

Agenda item 9

Greening in the future CAP

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Delivering objectives and making it simple for users

Civil Dialogue Group on Direct Payments and Greening

Friday, 9 March 2018, Conference Center Albert Borchette, Brussels

CONTACT

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- 1. Greening implementation so far**
- 2. Farmers' costs of European environmental standards**
- 3. „Green Architecture“ must be simple and practicable**

Greening implementation so far (I)

Ecological Focus Area submitted by farmers in 2017 in the framework of CAP

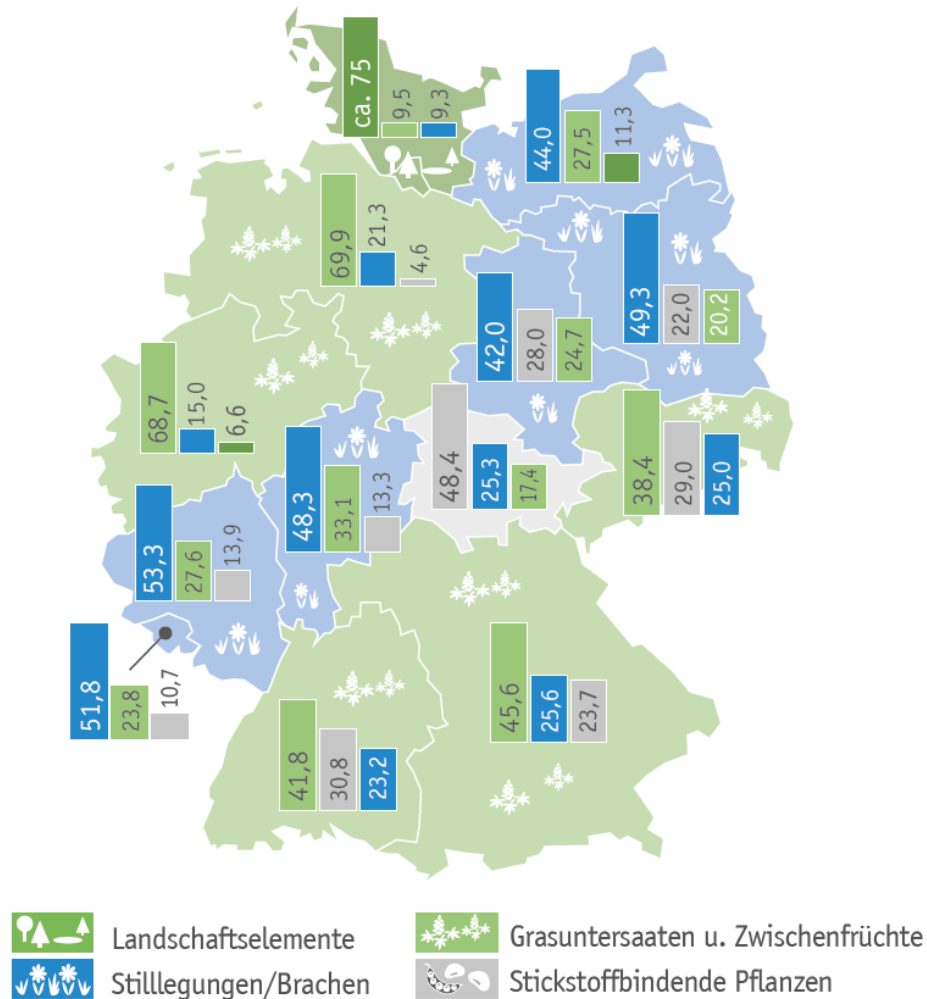
EFA option	Land lying fallow		Landscape features and terraces		Buffer strips, Strips along forest edges, Field margins		Nitrogen-fixing crops		Short rotation coppice		Catch crops or Green cover		Agro-forestry areas		Total Ecological Focus Area	
Weighting factor	1,0		1,5		1,5		0,7		0,3		0,3		1,0			
Area in hectares	unweighted	after weighting	unweighted	after weighting	unweighted	after weighting	unweighted	after weighting	unweighted	after weighting	unweighted	after weighting	unweighted	after weighting	unweighted	after weighting
Baden-Württemberg	10.514	10.514	383	695	877	1.316	19.958	13.971	62	19	63.154	18.946	2	2	94.951	45.462
Bayern	27.106	27.106	1.206	2.137	2.327	3.491	35.853	25.097	351	105	161.059	48.318	21	21	227.922	106.274
Brandenburg/Berlin	33.564	33.564	2.844	5.034	821	1.232	21.379	14.966	882	265	45.732	13.720	26	26	105.248	68.806
Hessen	11.732	11.732	154	265	701	1.052	4.604	3.223	24	7	26.766	8.030	2	2	43.982	24.310
Mecklenburg-Vorpommern	29.256	29.256	3.500	5.582	5.033	7.549	7.854	5.498	58	17	61.037	18.311	643	643	107.382	66.857
Niedersachsen/Bremen	24.778	24.778	1.232	2.359	1.975	2.962	7.718	5.402	278	83	271.429	81.429	8	8	307.417	117.021
Nordrhein-Westfalen	9.260	9.260	1.832	3.493	2.724	4.087	4.649	3.255	54	16	141.429	42.429	0	0	159.948	62.538
Rheinland-Pfalz	12.390	12.390	399	666	398	597	4.625	3.237	24	7	21.339	6.402	4	4	39.178	23.303
Saarland	1.376	1.376	200	345	40	60	404	283	7	2	2.105	632	0	0	4.134	2.699
Sachsen	10.166	10.166	668	1.269	1.246	1.869	16.855	11.799	62	19	52.153	15.646	231	231	81.382	40.999
Sachsen-Anhalt	24.834	24.834	800	1.502	1.233	1.849	23.626	16.538	102	31	48.735	14.621	41	41	99.371	59.416
Schleswig-Holstein/Hamburg	3.525	3.525	17.887	34.703	1.785	2.678	1.658	1.160	40	12	11.910	3.573	4	4	36.809	45.655
Thüringen	9.172	9.172	713	1.325	1.431	2.146	25.023	17.516	30	9	20.999	6.300	8	8	57.376	36.477
Deutschland	207.674	207.674	31.818	59.374	20.591	30.887	174.205	121.944	1.972	592	927.848	278.354	991	991	1.365.099	699.815

