



From
the Earth.
To
the Earth.



Ministry of Agriculture, Nature and
Food Quality

The CAP after 2013

The Dutch Outlook

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The CAP after 2013 | July 7 2009



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%

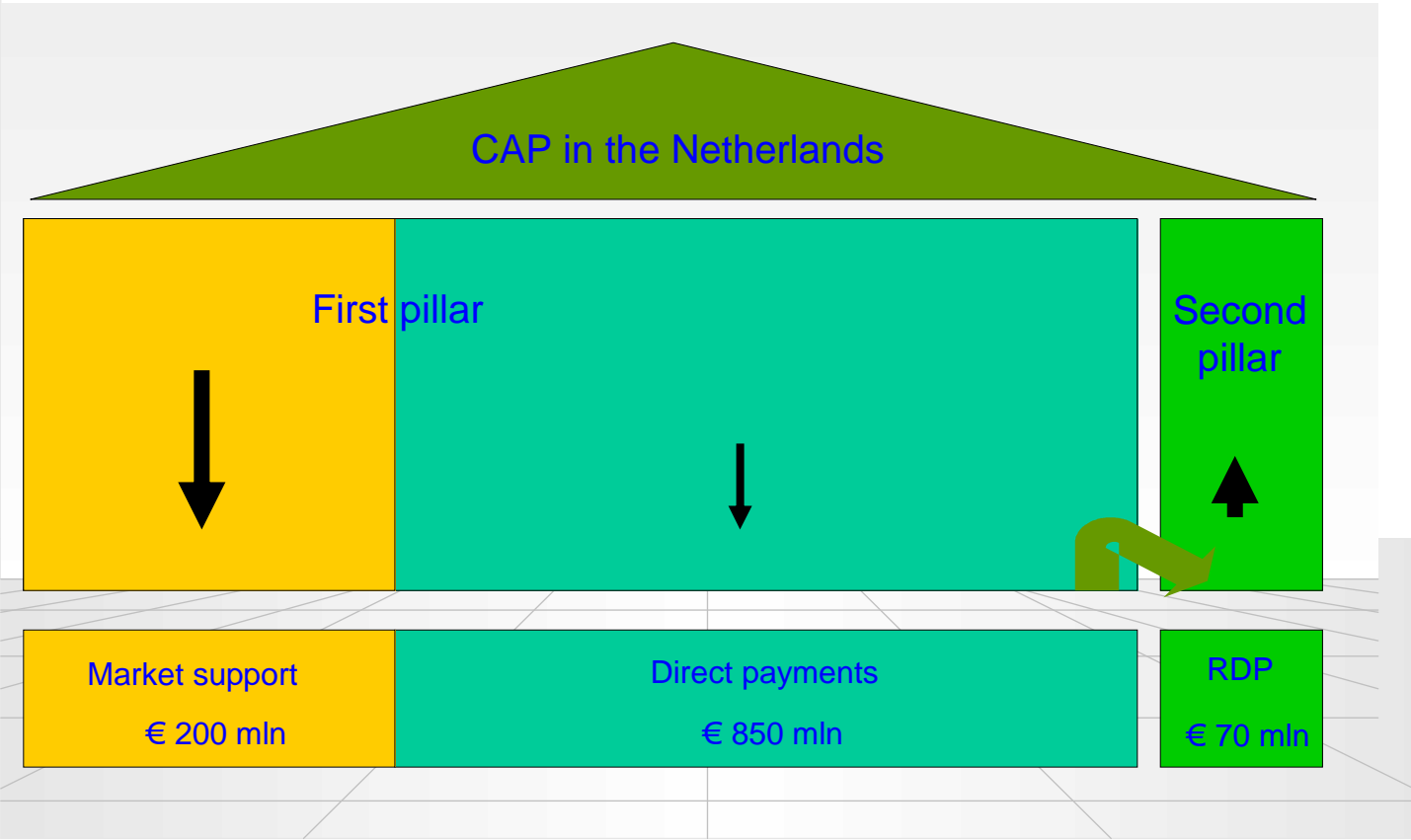


Facts and figures of Dutch agriculture (2)

Agricultural area	2 million ha
CAP budget (2008):	
• Direct payments	850 million EUR
Farmers:	
• Total	75.000
• Receiving direct payments	65.000 (85%)
Number of payment entitlements	1.5 million
Average value	550 EUR



CAP in the Netherlands (2008)





The Dutch Outlook 2020

A governmental outline for an new justification and context for the European agricultural policy up to 2020

It is not a blueprint, but a position paper for the Dutch position in the discussions regarding the

- Health Check (2008)
- Budget Review (2009)
- Financial Perspectives (2014-2020)



Shifting focus

50 Years ago:

- Food security (within Europe)
- Securing foreign currency differences
- Labour scarce/determinant factor → improving labour productivity

• Now:

- Food security, food safety, food quality (Europe and the world)
- Public goods: biodiversity, landscape, environment, animal welfare
- Environment scarce/determinant factor → improving sustainability



Key issues

- EU policies for agriculture and rural development remain necessary
- Agricultural production must be competitive and sustainable
- Agriculture remains the determining factor for the countryside
- Agriculture delivers public goods, that are not rewarded on the market



Long term focus

- Land based agriculture, like other non-supported sectors, 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 not longer be focused on income disparities, but be transformed to targeted payments (for public performance) Targeted payments should be available to all agricultural entrepreneurs
- Level playing field on internal market essential



The values at a closer look

- Must be related to a agricultural activity;
- Highly valued by society;
- Not or not sufficiently rewarded by the market

Qualifying:

- Landscape and nature
- Environment (incl. soil, water and climate)
- Animal welfare
- Animal health



Possible side effects

A market orientated European agriculture is not a problem for large parts of Europe, but - at both ends of the string - policy (through CAP) still is needed to balance competitiveness and sustainability:

- Marginal areas under threat of land abandonment: existing agriculture is essential for land management and conservation of public goods, but is not competitive enough → LFA approach
- In productive areas where the reflex of intensification or large-scale production negatively affects landscape, biodiversity and/or environment: agriculture under restrictions → innovation approach



- continued

Across the board we should improve competitiveness and sustainability of all agricultural entrepreneurs in all regions to prepare EU agriculture for implementation of the Doha Round agreement



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 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 a 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 animal friendly production systems

Risk management

- Creation of a public safety net for
 - Serious market distortions;
 - Crises of climatological, 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



**Further reading and information on the
website of the Ministry of Agriculture,
Nature and Food Quality:**

www.minInv.nl



Thank you for your attention

