GERMANY’S ROADMAP FOR GREENER CAP SUBSIDIES

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EU countries have been given more freedom than ever to implement national agricultural policies that are more climate and environmentally friendly, as part of the bloc’s new Common and Agricultural Policy (CAP).

But where does Germany stand when it comes to implementing the EU’s plans for a greener agriculture?

The Bundestag already adopted its own laws to implement the CAP ahead of an EU-wide agreement in June.

It is now gearing towards submitting its national strategic plan to the European Commission by the end of the year. The plan will, among other things, showcase how it intends to implement environmental measures of the so-called green architecture.

From biodiversity to climate sinks and eco-regulation: In this Special Report, EURACTIV takes stock of Germany’s plans and unanswered questions.

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Farmers and environmentalists are calling on Germany to improve the implementation of the green architecture in the Common Agricultural Policy. But between German elections and looming deadlines, it is unclear whether this can be done on time. EURACTIV Germany reports.

By the end of the year, EU countries must submit national strategy plans to the European Commission that regulate how CAP subsidies will be distributed at national level from 2023. Germany had already passed national laws on this in June - even before the agreement on the reform at EU level.

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“German farmers, environmentalists slam current state of eco-schemes”

By Julia Dahm | EURACTIV.de | translated by Daniel Eck

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president of the nature conservation organisation NABU, told EURACTIV Germany about the national laws implementing the new Common Agricultural Policy (CAP).

The deputy secretary-general of the German Farmers’ Association, Udo Hemmerling, also saw room for improvement.

“At the moment, we are still discussing mainly eco-schemes at the federal level and our regional associations are discussing the design of the second pillar agri-environmental measures,” he said.

**ECO-SCHEMES**

However, the list of eco-schemes – incentives paid to farmers who voluntarily adhere to environmentally friendly practices, decided at state level – has already come under fire.

“We still have a lot to discuss about which eco-schemes should be offered at all,” said Hemmerling. Especially for pasture farms with grassland sites, the envisaged catalogue of measures does not offer enough, he explained.

“Our main point is to take another critical look at the catalogue of eco-schemes to see whether it is sufficient for farms with grassland,” Hemmerling said. According to the farmer’s association, for example, consideration should be given to a grassland climate bonus as an additional measure.

However, according to nature conservation organisation BUND’s Christian Rehmer, making more eco-schemes would “cannibalise” the already existing ones.

Instead, given the limited overall budget for eco-schemes, he suggested it may more important to weigh up whether additional measures truly bring additional ecological benefits.

Organic farmers, in particular, would be worse off according to the current plans despite doing a great deal for the environment, said Alexander Gerber, chairman of the Federation of the Organic Food Industry (BÖLW).

**FINANCIAL PRIORITIES**

Another stumbling block is the distribution of financial resources between the different aspects of green architecture set in the various legislative proposals.

“We were in favour of introducing eco-schemes in Germany financed through the first pillar. The significantly increased reallocation to the second pillar, however, turned out to be somewhat larger for us than we would have liked,” said Hemmerling.

BUND would like to see the next federal government allocate 30% of direct payments to eco-schemes instead of 23%, which is the minimum amount stipulated by the EU.

The farmers’ association also believes Germany should take its cue from the framework set by the EU with regard to conditionality – another ‘green’ aspect within the first pillar that links direct payments to certain minimum standards with regard to environmental protection and animal welfare – and not introduce additional restrictions, said Hemmerling.

For example, the agriculture ministry is planning to impose a 4% threshold for the share of fallow land, while two other options are allowed under the EU framework.

“Our position is: this is EU law and all three options should be offered to farmers in Germany,” Hemmerling said.

**TIGHT SCHEDULE**

However, with elections round the corner and a cabinet unlikely to be set up very soon, it remains questionable whether there will be enough time to decide which eco-schemes should be offered before Germany has to submit its CAP strategic plan to the Commission as early as December.

The fact that the EU legal framework has not yet been formally adopted also worries the farmers’ association, said Hemmerling, noting that the Commission must in any case commit to approving the CAP national strategic plans within the envisaged timetable.

“It is very important for the farmers: we need real clarity in the summer of 2022, also about the details of the support, because by then the farmers will already be making their cultivation plans,” he added.
EU farm ministers agreed to a new Common Agricultural Policy (CAP) in July that favours “greener” farming practices, with terms like “eco-schemes” and environmental “conditionality” taking centre stage during the negotiations. But what does this concretely mean for German agriculture? EURACTIV Germany reports.

