELCAA has welcomed the outcome of negotiations between the EU and Canada as a balanced outcome for the agricultural trade sector, and calls on the EU to finalise in a timely manner the negotiations with Japan.

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FTAs with Indonesia, Mexico and Mercosur will also provide exports opportunities while taking account of EU agricultural sensitivities.

The CAP should maintain the integrity of the EU single market and help tackling growing protectionism.

The future CAP should continue promoting the integrity of the EU single market. Many Member States are today tempted by nationalist and protectionist measures that risk to jeopardize the benefits of the single market.

The CAP budget should be in line with the ambitions set.

The budget shall allow the CAP to effectively deliver on the policy objectives. While there is uncertainties regarding the impact of Brexit on the CAP budget and while the budget will be up to negotiations and arbitrage, CELCAA calls for a budget that allows the CAP to deliver on the policy objectives set.

***CELCAA** is the EU umbrella association representing EU organisations covering the trade in cereals, grains, oils and fats, sugar, fruit and vegetables, olive oil, agro-supply, animal feed, wine, meat and meat products, dairy and dairy products, eggs and egg products, poultry and game, tobacco, spices, cut flowers and plants and general produces. Members include CEEV, CIBC, COCERAL, EUCOLAIT, EUWEP, FETRATAB, GAFTA, SACAR and UECBV. CELCAA's main objectives are to facilitate understanding of European decision-makers and stakeholders on the role played by the European traders in agri-products; to act as a platform of dialogue and communication with the European Institutions and to encourage public and general interests in agri-trade issues.*

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Bund Ökologische Lebensmittelwirtschaft

Starke Höfe, gesunde Umwelt, lebendige Dörfer: Für eine zukunftsfähige Gemeinsame Agrarpolitik der EU

Das BÖLW-Nachhaltigkeitsmodell für eine zukunftsfähige Landwirtschaft

Die Reform 2020 soll für einen Umbau der Gemeinsamen Agrarpolitik der Europäischen Union (GAP) hin zu mehr Nachhaltigkeit durch eine echte Honorierung von öffentlichen Leistungen der Landwirtschaft genutzt werden. Das Nachhaltigkeitsmodell, das mit diesem Positionspapier vorgestellt wird, zeigt auf, wie der Grundsatz „Öffentliches Geld für öffentliche Leistungen“ in der GAP wirksam umgesetzt werden kann.

Vorwort

„Beste Lebensmittelqualität“, „Tierwohl“ und „Umweltschutz“: Diese Begriffe nennen EU-Bürger, wenn man sie fragt, welche Art der Landwirtschaft sie wollen.¹ Die Landwirtschaft wird längst nicht mehr auf eine Rolle als Kalorienproduzent reduziert. Wie Bauern wirtschaften, hat direkte Auswirkungen auf unseren Boden, auf unser Wasser, Klima, auf die Artenvielfalt, auf unsere Gesundheit, auf die uns umgebende Landschaft und die Lebensbedingungen der Menschen anderswo.

Eine gesunde Umwelt entspricht den klaren Wünschen der Bürger und ist – auch auf globaler Ebene – unverzichtbare Voraussetzung für wirtschaftlichen Erfolg sowie politische und soziale Stabilität heute und in Zukunft.

Die GAP regelt dabei als zentrales Instrument, wie europäische Landwirtschaft funktioniert. Mit rund 40 % des Budgets der EU – etwa 55 Mrd. € jährlich – steuert sie wesentlich die Ausrichtung landwirtschaftlicher Betriebe. Und entscheidet darüber, was sich für Landwirte lohnt und was nicht. So bestimmt die europäische Agrarpolitik darüber, wie sich Landnutzung, Bodenfruchtbarkeit, Klima, die Haltung unserer Nutztiere und die Agrarumwelt entwickeln und wie damit der ländliche Raum gestaltet wird.

Die Akzeptanz der GAP, aber auch die Akzeptanz der Landwirtschaft als solches, lässt sich nur sichern und wiedererlangen, wenn es gelingt, dass Landwirte und Gesellschaft gleichermaßen von der Agrarpolitik profitieren.

Nur wenn mit der anstehenden Reform der GAP eine faire Partnerschaft zwischen Bauern und Gesellschaft etabliert wird, lässt sich die Investition von Steuergeldern in Leistungen der Landwirtschaft rechtfertigen und damit dauerhaft absichern. Politik muss die GAP als wirksames Instrument für eine zukunftsfähige, gesellschaftlich getragene, nachhaltige Entwicklung der Landwirtschaft nutzen und mit diesem dementsprechende Nachhaltigkeitsziele verfolgen und umsetzen.



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Zusammenfassung

Die Veränderungen der GAP durch die letzte Reform genügen nicht, um den Herausforderungen an eine zukunftsfähige, umweltverträgliche und von der Gesellschaft akzeptierte Landwirtschaft gerecht zu werden. Besonders dringender Handlungsbedarf besteht darin, die massiven negativen Umwelt- und Klimawirkungen der Landwirtschaft deutlich zu reduzieren und damit die Erreichung zentraler nationaler und europäischer Nachhaltigkeitsziele zu ermöglichen.

In der GAP werden beträchtliche Gelder nicht effizient verwendet, denn ein Großteil der Steuermittel belohnt durch Direktzahlungen aus der Ersten Säule mit der Gießkanne den Besitz von Land. Auch das 2013 eingeführte Greening hat sich als weitgehend unwirksam erwiesen, um die Landwirtschaft nachhaltiger zu gestalten. Darüber hinaus wirken die Direktzahlungen preiserhöhend auf Pacht- und Kaufmärkte von Böden. Ein bedeutender Teil der Zahlungen landet so bei den Landbesitzern und nicht bei den aktiven Landwirten.

Besonders durch eine Förderung der Produktionsausweitung im Bereich der Tierhaltung und den sich anschließenden Preisschwächen befeuert die GAP das dramatische Höfesterben der letzten Jahre, anstatt es zu bremsen.

Die Zweite Säule für die Stärkung von Agrarumwelt und ländliche Räume ist mit 95,6 Mrd. € im Vergleich zur Ersten Säule (312,7 Mrd. €) stark unterfinanziert und kann ihr Potential und damit die gewünschte Wirkung im Umweltbereich, nicht ausreichend ausschöpfen. Erschwerend wirken die Regelungen zur Kofinanzierung. Die ineffizienten Direktzahlungen der Ersten Säule werden zu 100 % von der EU getragen, während die EU-Staaten die Nutzung der Zweite Säulen zu einem bedeutenden Teil selbst finanzieren müssen. Dies führt in einigen Regionen und Staaten dazu, dass gerade die Mittel nicht verwendet werden, die eine besonders hohe positive Umweltwirkung haben.

Die aktuelle Ausrichtung der GAP führt dazu, dass relevante Umweltziele nicht erreicht werden, dass Landeigentümer zulasten aktiver Bauern profitieren und der Umbau hin zu einer gesellschaftlich anerkannten Landwirtschaft verfehlt wird.

Die bürokratischen Lasten der GAP, insbesondere des Greenings, sind für die Landwirte trotz kaum vorhandener Zielerreichung beträchtlich und damit unsinnig.

Die GAP als zentrales Instrument der Agrarpolitik muss deshalb neu ausgerichtet werden.

Grundsatz der neuen GAP: Honorierung von Nachhaltigkeitsleistungen

Das mit diesem Papier vorgeschlagene Nachhaltigkeitsmodell zeigt einen Weg auf, mit dem die GAP zukünftig effektiv Umwelt- und Klimaziele erreicht, eine Vielfalt landwirtschaftlicher Strukturen fördert und damit die Akzeptanz der Landwirtschaft in der Gesellschaft wirksam stärkt. Dafür muss öffentliches Geld konsequent und vor allem nachweisbar für öffentliche Leistungen verwendet werden. Die öffentlichen Leistungen, die die Landwirtschaft erbringen kann, bspw. sauberes Trinkwasser, gesunder Boden oder Artenvielfalt, werden von der Gesellschaft zwar gewollt, aktuell jedoch weder über

den Markt noch über die GAP direkt honoriert. Momentan ist es daher unattraktiv landwirtschaftliche Betriebe stärker auf diese Nachhaltigkeitsleistungen auszurichten. Dieses Defizit kann durch das hier vorgeschlagene Nachhaltigkeitsmodell für eine zukunftsfähige Agrarpolitik beseitigt werden.

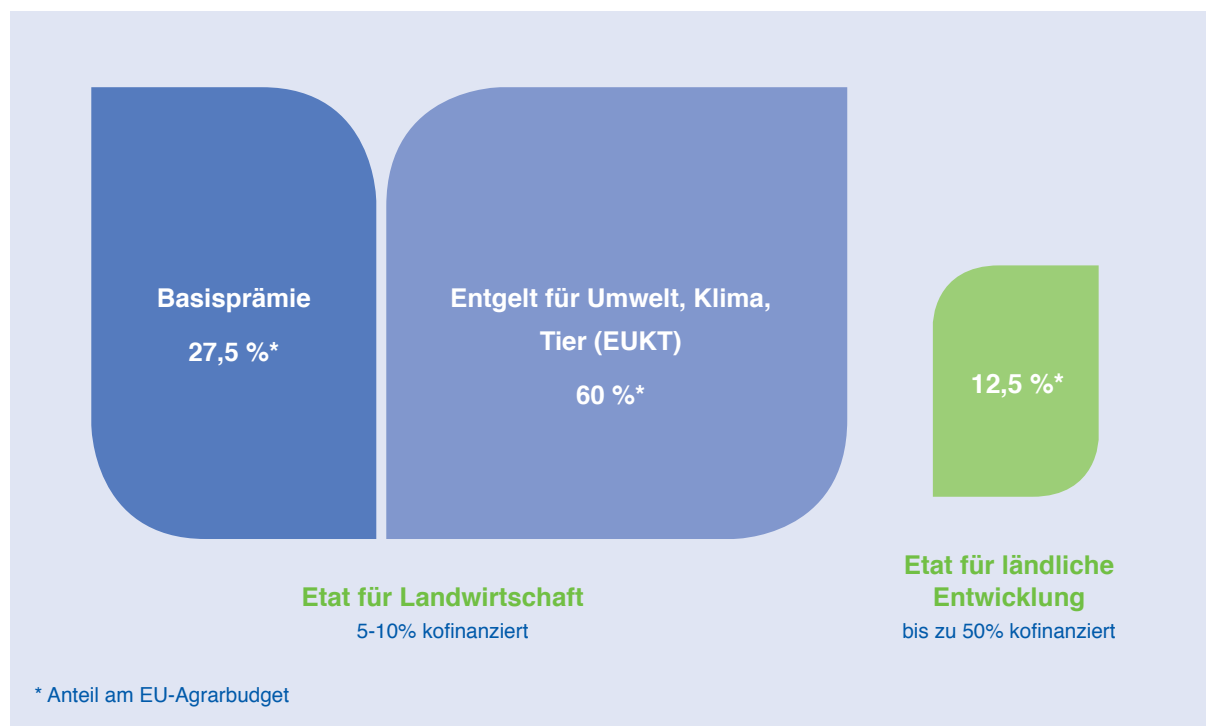
Das Nachhaltigkeitsmodell funktioniert durch folgende Basiselemente:

- **Entgelt für Umwelt, Klima, Tier (EUKT):** Mit dem EUKT wird durch eine leistungsorientierte Honorierung sichergestellt, dass mit der GAP wichtige Nachhaltigkeitsziele erreicht und die Höfe in ihrer Entwicklung wirksam hin zu einer zukunftsfähigen Landwirtschaft unterstützt werden.
- **Nachhaltige Basisprämie:** Mit einer an sozioökonomische Aspekte gebundenen Basisprämie wird u.a. die Junglandwirteförderung und die verstärkte Förderung der ersten Hektare gewährleistet.
- **Gerechte Kofinanzierung:** Mit einem verbesserten Modell zur Kofinanzierung wird ein effizienter Einsatz der EU-Agrarmittel sichergestellt.
- **Mittelkonkurrenz ausschalten:** Eine klare Trennung zwischen dem Etat zur Förderung ländlicher Räume und dem Etat für die Landwirtschaft wird eine Mittelkonkurrenz vermieden und gewährleistet, dass Agrargelder auch wirklich bei den Landwirten ankommen.

Das Nachhaltigkeitsmodell zeichnet sich außerdem durch eine hohe Anschlussfähigkeit an die aktuelle Ausgestaltung der GAP aus.

GAP 2020:

Das BÖLW Nachhaltigkeitsmodell für starke Höfe, intakte Umwelt und lebendige Dörfer



Ausgangslage: Viel Geld, wenig positive Wirkung – GAP-Gelder werden nicht effizient eingesetzt

Der über die Erste Säule der GAP verteilte Großteil der EU-Agrargelder (75 %) wird sehr ineffizient eingesetzt. Teilweise lösen die Zahlungen Wirkungen aus, die die Ziele der GAP konterkarieren.

Die Hälfte der Direktzahlungen kommt nicht beim aktiven Landwirt an

Ein immer größerer Teil der bewirtschafteten Flächen ist nicht im Besitz der aktiven Landwirte, sondern wird von ihnen gepachtet. Immer mehr außerlandwirtschaftliche Investoren kaufen Agrarland, um in Zeiten niedriger Zinsen und Unsicherheiten am Kapitalmarkt Gelder anzulegen.

In Deutschland sind 60 % der landwirtschaftlichen Fläche Pachtland.² Untersuchungen zeigen, dass rund die Hälfte der Direktzahlungen zum Anstieg der Pachtpreise beitragen und so an den Verpächter weiter gereicht werden. Den aktiven Landwirten stehen sie damit nicht zur Verfügung.^{3,4} Bei Betrieben über 100 ha macht der Anteil der Direktzahlungen, die über die Pacht abfließen, sogar über 80 % aus.⁵ Damit wird ein Großteil der pauschalen Direktzahlungen an nicht in der Landwirtschaft tätige Landbesitzer durchgereicht. Dies schwächt die wirtschaftliche Situation vieler Landwirte, außerdem können die Steuermittel damit auch nicht die gewünschte Wirkung im Sinne einer Förderung öffentlicher Güter erzielen.⁶

Profiteure der Direktzahlungen: Flächenstarke Betriebe und Landbesitzer

In der EU befinden sich mehr als 95 % des Ackerlands in der Hand von nur 20 % der Bodenbesitzer.⁷ Dies zeigt eine massive Konzentration zuwendungsberechtigter Flächen auf immer weniger Personen. Da die Prämien pro Hektar bewirtschafteter Fläche ausgezahlt werden, profitieren insbesondere flächenstarke Betriebe. Inzwischen gehen 80 % der europäischen Gelder an nur 20 % der Betriebe.⁸ Zudem schaffen die Direktzahlungen aus der Ersten Säule indirekt einen zusätzlichen Anreiz für Kapitalinvestoren, landwirtschaftliche Flächen aufzukaufen.

Fehlgesteuert: Das Säulenmodell ist inkonsistent

Indem die GAP nicht zielgerichtet fördert und die Ausrichtung der beiden Säulen konträr zueinander stehen, beraubt sie sich der Chance, zur Erreichung der Umweltziele die notwendige Lenkungs-funktion zu übernehmen. Damit konterkariert die GAP als das zentrale, europäische, agrarpolitische Instrument die eigenen Zielsetzungen, sowohl im Umweltbereich, aber auch bei der Vermeidung von Strukturbrüchen in der Landwirtschaft und zur Sicherung von Wachstum und Beschäftigung im ländlichen Raum.

Die derzeitige Agrarförderung behindert eine Ausrichtung der landwirtschaftlichen Betriebe auf die Steigerung der öffentlichen Leistungen, da sie diese Leistungen nicht honoriert. Es ist zwar angelegt, dass eine Ertragsminderung bei bestimmten Maßnahmen ausgeglichen wird. Eine echte Honorierung von Umweltleistungen findet allerdings nicht statt, daher ist deren Erbringung nicht ausreichend attraktiv.

Verschärft wird diese Problematik durch die Regelungen zur Vermeidung einer Doppelförderung zwischen Erster und Zweiter Säule (Ausschluss von Förderkombinationen und Prämienabzüge). Landwirte werden damit davon abgehalten, über ein niedriges Niveau von Nachhaltigkeitsleistungen hinauszugehen. Hier zeigen sich die Inkonsistenz und der hohe bürokratische Aufwand der aktuellen GAP.

Erste Säule: Viel Geld mit wenig Umweltwirkung

Eine Arbeitsgruppe der EU-Kommission kommt zu dem Ergebnis, dass die Umweltauswirkungen des Greenings nicht nachweisbar seien⁹. Auch das Umweltbundesamt schlussfolgert in seinem Jahresbericht 2016, dass der Einsatz der Gelder im Rahmen des Greenings hinsichtlich der Erreichung von Umweltzielen nicht effizient ist.¹⁰ Damit tragen die Direktzahlungen nicht zur Erreichung wichtiger sektoraler und gesamtgesellschaftlicher Ziele, insbesondere europäischer Umweltziele, bei. Die letzte Reform der GAP muss damit als gescheitert betrachtet werden.

Zweite Säule: Wirksamer aber unterfinanziert

Mit nur 25 % der gesamten GAP-Mittel ist die Zweite Säule, der Fond zur Förderung ländlicher Räume (ELER), finanziell ungleich schlechter ausgestattet als die Erste Säule und kann daher nur in einem sehr begrenzten Rahmen Wirkung entfalten. Darüber hinaus müssen Nationalstaaten und Bundesländer entsprechende Maßnahmen mit eigenen Finanzmitteln kofinanzieren. Weniger finanzstarke Regionen der EU haben es daher schwer, die notwendigen Programme zur Stärkung der Nachhaltigkeit ihrer Landwirtschaft zu implementieren. Außerdem gibt es neben den Landwirten in der Zweiten Säule auch andere Zuwendungsempfänger, vom Forstwirt bis zu Kommunen. Dadurch besteht eine Mittelkonkurrenz innerhalb der Zweiten Säule.

Die Zweite Säule wirkt im Gegensatz zu den Direktzahlungen wesentlich effizienter, denn sie fußt auf einer gezielten Programmplanung der Regionen und vergibt die Mittel für konkret definierte Maßnahmen. Die positiven Umweltwirkungen des Ökolandbaus und anderer Agrar-Umweltmaßnahmen, die über die Zweite Säule gefördert werden, zeigen, dass mit der GAP durchaus Nachhaltigkeitsziele erreicht werden und Landwirte davon profitieren können.

Aber auch weite Bereiche der Zweiten Säule sind nur ungenügend auf gesellschaftliche Leistungen ausgerichtet. So fehlen etwa bei der Investitionsförderung durchgängige qualitative Kriterien des Umwelt- und Tierschutzes. Investitionen in nachhaltige Bewirtschaftungssysteme, wie beispielsweise den Ökolandbau, machen deshalb lediglich 1,5 % aus.¹¹ Umgekehrt geben die derzeitigen Rahmenbedingungen der einzelbetrieblichen Investitionsförderung Anreize für Investitionen, welche sogar zu stärkerer Umweltbelastung und existenzvernichtender Überproduktion führen und damit den gesellschaftlichen Zielen der GAP klar zuwiderlaufen.¹²

Belastungsgrenzen des Planeten sind überschritten, Nachhaltigkeitsziele werden nicht erreicht

In Deutschland wird die Hälfte der Landesfläche (16,7 Mio. ha) landwirtschaftlich genutzt.¹³ Wie kein anderer Wirtschaftszweig sind Landwirtschaft und Umwelt eng miteinander verwoben. Das 2009 vorgestellte Konzept der planetaren Belastungsgrenzen zeigt auch den Handlungsbedarf für die Landwirt-

schaft auf, die maßgeblicher Mitverursacher von Schäden an den Öko-Systemen ist.¹⁴

Deutschland und die EU haben sich völkerrechtlich zu ökologischen Zielen und Maßnahmen verpflichtet, wie sie beispielsweise in der EU-Biodiversitätsstrategie oder den EU-Klimaschutzzielen niedergelegt sind. Auch Deutschland muss aktiver als bisher zur Erreichung dieser Ziele beitragen und steht unter massivem Handlungsdruck. Ein Großteil dieser Ziele steht in direktem Zusammenhang mit der Landwirtschaft und ist unter anderem in der EU-Nitratrichtlinie, der EU-Wasserrahmenrichtlinie und der NEC- bzw. der NERC-Richtlinie sowie der Nationalen Strategie zum Erhalt der biologischen Vielfalt, der Biodiversitätsstrategie der EU, der Deutschen Nachhaltigkeitsstrategie, den FFH-Richtlinien und der EU-Vogelschutzrichtlinie niedergelegt.^{15 16 17} Auf Ebene der Vereinten Nationen sind die Umweltziele in den Sustainable Development Goals festgehalten. Auch sie betreffen in vielerlei Hinsicht die Agrarpolitik.¹⁸

Die Dringlichkeit, die GAP-Mittel zielführender zur Bewältigung von Umweltproblemen im landwirtschaftlichen Kontext einzusetzen, zeigen ökologische Krisen auf nationaler Ebene, wie die schädliche Belastung von Gewässern, Böden und Luft, die starke Dezimierung der Artenvielfalt, dem zu hohen Einsatz von Antibiotika in der Nutztierhaltung oder dem hohen Einsatz von chemisch-synthetischen Pestiziden.

