CLIMATE CHANGE PREVENTION MEASURES IN THE NEW CAP

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The new Common Agricultural Policy of the European Union for 2021-2027 will focus even more on climate and environmental issues. In this Special Report, EURACTIV Poland walks you through some of the main changes this will bring.

The European Commission presented a proposal for the shape of the Common Agricultural Policy (CAP) beyond 2020 on 1 June 2018, a month after the presentation of the EU’s draft Multiannual Financial Framework (MFF) for 2021-2027. The Commission assumed the CAP budget at the level of €365 billion.

The Commission proposed that in the new financial perspective the agricultural policy should be characterised by higher ambitions in environmental and climate issues. When setting the general objectives of the CAP, it decided to include issues such as climate change, the sustainability of natural resources, biodiversity, the safety of animal habitats and the preservation of the natural landscape.

The Special Report begins with outlining the general assumptions of the Common Agricultural Policy in the context of adapting it to stricter climate and environmental requirements. Some countries will have to accept a smaller amount of money for agriculture, but at the same time, it is an opportunity for farmers who will be rewarded for using environmentally friendly practices.

The assumptions of the new CAP and its consequences for Poland are also commented on by Zbigniew Karaczun, PhD from SGGW, who emphasizes that “the changes in the new EU budget will be beneficial for agriculture”.

We will also look at the impact of the new agricultural policy on innovation in agriculture, how it can help to develop organic farming and contribute to the improvement of soil condition in Europe.
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Climate and environmental problems are the main focus of the new multiannual EU budget proposed by the European Commission after 2020, which is reflected in the common agricultural policy (CAP), EURACTIV Poland reports.

The European Commission presented a proposal for the framework of the CAP beyond 2020 on 1 June 2018, one month after the presentation of the draft of the Multiannual Financial Framework (MFF) for the years 2021-2027. The European Commission proposed a CAP budget of €365 billion.

This is less than in the current financing period, which saw over €408 billion allocated to the CAP budget. After taking inflation rates into account, this represents a reduction of over 10%.

Furthermore, the European Commission proposed the CAP should play an important role in mitigating environmental and climate issues, with climate change, resource sustainability, biodiversity and preservation of the natural landscape featuring highly in the general objectives of the CAP.

This builds on the previous MFF for 2014-2020, in which various instruments to support farmers’ income were made conditional on the application of environmentally and climate-friendly practices, thus rewarding climate-friendly farmers.

However, the new CAP aims to go further, proposing new obligations and an incentive scheme.

**DIRECT PAYMENTS AND ENVIRONMENTAL PROTECTION**

First, direct payments are set to be closely linked to compliance with...
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stricter environmental and climate protection requirements.

This means that payments will no longer be simply proportional to the area of farmed land, but will instead be linked to environmental issues and used to support young farmers and smaller, family farms.

Each member state will also have to create eco-schemes that support farmers which go beyond mandatory environmental requirements in their activities. These eco-schemes will be financed from direct payments at the national level, i.e. from pillar I of the CAP.

Under the new proposal, environmental and climate measures must receive at least 30% of the national allocations for rural development, as provided in the CAP’s second pillar. The Commission envisages that, in total, as much as 40% of CAP funds will be spent to contribute to the prevention of climate change and degradation of the natural environment.

For comparison, the average of such expenditure under all EU programmes and policies is currently 25%. The role of the agricultural sector in the fight against climate change and over-exploitation of the natural environment will, therefore, be vital.

SHIFTING RESOURCES TO ENVIRONMENTAL AND CLIMATE ACTION

Under the Commission’s proposal, it will also be possible to reallocate 15% of funds between the two pillars in order to finance environmental and climate action.

In this way, individual member states are able to decide how best to use the funds allocated to them under the EU agricultural policy, offering greater flexibility than ever before.

Furthermore, there is much stronger support for agricultural innovations, such as the introduction of various types of precision farming techniques designed for the more efficient application of plant products.

This will be more economically and ecologically efficient, helping to reduce the amount of products used in the agricultural sector.

The farm advisory system is also intended to cover a much wider range of activities. This includes compliance with regulations and environmental protection requirements relating to the maintenance of quality and purity of water and air and the use of pesticides, as well as access to innovation and technology.

A new system of possible penalties and rewards will also be introduced to ensure progress in various CAP-related areas, including climate and environmental issues.

For example, EU member states that meet biodiversity, environment and climate targets will be eligible for a premium of up to 5% of their allocation to rural development at the end of the MFF period.

However, if the annual progress report shows that insufficient progress has been made, the Commission will be able to intervene to ensure that funds are targeted on results.

