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Policy

Are CAP strategic plans aligned with the Green Deal targets for agriculture?

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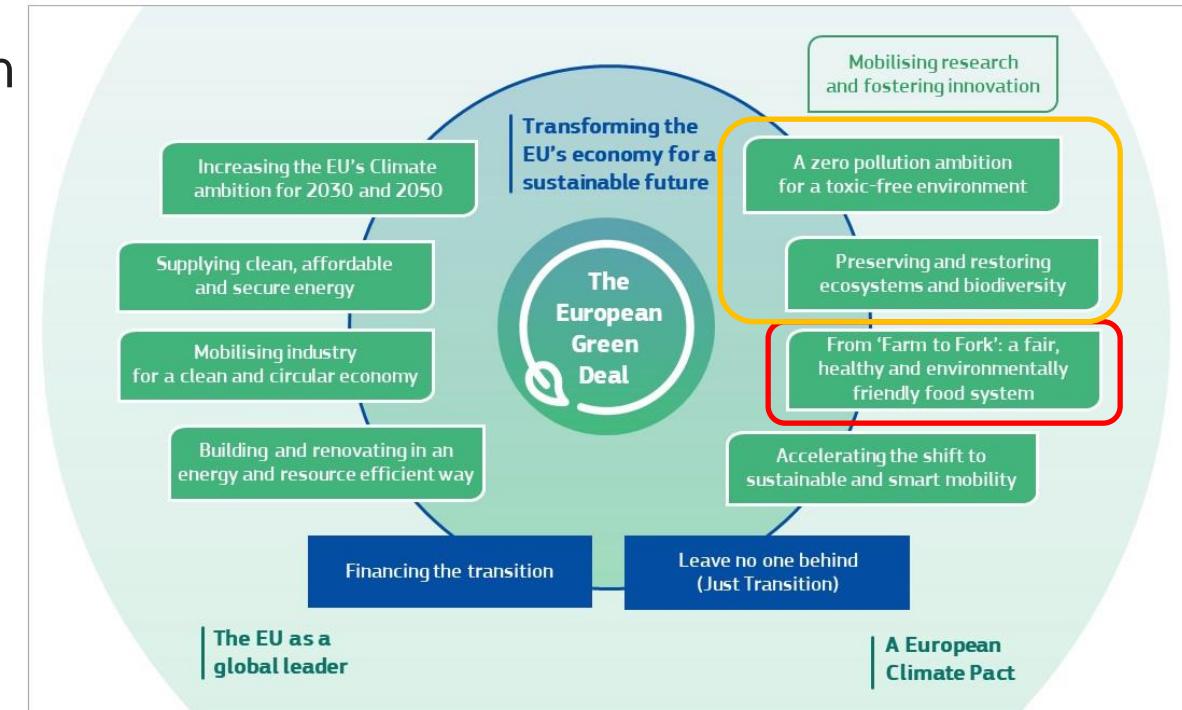
Sustainable agriculture for sustainable sea -the future of agriculture in Poland and in Europe
GRASS 2022

Outline

- Presentation of the Green Deal and F2F strategy
- Presentation of the new CAP
- Will the CAP national strategic plans contribute to reaching the targets of the Green Deal?
- IEEP's vision on the future of farming, the CAP and food systems

The European Green Deal (EGD)

- The European Green Deal (2020): a set of policy initiatives by the European Commission with the overarching aim of making the EU climate neutral in 2050.
- Defines goals extending to many different sectors.
- Plans to review each existing law on its climate merits, and also introduce new legislation on the circular economy, building renovation, biodiversity, farming and innovation.
- Defines a strategy for the future of farming in the Farm to Fork Strategy
- Other strategies linked to agriculture (e.g. biodiversity strategy, zero pollution action plan)