Umweltwirkungen der Landwirtschaft

58 % der Methan- und 81 % der Lachgas-Emissionen

in Deutschland stammen aus der Landwirtschaft – zwei der klimarelevantesten Gase.²⁸

Viele ehemals charakteristische **Ackerwildkräuter** haben seit den 1950er/1960er Jahren **um 95-99 % im Bestand abgenommen.**²⁹

Über die Hälfte der Grundwasser-Messstellen in Deutschland weisen erhöhte oder zu **hohe Nitratgehalte** auf.³⁰

2014 wurden 1.238 t **Antibiotika** in der Tierhaltung eingesetzt. Beim Menschen 700-800 t. Damit trägt die Landwirtschaft wesentlich zur **Bildung resistenter Keime** bei.³¹

80 % der Vogelarten der Agrarlandschaften sind bedroht. Fast die Hälfte steht auf der roten Liste.³²

95 % des Luftschadstoffs Ammoniak stammen in Deutschland aus der Landwirtschaft.³³

Europa verliert seine Landwirte und schwächt die ländlichen Räume

Viele europäische Landwirte sind in ihrer Existenz gefährdet – auch wegen einer falsch ausgerichteten EU-Agrarpolitik. Sowohl in Deutschland, als auch in Europa sinkt die Zahl der Betriebe dramatisch.¹⁹ Zwischen 2003 und 2013 musste jeder vierte Landwirt in Deutschland seinen Betrieb aufgeben.²⁰ Insbesondere bei den tierhaltenden Betrieben hält das Höfesterben durch eine schädliche Ausrichtung der Agrarpolitik an: Seit 2008 schlossen etwa ein Drittel der Milchviehhalter ihre Hoftore für immer.²¹

Gesellschaftliche Akzeptanz für GAP sinkt

Die öffentliche Diskussion zu negativen Auswirkungen schädlicher landwirtschaftlicher Produktionspraktiken auf Gewässer, Böden, Klima, Biodiversität, Gesundheit und Tierwohl hat in den letzten Jahren an Intensität zugenommen. Immer mehr Bürger erwarten, dass die Erzeugung von Lebensmitteln an hohe Nachhaltigkeits- und Qualitätskriterien gekoppelt ist.

Indikator dafür ist auch der wachsende Markt für Bio-Produkte.

Fazit: Die aktuelle GAP setzt die falschen Anreize und blockiert eine zukunftsfähige Landwirtschaft

Die Architektur der GAP ist nicht darauf ausgelegt, die aktuellen Herausforderungen der Umwelt- und Klimakrise und des Tierwohls in der Nutztierhaltung zu bewältigen. Sie fördert mit Milliarden von Steuer Geldern eine Landwirtschaft, die den politischen und gesellschaftlichen Zielen zuwiderläuft, anstatt zielgenau positive Leistungen zu honorieren und zu fördern.

Klare Zielausrichtung: Das Nachhaltigkeitsmodell für eine zukunftsfähige Europäische Landwirtschaft

Wer zukunftsfähige Ernährungssysteme und ländliche Räume gestaltet, wer nicht nur Lebensmittel erzeugt, sondern mit intakten Böden auch zu einer guten Trinkwasserqualität und mit einem abwechslungsreichen Anbau zu mehr Biodiversität beiträgt, muss dafür entlohnt werden. Der BÖLW fordert, das GAP-Budget in Höhe von 420 Mrd. € auch in der kommenden siebenjährigen Finanzperiode ohne Kürzungen fortzuschreiben. Die für den Umbau der Landwirtschaft im Sinne der gesellschaftlichen Erwartungen und Anforderungen an Nachhaltigkeitsziele erlauben keinerlei Mittelkürzungen.

Die GAP muss künftig Anreize setzen, damit sich die Ausrichtung eines Betriebs auf eine nachhaltige Landwirtschaft lohnt. Sie muss sicherstellen, dass Landwirte für erbrachte besondere Nachhaltigkeitsleistungen fair entlohnt werden. Nur so lässt sich erreichen, dass die Landwirtschaft Umwelt- und Klimaziele erreicht, Nutztiere artgerecht hält und den ländlichen Raum stärkt, für immer mehr Landwirte attraktiv ist und Steuergelder im Sinne der Bürger verwendet werden.

Grundsatz „Öffentliches Geld für öffentliche Leistungen“ konkretisieren

Steuergeld ist zum Steuern da. Mit Blick auf die GAP bedeutet das, dass die EU-Agrargelder nicht die bloße Flächenbewirtschaftung oder den Besitz von Land stützen, sondern den Zusatznutzen einer nachhaltigen Landbewirtschaftung für Umwelt, Klima, Tierwohl belohnen müssen. Das Prinzip „Öffentliches Geld für öffentliche Leistungen“ muss konsequent angewendet werden. Damit würde den aktuellen Umweltproblemen, dem Höfesterben und dem damit einhergehenden Akzeptanzverlust der Landwirtschaft endlich wirksam begegnet.

Der Grundsatz „Öffentliches Geld für öffentliche Leistungen“ bedeutet, dass den öffentlichen Leistungen, die ein Betrieb liefert, ein „Wert“ zugerechnet werden muss. Wie ein solches Bewertungssystem in der Praxis funktionieren kann, wird in zahlreichen Forschungsprojekten aktuell erprobt. Bestehende Datengrundlagen können dabei genauso als Basis dienen, wie erprobte und bewährte Verfahren zur laufenden Messung der Nachhaltigkeit. Verschiedene vielversprechenden Ansätze mit umfangreich ausgearbeiteten Indikatoren auf Einzelbetriebsebene wurden bereits veröffentlicht.^{23 24 25 26}

Besonders relevante öffentliche Leistungen im Bereich Sozioökonomie, die die Landwirtschaft erbringt bzw. erbringen kann, sind die Stärkung ländlicher Räume durch den Erhalt und die Schaffung von qualifizierten Arbeitsplätzen, Existenzgründungen und Weiterführung von Betrieben durch Junglandwirte.

Im Bereich Umwelt, Klima, Tier sind folgende öffentliche Leistungen besonders relevant: Trinkwasser- und Gewässerschutz, Tierschutz, Steigerung der biologischen Vielfalt in der Agrarlandschaft, Hochwasserschutz, Bodenschutz und Steigerung der Bodenfruchtbarkeit, Klimaschutz, Verbesserung der Luftqualität und Schaffung einer vielfältigen Kulturlandschaft.

Wie die GAP eine Zukunft der europäischen Landwirtschaft schaffen kann:

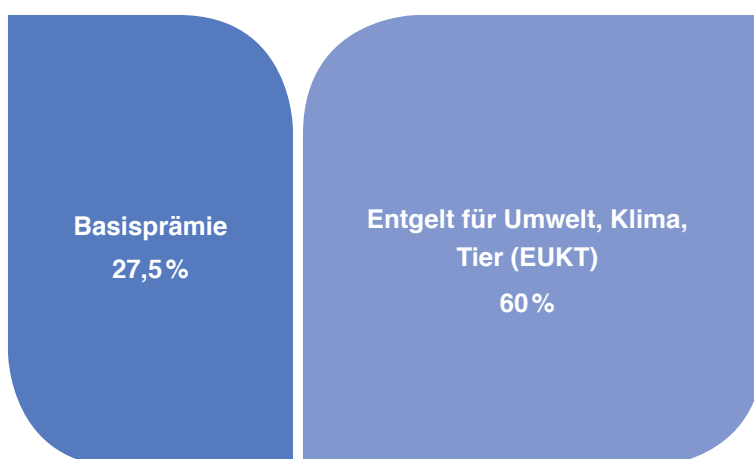
Das Nachhaltigkeitsmodell

Das Nachhaltigkeitsmodell trennt klar zwischen den Mitteln zur Förderung der Landwirtschaft und denen für andere Zuwendungsempfänger. Mit festen Budgetvorgaben für die Mitgliedsstaaten können die Herausforderungen zielgenau adressiert werden.

Insgesamt müssen die Mittel im Agrarbudget im bisherigen Umfang erhalten bleiben, damit die dringenden Herausforderungen in der Landwirtschaft angegangen werden können. Jedoch müssen die Mittel mit der neuen GAP deutlich effizienter eingesetzt werden. Bestehende erfolgreiche Programme können ohne Weiteres in das neue Modell überführt und die Gelder für die Landwirtschaft gesichert werden.

Mittel für die Landwirtschaft im Nachhaltigkeitsmodell

Ein Teil der bisherigen Ersten Säule bleibt als flächengebundene **Basisförderung** erhalten. Sie dient dazu, sozioökonomische Leistungen zu honorieren und einen positiven Entwicklungsanreiz für eine vielfältige Agrarstruktur zu schaffen. Dazu solle die Förderung für erste Hektare, Junglandwirte und Existenzgründer gestärkt werden. Sie soll mittelfristig maximal 27,5 % des gesamten, europäischen GAP-Budgets betragen.



Neben der Basisprämie sollen Landwirte künftig stärker als bisher über die Erbringung konkreter Leistungen über ein **Entgelt für Umwelt, Klima Tier (EUKT)** aus einem regional angepassten Portfolio abrufen und so effektiv ihr Einkommen verbessern können. Dies stärkt eine auf Vielfalt und Nachhaltigkeit ausgerichtete Betriebsentwicklung. Die Schaffung von zusätzlichen Einkommenschancen über eine stabile Honorierung der gesellschaftlichen Leistungen durch die GAP ist auch ein wirksames Instrument zur Risikominimierung und damit zur Existenzsicherung für die Betriebe, deren Abhängigkeit von volatilen Agrarmärkten so abgeschwächt wird. Der Hauptteil des GAP-Budgets von knapp 55 Mrd. € jährlich soll künftig in den Förderbereich Umwelt, Klima, Tier fließen. Dieser vereint die bisherigen Finanzmittel, die im jetzigen Modell explizit für den Bereich Umwelt, Klima, Tierhaltung eingesetzt sind. Dies ist zum einen die Greening-Komponente, die 30 % der Ersten Säule-Mittel umfasst. Zum anderen die landwirtschaftsbezogenen Gelder der Zweiten Säule, die rund die Hälfte der Zweiten Säule-Mittel bzw. 12,5 % der gesamten EU-GAP-Mittel ausmachen. Zusätzlich wird ein weiterer Transfer von Mitteln aus der jetzigen Ersten Säule in diesen neuen Förderschwerpunkt der GAP

notwendig sein. Nur so kann die GAP einen Beitrag zur Erreichung der Umweltziele leisten und den Umbau hin zu einer nachhaltigen, gesellschaftlich akzeptierten Landwirtschaft ermöglichen. Auch im Bereich der Tierhaltung ist dieses Budget dringend notwendig.²⁷

Der neue Förderschwerpunkt Umwelt, Klima, Tier zeichnet sich durch eine leistungsorientierte Honorierung der Landwirte aus. Durchgehend zielgerichtete und regional angepasste Kriterien ersetzen dabei die weitgehend unwirksamen aber bürokratischen Regeln aus dem Greening. Durch den deutlich größeren Gestaltungsspielraum für die Betriebe steigt die Akzeptanz bei den Landwirten. Der Förderschwerpunkt Umwelt, Klima, Tier stärkt den Rückhalt für die GAP-Zahlungen in der Gesellschaft.

Mittel für die Ländliche Entwicklung

Der Fonds für die ländliche Entwicklung, der sich an außerlandwirtschaftliche Empfänger richtet, bleibt in einem dritten Budget zur Förderung der ländlichen Entwicklung unverändert erhalten. Er entspricht in Deutschland weiterhin rund 12,5% des Gesamtbudgets.

Damit entfällt die aktuell kontraproduktive Mittelkonkurrenz innerhalb der Zweiten Säule.



Ländl.
Entwicklung
12,5 %

Vorteile des Nachhaltigkeitsmodells

Leistungsgerechte Honorierung

Da die Zahlung nicht pauschal, sondern leistungsorientiert gestaltet ist, wird ein Weiterreichen der Fördermittel an die Verpächter deutlich erschwert. Somit unterstützt die neue, nachhaltige GAP nicht Landbesitzer, sondern die aktiven Landwirte.

Weniger Bürokratie

Eine höhere Flexibilität in der Umsetzung sollte auch zu einem deutlichen Bürokratieabbau beitragen.

Kofinanzierung

Zurzeit wird die Erste Säule zu 100 % EU-finanziert, während zielgerichtete Maßnahmen der Zweiten Säule von den Mitgliedstaaten und Bundesländern kofinanziert werden müssen. Dieses Ungleichgewicht sollte abgeschafft werden. Gleiche Kofinanzierungssätze für die Basisförderung und den Förderschwerpunkt Umwelt, Klima, Tier müssen eingeführt werden. Es wird eine einheitliche EU-Finanzierung von 90-95 % und ein Kofinanzierungssatz von 5-10 % vorgeschlagen. Eine nationale Kofinanzierung aller Förderbereiche unterstützt eine effiziente Mittelverwendung. Mit einem niedrigen Kofinanzierungssatz für den neuen Förderschwerpunkt Umwelt, Klima Tier könnte eine stärkere Dynamik zur Erreichung der Umweltziele ausgelöst werden. Der hohe Handlungsdruck zur Erreichung der europäischen Umweltziele rechtfertigt einen hohen Einsatz von EU-Mitteln.

Der dritte Förderbereich, die ländliche Entwicklung, soll weiterhin mit einem z.T. regional angepassten Kofinanzierungsanteil von bis zu 50 % verbunden sein.

Hohe Anschlussfähigkeit an aktuelle GAP

Nur wenn die verschiedenen Interessen von Landwirtschaft, Umwelt und Gesellschaft berücksichtigt werden, kann eine erfolgreiche Weiterentwicklung der GAP gelingen. Das vorgeschlagene Modell baut auf die bestehende Architektur auf.

Feste Budgets bedeuten bessere Planbarkeit für die Mitgliedsstaaten

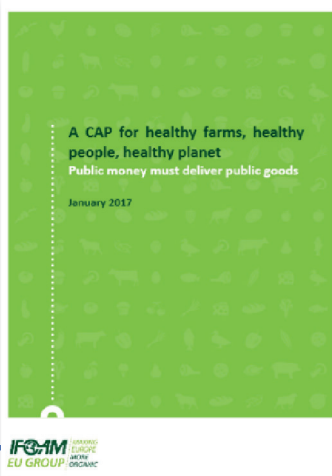
Ein festes Budget für die Erbringung von Leistungen im Bereich Umwelt, Klima und Tier innerhalb der GAP bedeutet bessere Planbarkeit, sowohl für die Mitgliedsstaaten, als auch für die Betriebe. Durch die Verknüpfung mit definierten Umweltleistungen bietet dieses Modell den Bauern eine Erweiterung ihrer Einkommens- und Entwicklungschancen in Richtung Qualitätserzeugung. Durch das einheitliche Modell und mehr Flexibilität wird eine Vereinfachung der Administration ermöglicht.

Regionale Anpassung der Umweltziele in den Mitgliedsstaaten

Pauschale Anforderungen, wie beispielsweise beim Greening, werden der diversen Struktur innerhalb der EU nicht gerecht. Ein festes Budget für die Honorierung von Umweltleistungen mit der Möglichkeit der Priorisierung von Umweltzielen durch die Mitgliedsstaaten bedeutet eine optimale Anpassung an die regional unterschiedlichen Herausforderungen.

Fokussierter Einsatz der EU-Gelder und klare Zielausrichtung

Die EU muss zukünftig ihr Agrarbudget zielgerichtet einsetzen. Dies gelingt durch feste Budgetvorgaben und den neuen Förderschwerpunkt Umwelt, Klima, Tier. Die Bindung der Mittel an definierte Umweltleistungen mit einem festen Etat bewirkt einen deutlich fokussierteren und effizienteren Einsatz der EU-Mittel. Innerhalb dessen ist eine regionale Anpassung und Priorisierung möglich. Nur so kann eine kohärente Umsetzung in den Nationalstaaten gelingen.



Dieses Papier basiert auf der gemeinsamen Position der europäischen Bio-Bewegung, organisiert in der IFOAM EU Group:

Es ist unter folgendem Link abrufbar:

http://www.ifoam-eu.org/sites/default/files/ifoameu_policy_cap_post_2020_vision_paper_201701.pdf

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Der BÖLW ist der Spitzenverband deutscher Erzeuger, Verarbeiter und Händler von Bio-Lebensmitteln und vertritt als Dachverband die Interessen der Ökologischen Land- und Lebensmittelwirtschaft in Deutschland. Mit Bio-Lebensmitteln und -Getränken werden jährlich von über 40.000 Bio-Betrieben mehr als 9,8 Mrd. € umgesetzt. Die BÖLW-Mitglieder sind: Arbeitsgemeinschaft der Ökologisch engagierten Lebensmittelhändler und Drogisten, Assoziation ökologischer Lebensmittelhersteller, Bioland, Biokreis, Biopark, Bundesverband Naturkost Naturwaren, Demeter, Ecoland, ECOVIN, GÄA, Naturland, Reformhaus® und Verbund Ökohöfe.

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Towards a post-2020 CAP that supports farmers and delivers public goods to Europeans

Avoiding a race to the bottom - An ambitious and better targeted CAP

09 October 2018

Summary of IFOAM EU's CAP recommendations:

- Set mandatory minimum expenditure in each CAP Strategic Plan of 70% for the environment and climate;
- Strong governance rules that counterbalance the new flexibility given to Member States
- Eco-Schemes to be better defined, including their ambition and eligibility criteria;
- All payments under both pillars that facilitate the delivery of public goods for the environment, climate and animal welfare to be delivered as an incentive, and not as lost revenue;
- Extend the list of indicators using existing EU requirements (e.g. statistics collected), the European Commission should make a full evaluation to update the indicators list by 2024;
- Risk Management Tools to be voluntary for Member States and have lower co-financing rates;
- Keep the CAP budget at least at current level and set it in constant prices accounting for inflation.

The need for a new CAP beyond 2020

Europe's farming sector is facing multiple challenges in the form of environmental degradation and loss of fertility due to unsustainable practices, change in climate patterns, increasing market volatility for agricultural products and a steady decline of the rural working population. In this difficult context business as usual is not an option. A transformative approach is needed to ensure the long-term environmental, economic and social sustainability of agriculture in the European Union (EU).

The Common Agricultural Policy (CAP) can be a decisive tool to trigger this transformation towards sustainability. Certain instruments of the current CAP are helping European farmers to make progress towards more sustainable farming, such as the measures for organic farming conversion and maintenance among other successful provisions of the Rural Development Programme. Nonetheless, most CAP payments are granted to farmers as income support for fulfilling the policy's minimum conditions, resulting in an untargeted public policy that supports the status quo, and with it short term economic gains at the expense of long term sustainability.

IFOAM EU firmly stands for the principle that public money has to deliver public goods for all Europeans (see [vision paper on the CAP](#)). The CAP stands at a crossroads, where on the one hand farmers face mounting challenges and on the other public opinion is more critical about how public money is spent. In this difficult context, and at peril of losing relevance, the CAP needs an ambitious shift to support the agricultural system of tomorrow.