So-called “eco-schemes” are incentives paid to farmers who voluntarily adhere to environmentally-friendly practices while “conditionality” links direct payments to certain minimum standards with regard to environmental protection and animal welfare.

Those two principles will in future apply to the CAP’s first pillar, which deals with direct payments to farmers.

During the last funding period from 2014 to 2020, Germany could access around €4.85 billion each year for these direct payments.

Under the new CAP, which is set to come into force after a two-year transition period in 2023, 25% of direct payments will only be paid to farmers if they demonstrably commit to environmentally-friendly practices determined in concrete terms by the member states.

Germany must submit its strategic plan to the European Commission by 1 January 2022.

“Eco-schemes are a grab bag,” says agricultural economist Sebastian Lakner. “You can make a very effective environmental policy out of it, but you can also make it so weak that it is basically a rather ineffective measure,”

In Germany, federal states largely decide how to distribute second pillar funds. The national strategic plan, which is to be submitted to the Commission by the end of the year, will include these state programmes which must align with at least four of the EAFRD’s six priorities. [Shutterstock]
he told EURACTIV.de.

But because eco-schemes are voluntary for farmers and offer the possibility to design measures in a more targeted way, Lakner considers them to be more appropriate than greening, the support instrument used under the previous funding period which linked some of the direct payments to environmental objectives.

**GREEN CRITERIA UNDER THE SECOND PILLAR**

Under the CAP's second pillar, subsidies that agricultural actors receive from the European Agricultural Fund for Rural Development (EAFRD) are also tied to green criteria. For the previous 2014-2020 period, Germany received about €1.35 billion per year.

Through various programmes, the EU co-finances rural development projects that focus on issues like competitiveness, structural change, sustainable management and better resource efficiency.

EU countries must spend at least 30% of EAFRD funding to finance so-called voluntary agri-environment-climate measures (AECM) in the fields of agriculture, organic farming and animal welfare.

For the last funding period in Germany, 47% of the funds from the EAFRD budget were allocated to environmental objectives such as climate protection and forestry, according to figures from the federal food and agriculture ministry.

But funding objectives vary considerably between federal states. Bavaria, for example, allocated 75% of its funds to the funding area of environment/climate/forestry, while Schleswig-Holstein only allocated 29% to this objective.

During the previous funding period from 2014 to 2020, the concrete distribution of EAFRD funds went mostly to environmental and climate protection measures: 21% of the budget was thus spent on agri-environmental and climate protection measures, while 11% was used to promote organic farming during the same period.

**COOPERATION BETWEEN FEDERAL, STATE GOVERNMENTS**

In Germany, federal states largely decide how to distribute second pillar funds.

The national strategic plan, which is to be submitted to the European Commission by the end of the year, will include these state programmes which must align with at least four of the EAFRD’s six priorities. These include innovative management practices, the promotion of resource efficiency, and the restoration, conservation and enhancement of ecosystems associated with agriculture and forestry.

“In principle, this is a policy instrument that can be well designed and used to implement meaningful and effective measures,” said Lakner. However, this requires sufficient administrative capacity in the federal states to implement and control the programmes, he warned.

According to the agricultural economist, the design of the AECM for the new funding period is also complicated by the fact that many measures that were traditionally funded via the second pillar are now already part of the eco-schemes, for example, to promote fallow land and flowering strips.

“This means I now have to pay much more attention to the fact that measures of the eco-schemes and the AECM work together when I design policy from a country perspective,” he explained.

**EIP-AGRI: INNOVATIVE PARTNERSHIPS FOR GREATER SUSTAINABILITY**

To help farmers implement the green EAFRD objectives, the EU also launched a new funding instrument back in 2012: the European Innovation Partnership on Agricultural Production and Sustainability – or EIP-AGRI for short.

According to the BMEL, Germany was the first EU member state to implement this instrument for the 2014-20 funding period.

EPI-AGRI enables farmers, foresters, researchers, agri-business advisors and other rural actors to network in order to jointly realise innovative projects, for example on resource efficiency or the sustainable supply of food and feed.
Ball now in court of German states to protect species in agriculture

By Julia Dahm | EURACTIV.de

Germany must do more to promote the protection of biodiversity when implementing the EU agricultural reform, the European Commission has said. EURACTIV Germany reports.

