

The CAP towards 2020

Legal proposals

Delivering on climate change

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AGRI H4
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European Commission

ESD conference
16/11/2011



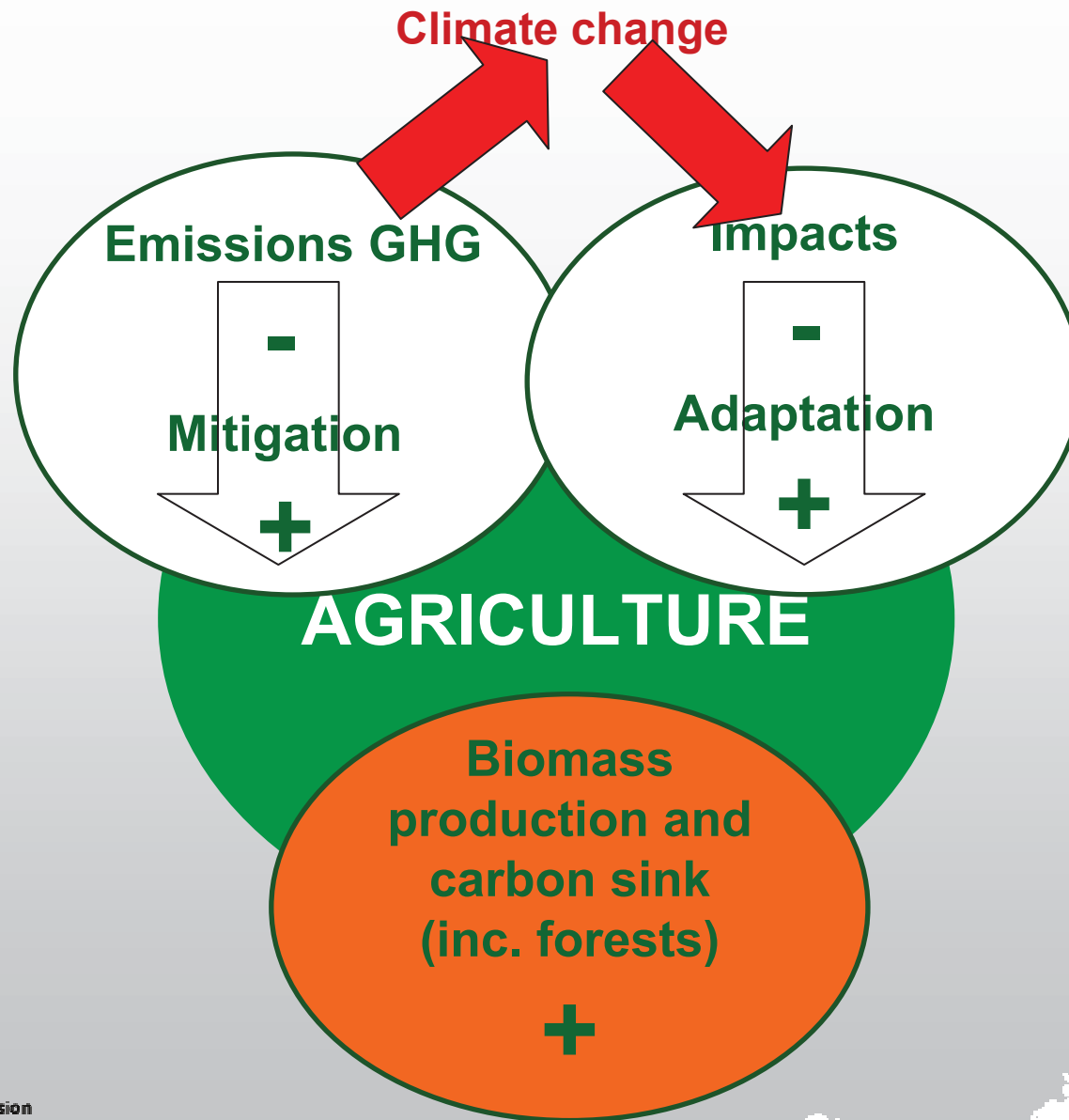
European Commission
Agriculture and
Rural Development

Outline

- Climate change challenges for EU agriculture and forestry
- CAP Post 2013
 - Objectives
 - Direct payments new measures
 - Rural Development new measures
 - Cross compliance new measures
- Concrete examples of synergetic effect of measures
- Budget
- Agenda

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EU Agriculture GHG emissions by source

(including CO₂ from energy but not from LULUCF)



**N₂O-
Agricultural
Soils
44%**

N fertilizers, manure



Eructed by ruminants
(80% cows)

**CH₄- Enteric
Fermentation
26%**



**N₂O- Manure
management
6%**

**CH₄- Manure
management
9%**

Storage, manipulation of
sludge
(50% pigs, 45% cows)

**CO₂- Energy
use
15%**

Fuel (tractors,
machinery...),
electricity...