The Farm to Fork strategy (F2F) and the Green Deal targets

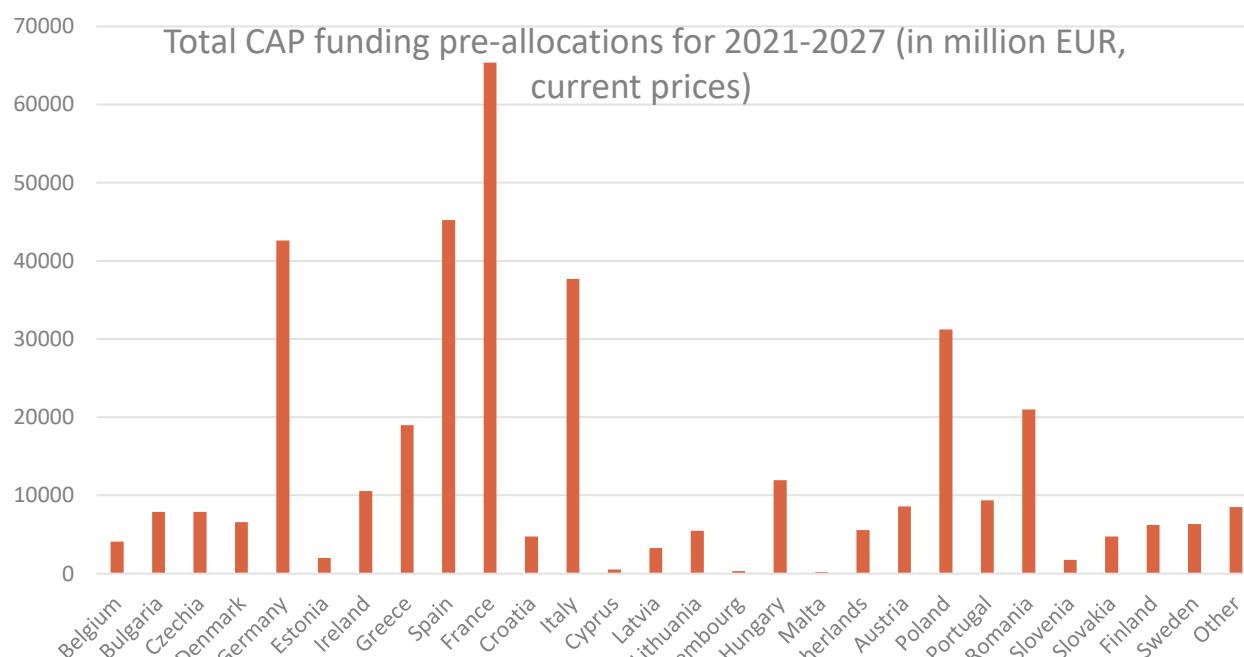
- The Farm to Fork Strategy (F2F)'s objective: to make food systems fair, healthy and environmentally-friendly.
- Aims to change the entire food system, from production to consumption, including processing, packaging, transport, distribution, etc.
- Sets non-binding targets to be reached by 2030, in particular for agricultural production:
 - Reaching 25% of EU agricultural area under organic farming;
 - Reducing the use and risk of chemical pesticides by 50% and reducing the use of more hazardous pesticides by 50%;
 - Reducing the use of fertilisers by at least 20% and nutrient loss by at least 50% ;
 - Reducing the sales of antimicrobials for farmed animals and in aquaculture by 50%.
- In addition, the Biodiversity strategy sets a non-binding target for semi-natural habitat on farmland:
 - Establishing biodiversity rich landscape features on at least 10% of the EU farmland

The Common Agricultural Policy and its reform

- The EGD therefore aims for the ecological transition of EU agriculture
- To reach this objective, the EC plans to mobilize the Common Agricultural Policy (CAP), the main policy targeting EU agriculture since 1962
- More than 38% of the total EU budget in the 2014-2020 period.
- The new CAP, proposed by the EC in June 2018, has 9 specific objectives (inc. 3 environmental and climate ones)..
- Based on a new delivery model: each Member State has to submit CAP National Strategic Plan to be approved by the EC. The plan should explain which interventions will contribute to the CAP objectives and set targets for a number of result indicators
- Once approved, MS can start implementing their plans.
- Where are we at?
 - Most MS submitted their plans and received the EC's observations
 - MS have three months to review their CSP after reception of the observation letters

The Common Agricultural Policy and its reform

- The CAP has an overall budget of around EUR 387 billion (decreasing compared to the previous one), split between two funds:
 1. The Pillar I (EAGF, funding measures such as income support) which totals EUR 291.1 billion from 2021-7 (in current prices). Access to this funding is conditional on respecting good agricultural and environmental conditions. 25% should be dedicated to Eco-schemes.
 2. The Pillar II (EAFRD) which totals EUR 95.5 billion from 2021-7. It funds rural development as well as agri-environmental and climate commitments (min. 35% of the budget).
- Each MS's budget is defined in the Multi-annual financial framework' (MFF).



