



Bundesministerium für  
Ernährung, Landwirtschaft  
und Verbraucherschutz

# Further development of the CAP after 2013 with special focus on agroforestry systems/SRF

Promotion of research by BMEL



# Multiannual financial framework (MFR)

## 2014-2020

Decision by the EU Heads of State or Government on 8 February 2013  
– Political agreement with the EP on 3 July 2013:

- Capping of the EU budget to 1% of the EU's gross national income (GNI) = € 960 billion for 2014 – 2020 (at 2011 constant prices)
- Around € 420 billion (in current prices) for heading 2; around € 312,7 billion of which for the 1<sup>st</sup> pillar and € 95.6 billion for the 2<sup>nd</sup> pillar
- Around € 5 billion / year for direct payments in Germany
- An estimated € 1.2 billion / year in Community funds for the 2<sup>nd</sup> pillar in Germany
  - After 2013, too, strong first pillar and a properly financed second pillar

# Further challenges

- Contribution to the food supplies of a growing world population
- Handling price volatilities on agricultural markets
- Provision of renewable resources
- Preserving sustainable land management throughout the country
- Maintaining vibrant rural areas
- Combating climate change and preserving biodiversity

# Direct Payments Regulation

- Option of transferring funds between 1<sup>st</sup> and 2<sup>nd</sup> pillar
- Basic premium
- **Greening premium**
- Option of degression of premiums (> €150.000) **or** redistribution premium in favour of first hectares
- Payment for young farmers
- Optional redistribution premium
- Optional premium in less-favoured areas
- Optional simplified small producers' scheme
- Optional national transitional aid for farm operators
- etc.

# "Greening" of direct payments





# Direct payments – Greening

- Mandatory greening requirement (30 % of the DP)
- Uniform greening component at national or regional level
- Three measures
  - Crop diversification
  - Preservation of permanent pastures
  - **Ecological focus areas (initially 5 % of the farmland)**
- In the event of any violations, cuts in the DP possible by up to 125% of the greening component after transitional period
- Organic farms remain exempt from greening ("green by definition")
- No provisions for land under permanent crops

# Direct payments – Greening

- MS can choose from list of priority areas:
  - Set-aside
  - Terraces
  - Landscape features (also those adjacent to eligible areas)
  - Buffer strips (even if permanent pasture)
  - **Agro-forestry land** and afforested land
  - Strips of land along forest edges eligible for aid
  - **Short-rotation plantations without use of fertilizers or pesticides**
  - Areas with intercropping or areas sown under green cover
  - Areas under nitrogen-fixing crops

# Option of equivalent measures

- Greening can be implemented at the discretion of the MS by so-called "equivalent measures":
- Replacing one or several of the greening requirements by specific equivalent AEM (equivalent AEM must fully replace a greening requirement)
- Replacement of entire greening by equivalent, whole-farm system of ecological certification
- No duplicate funding in the case of equivalent AEM

**However, option is not exercised in Germany!**



# Greening - Preservation of permanent pastures

- In Germany, individual-farm ban on conversion and ploughing is to apply to permanent pastures as a whole in areas governed by the FFH and Wild Birds Directives
- It is otherwise envisaged to preserve permanent pastures at regional level (federal states)
  - Reference ratio of permanent pasture must not decrease by more than 5 % (Reference: permanent pasture in 2012 plus additional permanent pasture in 2015)
  - introduction of authorisation system possible if proportion of permanent pastures falls
  - if 5 % threshold is exceeded, MS adopt reconversion requirements
  - MS may adopt individual farm provisions in order to avoid exceeding the 5 % threshold
- Specific contents of the provisions governing the preservation of permanent pastures still under discussion at regional level
- current CC provision shall apply in parallel in 2015 and 2016

# Greening - ecological focus areas I

- Ecological focus areas must account for 5 % of the arable land (percentage may be raised to 7 % later on)
- Exemption of farms with up to 15 hectares of arable land
- Exemption of farms with a proportion of over 75% of
  - grassland in relation to total agricultural land
  - arable grass/set-aside/leguminous crops in relation to the arable land,but area that is not under these crops must not exceed max. 30 ha
- Options of regional or collective provision of ecological focus areas are, at present, not to be exercised in Germany (too complicated, high administrative burden)

# Greening - ecological focus areas II

List of possible elements -	weighting factor envisaged by COM
Set-aside	1.0
Terraces	1.0
Landscape features, including field margins	1.5 (some exemptions only 1.0)
Buffer strips 1.5	
<b>Agroforestry land</b>	<b>1.0</b>
Strips of land along forest edges eligible for aid	
- without production	0.3
- with production	1.5
<b>Short-rotation plantations</b>	<b>0.3</b>
Afforested land	1.0
Catch crop cultivation	0.3
Nitrogen-fixing crops	0.3

