

Environmental objectives and measures

of the Common Agricultural
Policy of the European Union

Topics and Objectives

1. Common Agricultural Policy (CAP) and environmental objectives

- When and how environmental objectives have been included in the CAP?
- What are the current environmental objectives of the CAP?
- How many financial resources are devoted toward to environmental objectives?

Topics and Objectives

1. Common Agricultural Policy (CAP) and environmental objectives
2. Environmental measures of the CAP
 - What are the main CAP measures that encourage green farming?
 - How are these measures designed?
 - How are these measures managed?
 - How do these work?
 - How many resources are devoted to these measures?

Topics and Objectives

1. Common Agricultural Policy (CAP) and environmental objectives
2. Environmental measures of the CAP
3. Conclusions
 - Is the current basket of measures adequate to reach the environmental goals?
 - Are EU farmers happy about the environmental measures of the CAP?
 - What should be done to improve this set of policy measures?

1. Common Agricultural Policy (CAP) and environmental objectives

Acknowledgement

There are other policies pursuing more general environmental policy objectives also at the EU level. We focus here only on CAP related measures.

When environmental objectives have been included in the CAP?

1960-1990 – MARKET SUPPORT

- Increasing productivity
- Ensuring a fair standard of living for farmers
- Guaranteeing the availability of supplies
- Stabilising the markets
- Harmonising competition rules across all countries

Measures:

- Tariffs on external products, export subsidies and state intervention.
- Support coupled to the level of production.

1992 - THE MACSHARRY REFORM

- From market to producer support
- Reduction of price support replaced by direct income support
- Direct payments based on the area of land cultivated or number of livestock maintained
- Introduction of a limited set of new obligations for farmers to protect the environment

Introduction of rural development policy, aims:

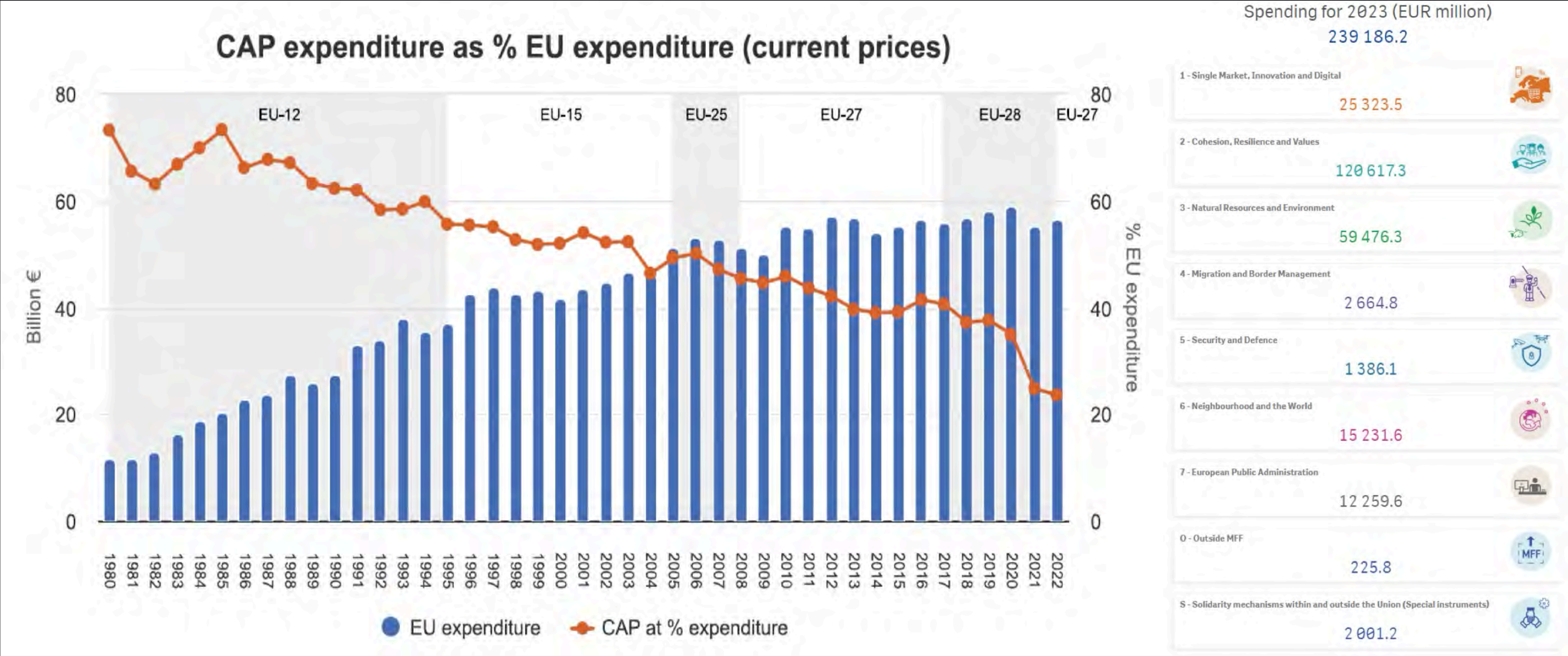
- Improving agricultural competitiveness
- Providing alternative sources of income
- Strengthening social cohesion in rural areas.

1999 – AGENDA 2000

- Several measures (e.g. support to farm investments) including support to farmers embracing practices benefiting the environment.

Downsize pressure on the Common Agricultural Policy budget

Environmental objectives vs. Income support objectives



CAP and sustainability



THE 10 MAIN CAP OBJECTIVES REFER TO THESE THREE DIMENSIONS OF SUSTAINABILITY

Key policy objectives of the CAP



European Green Deal (Launched in December 2019)

CLIMATE-NEUTRAL CONTINENT BY 2050

A comprehensive strategy to transform the EU's economy and society for environmental sustainability, aiming to make Europe climate-neutral by 2050 (net-zero carbon footprint).



KEY OBJECTIVES

- Achieve at least a 55% reduction in greenhouse gas emissions by 2030 (compared to 1990 levels).
- Decarbonize the energy sector through renewable energy expansion and enhanced energy efficiency.
- Transition to a circular economy minimizing waste and maximizing recycling and reuse.
- Promote sustainable agriculture via initiatives like "Farm to Fork" fostering healthier and environmentally friendly food systems.
- Safeguard biodiversity and restore ecosystems by combating deforestation, pollution, and resource over-exploitation.
- Mobilize public and private green investments to accelerate the transition.
- Ensure a just and inclusive transition, supporting affected industries and workers.

