

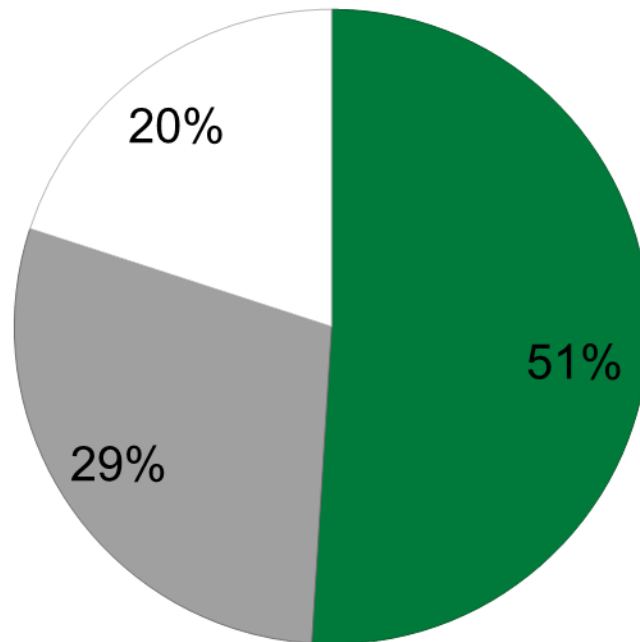
CAP-Reform and Austrian Agriculture

EESC – Meeting of Farmer´s category,
02/10/2013

Gruber Gerfried – Member of EESC

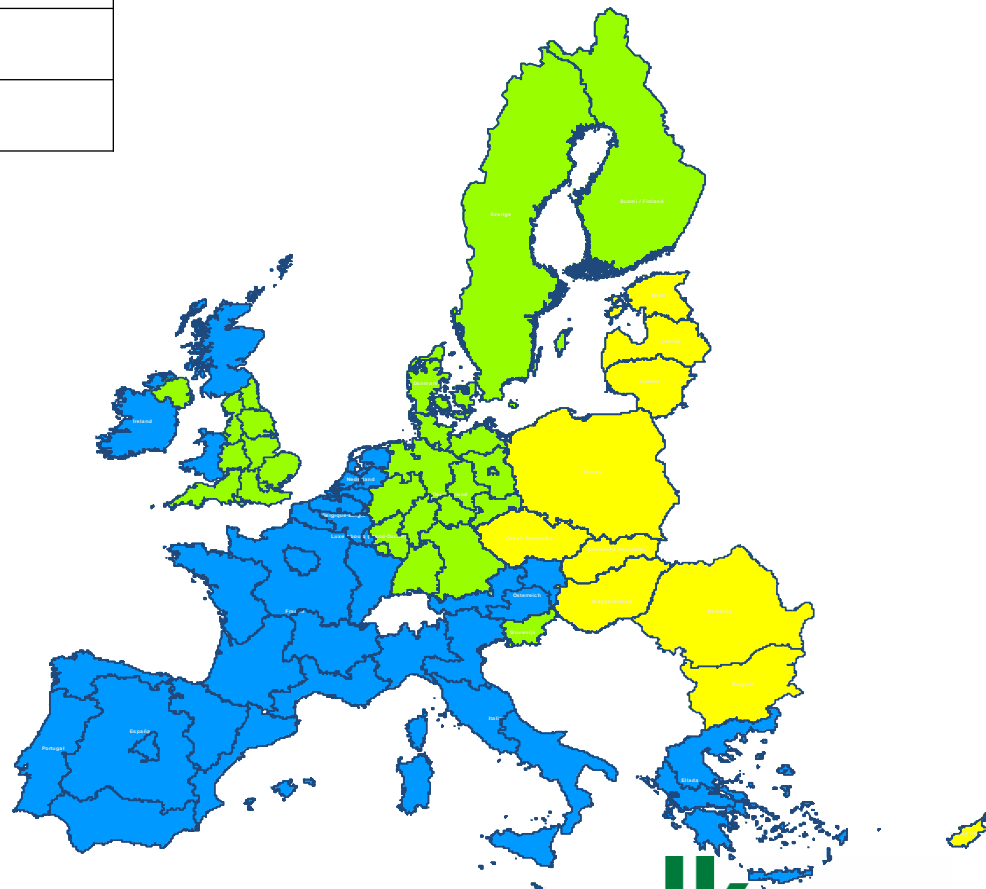
Cultivated Land in Austria

■ arable land ■ intensive grassland □ extensive grassland



System of payment entitlements 07-13

	historical model
	regional / hybrid model
	single payment system



Multiannual Financial Framework 2014-2020

06/2013

Budget Austria (Mio. € / current prices)

MFF	2007-2013	2014-2020	Delta	
			Mio. €	%
1. Pillar – Direct Payments*	5.044	4.850	-194	-3,8
2. Pillar – Rural Development**	4.025	3.942	-83	-2,1
Total	9.069	8.792	-277	-3,1

*including financial discipline in 2014

**average numbers

Source: Austrian Ministry of Agriculture (BMLFUW)

Payment entitlements from 2015

- **Basis for distribution:** ca. € 693 Mio. for claims 2015 (Budgetyear 2016)
- **Dilution of payment entitlements**
 - 2,3 Mio. PE become around 2,6 – 2,7 Mio. PE
(including pomiculture, wine, vegetable gardening, potatoes, extensive areas)
 - Additional redistribution (partly voluntary for MS)
(young & small farmers scheme, flexi between pillars, national reserve, coupling + extensive grassland, higher payment first ha, etc.)