*For 2017 landscape features and terraces were weighted with average weighting factor 1,87 from 2015 and 2016. Detailed breakdown of these measures will be provided early 2018. Source: BMEL, November 2017

Greening implementation so far (II)

Ökologische Vorrangflächen im Greening Vorwiegende Maßnahmen 2017 (gewichtete Flächen)

in Prozent der beantragten ÖVF je Bundesland



Greening implementation so far (III)

Implementation of Greening regarding EFA in 2015, 2016 and 2017

Based on submitted areas - In hectares

Total arable land in Germany ca. 11.782.000 hectares

Ecological Focus Area	unweighted area				ecological weighting factor	weighted according to ecological value			
	2015	2016	2017	change to previous year in %		2015	2016	2017	change to previous year in %
Buffer strips, Strips along forest edges, Field margins	15.899	20.855	20.591	-1,3	1,5	23.862	31.282	30.887	-1,3
Land lying fallow	217.781	209.265	207.674	-0,8	1,0	217.781	209.265	207.674	-0,8
Nitrogen-fixing crops	159.786	175.646	174.205	-0,8	0,7	111.850	122.952	121.944	-0,8
Catch crops or Green cover	927.236	938.074	927.848	-1,1	0,3	278.130	281.422	278.354	-1,1
Short rotation coppice	1.887	2.474	1.972	-20,3	0,3	564	742	592	-20,3
Agro-forestry areas	1.547	975	991	1,6	1,0	1.547	975	991	1,6
Landscape features and terraces	29.346	30.549	31.818	4,2	1,0 bis 2,0*	54.989	57.161	59.374	3,9
Total	1.353.482	1.377.837	1.365.099	-0,9		688.723	703.799	699.815	-0,6

* For 2015 landscape features were weighted with weighting factor 1,5. For 2016 and 2017 landscape feature were weighted individually with weighting factor between 1,0 and 2,0.