Depending on the nature of the shortcomings, such intervention could include, for example, imposing a specific action plan, suspending payments or making top-down changes to the national programme.

WHAT IS OUTSIDE THE CAP?

The implementation of climate and environmental objectives, which can also be used by those engaged in agriculture, will also be supported by the LIFE Programme.

This programme is a financial instrument dedicated exclusively to the co-financing of environmental and climate protection projects. This includes support for the implementation of EU environmental rules and the promotion of new solutions to environmental problems and challenges.

In the EC proposal for the years 2021-2027, €5.45 billion has been allocated for the LIFE Programme, €1.95 billion more than in the previous seven-year financial perspective. This budget is allocated for tasks related to supporting biodiversity in the natural environment, the creation of a closed-loop economy, climate and energy issues related to greenhouse gas emissions, and issues related to energy efficiency and small-scale renewable energies.

Some of these issues also include agriculture. As far as renewable energy sources are concerned, this includes the provision of substrates for biogas plants.

Funds from the EU research programme Horizon Europe will also be available, with €10 billion earmarked to support specific research and innovation projects in the field of food, agriculture, rural development and the bio-economy.

The European Commission, before presenting its proposals of the new MFF 2021-2027 and CAP reforms, conducted a broad public consultation across the EU.

It showed strongly that EU citizens want a stronger focus on the environment and climate, including agricultural policy. Many elements of the Commission’s proposal directly result from these consultations.
In an interview with Dr Zbigniew Karaczun of the Warsaw University of Life Sciences, EURACTIV Poland’s Mateusz Kucharczyk asked the Polish professor about his views on the Commission’s new CAP proposal, where he urged the EU to enact new laws rather than simply reforming existing regulations.

Dr Zbigniew Karaczun teaches at the Warsaw University of Life Sciences and is part of the Environment Protection Department.

Under the new Multiannual Financial Framework (MFF), less money will be allocated for the Common Agricultural Policy (CAP) due to the higher priority for other EU policies, such as the New Green Deal. Will agriculture suffer from this?

It will not suffer at all. More money for climate and environmental protection will be beneficial for agriculture. After all, agriculture is vulnerable to climate change – higher temperatures, irregular rainfall or droughts, for example, affect the quantity and quality of crops and their prices.

Moreover, farmers apply to the state for compensation because of disasters such as droughts. All of this costs money, and climate change will simply exacerbate such problems.

If climate change goes too far, it may turn out to be catastrophic for European agriculture and, as a result, affect food prices for consumers.

I, therefore, believe that this is a positive signal from the European Commission. On the one hand, agriculture and farmers must adapt to the effects of climate change, and on the other hand, it is necessary to reduce greenhouse gas emissions in this sector.

Although agricultural production accounts for only 12-14% of total greenhouse gas emissions, the entire food production and land management chain accounts for around 25%-35% of emissions.

Huge resources will be needed to adapt to climate change and reduce emissions. Farmers cannot cope with their suffering alone. Therefore, the New Green Deal is in the interest of farmers, because it will make it possible to finance some of these activities.

Critics say that the new CAP will be more focused on climate than on
Until now, the CAP has been focused primarily on supporting farmers, often without accounting for other aspects. This is changing now. The EU wants agriculture to fulfill certain systemic tasks: that is, to produce good-quality food for the citizens of the member states, but in such a way that it is not harmful to the environment or cause negative social effects.

Meanwhile, it often happens that direct payments are used in such a way that they do not support sustainable agricultural production. Owning and maintaining land in good agricultural condition is not the same as achieving the EU’s social and environmental objectives.

It will also not help to halt climate change. Without this, in the near future, agricultural production conditions will deteriorate significantly, in which case the majority of the EU’s food may be imported into the EU from outside Europe, which would be a disaster.

You raised the issue of direct payments. Critics say that they do not achieve the objective set for them. What other failures of the CAP so far have you seen?

Subsidies exacerbate income differences in rural areas. On the EU scale, 2% of farmers receive almost 80% of the funds allocated for direct payments. It also leads to a change in the structure of farms. Small and medium farms are decreasing, while large ones are getting bigger and bigger. This leads to depopulation and dying out of rural areas.

Another problem remains industrial agriculture and its impact on biodiversity. Currently, all financial support is allocated to increase the efficiency of agricultural holdings, and not to shape an environmentally friendly agricultural landscape.

Some EU countries, such as the Netherlands, have recognised this problem and introduced their own solutions, such as increasing the requirements for clean water and soil quality, which contribute to the production of better-quality food.

