



# 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

SCAR 3<sup>rd</sup> Foresight Exercise 2011

# 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.

SCAR 3<sup>rd</sup> Foresight Exercise 2011

# 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	Competitiveness	Food chain, risk management	Ecosystems	Resource efficiency, Low-carbon economy	Poverty
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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**



Thank you.

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# 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**

# CAP towards 2020: Addressing the challenges

Guarantee sustainable  
production practices



Welfare, health...

Provide environmental public  
goods



Biodiversity, water quality, soil,  
buffering capacity for  
extreme events

Mitigate climate change



N efficiency, livestock,  
soil carbon

Adapt to climate



Diverse, robust systems

Green and smart growth



Innovation, resource efficiency  
and optimality

COM(2010) of 29/09/2010

(energy, N, P, water)