

Case-Study: potentials and challenges for the German implementation

Study: Post-2022 CAP
in Trilogue Negotiations:
Reflections and Outlook
for CAP Strategic Plans

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20.04.2021

The CAP close to the finishing line - Can the
European Green Deal promises be kept?



2 Opportunities of the CAP-Reform

Conditionality

- **Conditionality:** regulatory laws
Obligatory for recipients of direct payments
- **Criteria have been watered down:** Partly going back to CAP-rules 2014-20
 - GAEC 1: Maintenance of permanent grassland
 - GAEC 2: Protection of wetlands and peatlands
 - GAEC 5: Nutrient balancing tool
 - GAEC 8: Crop rotation
 - GAEC 9: Non-productive area, biodiversity protection
 - GAEC 10: Protection of Natura-2000 grassland
- **Avoiding:** Race to the bottom to the lowest environmental ambition
- **Level playing field:** uniform rules for similar rules for competition within the EU
- **High level of conditionality affords high level of direct payments**

The German implementation-model: We take the EU-rules, period.

2 Opportunities of the CAP-Reform Eco-Schemes

Eco-Schemes: voluntary Agri-Environmental Measures in the I. pillar

Challenges on content

- **Objectives:** Council and parliament with a broad set of objectives
- **Endurance of contracts**
- **Effectiveness and efficiency of measures**
- **Content orientation** on effective, but simple measures
- **Consistent implementation** combining the instruments
=> Eco-Schemes + Agri-Environmental and Climate Measures + Conditionality
- **Payment-method:** Cost-oriented payments for single measures

Other challenges

Eco-Schemes are largely decided in Germany in March 2021

2 Opportunities of the CAP-Reform

Support organic farming & AECM

Organic farming

- **Biodiversity strategy:** until 2030 25% organic farming in the EU
EU-wide: Another 27.6 Mio. ha would be necessary
- **Growth strategy in view of market developments**
farm advisory services; Public demand for organic products; Information
- **Coherent implementation of Eco-Schemes** necessary
- **EU action plan** for the development of organic farming

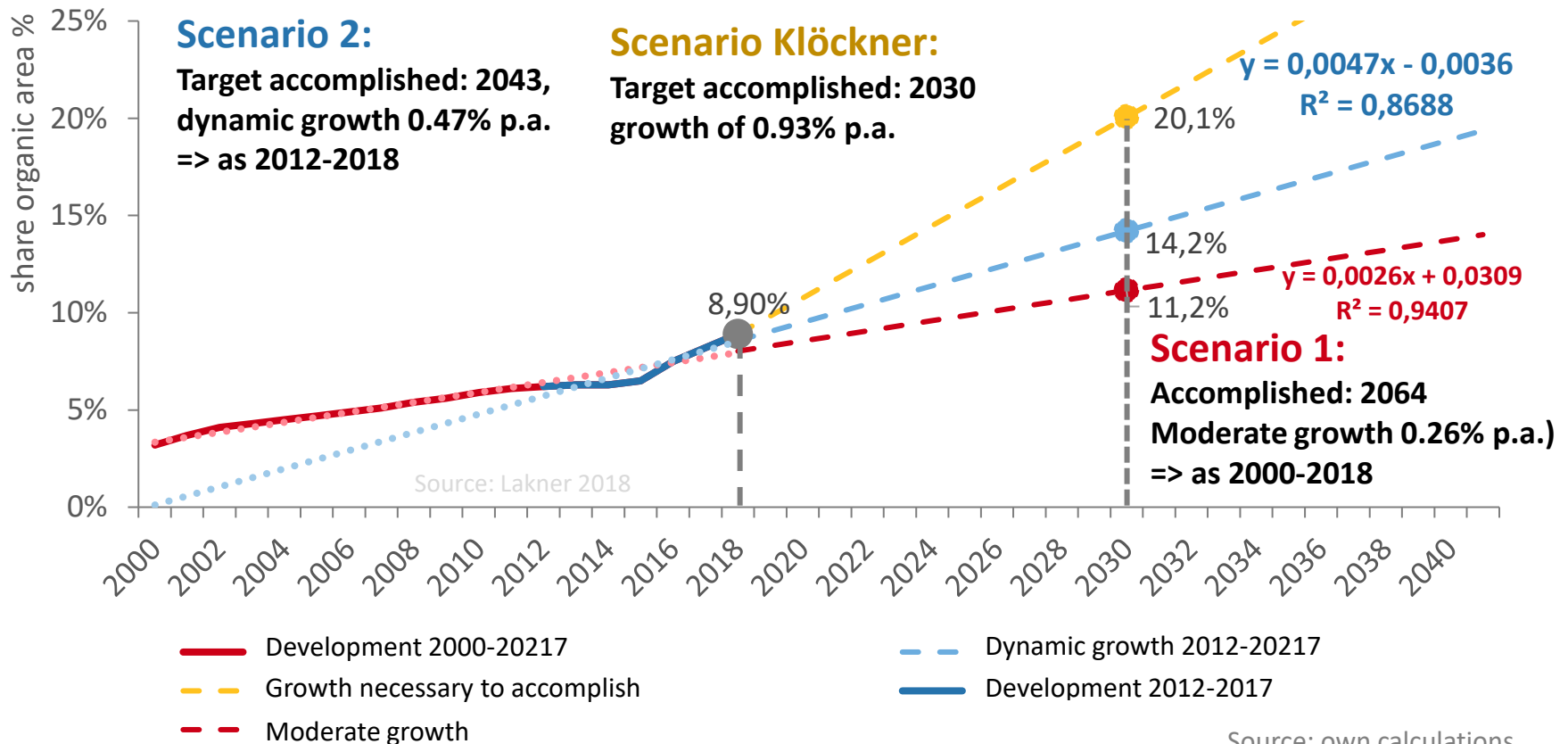
Agri-environmental and climate measures (AECM)