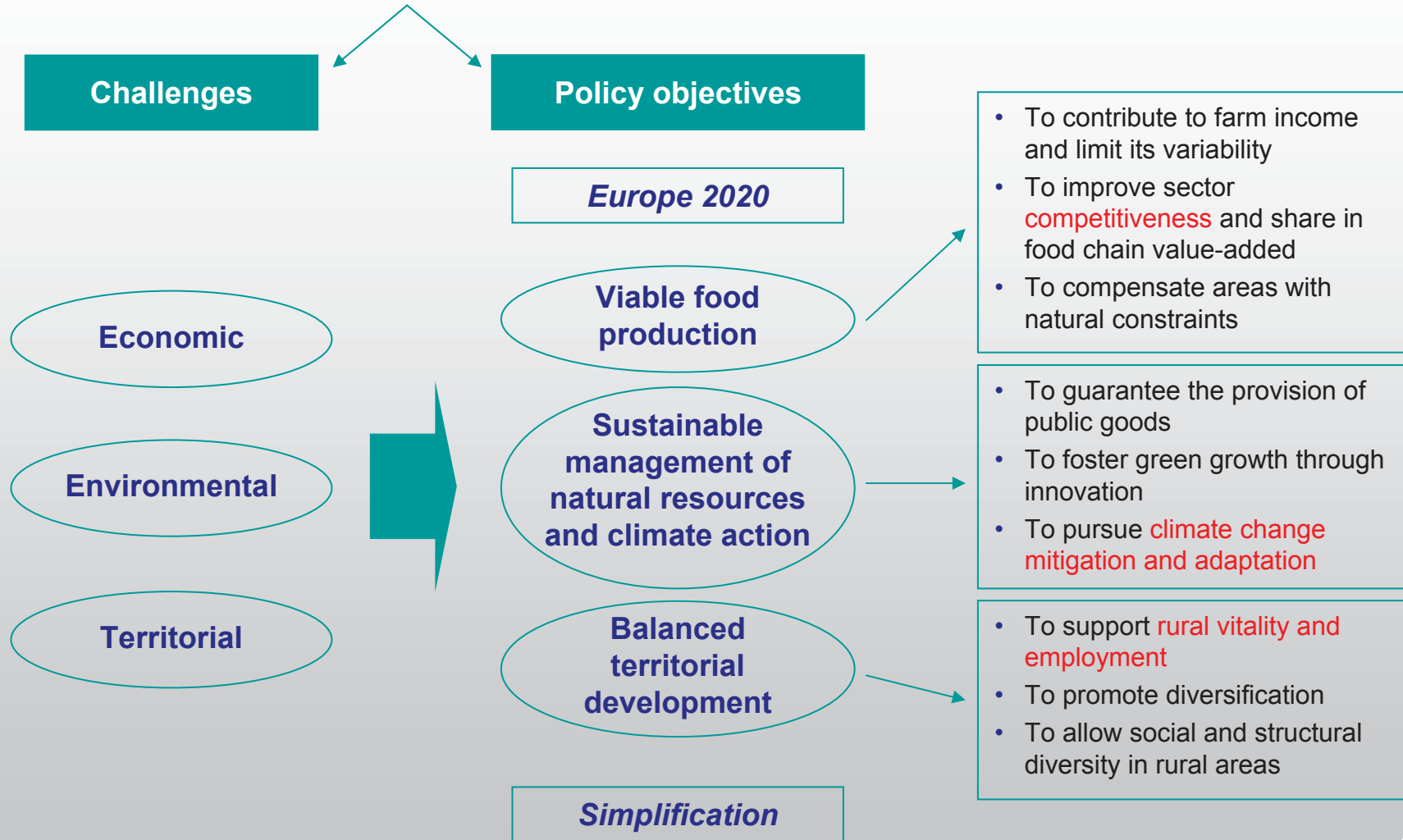
Source: AEE

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What objectives for Europe ?

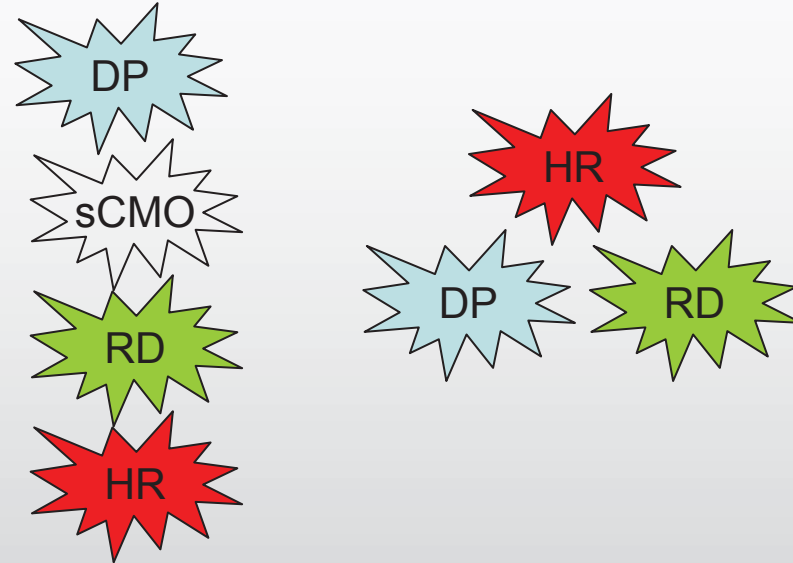
Commission Communication 'The CAP towards 2020'



CAP legislative package

- Main elements of the legislative framework for the CAP 2014-2020:

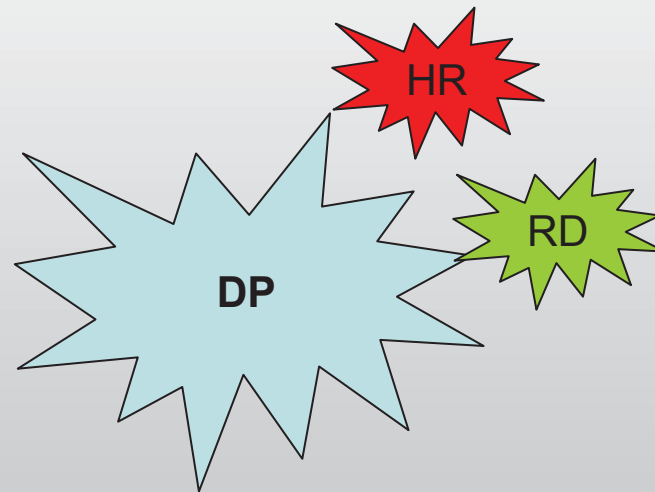
- Direct payments regulation
- Single CMO regulation
- Rural development regulation
- Horizontal regulation



- Other elements

- Transitional regulation for DP in 2013,
- article 43(3) regulation,
- wine transfer regulation

CAP legislative package



New design of direct payments for farmers

Degressivity and Capping
(all layers except Green Payment)

Convergence Inter/intra MS

Cross compliance
Simplified – Climate change

Coupled support

- Wide range of sectors
- Up to 5% or 10% of DP envelope
- Voluntary

Natural constraint support

- For areas with natural constraints
- Up to 5% of the DP env.
- Voluntary

Young Farmer Scheme

- Commencing activity
- < 40 years
- For 5 years
- Up to 2% of DP envelope

Sustainable Development Scheme

- Crop diversification
- Permanent grassland
- Ecological focus area

Basic Payment Scheme

- Definition of active farmer
- New entitlements in 2014
- National or regional flat rate per eligible hectare

Small Farmer Scheme

- Simplification of claims and controls
- Lump sum payment to be determined by MS under conditions
- Entrance in 2014
- Up to 10% of the DP envelope



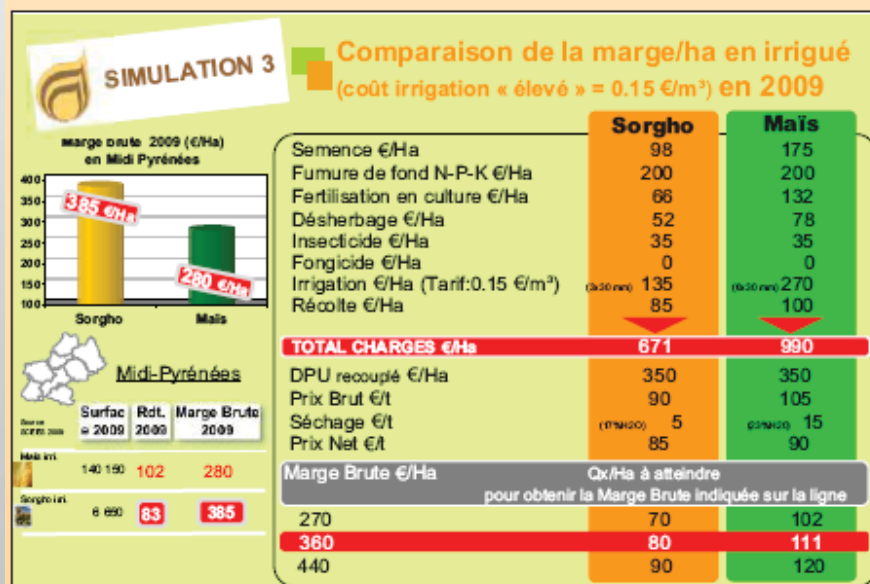
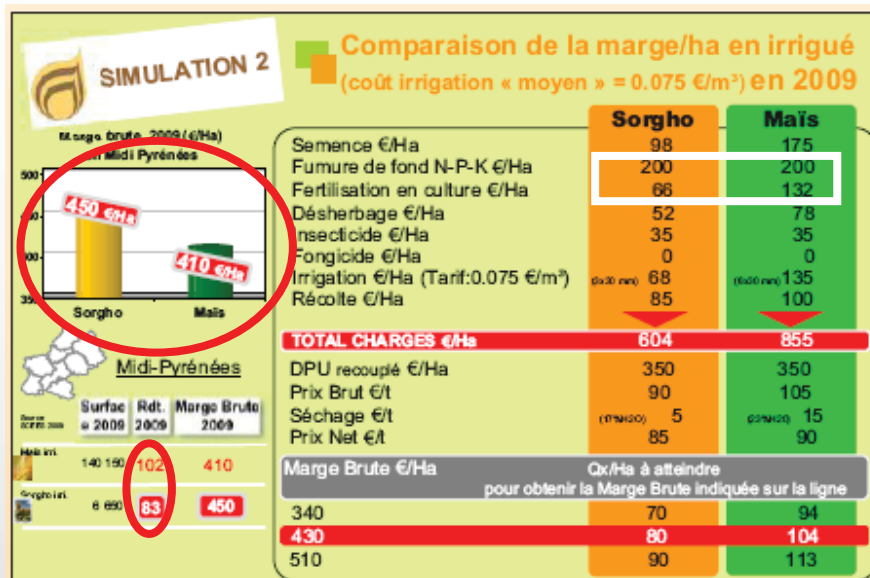
OR