Species conservation measures can be promoted under the Common Agricultural Policy (CAP) through so-called “eco-schemes.” These are incentives paid to farmers who voluntarily adhere to environmentally friendly practices and are defined at the federal level. They are further defined by the so-called “agri-environment-climate measures” (AECM) within the second pillar that was designed by the states themselves.

“At the moment, some of the Länder programmes are still being developed. At the federal level, with the eco-schemes, we would like to see much more,” said Jörg-Andreas Krüger, President of the environmental organisation NABU, when asked by EURACTIV Germany.

In particular, the issue of riparian strips and their financing needs to be improved in the interest of species protection, Krüger said.

According to biodiversity and environment researcher Guy Pe’er, such eco-schemes have potential in principle. “These are funds that can really potentially benefit biodiversity,” he said. Whether the eco-schemes ultimately bring added value for species protection, however, depends on the details of their design.

DESIGNED BY THE FEDERAL STATES

According to the ecologist, it is

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crucial that farmers can decide for themselves which of the eco-schemes they want to implement.

“We cannot expect that all eco-schemes will bring something for biodiversity,” Pe’er explained. There is thus a risk that a large part of the money will flow into eco-schemes that are not very effective for biodiversity conservation.

Among the eco-schemes planned so far in Germany, Pe’er considers mainly the promotion of fallow land, which could be used by farmland birds, some butterfly species or bees.

On the part of the agri-environmental measures of the second pillar, it is so far largely unclear how species protection in agriculture will be promoted in the future because the programmes of the individual federal states are still being worked on.

In Saxony-Anhalt, for example, Pe’er already sees good approaches. For example, the state wants to follow the so-called Dutch model, in which several farmers are paid jointly for the implementation of collective measures.

“The same money can be used more effectively if there is good planning and measures are implemented jointly by several farmers because then we reach the landscape level and not just a field or a small area,” he explained.

**COMMISSION INSISTS ON BIODIVERSITY**

In its recommendations for Germany’s national strategic CAP plan, the European Commission pointed out that so far “the decline of protected habitats and species associated with agricultural land” has “not been reversed or halted” in Germany. For example, 90% of grassland habitats are in poor and deteriorating condition.

In the Commission’s view, Germany should thus take measures to halt and reverse the deterioration of biodiversity. According to the Commission, particular focus should be placed on the protection of field birds and pollinators.

In its paper, the Commission also pointed to the use of pesticides, saying “German production patterns are heavily dependent on the use of inputs such as pesticides.”

Although the Biodiversity and Farm-to-Fork Strategies, two EU flagship initiatives, aim for a reduction of the overall chemical pesticide use and the use of hazardous pesticides by 50% by 2030, Germany still lacks effective controls on the use of integrated pest management, the Commission says.

In order to better track the use of pesticides, the environmental organisation NABU also recently called for the nationwide disclosure of pesticide use data. A study published in June had found pesticide contamination in 81% of the streams examined, which significantly exceeded the state limits.

**PESTICIDE REDUCTION**

“The authorisation procedure for pesticides is obviously based on false assumptions about their storage and concentration in the environment. Therefore, the risk posed by pesticides to insects is also estimated to be lower in the procedure than it actually is,” said NABU President Jörg-Andreas Krüger, calling on the incoming federal government to “quickly review and further develop the procedures for risk assessments and the authorisations”.

As part of the insect protection package adopted by the federal government at the start of the year, an amendment to the regulations on the use of plant protection products had come into force on 8 September. In addition to tighter restrictions on the use of pesticides, it also provides for a phase-out of the use of glyphosate by 2023.

But farmers’ organisations criticised the insect protection package as well as the pesticide reduction targets of the Farm-to-Fork strategy.

“We are very critical of the politicisation of these reduction targets,” Udo Hemmerling, deputy secretary-general of the German Farmers’ Association told EURACTIV Germany. The approach proposed by the Commission could lead to “us seeing significant parts of domestic production migrate”, Hemmerling said.

The DBV had also spoken out against the disclosure of pesticide data demanded by NABU.
New German arable strategy fails to impress environmentalists, organic farmers

By Magdalena Pistorius | EURACTIV.de | translated by Daniel Eck

Although Germany’s annual harvest and arable farming report was revised at the end of August to take account of the climate crisis, it still includes changes that remain just ‘symbolic politics’ for environmentalist NGOs and organic farmers. EURACTIV Germany reports.