Source: BMEL, November 2017

Short facts on EU level

- Almost **80 %** of the EU's agricultural area (**110 million hectares**) is subject to **Greening** (excluding e.g. organic farms and farms under small scale scheme)
- Around **one third** of the EU's agricultural area is used to preserve **permanent grassland**
- **Three quarters** of arable land in the EU is subject to **crop diversification**, most of with at least three different crops
- On average, farmers in the EU deliver more than **8 million hectares of EFA**, thus buffering the EFA obligation of 5 % of arable land
- In the EFA, nitrogen fixing crops, green cover, catch crops and land laying fallow are predominant; Buffer strips, field margins and landscape features are still playing a subordinate role, especially due to numerous obstacles

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- 2. Farmers' costs of European environmental standards**
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Costs of European environmental standards and additional regulations for German agriculture

A farm-level and sector-level analysis and aggregation

Prof Helmut Karl, Ruhr University Bochum

Dr Steffen Noleppa, HFFA Research GmbH



Study commissioned by the German Farmers' Association (DBV)
and supported by the Landwirtschaftliche Rentenbank

- Information and material on the study:

*Costs of European environmental standards
and additional regulations for German agriculture:
A farm-level and sector-level analysis and aggregation*

can be accessed through this link:

www.bauernverband.de/studie-kosten-landwirtschaft

- **Methodological approach: Included standards and regulations**

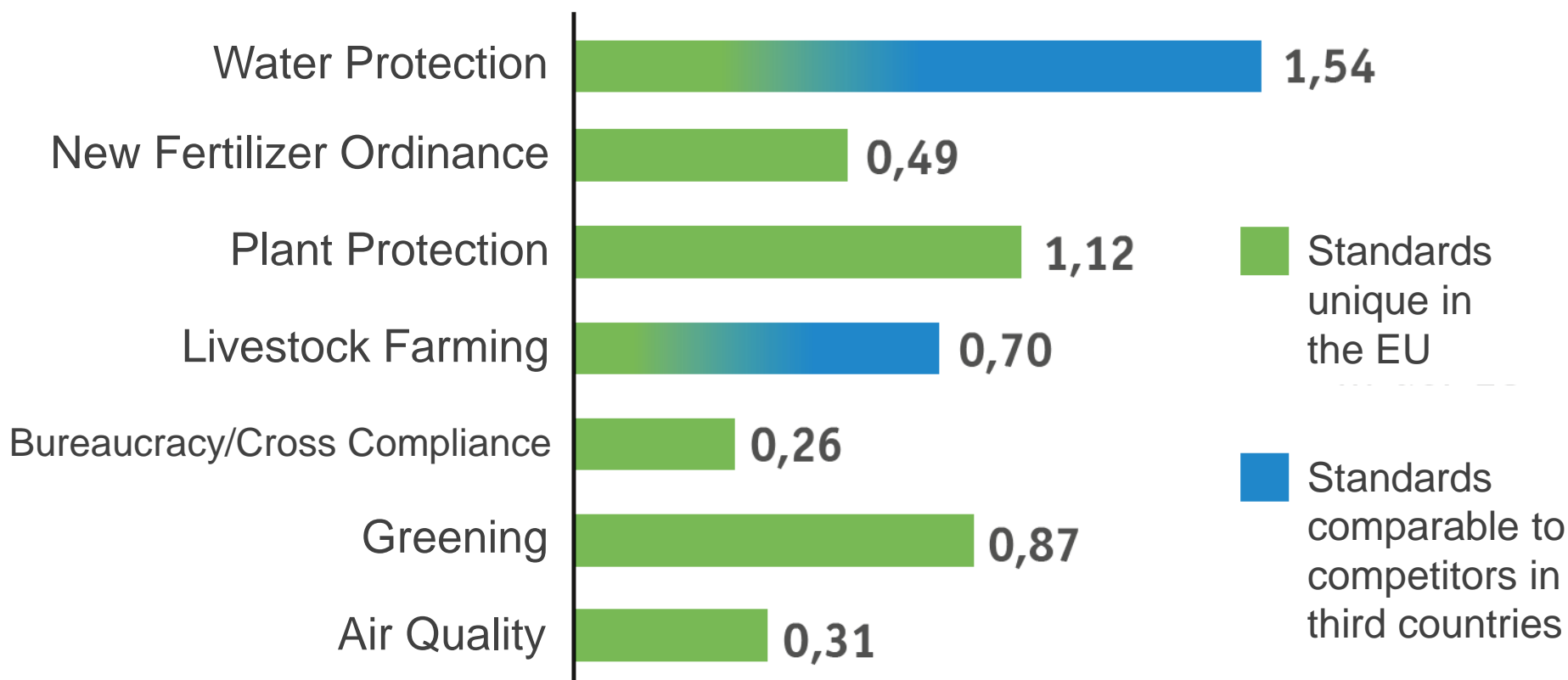
- Quantifiable standards and regulations:
 - a) EU Water Framework Directive;
 - b) New German Fertilizer Ordinance;
 - c) Additional legislation on plant protection (EU regulation 1107/2009 concerning the placing of plant protection products on the market);
 - d) Specific standards and regulations regarding livestock farming;
 - e) Additional bureaucracy and cross-compliance;
 - f) Greening;
 - g) Pending amendment of the German Technical Instruction on Air Quality.
- Standards and regulations, whose costs are not calculated.