Farm to Fork Strategy

It aims at creating a sustainable food system that is to make food production more environmentally friendly while supporting farmers and promoting public health.

Its main goals include:

AGRICULTURE AND RURAL AREAS ARE CENTRAL TO THE EUROPEAN GREEN DEAL, AND THE CAP 2023-27 WILL BE A KEY TOOL IN REACHING THE AMBITIONS OF THIS POLICY INITIATIVE.

50%

Pesticide Reduction

Reducing pesticide use by 50%, fertilizer use by 20%, and antimicrobial use by 50% by 2030.

25%

Organic Farming

Expanding organic farming to cover 25% of agricultural land.

20%

Fertilizer Reduction

50%

Antimicrobial Reduction

2. Environmental measures of the Common Agricultural Policy (CAP)

2. ENVIRONMENTAL MEASURES OF THE CAP

Environmental Measures of the CAP: Three main groups

A. CONDITIONALITY

Making all direct payments support conditional to the fulfilment of EU environmental rules.



Mandatory

Financial support is withdrawn if farmers do not comply with basic farm practices

B. ECO-SCHEMES (DIRECT PAYMENTS)

Supporting farmers adopting sustainable practices.

C. PAYMENTS FOR AGRICULTURAL PRACTICES BENEFICIAL FOR THE CLIMATE AND THE ENVIRONMENT (RURAL DEVELOPMENT POLICY) 2000

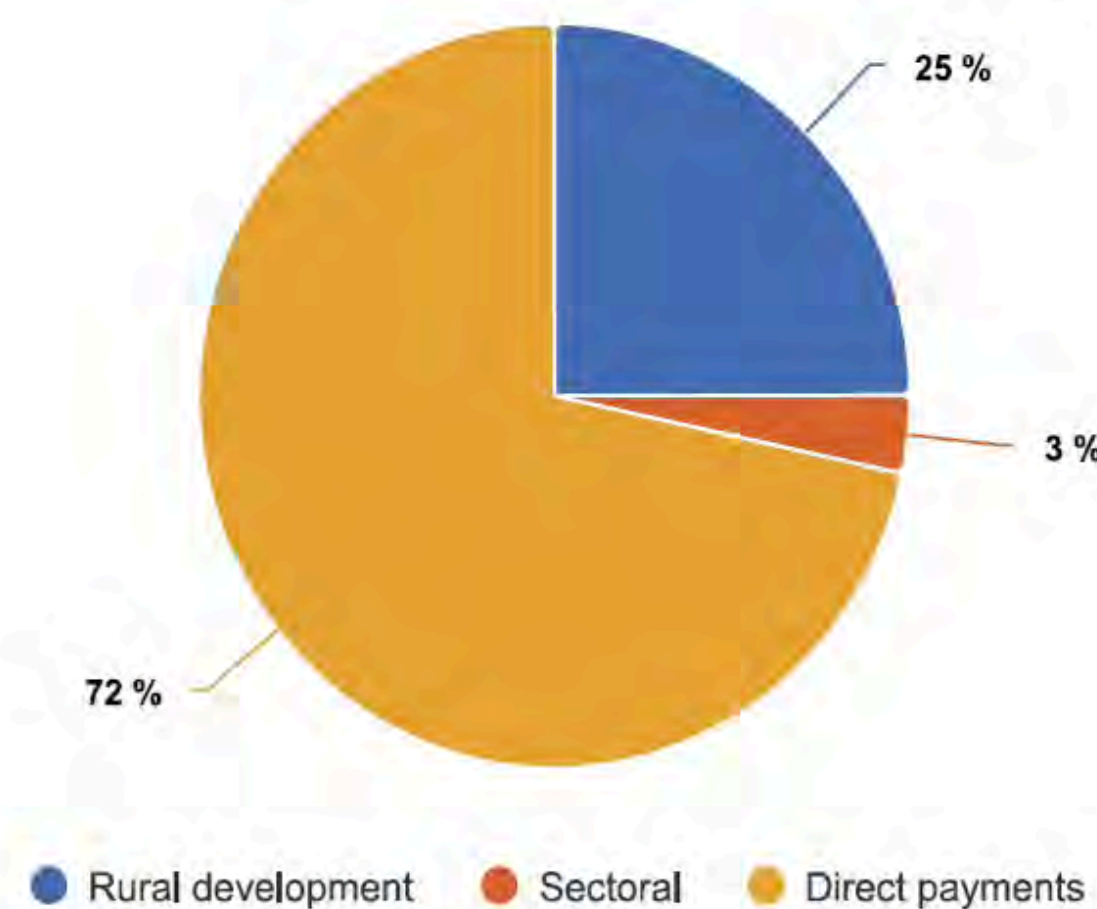
Voluntary

Provide financial support to incentivize the use of sustainable farm practices

2. ENVIRONMENTAL MEASURES OF THE CAP

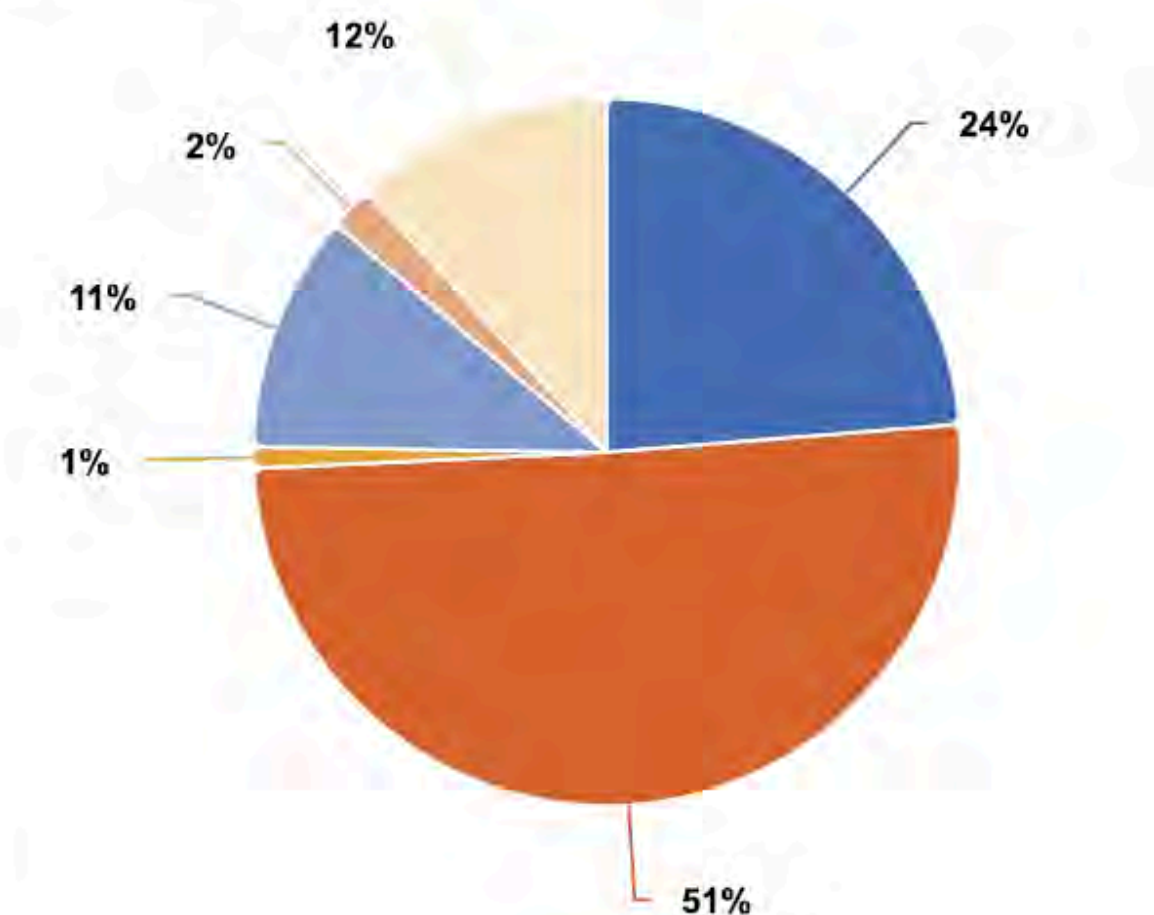
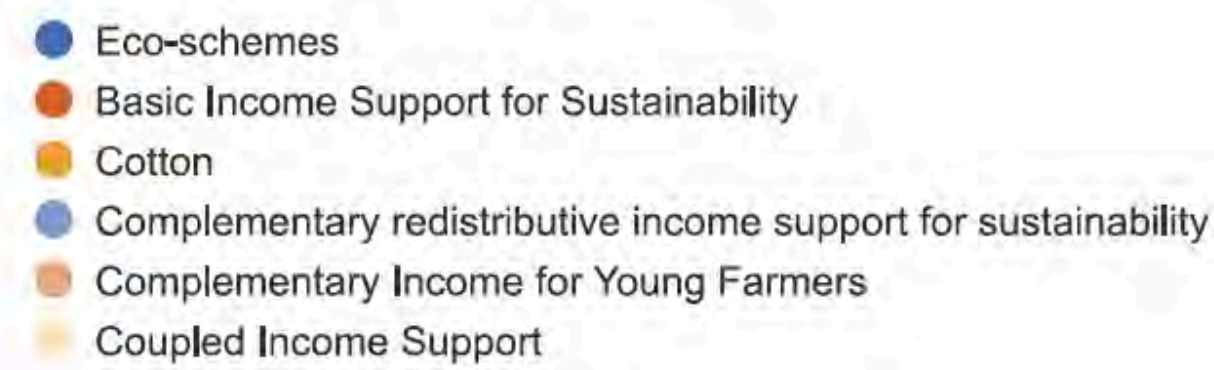
How many resources are devoted to The Environmental Measures of the CAP?

Planned financial allocations under the CAP Strategic Plans 2023-27
(in EUR billion)



Source: European Commission

Planned financial allocations for Direct Payments (EAGF)
CAP Strategic Plans 2023-27



Source: European Commission

2. ENVIRONMENTAL MEASURES OF THE CAP

How are the environmental measures managed by the competent authorities?

Subsidiarity principle

EU Level

Setting general rules and guidelines.

Member State Level

Adapting and implementing EU rules.

Regional (sub-national) Level

Local adaptation and implementation.



How are the environmental measures managed by the competent authorities?

A. Conditionality

EU levels
+ adaptation at the
Member State level

B. Eco-schemes

General rules at the EU
level
+ adaptation at the
Member State level

C. Payments within the Rural Development policies

Rules at the EU level