This paper lays the position of IFOAM EU for the revision of the CAP for the period of 2021 to 2027, based on the European Commission's proposals for the CAP from June 2018, as well as the relevant provisions of the proposal for the EU's Multiannual Financial Framework (MFF).

Strengthening a results-oriented CAP

IFOAM EU's long-term vision for the year 2034 is to mainstream the use of public money for public goods in the entire CAP architecture. By then, the policy should consist of a single pillar with its budget fully oriented to promoting agroecological outcomes via:

- public goods payments for a range of environmental and socio-economic services performed at farm level (100% EU financed) representing 80% of the overall EU budget;
- complementary supporting measures (co-financed) accounting for the remaining 20%.

With this long-term aim in perspective, IFOAM EU welcomes the post-2020 CAP proposal, which could potentially offer a framework to design better targeted agricultural measures, in particular through **the New Delivery Model founded on a results-based approach and the possibility to design the CAP to match a country's specific context**. Moreover, the CAP's green architecture is enhanced with the strengthening of the current cross-compliance rules and with the creation of **Eco-Schemes under the 1st pillar**, while the successful **Agri-Environment measures under the 2nd pillar** are kept. But this new delivery model will only deliver for the environment if the increased flexibility for Member States is balanced with safeguards – including more ambitious ringfencing for the climate and the environment across the two pillars- as well as strong governance and accountability rules. The increase in voluntary instruments to support the environment and climate under both pillars is welcomed by the organic sector, as it gives farmers more choice on how they deliver public goods to Europeans, thereby encouraging their entrepreneurial ambition. The main obstacle to reach a more sustainable CAP is the proposal's unambitious frame for National Strategic Plans with nearly no money ringfenced for public goods delivery, making such payments mostly voluntary for Member States.

The co-legislators with the support of the European Commission should build upon the proposed New Delivery Model and strengthen it. Eco-Schemes are an important new tool, but the definition remains too vague, as do the types of agricultural measures or systems that can be covered or the level of ambition to be expected. **Clearer criteria should be defined for Eco-schemes, including its differentiation from enhanced conditionality rules and how it complements Agri-environment measures in pillar two to avoid misapplication of EU double funding requirements**. This principle should be applied in a smart way to ensure that its essence is respected while at the same time synergies between different CAP instruments are not blocked. As an example, organic farming conversion may be financed under Agri-Environment measures as is the case today, while organic maintenance could be covered under Eco-Schemes, where both interventions run in parallel without falling under double funding.

The proposal's flexibility for Member States to move money from the 1st to the 2nd pillar is welcome. Countries should be allowed to move a larger share of the CAP budget to the 2nd pillar, but they should not be able to go below the amount allocated for Rural Development in Annex IX, which guarantees the continuation of essential programmes for the modernisation of the farming sector. Rural Development has so far been CAP's backbone when it comes to supporting environmental ambition in farming. Yet as the Commission proposes to raise the minimum requirements under enhanced conditionality, there is a risk that many farmers will stick to the bare minimum rather than to change their farming practices. To avoid this, incentives in Rural Development should be made more attractive for farmers who want to go further. The most effective way to achieve this is **to no longer apply the principle of "costs incurred and income foregone" and instead give an additional incentive under Rural Development to farmers that make efforts towards the environment, the climate and animal welfare**. In addition, there should be a clear mention in the new CAP for Rural Development to support recognised European Quality Schemes by covering (where relevant)

certification costs and information about these schemes. This support has been crucial in enabling farmers to convert to organic as well as other certification schemes, therefore the new CAP should list this key measure.

The list of indicators in the new CAP proposal is a good starting point, but it should be improved to set the basis of a successful results-oriented policy that depicts as much as possible the complexity of Europe's socio-economic and environmental situation. The output indicators for setting up the interventions are particularly vague and more a list of existing measures, rather than offering new possibilities for payments for delivering public goods (e.g. payment interventions restoring CO₂ in the soil). Existing EU requirements and statistics of relevance to the CAP general and specific objectives should be closely evaluated and integrated where possible to the indicator's annex before the new Regulation enters into force. Additionally, the European Commission should have the possibility to introduce new indicators via delegated powers and be required to carry out a full evaluation to be presented before 2024 with the purpose to identify and develop new indicators for the following CAP programming period. The results-based approach should be constantly updated and rely on increasingly stronger data collected at EU level.

Dealing with root causes rather than symptoms – Risk Management should be voluntary

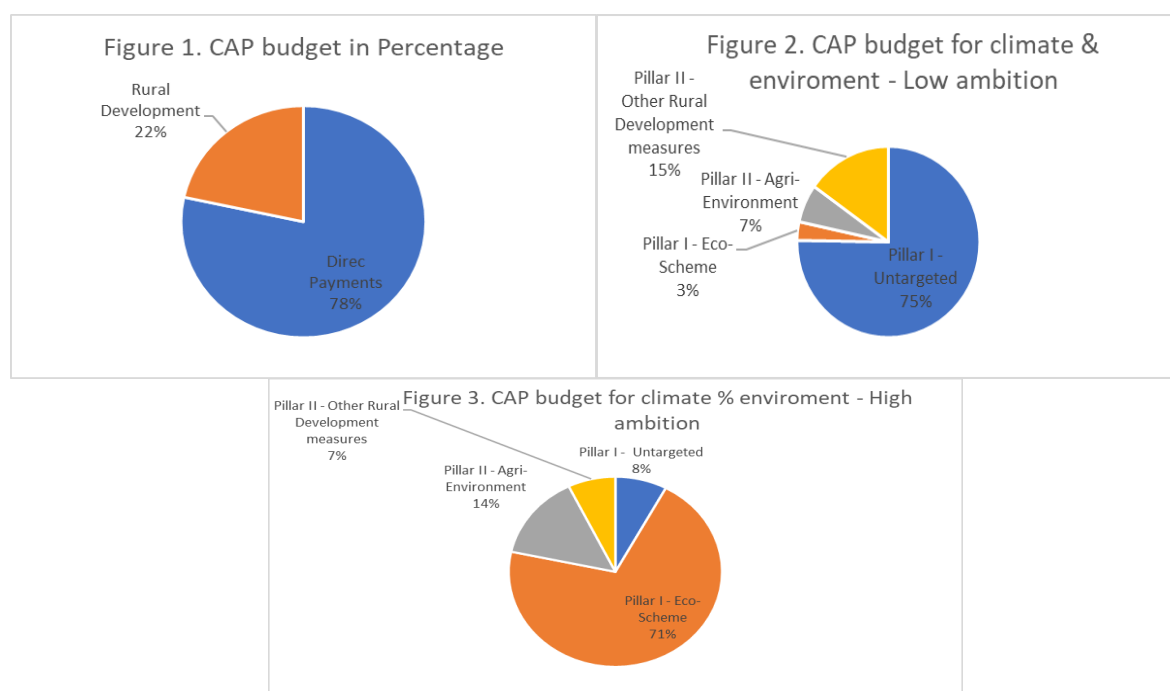
IFOAM EU disagrees with the proposed mandatory requirement for all Member States to introduce Risk Management measures such as insurance schemes for farmers. In first line, this will create more competition for limited CAP pillar 2 funds as it turns banks and insurance companies into eligible CAP recipients. This will further reduce the reach of Rural Development Programmes. More importantly, these insurance schemes run the risk of assisting mainly farmers that put themselves under disproportionate risk in the first place by not taking steps to improve their resilience, such as rotating crops, increasing organic carbon and covering their soil from erosion. Instead of using money to fix the damage of natural disasters and market shocks, the second pillar should invest in prevention by supporting the resilience of farmers in the long term. **Therefore, IFOAM EU recommends making the Risk Management Tools voluntary for Member States.** The EU maximum co-financing rate under pillar 2 for insurance schemes should be lowered.

Avoiding a race to the bottom - An ambitious and better targeted CAP

Eco-Schemes allow for the first time to support a wide range of voluntary climate, animal welfare and environmental interventions under the 1st pillar of the CAP. This is important because that is where most of the budget is, with the proposal attributing 78,4% of the total EU CAP budget to the 1st pillar and remaining 21,6% to the 2nd pillar (see Figure 1). This evidences the intention to move away from a system based on income support to compensate farmers, towards a framework that rewards them for voluntarily going beyond the minimum environmental requirements. This allows farmers to choose between either getting more support to produce food and public goods for society, or instead focusing on productivity and getting less support.

At the same time, the proposal fixes no minimum or maximum thresholds for Eco-Schemes, and Agri-environment measures have a minimum budget of 30% in pillar 2. This means that in theory a

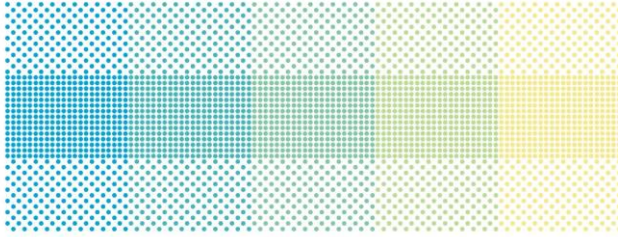
Member State may choose a low ambition strategy and dedicate as little as 10% of its CAP allocation to environmental measures (see Figure 2) and another may place 85% or more on the environment (see Figure 3). This creates a big imbalance to the CAP design and a foreseeable source of tension between Member States. Faced with the risk of losing competitiveness to its neighbours, a country is likely to protect its farming sector by lowering its environmental ambition. This prisoner's dilemma at the time of drafting the CAP Strategic Plans brings the very high risk of having a race to the bottom for the environment and climate objectives. The most effective way to avoid this negative incentive is to set the bar high. **IFOAM EU strongly encourages to set a mandatory minimum requirement for each CAP Strategic Plan of least 70% on the climate, environment and animal welfare.** Member States should be free to decide on the share of 1st and 2nd pillar money going to the environment and climate objectives and the weight between the pillars, as long as 70% of their total national envelope is dedicated to them.



Source: IFOAM EU own calculations using MFF budget distribution for both pillars.

Assumptions: Figure 2 for a low ambition scenario assumes that 4% of Pillar I goes to Eco-Schemes and minimum 30% of Pillar II to Agri-environment measures; Figure 3 for a high ambition scenario takes 90% of Pillar I for Eco-Schemes and 66% of Pillar II to Agri-Environment.

The transformation of the CAP to protect the environment, climate and its other important socio-economic objectives needs sufficient funding. The drastic cuts proposed in the MFF budget proposal can only exacerbate an already dire situation for the farming sector, which can already be seen today. Therefore, IFOAM EU firmly asks Member States to consider the risks of making such cuts, particularly for the 2nd pillar. **Instead, the post-2020 CAP budget should at the very least be maintained at the current level, where possible it should be extended to further develop sustainable agriculture and strengthen the social fabric of rural communities.** Moreover, it is essential that the budget comparisons refer to “constant prices” (integrating inflation) and not “current prices” as it was presented. Having a well-targeted and sufficiently-funded CAP are two necessary preconditions to transform Europe’s agricultural sector and make it fit for the next decades.



OPTA vision on the Common Agricultural Policy after 2020

Public money for public goods; all-inclusive farming for healthy, ecological, caring and fair food-products

The Common Agricultural Policy (CAP) is the EU policy for food, farming and development of rural area's. The actual CAP has two pillars: 1. Direct payments, 2. Rural development.

Agriculture is part of the market economy. If the market functions well, there is no need for a government to interfere with subsidies. Therefore the system of direct payments for production as such is out-dated. OPTA has the vision that public money of the CAP should be totally invested in farmers that deliver all-inclusive farming for healthy, ecological, caring and fair products. public goods. With the investment in public goods, we secure our farming and foodsystem for future generations and reduce costs for climate change, biodiversity, water quality and soil fertility.

Organic farmers show the success to contribute to a caring agriculture by delivering public goods, like:

- Production of healthy food
- Good quality of water and air
- Improvement of biodiversity
- Sustainable use of soil
- Positive contribution to reduce climate change and better adaption to climate change
- Positive contribution to a varied landscape
- New employment possibilities in rural areas

Organic farming as a system deserves the acknowledgement of a Green-by-Nature definition in the new CAP, as is already the case in the existing CAP.

To enforce the public money for public goods approach a new dash-board has to be implemented that shows and further stimulates the public added value approach in relation to climate, biodiversity, water- and airquality to start with.

Conclusion

- The flat rate for hectares in pillar one should be totally transferred to public services that agriculture can deliver.
- All CAP payments are related to clear public goals that can be scientifically demonstrated
- Compliance with organic regulation is an automatic compliance with the public goals and is an evidence for CAP payments after 2020.
- Non-agricultural producers are not counted for financial support from CAP (farmers only principle)

OPTA is the international association for organic trade and processing. Most OPTA members are strongly related to organic farmers and fully depending on the high quality that organic farming is delivering. OPTA has the vision that the farming system in 2050 should be 100% organic farming to keep this planet available for our children. At this moment organic products are higher in price because the farmers deliver public goods that are taken up in the price of the products. The higher price makes it for average consumer more difficult to choose the product he prefers. When the unequal competition between non-inclusive farming and inclusive organic farming has been taken away, organic agriculture will be preferred by a vast majority of EU citizens.



GREENPEACE



LAST CHANCE CAP



60 billion euro of EU taxpayers' money is currently spent every year on **Common Agricultural Policy** subsidies that mostly fund intensive and factory farming. Before it is too late we must change course and invest public money in nature, the environment, and climate.

Our current farming system is damaging our nature and climate. Countless scientific studies show that intensive agriculture in Europe is driving biodiversity loss, polluting our water, soil and air and contributing to climate change.

Scientists show that we are already outside the safe operating space for humanity regarding loss of biodiversity, the nitrogen and phosphorus cycles, and climate change.

And the Common Agricultural Policy (CAP) has played a huge part in building this environmentally and socially destructive farming model.

Yet the European Commission refuses to own up to this reality. In its proposal for reform of the policy it offered up a flawed plan for what it describes as a 'result-oriented CAP' where greater flexibility is given to Member States with no real accountability mechanisms.



It's time to **transition** to a new farming model

The European Environmental Bureau (EEB), BirdLife Europe, Greenpeace and WWF call for a Common Agricultural Policy reform that would move away from perverse subsidies to a truly result-oriented model fit for the challenges of the 21st century; where taxpayers no longer pay for polluting modes of agriculture, but for a sector-wide transition to sustainable farming and the delivery of genuine environmental results. We only have a few years to turn this around before it is too late. This is the last chance for the CAP to steer the EU farming model away from the current industrial model which prevents the EU from meeting its international commitments. In the new CAP, as a minimum we need:

1 Real money for nature, the environment and climate

2 No more perverse subsidies

3 Real law enforcement

4 Improve the governance of the CAP and the performance framework



Why is this the last chance CAP?

FARMLAND BIRDS ARE DISAPPEARING

Common farmland birds have declined by 55% in the EU since 1980ⁱ. Not only are specialist speciesⁱ experiencing steep declines, but increasingly also generalistⁱⁱ species are being wiped out in farmland areas compared to other areas, due to intensive agricultural practices. In France, farmland birds have declined by a third in just 15 years².

INSECTS ARE BEING WIPED OUT

Pesticides and other practices associated with intensive farming are wiping out whole levels of ecosystems. In Germany, a study showed that the total flying insect biomass on nature reserves has declined by more than 75% since 1990. Agricultural intensification is among the drivers behind such declines. Butterflies, bees and other wild pollinators, responsible for 80% of crop pollination, are also in serious decline².

INTENSIVE FARMING IS POLLUTING OUR WATER, AIR AND PEOPLE

The agricultural sector, and the animal sector in particular, is a major source of water, soil and air pollution, releasing nitrogen and phosphorus into water, and ammonia and fine particulate matter into the air. Nitrogen from livestock manure and synthetic fertilisers heavily used in intensive farming is running off fields into our water, leading to algae blooms and 'dead zones'. Nitrogen pollution alone costs the EU up to €320 billion every year³. Additionally, 94% of ammonia emissions stem from agriculture, the vast majority coming from intensive animal farming activities. The European Environmental Agency reports that "a number of studies have confirmed that NH₃ emissions from agriculture contribute to episodes of high Particulate Matter (PM) concentrations experienced across certain regions of Europe each spring [...]. NH₃ emissions contribute, therefore, to both negative short- and long-term impacts on human health"⁴.

WE ARE RUNNING OUT OF WATER AND SOIL

Not only is our water polluted, but reserves are also being depleted. Intensive irrigation, including in dry areas, is leading to over-consumption of water. For instance, in Spain, permits for water extraction for irrigation exceed the water replenishment rates of aquifer sources⁵.

SOIL EROSION COSTS FARMERS €1.2 BILLION⁶

Soils are degrading across Europe and we are losing about 970 Mt annually, the equivalent of 1.3 tonnes per capita per year⁷.

INTENSIVE LIVESTOCK FARMING AND BIOFUEL PRODUCTION ARE CONTRIBUTING TO CLIMATE CHANGE

While farmers could help to mitigate greenhouse gas (GHG) emissions, currently the sector is part of the problem. The agricultural sector has a net contribution to climate change with 53% of methane and 78% of nitrous oxide emissions derived from agriculture in the EU⁴ in 2015, mostly due to the livestock sector. Additionally, current levels of consumption of livestock products in the EU exceed human nutritional needs which has health implications, and intensive production maintains animals in distressing conditions.

The growth in bioenergy production has also now been shown to be directly damaging to the climate⁸, not to mention biodiversity and availability of land for growing food.

FARMER NUMBERS CONTINUE TO DECLINE

It is clear that the current system only benefits a minority of farmers. The number of all farms except the largest holdings declined by over 15% between 2005-2010ⁱⁱⁱ, and the number of agricultural workers declined by the same amount over the same period. In just six years, between 2007 and 2013, three million farms disappeared in Europe (going from 13.8 million in 2007 to 10.8 million in 2013ⁱⁱⁱ).

Intensive farming is creating a rural and ecological crisis in Europe, and we are running out of time to turn the situation around before the impacts become irreversible⁹. We need European agriculture policy to help farmers transition out of this dead-end industrial model, not fuel the problem. Since its creation, the CAP has been the main policy shaping European agricultural production methods and farmers have followed the CAP's signals: it is the policy that can and must make the difference.

i Specialist farmland bird species are those dependent on a specific agricultural habitat

ii Generalist bird species are not dependant of specific agricultural habitat and are able to adapt to multiple type of habitats.

iii Eurostat online: data code ef_kvaareg [link](#)

Why the CAP is broken

Almost €60 billion of EU taxpayers' money per year is spent mostly on intensive farming, undermining the environment and sustainable farmers. About a third of CAP money goes to just 1.5% of recipients¹⁰.

EU leaders have committed to fund the implementation of the Nature Directives and they decided that this should be done not through a separate fund for nature, but by mobilising money from other policies, in particular agricultural policy. Despite this, the CAP continuously fails to offer effective environmental schemes or provisions. It funds unsustainable farming models instead of models that support environmental health. Even worse, 'fabricated' environmental schemes give citizens the illusion that policy is addressing environmental issues, while in most cases no scientific evidence about these schemes' environmental effectiveness exists.

The bulk of CAP subsidies go towards intensification, driving environmental destruction. The European Environment Agency has identified agriculture as the main driver of species and habitat loss in the EU¹¹. Attempts to fix the broken CAP so far,

such as by introducing 'greening' measures in Pillar 1, have failed to lead to any meaningful change^{12,13,14}. This is mainly due to a lack of political will and the opposition of the intensive farm lobby, who constantly denies the scientifically proven negative impacts of the industrial farming model on both the environment and the development of sustainable farmers, and claims that environmental improvements can only be achieved by increasing the CAP budget.

Many high-nature-value (HNV) farmers who are struggling to remain in business, say that they would rather have no CAP at all, so that they could compete more fairly with industrial farms.

This has to stop in the next CAP if we are to have any chance of saving Europe's best biodiversity, cleaning up our waters, reducing GHG emissions from agriculture, preserving our soils, and thus ensuring the long term viability of food production and the farming sector. We need a CAP that gives the right signals to farmers and helps them to transition out of the dead-end industrial model, not fuel the problem.

