

The Agri-Environmental Programm of Austria: Design/Experience/Outlook



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How can we green the EU Common Agricultural Policy?

Lake Bled / Slovenia, 12 – 14 November 2010

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Agriculture in Austria I



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- **Small** structured, **farm-based** agriculture – linked to **forestry**
- High proportion of **less-favoured areas**
- 60 % **part-time** farmers
- Relatively **low production intensity**
- Production of **high-quality food** / regional food important for consumers
- High proportion of **organic farming**
- **Tourism** as a strategic partner (farm holidays)



Agriculture in Austria II



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- Leading Principle of Policy is **Multifunctionality**
 - **Competitive** and **high quality** food production
 - Maintaining Rural **Landscapes**
 - Protection of **Natural Resources** (Soil, Water, Climate, Biodiversity)

- National Strategy for **Rural Development 2007 – 2013**
 - Competitive agriculture and forestry
 - Improving the environment and maintain the cultural landscapes
 - Diversification of rural economies and improving of the quality of life

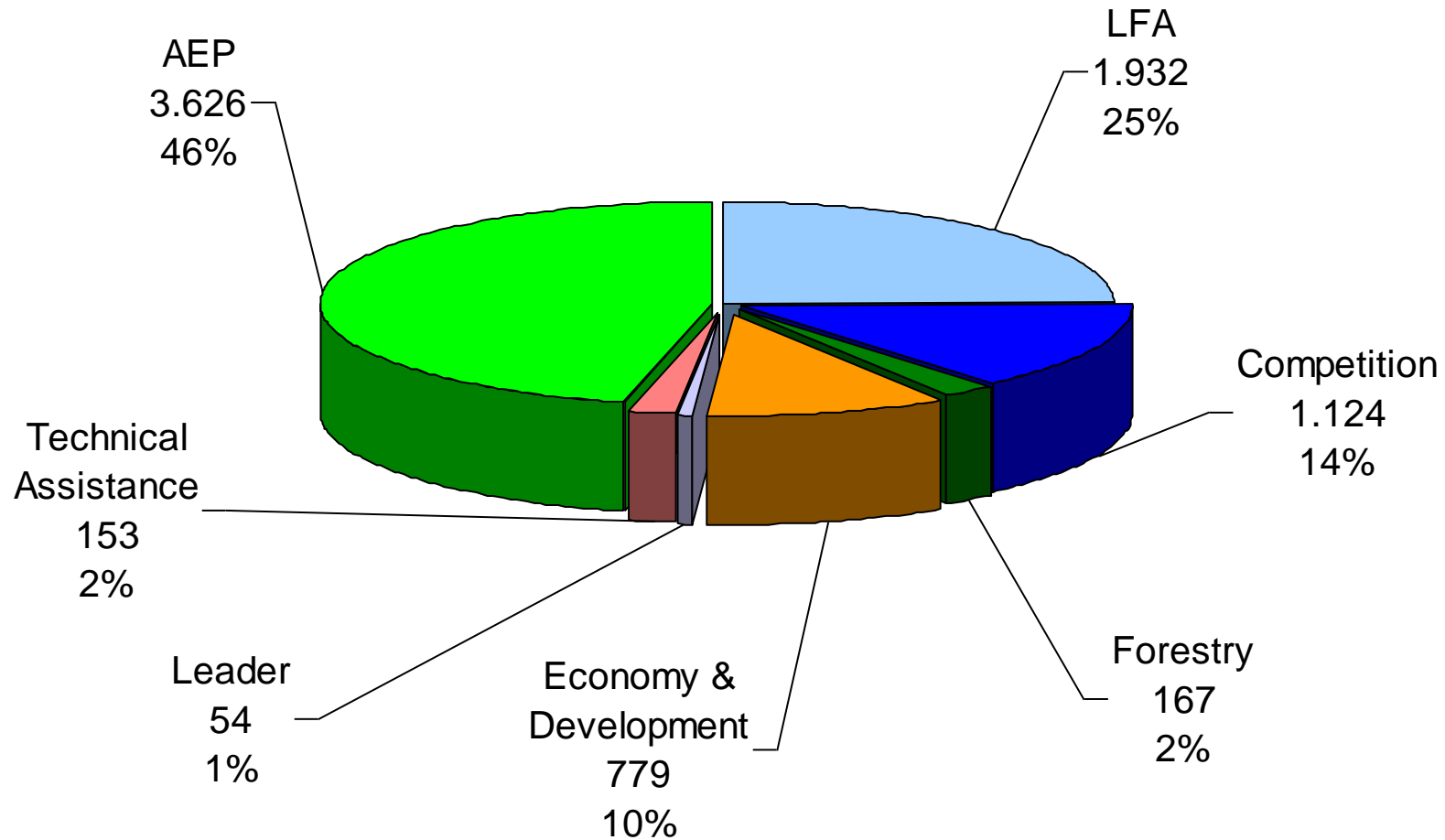


Financial Volume of Programme RD 07-13



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Public Transfers in Mio. EUR, Part in %

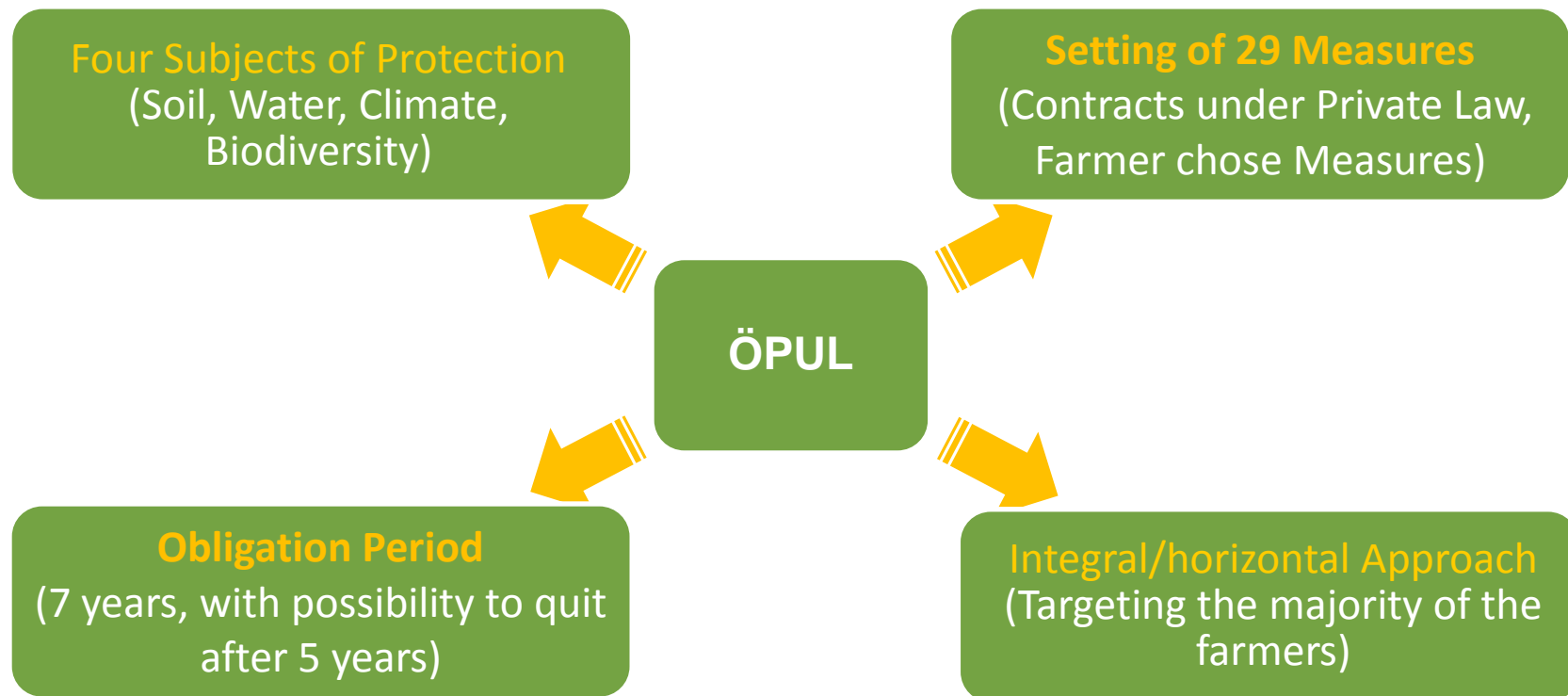


The Agri-Environmental Programme (ÖPUL)



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Austrian programme to promote agricultural production methods compatible with the requirements of environmental protection, extensive production and the maintenance of the countryside.



