



Deutscher  
Bauernverband



## **Green Architecture and Eco-Schemes**

Key features of a future CAP Strategic Plan  
for Germany

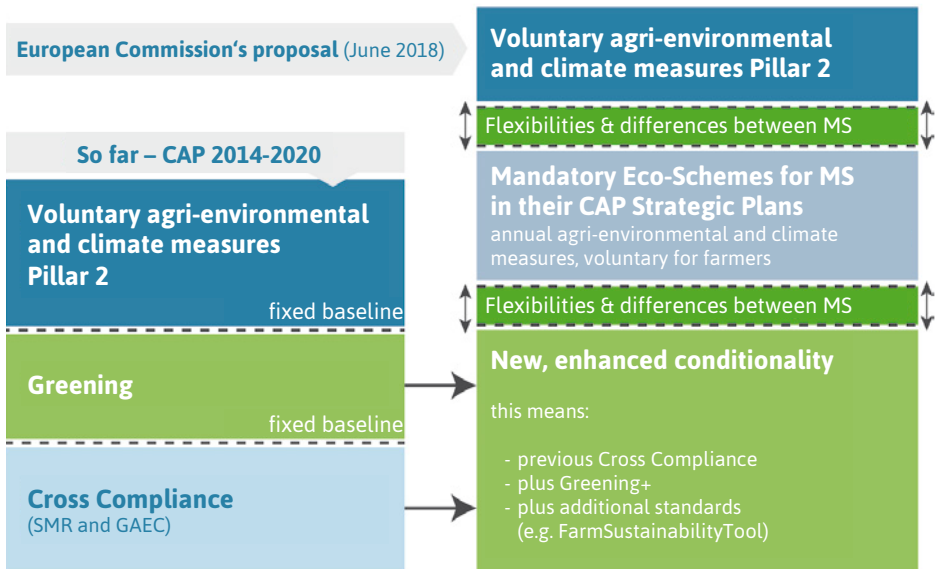


## State of play: The EU Commission proposal for the Green Architecture

The EU Commission is proposing to link direct payments to the future enhanced conditionality. This means an increase of Cross Compliance requirements with the addition of the current Greening obligations. Compliance with this new baseline is a precondition

for granting direct payments from Pillar I and area-based payments from Pillar II. For farmers, these additional requirements considerably weaken the CAP support's contribution to income and effect their competitiveness negatively.

### Common Agricultural Policy's (CAP) Green Architecture – Comparison between 2014–2020 and the new EU Commission proposal



Source: DBV, in keeping with the EU Commission's proposal, June 2018



The EU Commission is proposing to include Eco-Schemes in Pillar I as a new element. Eco-Schemes would be mandatory for Member States, but voluntary for farmers. The Eco-Schemes include annual environmental and/or climate measures and are not tied to the basic payment, since they are voluntary for farmers. The Council and the Parliament did not adopt a final position before the European elections

in May 2019 (first reading not concluded). The European Parliament's Committee on Agriculture issued an opinion in April 2019 which calls for a minimum of 60 percent of the budget for basic payments and 20 percent for Eco-Schemes in Pillar I in every EU Member State to ensure comparable implementation. Opinions are divergent in the EU Council of agricultural ministers.

## DBV's expectations regarding the implementation

The far-reaching objectives of the CAP reform can only be implemented with financial stability in both CAP pillars. The DBV opposes the ambitions of the German Federal Ministry of Finance towards a Multiannual Financial Framework of 1.0 percent of Gross National Income and calls for the implementation of the coalition agreement, which strives to maintain the agricultural budget at its current level. A stable EU agricultural budget is an indispensable precondition for a 'greener' agricultural policy.