The Common Agricultural Policy and the green deal targets: 1) Organic farming

Reaching 25 % of farmland under organic farming

- According to the EC, almost all Member States express a growth ambition for organic farming. Among the 19 first CSPs submitted:
 - 13 aim at increasing their coverage and their CAP support by at least 25%
 - 17 have set targets against the dedicated result indicator for organic farming (R.29).
 - Organic farming is mainly supported through agri-environmental and climate commitments (AECC) and eco-schemes (ES).
- However, it is unlikely that all Member States will reach the F2F of 25% in 2030, even if all the supported area is in conversion.
- In particular:
 - AU and CZ should reach the target
 - DK and SW should get close to the target
 - MA, PL, SP, FR, IE and NL should remain far from the target (FOEE report and own analysis)

The Common Agricultural Policy and the green deal targets: 2) fertiliser use and nutrient loss

Reducing the use of fertilisers by at least 20% and nutrient loss by at least 50% by 2030

- According to the EC:
 - There is an increasing effort to support protein crops and legumes: 11 MS plan to implement coupled income support (CIS) for protein crops, and the total budget for CIS for protein crops increased by 35%.
 - There are eco-schemes and AECC addressing the issue of nutrient management?
 - Most countries have interventions to support extensive livestock systems, grassland and pastures.
- However, many of these interventions are designed as broad schemes, targeting various practices and objectives, and the CSP often fail to show their contribution to the F2F target.
- 18 MS plan to implement coupled income for livestock, without using stringent ceilings or maximum livestock density criteria.
 - > CIS for livestock is supporting intensive systems contributing to nitrogen surplus.
- FOEE estimates that PL might reach the target on nutrient losses but that none of the plans assessed (AU, DK, FR, MA, PL, SP, SW) will make a significant contribution to the fertiliser target.

The Common Agricultural Policy and the green deal targets: 3) landscape features

Establishing biodiversity rich landscape features on at least 10% of the EU farmland

- MS can support landscape features by choosing ambition options for GAEC 8 and by using additional interventions that further support landscape features.
- However, 21 MS made choices that are inadequate to reach the 10% target even in theory (EEB & Birdlife, 2022).
- According to EEB and Birdlife (2022), most, if not all, Member States are unlikely to reach this target, partly because of:
 - Failure by Member States to set GAEC 8 above bare minimum level
 - Exemptions
 - Use of weighting factors, artificially inflating the actual area under landscape features
 - Inadequate targets: low or ambitious but not reflecting the actual area under commitment
 - Inadequate interventions, that do not actually contribute to reaching the target
- FOEE estimates that MA could reach the target while SP and DK are far from it

4) Pesticide use

Reducing the use of chemical pesticides by 50%

- 16 MS out of 19 set a target for R.24 (area supported for reducing pesticide use), half of them below 10%
- FOEE report: none of the plans assessed (AU, CZ, DK, FR, MA, PL, SP, SW) will make a significant contribution to this target

5) Anti-microbials

Reducing the sales of antimicrobials by 50%

- 6 MS dedicate an ecoscheme to improve animal welfare or fight antimicrobial resistance
- FOEE report: most plans(AU, DK, FR, MA, PL, SP,) will not make a significant contribution to this target. Antimicrobial use is low in Sweden and CZ reduced it in recent years.

5) Summary

- The target on organic farming is the most likely to be met or almost met.
- Other targets are unlikely to be met in most MS.
- MS do not always set targets for the result indicators that are linked to the green deal objectives (R.21, R.22, R.24, R.29, R. 34, R.43).
- When they do, interventions are often improperly identified and do not actually contribute to the indicator/ the CSP fails to show their actual contribution.