+ strategic plans at the
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+ adaptation at the regional
level (in some Member
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**Description of each of
these three groups of
measures**

(separately)

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A

Conditionality

Farmers who do not respect
EU rules see the CAP
support reduced

Conditionality standards apply to
all farmers receiving EU support
and include two kinds of
requirements:

- a.** Statutory management
requirements (SMRs)
- b.** Good agricultural and
environmental conditions (GAECs)

2. ENVIRONMENTAL MEASURES OF THE CAP - CONDITIONALITY

a. Statutory Management Requirements (SMRs)

Public, Animal, and Plant Health

SMRs encompass EU rules related to food safety, animal welfare, and plant protection, including regulations on hormones, pesticides, and food law

Animal Welfare

Directives on animal welfare cover the protection of calves, pigs, and other farm animals, ensuring humane treatment and conditions

Environment

SMRs include directives on water policy, nitrate use, and the conservation of wild birds and natural habitats

2. ENVIRONMENTAL MEASURES OF THE CAP - CONDITIONALITY

a. Statutory Management Requirements (SMRs)

Public, Animal, and Plant Health

- General food law (Regulation (EU) No 178/2002)
- Directive on the use of hormones (Council Directive 96/22/EC)
- Regulation on plant protection products (Regulation (EC) No 1107/2009)
- Directive to achieve a sustainable use of pesticides (Directive 2009/128/EC)

Animal welfare

- Directives on the protection of calves, pigs and animals kept for farming purposes (Council Directive 2008/119/EC, Council Directive 2008/120/EC, Council Directive 98/58/EC)

Environment

- Directive establishing a framework for Community action in the field of water policy (Directive 2000/60/EC)
- Directive on the use of nitrates (Council Directive 91/676/EEC)
- Directive on the conservation of wild birds (Directive 2009/147/EC)
- Directive on the conservation of natural habitats and of wild fauna and flora (Council Directive 92/43/EEC)

2. ENVIRONMENTAL MEASURES OF THE CAP - CONDITIONALITY

Example:

Directive 2000/60/EC: Water Framework Directive (WFD)

It establishes a framework for the protection of inland surface waters, transitional waters, coastal waters, and groundwater.

