

Dan Jørgensen

## Why we need a paradigm shift in the agriculture

- I am going to speak about our agriculture and why we need a paradigm shift in the way we look at agriculture.
- The CAP is not sustainable as it is today. While the environmental problems keep on piling up we continue to support an agricultural sector without putting up demands at the same time.
- We need a paradigm shift in the European agriculture. The CAP today supports intensified agriculture and this has severe consequences for our environment. In the future we need to make sure that public money goes to public goods.
- Our public money should go to restoring and preserving our common water, our environment, the biodiversity, the atmosphere, our nature.

### Overview

- Let's get some facts straight to begin with. The CAP costs about 55 billion euro per year. This represents 40 % of the total EU budget, and a little less than 0,5 % of GDP in the EU.
- 75 % of this money goes to direct payments to the European farmers. 25 % goes to rural development programs. So the vast majority of the CAP is subsidies to farmers.
- This is a huge expense that the European citizens pay to the farmers. Unfortunately they do not get much positive in return. They do get some negative things though.

### The critique

- The direct payments are bad for the environment as they intensify the production and leads to the cultivation of very large areas. This leads to big environmental problems related to increased emissions of nutrition, pesticides as well as soil erosion. In Denmark where I come from more than 60 % of our area is being cultivated and this brings very big challenges to our nature and environment.
- Let me give you some examples of the effects of the agricultural sector on the environment today:
- Farmland plays a key part in providing a habitat for wildlife and bird species.

In 2011 the European Farmland Bird Index, which monitors the farmland birds populations, fell to the lowest level ever recorded.

- Agriculture is a major source of pollution in European waters. Farming is responsible for over 50% of nitrogen in water and is a significant source of phosphates.
- Agriculture is responsible for 9.6 % of greenhouse gas emissions in the EU – 75% of the EU's nitrogen oxide emissions and 49 % of the methane emissions.

### **Pesticides:**

- Pesticides is a big problem in european agriculture.
- Studies from the UK and Germany suggest that the annual costs of pesticides for the environment and health amounts to around 206 and 133 million euros a year.
- 84 % of the european crops rely on insect pollinators In the UK these services are worth around 513 million euro. The cost of replacing these services is estimated to be 1760 million euros.
- One way to reduce the need for pesticides is buy rotating crops. In that way you do not need as many pesticides to kill the pests

### **The farmers themselves have an interest in a paradigm shift**

- Respecting the environment will pay off in the long run - also from an economical point of view. And respecting the environment is the only way to secure long term food security.
- The farmer will not be able to produce efficiently if the soil he needs for his production is eroded. This is what happens many places in Europe today. According to the EU commission the overall costs of soil erosion in Europe is estimated to 38 billion Euros per year.
- If climate change changes the average temperature, floods land which is today used for cultivating crops and accelerates extreme weather conditions it will worsen the economic conditions for the farmers as well.
- And the loss of biodiversity can be very costly for the farmers. One of the species which is threatened by extinction is the honey bee because of the farmers' use of pesticides. Try to imagine what would happen if the honey bee was extinct. It would certainly make the pollination of crops very costly.

## The proposal on the table - let's be concrete

### What to do? And what do I do?

- To sum up: the CAP has many negative consequences. Therefore we need a comprehensive green reform of the CAP in order to make it sustainable. We can do so by making the CAP greener and more sustainable.
- I am rapporteur of the opinion made by the Environment committee in the European Parliament on the Commissions new proposal on the CAP reform. The environment deals with the "green" part of the Commissions proposal.
- I believe that the CAP should be reformed in a comprehensive manner in order to make it more sustainable and green. This is what I will fight for in the upcoming negotiations on the CAP.

### The Commissions proposal

- The Commission has made a new proposal for how to meet these challenges in the years to come. The Commission has proposed what they call a "greening" of the first pillar of the CAP.
- According to the Commissions proposal 30 % of the direct payments will be prioritised for green measures that will be beneficial to the environment and to the climate etc.
- The Commission has proposed three greening measures that the farms should live up to in order to get the full amount of direct payments. Let me just explain and comment on these and how I think they could be more ambitious than the ones proposed by the commission.
- First the first greening element is a requirement for crop diversification. The Commission wants the farmers to have at least 3 crops on land in order to prevent monoculture. I propose however that we replace "diversification" by "rotation". Crop diversification would merely give an incentive for farmers to take out small pieces of their land to plant different crops it will not help the environment. Crop rotation would on the other hand prevent monoculture, improve biodiversity and lower the need for pesticide use.
- Secondly the Commission proposes that the farmers should keep the grassland that they have in 2014 in the future. I support the idea of protecting the amount of permanent grassland in order to make sure that the grassland stays at least at the same level as today. But in order to secure this goal, the baseyear for how much permanent pasture should be kept must be set in the past rather than in

the future. Otherwise it gives the farmers a perverse incentive of ploughing their grassland up in order to avoid fulfilling this requirement.

- Thirdly the Commission proposes to prioritizing 7 % of the farm areas as ecological focus areas (EFA's) that should be left untouched in order to help biodiversity. This is a very helpful element in the Commissions proposal. I however proposes raising the percentage of farmland that should fall under the EFA category from 7 % to 10 %, as several scientific analyses show in order to obtain significant effects from the EFA's at least 10 % of the farmland should be designated.
- I then propose to add a fourth greening element to the package, which is a requirement for soil cover. The farmers will need to make sure that their land is not left bare for more than 5-8 consecutive weeks. This will be an important tool in order to prevent soil erosion and to keep nutrients from polluting the aquatic environment.
- Another crucial discussion in relation to the greening is on the question of modulation. The Commissions proposal implies that modulation should be possible of up to 10 % of the direct payments. I wonder what the reason is for making a ceiling of 10 %? Modulation is voluntary and so there is no good reason why Member States should not be allowed to decide themselves to which extent they would like to modulate funds from Pillar I to Pillar II.
- The points I have raised above is my own opinion on where we need to go in order to make an ambitious reform of the CAP that will help us restoring the environment.