

To:

EUROPEAN COMMISSION
Directorate-General for Agriculture and Rural
Development
Rue de la Loi 130 / Wetstraat 130
The Director
1049 Bruxelles
BELGIQUE

Cottbus, March 16, 2022

Concerns on Germany's CAP Strategic Plan related to agroforestry

Dear Commissioner Wojciechowski, dear Director-General Burtscher,

In the name of the German Agroforestry Association – DeFAF – e.V. (registered non-profit NGO) we herewith would take the opportunity to raise some concerns related to agroforestry in Germany's CAP Strategic Plan.

The proposed funding framework in Germany's CAP-SP for the maintenance of agroforestry as EcoScheme as an annual payment of 60€ for the wooded area is not covering the occurring additional costs thus will likely fail to meet the goal of the German government to implement 200.000 ha wooded area in agroforestry systems in the next five years¹.

Reasoning

According to Regulation EU 2021/2115, the reorientation of the CAP is intended to pursue three important goals, among others:

- (1) Reduce environmental impacts from agriculture,
- (2) Halt and reverse biodiversity decline, and
- (3) Reduce greenhouse gas emissions from agriculture (Articles 5 and 6 SP-Regulation).

In order to achieve these objectives, the measures serving this purpose, which include in particular the EcoSchemes, must be designed in such a way that they are widely accepted by farmers. This presupposes that the additional expenses or income forgone associated with these measures are compensated for at least 100%. However, in our view, Germany falls back considerably on the intention of the Commission with respect to the funding rate, but also in several other aspects. We expect there will be a rather low demand by farmers to start with agroforestry as an ecologically sound and sustainable and climate-adapted land use. The following five aspects in particular require adjustment:

- 1st Germany intends to fund the maintenance of agroforestry as an EcoScheme by 60 € per ha wooded area. This means, if a farmer will utilize 20% of a field as agroforestry wooded area, he may receive only 12 €/ha annually. This amount, which was derived on the basis of incorrect assumptions, does not cover the management costs of agroforestry systems. *[Annex A contains a detailed explanation]*

¹ We agree with the fundamental criticism of other NGOs and associations that the funding rates for the EcoSchemes are too low, especially in comparison to existing funding programmes in Pillar II.

- 2nd We welcome and appreciate the Commission for allowing MS to fund agroforestry up to 100%. However, the funding rate for investment in agroforestry systems is limited in Germany to max 60%, some Länder will fund only 40% as an investive intervention. Aggravating, it is to be expected, that funding for the creation of new agroforestry plots will be implemented only in few of the 16 German Länder.
- 3rd The continuation of agroforestry will be excluded on permanent grassland in some of the Länder. Some regions have little to no arable land, thus will be largely excluded, also, animal welfare in grazing is thus not possible.
- 4th The spacing regulations of a minimum distance of 20 m to any other plot, limits the possibilities for a proper layout of agroforestry systems and prevents their establishment on a large number of smaller or irregular shaped plots. *[Annex B contains a detailed explanation]*
- 5th The combination of agroforestry especially with respect to the remaining non wooded area should be possible with other EcoSchemes or other area-based funding schemes, from Pillar II, for both, arable land and permanent grassland. This becomes especially relevant for organic farms, as those farmers often are more open to the potential and benefits of agroforestry, but they will financially be put at disadvantage, increasing in the future.

To establish 200,000 ha wooded area in agroforestry systems in Germany in the next five years seems illusionary. However, these hectares or agroforestry are already accounted for in the Germany SP to maintain or improve C-storage and reduce GHG-emissions are to be implemented on 2% of agricultural land (see p. 116f. of the CAP Strategic Plan). Therefore, to achievement the 2% target must also be considered unrealistic. We have already argued the above points and proposed solutions several times in the discussion process with the Federal Ministry of Food and Agriculture (BMEL) on the CAP SP – none were taken into account.

Concluding

As Germanys professional association for agroforestry – DeFAF, and in close collaboration with the European Agroforestry Federation – EURAF, we would like to see the Commission to address the five points when evaluation the Germanys SP.

At the current state, we urge you not to allow the SP by Germany to pass unless the points mentioned are addressed adequately.

From our daily work with farmers, agroforestry planners and various agricultural and environmental organisations, we can report, that the expectations on the new CAP and the materialization of the SP with respect to agroforestry is at a high level. Many are eager to implement but remain in a state of hope for some positive impulses to start.

Respectfully,



Dr. Wolfgang Zehlius-Eckert (Head of the DeFAF Department of Law and Administration)



Dr. Christian Böhm (Chairman of the Board of DeFAF e.V.)

Annex A: Detailed reasoning for point 1

The low funding level of 60 € for the EcoScheme Agroforestry is based on false assumptions

The funding proposed by the BMEL for the retention of agroforestry systems at €60/ha of wooded area is far too low (see p. 299 of the CAP Strategic Plan). Especially on productive lands, this amount does not come close to covering the income forgone and the costs incurred for the retention and use of the systems. The federal Thünen Institute's (TI) calculation, which was in charge of calculating and fixing the costs for this EcoScheme, calculated with consumer prices for woodchip of 115 € per ton (absolute dry matter). According to figures from the German Association for Energy from Wood ("Fachverband Holzenergie"), however, the wholesale price achievable is between 75 and 80 €/t only, producer price is even 20-30% lower. In addition, the TI-calculation relies on the upper end of yields achievable and direct harvesting methods by a wood chipper (4 in use in Germany). Usually not the technology of choice in agroforestry systems, as trees become more mature. Since harvesting in practice is more expensive this further jeopardizes the official calculations with respect to the farmers' revenues expected. Consequently, it can be deduced that this EcoScheme will not be chosen by the farmers because of the far too low funding rate and not cost-covering support. In addition, the federal calculation evaluates a special form of agroforestry systems, namely agroforestry systems with fast-growing woody plants, only. For diverse agroforestry systems (e.g. systems for the production of value wood), lower revenues, higher costs and, due to the longer rotation periods, higher cultivation risks and lower profit expectations are to be expected.

Annex B: Detailed reasoning for point 4

The requirements on distance to neighbouring plots of 20 m unnecessarily hinders the implementation into practise.

The requirement in the CAP Direct Payment Ordinance, which is binding for a claim to the eco-scheme "Maintenance of agroforestry management", details that agroforestry woody strips must have a minimum distance of 20 m to the edge of the land and to each other. Since an agroforestry system must simultaneously have at least two rows of woody plants with a minimum width of 3 m, this means that arable fields must be at least 66 m with in order to be able to establish an agroforestry system at all. This unnecessarily restricts the eligible areas for EcoSchemes, especially in Länder with a smaller field structure. In addition, this makes it more difficult to design an optimal system for maximum utilization of the windbreak function for climate adaptation. Furthermore, the establishment of woody strips along landscape structures, such as existing hedgerows, roads or paths for the benefit of biodiversity and landscape scenery, will also be precluded. We therefore strongly suggest that the minimum distance be waived in order to address these deficiencies.

Concluding remarks

Against this background, the BMEL's estimate of 200,000 ha of eligible woody area, for which a subsidy premium is planned in the 2023-2027 funding period (see p. 299 of the CAP Strategic Plan), must be considered unrealistically high.

It does not seem plausible that, with such a low level of support, many farmers will take advantage of this EcoScheme, especially since the investment support from the Pillar II noted in the CAP strategic plan (see p. 190) will not be offered at all in many federal states. However, this also eliminates the positive environmental effects associated with this form of land use (e.g., contributions to soil, water and climate protection). This is particularly problematic because it is the EcoScheme with the highest contribution to greenhouse gas mitigation and C-sequestration.