•Tendency for implementation: making maximum use of the list, if possible, and application of weighting factors (application is mandatory for factors below 1); individual elements still being discussed – notably catch crops; further requirements and restrictions still need to be resolved

# Draft Direct Payments Implementing Act:

German farmers are to be offered all area categories envisaged by Community law that qualify for crediting as ecological focus areas, also including:

- Agro-forestry hectares,
- Areas planted with short-rotation coppice where no mineral fertilisers and/or pesticides are being used

## **Agro-forestry hectares that receive or have received support under Article 44 of Regulation (EC) No 1698/2005 and/or Article 23 of Regulation (EU) No 1305/2013.**

- Agro-forestry land is eligible arable land under the delegated act within the scope of the Basic Payment Scheme.
- To date, however, this has not been offered by any federal state under the 2<sup>nd</sup> pillar.

**Therefore, it remains to be seen whether and to what extent agro-forestry hectares will be included in the federal state programmes in the new programming period!**

Areas planted with short-rotation coppice where no mineral fertilisers and/or pesticides are being used.

Member state decision on a prohibition of the use of pesticides and/or mineral fertilisers

Establishment of a list of tree species that may be planted on ecological focus areas. This list shall be drawn up on the basis of tree species deemed suitable by Member States for the plantation of short-rotation coppice and confined to the most suitable species in ecological terms, with **alien species clearly being excluded**.

List shall be laid down under a statutory instrument in respect of the Direct Payments Implementing Act to be adopted in agreement with the Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety (BMUB)

# Key points of national implementation

- Reallocation of 4.5% of the national ceiling for direct payments to the 2<sup>nd</sup> pillar from 2015 onwards
- Single national greening premium from 2015
- Single basic premium in three equal steps from 2017 until 2019
- Additional payment for the first hectares throughout the Federal Republic of Germany: € 50 /ha for the first 30 ha and € 30 /ha for the next 16 ha
- Waiving the introduction of degressivity of direct payments
- Arrangements under the compulsory support scheme for young farmers: around € 50 /ha for max. 90 ha per farm



# Quo vadis agro-forestry systems?

- Modern agro-forestry systems can be one way of combining different aims (e.g. biomass production, nature and landscape conservation) in a smart manner
- To date, however, minor uptake in practice
- According to current assessments, the new framework conditions - still to be adopted in part - will, due to the required balance between individual options, offer only few additional incentives to establish agro-forestry systems within the scope of greening.
- Further research and development also on the economic aspects of agro-forestry systems are therefore important in order to assist greater uptake in practice!

# BMEL – Funding Programme "Renewable Resources"

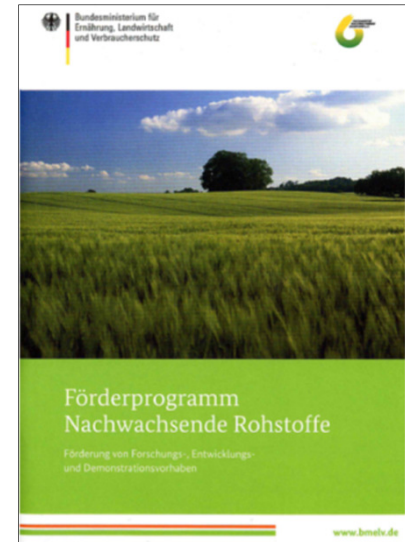
## Promotion of policy objectives

- Contribution to sustainable resource and energy provision
- Resource protection and CO<sub>2</sub> reduction
- Improving the competitiveness of domestic agriculture and forestry

## Funding of Research, Development and Demonstration Projects

Under the programme, **projects can be supported** which either:

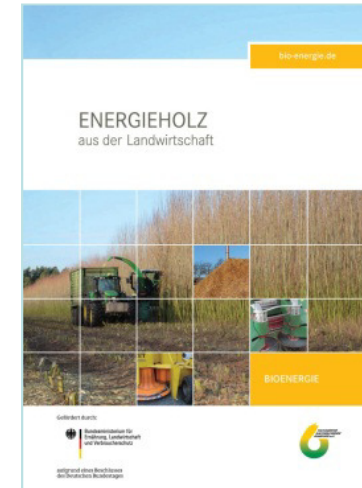
- build up production chains of renewable resources,
- open up further possible applications in the non-food sector,
- provide information and counselling for producers/users and
- marketing and public relations work.



# Current tasks within the scope of agroforestry research

**Total funding: € 11.4 million**

1. Income optimisation and modelling
  2. Breeding projects on poplar, willow, aspen, robinia etc.
  3. Ecological aspects
  4. Different systems of agroforestry
  5. Transnational cooperations (e.g. ERA-NET-Bioenergy)
  6. Exploitation of under-utilised areas (e.g. recultivation of surfaces)
- There are 34 running projects (total funding: ~ €11.4 million)





# Thank you very much for your attention!