- **Methodological approach: Still excluded costs of standards and regulations**
 - Examples of currently not quantifiable cost drivers:
 - Costs of a potential ban on various active ingredients of chemical plant protection;
 - Costs of currently debated additional animal welfare measures;
 - Costs of more crop diversification and a ban on plant protection measures in the realm of the Greening.
 - Examples of further not included aspects:
 - Social standards, e.g. costs regarding a minimum wage;
 - Non-remunerated agricultural services, e.g. in the context of preserving open landscape (willingness to pay amounts to several billion EUR).

Costs of agricultural standards and regulations (III)

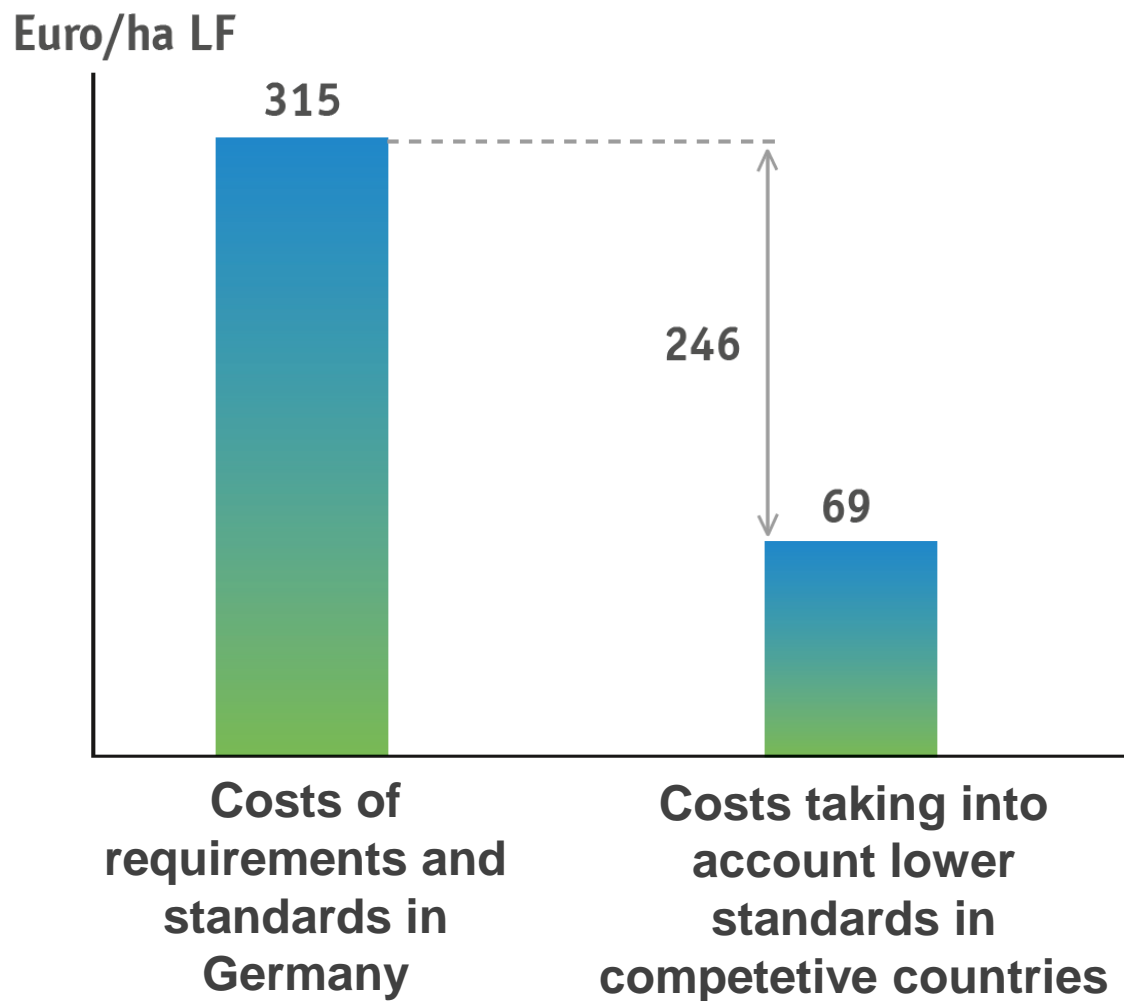
- Accumulated costs of the herein included standards and regulations