Internal convergence I

1. Regional model

flat rate/ha with/without transitional period

2. Approach model (Ireland)

Modified historical model → convergence towards flat rate 2019

Possible losses at farm level limited to 30% (optional)

Value of payment entitlement min. 60% of nat. Ø (obligatory)

In addition:

Distributive payments for the first ha (optional)

Internal convergence II

Possible model for Austria (under discussion)

- progressive approach towards regional model 10%/15%/25%
- 2 levels of payments
 - arable land and intensive grassland treated equally
 - extensive grassland (common pasture („Hutweide“), mountain meadows)
 - reduction coefficient necessary (0,25)
 - alpine pastures: current number of payment entitlements is basis for the future ones

Greening

around 1,15 Mio. ha out of 1,42 = 80 % of arable land affected

Greening

crop diversification

EFA

permanent grassland

type 1: equivalence of basic AEM measures (obligatory)

- same effect as greening
- relevant esp. for EFA and crop div. on arable land

type 2: basic AEM measures which go beyond greening-scope (obligatory)

- requirements higher than greening
- political decision to reach

type 3: voluntary equivalence

- same effect as greening
- farmers choose between greening basic and AEM basic

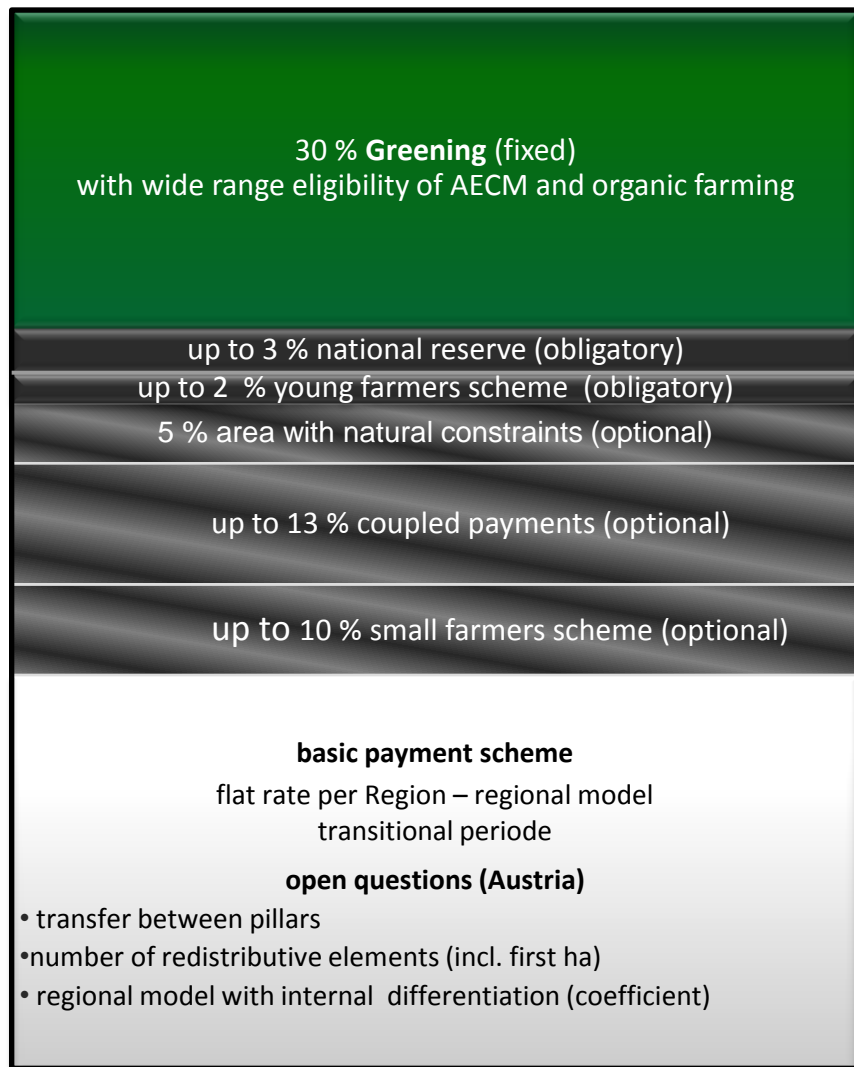
voluntary or obligatory

Other redistributive factors

- **Coupled payments** (if maintained)
 - suckler cow premium
 - milk cow premium
- **Young farmers scheme**
 - obligatory
- **Small farmers scheme**
 - optional for MS, Austria: max. 1.250,- €/farm
- **Cross compliance**
 - no big changes, continuation of current provisions
 - Water Frame Directive to be integrated in GAEC

Assessment of political agreement on the CAP

National envelope 693 Mio. € is earmarked as followed:



remarks:

- CAP does not imply simplification – but the opposite** (for nat. administration)
- national envelope will be shortened from 715 to 693 Mio. €**
- Greening** has effect on RD-measures; mutual influence, more complicated programming



Assessment II

National scope widening, many uncertainties

- transfer between pillars
- model of direct payments - convergence?
- capping/degression or redistribution
- young farmers scheme: to be concretized
- small farmers scheme: yes/no, if yes: which model?
- active farmer: negativ lists will differ between MS
- greening:
 - permanent grassland: regional or at farm level?
 - EFA: which weighting for measures?
 - equivalence (see last point)
- Future of RD-programms, especially of AEM (→ greening)

Thank you for your attention!