With the floods, a cold surge, and extreme hot and cold weather, 2021 will go down in the history books as a “special storm year”, according to the federal agriculture ministry.

In this year’s harvest report, there are warnings about a significantly worse harvest than expected, and, as a result of higher grain prices, an increase in feed costs for German farmers.

“The 2021 harvest report shows how dramatically German agriculture is already affected by the climate crisis,” the international NGO WWF has said. The report makes it equally clear that “German agricultural policy in recent years has been too inconsistent and urgently needs to be realigned,” it added.

The reform of the EU’s Common Agricultural Policy (CAP) had offered the rare opportunity to create better framework conditions for this reorientation and “make climate protection an integral part of agriculture” – an opportunity that German Agriculture Minister Julia Klöckner has, however, missed, in the view of the WWF.

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The national arable farming strategy 2035, which Klöckner presented at the end of August, is intended to provide a further opportunity for reorientation.

According to the federal food, agriculture and consumer protection ministry, “in times of climate change, this strategy is intended to show options and paths that sustainable [...] arable farming must use”.

The political orientation of the strategy paper was “decisively influenced by the European Green Deal as the new growth strategy of the European Commission,” it added.

“Within the CAP’s framework, the federal government is committed to rewarding more strongly the achievements of agriculture in protecting the environment, biodiversity, the climate, animal welfare and natural resources,” the ministry also said.

The aim of the strategy is to ensure the supply of high-quality food and preserve the environment and biodiversity, expand agriculture’s contribution to climate protection and at the same time adapt it to the consequences of climate change.

The strategy should also contribute to the industry regaining social acceptance in the country, and farmers should also be able to live better from their work in the future.

To implement these ambitious goals, the ministry is proposing a number of fields of action, including higher fertiliser efficiency, better-integrated crop protection, greater crop diversity, climate-adapted cultivation concepts and optimal use of digital potential, as well as a variety of individual measures.

‘SYMBOLIC POLITICS’

But according to WWF, it is all just “symbolic politics”.

Instead of working together with the environment ministry, as was foreseen, the food, agriculture and consumer protection ministry presented its arable farming strategy on its own although such a siloed approach contradicts the approach of the Commission on the Future of Agriculture, which says that “the challenges within agriculture can only be overcome together”.

On top of that, the strategy paper is a “great disappointment”, according to nature conservation organisation BUND.

The changes made to the strategy, intended as a response to the consequences of the climate crisis, “fall far short in view of the dramatic situation,” BUND Chair Olaf Bandt has said. The draft “lacks concrete statements on implementation and financing,” and Klöckner’s arable farming strategy “only offers band-aids instead of help”, he added.

The German Nature and Biodiversity Conservation Union (NABU) is also critical of the paper.

According to NABU’s Federal Executive Director Leif Miller, the strategy is “far too unspecific” and “not in line with the measures for nature and climate protection in arable farming promised at the beginning of the legislative period.”

After the agriculture ministry had already put the brakes on the Common Agriculture Policy (CAP) and other “long-overdue reforms”, the 2035 arable farming strategy now crowns a “legislature of agricultural policy disappointments”.

A STRATEGY PAPER THAT IS ‘TOTALLY NON-BINDING’

Farmers, too, are generally unconvinced by the ministry’s strategy paper.

Although the arable farming strategy “admits that arable farming has to change”, the plan presented by Klöckner “cannot achieve its goals, because it is totally non-binding”, Peter Röhrig, executive director of the German Federation of the Organic Food Industry (BÖLW), told EURACTIV Germany.

An effective strategy would have to “show how exactly Germany intends to reduce pesticide use by 50% and how 25% organic farming can be achieved by 2030,” he added.

According to Röhrig, publishing the strategy a few weeks before the federal elections shows “that the ministry is concerned with communication and not with substantial change.”

And with her plans for the CAP, Klöckner is above all “ensuring that the farming method that is most effective for fewer pesticides and more biodiversity – namely organic farming – falls behind”.

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Commission says Germany lags behind in reducing agriculture emissions

By Julia Dahm | EURACTIV.de | translated by Daniel Eck

The European Commission has highlighted Germany’s lack of progress in reducing emissions by implementing the Common Agricultural Policy (CAP). Industry associations also see current plans as falling short of the mark. EURACTIV Germany reports.

Even though greenhouse gas emissions from the agriculture sector in Germany have dropped 19% compared to 1990, the amount has plateaued over the last two decades, the Commission’s document states.