Goals

- Aim for all water bodies to reach 'good ecological' and 'good chemical status' by 2015 (extended to 2027 for some areas).
- Promotes sustainable water usage and protection of water ecosystems.
- Enhances biodiversity, protects aquatic ecosystems, and ensures a sustainable supply of clean water across Europe.

Key Features

- Integrated Water Management: Promotes a holistic approach to water resources management.
- River Basin Management: Requires member states to develop river basin management plans.
- Water Quality Standards: Sets environmental quality standards for various water bodies.
- Public Participation: Encourages stakeholder involvement in water management processes.

Directive 2000/60/EC: Water Framework Directive

Compliance measures for farmers

Nutrient Management

- Implement practices to manage the application of fertilizers and manure to minimize runoff into water bodies.
- Follow nutrient management plans that optimize the use of nutrients while reducing pollution.

Soil Conservation

- Adopt soil management practices that prevent erosion and promote soil health, thereby reducing sediment runoff into waterways.

Buffer Zones

- Establish vegetated buffer strips along water bodies to filter pollutants and provide habitat for wildlife.

Water Use Efficiency

- Implement water-saving irrigation techniques and practices to minimize water withdrawal from local sources.

Monitoring and Reporting

- Participate in monitoring programs to assess water quality and the impact of agricultural practices on local water bodies.

Collaboration

- Engage in local and regional river basin management planning processes, working with authorities and stakeholders to develop and implement management plans.

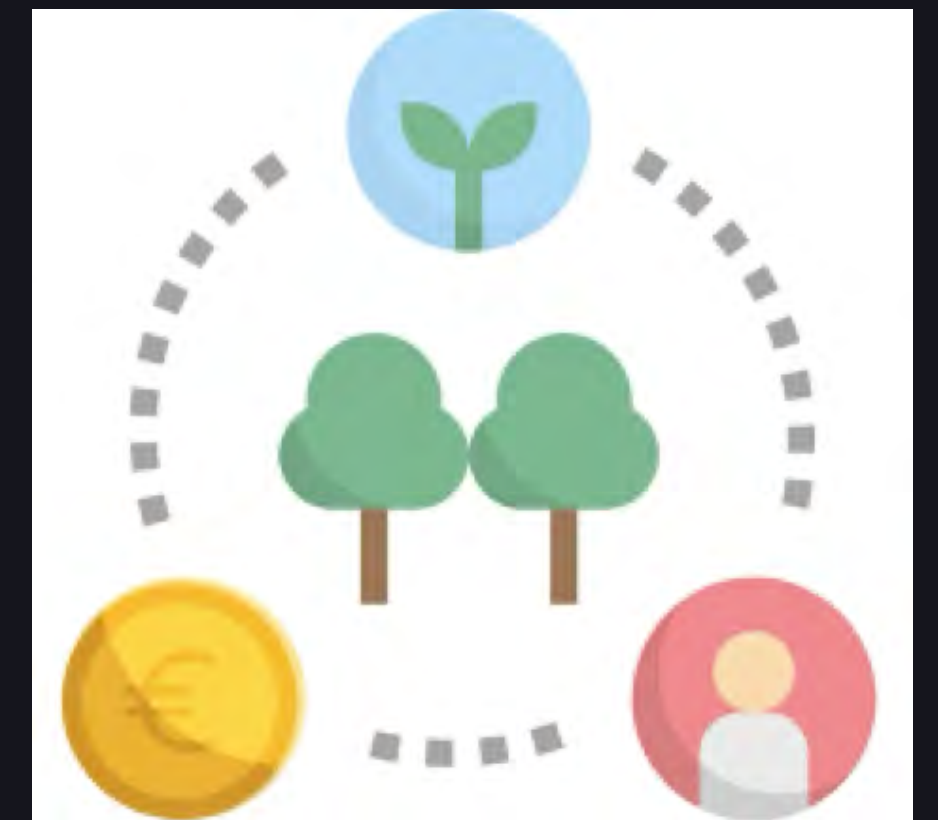
Adoption of Best Practices

- Follow guidelines and best practices set out in action programs developed for Nitrate Vulnerable Zones (NVZs) if applicable.

2. ENVIRONMENTAL MEASURES OF THE CAP - CONDITIONALITY

b. Good Agricultural and Environmental Conditions (GAECs)