DP art. 30

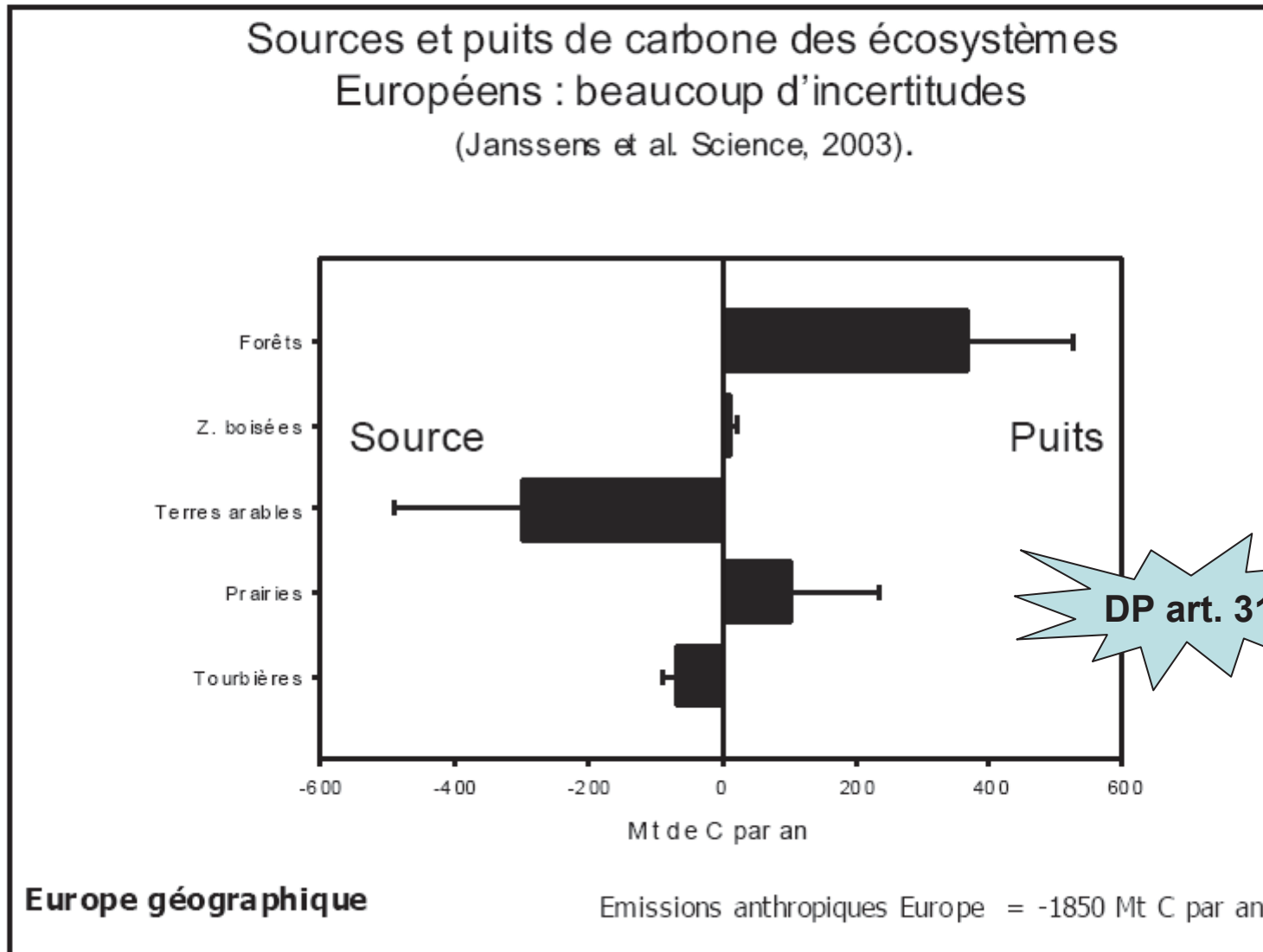
Greening in first pillar

ex: crop diversification

finding Alternatives

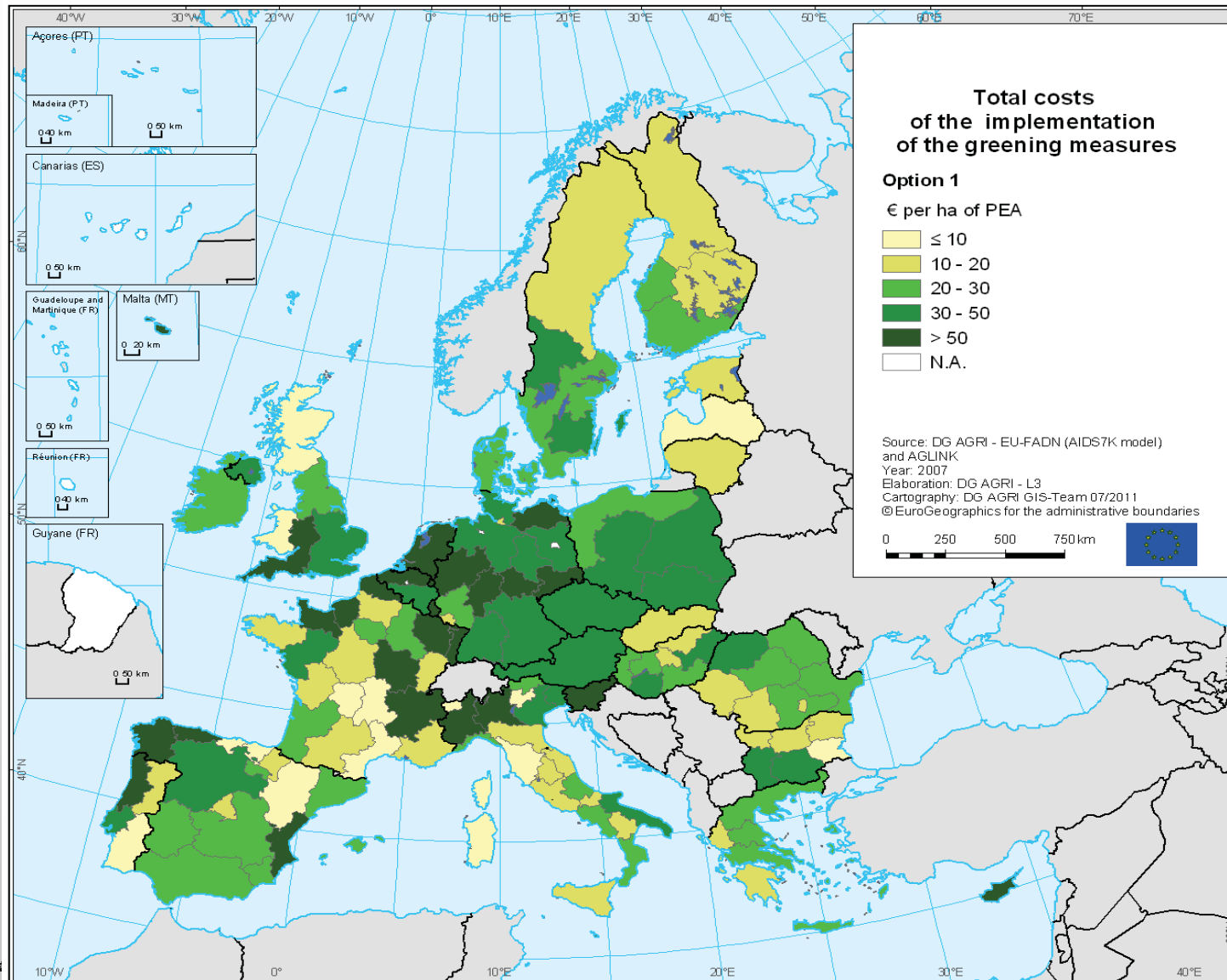


Permanent grassland Land uses sink/source

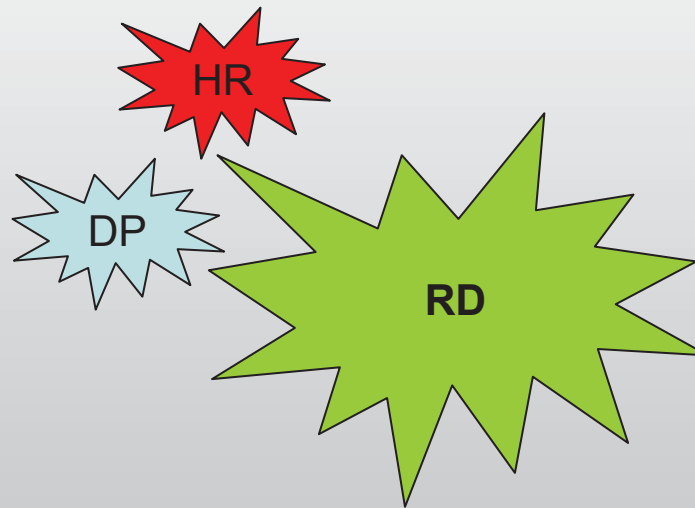


Source: Soussana INRA

Total cost for greening

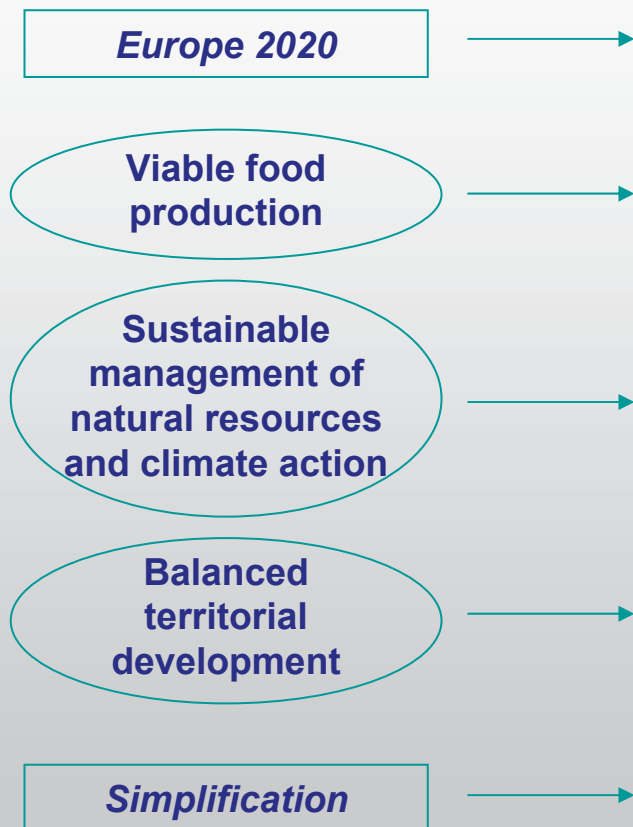


CAP legislative package



Rural development in a new framework

CAP/EU policy objectives



- Single framework for EU funds
 - Common Strategic Framework (CSF)
 - Partnership Contracts
 - Performance framework
- Rural development regulation
 - Six priorities for rural development
 - Around 20 measures (without axes)
 - Programming
 - Financing
 - **Monitoring and Evaluation**
 - European Innovation Partnership 'Agricultural productivity and sustainability'



The Rural development regulation

Europe 2020 in rural areas : Six priorities with areas of intervention

1. Foster **knowledge transfer and innovation** in agriculture, forestry and rural areas
2. Enhance competitiveness of all types of agriculture and enhance farm viability
3. Promote food chain organization and **risk management** in agriculture
4. **Restore, preserve and enhance ecosystems** dependent on agriculture and forestry
5. **Promote resource efficiency and support the shift towards a low carbon and climate resilient** economy in agriculture, food and forestry sectors
6. Promote social inclusion, poverty reduction and economic development in rural areas

In the RD Reg.:



New menu of measures for Rural Development

RD art 15-41

Mitigation & adaptation options in many measures

- Knowledge transfer and information actions
- Advisory services
- Quality schemes
- Investments in physical assets
- Restoring production potential damaged
- Farm and business development
- Basic services and village renewal
- Investments in forest area, afforestation and agroforestry, prevention and restauration of damage to forests, investments improving resilience and env value, Investments in new forestry technologies, forest env & climate services and conservation.
- Setting up of producer groups
- Agri-environment-climate
- Organic farming
- Areas facing natural and specific constraints **25%**
- Natura 2000 and WFD
- Animal welfare
- Cooperation
- Risk management, insurance, mutual funds and income stabilization tool.