- While avoiding double counting, costs for all included environmental standards and regulations amount to **over 5.2 billion EUR** or **315 EUR/ha** in Germany.



Costs of agricultural standards and regulations (IV)

- Requirements and standards compared to competitive countries



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Controversial on „Green Architecture“

Now – CAP 2014 - 2020

Voluntary
Environmental
and Climate
Measures
Pillar II

Greening

Cross Compliance
(SMR + GAEC)

„fixed Baseline“

„fixed Baseline“

Considerations of EU-Commission (Feb. 2018)

Voluntary
Environmental
and Climate
Measures
Pillar II

Flexibility/Differences between Member States

Eco-Scheme
optional for Member States / Pillar I

Flexibility/Differences between Member States

New, enhanced Conditionality
(CC plus Greening-Standard)

„Green Architecture“ – In favour of regional adapted AECM; But no overloaded „Super Cross Compliance“

Considerations of EU-Commission (Feb. 2018)

Voluntary
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Flexibility/Differences between Member States

Eco-Scheme
optional for Member States / Pillar I

Flexibility/Differences between Member States

New, enhanced Conditionality
(CC plus Greening-Standard)

How German farmers see the „Green Architecture“

Voluntary
Environmental
and Climate
Measures
Pillar II

Flexibility/Differences between Member States

Simple, voluntary AEM in Pillar I
(e.g. from Greening: Buffer Strips,
Catch Crops, Protein Crops. etc.)

„fixed Baseline“

Cross Compliance

- Deletion of Animal Identification
- Amended with Permanent Grassland

Assessment of the delivery model by DBV: Chance to make it more effective and easier



Design in detail is crucial! Statements by the EU Commission are currently too unclear!

Expectations and reminders from DBV:

1. Guarantee an EU-wide implementation of CAP support!

Common first pillar / No new distortions in CAP support / Level of requirements in the strategic plans of different MS must be comparable

2. The new delivery model must be structured in a truly simple manner!

- Future EU requirements for national implementation, control and monitoring systems must be reduced to a bare minimum
- Yearly results reports to be submitted to the EU Commission must be drawn up by the national paying agencies without collecting additional data from farmers
- Close and early coordination between the EU, MS and regions is required
- Change of course in the system of application and control / Using digitalisation and satellites

3. Strengthen services of general interest to farmers in both pillars!

Assessment of the delivery model by DBV: Chance to make it more effective and easier



Design in detail is crucial! Statements by the EU Commission are currently too unclear!

Expectations and reminders from DBV:

3. Strengthen services of general interest to farmers in both CAP pillars!

Opportunity for support measures to be adapted to regional site conditions and situations;
Chance to increase their efficiency; CAP needs to focus more on its voluntary nature, flexibility and appreciation rather than on strict rules, monitoring and sanctions

- AECM should be economically profitable
- The first pillar requirements must be able to continue to be implemented through integrated production options (legumes, green cover, catch crops, erosion protection, flowering plants, maintaining grassland etc)
- No general increase in the requirement level in the first pillar (No Super Cross Compliance!) – This would significantly restrict the scope for AECM funding in the second pillar
- Openness to cooperative implementation models of farmers in biodiversity measures in the second pillar (e.g. like in the Netherlands)
- Strengthening the cultivation of protein crops and thus strengthening the diversity within arable farming systems