Why the Commission's draft legislative proposal will not fix the broken CAP

The Commission's draft legal text for the post-2020 CAP promises to deliver on citizens' and farmers demands for increased environmental and climate ambition and it claims to be a 'results-based' policy. In the Commission's public consultation on the CAP, over 80% of respondents (more than [255,000 citizens](#)), called for radical reform towards sustainability and the majority of farmers (64%) and non-farmers (92%) said that the CAP does not do enough for the environment¹⁵.

Yet in practice, the Commission's proposal safeguards the old and ineffective measures (such as direct payments and coupled payments), and focuses on increased flexibility for member states which in the past has led to a weakening of environmental elements. There are very few watertight environmental safeguards, and the claim to move to a 'results-based' CAP is in practice empty because it is entirely based on a) flawed objectives b) old policy instruments and c) how much is spent on different

measures with no regard to the effectiveness of those measures or direct link to the objectives.

Given the flexibility provided to member states and the general architecture of the Commission proposal, we can estimate (see Figure 1 below) how much the post-2020 CAP (referred as "CAP proposal in Figure 1) could cut in terms of (at least notional) environmental spending compared to current spending (referred as "EU27 (2014-2020) in Figure 1). In the worst case scenario, where member states use their flexibility to avoid spending on the environment, we assume that:

- Voluntary Eco-schemes are proposed to farmers but without significant budget behind them,
- Agri-environmental and climate measures benefit from a ring fencing of 30% of the Rural Development Programme, even though this is not really the case (see below).

Figure 1 shows that the CAP proposal would increase the share of Pillar 1ⁱ by about 1% while the Rural Development Programmes (Pillar II) would be cut by 17%. Dangerously, the Commission proposes that the 30% ring-fencing of Pillar II should be for *any measure contributing to environmental objectives*, which leaves a lot of room for manoeuvre for member states to justify any payment as green, for example productive investments in intensive farming machinery. Instead, money should be allocated only for agri-environment/climate schemes, organic farming, Natura 2000 and Water Framework Directive payments, and duly justified associated investments. Even with this money properly ring-fenced, total green payments (displayed in two shades of green) are cut by 75%: from representing 25% of the CAP budget to only 6%.

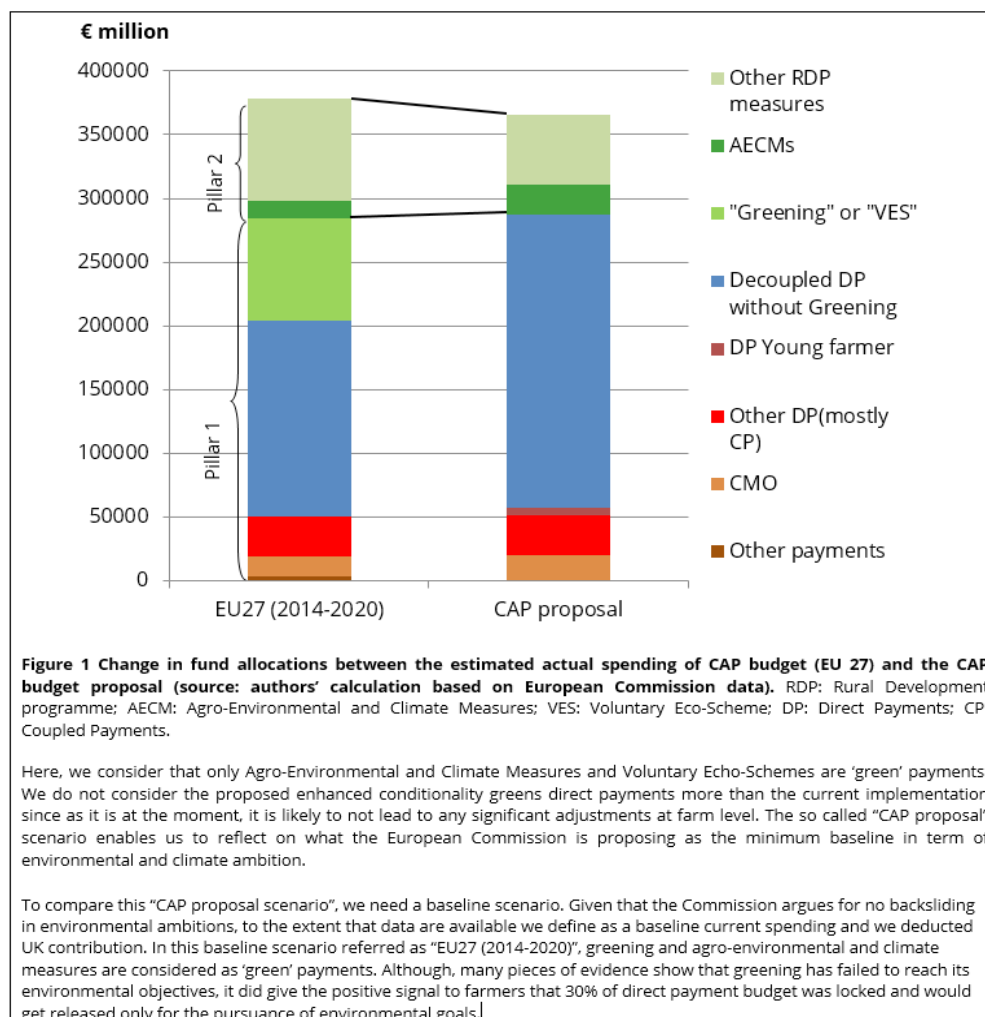
The claim by many that the EU needs to increase the CAP budget if more is to be done for the environment and climate is therefore misleading: there is a significant pot of money but most of it is currently being used inefficiently or being misspent. It is just a question of devoting the money to the right solutions, which are already there. There is a public consensus and a growing political consensus that the CAP needs to radically change: this needs to happen in the current reform.

What next?

The CAP reform is now in the hands of the European Parliament and the Council. To make the new system deliver on the environment and other goals, decision-makers need to draw an effective balance between common and ambitious EU rules defining what should be done and national level flexibility on how to do this. The two legislative bodies must in particular avoid pursuing 'simplification' that is in essence environmental deregulation and recognise that true modernisation and innovation constitutes a transition to sustainable farming. We are calling on policy makers to transition EU farming away from the current destructive model and to work in the long-term interest of citizens, farmers, food production and the environment. To do so, we call for:

1. Real money for nature, the environment and climate
2. An end to perverse subsidies
3. Real law enforcement
4. Improve the governance of the CAP and the performance

i Pillar 1 corresponds to market and income supports



DEMAND 1: Real money for nature, environment and climate

Rationale for the claim

The Treaty on the Functioning of the European Union (TFEU) obligation to integrate environmental concerns into other policies (Article 11) must be respected by applying the 'polluter pays' principle, particularly when it comes to agricultural policy. A clear minimum environmental baseline should be defined for all member states and farmers. Such a baseline should be observed without compensation.

On the other hand, the provision of positive environmental externalities and/or reducing negative externalities beyond this baseline should be specifically rewarded. In the case of improving biodiversity on farms, for example to provide habitat for a specific bird species, such action often requires an active and continuous engagement by the farmer; it is not easily provided by the market or through regulation. For other public goods such as water quality or soil health, the principle of 'do no harm' can be a more effective way of addressing the problem. For example, setting limits on the use of certain substances or inputs or establishing restrictions on certain activities do not require the same investment by the farmer. For this reason a minimum reserved amount is required for biodiversity in the next CAP, covering interventions in both Pillars.

Regarding climate change, the European Commission proposes to automatically consider the majority of CAP payments as climate spending. In particular the proposal considers that 40% of direct payments are contributing to climate objectives. Such an approach does not consider whether GHG reductions are actually achieved. In addition, the payments could go towards what are considered to be climate friendly schemes but which are in actual fact clearly detrimental for our common climate objectives, such as payments for industrial livestock operations or biomass production to produce energy on peatland. This methodology has been heavily criticised by the European Court of Auditors¹⁶. Instead, only money that goes towards dedicated schemes to reduce GHG emissions in agriculture should be counted as climate spending.

What we ask

The next CAP needs to deliver at least €15bn per year of targeted funding for effective biodiversity measures, to be funded out of an overall 50% ring-fencing across the CAP for all environment and climate measures. Given the urgency of the biodiversity crisis due to intensive agriculture, and the EU's legal obligation to co-finance Natura 2000, it is essential that the CAP assigns

€15bn/year of EU money, plus another €5 billion per year from national co-financing. In total €20bn/year should be under a 'biodiversity label'.ⁱ

The overall 50% of the CAP ring-fenced for environment and climate measures needs to be applied in both pillars, through the instruments that effectively deliver on those objectives. For example, there should be schemes available to help farmers to adopt agro-ecological practices, and transition to mixed farms raising better and fewer numbers of animals away from factory farming. Climate ambitions should be reflected through the design of dedicated schemes to reduce GHG emissions in agriculture.

Furthermore, any schemes should be developed in a robust way in order for public money to deliver public goods. To ensure that the schemes are delivering the intended results, 2% of the budget of each agri-environment scheme needs to be ring-fenced for independent scientific monitoring of schemes, based on a robust sampling methodology. Spending must also be justified ex ante in relation to identified needs (such as priority farmland species at national level) and backed up with scientific evidence. Schemes must be based on concrete environmental conservation outcomes, or concrete reductions in emissions, rather than efficiency savings which are widely shown to increase resource use (and should therefore rather belong to the economic not environmental objectives).

CAP funds must also be dedicated to encourage farmers to transition towards fewer numbers of animals and raise animals in ecologically managed systems, ensuring high animal welfare conditions, reducing emissions of pollutants such as methane or ammonia and minimising antibiotic use. A sector-wide transition to a more ecological production model will also address the chronic issue of oversupply leading to low prices for agricultural products.

Why it is a win-win for the environment and farmers

"Money for nature" is actually money for the more sustainable farmers to carry out biodiversity-friendly management. Whilst it ensures that EU taxpayers also receive a benefit (public goods), in return for funding farmers, it also creates an alternative source of income that can provide stability in contrast to the volatilities of agricultural markets.

ⁱ Recent estimates of funding needs, as well as current allocations for the implementation of the Nature Directives in Germany, show that the needs exceed the current available funding by over 50% and have doubled since the last assessment in 2010. Presuming that funding needs in other

DEMAND 2: No more perverse subsidies

Rationale for the claim

Perverse subsidies are those which do not correct a market failure but actually worsen it or create other negative side effects, therefore having an opposite, or 'perverse' effect. In the context of the environment, they can be thought of as 'environmentally harmful'. The Convention on Biological Diversity which the EU and its member states signed up to aims to phase out 'perverse subsidies' as part of its strategy to conserve nature.

There are many types of subsidies in the CAP that are perverse because they drive intensification, maintain factory farming with very low animal welfare standards, increase moral hazard, prevent adaptation to climate change, or incentivise other forms of behaviour that are harmful to society.

What we ask

The end to perverse subsidies in the CAP on the following interventions;

Coupled support are payments linked to specific farming activities, for instance hectares of farmland producing rapeseed or number of dairy cows. The vast majority of coupled support under the CAP goes to the meat and dairy sectors¹⁷. The Commission claims that 'Coupled support' will help farmers "suffering from structural market imbalances in a sector", but the very nature of coupled support exacerbates market imbalances and freezes structural adjustments by isolating farmers from market signals. Coupled supports give every incentive to farmers to supply more and to further intensify while the demand is not there. Coupled supports are inappropriate for addressing the objectives they are stated to pursue and are classified by the OECD as environmentally harmful. They should be replaced by payments supporting specific production models that deliver concrete environmental and animal welfare benefits.

'Investment aid' (one off grants for farm investments) also goes towards supporting intensification, for example purchase of heavy machinery or building of livestock stables, irrigation expansion in dry areas, and industrial processing facilities. In the post 2020 proposal there are weak safeguards on investments, and existing safeguards (e.g. ex article 46 on irrigation expansion) have been removed. Investment aid needs to become ecological transitional investment aid- to assist farmers in moving towards a sustainable farming system.

Factory farming. Since CAP money is public money, it should not reward polluters. With large numbers of animals in cramped conditions, factory farms are huge polluters emitting high amounts of dangerous methane, ammonia and nitrous oxide. CAP money should therefore not support (directly or indirectly) these types of farms. Relevant restrictions should apply to farms that have high livestock density; get less than 50% of their feed from their or a neighbouring farm and/or

import animal feed, particularly when linked to deforestation and; rely on the use of antibiotics as a preventative, treating entire herds when just one or a few animals get sick. Given the need to reduce the current levels of consumption and production of animal products the CAP must avoid any spending aimed at encouraging the consumption of animal products and accelerate a transition towards healthy and sustainable diets that are higher in plant-based foods and include considerably less and better produced meat, dairy and eggs.

Risk management – the intensive farming model based on specialisation and few crop varieties, is locking farmers into a vicious cycle of input dependence, and making them more vulnerable to price volatility and crop failures. Publicly financed risk management instruments are merely another dis-incentive for moving to a more resilient and diversified production system; it incentivises farmers to use more resources be more risk taking and creates leakage of CAP money into private hands.

Direct payments are supposed to improve farmers' incomes.

However, a recent study conducted by the World Bank¹⁸ concludes that in old member states "decoupled payments seem unnecessary". Today, this untargeted, ineffective and inefficient subsidy represents 72% of the CAP budget (around €293 billion for 2014-2020). These are heavily biased in favour of the most intensive and damaging sectors such as dairy sector, because they are not linked to farmers' income and are paid by area, in some cases even using historic references. Consequently, they contribute to the increase of land prices and land rent, which is causing problems for new entrants to farming, particularly for those who would like to farm in a more environmentally friendly way.

ANCs (Areas facing natural or other specific constraints)

In most countries, save some exceptions such as in Austria, these payments are pure income support not tied to the delivery of any results, therefore belonging in Pillar I. Despite their nature, the Commission's proposal keeps these income payments in Pillar II (although they do exclude them from counting towards environmental spending, thus removing one of the more extreme perversities).

Why eliminating perverse subsidies is a win-win for the environment and farmers

These subsidies are a waste of public money and are harmful for most of the farming sector and the general public. Perverse subsidies contribute to further intensification and hamper any structural adjustments of the agricultural sector. They therefore contribute to the disappearance of farmers, reducing their number by helping bigger farms to swallow the small ones. Perverse subsidies have clear environmental impacts since they support a fundamentally broken system undermining our production capacity by exhausting the natural resources and ecosystem services needed to produce food.

DEMAND 3: Real law enforcement

Rationale for the claim

In the CAP, direct payments are linked to the observance of environmental and other legislation through 'cross compliance' (which will be called the new 'conditionality' in the post 2020 CAP). The purpose is to ensure that those receiving public money through the CAP are not breaking environmental, public health and animal welfare laws (for example, not ploughing permanent grasslands in Natura 2000 sites, not illegally dumping manure into water courses) and are complying with basic standards on the environment. However, at present cross-compliance is largely failing because the rules are weak, there are too few checks, loopholes are exploited (such as illegal activities being considered 'involuntary') and sanctions are too low, at least for the environmental aspects, as reported by the European Court of Auditors¹⁹ and for the minimal standards for the protection of farm animals.

The whole system of cross compliance is clearly not working, given that abuses continue (there are a number of ongoing infringement cases such as for ploughing grasslands in Germany) and habitats and species continue to decline due to agricultural practices.

What we ask

The European Commission has rightly proposed to strengthen the environmental conditions that farmers have to abide by before they qualify for CAP subsidies. However, **effective 'conditionality' must cover compliance with all relevant articles of EU environmental protection laws and animal health and welfare laws**, including laws protecting our water from pollution, limiting harmful emissions, managing the use of pesticides and protecting wildlife and their habitats. A minimum of 10% of all farms should be dedicated to space for nature. Only then can 'enhanced conditionality' be effective in reducing the environmental damage and animal distress caused by farming.

Beyond the content of the conditionality, one of the main

issues is the lack of enforcement. **The next CAP must ensure provisions and capacity-building to effectively combat illegal activities on farmland** (the destruction of habitats for birds and other species, pollution of waters from factory farms etc.). **Penalties need to be much more dissuasive.**

Furthermore, moving from a 'compliance' system which penalises individual farmers for small administrative infractions (such as hedges of the wrong width, or missing ear tags for extensive livestock farmers) to **a system which actually checks instead for large-scale fraud in areas linked to environmental destruction** (such as the ploughing of grasslands in Natura 2000 sites), would simplify the CAP for authorities and farmers, and have a much greater environmental impact on the ground.

On-the-spot checks will still be necessary for checking whether basic requirements are met, for example whether mowing dates committed to in agri-environmental schemes are being observed, buffer strips are in place, pesticides are not being used where forbidden or whether pigs get environmental enrichment and have intact tails. Additionally, satellite monitoring should be used more to support the controllers' work.

Why it is a win-win for farmers and the environment

Allowing illegal activities contributes to the race to the bottom on costs, which is driving less 'competitive' (often more nature-friendly) farmers out of business. Having clear and strong rules at the EU level is a crucial way to maintain the level playing field and the 'Common' aspect of the CAP.

DEMAND 4: Improve the governance of the CAP and the performance framework

Rationale for the claim – an ineffective framework for paying for ‘results’

The proposal gives more flexibility to member states, but for this to impact the environment in a positive way, **it must be accompanied by credible and strong accountability mechanisms. This is essential to ensure that the national CAP plans contribute to meaningful common policy objectives and guarantee a level playing field, especially within the green architecture of the CAP.**

In the Commission’s proposed new delivery model, member states are not asked to report their actual environmental or social-economic performance. But the reporting obligation only requires providing the percentage of farmers or hectares under climate commitments or environmental commitments. The percentage of enrolment does not say anything about environmental or climate performance. Given that the money is not tied to performance, despite the rhetoric of the European Commission the new delivery model is not in practice a results-based model. The way the delivery model is structured merely incentivises weakly designed environmental commitments in order to maximize enrolment and be recognised by the EC as a “good performer”.

Furthermore, environmental authorities, scientists and environmental NGOs need to have a much stronger role in the future CAP, to make sure that the environmental elements are based on the best expertise available. Up to now without a formal role, environmental authorities have too often been marginalised, even though the CAP is expected to deliver funding for their policy areas.

What we ask

The only way to have a CAP that truly addresses the environment and stimulates a race to the top is to ensure that the accountability and monetary mechanisms require members states to demonstrate how the chosen options for implementing the CAP are effective and efficient in actually delivering on the environmental policy objectives. We need to look at actual

environmental delivery not at percentage of agricultural land enrolled in environmental schemes. For that we need:

- **SMARTⁱ objectives and evidence-based and rigorous indicators at EU level.** For those relating to the environment, these should be based on the relevant existing objectives of EU environmental law. As regards the environmental objectives set by the Commission, the efficient use of natural resources should not be considered as an environmental objective per se since measures improving efficiency can have strong negative impacts, leading to stronger pressure on natural resourcesⁱⁱ.
- **Targets and penalties based on impact indicators (rather than result indicators).**
- **Environmental authorities to be responsible for the environmental aspects of the CAP** and fully involved in the overall negotiations and implementations.
- **A strong governance and accountability framework and sufficient penalties and incentives systems** for Member States.

Why it is a win-win for farmers and the environment

As above, past experience has shown that given the option, many member states will choose to spend public funds on supporting production for favoured sectors such as dairy, without environmental safeguards. When enough member states do this, such as happened with the recent dairy crisis, prices crash due to overproduction and farmers lose out. This artificial support also undermines farmers who are trying to compete on other criteria such as quality and sustainability. Having clear and strong rules at the EU level is a crucial way to maintain the level playing field and the ‘Common’ aspect of the CAP, and prevent unfair competition between farmers both in the same country and across countries.

ⁱ Specific, Measurable, Achievable, Realistic and Time-bound

ⁱⁱ In Spain for example improved efficiency of irrigation has led to a 3-fold increase in irrigated area in some areas (Source: EEA, 2012). Further, efficient management of resources such as through investments in precision farming technology, whilst the environmental outcomes are far from clear, and may even be negative for example in the case of biodiversity, must not be regarded as environmental measures as per calls from agri-chemical companies.