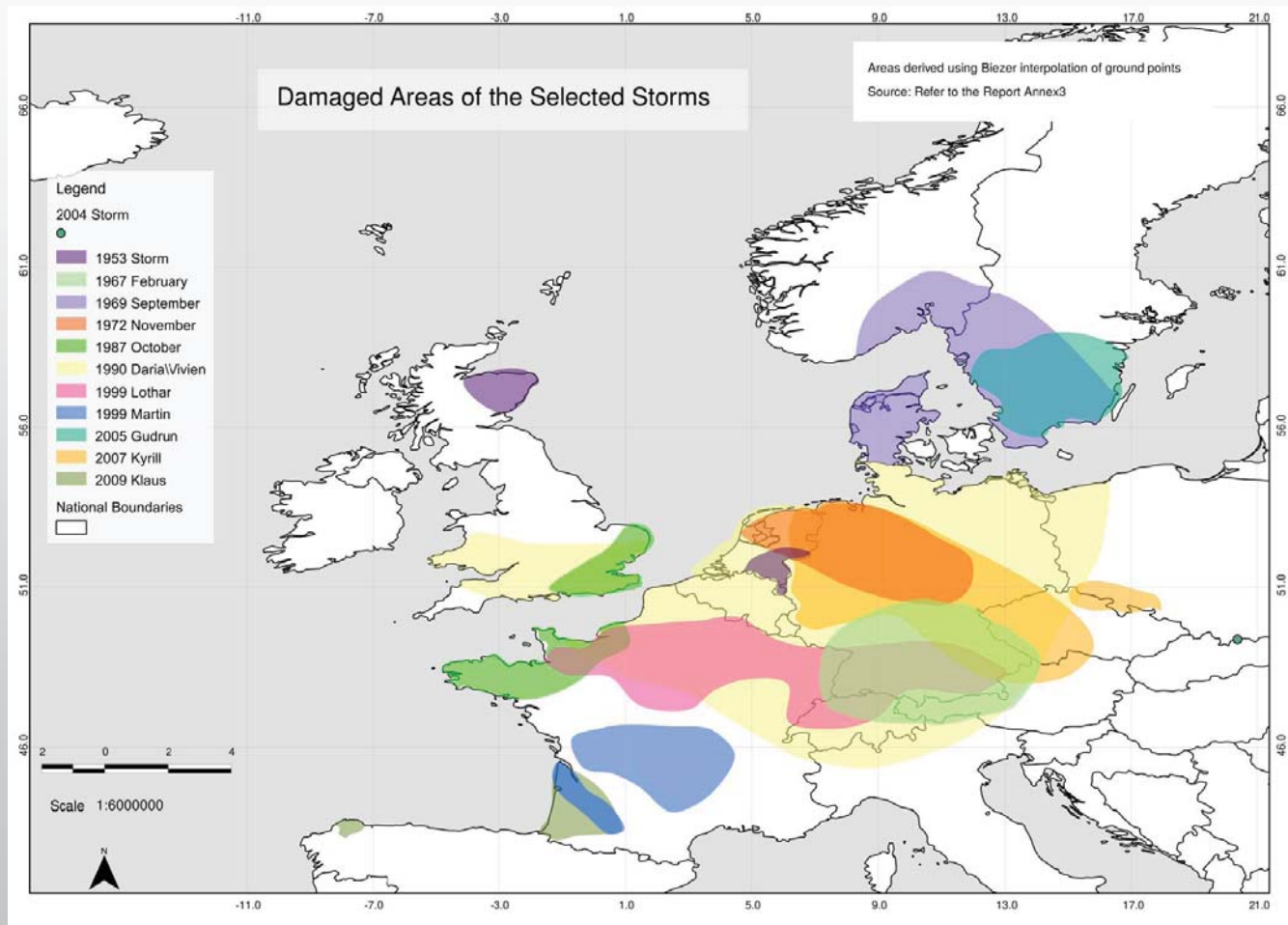
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RD LEADER

...essen DG AGRI H4 09/11/2011

RD art 53 EIP

Greening in second pillar: ex: Potential restoration

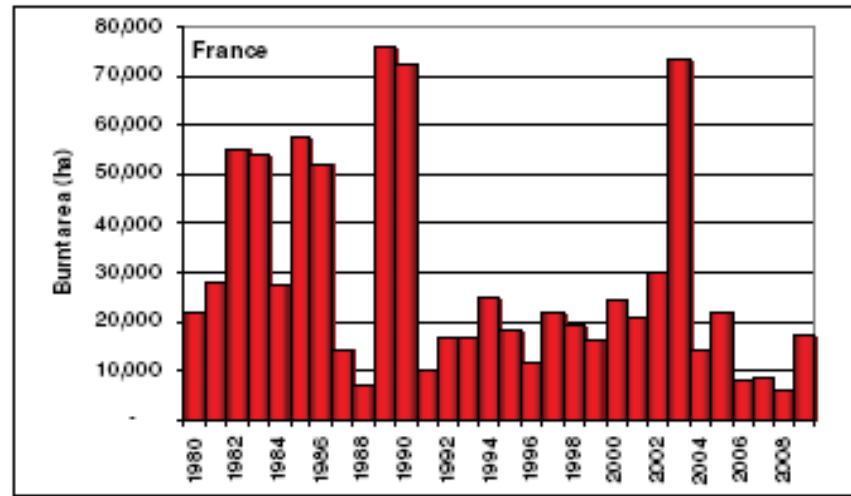
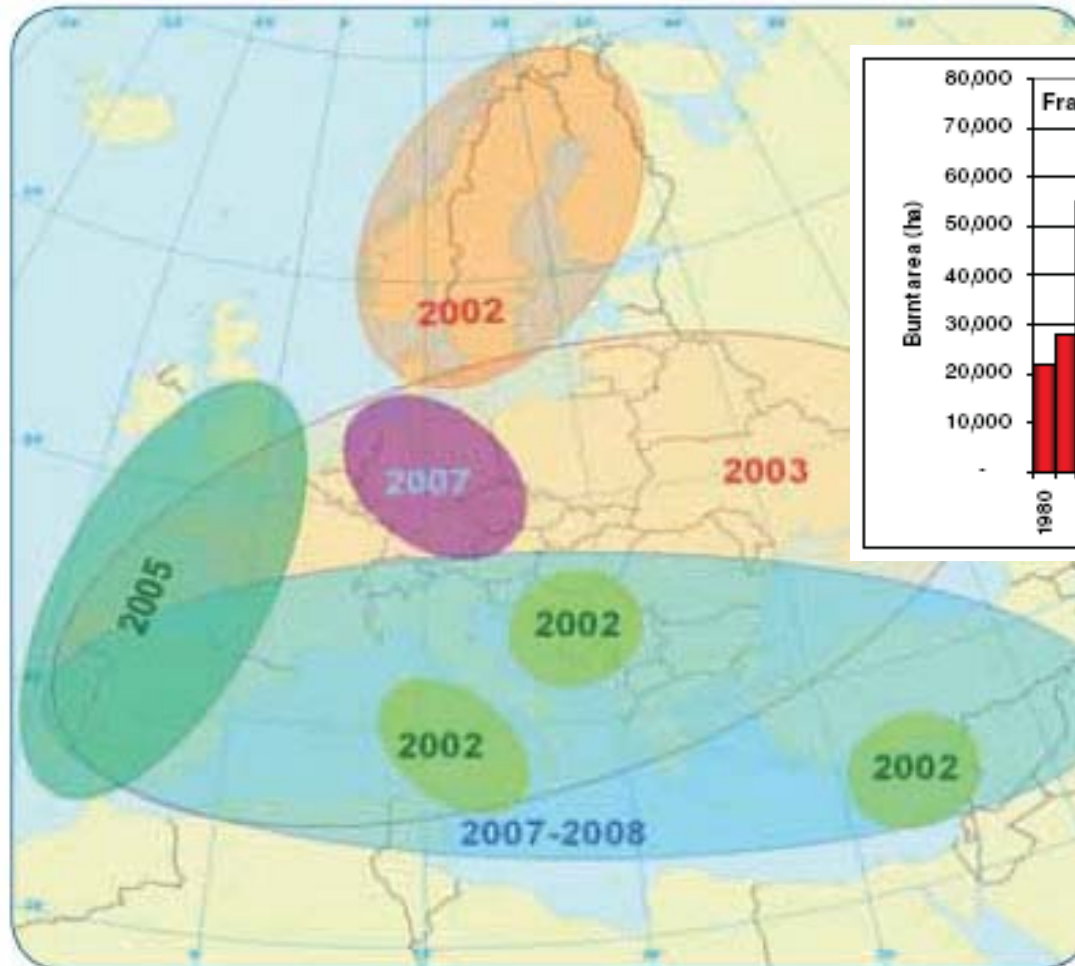