It continues that Germany should promote emissions reduction and carbon reduction to a greater extent in its national strategic plan, which is to be submitted to the Commission by the end of the year.

The so-called eco-schemes – incentives paid to farmers who voluntarily adhere to environmentally friendly practices – and the “agri-environment-climate measures” (AECM) offer the possibility of promoting climate measures with CAP funds in the coming funding period.

While a catalogue of eco-schemes is already provided for in the laws the Bundestag passed in June, the design of the AECMs falls mainly within the competence of federal states, whose plans are still in the works.

EMISSION REDUCTION POTENTIAL

“We have to reduce these emissions, 1.5-degree-compatible, but that can only be done with an agricultural policy that also acts in this sense,” Xenia Brand from the German Working Association of Farmers (AbL) told EURACTIV Germany.

“For us, this also includes the promotion of pasture farming because the preservation of permanent grassland is a climate protection measure due to its high carbon content,” she added.

“Of the seven eco-regulations,
very few have a climate-positive effect,” said Christian Rehmer of the environmental organisation BUND. He added that the most effective regulations are those that promote the protection of grasslands or agroforestry systems.

The German Farmers’ Association (DBV) has also repeatedly emphasised agriculture’s potential for climate change mitigation.

“ Agriculture and forestry remain the most important pillars in the creation of negative carbon emissions in the long term,” said DBV Secretary General Bernhard Krüsken at the end of June on the adoption of the amended climate protection law.

“To achieve this, farmers must be politically supported in the area of humus build-up, and this climate service must be remunerated accordingly,” he added.

The Climate Protection Act sets sectoral targets for reducing greenhouse gas emissions for various sectors of the economy, which were tightened with the amendments passed in June. In agriculture, emissions will be reduced by 2030 to 56 million tonnes of CO2 equivalent, compared to 1990 levels.

“Agriculture and forestry are the only economic sectors that can store carbon naturally,” said Agriculture Minister Julia Klöckner when the law was passed.

This is particularly important because it is impossible to operate emission-free in the agricultural and forestry sector as part of the biological system, she said, adding that “to achieve the goals, corresponding supporting measures and funding are necessary.”

PROTECTING AND RESTORING PEATLANDS

But according to Christian Rehmer, the German plans for implementing the CAP have not included any funds to promote climate-reducing measures such as peatland restoration, carbon storage or a reduction in livestock numbers.

In a joint statement, the farmer’s working group and the German environmental protection organisation Deutsche Naturschutzzring demanded that the environmental impact of the CAP strategic plan is reassessed. This should be done in terms of its contribution to achieving the amended Climate Protection Act and the Climate Protection Plan 2030.

The reduction of animal numbers and the “adequate financing of rewetting measures on peat soils”, in particular, should be given more significant consideration as climate protection measures, according to the two organisations.

In its document, the Commission also points to the importance of peatlands as carbon reservoirs and recommends that Germany promote “the protection of carbon-rich soils through rewetting and the restoration of peat bog areas and wetlands”.

Earlier this month, Germany's environment ministry presented a National Peatland Protection Strategy, which, according to the ministry, ensures both the protection of intact peatlands and the restoration and sustainable management of previously drained peatlands.

But associations and the opposition criticised the strategy because it was not adopted by the whole government, mainly because it was not coordinated with the agriculture ministry.

“First of all, we have to rewet peatlands, but secondly, we also have to ensure that people can still farm on the rewetted areas,” said Rehmer. He added that farmers whose peatlands can no longer be farmed need to be adequately compensated.

REWARDING CLIMATE PROTECTION

According to Rehmer, sufficient money and “massive consultations” are necessary to ensure measures are successful. “This is a necessity that is almost not addressed by the CAP,” he added.

“However, all concepts for rewetting must be developed voluntarily and with local people,” commented DBV Deputy Secretary-General Udo Hemmerling on the peatland protection strategy. The farms needed a long-term economic perspective, he added.

Concerning the CAP strategic plan, the DBV also calls for greater promotion of grassland management within the eco-schemes. For example, a grassland climate bonus could be introduced to “reward the carbon sink of agriculture”, Hemmerling told EURACTIV Germany.

According to the European Commission, greenhouse gas emissions from grassland are higher in Germany than in any other EU country, despite a downward trend. The national strategic plan should therefore promote less intensive grassland management, the Commission said.
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