- 1) We call on the Council and the European Parliament to negotiate a deal that is a major step towards a sector-wide transition to sustainable farming and that demonstrates EU added-value.
- 2) We call on the Presidencies to ensure an evidence-based debate, to invite and listen to stakeholders' perspectives and to document progress in the council conclusions.
- 3) In view of the upcoming European elections, we call on Members of the European Parliament to engage with citizens in a CAP debate, so that the next CAP reflects what EU citizens want.

DEMAND 1: Real money for nature, environment and climate

DEMAND 2: No more perverse subsidies

DEMAND 3: Real law enforcement

DEMAND 4: Improve the governance of the CAP and the performance framework

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Gemeinsam für eine naturverträgliche Landwirtschaft

**NABU-Forderungen an eine neue Ernährungs- und
Landnutzungspolitik der EU**



Maispflanzen



Pestizidausbringung

Agrarreform dringend notwendig

Die immer intensivere Landwirtschaft in Europa beeinträchtigt Mensch und Umwelt. Das Insektensterben, immer weniger Feldvögel und zu hohe Nitratwerte im Grundwasser – dies sind alarmierende Zeichen dafür, dass die Natur aus dem Takt kommt. Intensive Düngung, ein anhaltend hoher Verbrauch von chemischen Pflanzenschutzmitteln und die Vernichtung von naturnahen Flächen bedrohen unsere ländlichen Räume immer stärker. Dabei erhält die Landwirtschaft in der EU jährlich fast 60 Milliarden Euro vom Steuerzahler – den Großteil davon pauschal pro Fläche. Hierdurch macht es für die meisten Landwirte wirtschaftlich Sinn, möglichst viel zu möglichst geringen Kosten zu produzieren. Diese Intensivierung wird verstärkt durch niedrige Lebensmittelpreise und den Versuch, über den Export das Einkommen zu sichern: Masse statt Klasse. Die Umwelt, aber auch viele landwirtschaftliche Betriebe bleiben dabei auf der Strecke.

Ein Umsteuern ist also dringend notwendig. Statt monotone Maiswüsten und Megaställe zu fördern, sollte Steuergeld lieber denjenigen Betrieben helfen, die auf naturverträgliche Anbau- und Produktionsmethoden umstellen wollen – nur so entsteht ein lebendiger und lebenswerter ländlicher Raum.

„Greening“-Maßnahmen greifen nicht

Trotz vieler Reformanläufe ist es bisher nicht gelungen, die Gemeinsame Agrarpolitik der EU (GAP) in umweltverträgliche Bahnen zu lenken. Im Jahr 2013 wurde das sogenannte „Greening“ beschlossen, verschiedene Maßnahmen zur Förderung der Umweltverträglichkeit. So sollte zumindest ein Teil der Subventionen an Leistungen für die Umwelt geknüpft werden – doch der erwünschte Effekt verpuffte, zu gering sind die Anforderungen, zu groß die Ausnahmen und Schlupflöcher (Zinngrebe et al. 2017).

Keinem Landwirt ist es zu verdenken, möglichst wirtschaftlich arbeiten zu wollen, zumal Handel und Verbraucher viel zu wenig für gute Lebensmittel zu zahlen bereit sind. Daher muss der Staat finanzielle Anreize setzen, wenn die Gesellschaft freiwillige Naturschutzleistungen der Landwirte erwartet. Außerdem muss er Betrieben helfen, höhere Preise für naturverträglich hergestellte Lebensmittel zu erzielen, zum Beispiel über regionale Vermarktung, mehr Nachfrage von öffentlichen Einrichtungen und höheres Bewusstsein beim Verbraucher durch klare Kennzeichnung. Hierfür fehlte allerdings bisher der politische Wille zum Umschichten der Agrarzahlungen.

Ein vom NABU in Auftrag gegebener „Fitness Check“ zeigt: die GAP ist weder wirksam, noch effizient in der Erreichung ihrer Ziele (Pe'er et al. 2017). Doch jetzt besteht die Chance auf eine grundlegende Änderung: Die Agrarpolitik der EU wird derzeit turnusgemäß für die Zeit nach 2020 neu verhandelt. Jetzt müssen endlich Fortschritte für Natur, Bauern und die ganze Gesellschaft erzielt werden!

Feldlerchen finden durch immer dichtere Getreidebestände kaum mehr Brutplätze.





Strukturreiche Agrarlandschaft

Für eine faire, gesunde und naturverträgliche Agrarpolitik in Europa

Über die globalen Nachhaltigkeitsziele haben sich Deutschland und die EU zu einer nachhaltigen Landwirtschaft bis 2030 verpflichtet. Dies bedeutet unter anderem, dass die europäische Landwirtschaft keine Schäden mehr an Artenvielfalt und Klima anrichten darf – und dass nachhaltig wirtschaftenden Betrieben eine Zukunft gegeben werden muss. Gleichzeitig muss in einen fairen Handel bei uns und weltweit, die Nachfrage nach hochwertigen Lebensmitteln sowie die Minimierung der Lebensmittelverschwendung investiert werden. Die Weichen hierfür müssen jetzt gestellt werden.

Der NABU fordert deshalb gemeinsam mit seinen europäischen Partnerorganisationen eine ganz neue Ernährungs- und Landnutzungspolitik. Deren Ziele müssen sein:

- Aufbau einer nachhaltigen Lebensmittelproduktion, die hohen Umwelt- und Tierschutzstandards genügt und dank fairer Preise langfristig unabhängig von Subventionen wird.
- Die einkommenswirksame Honorierung von konkreten Leistungen von Landnutzern für die Artenvielfalt und die ausreichende Finanzierung der EU-Naturschutzinstrumente wie Natura 2000.
- Die gleichberechtigte Mitsprache aller politischen Ressorts und Akteure, die ein Interesse an einem lebendigen ländlichen Raum, einer intakten Umwelt, gesunden Lebensmitteln und Entwicklungschancen für Menschen außerhalb Europas haben..

Die neue Politik muss transparent, fachlich begründet, ergebnisorientiert und für die Empfänger von Fördermitteln möglichst unbürokratisch sein. An der Ausgestaltung der Politik sind alle relevanten politischen Ressorts zu beteiligen, weit über die Agrarministerien und Agrarausschüsse der Parlamente hinaus. Auf EU-, Bundes- und Landesebene müssen insbesondere die Ressorts für Umwelt, Gesundheit, Verbraucherschutz und Entwicklungszusammenarbeit mitentscheiden. Bei Fragen der Naturschutzfinanzierung müssen die zuständigen Behörden federführend sein und entsprechend personell ausgestattet werden.

Die Einhaltung von Umweltgesetzen allein verdient keine staatliche Förderung. Die neue Politik darf auch keine Anreize setzen für Intensivierung, weder durch pauschale Flächenprämien, noch durch staatliche Risikoabsicherung umweltschädlicher Anbaumethoden. Innerhalb wie außerhalb Europas müssen Lebensmittel „Made in Europe“ für Qualität und Nachhaltigkeit stehen, nicht für möglichst billige Erzeugung.



Der Star, Vogel des Jahres 2018, fühlt sich auf Weiden am wohlsten.



Beweidung mit Schafen



Weizenfeld

Elemente einer neuen Ernährungs- und Landwirtschaftspolitik

EUROPÄISCHER INVESTITIONSFONDS FÜR LANDNUTZUNG UND ERNÄHRUNG

Die EU muss bis 2030 ein nachhaltiges Agrar- und Ernährungssystem aufbauen.

Die „Gießkannensubventionierung“ nach Flächengröße und die Praxis, immer mehr immer günstiger zu produzieren, muss aufgegeben werden. Stattdessen sollte die europäische Landwirtschaftspolitik auf Qualität und hohe Umweltstandards setzen.

Eine angemessene Bezahlung durch Handel und Verbraucher soll langfristig Subventionen verzichtbar machen. Hierfür muss die EU ab 2020 die derzeitigen Säulen der GAP durch gezielte Investitionshilfen ersetzen. Dazu gehören die Förderung umweltverträglicher Anbaumethoden ebenso wie eine stärkere Förderung der Umstellung auf Ökolandbau, Regionalvermarktung und entsprechende Beratung. Gleichzeitig muss in die Nachfrage und die Zahlungsbereitschaft für naturverträglich produzierte Lebensmittel investiert werden, unter anderem durch Maßnahmen in den Bereichen Bildung, Lebensmitteltransparenz und nachhaltige Versorgung in öffentlichen Einrichtungen. So können Betriebe ihre Produktion und Vermarktung auf hohe Umwelt- und Tierschutzstandards einstellen und sich neue ökonomische Perspektiven aufbauen.



Wildbienen brauchen blütenreiche Ackerrandflächen, Halbtrockenrasen und extensiv genutzte Weiden.

EU-NATURSCHUTZFONDS

Ein neuer EU-Naturschutzfonds bildet den Kern eines Gesellschaftsvertrags zwischen Steuerzahlern und Landnutzern: Im Austausch für konkrete (Dienst-)Leistungen für den Erhalt der biologischen Vielfalt muss der Fonds ein attraktives zusätzliches Einkommen anbieten. Für den Fonds müssen mindestens 15 Milliarden Euro pro Jahr im EU-Haushalt festgeschrieben werden. Künftig muss die Ausgestaltung der naturschutzrelevanten Förderprogramme in Bund und Ländern unter der Verantwortung der Naturschutzbehörden stehen, auf EU-Ebene muss die Generaldirektion Umwelt für deren Genehmigung zuständig sein. Die Abwicklung sollte jedoch weitgehend über bestehende Verwaltungsstrukturen erfolgen.

SPACE FOR NATURE

Zusätzlich zur Förderung gezielter Naturschutzmaßnahmen soll die neue Agrarpolitik auch das Vorkommen von naturnahen Flächen in den Agrarlandschaften generell unterstützen. Davon profitieren bestäubende Insekten und schädlingsbekämpfende Vögel, aber auch Grundwasser und Boden. Der NABU schlägt hierfür eine sehr einfach angelegte „Space for Nature“-Prämie vor. Je mehr Fläche ein Betrieb naturnah und produktionsfrei belässt, zum Beispiel in Form von Hecken, Blühstreifen oder Brachen, desto mehr Förderung erhält er.

Das intensive Saatgutreinigen hat dafür gesorgt, dass Kornblumen aus dem Landschaftsbild fast völlig verschwunden sind.





Fragen und Antworten zur Agrarpolitik

Müssen bei Wegfall der pauschalen Direktzahlungen nicht noch mehr Betriebe schließen?

Der NABU hat errechnet, dass viele Betriebe sogar profitieren würden, wenn stattdessen konkrete Naturschutzleistungen besser bezahlt würden (Oppermann et al. 2016). Mit dem frei werdenden Geld könnte endlich allen Betrieben finanzielle Unterstützung und Beratung für die Umstellung auf naturverträgliche Produktion, zum Beispiel auch Ökolandbau, angeboten werden. Und schließlich würde der Staat dafür sorgen, dass künftig bessere Preise für nachhaltig produzierte Lebensmittel bezahlt werden. Betriebe, die weiter möglichst billig produzieren möchten, können dies tun, müssten aber auf staatliche Förderung verzichten und sich strikt an die Umwelt- und Tierschutzgesetze halten. Nach 2030 sollte die Landwirtschaft dann weitgehend ohne Subventionen auskommen.

Erbringen die Landwirte nicht jetzt schon hohe Umweltleistungen?

Die Vielfalt von Tieren und Pflanzen in der Agrarlandschaft geht bundes- und europaweit dramatisch zurück, die Gewässerbelastung aus landwirtschaftlichen Quellen ist anhaltend hoch und durch Grünlandumbruch und die Nutzung von Mooren in großem Stil werden Treibhausgase freigesetzt. Viele Landwirte versuchen zwar, im Einklang mit der Natur zu wirtschaften, und würden gerne mehr für die Artenvielfalt tun – doch oft lohnt es sich wirtschaftlich nicht. Das muss sich durch Investitionshilfen, einen EU-Naturschutzfonds sowie höhere Verbraucherpreise ändern. Klar ist aber auch: Die Landwirtschaft verursacht in der Summe immense Umweltkosten, die letztlich die ganze Gesellschaft tragen muss. Wie in jeder anderen Branche auch müssen hohe Umweltstandards auch für die Landwirtschaft selbstverständlich sein – ohne Kompensation durch Steuergelder.

Müssen wir nicht mehr produzieren, um die Welt zu ernähren?

Nein. Welternährung funktioniert nur regional: Die Produktivität, Vermarktung und Verteilung, aber auch die Kaufkraft der Verbraucher muss dort verbessert werden, wo ein Mangel an Nahrungsmitteln auftritt – durch Investitionen vor Ort und Wissenstransfer. Die viel gepredigte Exportorientierung der europäischen Landwirtschaft versucht, auf anderen Märkten möglichst billig zu sein: das schädigt die Umwelt hierzulande genauso wie die ökonomischen Perspektiven der Menschen gerade in den Entwicklungsländern, was letztlich zu Armut und Flucht führt. Hinzu kommt, dass die europäische Tierhaltung überwiegend auf Futtermittelimporten aus Übersee basiert, für die riesige Flächen naturschädigend und intensiv genutzt werden. Den Wettlauf um das billigste Angebot können die Europäer letztlich nur verlieren – „made in EU“ sollte stattdessen für Qualität und Nachhaltigkeit stehen.

Will der NABU den Landwirten das Geld wegnehmen?

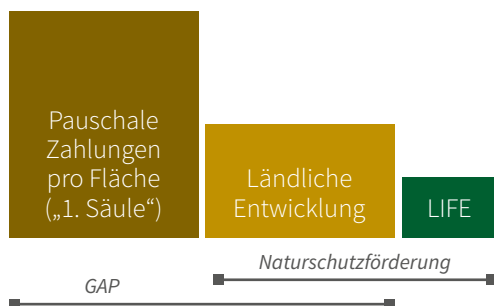
Nein, im Gegenteil: Viele Naturschutzmaßnahmen können nur von Landwirten erfolgreich umgesetzt werden – und zwar freiwillig. Darum sollen diese auch die Hauptnutznier der Agrarreform sein und mehr Geld dafür erhalten als bisher. Im Rahmen eines „Naturschutzvertrages“ zwischen Steuerzahlern und Landnutzern sollen aus dem EU-Naturschutzfonds künftig Naturschutzleistungen von Landwirten einkommenswirksam bezahlt werden. Neben der Wirksamkeit der Maßnahmen und einer attraktiven Förderhöhe ist dabei eine möglichst einfache Beantragung und Abrechnung der Gelder für die Empfänger wichtig.



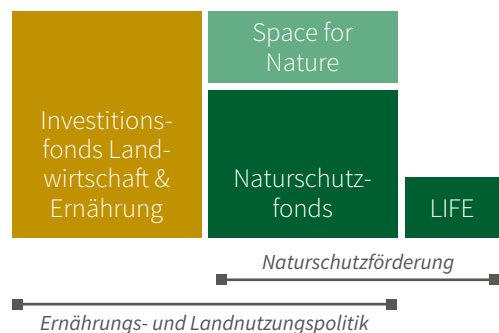
Grünlandflächen an der Havel

Die Forderungen des NABU auf einen Blick

Aktuelle Situation (2014-2020)



NABU-Forderung (nach 2020)



Die gegenwärtige Agrarpolitik der EU verfehlt ihre Wirkung für Naturschutz, Landwirte und Steuerzahler. Der NABU fordert, sowohl die pauschalen Flächenprämien in der „Ersten Säule“ als auch die unterfinanzierten und oft wenig zielgerichteten Maßnahmen zur ländlichen Entwicklung in der „Zweiten Säule“ durch ein neues System zu ersetzen. Ein oder mehrere Investitionsfonds für nachhaltige Landwirtschaft und Ernährung, ein Naturschutzfonds sowie eine zusätzliche „Space for Nature“-Prämie sollen an ihre Stelle treten. Zudem muss das LIFE-Programm der EU-Kommission gestärkt werden.

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POSITION
PAPER

NOVEMBER
2017

TOWARDS A COMMON AGRICULTURAL POLICY THAT WORKS FOR PEOPLE AND NATURE

CAP post-2020 reform orientation and future policy instruments

WWF is determined to support the development of a new Common Agricultural Policy (CAP) that helps to build sustainable food systems and safeguards the planet's natural environment and resources.

A new CAP should serve sustainable farmers and rural communities, who are the prime caretakers of Europe's landscapes.

OVERVIEW

Agriculture and nature are inseparably linked. Agriculture relies on healthy nature and ecosystem services, which underpin farmers' livelihoods and people's wellbeing. At the same time, unsustainable farming practices are an important driver of biodiversity loss and environmental degradation. A transition is needed towards truly sustainable food and farming systems that work for people and nature.

EU institutions and national governments should address today's environmental and societal challenges responsibly. They must deliver on national, European and international commitments such as the Agenda 2030 for Sustainable Development and the Paris Agreement.

The current Common Agricultural Policy (CAP) is not fit for this purpose. WWF therefore calls for the CAP to be re-designed in order to support the necessary transition in agricultural practices, and asks for:

1. Programmed and targeted schemes to become the core of this policy;
2. Coherence with other EU and global policies and a widened governance structure.

WWF calls upon European institutions to engage in the reform for a sustainable CAP post-2020, with the following orientation:

- A. The next CAP should establish a new contract between farmers and society;
- B. The CAP should be made coherent with, and help fully implement other EU policies and international agreements;
- C. A fair and sustainable alternative to direct payments should be implemented to deliver on environmental challenges, nature and societal demands;
- D. Cross-compliance and greening requirements should be revised and restructured;
- E. Rural development and environmental measures should be reinforced in the next CAP.

INTRODUCTION

Agriculture is part of the solution

Farmers' core business is to produce food, fibre and other essential products. These activities have largely shaped European nature and rural landscapes. Sustainable agriculture is the key to producing food within the capacity of the planet while maintaining the ecosystem services it depends upon, like healthy soils, clean water and pollinating insects. These ecosystem services are essential for good quality and healthy food and underpin the development of strong rural economies and local communities. Nevertheless, currently most markets do not pay enough to ensure a viable income from sustainable production. Fair markets and supply chains, together with a reformed agricultural policy, are necessary to mainstream more sustainable farming practices, and offer an attractive and promising future for farmers.

A different CAP is needed to support the necessary change

A reformed CAP is essential for a transition to a sustainable European agriculture model, in which the EU fosters diversified, climate- and market-resilient farm businesses. These businesses can then provide healthy food, protect natural capital, address climate change and safeguard ecosystem services for future generations. The CAP should reward farmers and land managers that preserve water, soil and biodiversity, and contribute to building resilient rural landscapes. At the same time, it should guarantee that animal welfare is respected and avoid the negative impacts of our agriculture outside Europe. A fair, effective and efficient policy can ensure that sustainable farming gets adequate support and that existing negative market incentives are corrected. This requires the polluter pays principle to be reinforced, and using public money to pay for public goods.

The current CAP is not fit for purpose

The current CAP is largely a result of policy priorities and instruments developed for the challenges of the last century. It has strengthened resource intensive farming, increasing pressure on nature and depleting the natural resources that agriculture itself relies upon. At the same time, other farming systems that provide more public goods have been marginalised by this policy. At present, approximately 80% of the money used for direct payments goes to 20% of the farmers in Europe. This CAP is not fit for today's societal and environmental challenges. A reform is necessary to meet the needs of farmers and citizens, preserve our planet and secure sustainable food production for the future.

WWF in the field: supporting High Nature Value (HNV) farmers for improved marketing of products

In collaboration with agricultural producers and public partners, WWF has implemented successful initiatives aimed at increasing the income for High Nature Value farmers in Bulgaria. Through the use of local labels for organic food and honey, and the promotion of traditional breeds of sheep, adapted to these areas, producers have obtained market access and recognition. The producers acknowledge the value and take active care of the ecosystem services they depend on for their livelihoods.



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KEY POLICY CHANGES FOR THE CAP POST-2020

1. Programmed and targeted schemes at the core of the Common Agricultural Policy

Programmed and targeted schemes must become the core of a modernised CAP. It must be **clear what any payment or policy measure is trying to achieve** and results should be quantifiable and measurable against robust baselines. The objectives of these schemes should reflect the EU goals for nature and climate and the ecological and socio-economic needs of rural areas, while also taking into account the impacts of our food and farming system outside Europe.