Facts & Figures (2009)



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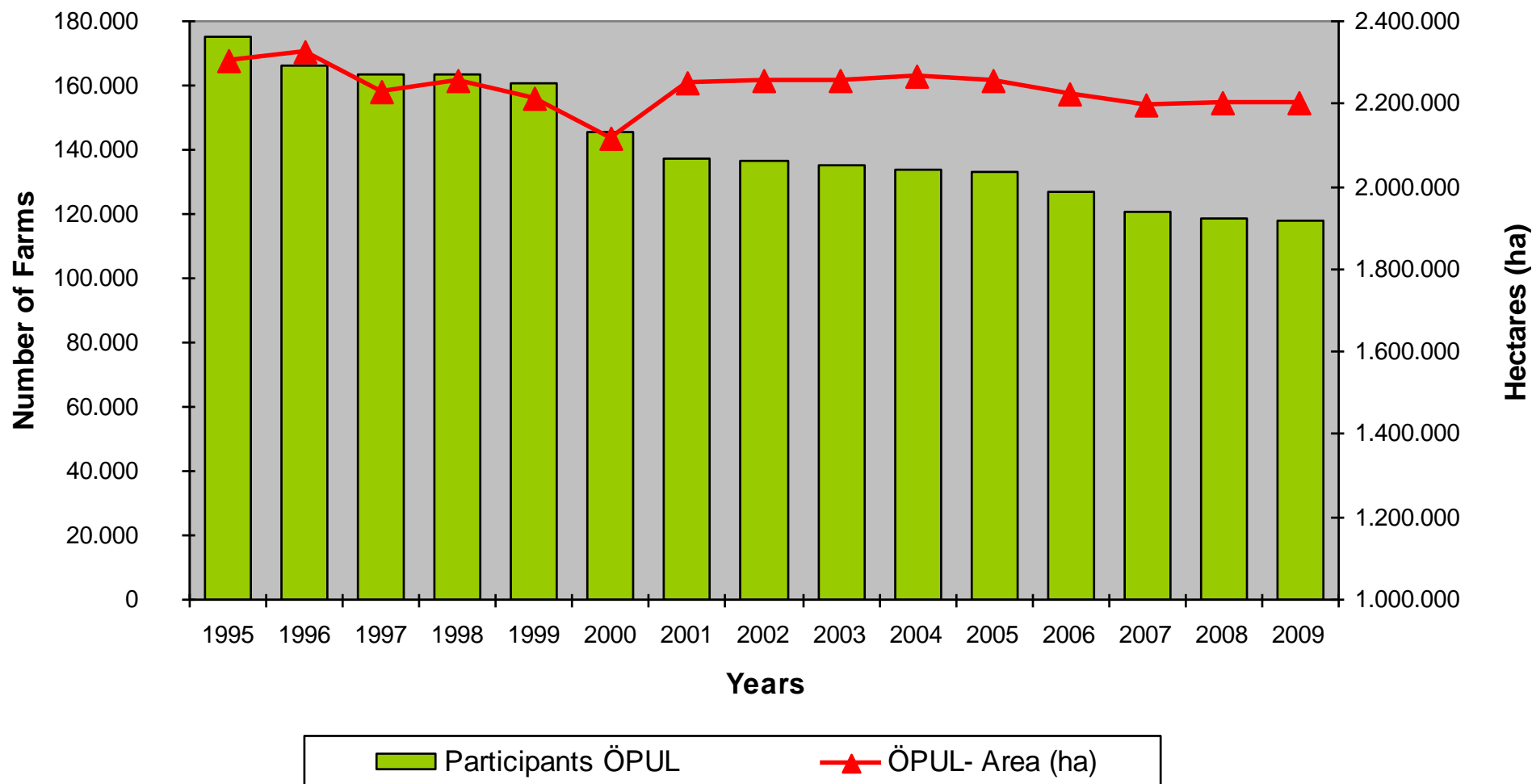
- **Annual Payments:** ca. 550 Mio. EUR
- **Holdings:** ca. 118.000
- **Measures:** ca. 409.000
- **Acceptance:**
 - ca. 75 % of all Agricultural Holdings
 - ca. 2,20 Mio. ha (excl. mountain pastures)
 - ca. 87 % of the agricultural area of Austria



Facts & Figures (2009)



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- **Financing**
 - EU / Republic of Austria / Federal Provinces

- **Institutional Framework**
 - **Ministry of Agriculture** delegates implementation of RD 07-13 to Paying Agency (AMA) by an written order acc. to AMA (PA) law.

