Rural development policy implementation - enhancing the multifunctional role of agriculture
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Starting point
The objectives of the new rural development policy

- Fostering the competitiveness of agriculture
- Ensuring the sustainable management of natural resources and climate action
- Achieving a balanced territorial development of rural economies and communities

Three pillars to support the multifunctional role of the European farming sector
Challenges for farmers and agri-cooperatives under the new RDP

- 2015 not a transition year, but due to late approval of the programmes new commitments to start only late 2015
- New definitions for this programming period: active farmers, young farmers, group of farmers and new rules (e.g. AECM, cooperation and ANC)
- Budgetary constrains for member states and regions – affects the co-financing possibility and the support level
- Climate change part of the 30% earmarking of the budget for environment
- Generational renewal – farmers average age in the EU
Opportunities for farmers and cooperatives in the new RDP

- Knowledge transfer – a **more practical approach** demonstration activities, farm management exchange and farm visits

- **New toolkit for risk management** – support farmers that are expose to increasing economic and environmental risks

- Setting up of **producers** groups and **organisations** – **not restricted** to specific agricultural sectors

- **Start-up aid and investment support** for development of non-agricultural activities at the farm level
Opportunities for farmers and cooperatives in the new RDP

- Operational groups under EIPs – **working with various actors along the value chain** and bringing research close to practice
- Focus on resource efficiency – **energy and nutrient use efficiency**, precision farming
- Support and **promotion of local products and services** ex. on-farm sales, nature and agro-tourism
- Bioeconomy and circular economy – **a better use of by- and co-products**
What are the driving forces for farmers in the implementation of the measures?

- Measures and commitments adapted to their needs to improve competitiveness without increasing the administrative burden

- Access to information through:
  training and advice about new technologies, management practices, marketing, new communication tools

- Bring innovation into practice:
  - to foster sustainable intensification
  - to promote improvements in production practices and products
Enhance the multifunctional role of agriculture through investments

Investment measure:

- 23% of the budget at EU level allocated to this measure

- Impact on reducing the direct cost of production and making labour more productive

- Increase the competitiveness and sustainability of the farming sector through less environmental harmful equipment and use of more performing technologies

- Opportunity for collective investments and commitments to improve infrastructure
Enhance the multifunctional role of agriculture through investments

**Investment measure: some examples**

- Investment in equipment, technologies or processes to reduce waste and to develop new or higher quality products – England

- Investments aimed at processing and utilisation of renewable sources of energy – Slovakia

- Investments in livestock farms on efficient technologies for reducing pollution and compliance with the standards – Romania

- Creation and modernization of local collecting networks, reception, storage conditions and packing capacities – Belgium
Enhance the multifunctional role of agriculture through more cooperation and innovation

Cooperation measure and EIP:

- **2%** of the budget at EU level allocated to this measure
- New opportunity to increase farmers’ income
  - using farming to deliver various benefits to society
  - diversification of farming activities into social functions
- Offers the opportunity to the farming sector to get involved in projects and work together with a broad range of experts to foster innovation in the agriculture sector
- Operational groups – support to be set up
Enhance the multifunctional role of agriculture through more cooperation and innovation

**Cooperation measure and EIP:**

”Innovation is an idea put in practice with success”

Some relevant actions included in the RD programme

- Development of new products, practices, processes
- Rural tourism
- Short supply chains and local markets
- Diversification of farming activities
Enhance the multifunctional role of agriculture through agri-environment-climate measures?

Agri-environment-climate measure

- **16.8%** of the budget at EU level allocated to this measure e.g. 7% in Latvia, 69% in England
- The only mandatory measure to be programmed, contributes to minimum 30% expenditure for environment
- An important measure for farmers to enhance their contribution to a more sustainable use of natural resources on voluntary basis
  - Commitments of 5-7 years to enhance biodiversity, improve water and soil management, fostering carbon sequestration, genetic conservation
  - Opportunity for collective commitments
Enhance the multifunctional role of agriculture through agri-environment-climate measures?

Agri-environment-climate – some examples

- Water quality (reduce nutrient leaching from arable land), genetic conservation (brown beans, local breeds threatened to be extinct – in Sweden)
- Farm land management scheme – in Wales
- Protection and maintenance of endangered livestock breeds, integrated production in orchards and in vineyards – in Slovakia
- Result-based payments for biodiversity rich grassland – in Germany
Example from Latvia – Multi-purpose Family Farm «Mežacīruļi»

**Start at 1992...**
- 7 hectares of land
- 3 dairy cows
- 20 sheep
- 6 sows

**Today: multi-purpose farm**
- 300 dairy cows
- 700 hectares of land
- 0.84 MWel. biogas plant
- 0.5 hectares of greenhouses (lettuces, cucumbers, flowers)
- 30 employees + 10 seasonal employees
Some key elements that are essential for unlocking the opportunities

When implementing the Rural development measures the following points need to be taken into account:

- Impact of rural development measures can be increased by combining them in an efficient way
- A focus to be put on economic viability
- The administrative burden to be further decreased and procedures for application simplified and aligned between measure
Enhancing the multifunctional role of agriculture in rural areas

What this will bring to rural areas?

- More growth, jobs and entrepreneurship in rural areas
- A more competitive and sustainable farming sector
- An efficient and sustainable use of natural resources
- Better territorial balance, both in economic and social terms
- Increased farming households’ income
- A better use of innovations opportunities
THANK YOU FOR YOUR ATTENTION!