European Commission
Agriculture and
Rural Development

Source: EFi

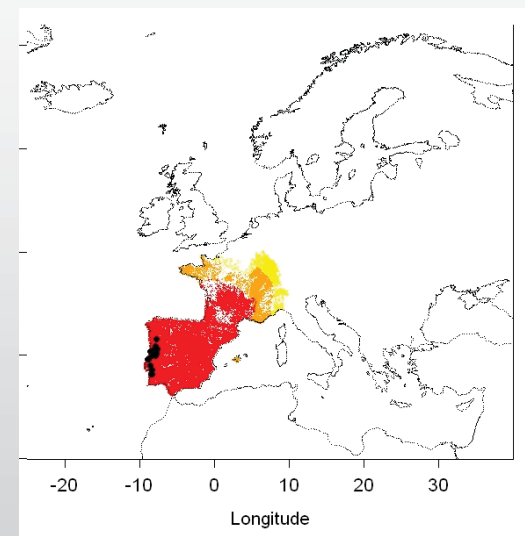
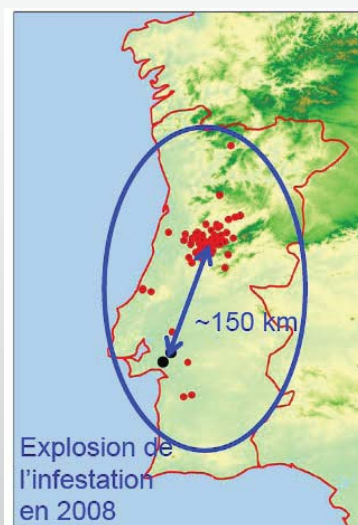
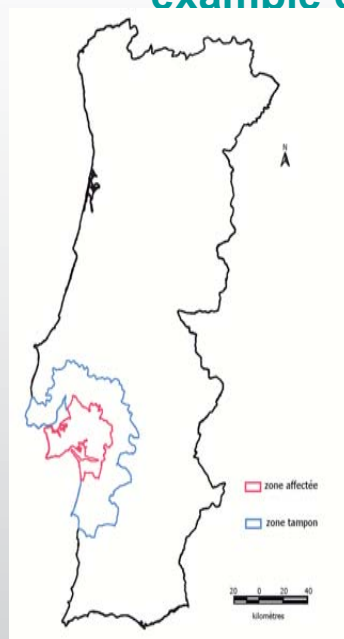
Greening in second pillar: ex: Potential restoration and fire prevention

Main drought events in Europe



Source: ETCLUSI (Adapted from Tallaksen, 2007)

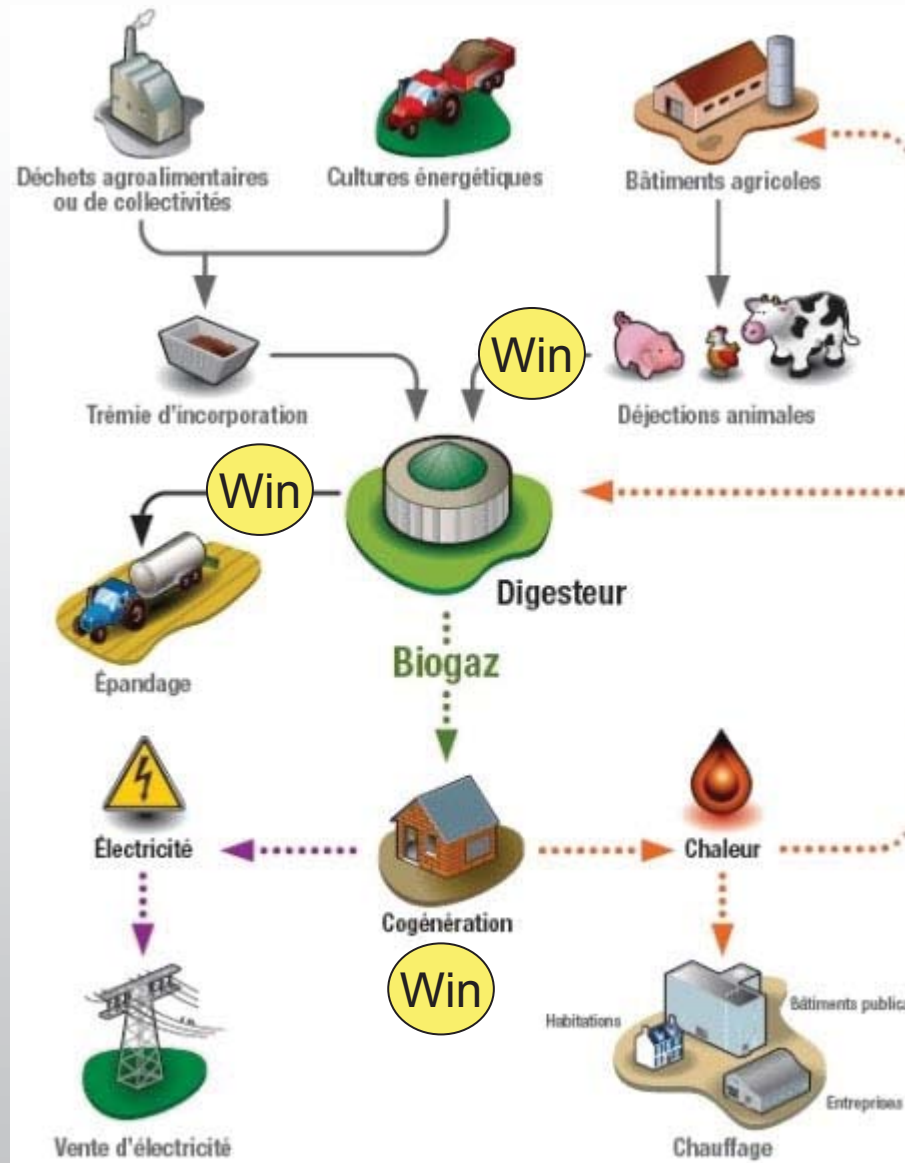
Greening in second pillar: pests prevention/action example of pine tree nematode



Probability of expansion in 2030 (current climate)
(Source: Robinet et al. Mentioned by D. Piou)

Mitigation:
Example
of fossil fuel substitution

Biogas from manure the perfect win/win/win



CAP legislative package



Cross compliance

PAYMENTS COVERED

Direct payments :

- Basic payment Scheme
- Greening
- All other payments (inc. ...)
- Rural development annual
- Afforestation and agroforestry
- Agri-environment-climate measures
- Organic farming
- Natura 2000 and WFD
- Animal welfare
- Forest environment

Single CMO (Wine annual payments) :

- Restructuration
- Green harvesting

HR
Article 93 & Annex II
Requirements and standards

Env. Climate change, good agr. condition of land

Water:

- SMR1: Nitrates ←
- SMR 4: Buffer strips ←
- Irrigation authorisation ←
- SMR 3: Groundwater ←

Soil carbon stock:

- GAEC 4: Minimum soil cover ←
- GAEC 5: Minimum land management erosion ←
- GAEC 6: Maintenance soil organic matter ←
- GAEC 7: Wetland and carbon rich soils ←