In the new CAP, the European Commission intends to pay more attention to smaller farms. What is the reason for this change?

We have reached a situation in which Europe enjoys a surplus of food production, but few people are wondering at what cost this has been achieved.

The reasons for this include, among other things, the indebtedness of farms. For example, in Germany, banks are the real owners of farms. Farmers have to go into debt in order to meet the growing competition. Such a situation is caused by the ‘efficiency’ attitude towards increasing food production aimed at lowering the cost without paying attention to the natural and social costs.

The Commission has recognised this problem and will try to correct it in the coming years. This is how I read out the proposal to increase support per hectare for small and medium-sized farms.

The creation of too many large agricultural enterprises is, in fact, a distortion of the idea of the CAP and its objectives. Perhaps the moment has come to start a serious discussion on the total change in agricultural policy, and not just its small reform of the existing regulations.

So, on the positive side, we have climate care and support for smaller farms. What else in the context of new green objectives of the CAP?

Certainly, there are some proposals for a change in the approach to biodiversity. I mentioned the example of the Netherlands and its initiatives to promote water and soil quality. The fight for a better climate is not just limited to closing mines, segregating waste or not allowing cars into cities. It is also a change in agriculture and the introduction of cultivation techniques that increase the sustainable storage of carbon in soil and biomass.

This is a very serious process, in which concern for biodiversity is equally important. The agricultural landscape can and should be shaped in such a way as to protect biodiversity and reduce the negative impact of agricultural production on the natural environment – soil, water and air quality.

In this context, I welcome the development of conditionality for the payment of direct payments, once strict environmental and climate requirements have been met. This approach has great potential and the effects of these changes need to be closely monitored.

Therefore, the new CAP can be read as an attempt to correct the mistakes of the past and an absolute priority for environmental protection. As much as 40% of the total CAP sum is supposed to contribute to climate action...

Yes, the climate crisis is the greatest challenge for humanity. Agriculture offers very large possibilities of sequestration (absorption) of carbon dioxide in soil. Its use is in the interest of all of us. However, change costs money and farmers cannot bear the financial burden alone. Therefore, the Commission proposal is a step in the right direction.
The degradation and loss of soils in Europe demonstrate the problems and shortcomings of the Common Agricultural Policy (CAP). The future of agriculture in the EU depends on their solution.

By Mateusz Kucharczyk | EURACTIV.pl

The current CAP is not without blame in the context of the worsening situation of soils in Europe, professor Józef Chojnicki from the Faculty of Agriculture and Biology at the Warsaw University of Life Sciences (SGGW) told EURACTIV Poland in an interview. Chojnicki stressed that Europe has the most intensive agriculture, which is a leading cause of soil degradation.

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“Soils are a very important element of ecosystems, ensuring the growth and development of living organisms and their biodiversity. Moreover, they have great landscape values and contribute to climate regulation”, said the scientist.

“Soils are essential for the production of food, animal feed and raw materials for the processing industry. Deterioration of the state of the world’s soils will have a negative impact on human welfare and the balance of ecosystems on the planet,” he emphasised.

However, every year, due to water erosion alone, an area corresponding to the total size of Warsaw and Gdańsk disappears from the surface of the EU. Soil is being rapidly degraded due to intensive food production practises and urbanisation, which is causing irreversible damage.

**BETWEEN THEORY AND PRACTICE**

Experts consider pressure on production to be one of the main negative factors of the CAP. “Reducing unit costs has an impact on the environment,” said professor Chojnicki.

For instance, although pesticides can offer some benefits to productivity, they are harmful to the environment when used in excessive quantities.

It is unclear how many pesticides end up in Europe's fields. Figures for 2015 show 391,000 tonnes of active ingredients; however, this figure is increasing. Industrial monocultures further exacerbate the problem by reducing soil fertility, which in turn forces the use of more pesticides.

“As a first step, the rational use of fertilisers and pesticides should be pursued in the EU and soil erosion and organic matter reduction should be prevented,” said Chojnicki. “A return to crop rotation is also advisable, as monocultures and simplified crop rotation reduce soil fertility and biodiversity”.

However, there are also some examples of ways in which the CAP is working to support the sustainable use of soils. For instance, in 2015, a major reform of the CAP introduced a provision requiring at least two plant species to be cultivated on agricultural land of more than 10 ha and at least three on land of more than 30 ha.

Furthermore, existing instruments to promote sustainable soil use are to be complemented by other instruments, such as those linking direct payments even more closely to environmentally friendly farming practices, which ensures environmental and climate standards while also food safety, health and animal welfare.