- **AECM 2014-2020** Shift toward biodiversity and dark-green measures
- Still, **high complexity and administrative burdens** (Fährmann u. Grajewski 2013)
- **Missing coherence** with pillar I (Lakner et al. 2017)
- **Too little innovations** in AECM (see Pe'er et al. 2020; Lakner 2020)
- **Lower spending in pillar II 2021-2027**

2 Opportunities of the CAP-Reform

Support organic farming

How to accomplish the mission 20% in 2030 in Germany?



3 The German implementation

Eco-Schemes in Germany

Spending: 25% of the I. pillar

Measures:

1. Provision of land for biodiversity and conservation:

- a) **non-productive areas** on arable land (beyond the conditionality)
- b) Establishment of **flowering strips** or areas on arable land + c) perm. crops
- d) old grass strips or areas in permanent grassland

2. Cultivation of diverse crops including leguminous plants (10%)

3. Maintenance agroforestry management on arable land

4. Extensification of all permanent grassland

5. Result-oriented management of permanent grassland (4 species)

6. Management of arable or permanent crop areas without chem. plant-protection

7. Natura 2000-suport

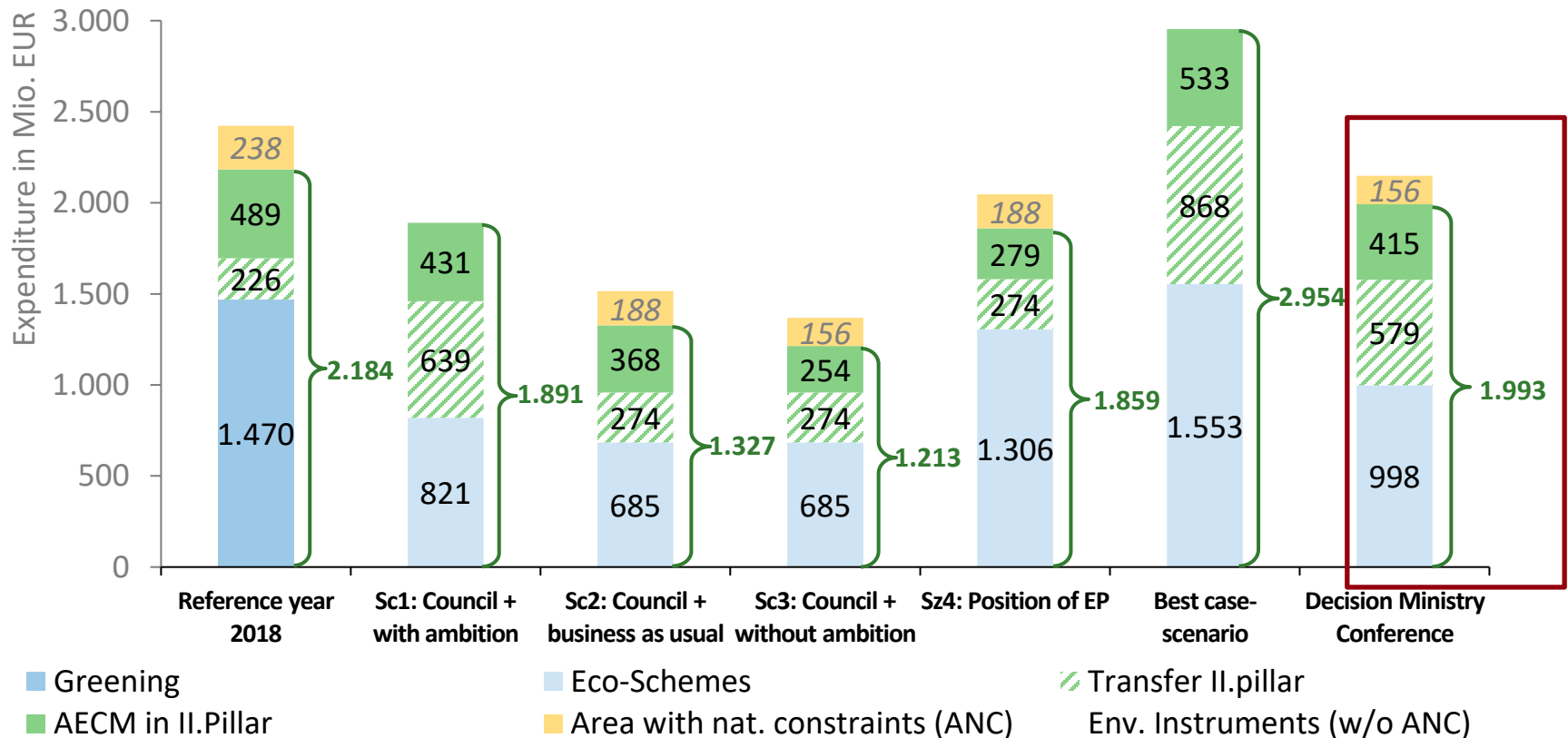
Evaluation: Better than expected and maybe a step forward

But not the systemic change, necessary to solve existing deficits

3 The German implementation

Financial resources CAP 2023-2027

Financial resources for the environmental measures



Source: own calculations; Constant prices 2018 = 100%; 1.0% Inflation assumed; see Greenpeace e.V. (2021): <https://bit.ly/3cjGsUc>

4 Conclusions

How to accomplish the Green Deal?

- **The EU-Comm strategies** (2019) came after the CAP-proposal (2018)
- **The CAP-reform 2021** provides some options
- **An ambitious implementation** would be necessary
- Some of the objectives are **beyond the scope of CAP**

... EU member states and EU parliament have to take responsibility

1. **An ambitious CAP-implementation**
2. **Policies beyond the CAP**
 - ⇒ **Fertilizer policies**
 - ⇒ **Pesticides regulations** or taxation (Finger et al. 2017; Ecol. Econ.)
 - ⇒ **Climate action**, e.g. through peatland rewetening (Tanneberger 2020)
 - ⇒ **Food policies** (WBAE 2021)
3. **Member states have to add national funds**
4. **Active role of the EU Commission (?)**

Thank you for your attention!