Biodiversity:

- SMR 2: Birds
- SMR 3 : Habitats

Landscape:

- GAEC 8: Landscapes feature

Public health (7 SMRs)

Animal welfare (3 SMRs)

HR
Art 12(2)c & Annex I
Scope of FAS

HR Art 93 Permanent grassland at MS level (2014-2015)

DP Art 31 Permanent grassland at farm level (max 5% conversion)





HR
Annex I
Scope of FAS

*“Requirements or actions and advices at the level of beneficiaries as defined by Member States where appropriate under:
Climate change mitigation and adaptation:*

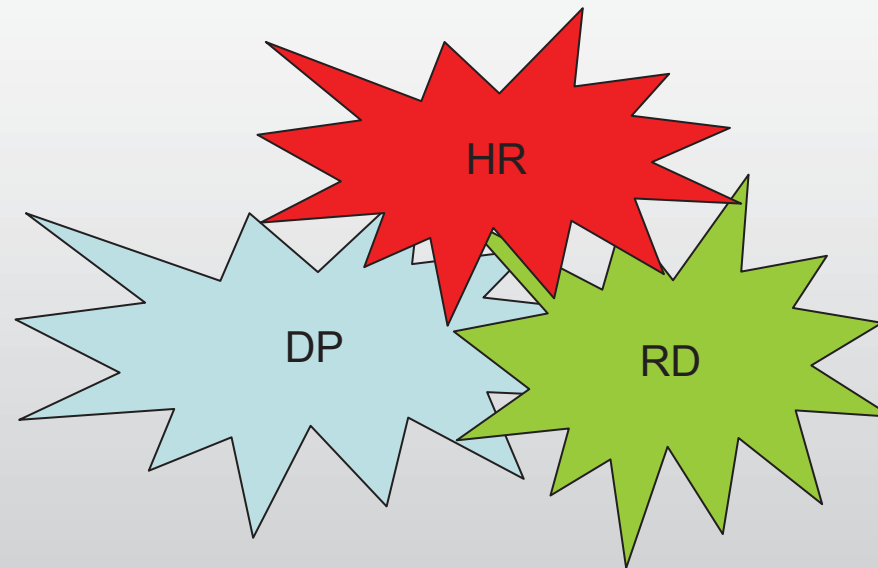
*– **Information on** prospective **impacts** of climate change in the relevant regions, of the **green house gas emissions** of the relevant farming practices and on the contribution of the agricultural sector to mitigation through **improved farming and agroforestry practices** and through the development of **renewable energy** projects on farm
And **energy efficiency** improvement on farm.*

-... »

Outline

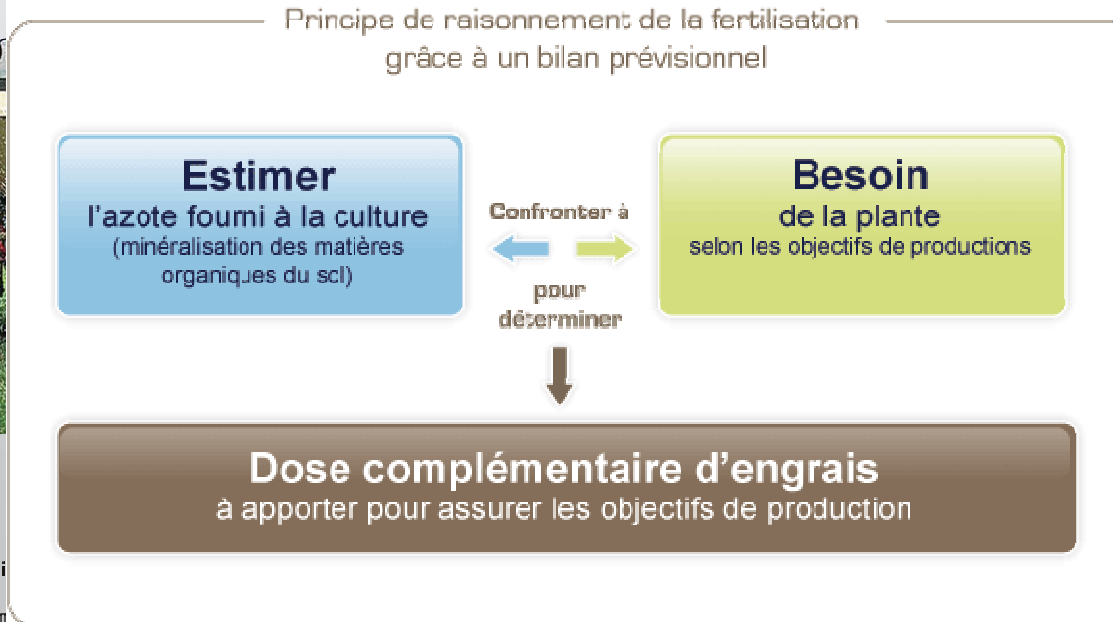
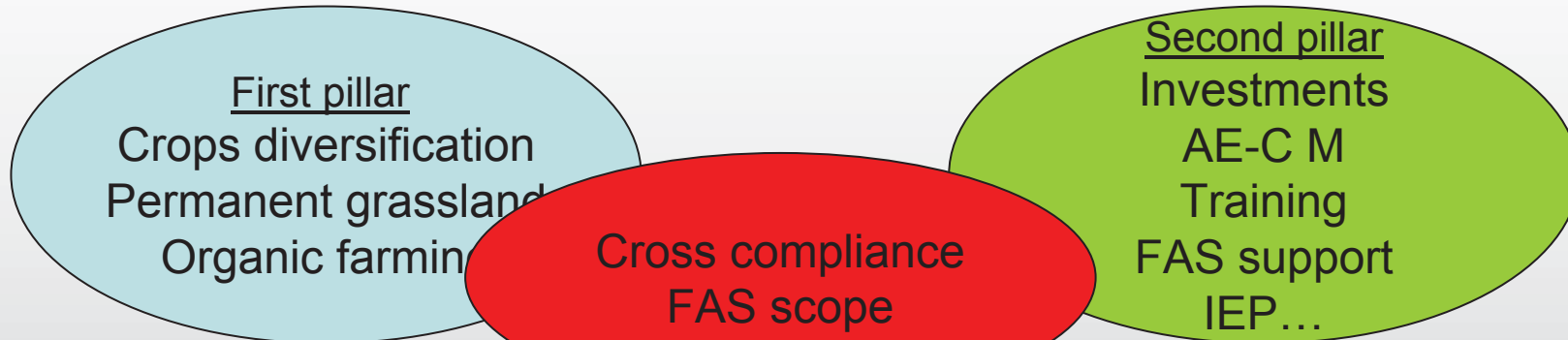
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Synergies

Greening in both pillars: Ex: sustainable fertilizers management



**Ex of mitigation (& adaptation):
soils management and systems resilience
Increase SOC = Improved soil fertility and carbon sequestration
Increased biomasse**

First pillar
Crops diversification
Permanent grassland
Organic farming

Cross compliance
FAS scope

Second pillar
Investment
A-E C M
Training
FAS support
IEP...



Ex of adaptation (& mitigation): water savings & resource efficiency

First pillar

Crops diversification
Green infrastructures (EFA)
Permanent grassland
Organic farming

Second pillar

Investments
A-E C M (inc. Organic)
Training
FAS support...