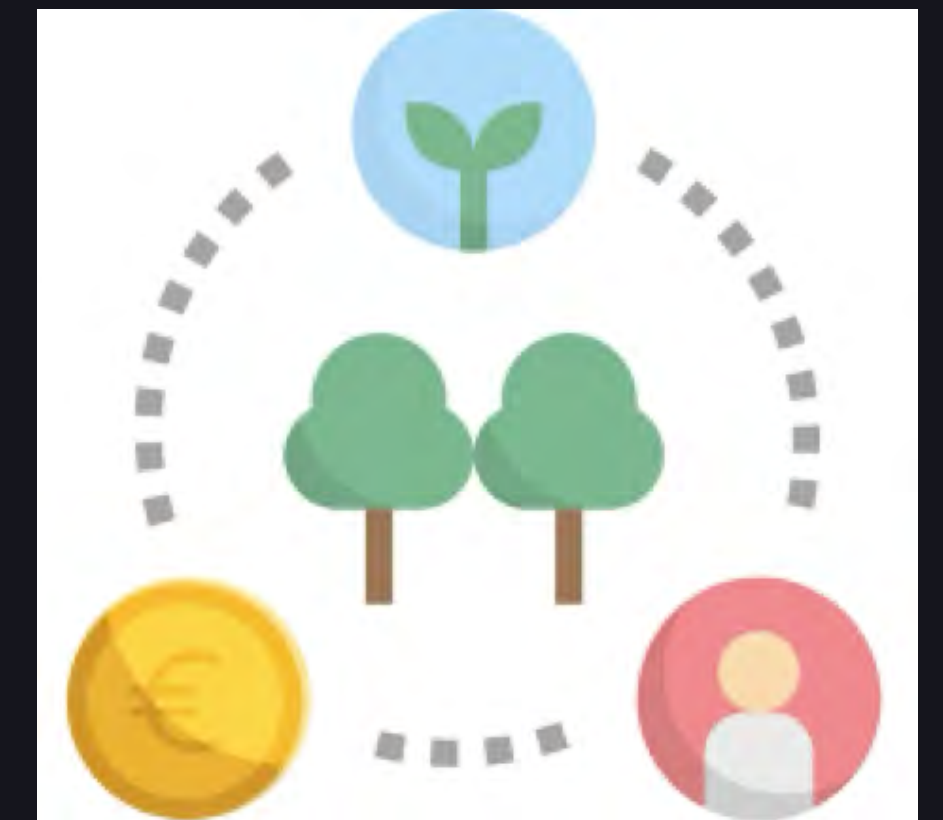
- Maintain a certain share of permanent grassland (GAEC 1);
- Protect wetlands and peatlands (GAEC 2);
- Maintain soil organic matter and structure (GAEC 3);
- Protect water from pollution (GAEC 4);
- Prevent soil erosion (GAEC 5);
- Protect soil by defining rules for minimum soil cover (GAEC 6);
- Preserve the soil potential through crop rotation (GAEC 7);
- Maintain non-productive areas and landscape features (GAEC 8);
- Protect environmentally-sensitive permanent grasslands in Natura 2000 sites (GAEC 9).



02.

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- Preserve the soil potential through crop rotation (GAEC 7);
- Maintain non-productive areas and landscape features (GAEC 8);
- Protect environmentally-sensitive permanent grasslands in Natura 2000 sites (GAEC 9).



2. ENVIRONMENTAL MEASURES OF THE CAP - CONDITIONALITY

Example:

GAEC 6 - Protect soil by defining rules for minimum soil cover

To prevent erosion, nutrient leakage and reduction of organic matter in the soil, GAEC 6 prescribes vegetal soil cover for a minimum period of 60 consecutive days from 15 September to 15 May.

Beneficiaries of policy support are obliged to implement at least one of the following practices:

- maintain the vegetal cover, natural (spontaneous grassing) or sown
- leave the residues of the previous crop in the field (e.g. stubble, corn stalks, sunflower, sorghum)

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B

Eco-Schemes: Rewarding Green Practices

Eco-schemes provide farmers with specific direct payments if they adopt or maintain farming practices that contribute to EU environmental and climate goals.

The EU rewards farmers for preserving natural resources and providing public goods, which benefit the public but are not reflected in market prices.



2. ENVIRONMENTAL MEASURES OF THE CAP - CONDITIONALITY

Example: Eco-Schemes in Italy

- 1 Payment for reducing antimicrobial resistance and animal welfare, with two levels of commitment.
- 2 Weeding of tree crops, eligible for all areas occupied by permanent crops and other tree species.
- 3 Safeguarding olive trees of particular landscape value, with specific commitments to pruning and residue management.
- 4+5 Extensive fodder systems and specific measures for pollinators, promoting sustainable agricultural practices.



Unitary Amounts of Support of the Eco-Schemes. Is it big enough?

The effectiveness of these eco-schemes hinges on the adequate financial support provided to farmers.

Are the unitary amounts of support sufficient to encourage widespread adoption of these practices and contribute significantly to broader environmental goals?



Unitary amounts paid in 2024 in Italy.			
Eco-scheme:	Min		Max
1 – Reduction of antimicrobial resistance and animal welfare (around 41% of the budget)			
	17,00 Euro/LU	Pigs	110,00 Euro/LU Suckler cows
2 - Weeding of tree crops (around 18% of the budget).			
	135,87 Euro/ha		163,03 Euro/ha In target areas
3 – Safeguarding olive trees of particular landscape value (around 17% of the budget):			
	249,45 Euro/ha		299,33 Euro/ha In target areas
4 – Extensive fodder systems.			
	52,12 Euro/ha		62,54 Euro/ha In target areas
5 – Specific measures for pollinators (both on herbaceous and tree crops)			
	250,30 Euro/ha		790,80 Euro/ha In target areas