### 1. Direct payments, in particular the basic payment

Direct payments, and the basic payment in particular, must continue to fulfil their purpose of securing agricultural incomes, providing compensation for the high EU standards and mitigating risks. The proposed consid-

erable increase in the requirements in form of a *new enhanced conditionality* – while at the same time cutting the EU's agricultural budget – is the wrong approach. It would largely undermine Pillar I's effect on incomes and greatly restrict room for manoeuvre for agri-environment-climate measures in Pillar II and for Eco-Schemes in Pillar I.



**With regard to the national implementation of direct payments, the DBV calls for the following:**

- The basic payment should continue to account for a fundamental share of Pillar I.
- As regards the weighting of the two CAP pillars, financial prioritisation must not be shifted further away from Pillar I, since this would lead to a further decrease of agricultural incomes. Farmers cannot afford the introduction of Eco-Schemes and at the same time an additional transfer into Pillar II; this must be ruled out.
- The DBV resolutely opposes degression or capping of direct payments. This would pose a threat to existing structures and their development prospects. Instead, DBV considers an additional payment for the first hectares up to the average farm size to be an appropriate way to take account of the different farm structures.
- Simplify and unify the application procedure. Measures to achieve this include to get rid of the entitlement system as quickly as possible, as well as to force the use of digitalisation advances. This has to be done in the form of an Agrarantrag 4.0 (<https://bit.ly/2FvxscU>), which the DBV is calling for. Red tape needs to be cut in a consistent manner, i.a. by focussing on subsidiarity and proportionality as well as applying the single audit principle.
- Continue the process of complete decoupling of direct payments to avoid distorting competition on the EU's internal market.
- Maintain support for young farmers in Pillar I.

## 2. Conditionality

The DBV calls for conditionality to be limited to functional, practical measures and for criteria that are not truly linked to the Pillar I and II CAP measures to be removed. The DBV believes that the EU Commission's proposal to move the current Greening requirements into conditionality is the wrong approach.

**The DBV calls for improvements to be made to the conditionality requirements, notably for the following points:**

### ■ GAEC 1 Permanent grassland

The rigidly prescribed 5-year-regulation for the development of permanent grassland needs to be replaced by a simple deadline-based approach<sup>1)</sup>. In this way,



farmers would no longer be forced to plough up areas for purely bureaucratic reasons or to avoid the expiry of deadlines and liability risks. As a result, bureaucratic approval procedures are to be minimised.

#### ■ **GAEC 2 Peatlands and wetlands**

The proposal to introduce such a requirement was discussed from 2011 to 2013 and was clearly rejected by the EU Council. The situation today remains unchanged. The DBV therefore calls for GAEC 2 to be removed from conditionality.

#### ■ **GAEC 5 Farm Sustainability Tool for Nutrients**

With reference to existing and future extended fertiliser legislation, the DBV calls for a binding EU-wide Farm Sustainability Tool for Nutrients to be removed. Instead, a support instrument on a voluntary basis should be offered.

#### ■ **GAEC 7 No bare soil in most sensitive periods**

Greater clarity is needed on this point above all for the German translation of “most sensitive periods” which is more strictly defined than in the English version. Soil management (in winter) should be carried out in accordance with good farming practices.

#### ■ **GAEC 8 Crop rotation**

There are fundamental doubts whether the principle of crop rotation can be appropriately and practically enshrined in a

rigid GAEC standard. Farmers should not be limited in their site-adapted land management according to good farming practices.

More indepth discussion and greater clarity is required regarding a simple implementation of this requirement (up until now crop diversification in Greening). How can a crop rotation requirement in an annual support measure prove to be straightforward and non-bureaucratic? In light of increasingly diverse farm structures, how can it be guaranteed that a crop rotation requirement is used in a targeted and practical manner? Which exemptions are appropriate and possible?

#### ■ **GAEC 9 Non-productive areas**

The DBV sees major problems in the focus on *non-productive areas* – up until now *Ecological Focus Areas*. This creates unnecessary contrasts between used and set aside agricultural areas. The DBV calls for GAEC 9 to be removed and for non-productive areas to be supported via the Eco-Schemes.