Examples of ways of encouraging farmers will also include eco-programmes for those who go beyond mandatory environmental protection requirements.

**SAVE SMALLER FARMS**

Another major problem in EU agriculture, along with the large-scale use of chemicals by farmers, is the concentration of land ownership.

So far, the CAP has contributed to the takeover of land from small and medium-sized farms to larger ones and it is estimated that more than 80% of CAP direct payments go to the biggest 20% of farms.

In 2013, more than half of Europe's agricultural land was owned by 3.1% of the owners, while three-quarters of farms only occupied 11% of the agricultural area. Furthermore, the number of large farms (more than 100 hectares) doubled between 1990 and 2013 in some Western European countries and increased by up to five times in others.

This is, at least in part, due to the fact that CAP subsidies are linked with hectarage. As a result, smaller farms are being combined into larger ones.

Large farms are the equivalent of industrial enterprises. Instead of producing various types of vegetables or animal husbandry, they prefer, for reasons of convenience and profit, to specialize in the production of, for example, one cereal or to build a huge farm.

This means that larger farms contribute more to the degradation of soil in the EU.

Professor Chojnicki, therefore, recommends EU support for smaller and medium-sized farms in order to “restore the balance in European agriculture”.

The change in the conversion of CAP vectors takes time, but the new CAP proposes instruments designed to support small and medium farms while encouraging young people to take up employment in agriculture.

“Without them, it will be difficult to take care of biodiversity,” concluded Chojnicki.
With organic agriculture increasingly gaining recognition in the EU as providing benefits to farmers, consumers and the environment, EURACTIV.pl explores how the new CAP proposal works to support the promotion of this type of production.

Organic farming faces many challenges and an opportunity to change the face of the European agricultural landscape. However, while industrial agriculture, geared towards mass food production and maximising profits continues to dominate, organic farms are gaining increasing popularity among both farmers and consumers in the EU.

This trend is set to continue as the new European Commissioner for Agriculture, Janusz Wojciechowski, has announced support for organic agriculture during his five-year term of office.

“One of my priorities will be to develop an action plan for organic farming,” said Janusz Wojciechowski in his first speech as EU Commissioner at the AGRI Outlook conference on December 10 in Brussels.

European farmers and entrepreneurs are now gearing up for the next step. That will come on 1 January 2021 with the entry into force of the EU’s new regulation on organic production and labelling of organic products.

In the EU, organic agriculture currently represents 6.7% of the member states’ farmland. That number is growing year on year “despite the many difficulties faced by farmers,” says Dorota Metera, President of the board of Bioekspert, a

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certification body in organic farming. However, organic farming still needs financial support and incentives for farmers, she told EURACTIV.pl. In her view, this support should include payments to farmers switching to organic food production and financial incentives to remain in organic farming.

The EU and individual member states support organic farming through subsidies from the second pillar of the Common Agricultural Policy, which is dedicated to rural development. Within the EU, on average 6.4% of the budget for agricultural and climate action is spent on this type of production, but the exact amounts vary from country to country.

But Metera says support varies widely across the EU, as it is up to each member state to decide how it wants to promote organic farming on its territory. “We have 200,000 organic farms across the EU, but the situation varies from country to country,” she said.

For instance, a country like France decided in 2017 to strive for food sovereignty. And one of its aims is to achieve 50% of local and organic food in the public sector of mass nutrition by 1 January 2022.

Meanwhile, Poland still lacks a similar initiative from the Ministry of Agriculture, she said.

ORGANIC FARMING – A NATURAL ALLY OF ENVIRONMENTAL AND CLIMATE ACTION

Organic farming does not use synthetic chemical pesticides or readily soluble mineral fertilisers as opposed to conventional, mass-marketed products.

This is a clear environmental benefit for biodiversity and soil protection. Industrial agricultural methods, on the other hand, often improve farm productivity at the expense of the environment.

There are more examples of the positive impact of organic farming on the environment. One of these is the promotion of localities and short supply chains. Surveys show that Europeans are increasingly turning to regional food products, and the 2018 Eurobarometer survey shows that as many as three-quarters of Europeans take regional and local products into account when shopping.

Nina Józefina Bąk is a member of the Board of “Dobrze”, a food cooperative promoting high-quality food based on short supply chains in Warsaw. During a July debate on the future of European agriculture, hosted by EURACTIV.pl, she argued about the important role of short chains in modern, organic agriculture.

“Demand for good food is growing, but we still need a diversified distribution system. Small markets are disappearing, small shops are disappearing, even in small towns, and discounts are appearing in their place. We are even colonized by large retail chains,” she said.

