



# **The CAP reform in light of sustainable development of EU agriculture**

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# The Grand Challenges (SCAR)



- “ A new quality of changes: strong feedbacks between environmental and social systems amplify changes, uncertainty and risks**
- “ The new speed of changes limits reaction times**
- “ Reconciling production and public goods for a viable future of multifunctional agriculture**

# The necessary response (SCAR)



- ” A radical change in food consumption and production in Europe is unavoidable to
- . Meet the challenges of climate change
  - . Secure the provision of public goods
  - . Make the European agro-food system more resilient in times of increasing instability and surprise.

# **Will the move to sustainability be fast enough?**



**Challenges are clearly recognized, but...**

**Proposal for CAP reform misses**

- “ Clear vision of future agriculture and rural areas**
- “ Ambitious (measurable) targets**
- “ Efficient and effective policy and budget use towards sustainability**
- “ Proactive architecture to facilitate and incentivize transitions and innovations towards sustainability**

# Feasible targets for 2020



**Feasible = minimum standard achievable  
with target-oriented measures**

## ” **Resource efficiency, environmental public goods:**

- . **-10 to -30% energy and synthetic N fertilizer use below current levels**
- . **Reduced N and P loss from agriculture (e.g. -30%)**
- . **Reduced soil erosion (soil management in all vulnerable zones)**
- . **Halted loss of biodiversity**

## ” **Climate change:**

- . **Mitigation: -20% GHGs from agriculture and forestry below 2005**
- . **Adaptation: diversity of regions, production systems and within-farm**

**KLU paper on CAP, 2011; SCAR 3<sup>rd</sup> Foresight Exercise 2011**

# **1<sup>st</sup> pillar: so far largely Business as Usual**

## **75% of budget, direct payments for UAA**

- “ **Greening is already farming practice in most farms / regions**
  - **Additional public goods questionable**
  - **Greening cannot give rationale for direct payments**
- “ **Climate change is barely addressed**
- “ **Maintaining old grassland: loopholes need to be closed (e.g., change in ownership)**
- “ **Ecological focus areas: a plus, but connectivity of areas is not considered**

# **1<sup>st</sup> pillar: proposal for measurable greening**



**Set additional minimum standards that support biodiversity, air and water quality and climate change**

- **Maximum N surplus of 50 kg N per hectare UAA**
- **Balanced P budget per hectare UAA**
- **Maximum of 2 dung units per hectare UAA**
- **High organic carbon soils: restrict drainage level**
- **(Participation in Agro-env. & climate measures)**

**But: Effective and efficient policies must address regional diversity:  
Direct payments do not achieve this.**

- **Gradually reduce direct payments until 2020.**

**KLU paper on CAP, 2011; Scientific Advisory Board on Agri. Policy 2010**

## **2<sup>nd</sup> pillar: good principles, but so far largely BaU and some drawbacks**



### **25% of total budget**

**So far: useful support for biodiversity & water,  
but high bureaucratic burden and continued negative trends  
No real regional consistency in planning / biodiversity networks**

### **Critical:**

**National priorities, strategy plans and implementation  
will determine the pathway and speed towards sustainability**

# 2<sup>nd</sup> pillar: Wrong toolbox for climate change mitigation: current proposal



6 EU Priorities

Mitigating climate change:

Knowledge transfer, innovation	Competitiveness	Food chain, risk management	Ecosystems	Resource efficiency, Low-carbon economy	Poverty
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Agro-env. & climate measures (Art. 29),

Organic farming (Art. 30)

Areas facing natural or other specific constraints (Art. 32)

**BUT: Area-based measures have small or no mitigation effect, partly counteractive effects (e.g. marginal grasslands)**

# 2<sup>nd</sup> pillar: Proposal for efficient toolbox for climate change mitigation



## 6 EU Priorities

## Mitigating climate change:

Knowledge transfer, innovation	<b>Competitiveness</b>	Food chain, risk management	<b>Ecosystems</b>	Resource efficiency, Low-carbon economy	<b>Poverty</b>
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organisational and social innovation, consumption

diverse farms and regions (systemic resilience)

**Resource efficiency, ruminants, N, organic soils**

- **Re-allocating 25% EAFRD budget target for climate change**
- **Measures that directly address GHGs per product**
- **High EU co-financing to set incentives**

# 2<sup>nd</sup> pillar: Proposal to increase EU co-financing for biodiversity



## 6 EU Priorities

Knowledge transfer, innovation	Competitiveness	Food chain, risk management	Ecosystems	Resource efficiency, Low-carbon economy	Poverty
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**New 50% cap for co-financing of agro-env. measures and organic farming is less than current support for public goods**

- **Maintain 25% EAFRD budget target for biodiversity**
- **Increase co-financing to >80% for all biodiversity measures**
- **Zonal concepts and regional ecological planning**

# Conclusions for CAP reform



**The Durban decisions make climate change  $<2^{\circ}\text{C}$  unlikely.**

**The current CAP reform proposal misses the chance for a soft landing of EU agriculture in a world of speeded-up surprise and risk by resource constraints, markets and climate change.**

- **Solutions for the current CAP reform:**
  - 1. Higher standards for greening to foster sustainability and phase-out of direct payments**
  - 2. High EU cofinancing for EU-wide priorities, in particular biodiversity and climate change**
  - 3. Address climate change by GHG reduction, resource-efficiency and innovation, not by area-based measures**

# Conclusions: the future



- “ **Start preparing for the necessary step change after 2020:**
  - . **Set clear, measurable targets and a vision of agriculture for 2020+**
  - . **Phase-out of direct payments: public money only for clear additional public goods (not for every hectare)**
  - . **Scaled-up effective measures with simplified administrative burden (e.g. zonal concepts, output-orientation, efficiency targets for innovation, market elements for public goods)**
  - . **Towards a more proactive, effect-oriented policy architecture, coherent policies**

# Studies used



- “ **3<sup>rd</sup> SCAR Foresight Exercise „Sustainable food consumption and production in a resource-constrained world”, Feb. 2011**
- “ **Scientific Advisory Board on Agri. Policy, EU Agricultural Policy post 2013, Sept. 2010**
- “ **Commission on Agriculture at Federal Environment Agency, Germany: Comment on CAP reform, July 2011**
- “ **vTI, Evaluation of Rural Development Policies from 2014 onwards, Dec. 2011**