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- 1) **What should a simple deadline-based approach look like from the DBV's point of view?** The permanent grassland area is quantified at a set reference date. This identified area coverage is to be maintained at that level in future. It remains possible for farmers to convert individual areas without approval, provided that farmers make the relevant replacement or exchange areas available.



■ **GAEC 10 Permanent grassland in Natura 2000 sites**

The requirement banning the conversion of permanent grassland areas, which is currently stipulated in Greening, is to be continued in future in the framework of conditionality. However, the DBV believes that bird protection areas at least should be exempt from this ban.

■ **SMR 7 to 11 Labelling and registration of animals**

Animal-related requirements are out of place and must be removed from conditionality. This includes, above all, the registration and labelling of animals that are already being enforced and monitored on the basis of extensive requirements under specialist legislation.

As the conditionality requirements come with direct costs and are relevant to competition, the DBV strongly rejects single-handed national efforts with increased or additional requirements.

### 3. Eco-Schemes/Pillar I

In general, the DBV supports Eco-Schemes, provided that they are straightforward as well as unbureaucratic for farmers to implement and that they do not undermine existing, tried and tested agri-environment-climate measures within Pillar II. Annual Eco-Scheme measures must be easy to plan for

farmers and should not result in additional on-the-spot-checks. Such measures must be able to be managed and controlled via remote sensing techniques.

**After analysing the various ways in which voluntary Eco-Schemes can be shaped, the DBV proposes the following design for Germany:**

- The scope and funding of Eco-Schemes amounting to a share of the Pillar I budget is to be determined EU-wide.
- Guarantee a farm flat rate for a farm's entire eligible area (arable land, permanent grassland, where appropriate special crops; in the style of the current Greening) that is easy for farmers and authorities to manage. The farm flat rate multiplied by the eligible area gives the maximum amount for the farm's Eco-Schemes payment.
- Eco-Schemes fulfilment via a simple and workable catalogue of services, from which farmers can choose. These should include the familiar measures from the Ecological Focus Areas catalogue. Options for grassland areas, e.g. strips of unmown grass, should also be included, provided that they do not clash with the existing federal state measures in Pillar II. Further biodiversity and climate protection options must be easy to integrate into agricultural production and easy to control.
- The respective options from a nationwide catalogue of services are assigned different amounts and can be remunerated up to the amount of the Eco-Schemes farm flat rate.



#### 4. Agri-environment-climate measures/ Pillar II

If conditionality is extended significantly beyond the current scope in future and if the Eco-Scheme measures are applied too broadly, the EU Commission's Green Architecture proposal will endanger tried and tested agri-environment-climate measures within Pillar II. Agri-environment-climate measures that have proven to work should not be impaired. Here, German farmers are already delivering voluntary additional services for resource conservation and biodiversity on almost 1 in 3 hectares.

##### The DBV considers the following further developments to be necessary for voluntary agri-environment-climate measures:

- Voluntary agri-environment-climate measures within Pillar II must be appreciated and valued and require an adequate financial incentive in order to be successfully implemented.
- Biodiversity should be promoted, notably

through the tried and tested agri-environment programmes and should be supported by farm advisory services. These can be effectively completed by farmer-collectives that focus on agricultural biodiversity following the Dutch example.

- Support for pasture-based animal husbandry for ruminants needs to be boosted nation-wide. This includes sheep and goats.
- The compensatory allowance for less favoured areas must remain a top priority. As it was previously the case, the funds used for this purpose fall under the agri-environment-climate measures.
- The DBV offers its expertise and collaboration in the development of new approaches to provide measures to promote agri-environment and climate protection.

In light of the increased societal demands on farmers and the limited CAP funds, German federal government and federal states must make additional funding for agri-environment-climate measures, compensatory allowance for less favoured areas and the promotion of agricultural investment available.

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##### GAEC

Good agricultural and environmental conditions

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##### SMR

Statutory management requirements

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