She also raised the question of consumer awareness.

“The Polish state has ceased to promote organic food, so it is the norm to consider certified organic food as imported food. However, transporting food that generates CO2 emissions, i.e. food miles, is not ecological if we look at the impact on the environment holistically. We must shorten supply chains. Farmers and consumers must meet”. 

CRITICISM

Meanwhile, most of the CAP money is spent on direct payments to farmers under the first pillar and will remain so after 2020, which has been heavily criticised by the European Coordination Movement Via Campesina (ECVC). In addition, the second pillar of the CAP, which finances rural development and from which short chains could be supported, will face cuts, in line with the proposals of the European Commission.

The European Commission argues that the new rules will allow member states greater flexibility in the use of the financial resources allocated to them, which will contribute to the development of tailor-made programs, such as the promotion of short supply chains.

“Member states are also to be able to transfer up to 15% of their CAP allocations between payments and rural development and vice versa to ensure that they can finance their priorities and measures,” Metera added.

“Although the new CAP can be seen as positive in the context of organic farming, the changes are not progressing fast enough,” she said.
Agriculture in the European Union after 2020 must be encouraged to adopt innovative tools to meet growing environmental challenges, but this requires modernisation, money and knowledge, EURACTIV Poland reports.

The European Commission has emphasised the need for greater innovation and new technologies in the EU’s agricultural sector, saying that it must modernise in order to become more effective, competitive and environmentally friendly.

However, when the Commission inventoried the outcomes of research on agriculture and food production, it was found that many technologies are not being implemented due to the fact that farmers do not know about them.

The latest reform of the Common Agricultural Policy (CAP) for 2021-2027, therefore, aims to counter this by placing a greater emphasis on technological innovation, digitisation and research and development designed to encourage positive environmental changes.

This would then allow farmers to access additional financing because, under the new CAP, direct payments and their amount will depend not only on the size of the area but also on the farm’s impact on the environment or climate.

Ways in which the new reform will work to support this includes the creation of operational groups which bring together, among others, businesses, administration and experts with the aim of working on creating and implementing innovative solutions for farmers. More than 3,200 of these groups are planned to be set

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up throughout the EU.

Furthermore, the largest EU research programme, Horizon, which in its new version is to be called Horizon Europe, will also remain an important instrument.

The €10 billion programme will support specific scientific projects and innovations in rural development, organic economy, healthy food production and general support for EU agriculture.

The reform will also look to bolster existing programmes such as BIOEAST, initiated in 2016 by Hungary, designed to aid the management of agriculture, forestry and water resources based on knowledge and principles of bioeconomy, and the Smart Village programme, which involves the introduction of digital solutions in rural areas.

With increased financial support and professional advice, the Commission hopes that EU farmers will be encouraged to use new technologies and invest in them.

It is hoped that these technologies will help increase yields or reduce production costs in the long term, but also help farmers better meet new, more stringent environmental requirements.

For instance, one of the main objectives of the new Commission is to reduce the use of harmful pesticides, with new Commissioner for Agriculture, Janusz Wojciechowski, highlighting the promotion of organic farming as a key aim for the new European Commission in his inaugural speech.

Technological innovations offer the possibility to do just that, offering more targeted use of plant protection products which ultimately means using less of the harmful products.

In particular, the use of various sensors on agricultural machinery or in farm buildings allows the collection of a great deal of data on crops, breeding and the entire farm.

One example of this is precision farming, which is quickly becoming widespread. Precision agriculture is the collection of data on the exact shape of arable land or the diversity of crops within a field that uses satellite technology of differential global positioning system (DGPS) allowing for the creation of an accurate “yield map”.

This map, in turn, allows the field to be fertilised and plant protection products to be used in such a way that they can be used as efficiently as possible without polluting the environment with excessive amounts of pesticides. At the same time, higher yields can be obtained at a cheaper cost.

The analysis of this data is also able to ensure the preparation of reports that will show exactly how much and which chemicals are needed to protect crops, helping farmers review and evaluate their business model and take appropriate decisions while ensuring the environment is not polluted.

However, this requires further development of the internet of things, cloud computing and the 5G, which go beyond the CAP.

It was precisely the issue of funds – for the purchase of equipment or training – that blocked the development and, above all, dissemination of new technologies in agriculture (apart from the lack of knowledge about the existing possibilities).

Therefore, the new CAP is to contain more funds for solving this problem in order to achieve more effectively, thanks to innovations, the ambitious environmental objectives the Commission has included in the budget, the Multiannual Financial Framework for 2021-2027.