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C

Rural Development Measures

Are not only aimed at
environment and
climate issues

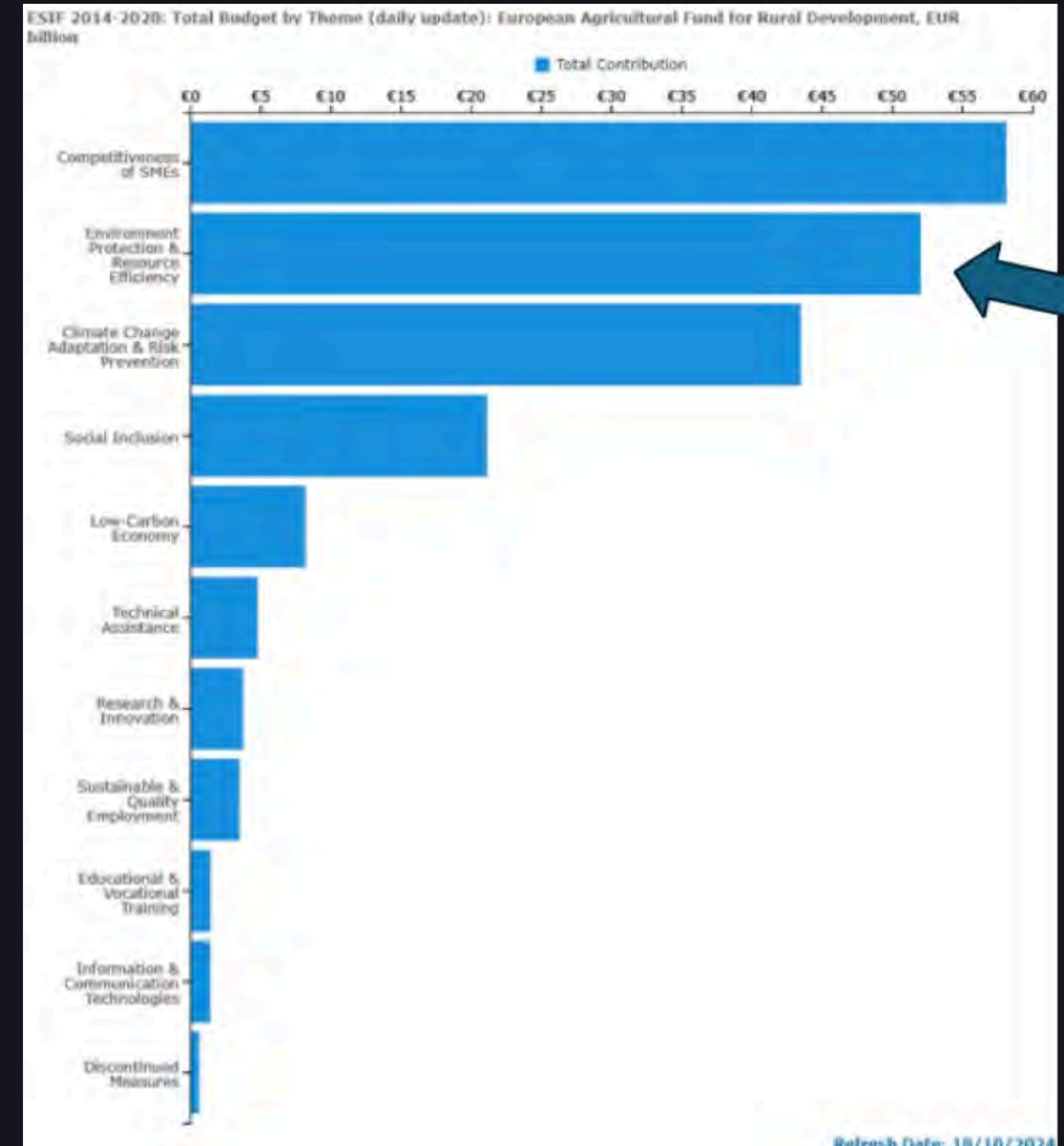


2. ENVIRONMENTAL MEASURES OF THE CAP

Rural development measures support a wide range of areas vital for rural communities.

Eight broad policy measures aim to foster sustainable development, boost the rural economy, and improve the quality of life in rural areas:

- Environmental, climate, and other management commitments
- Natural or other area-specific constraints
- Area-specific disadvantages
- Investments
- Young farmers and rural business start-up
- Risk management tools
- Cooperation
- Knowledge exchange and information



Rural Development Environmental Measures: two main groups

1. Agri-Environment-Climate Operations

16.2% of the RD FP 2014-2022

Annual payments for agri-environment-climate commitments and conservation of genetic resources in agriculture (code: 10.1 & 10.2)

2. Organic Farming

8.3% of the RD FP 2014-2022

Payments for converting to and maintaining organic farming practices and methods (code: 11.1 & 11.2).

**+ complementary/indirect
measures**

1. Agri-environment-climate Operations

Types of planned operations:

10.1.1 Grass cover for arboreal systems (100 Euro/ha)

10.1.2 Adoption of annual cover crops on arable land (150 Euro/ha cum.)

10.1.3 Conversion of arable land into meadows, meadow-pastures, and pastures (300 Euro/ha)

10.1.4 Preservation of soil organic matter (200-250 Euro/ha)

10.1.5 Conservation agriculture techniques (180-300 Euro/ha)

10.1.7 Crops for wildlife (210 Euro/ha)

10.1.8 On-farm, in situ or ex situ conservation of plant agrobiodiversity (600-900 Euro/ha)

10.1.9 On-farm, in situ or ex situ conservation of animal agrobiodiversity (200 Euro/LU)

10.2.1, 2 and 3. Support for the conservation of plant and animal genetic resources in agriculture, through ex situ collections, of plant and animal genetic resources in the field (100% of eligible costs)

1. Agri-environment-climate Operations: Specific Examples

Grass cover for arboreal systems

Support of 100 Euro/ha for maintaining grass cover in areas with trees.

Conversion of arable land into meadows, meadow-pastures, and pastures

Support of 300 Euro/ha for converting arable land to permanent grazing areas.

Adoption of annual cover crops on arable land

Support of 150 Euro/ha for implementing cover crops on arable land.

Preservation of soil organic matter

Support of 200-250 Euro/ha for implementing practices that improve soil health.

2. Support to Organic Farming (Regulation UE 2018/848)

Maintenance of Organic Farming practices
Around 20% lower



MAX LEVELS OF UNITARY SUPPORT FOR INTRODUCING ORGANIC FARMING (TARGET LEVELS IN LAZIO REGION, ITALY)

Organic Certification: who bears the cost of certification?