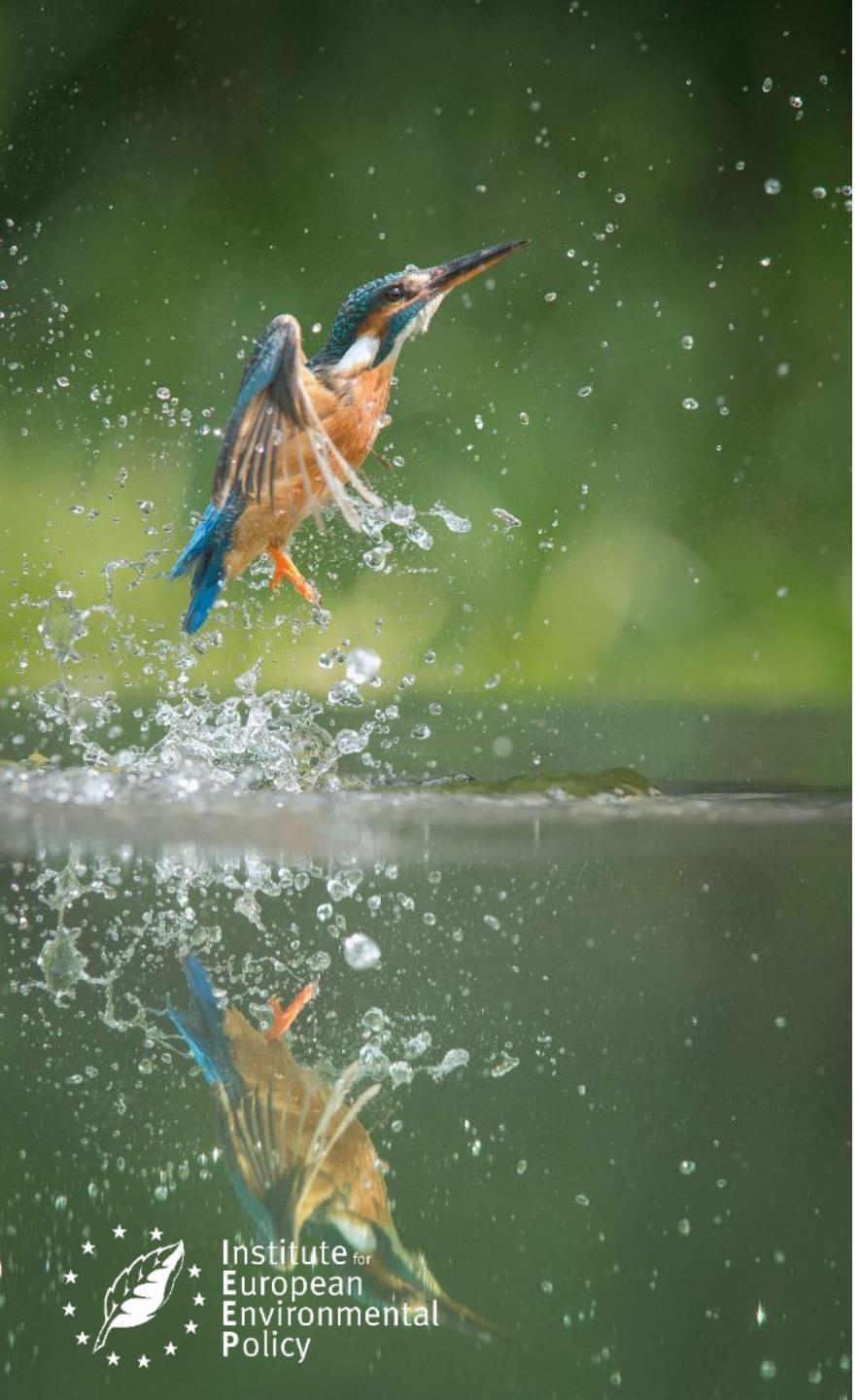
IEEP's vision and work on the future of farming and the CAP

IEEP supports :

- a “public money for public goods” approach to subsidies, rather than production support and payments that can promote intensification (e.g. direct payments or coupled income support);
- Targeted payments and innovative approaches e.g. result-based and collective payments
- Some forms of production based on ecological or socio-cultural grounds e.g. High Nature Value farming
- Moving towards a transition logic. For instance, through the provision of time-limited adjustment aid
- The continuous revision of the CSP between 2023 and 2027 as MS can amend their plans each year.

Beyond farming: the transition of food systems

- The transformation should go beyond farming systems: it also requires major changes in the rest of the food system (e.g. in consumption) and in the land use sector (e.g. for nature restoration).
- It is needed in a short timeframe, to address climate, biodiversity and wider environmental and social challenges e.g. health;
- Other policies e.g. the upcoming Sustainable Food System law, will play an important role. Such law could also put more requirements on the CAP (e.g. binding targets), potentially already in this funding period.
- The transition need to be just, in the sense that the social and economic effects of the ecological transition should be addressed, in particular for those who will face the greatest challenges



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