Cross compliance
FAS scope



Table 9 Effect of a selection of mitigation measures on carbon sequestration in agriculture

	Potential implementation cost	Probability of implementation*	Global mitigation potential (Smith <i>et al.</i> , 2008) (tCO ₂ eq./ha/yr)
Catch crops	Low	High	0.29 - 0.88
Reduced tillage	Low	Medium (low in some areas)	0.15 - 0.70
Residue management	Low	High	0.15 - 0.70
Extensification	Medium	Low	1.69 - 3.04
Fertiliser application	No	Medium (already done in some areas)	0.26 - 0.55
Fertiliser type	Low	Medium (already done in some areas)	0.26 - 0.55
Rotation species	No	Medium	0.29 - 0.88
Adding legumes	Low	High	0.26 - 0.55
Permanent crops	Variable	Low (reduces flexibility)	1.69 - 3.04
Agroforestry	Medium	Low (reduces flexibility)	0.15 - 0.70
Grass in orchards & vineyards	Medium/high	Low	1.69 - 3.04
Optimising grazing intensity	Low / medium	Medium (already done in some areas)	0.11 - 0.81
Length and timing of grazing	Medium	Medium	0.11 - 0.81
Grassland renovation	Low	High	0.11 - 0.81
Optimising manure storage	Medium / high	Medium	
Manure application techniques	Medium	Medium	1.54 - 2.79
Application of manure to cropland versus grassland	Low	Medium	1.54 - 2.79
Organic soil restoration	Medium / high	Medium	36.67 – 73.33

* Based on potential uptake by farmers

Source: Climsoil study Dec 2008



Euro
Agri
Rura

Ex of mitigation RE production and fossil fuel substitution

First pillar

Crops diversification
Permanent grassland
Organic farming
SRC coupled payment

FAS scope

Second pillar

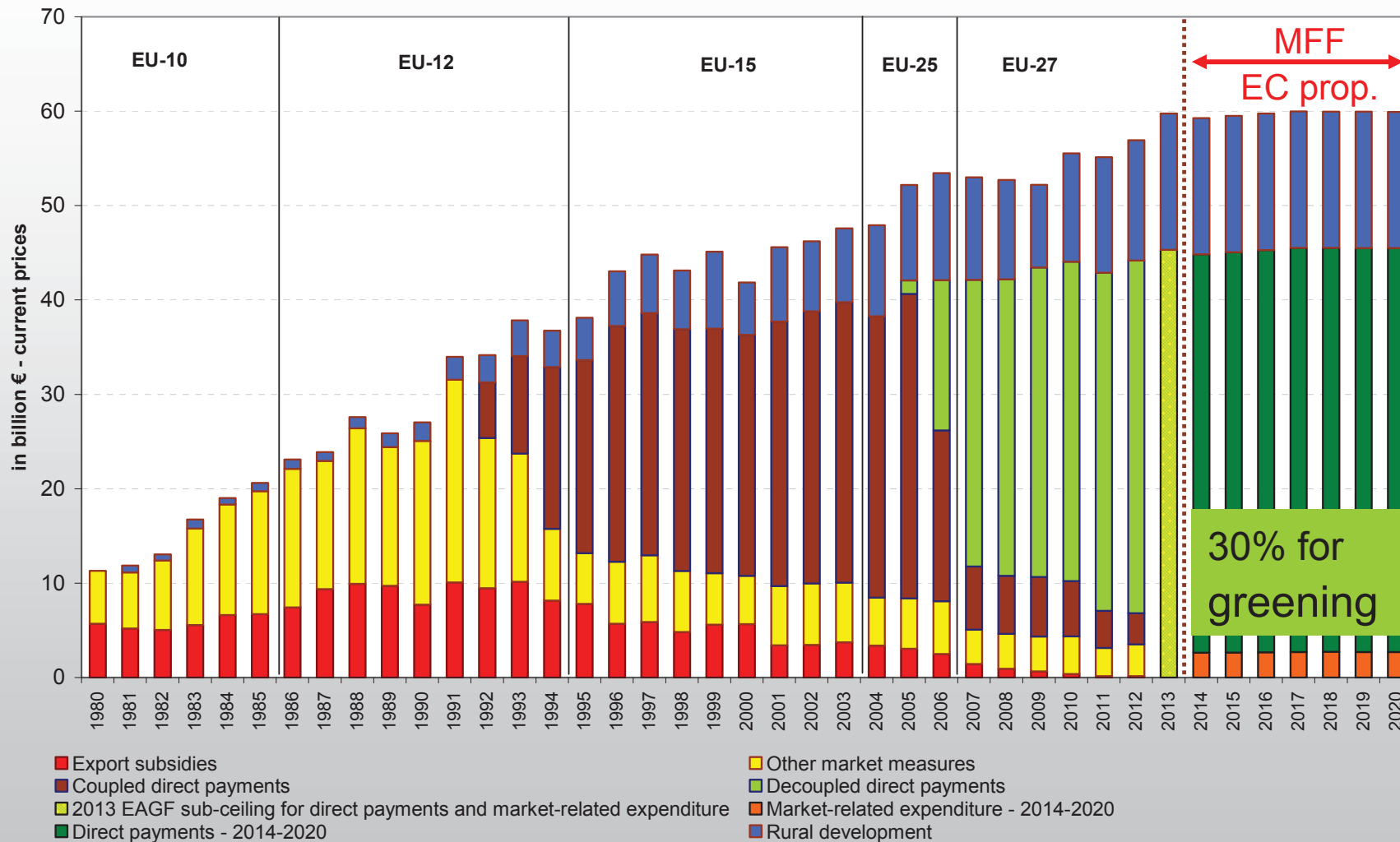
Investments
A-E C M
Forestry measures
Training
FAS support...



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EU level: CAP expenditure and MFF Commission proposal (CAP expenditure and CAP reform path, in current prices)



Source: DG Agriculture and Rural Development

Notes:

2011 = Budget; 2012 = Draft Budget;

2013 = EAGF subceiling for direct payments and market-related expenditure + pillar 2 in commitments.



EU level MFF

Commission proposed levels for 2014-2020 (maintaining CAP spending at 2013 levels in nominal terms)

In constant 2011 prices

- Pillar I – Direct payments and market expenditure	€281.8 bn
- Pillar II – Rural development	€89.9 bn
Total Pillar I and II	€371.7 bn
- Food safety	€2.2 bn
- Most deprived persons	€2.5 bn
- Reserve for crisis in the agricultural sector	€3.5 bn
- European Globalisation Fund	Up to €2.5 bn
- Research and innovation on food security, the bio-economy and sustainable agriculture	€4.5 bn
Total additional funds	€15.2 bn
Total proposed budget for the period 2014-2020	€386.9 bn

Source: Commission Communication 'A budget for Europe 2020' – COM(2011) 500 final, part II.

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Where we are with the CAP reform process



For further information

- Agriculture and climate change
http://ec.europa.eu/agriculture/climate_change/index_en.htm
- The CAP after 2013
http://ec.europa.eu/agriculture/cap-post-2013/index_en.htm
- EU agriculture and CAP reform
http://ec.europa.eu/agriculture/index_en.htm
- Economic Analysis and Evaluation
http://ec.europa.eu/agriculture/analysis/index_en.htm
- Agricultural Policy Analysis and Perspectives
http://ec.europa.eu/agriculture/analysis/perspec/index_en.htm