✓ Cost on Farmers

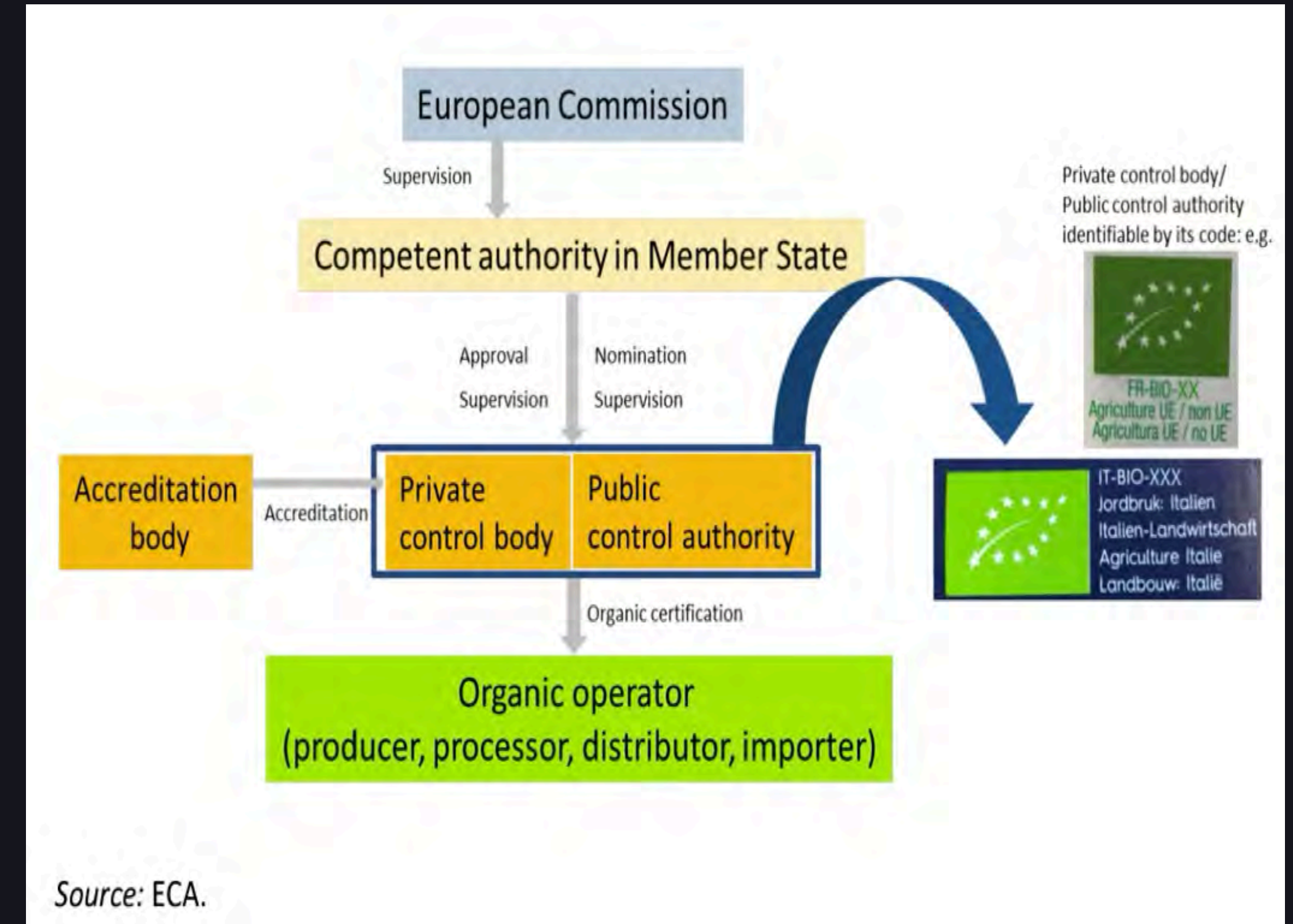
Room for improvements:

Remote Monitoring

Remote monitoring systems offer real-time data and control, improving farm management and efficiency.

Limited ICT Use

The use of ICT in organic certification is currently limited, and there are variations across member states. Large differences between MS.



2. ENVIRONMENTAL MEASURES OF THE CAP

Complementary Actions of the Rural Development Policy related to green practices

On-Farm Investments

Support for investments in sustainable farming practices and technologies.

Farmer Training

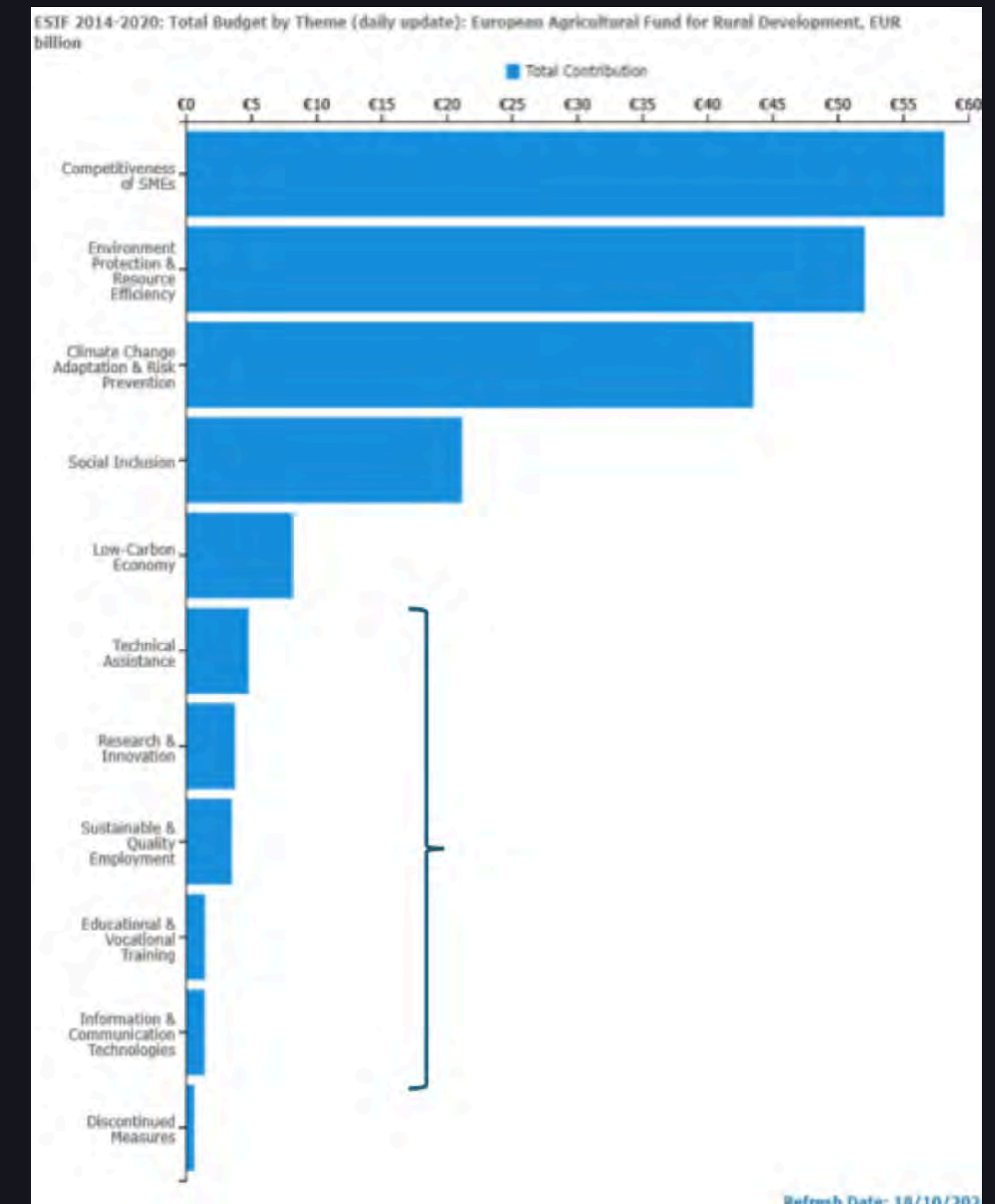
Providing training and education for farmers on sustainable farming methods.