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1 Challenges of the agricultural sector

- **Climate Change: minimum 1 bn. EUR/ year** (WBAE 2016)
Mitigation and Adaptation, Risk management
- **Animal welfare: up to 5 bn. EUR/year** (WBAE 2018)
Expectation of society; future of animal husbandry?
- **Environmental resources**
Reduction of the surplus of nutrients, efficient use of resources, quality of freshwater, reduction of buffer capacities in soils
- **Reduction of biodiversity: 1.4 – 3.0 bn EUR/year**
Pabst et. Al. (2018): Biodiversitäts-förderung im ELER, IFLS Frankfurt; Oppermann et al. 2016
Reduction of species diversity and habitats; monotonous landscapes, missing field margins and landscape elements (see e.g. Leopoldina 2020, Batary et al. 2017)
Infringement proceeding against Germany due to Habitat-Directive
- **Socio-economic problems of the sector**

Anhang

2 Opportunities of the CAP-Reform

Support organic farming

- **Biodiversity strategy:** until 2030 25% organic farming in the EU
Another 27.6 Mio. ha would be necessary
- **Organic farming in Germany**
 - 1.62 Mio. ha farmed land (share 9.3%)
 - 33,700 farms (share 12.6%)
 - Revenue 12 bn. EUR p.a.
- **Until 2020:** Specific Conversion and maintenance support II. pillar
- **Growth strategy in view of market developments**
 - ⇒ farm advisory services
 - ⇒ Public demand for organic products
 - ⇒ Provision of Information
- **Coherent implementation of Eco-Schemes** necessary
Combinations of Eco-schemes and organic farming?
- **Recommendation:** Continued support in the II. pillar via AECM

2 Opportunities of the CAP-Reform

Agri-environmental and climate measures

- **Specific and targeted AUCM** are essential for the CAP post-2020
- **The share of AECM expenditure** in the 2nd pillar should be increased
- Expansion of **dark green measures**
- **Innovative measures** should be strengthened
 - Cooperative implementation
 - Points model
 - Result-oriented measures
 - Programmes at landscape level
 - Management of agri-environmental measures
- **Ecological farm advisory services**
- **Investments for agri-environmental measures**
- **Monitoring of measures**

3 Financial Outlook

Agri-environmental measures in the federal states

Indikator	Einheit	BY	BW	BB ^{1,2}	SN	NI	NW
Ausgaben 2.Säule 2014-20	In Mio EUR	508,28	260,57	192,29	162,68	328,49	168,99
AUKM-Ausgaben 2014-20	In Mio EUR	206,68	100,32	43,02	32,33	54,36	69,81
Anteil AUKM 2.Säule	In %	40,7%	38,5%	22,4%	19,9%	16,5%	41,3%
Landw. Nutzfläche (in ha)	In 1.000 ha	3.079,5	1.420,8	1.298,7	894,1	2.571,0	1.503,9
Zahlung je Hektar	EUR/ha	67,12	70,61	33,12	36,16	21,14	46,42
Effektivität der AUKM im Hinblick auf Biodiversität							
Anteil Ausgaben dunkelgrün	%	26,5%	40,6%	36,6%	47,3%	46,4%	37,8%
Anteil Fläche dunkelgrün	%	11,6%	19,4%	51,6%	27,2%	24,8%	11,0%
Flächen AUKM 2017*	1.000 ha	1.253,0	576,0	263,0	178,0	419,0	220,0
Anteil AUKM an Fläche LF	%	40,7%	40,5%	20,3%	19,9%	16,3%	14,6%

Quelle: Eigene Auswertung basierend von Daten des BMEL und der Landesministerien für Landwirtschaft

1) Fläche in BB ÖL kalkuliert mit der Prämie 209 EUR/ha; 2) Bei FFH in BB wurde eine günstige Bewertung der Ausgleichszahlung FFH vorgenommen. De facto ist diese Zahlung nur teilweise effektiv