 - **AMA (PA)** is obliged to full fill all relevant EU legal provisions such as 1290/2005 etc.
 - PA responsible for operational functioning of implementation.
 - Conclusion of private contracts
 - Various task delegated to other institutions:
 - **Chamber of Agriculture** (application, compilation of contracts)
 - **Conservation Department** of federal provinces (e.g. conservation measure)
 - **Breeding Organizations** (e.g. scarce animal breeds, etc.)



- Premium Calculation

	Calculation
+	Compensation of income losses caused by various requirements (e.g. less milk prod./ha)
+	Additional costs e.g. caused by certain cultivation practices
-	Consideration of additional income (e.g. organic farming)
-	Consideration of fall-away costs (e.g. fertilizer input)
+	Possible consideration of so-called „transaction costs“
=	AEP - Premium

Remarks:

- Prices at EU-Level at specific year
- No Incentive Elements in ÖPUL 2007 (removed after ÖPUL 2000)



- **Applicants**
 - natural persons and legal entities operating a holding
 - Minimum size 2 ha of agricultural area
- **Premium cutbacks according to size of holding**

Farm Size (ha)	% of Payment
up to 100ha	100,0%
from 100ha to 300ha	92,5%
from 300ha to 1.000ha	85,0%
more than 1.000ha	75,0%

Measures in AEP



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Extensive and environmental friendly management on the whole farm or referred to a whole crop group or animal protection

Protection of land-scape and nature protection

Protection of soil, climate and water

Organic farming

Integrated production (IP) of vegetables

Environmental friendly management of arable areas and grassland

Erosion protection for fruit and hops

- Renunciation of yield-increasing inputs on arable areas
- Renunciation of yield-increasing inputs on arable areas dedicated to green forage and on grassland
- Renunciation of fungicides on areas dedicated to cereal cropping
- Environmental friendly management of medicinal and spice plants, alternative crops and seed multiplication
- Integrated production (IP) of arable areas (potatoes, strawberries and beets)

Integrated production (IP) for fruit and hops

Erosion protection in vineyards

Integrated production (IP) in vineyards

Integrated production (IP) in greenhouses

Animal protection measure

Renunciation of silage®

Maintenance of meadow orchards

Mowing of steep areas

Management of mountain meadows

Mountain grazing and herding

Ecopoints®

Rare productive livestock breeds

Rare agricultural cultivated plants

Maintenance and development of valuable areas important from the point of view of nature or water protection ("Conservation Measure")

cover cropping of arable land

Direct seeding and seeding on mulch

Regional project for groundwater protection and for the maintenance of grassland®