Farm Advisory Services

Support for expert advice on sustainable practices, including digital agriculture.

Knowledge Exchange and Information

Facilitating information sharing and collaboration among farmers.



3. Conclusions

- Is the current basket of measures adequate to reach the environmental goals?
- Are EU farmers happy about the environmental measures of the CAP?
- What should be done to improve this set of policy measures?

Is the current basket of measures adequate to reach the environmental goals?

All these measures are not explicitly linked to the extent of generated environmental benefits

Amount of support:

- Not distributed among countries or regions according to the extent of the environmental problems
- Unitary amount of support is only related to the costs farmers face to fulfil the obligation



ENVIRONMENTAL OBJECTIVES
VS
INCOME SUPPORT OBJECTIVES

Are EU farmers happy about the environmental measures of the CAP?

Pros and Cons



CONS

European farmers are concern about:

- Complexity
 - > need for advisories/certification
 - > direct and indirect costs
- Subject to controls:
Integrated Administration and Control System (IACS).
- Reduction of competitiveness

Are EU farmers happy about the environmental measures of the CAP?

Pros and Cons



PROS

Short and long-term benefits:

- A large amount of policy support: is voluntary in nature, only farms obtaining economic benefits do participate

Increasing farm income:

- A way to get policy support from environmentalists
-> Ensuring the political will to support farmers also in the long run (legitimacy)

Farmer Protests (since Dec. 2023)

Driven mostly by:

Economic Pressures

Falling farm incomes due to increased factor costs and negative evolution of prices.

Environmental Regulations

The EU Farm to Fork strategy emphasizes sustainable agriculture and aims to cut pesticide use, increase organic farming, and reduce environmental impacts.

Farmers are protesting against the perceived burdens and impracticality of these regulations.



What should be done to improve this
set of policy measures?

Reducing complexity, bureaucracy
and cutting red tape.

To increase the impact on
farm income.

Bureaucracy

A large amount of
bureaucracy is involved
in the CAP, leading to
significant policy
transaction costs.

Income Transfer Efficiency

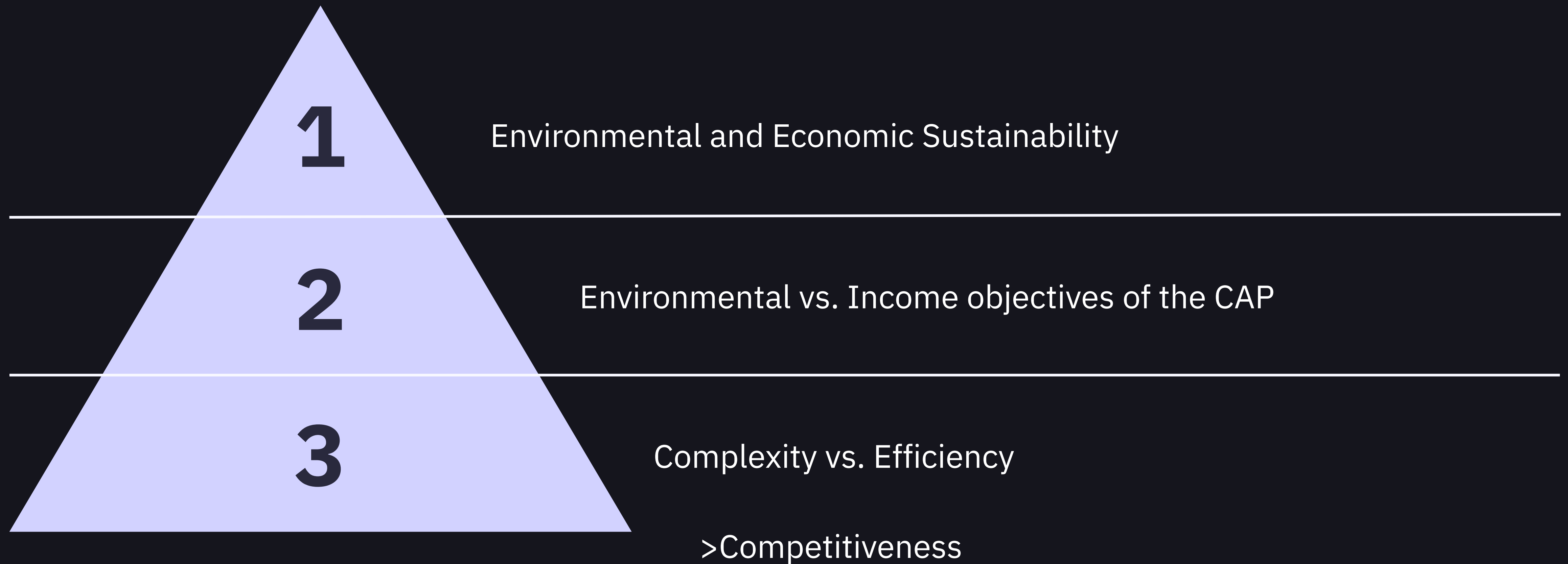
The income transfer
efficiency of the CAP is
limited: what proportion of
the support actually
increases farmers'
incomes?

Simplification

Simplification of the CAP is
needed to reduce
bureaucracy and increase
efficiency.



To conclude.
How to strike a balance between



To conclude.

How to strike a balance between

Policy objectives and measures need to be simplified to reduce red tape.

Ensuring access to training, affordable advisory services, and smart/digital technologies

Farmers need to understand that pursuing environmental goals is key, not only for society as a whole, but also for ensuring a relevant amount of support also in the future.

Thank you for
your kind
attention