



From
the Earth.
To
the Earth.



Ministry of Agriculture, Nature and
Food Quality

The CAP beyond 2013

The Dutch Outlook

The CAP after 2013 | 22 January 2010



Introduction

1. Facts and figures of Dutch agriculture
2. Objectives for the CAP beyond 2013
3. What does it mean for 2014-2020?



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%

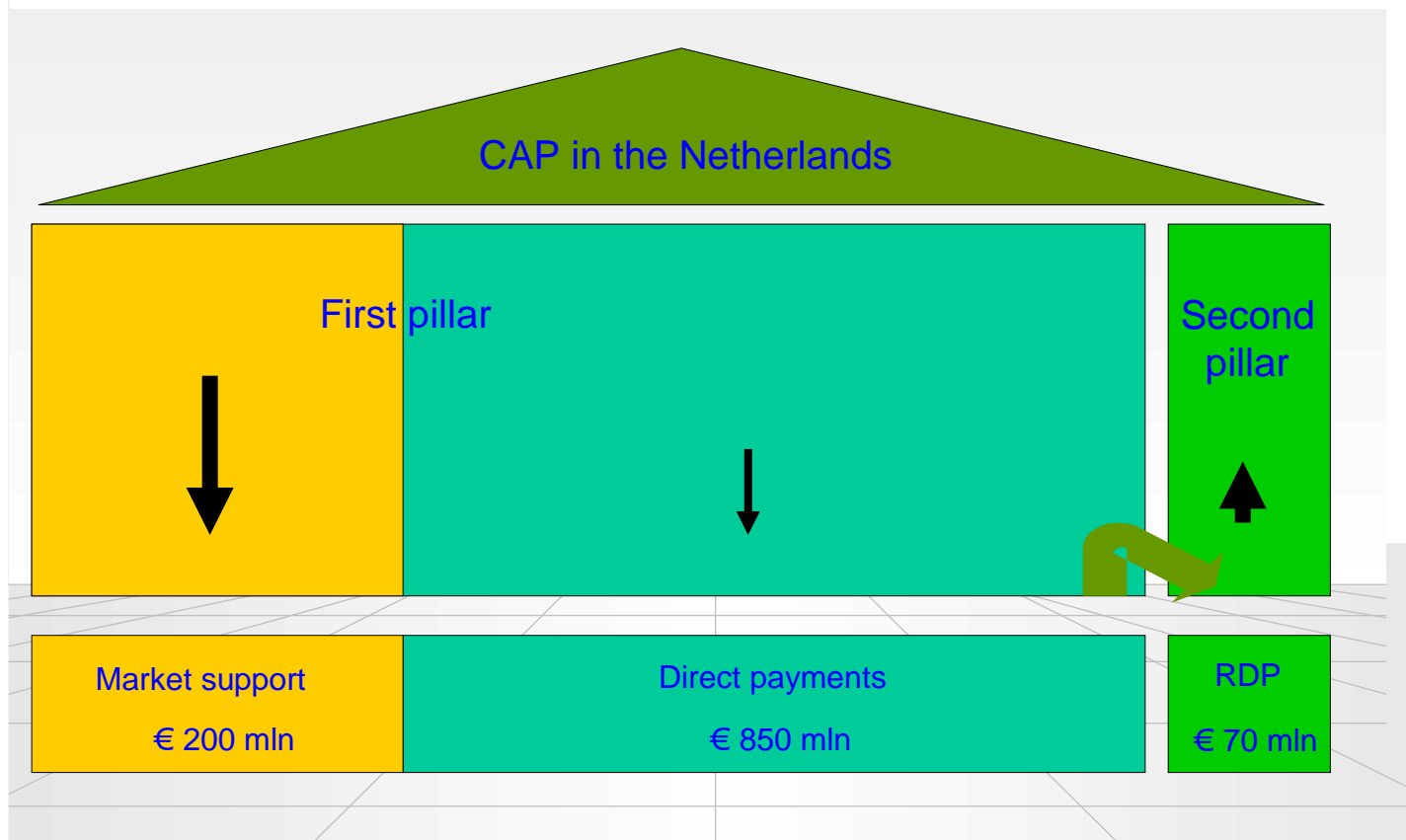


Facts and figures of Dutch agriculture (2)

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%)



CAP in the Netherlands (2008)





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%)



Position of the Dutch Agriculture

- High productivity, intensive production
- Second exporter of agricultural products in the world
- Knowledge intensive and innovative
- Well organized throughout the food chain
- High quality products & value added
- Strong competitive position



2. Objectives for the CAP beyond 2013



Long term focus

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



3. 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 sustainability of agricultural production
 - Further reduction of the existing instruments of market and pricing policy to a proper safety net
 - Sticking to Health Check reconfirmation of abolishing milk quotas in 2015 (including the yearly increase of the milk quota in regard to the soft landing!)
- New justification for direct payments (objective and shape) that are more targeted towards the delivery of public goods (inside or outside valuable areas) and expanded use of article 68
- Focus on policy discussion now and budget discussion later, not the other way round



Thank you for your attention