Overall, the core of the policy should shift from the current subsidy entitlements towards fair contracts between farmers and society. Through **careful national and regional programming** of the schemes and a common monitoring of their implementation and results, the agreed EU priorities can be adapted for each territory appropriately. By including all schemes a farm is engaged in under a single multi-annual contract, effectiveness would increase, control would be simplified, and the internal coherence of CAP payments would improve. In the design and implementation of the schemes on the ground, locally-led and participatory approaches should be required, involving farmers and all relevant stakeholders (local authorities, NGOs, etc.) in all phases of the process.

“EU subsidies should be linked to activities that promote reaching more diverse and healthy soils and less pesticide use. Nature and agriculture must work together.”

Olivier Mehuys,
young Belgian farmer,
May 2017

The existing direct payment system needs to be replaced by **a fair alternative system to reward public goods and support the transition** to sustainable agriculture. An alternative scheme for farm sustainability could be based on simple agro-ecological principles that maintain and enhance key ecosystem services for agriculture, such as soil fertility, water availability and retention, pollination and natural pest management. This scheme should also seek to minimise the use of non-renewable natural resources and contribute to mitigating and adapting to climate change. While most farmers should be able to access these basic sustainability payments, higher levels of ambition and **sustainability must be better rewarded** to provide the right incentives under a coherent framework. Such changes in direct payments constitute an important evolution in farming and policy, as pure agronomic productivity would no longer be the only indicator for success.

An appropriate policy framework involves not only paying to encourage certain farming practices, but also giving **support to investments, training and advisory systems that will assist in the transition to sustainability**. Support for High Nature Value and Natura 2000 farming must be ensured in the system, based on the ecological, social and environmental benefits they produce, such as protecting and enhancing specific biodiversity, or maintaining food production and livelihoods in remote rural areas. Specific result-based schemes (see box on page 6) will be needed to support farming that produces very high levels of public goods, like those targeting complex ecological outcomes.



WWF in the field: developing a new revenue model for biodiversity in agriculture

In partnership with a dairy cooperative and a bank, and support from a research institute, WWF is developing a farm-level scheme based on Key Performance Indicators in the Netherlands to quantify biodiversity results in an integrated and holistic way.

This biodiversity monitor can be used to reward dairy farmers through supply chain partners. Farmers participating in this results-based scheme will be rewarded through a premium on top of the milk price, and can access low interest rate financing conditions for their businesses. Potentially, the biodiversity monitor could also be used for results-based agri-environment schemes, including under the CAP.

2. Coherence with other EU and global policies and a widened governance structure

The CAP must be coherent with other European policies, and synergies with structural and cohesion funds must be increased to secure living rural areas. The CAP must **contribute to the full implementation and enforcement of existing legislation** on biodiversity, health and the environment, including the Birds and Habitats Directives, the Water Framework Directive and Nitrates Directive, the Sustainable Use of Pesticides Directive and National Emission Ceilings Directive. Such key environmental legislation must be better integrated into the CAP to **prevent perverse subsidies**. Farmers must be provided with the necessary support and advisory services to fully comply with existing legislation and, with adequate incentives, to take bigger steps towards sustainability.

“The necessary integration and coherence of CAP proposals will only be achieved if they are initiated by the joint inputs of several DGs within the Commission and then negotiated by joint agricultural and environmental Parliament Committees and Councils.”

Franz Fischler, former EU Commissioner for Agriculture, and
Cees Veerman, former Dutch Minister of Agriculture, June 2017

A major objective of the CAP must be **to contribute to international agreements signed by the EU**. It must help meet the relevant Sustainable Development Goals, such as implementing resilient agricultural practices, the sustainable management and efficient use of natural resources, reducing water pollution and increasing water-use efficiency, halting land degradation and biodiversity loss. Taking urgent action on climate change, as pledged in the Paris Agreement, should also be among the primary objectives of a modernised CAP.

Due to the interrelation of agriculture with many other areas (nature and environment, water, food, health, climate, regional cohesion, international trade and development, etc.), the CAP should have a widened governance system which goes beyond the usual agricultural stakeholders. **The CAP needs to be designed, agreed, implemented and monitored jointly with other relevant authorities and policy makers.** Most notably, CAP funds should be managed closely with environment authorities, who should also have a greater responsibility in policy design. Furthermore, open and transparent public participation in the CAP decision-making process is needed, not only at the EU level, but also at national and regional levels.

REFORM ORIENTATION AND POLICY INSTRUMENTS

The Common Agricultural Policy is at a crossroads: taking the right direction now is essential for this policy to **regain its legitimacy towards EU citizens and taxpayers**. The Public Consultation on Modernising and Simplifying the CAP launched in February 2017 showed clearly that continued public support is needed to ensure a fair remuneration for farmers, and what society is demanding in exchange for this support: **stepping up efforts to preserve our environment**, enhance biodiversity and tackle climate change.

The next CAP must put Europe's food and farming systems **on track towards real sustainability**, ensuring that planetary boundaries are respected, society's expectations are met and the European nature and biodiversity objectives are achieved. WWF calls upon European institutions to engage in an in-depth debate about the future of the CAP, taking the following reform orientation into consideration.

A. The next Common Agricultural Policy should establish a new contract between farmers and society

Overall, the next CAP should offer an effective and coherent policy framework, combining different levels of co-funding and subsidiarity in a simple way, and making the distinction between the current pillars irrelevant.

All schemes a farm is engaged in should be included under a **single multi-annual contract** for the farm business, offering stability to farmers and detailing clearly the commitments undertaken, targets to be achieved and measures to implement. These should be directly **related to improved sustainability performance** of farms and to enhancing biodiversity and environmental quality.

The largest share of the CAP budget should be shifted progressively to programmed and well targeted schemes, following the best existing examples of Rural Development policy implementation. This should offer Member States sufficient flexibility to **achieve the objectives and priorities agreed** at the EU level while responding to their regional specificities. Overall, CAP payments should be based on the principle of 'public money for public goods', and avoid any public support for practices with negative environmental impacts.



**More than 258,000 citizens and 600 organisations
and businesses joined the #LivingLand call
for an overhaul of the CAP**

www.wwf.eu/living_land

B. The CAP should be made coherent with, and help fully implement other EU policies and international agreements

“The biggest challenge our generation and our kids' generation face is that we now have to decrease the burden we put on Mother Earth.”

Frans Timmermans, First Vicepresident of the European Commission, June 2017

Agriculture is closely connected to many other policy areas, so achieving policy coherence should become a central objective of the next CAP. In this regard, it will be particularly important that **environmental authorities play a key role** in the future CAP design and implementation. Indeed, they should **co-manage the CAP instruments related to their area of work**, such as the current cross-compliance, greening, agri-environment, climate and forestry measures, Water Framework Directive and Natura 2000 payments or investments related to those schemes.

Payments to farmers and land managers to achieve environmental and nature conservation outcomes would continue to be managed within the existing agencies, but their **design and content would need to follow the existing planning instruments** (like the River basin or Natura 2000 management plans). In any case, such schemes would have to be formally approved by the relevant environmental authority, which will also monitor the results and work closely with the agricultural authority managing the rest of the CAP.

Further, environmental authorities should be empowered to demand a revision or removal of **CAP instruments identified as environmentally perverse**: i.e., undermining the achievement of targets set by the EU environmental policy and international agreements like the UN Convention on Biological Diversity.

WWF in the field: promoting biodiversity in organic farms

With the “Agriculture for Biodiversity” project, WWF is working closely with more than 70 organic producers in Germany. Farmers receive tailored advice to increase the diversity of species on their farmland using a large variety of measures, which have been designed with the scientific support of a research institute. If a minimum score is achieved, their products can be labelled distinctly when sold by the major retailer supporting the project.



C. A fair and sustainable alternative to direct payments should be implemented to deliver on environmental challenges, nature and societal demands

A large body of evidence shows that decoupled payments, which have played an important role as a transition period since the 2003 Fischler reform of the CAP, now **need to be fully restructured into a more effective system**, which will be fairer for farmers and respond better to societal demands and environmental challenges. Therefore, the next CAP must shift away from basic payments which are based on entitlements or on a flat rate. The new system should take into account the sustainability needs and public goods generated in different farming systems.

An alternative “basic farm sustainability scheme” should be implemented for active farmers, avoiding the use of past payment reference levels or the income foregone approach. This scheme should be **designed to assist in the transition to more sustainable agriculture** and reward the provision of public goods. Farm labour and the creation of employment, particularly for young people and women, should also be a factor to consider in the system to ensure a more sustainable future for our rural areas.

“The necessary transition is not limited to agriculture and not only to the European Union. It involves all economic sectors, all society, and all nations.”

Janez Potočnik, Chairman of the Rise Foundation, former EU Commissioner, 2017

Payments in this scheme must favour continuous improvements in farm management and the adoption of practices that **protect the natural capital agriculture depends upon, and deliver benefits** such as higher levels of soil fertility and carbon storage, preserved water resources and higher water quality, or optimised use of inputs and non-renewable natural resources. In this basic farm sustainability scheme, higher commitments to sustainability must be **better rewarded to provide the right incentives** to farmers willing to do more.

Overall, the next CAP should prioritise support to farms with the potential to produce more public goods (e.g., agroecological, organic, low-input, HNV farming), including those located in Natura 2000 sites and remote or mountainous areas. Indeed, the current system of **‘support for producers’ should evolve towards ‘support for production methods’**, which calls for instruments that can sustain specific management practices within a sector.

Risk management tools should be carefully deployed, paying particular attention to **fostering lower-risk diversified production at farm level**, with the adequate training and support from advisory services. Further tools to address market risks should not incentivise farmers to engage in inappropriate investments and farming practices, and should avoid any undesirable environmental and social consequences, both within and outside the EU.

WWF in the field: working to restore semi-natural pastures and their active management

In Sweden, over 30,000 ha of pastures have been restored and livestock infrastructure renewed or installed, as part of the efforts to bring back biodiversity-rich semi-natural pastures in nationally important cultural landscapes. WWF has facilitated contact between private stakeholders and regional and local organisations which has led to the involvement of 700 farmers in the programme. These farmers are obtaining additional income for the restored grazing activities.



D. Cross-compliance and greening requirements should be revised and restructured

All public payments should be underpinned by **a strong regulatory floor**. Several of the current straight-forward requirements for greening payments should be consolidated in the future CAP into cross-compliance, as they are basic standards for good environmental and farming management in Europe. Furthermore, given the relevance of the water and agriculture nexus, **key obligations of the Water Framework Directive** should also be integrated into the cross-compliance system, covering requirements related to both water quantity (e.g., water metering for irrigation) and quality (e.g., pollution by phosphates and pesticides). Equally, the Sustainable Use of Pesticides Directive should also be reflected as a basic standard to receive public support, and specific elements of cross compliance should also be set for forest related measures.

In order to improve farming practices appropriately, and deliver the expected environmental benefits, **greening and other direct payments should be replaced by the aforementioned 'basic farm sustainability scheme'**. Ideally, this scheme should be designed with a programming approach: Member States should propose nationally or regionally adapted measures targeting strong and clearly defined EU objectives for their evaluation and approval by the European Commission. Member States would have to use a common framework of indicators to measure their baseline level on the EU objectives, and monitor the progress made towards those objectives with their choices.



WWF in the field: contributing to the sustainable management of HNV farms

WWF is working with landowners, farmers, shepherds and other experts to implement a sustainable management model for dehesas and montados, a High Nature Value livestock farming system found in Spain and Portugal. This has led to more than 3,500 ha being managed with best farming practices through agreements with key farmers, owners and managers. An Iberian Alliance for dehesas and montados will also be launched, with the co-lead of farm owners and managers.

E. Rural development and environmental measures should be reinforced in the next CAP

“Policies must incentivise the delivery of environmental public goods, including the preservation of Europe’s natural and cultural heritage.”

Cork 2.0 Declaration: A better life in rural areas, 2016

Rural development policy should be further reinforced in the next CAP, in the spirit of the **Cork 2.0 conference and declaration**. There are strong calls to fully integrate and better address challenges related to the environment and climate change with CAP funds, so expenditure earmarked to these areas should also be significantly raised.

Achieving **healthier and more sustainable consumption patterns** in Europe should be a new policy objective supported in the next CAP, with an integrated “field to fork” approach so that planetary boundaries are no longer transgressed by our food and farming systems.

In the design and implementation of rural development schemes, locally-led and **participatory approaches should be favoured**, involving all relevant stakeholders. When appropriate, schemes may include a combination of prescriptive (with a high likelihood of achieving expected outcomes) and results-based measures (where the farmer or land manager decides on the specific pathway to achieve the desired result).

Collective action and cooperation by groups of farmers should also be incentivised, so as to achieve results at the landscape level. Packages of measures comprising the different tools available (e.g., support to investments, capacity building, agri-environment) should be prioritised to address the different aspects of sustainability jointly and coherently.



WWF in the field: supporting carbon storage in farm soils

Together with Austrian farmers and a major food retailer, WWF is engaged in the “Healthy Soil for Healthy Food” project to foster soil conservation farming methods such as fertilization with compost rather than commercial fertilizer, minimum tillage, permanent green cover and crop rotation. WWF provides expertise and knowledge regarding soil issues, while the food retailer buys the agricultural produce and pays a bonus of 30€ per stored ton of CO₂ in soil to the farmers involved in the project. The farmers produce mainly vegetables (cabbage, tomatoes, onions, carrots and three different kinds of salads) on 1,000 ha of land, and the produce is sold locally.

60%

Food systems are responsible for 60% of terrestrial biodiversity loss

50kg/ha

Nitrogen surplus in EU farms is 50kg per hectare, causing water pollution



80%

Livestock accounts for 80% of greenhouse gas emissions from agriculture

258,708

258,708 citizens asked the EU to overhaul its Common Agricultural Policy



This programme is implemented with the support of the European Union. The contents of this publication are the sole responsibility of WWF and can in no way be taken to reflect the views of the European Union.



Why we are here

To stop the degradation of the planet's natural environment and to build a future in which humans live in harmony with nature.

www.wwf.eu

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Open letter to Members of the European Parliament's Committee on Agriculture and Rural Development (AGRI)

Dear AGRI Committee Members and Substitutes,

Cc: ENVI, CONT, REGI, DEVE, FEMM, and BUDG Committee Members,

We are writing to you as a coalition of economic and non-economic interests, representing producers, farmers, environmental protection, animal welfare, international development, food and health organisations, and consumer co-operatives, to call on you to work towards a fundamental green and fair reform of the Common Agricultural Policy (CAP) in this new Parliament.

Science tells us that we must act urgently and decisively to prevent catastrophic climate change, the collapse of biodiversity, and thereby safeguard our future ability to produce food. The European elections demonstrated that European citizens expect such action from this Parliament.

Agriculture is at the heart of the debate, both as a contributor to environmental degradation and as a sector on the frontline of its effects. While farmers cannot solve these crises alone, these issues can also not be solved without them, and without a large-scale shift to ecological farming practices, supported by the CAP. This will benefit the water we drink, the food we eat, the air we breathe, the landscapes and the biodiversity of our countryside, the welfare of farm animals, our climate, and the lives and well-being of people both in Europe and in third countries.

In this light, the proposed changes to the CAP, as voted by the previous Agriculture Committee, are woefully inadequate to meet the magnitude of the environmental and social challenges facing Europe's farming sector. CAP spending needs to be urgently redirected towards promoting nature and animal welfare friendly farming, and away from environmentally damaging farming practices.

We urge you to use your Parliamentary mandate to work towards a new CAP that will tackle the climate crisis, reverse the rapid loss of biodiversity, ensure healthy and sustainable consumption and production, and deliver quality rural employment and decent livelihoods for our farmers. Several amendments to this end have already been voted through in opinion-giving Committees.¹

Such an undertaking requires close collaboration between relevant Committees of the European Parliament. Agriculture does not exist in isolation, therefore a joined-up, inclusive and coherent approach to agricultural policy is urgently needed. Moreover, over the next five years, inter-committee collaboration will be needed to pursue closer alignment and coherence between the CAP and other policies that shape food and agriculture, to enable a genuine transition towards sustainable food systems.

We look forward to working with you towards the objectives outlined above, and remain at your disposal for further information.

Yours sincerely,

ACT Alliance EU - Karin Ulmer, Senior Policy Officer

Arche Noah – Seed Savers Association in Central Europe - Gonçalo Macedo, Agriculture Policy Coordinator

¹ Joint Open letter to Members of the European Parliament's Committee on Agriculture and Rural Development of 20 March 2019 <https://bit.ly/322N29V>

BeeLife European Beekeeping Coordination - Noa Simon Delso, Project Manager

Birdlife Europe - Harriet Bradley, EU Agriculture Policy Officer

Compassion in World Farming - Olga Kikou, Head of EU Office

Corporate Europe Observatory - Nina Holland, Researcher and campaigner

Eurogroup for Animals - Reineke Hameleers, Director

European Community of Consumer Co-operatives - Todor Ivanov, Secretary-General

European Environmental Bureau (EEB) - Celia Nyssens, Policy Officer for Agriculture

European Plant-based Foods Association (ENSA) - Vinciane Patelou, Director

European Public Health Alliance (EPHA) - Nikolai Pushkarev, Policy Coordinator

European Vegetable Protein Association (EUVEPRO) - Nuria Moreno, Secretary-General

European Vegetarian Union (EVU) - Ronja Berthold, Public Affairs Officer

FERN - Nicole Polsterer, Sustainable Consumption and Production Campaigner

Four Paws - Andreas Manz, EU Farm Animal Policy Coordinator

Friends of the Earth Europe - Stanka Becheva, Food & Agriculture Campaigner

Health and Environment Alliance (HEAL) - Génon K. Jensen, Executive Director

Health Care Without Harm (HCWH) Europe - Paola Hernández Olivan, Food Project and Policy Officer

Humane Society International/Europe - Alexandra Clark, Campaign Manager

IFOAM EU - Eric Gall, Deputy Director & Policy Manager

Institute for Agriculture and Trade Policy (IATP) - Shefali Sharma, Europe Director

Pesticides Action Network (PAN) Europe - Henriette Christensen, Senior Policy Advisor

ProVeg International - Ronja Berthold, Public Affairs Officer

Safe Food Advocacy Europe - Bruno Menne, Policy Officer and Project Coordinator

Slow Food Europe - Yael Pantzer, Policy Officer

The Greenbaum Foundation - Jim Greenbaum, Founder & Managing Director

The Pollination Project - Ariel Nessel, Director



Civil Society Statement on the Reform of European Agricultural Policies

Good Food, Good Farming – Now!

We, the undersigned organisations, believe that the European food and farming system is broken: that it is working for the interests of a few to the detriment of the majority of people, farmers, and the planet.

Europe's food and farming system directly contributes to a wasteful use of finite global resources and damages the environment by contributing to climate change, biodiversity loss, depletion of fisheries, deforestation, soil erosion, water scarcity, as well as water and air pollution. Factory-style farming – largely dependent on imports and a major contributor to antimicrobial resistance – has been promoted at the expense of viable incomes for farmers and jobs in rural areas in Europe, as well as human rights, decent work, and livelihoods in developing countries. Farmers are facing a flawed choice between bankruptcy and further intensification. Farmers practising credible alternatives like organic and agro-ecological agriculture remain on the fringes in favour of business as usual. At the same time, high levels of undernourishment, the rapid rise in obesity and unhealthy diets are among the main causes of death and disease both in Europe and worldwide.

