



Common Agricultural Policy reform must ensure mandatory and effective greening of Pillar 1

Statement of the Agriculture Commission at the
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A strengthening of environmental aspects is indispensable to the reform of the Common Agricultural Policy (CAP) for 2014-2020. The Agriculture Commission at the German Federal Environment Agency (KLU) is of the view that, in future, EU agricultural budget funding can only be justified if it is based on the principle of “public funds for public goods”. However, particularly in Pillar 1 of the CAP (direct payments), this principle has not yet been purposely applied. The introduction of a mandatory and effective greening component into Pillar 1 is indispensable to achieving the provision of public goods in return for public funds at a politically realistic level.

In order for this greening component to be effective it should meet the following fundamental conditions:

- Successful participation in greening measures must be a mandatory requirement for the receipt of Pillar 1 supports, i.e. including the planned basic payment scheme.
- The measures under the greening component must be implemented in full, as applicable to individual holdings. All the individual components of the greening are essential to achieving environmental and conservation objectives, supplement each other, and can not be substituted for one another.

The requirements with respect to the greening measures currently under discussion in the areas of crop diversification, the retention of permanent grassland, and ecological focus areas should meet the following conditions set out by the KLU:

Crop diversification: A maximum of 45 percent per crop type on a holding’s arable land, with multi-annual crops being considered separately in each individual cropping year.

Retention of permanent grassland: The KLU recommends a complete ban on ploughing up permanent grassland. In order to avoid announcement effects, the reference year should be the year 2011.

Ecological focus areas: These lands are not set-aside and can be utilized, albeit with an ecological focus. Farmers should be required to give 10 % each of their eligible arable and grassland areas respectively over to ecological focus areas. The Commission proposal of 7 % EFA must be considered an absolute minimum.

The KLU is of the opinion that the negative impacts of excess nitrogen and excessively high stocking rates are amongst the most serious negative environmental impacts caused by European agriculture today. The KLU therefore recommends that in addition to the measures mentioned above a **limit on nitrogen net balance surpluses** (farm gate method of nutrient accounting) of no more than 50 kg N/ha, as well as a **limit on stocking rates** of no more than 2.0 DE/ha (DE= “Dungeinheit”; 1 DE corresponds to 80 kg N/year from livestock manure) should be integrated into the greening.

In accordance with its right of initiative, the EU Commission (EU COM) tabled its legislative proposals on CAP reform in October 2011. The final decisions will be negotiated in a trilogue between the Council, the European Parliament and the

Commission. The KLU is of the opinion that the proposed greening measures contained in the EU COM legislative proposals can only be regarded as minimum requirements. However, in January of this year the **European Parliament Committee on Agriculture and Rural Development (COMAGRI)** passed majority votes in favour of a number of amendments that would greatly weaken the environmental benefits the future CAP could deliver. The EP's agriculture committee voted in favour of the following changes:

- Participation in the greening measures should not be mandatory. Farms should therefore be in a position to avail of the basic payment under the future Pillar 1 even if they do not implement greening measures.
- The definition of holdings which would automatically be eligible for greening payments ("green by definition", currently only organic holdings) should be significantly extended.
- The restrictions on the ploughing up of permanent grassland should no longer apply at holding level (COM proposal). Instead, the ratio of land under permanent grassland to the total agricultural area would have to be maintained and this could be applied at national, regional or sub-regional level. Under certain circumstances the conversion of up to 7 per cent of the reference areas would be allowed.
- A smaller percentage of ecological focus areas was proposed – initially only 3 % (instead of 7 % of arable land and land under permanent crops as proposed by the COM), moving to 5 % from 2016. An increase to 7 % from 2018 would merely be given consideration at a later stage. Under the discretion of the Member State, up to 3 percentage points of the required EFA percentage could be implemented at the regional level and would thus also include land ineligible for supports.
- With regard to crop diversification, the requirement to cultivate a minimum of three crops would only apply to holdings with arable land in excess of 30 hectares, whilst the main crop could cover up to 75 % of the arable land.

The European Heads of State, as part of their negotiations on the Multiannual Financial Framework for 2014-2020 at a special summit on 7-8 February 2013, have also set out important substantive specifications for the agricultural sector. In this context, they have made even deeper cuts to the planned Pillar 2 expenditure than had been proposed by the Commission. Pillar 2 is of major significance to nature conservation, environmental protection and climate mitigation in the farming sector. As Germany will be particularly strongly affected by these cuts, the KLU proposes to utilize the option of redistributing up to 15 % of the appropriations for direct payments from Pillar 1 to Pillar 2. The KLU sees the fact that the European Heads of State advocate mandatory greening as a positive sign. Detailed rules will need to be set out by the Commission in the Direct Payments Regulation.

The KLU therefore recommends all Members of the European Parliament to not adopt the COMAGRI amendments outlined above at the Plenary meeting. If the amendments were adopted it can be assumed that the greening would have hardly any relevant steering effect at all. This would put an end to the urgently needed strengthening of ecological aspects of Pillar 1. It is the view of the KLU that in this event there would no longer be any societal justification for the future provision of public funds under Pillar 1. Instead, the KLU recommends that the Commission's original legislative proposals in their current form, with the additions proposed by the KLU as given above, be adopted.

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