Preventive soil and water protection®

Management of arable areas particularly threatened by erosion and leaching®

Underseed under maize

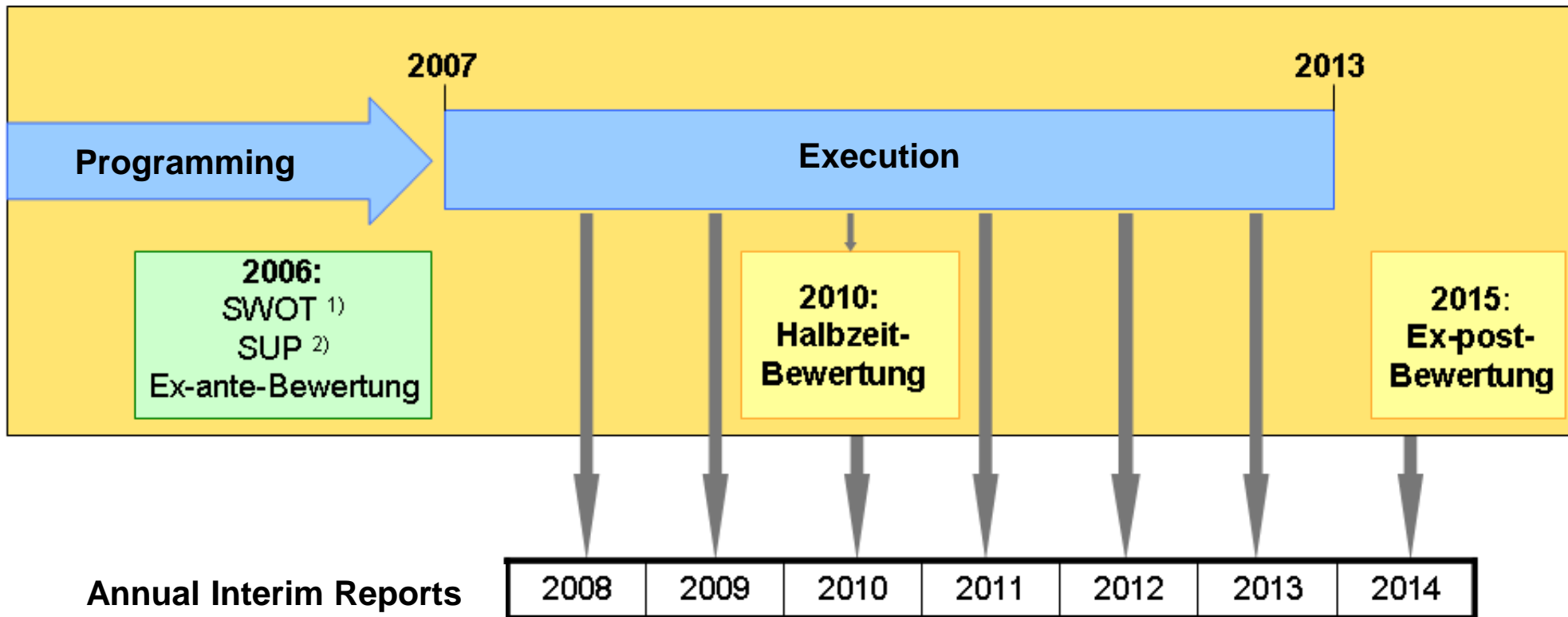
Spreading of liquid farm manure and biogas semi liquid manure with a low level of nitrogen loss

® only in special regions defined in the program

Evaluation I



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- 1) SWOT – Stärken-Schwächenanalyse
- 2) Strategische Umweltprüfung

- Biodiversity

- number of „**Great Bustard**“ (Otis tarda) increased from **60 individuals** in 1995 to **175 individuals** in 2010 (>5.000ha Great Bustard protection area)
- positive impact of **organic farming** shown in various studies (e.g. increase in biodiversity of „field weeds“ from 35 to 80 over the last years; 18 out of 26 **red-list species** found on organic fields, etc.)
- **genetic variability** of scarce farm animals and agricultural crops skyrocket since 1995 (premiums for 113 scarce varieties and 31 animal breeds)

MURBODNER	2004	2005	2006	2007	2008	2009
Number of Animals	1.307	1.598	1.822	2.111	2.394	3.006
Number of Holdings	231	278	280	311	360	468





- Soil & Water

- **humus content** increased over the past years and is – due to AEP - now approximately **0,4% higher than in 1993**
- **soil erosion** has been **reduced up to >85%** in vineyards and orchards (48.000ha), on average soil erosion in Austria has been reduced by **800.000t annually**
- better **fertilizer-management**
 - reduction of N – leaching by 16%
 - Reduction of P-content in soils

%-Distribution of P₂O₅-Content-Classes between 2001-05/2006-09

	A	B	C	D	E
Nordöstl. Flach- und Hügelland	3/5	12/15	60/60	19/15	6/5
Waldviertel (und Mühlviertel)	7/12	23/33	58/49	10/5	2/1
Alpenvorland (v.a. N.Ö.)	8/14	22/26	52/45	13/10	5/5



- Climate

- reduction of app. **380.000to of GHG-Emissions** due to AEP measures
- not taken into account the GHG-Emissions saved by not producing agrochemicals
- No specific measures in AEP:
 - Impact of **several measures** (organic farming, cover cropping on arable land, no tillage and mulch-tillage, low-emission application of liquid farm manure)



Lessons learned



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- Key Findings:

- sufficient funding necessary
- scientific proof necessary for validation of measures
- acceptance of measures
- education of farmers and evaluation of programme
- administrative costs in relation to impact of measure





- **evolution** instead of **revolution**
- clear definition of **first** and **second pillar** necessary
- smart combination of **horizontal** and **vertical measures**
- **climate protection** and **biodiversity** more and more important
- **target-tailored** instead of **axis-structure**
- **volatility of prices** in calculation the premium



Thanks for your attention!