The EU's Common Agricultural Policy (CAP) has contributed to this broken food and farming system through the promotion of agro-industrial farming methods and global commodity chains. In order to meet the Sustainable Development Goals (SDGs) and its obligations under the Paris Climate Agreement, the EU must carry out a radical reform of the CAP and related policies. A fairer, more sustainable and resilient system is urgently needed. The undersigned organisations call for a major transformation of Europe's food and farming system on the basis of the following principles:

- **Fair and diverse food and farming economies:** ensure a fair income and decent work conditions for farmers and farm workers; facilitate access to farmland for sustainable peasant farming; encourage short supply chains and sustainable public procurement policies; grant fair access to high quality products for all consumers; prevent negative impacts on people's right to food and on the livelihoods of smallholder farmers in the global south.
- **Healthy environment and a food and farming system that respects animal welfare:** ensure the end of harmful subsidies; reward and incentivise the delivery of positive environmental and social outcomes; restore and prevent further loss of biodiversity; encourage conservation and active use of genetic diversity; ensure agricultural production is free from synthetic chemical pesticides and mineral fertilisers that harm the environment; prevent and minimise food waste throughout the food chain; halt food and feed imports linked to deforestation; ensure that animal health and welfare are effectively respected; replace the current industrial livestock system with extensive alternatives where animals are not treated as mere commodities and the balance between livestock and land capacity is ensured, while the overuse of antibiotics prevented; radically reduce emissions from farming and ensure a transition towards a resilient food and farming system.
- **Support for citizens' health and well-being:** ensure our food and farming system fosters healthy, nutritious, seasonal, local, culturally appropriate and affordable diets; encourage lower levels of animal product consumption; raise citizens' awareness of the impacts of consumption on their own health, on farmers, animals and the environment; prevent negative impacts of agricultural methods on the health of farmers, farm workers and rural populations.
- **A publicly accountable food system with participatory governance, citizens' empowerment and democracy:** involve citizens in transparent decision making processes; prevent corporate capture of decision making; empower local communities to lead the transformation.

We are committed to achieving a real transition by working in partnership with farmers, citizens and policy-makers. Therefore, we urge the European institutions and national policymakers to rethink the role and direction of European agriculture policies and use the principles presented above as a basis for the post-2020 Common Agricultural Policy reform process.

List of organisations supporting the statement/ March 2017

EU and International organisations

ACT Alliance EU
ActionAid
Agricultural and Rural Convention
Arche Noah
Bee Life European Beekeeping Coordination
BirdLife Europe
CEEweb for Biodiversity
ClientEarth
Climate Action Network Europe
Compassion in World Farming
Corporate Europe Observatory
Euro Coop
Eurogroup for Animals
European Coordination Via Campesina
European Environmental Bureau
European Public Health Alliance
Fair Trade Advocacy Office
Fern
FOUR PAWS / VIER PFOTEN
Friends of the Earth Europe
Greenpeace
Humane Society International/Europe
IFOAM EU – International Federation of Organic Agriculture Movements EU
Pesticide Action Network Europe
Slow Food
Urgenci
WWF

Austria

DKA Austria Hilfswerk der Katholischen Jungschar
Grüne Bäuerinnen und Bauern Österreich
Slow Food Pinzgau
Slow Food Vorarlberg
Umweltdachverband
Welthaus Diözese Graz-Seckau

Belgium

BioForum Vlaanderen
Carbon Market Watch
Natuurpunt
Oxfam-Solidarity
Slow Food Metropolitan Brussels
Voedsel Anders

Bulgaria

Association of Slow Food in Bulgaria
BIOSELENA Foundation for organic agriculture
BSPB/BirdLife Bulgaria
Bulgarian Organic Products Association
Europe and We
Za Zemiata - Friends of the Earth Bulgaria

Croatia

Association Kinookus

Cyprus

Friends of the Earth Cyprus

Czech Republic

Czech Society for Ornithology/Birdlife Czech Republic
Slow Food Palava

Denmark

DOF / BirdLife Denmark
NOAH Friends of the Earth Denmark

Finland

Finnish Association for Organic Farming – Luomuliitto
The Finnish NGDO Platform to the EU Kehys

France

Compassion In World Farming France
Ecologie Développement Durable Démocratie
Fédération Nationale d'Agriculture Biologique
Fondation Nicolas Hulot Pour La Nature Et L'Homme
Générations Futures
la ferme Bio de l'Estuaire
Le Ruban Vert
LPO France (BirdLife France)
Mouvement d'Agriculture Biodynamique

Germany

Bioland
BUND - Friends of the Earth Germany
Demeter e.V.
Deutscher Naturschutzring
Die Freien Bäcker e.V.
ECOVIN Bundesverband Ökologischer Weinbau Wormser
Institut für Welternährung- World Food Institute eV. Berlin
NABU Naturschutzbund Deutschland e.V.
Naturland
Slow Food Deutschland e. V.
Slow Food Youth Deutschland

Greece

ANTIGONE - Information and Documentation Center on Racism, Ecology, Peace and Non Violence
Argos Animal Welfare Thessaloniki
Ecological Movement of Thessaloniki
Eptapsyhes-Nine Lives
Hellenic Ornithological Society/BirdLife Greece
NatureFriends Greece
No Border Workshop
PROSKALO
Single Ecological Metamorphosis and Mesogeion

Hungary

Magyar Biokultúra Szövetség
MTVSZ/Friends of the Earth Hungary
MME/BirdLife Hungary
Slow Food Heves-Mátra
Slow Food Nagykoru

Ireland

BirdWatch Ireland

Italy

Aam Terra Nuova
Compassion in World Farming Italy
Consorzio della Quarantina
DEAFAL ONG - Delegazione Europea per l'Agricoltura in Asia, Africa e America Latina
Federazione Pro Natura
FederBio - Italian Federation of Organic And Biodynamic Agriculture
Legambiente Onlus
Lipu - BirdLife Italy
Pesticide Action Network (PAN) Italy
Slow Food Italia
Soleterre ONLUS
Unaapi- Unione Nazionale Associazioni Apicoltori Italiani

Latvia

Latvian Fund for nature

Luxembourg

Action Solidarité Tiers Monde ASTM
Attac Luxembourg

Bio-Lëtzebuerg - Vereenegung fir Biolandwirtschaft Lëtzebuerg asbl
Caritas Luxembourg
Catholic Church in Luxembourg
Centre for Ecological Learning Luxembourg
etika Initiativ fir Alternativ Finanzéierung
Frères des Hommes
Initiativ Liewensufank asbl
Mouvement Ecologique
natur&ëmwelt a.s.b.l.
SOS FAIM
TERRA - Transition and Education for a Resilient and Regenerative Agriculture

Malta

Breeds of Origin Conservancy
Last Friday of the Month Gourmet
Slow Food Malta

Netherlands

Compassion in World Farming Nederland
Museum Geelvinck
Natuurmonumenten
Slow Food Nederland

Poland

Compassion in World Farming Poland
Slow Food Warsaw
Slow Food Youth Wrocław

Portugal

LPN - Liga para a Protecção da Natureza
SPEA - Sociedade Portuguesa para o Estudo das Aves

Romania

Asociația Mai bine
Fundatia ADEPT Transilvania
Slow Food Bucuresti Valahia Gusturilor
Slow Food Tara Silvania, Salaj, Romania
Slow Food Tarnava Mare

Slovakia

Agro-Eko forum
CEPTA - Centre for Sustainable Alternatives
Ekotrend Slovakia
Permakultúra SK
Raptor Protection of Slovakia
Slow Food Pressburg
Slow Food Youth Slovakia
SOS/BirdLife Slovakia

Slovenia

DOPPS-BirdLife Slovenia
Inštitut za trajnostni razvoj - Institute for Sustainable Development
Movement for Sustainable Development of Slovenia – TRS
NEC Notranjska ecological centre, Cerknica
Society for conservation, research and sustainable development of the Dinaric ecosystems – Dinaricum
Umanotera, The Slovenian Foundation for Sustainable Development
Zavod Svibna

Spain

Asociación Valor Ecológico, CAAE (ECOVALIA)
SEO/BirdLife

Sweden

Swedish Society for Nature Conservation

United Kingdom

Friends of the Earth ENWI
Slow Food England
Slow Food in the UK
Soil Association
Sustain: the alliance for better food and farming

actalliance eu
Formerly APRODEV

act:onaid



EUROGROUP
FOR ANIMALS





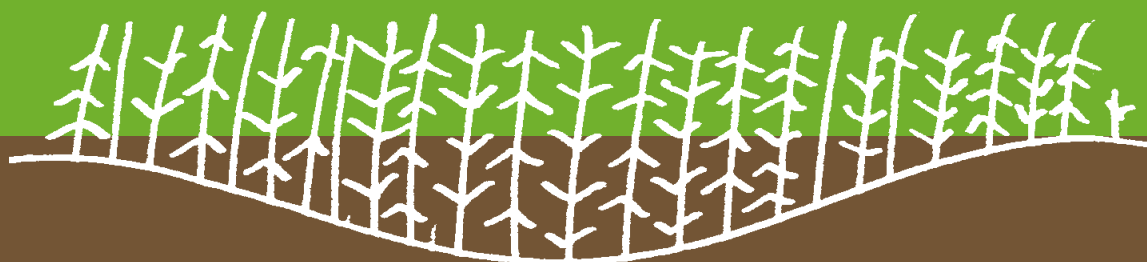






FONDATION
NICOLAS HULOT
POUR LA NATURE
ET L'HOMME





LOW IMPACT FARMING

PAN EUROPE'S POSITION ON

THE PROPOSAL FOR A NEW DELIVERY MODEL FOR THE CAP AFTER 2020



Pesticide
Action
Network
Europe

October 2018

PAN Europe's position on THE PROPOSAL FOR A NEW DELIVERY MODEL FOR THE CAP AFTER 2020

This position paper responds to the legislative proposals¹ on the CAP strategic plans released by the European Commission on 1st June 2018, with a focus on pesticide use, while also proposing fundamental improvements in the CAP to encourage the much-needed agro-ecological transition.

On June 1st 2018, the legislative proposals (COM/2018/392 final – 2018/0216 (COD)) on the rules governing support for strategic plans to be drawn up by Member States under the Common Agricultural Policy (CAP Strategic Plans) were published.

The New Delivery Model (NDM) is presented as a result-based approach. One of the few innovations in these legislative proposals is the much higher flexibility given to Member States on how to support farmers in the future. However, they provide little inspiration regarding the transition towards low-impact farming.

The idea is that each Member State should prepare a national strategic plan using 9 EU-wide objectives measured by 28 **impact** indicators, and that this plan will be assessed and approved by the Commission and then monitored annually. However, performance will be assessed using **result** indicators (intended to measure yearly progress in achieving the overall objectives of the CAP by the Member States) and **output** indicators (intended to measure multiannual progress and policy results). These are found in Annex I of the legislative proposal for the CAP strategic plans regulation).

The idea of a strategic plan is only of value if the indicators are strong enough to measure environmental and climate-friendly progress/change/transition, and if each Member State sets serious reduction targets and timetables for the uptake of environmental practices including reduced pesticide use for each farmer.

¹ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM%3A2018%3A392%3AFIN>

1 Why should the EU's Common Agricultural Policy address pesticide use reductions?

In the EU, we pay around €60 billion each year to support our farmers. The majority of these payments are made to the same European farmers who each year buy around 400,000 tonnes of active chemical substances which are applied to the fields, influencing negatively public health, the environment and biodiversity. They also come with an economic cost for society at large. It is illogical for public funds to be spent on practices which pollute.

- Studies in the UK and Germany show that costs of pesticide use on people and the environment are US\$257m and \$166m, respectively (Pretty & Waibel, 2005).
- UK water companies spent £189m removing nitrates and £92m removing pesticides from their water supplies between 2004-2005 and 2008-2009 (National Audit Service, 2010) (+/- €350m)

A few examples of the costs to society for pesticide use

*Netherlands: Dutch consumers pay more for their tap water because farmers continue to use toxic pesticides like Roundup in their pastures, according to water company Vitens. Cleaning up the groundwater costs Vitens around €15m extra every year, according to De Gelderlander².

Transition

It is fundamental that the €60 billion in the CAP each year, especially now that it is being promoted as a result-based policy, should support farmers financially and technically in their conversion to low-impact farming systems, continuously reducing their dependency on pesticides through the uptake of agro-ecological and organic production techniques.

² <https://nltimes.nl/2018/04/23/dutch-tap-water-expensive-due-poison-pastures-water-company>

2 How does the current Common Agricultural Policy deliver on pesticides?

A PAN Europe reflection paper³ clearly shows that the current CAP does not deliver on pesticide use reductions.

The EU Directive 2009/128/EU on the sustainable use of pesticides (SUD⁴) specifies that farmers need to apply the eight principles of Integrated Pest Management (IPM)⁵, and that Member States have to assist farmers to achieve this. The SUD says:

- Member States shall take all necessary measures to promote low pesticide-input pest management, giving wherever possible priority to non-chemical methods allowing all farmers to apply Integrated Pest Management as from January 2014 (article 14).
- Member States shall establish appropriately-sized buffer zones to protect non-target aquatic organisms and safeguard zones for surface and groundwater used for the abstraction of drinking water, where pesticides must not be used or stored (article 11).

Recital (35) of the EU Regulation 1107/2009 on pesticides, relating to the principles of integrated pest management, states unequivocally:

“The Council should include in the statutory management requirement referred to in Annex III to Council Regulation (EC) No 1782/2003 of 29 September 2003 establishing common rules for direct support schemes under the common agricultural policy and establishing certain support schemes for farmers (1), the principles of integrated pest management, including good plant protection practice and non-chemical methods of plant protection and pest and crop management.”

In reality, Member States still have to identify the mandatory and voluntary aspects of IPM, and integrate these into the Common Agricultural Policy. So far, Member States are only obliged to inform farmers about IPM (see regulatory details in annex).

3 <https://www.pan-europe.info/sites/pan-europe.info/files/Why%20the%20CAP%20is%20broken%20on%20pesticides.docx.pdf>

4 https://ec.europa.eu/food/plant/pesticides/sustainable_use_pesticides_en

5 <https://link.springer.com/article/10.1007/s13593-015-0327-9>
https://www.researchgate.net/publication/280315978_Eight_principles_of_integrated_pest_management

3 How much do the CAP legislative proposals need to be improved to target serious pesticide use reduction?

The legislative proposals should be amended as follows to allow for serious pesticide use reductions in the EU model of farming:

3.1 Ambition

Firstly, in the CAP regulation, the level of ambition must be high. The law must lay down the duty for the Commission to ensure that ALL the objectives are covered in a satisfactory and ambitious way, across all sectors, at the stage when they check national CAP strategic plans, for example to ensure targets are set by the Member States that aim at significant improvements in the uptake of alternative measures, and significant pesticide use reductions, with clear timelines. Secondly, the Commission must be empowered to keep the Member States' ambition and delivery high over the medium term.

3.2 Indicators

Each National Strategic Plans must contain serious quantitative targets and timetables for pesticide dependency reductions and uptake of agro-ecological techniques and organic agriculture, combined with solid indicators related to measures from both funds on significant pesticide dependency reductions to measure the transition.

3.3 Cross Compliance (SMR+GAEC⁶)

Each arable farmer must be obliged to apply long crop rotations including leguminous crops, while farmers with permanent crops must be required to increase biological and structural diversity.

3.4 Eco-schemes and Agri-Environmental Measures (AEM)

Each Member State should offer financial support to farmers for the uptake of non-chemical alternatives to pesticides (agronomic, mechanical, physical, biological), as part of an overall strategy moving towards smarter agro-ecological production systems, from integrated pest management (IPM) through to organic farming. The move to zero pesticides needs to be facilitated by a package of measures.

⁶ Statutory management requirements (SMR) are parts of existing EU directives and regulations that are deemed relevant for farmers to respect in order to receive full CAP payments. Good agricultural and environmental conditions (GAEC) are good farming practices that likewise must be respected in order to receive full payment.

3.5 Risk Management Scheme

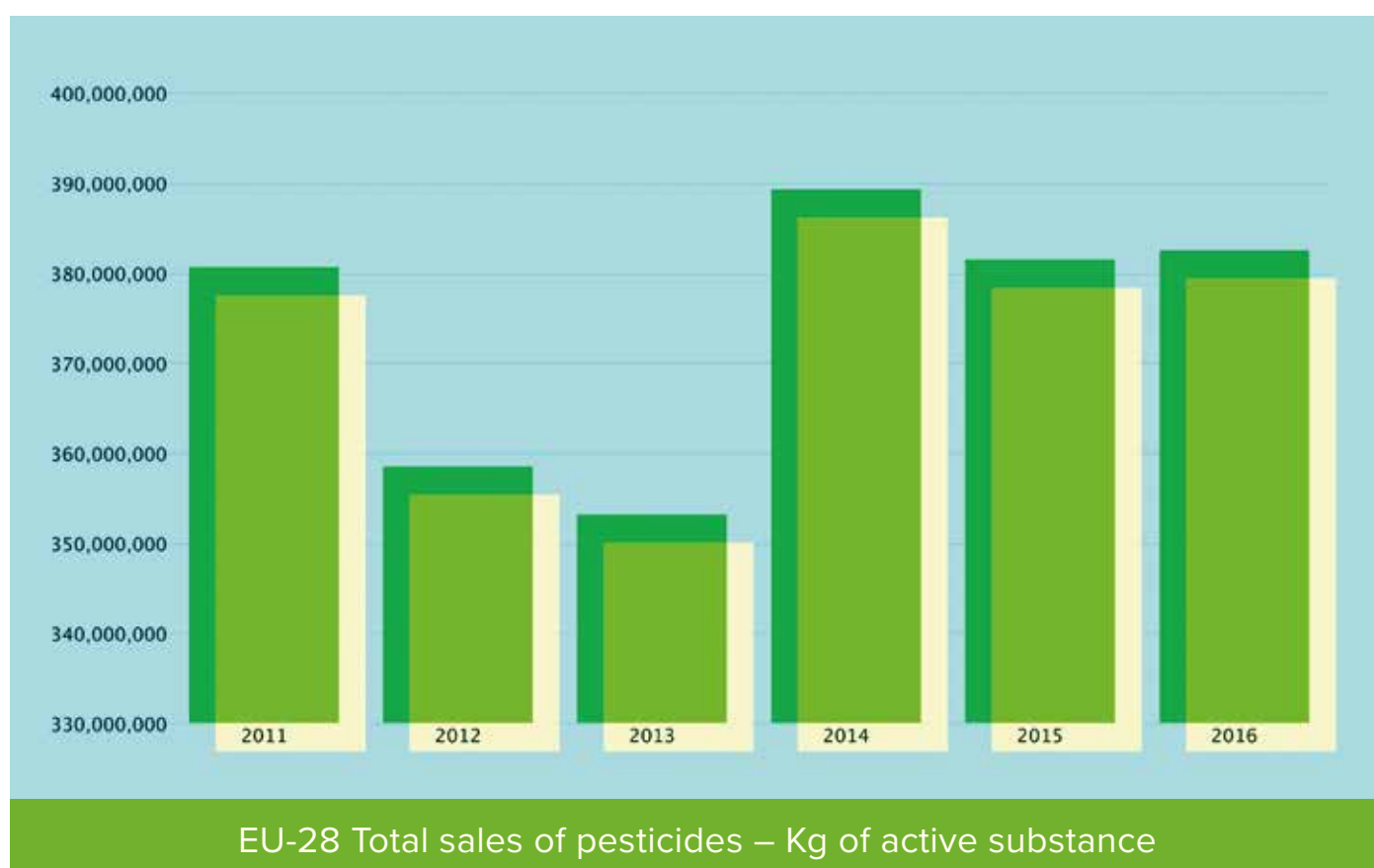
Should be taken from first pillar payments, having as the objective preventative actions in line with Veneto IPM⁷.

3.6 Independent Farm Advisory Systems (FAS)

Should be introduced across the EU, empowering farmers to take up alternative production systems. The starting point would be applying existing provisions like IPM, all other farm-relevant aspects of the sustainable use directive and water framework directive and the restrictions on neonicotinoids. Over time, the transition towards genuinely low impact farming systems would be ensured, with organic systems being used as demonstration projects.

3.7 Budget sharing

Should be fair so that the budget cuts should only be in Pillar I, while there should be total protection – and if possible an increase – in Pillar II funding. The overall sum of the Eco-scheme and the Agri-Environmental Measures within the rural development programme must be ring-fenced at 70% of overall budget, at the least.



