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the Earth.
To
the Earth.



Ministry of Agriculture, Nature and
Food Quality

The CAP beyond 2013

The Dutch Outlook

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Introduction

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1. Facts and figures Dutch agriculture



Facts and figures of Dutch agriculture (1)

Share in GDP	9.4%
Share in employment	10.3%
Export value	54 billion EUR
Import value	31 billion EUR
Shares in production value:	
• Horticulture	43%
• Livestock breeding (incl. dairy)	42%
• Arable farming	15%



Facts and figures of Dutch agriculture (2)

Agricultural area:	2 million ha
• Receiving direct payments	1,5 million ha (75%)
• No direct payments	0,5 million ha (25%)
Farmers:	75,000
• Receiving direct payments	65,000 (85%)
• No direct payments (e.g. intensive animal husbandry, glasshouses, horticulture)	10,000 (15%)



Facts and figures Dutch agriculture (3)

CAP budget (2008):

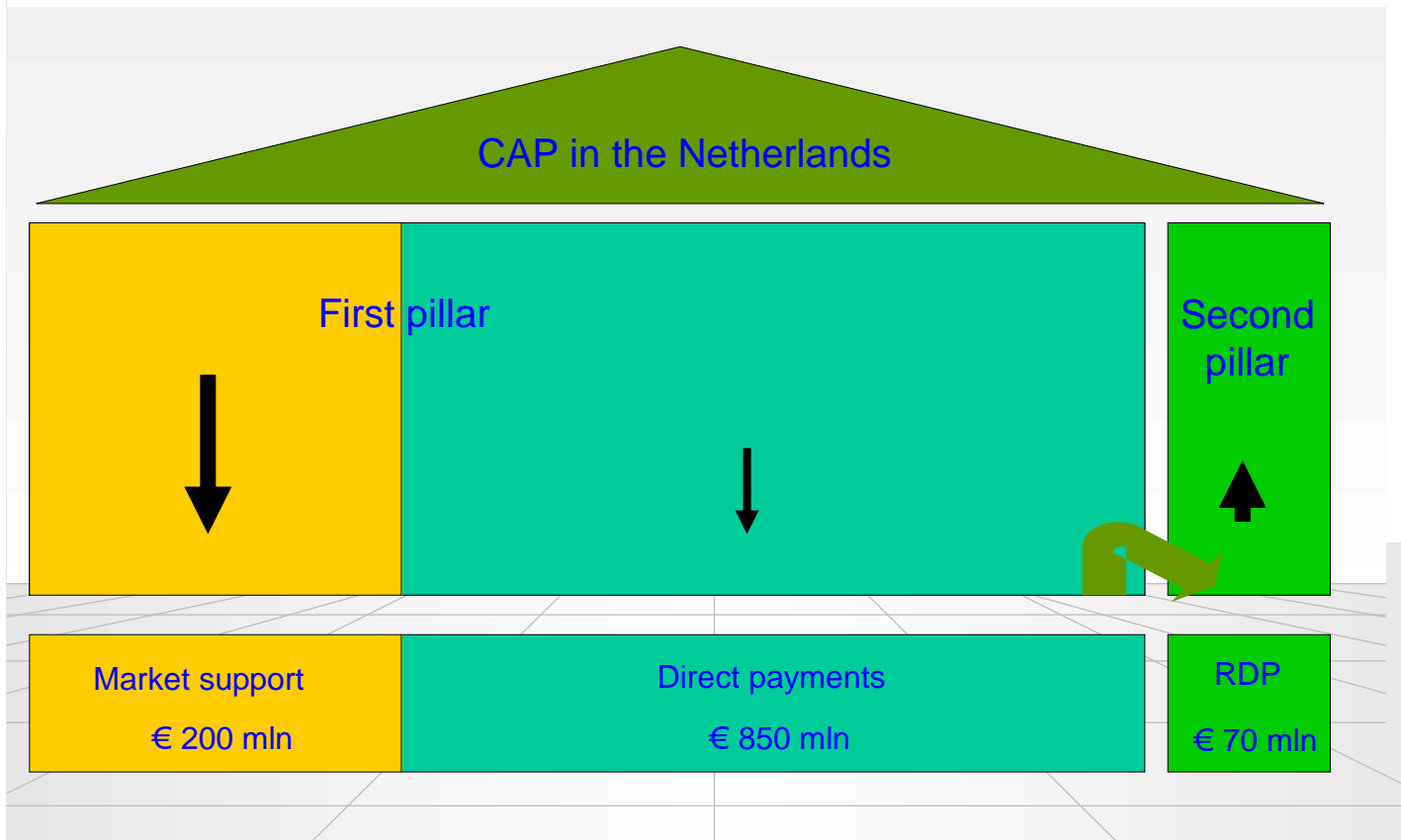
- Direct payments 850 million EUR
- Number of payment entitlements: 1,5 million
 - Average value 550 EUR / entitlement
 - If calculated as a flat rate 425 EUR / ha

Share of direct payments in:

- Production value 4% (EU-15 = 15%)
- Farm income 41% (EU-15 = 69%)



CAP in the Netherlands (2008)





2. Health Check implementation



Dutch choices

- Further decoupling
- Article 68
- Addressing new challenges in the Rural Development



Further decoupling

2010:

- Slaughter premium (veal and beef)
- Nuts and protein crops

2012:

- Starch potatoes
- Flex (seed) and hemp
- Dried fodder



Article 68

Budget

- Only unused amounts of direct payments (22 mln./year)

Measures

- Animal-friendly and environmentally-friendly housing systems
- Comprehensive weather insurance
- Identification and registration system for sheep and goats
- Water transport allowance



RDP – Health Check

Axis 1

- Innovation in agriculture
 - stimulating renewable energy (co-faborize and biomass use)
 - reduction of environmental losses from agriculture (ammonia emissions, precision techniques in agricultural management)
- Broadband internet

Axis 2

- Field margin management, functional agro-biodiversity
- Improving water quality and water quantity management
- LFA (designation of three additional areas)



3. Objectives for the CAP beyond 2013



Long term focus

- Land based agriculture, like other non-supported sectors, should primarily get its income out of the market of agricultural products (increased market orientation as a logic continuation of the 2003 Reform)
- Direct payments should not longer be focused on income disparities, but be focused on the delivery of public goods and services and transformed into targeted payments. These payments should be available to all agricultural entrepreneurs
- Volatility of the market regulated by a public safety net and/or private (income) insurance schemes
- Level playing field on internal market essential



Three objectives

1. A competitive and market orientated agriculture which in principle and in the long run can operate without direct income support, but still need support to improve competitiveness and sustainability

Conversion of direct payments into a remuneration system with targeted payments for

2. Active guaranteeing a basic quality in valuable areas (more than present LFA)
3. Delivery of public goods/ecosystem services (on a individual basis)



Objective 1

Improvement of competitiveness and sustainability

Decreased market protection, increased awareness and market orientation of the farmer

- Continuous investment in knowledge and innovation
 - E.g. improving productivity, closing cycles (minerals, energy), more environmental and/or animal friendly production systems

Risk management

- Creation of a public safety net for
 - Serious market distortions;
 - Crises of climatologically, phytosanitary/veterinary nature
- Not for privately insurable risks (prices)



Primary objective 2

Active guaranteeing basic quality in valuable areas

- Areas where land-based agriculture is needed, but
 - Production conditions are not optimal (or cannot become so) due to natural handicaps, or
 - Production need to be subject to stringent restrictions from a point of view of sustainable development
- Using existing categories of areas, not creating new ones
- Remuneration based on economic disadvantage or value of public performance
- First in sight: officially designated National Landscapes and (zones around) Natura 2000



Primary objective 3

Remuneration for delivery of public goods / ecosystem services

Active, 'above-statutory' performance of individual farmers, within or outside valuable areas

Also for:

- Voluntary compliance to higher standards (cross compliance 'plus' or EU versus global)
- Voluntary quicker compliance to new standards

Not for:

- Activities that can be financed privately (tourism, health care)
- Marketable (public) goods and/or services



4. What does it mean for 2014-2020?



What does it mean for 2014-2020?

- A strong CAP is needed
 - Strengthening the focus on market orientation, competitiveness and sustainable production
 - Further reduction of the existing instruments of market and pricing policy to a proper safety net
 - Abolition of the milk quota in 2015 (including a soft landing)
- New justification for direct payments (objective and shape) that is more targeted on the delivery of public goods (inside or outside valuable areas) and expanded use of art.68
- Clear distinction and room for manoeuvre between European priorities and national and/or regional priorities
- Money follows the policy, not the other way round



Farmers response

In general endorsing long term perspective:

- Competitiveness and importance of knowledge and innovation;
- Reduction of market measures to safety net;
- Custodian of rural area and landscape;
- Level playing field

Different views on

- Future direct payments (basic premium/complete transition?);
 - Valuable areas (urgency, designation?);
 - Pace of changes (before/beyond 2013?, redistributive effects)
-
- Also reflected in the political debate in Dutch Parliament



5. Simplification of the CAP



Simplification of the CAP (1)

Simplification of the CAP should improve the framework conditions under which farmers operate and contribute to the competitiveness of European agriculture, in line with EU 2020 Strategy

Building on:

- Council conclusions May 2009
- EU Programme 'Smarter Regulation' (SECGEN)
- EP Resolution May 2010



Simplification of the CAP (2) – Current CAP

Commission Simplification Expert Group

- Status report on list of 39 simplification proposals (April 2009)
- Feed new proposals of more technical nature

Special Committee on Agriculture (CSA)

- Feed new proposals of more political nature

Conference of Directors of EU Paying Agencies

- Feed the Council with conclusions and recommendations every 6 months



Simplification of the CAP (3) – Future CAP

Widespread agreement that the future CAP should place less administrative burden on farmers, operators and national governments

The future CAP should be as effective and efficient as possible

The aim should be to build a simple but flexible policy framework, whilst respecting the importance of a European level playing field

And to be accompanied by a risk-based control system and an outcome-based monitoring and accountability system



Simplification of the CAP (4) – Future CAP

Simplification should be one of the evaluation criteria in the Impact Assessment that will be part of the Commission Communication on the future of the CAP later this year

Simplification should also cover the rules under other policy areas, like animal health, animal welfare and the environment

Special attention is needed for the future Rural Development Policy, as it has become extremely complex to implement and administer by national authorities and to understand by farmers

We need guiding principles like unambiguous definitions, risk-based controls, proportionality, reduced reporting and collection of statistical data



Thank you for your attention