⁷ <https://www.pan-europe.info/sites/pan-europe.info/files/public/resources/briefings/pan-e-risk-management-tool.pdf>

4 A detailed proposal for improving the CAP legislative proposals in order to target truly effective pesticide use reduction

4.1 Ambition

In the European Citizens' Initiative⁸, 1.3 million EU citizens have called for the EU to **“set EU-wide mandatory reduction targets for pesticide use, with a view to achieving a pesticide-free future”**. The European Commission replied:

“EU policy is already directed towards reducing dependency on pesticides and achieving a pesticide-free future as requested by the European Citizens' Initiative. The Commission will strive to ensure that Member States comply with their obligations under the Sustainable Use Directive and reduce dependency on pesticides.”

The impact assessment which accompanied the legislative proposals recognised:

“As stated during the public consultation and in the Communication on the Future of food and farming, the CAP is expected to respond better to consumer demands on food and health. Related societal expectations stretch over various food-related aspects such as food security, safety and quality, affordability of food, health issues such as pesticide load and antimicrobial resistance.”

However, this concern did not make it into the draft of the legislative proposal published in June 2018. That must be remedied and pesticide reduction must be put back in.

According to the SUD, farmers need to apply the eight principles of IPM, and to move towards alternative approaches and techniques to reduce their dependency on pesticides.

It is fundamental that the €60 billion in the CAP each year, especially now that it is being promoted as a result-based policy, should support farmers financially and technically in their conversion to low-impact farming systems, continuously reducing their dependency on pesticides through the uptake of agro-ecological and organic production techniques.

⁸ http://europa.eu/rapid/press-release_IP-17-5191_en.htm

4.2 Introduction of robust output indicators on pesticide use reductions

In the legislative proposals, pesticide use is neither mentioned in the indicators linked to biodiversity (e.g. pollinators) nor in the indicators linked to water. Sustainable pesticide use is only mentioned as an indicator within “societal demands on food and health, including safe, nutritious and sustainable food” (I.27). The result indicator (R.37) for Sustainable pesticide use states: **Share of agricultural land concerned by supported specific actions which lead to a sustainable use of pesticides in order to reduce risks and impacts of pesticides’** without specifying what the specific actions are. At the same time, the “output indicator” is missing.

PAN Europe calls for an output indicator on pesticide dependency reductions introduced to measure compliance with article 14 of the SUD and the 8 principles of IPM (IPM triangle), linking this to the development of a new specific measure within rural development (see point 4 below).

4.3 Cross compliance rules relating to pesticides

a. Statutory Mandatory Requirements

In the new CAP legislative proposals regarding CAP beyond 2020 published by the European Commission in June 2018⁹, the European Commission again proposes to integrate the following pesticide-related aspects into the SMRs.

SMR 12 (CURRENTLY SMR 10)	<p>Regulation (EC) No 1107/2009 of the European Parliament and of the Council of 21 October 2009 concerning the placing of plant protection products on the market:</p> <ul style="list-style-type: none">• Article 55, first and second sentence: “Plant protection products shall be used properly. Proper use shall include the application of the principles of good plant protection practice and compliance with the conditions established in accordance with Article 31 and specified on the labelling.” <p>Note the last sentence of that same article is not included: “It shall also comply with the provisions of Directive 2009/128/EC and, in particular, with general principles of integrated pest management, as referred to in Article 14 of and Annex III to that Directive, which shall apply at the latest by 1 January 2014”</p>
SMR 13 (NEW)	<p>Directive 2009/128/EC of the European Parliament and of the Council of 21 October 2009 establishing a framework for Community action to achieve the sustainable use of pesticides (OJ L 309, 24.11.2009, p. 71):</p> <ul style="list-style-type: none">• Article 5(2),• Article 8(1 to 5)• Article 12 with regard to restrictions on the use of pesticides in protected areas defined on the basis of the Water Framework Directive and Natura 2000 legislation.• Article 13(1) and (3) on handling and storage of pesticides and disposal of remnants.

⁹ https://ec.europa.eu/info/food-farming-fisheries/key-policies/common-agricultural-policy/future-cap_en

So, again, there is no specific reference to article 14 of the SUD, which states that farmers must apply Integrated Pest Management as of January 2014, despite the fact that Regulation 1107/2009 specifies that this should be done. Indeed, this same article should have been the basis of informing farmers about IPM, through farm advisory systems (FAS) since the 2013 reform¹⁰. Instead the new CAP legislative proposals propose – as can be seen from the above table – that farmers by definition are achieving IPM simply by receiving training (article 5), checking their equipment (article 8), respecting restrictions on the use of pesticides in protected areas (article 12), and handling and storing pesticides carefully (article 13). There is nothing about actual implementation of IPM.

This is simply not good enough. There needs to be a clear and explicit link to IPM measures. Only this will help allow us to catch up on the long overdue and weak implementation of IPM.

PAN Europe calls for the Statutory Mandatory Requirements to make reference to article 14 of the SUD, which states:

“Member States shall take all necessary measures to promote low pesticide-input pest management, giving wherever possible priority to non-chemical methods, so that professional users of pesticides switch to practices and products with the lowest risk to human health and the environment among those available for the same pest problem.”

Member States should define rules encouraging farmers to reduce pesticide dependency, by promoting uptake of the eight IPM principles as defined in Annex III of the SUD, recalling principle 8:

“Based on the records on the use of pesticides and on the monitoring of harmful organisms the professional user should check the success of the applied plant protection measures.”

PAN Europe calls for SMR 12 to include article 55 of Reg.1107/2009 in its entirety, as well as adding article 14 of the SUD to SMR 14.

Also, PAN Europe calls for the addition to SMR 12 of the part of article 67 of Reg.1107/2009 which states:

“Professional users of plant protection products shall, for at least 3 years, keep records of the plant protection products they use, containing the name of the plant protection product, the time and the dose of application, the area and the crop where the plant protection product was used. They shall make the relevant information contained in these records available to the competent authority on request. Third parties such as the drinking water industry, retailers or residents, may request access to this information by addressing the competent authority.”

¹⁰ CAP horizontal Regulation in force, compulsory requirements of FAS: Reg.1306/2013 Art.12(2)e

Doing so would be a fundamental tool for monitoring adherence to the cross-compliance rules. This would allow authorities on Member State and EU level as well as concerned citizens to track performance of the CAP in terms of pesticide use reductions across the EU.

Farmers collection of pesticides use – example from Ireland

Since 2003, farmers have been obliged to maintain records of pesticides used. Farmers are inspected through the farm payments section (Integrated Controls Division) but are additionally subject to inspection from personnel from this division as well as local authorities etc. Ireland conducts a pesticide usage survey on an annual basis and these survey results are available on our website.

b. Good Agronomic and Environmental Conditions (GAEC standards)

The legislative proposals in the GAEC requirements (GAEC 8), which farmers need to comply with in order to obtain full direct payments, suggest a reversion to the 1999 requirements specifying crop rotation. PAN Europe strongly welcomes this move.

The legislative proposals also add a GAEC requirement to include non-productive features or areas (GAEC 9). These have existed since 2003 in the form of landscape features (these are paid for as if they were productive land, to prevent farmers from removing all non-productive elements). This is another positive aspect, except for the fact that neither these nor the establishment of buffer strips along water courses (GAEC 4) are specified as having to be pesticide-free. These non-productive areas act as refuges or habitats for beneficial species, including pollinators and natural predators of pests, which boost the productivity of adjacent crops¹¹. The non-application of pesticides on those areas is essential to allow those species to flourish by avoiding direct mortality of helpful insects or the plants they live on. Non-application of pesticides on buffer strips alongside watercourses is important to avoid direct exposure of aquatic species to substances that will kill them.

PAN Europe welcomes the concept of (re-)introducing crop rotation into GAEC, but we recall the pesticide-free aspect of the Ecological Focus Areas introduced in 2018, and call for these legislative proposals to be expanded (PAN's proposals are added in orange):

¹¹ Increases in productivity of +11% wheat, +26% in peas and +32% in carrots: table 2, pg 13. https://ec.europa.eu/eip/agriculture/sites/agri-eip/files/eip-agri_fg_ecological-focus-areas_final-report_en.pdf

GAEC 8	At least four years' Crop rotation with leguminous crops on all arable land	Preserve the soil potential Break pest reproductive cycles Decrease susceptibility to pest attack Increase nitrogen fixing Provide animal fodder
GAEC 9	Minimum share of agricultural area devoted to non-productive features or areas where agrochemicals are not to be used Retention of landscape features Ban on cutting hedges and trees during the bird breeding and rearing season As an option, measures for avoiding invasive plant species	Maintenance of non-productive features and area to improve on-farm biodiversity, especially boosting functional biodiversity and beneficial species
GAEC 4	Establishment of buffer strips along water courses with no pesticide or fertiliser use	Protection of river courses and aquatic species/ecosystems against pollution, toxicity and run-off

PAN Europe notices that many of the GAECs being proposed are limited in scope, often only targeted at a single aspect, while the holistic approach is missing. For instance GAEC 5, linked to the use of farm sustainability tools for farms and proposing all farmers develop a nutrient management plan.

PAN Europe and its members propose that GAEC requirements become holistic and agro-ecological in scope, thereby allowing farmers to start thinking in terms of system change towards effective input use reduction.

4.4 Eco-schemes and Rural Development programmes

a. Eco-schemes

The legislative proposals identify a new first pillar measure, Eco-schemes, mandatory for Member States to offer, but voluntary for farmers to apply.

- PAN Europe encourages a strengthening of the legislative proposal linking the Eco-schemes to the “assessment of needs” defined in article 96 in the CAP strategic plan proposal. This would support farmers having clear input reduction plans with timetables of action, and would be a key to encouraging the much-needed transition towards low-impact farming.
- We call for this measure to become mandatory for farmers.
- Finally, we call for ring-fencing 70% of all CAP spending to the Eco-scheme and Agri-Environmental measures as defined in article 86.

b. Rural Development

Currently there are around 120 rural development programmes but little to clarify how Member States and regions are offering funding to farmers for their uptake of IPM and pesticide use reductions. The European Commission conducted fact-finding missions in Member States in 2017 regarding the implementation of the SUD, and reported¹² as follows:

The German fact-finding report on the Sustainable Use of Pesticides¹³ states (point 61): **Growers can claim additional payments for IPM-related measures such as using biological controls against the European corn borer in maize and pheromones in orchards to control codling moth, establishing buffer zones adjacent to water courses, and including flower strips in arable fields.**

In Lower Saxony, growers can claim additional payments for crop rotation practices and including flower strips in arable fields. At a national level, 25% of UAA is implementing some measure under Rural Development programmes, many of which contain measures complementary to IPM.

The Swedish fact-finding report on the Sustainable Use of Pesticides¹⁴ states (point 48): **Farmers can receive additional payments under Rural Development programmes for measures taken under the scheme. Participating farmers receive a series of visits to guide them in improving their practices and attend farmer-led group discussions on specific problem areas. While the primary focus is nutrient use efficiency, several aspects of IPM, including crop rotation, crop nutrition, plant protection and conserving biodiversity are incorporated into this scheme.**

All too often, the current measures within rural development that Member States activate to encourage pesticide use reductions seem overly bureaucratic, or focusing on one method, therefore by nature lacking dynamism. As a result, these schemes are not capable of integrating new non-chemical alternatives into the systems in the short term, nor are they able to support farmers effectively in their transition towards the uptake of alternatives and the development of organic production systems.

PAN Europe calls for a specific measure within the rural development scheme targeted at real pesticide use reductions, coupled with clear timetables showing the transition.

¹² Other examples from rural development schemes to reduce herbicides in France, Luxembourg and Belgium can be found in the report on Alternatives to Herbicide Use in Weed Management – The Case of Glyphosate https://www.pan-europe.info/sites/pan-europe.info/files/Report_Alternatives%20to%20Glyphosate_July_2018.pdf

¹³ http://ec.europa.eu/food/audits-analysis/audit_reports/details.cfm?rep_id=3896

¹⁴ http://ec.europa.eu/food/audits-analysis/audit_reports/details.cfm?rep_id=3909

Also, we call for Member States and/or regions to stop offering rural development funding to farmers who use chemical inputs, as has already been done in some regions¹⁵.

4.6 Risk management

The legislative proposals make risk management tools a mandatory rural development scheme. This would make the measure compulsory for all Member States to offer but voluntary for farmers to use. Some of the best ways of mitigating the risk of pest attack and climate-change-linked weather events involve adopting agro-ecological techniques that increase the resilience of the whole production system. Insurance schemes might fossilise bad practices such as year-on-year monocultures or poor care of soil, meaning increased expenditure and no improvement, so conditions must be built in to insurance to ensure farmers are taking mitigation actions in the first place.

PAN Europe calls for this scheme to be included in the 1st pillar, so paid for from first pillar payments, and having as its objective preventative actions. This is in line with regional approaches such as Veneto (Italy) where IPM measures are a pre-condition¹⁶.

4.7 The European Innovative Partnership (EIP) on Agriculture and development of a truly independent Farm Advisory Service (FAS)

Since 1999, all Member States have been obliged to set up so-called Farm Advisory System (FAS), which assist farmers in fulfilling legislative requirements, especially as related to the environment¹⁷. As part of the 2013 reform of the CAP, this baseline was updated and as from 2015, Member States must advise on Integrated Pest Management, as called for in Article 55 of Regulation 1107/2009 on plant protection products and Article 14 of Directive 2009/128/EC on the sustainable use of pesticides.

These requirements are being maintained in the new CAP legislative proposals, and the aspect of ‘independent advice’ is being reinforced. However, while the potential of the FAS is huge in the development of independent advice, the actual implementation remains very limited. Only a few Member States, like the United Kingdom¹⁸, have made the FAS visible, by establishing an easy-to-find homepage. Even the

¹⁵ https://firenze.repubblica.it/cronaca/2018/08/12/news/rossi_la_toscana_vieta_l_uso_del_glifosato_del_in_agricoltura_e_cancerogeno_-203946328/?refresh_ce: “Noi, come Regione Toscana faremo subito un provvedimento per escludere dai premi del Piano di Sviluppo Rurale le aziende che ne facciano uso”

¹⁶ <https://www.pan-europe.info/sites/pan-europe.info/files/public/resources/briefings/pan-e-risk-management-tool.pdf> see toxic free towns: <https://www.low-impact-farming.info/non-toxic-areas>

¹⁷ https://ec.europa.eu/agriculture/direct-support/cross-compliance/farm-advisory-system_en

¹⁸ <https://www.gov.uk/government/groups/farming-advice-service>

Member States who have taken some action are only focusing on how to apply pesticides “better”, rather than actually reducing application by promoting the uptake of agronomic and physical alternatives to chemical pesticides.

PAN Europe welcomes the effort being made in developing independent Farm Advisory Services across Europe, and we call for this to be financed by public funding, to avoid undue industry influence.

However, training, advice and voluntary measures alone will not be enough to make the European model of farming deliver on its environmental and climate obligations¹⁹. Mandatory actions are needed, including making sure that all conventional farmers throughout Europe seriously reduce their pesticide use and all Member States set clear and ambitious targets for mainstreaming better practices.

Example of an FAS model encouraging transition

In 2011-2013 the Danish organic movement conducted an EU-financed pilot project assisting conventional farmers to consider converting to organic. Agreements were made with 12 Danish towns mainly as part of a campaign to protect their drinking water from contamination with pesticides (see toxic free towns) – altogether offering around 3000 farmers a conversion check and assistance from the Danish organic movement in the conversion.

The project is still ongoing. Now 30 towns are engaging with them, each year around 200 conventional farmers take up the offer, with the majority of them deciding to convert. Today around 9% of all Danish Agricultural Utilised Areas are cultivated organically.

4.8 Budget sharing – a strong Rural Development pillar

It is important for budget sharing to be fair, so all the budget cuts should be only in Pillar I, with total protection – and if possible an increase – for Pillar II funding. The overall sum of the Eco-scheme and the Agri-Environmental Measures within rural development programmes must be ring-fenced to at least 70% of the overall budget.

¹⁹ https://www.researchgate.net/publication/271728601_Incentives_and_policies_for_integrated_pest_management_in_Europe_A_review

ANNEX

In the 2013 reform of the Common Agricultural Policy (CAP), Member States did not accept the European Commission's proposal to integrate the SUD (Sustainable Use of Pesticides directive) and the Water Framework directive into the mandatory cross-compliance rules.

Instead it was agreed that the SUD would become part of the cross-compliance requirement only after Member States had defined farm-level rules:

“The Council and the European Parliament invite the Commission to monitor the transposition and the implementation by the Member States of Directive 2000/60/EC of 23 October 2000 establishing a framework for Community action in the field of water policy and Directive 2009/128/EC of the European Parliament and of the Council of 21 October 2009 establishing a framework for Community action to achieve the sustainable use of pesticides and, where appropriate, to come forward, once these Directives have been implemented in all Member States and the obligations directly applicable to farmers have been identified, with a legislative proposal amending this regulation with a view to including the relevant parts of these Directives in the system of cross-compliance.”

(Addendum 2 to the CAP reform agreement of 25th June 2013)

A positive element of the compromise deal was that it would be mandatory for Member States to inform farmers about reducing pesticide use and introducing Integrated Pest Management as part of the information shared via the Farm Advisory Systems (FAS), which needed to advise on:

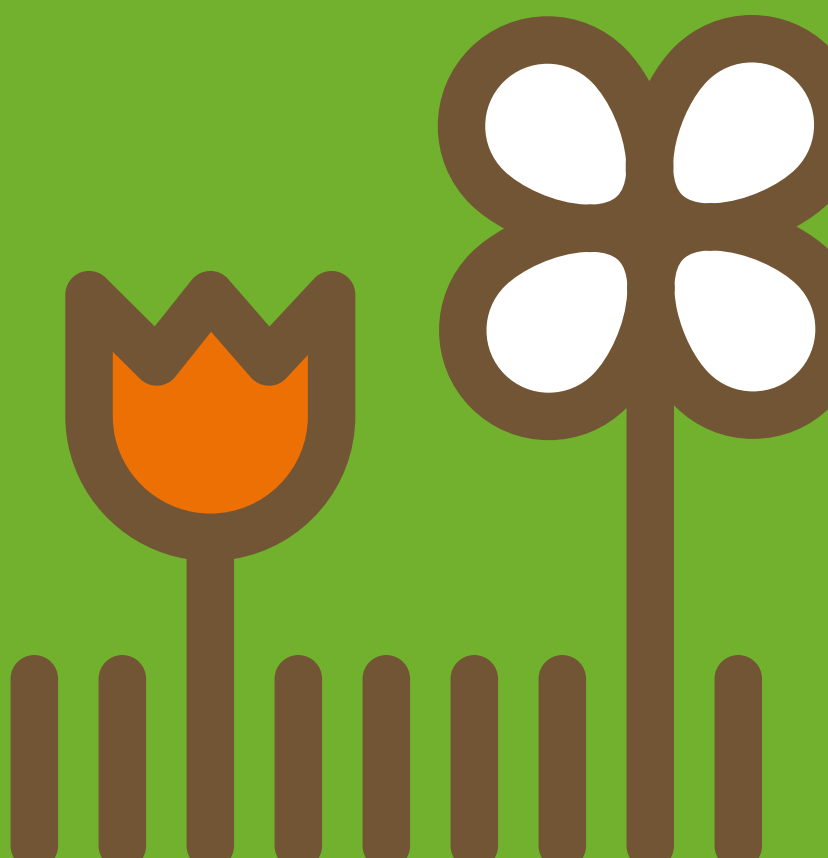
“Implementing Article 55 of Regulation (EC) No 1107/2009 of the European Parliament and of the Council (6), in particular requirements concerning the compliance with the general principles of integrated pest management as referred to in Article 14 of Directive 2009/128/EC of the European Parliament and the Council (7)”.

This was translated into law as follows: Regulation 1306/2013, which applies as from 1st January 2015, stipulates in recital (11) that:

“The farm advisory system (FAS) should cover at least the obligations at farm level resulting from cross-compliance standards and requirements. ... That system should also cover the requirements imposed on beneficiaries by Member States in order... for implementing Article 55 of Regulation (EC) No 1107/2009, in particular requirements concerning the compliance with the general principles of integrated pest management as referred to in Article 14 of Directive 2009/128/EC of the European Parliament and the Council”.

For inspirations on how to move to low impact farming
www.low-impact-farming.info

For CAP positions and further information
www.pan-europe.info



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