



At a glance:

GERMANY'S CAP STRATEGIC PLAN

Agriculture
and Rural
Development

CAP Strategic Plans support the transition towards a smart, sustainable, competitive, resilient and diversified agricultural sector, while ensuring long-term food security. They also contribute to climate action, the protection of natural resources and the preservation/enhancement of biodiversity, as well as strengthen the socio-economic fabric of rural areas.

CAP Plans support a wide range of interventions addressing the specific needs of Member States and their territories. Designed in line with a new result- and performance-oriented approach, they aim to deliver tangible results in relation to EU-level CAP specific objectives, while contributing to the European Green Deal.

For the first time, each CAP Plan defines a strategy covering all the main CAP funded instruments: direct payments, support for rural development and interventions specific to certain market sectors.

The needs of rural areas will also be addressed by other EU instruments such as the Recovery and Resilience Facility (RRF) or the European Structural and Investment Funds (ESIF).

The Russian aggression against Ukraine and the ongoing commodity price surge highlight the integral link between climate action and food security. In this context, the Commission invited Member States to review their CAP Strategic Plans to exploit all opportunities: to strengthen the resilience of the EU's agricultural sector; to reduce their dependence on synthetic fertilisers and scale up the production of renewable energy without undermining food production; and to transform their production capacity in line with more sustainable production methods.

Germany submitted its first proposal for a CAP Strategic Plan on 21 February 2022, after consultation with stakeholders. On 14 October 2022, Germany submitted a revised proposal, addressing the Commission's observations on the first draft. The Commission adopted this proposal on 21 November 2022. This document presents some of the main features of the CAP Strategic Plan of Germany.

1. DID YOU KNOW?



Climatic, agronomic, societal and rural conditions across Germany's regions (Laender) vary. Its agricultural sector thus encompasses different farm structures, ranging from highly specialised farms to family farms in mountain areas. Over 57% of the area is agricultural land and 30% is covered with forests. **Milk, cereals as well as vegetables and horticultural products are the most important sectors in terms of production value.** German

agriculture is market-oriented, with certain sectors being very export-oriented. Predominantly rural regions cover 39% and intermediate regions 50% of the country's territory.

- ➔ There are over **276 000 farms in Germany** with an average size of around 61 hectares.
- ➔ Around 40% of farmers are 55 years or older, while 7% are under the age of 35.
- ➔ Nearly **13 million people live in predominantly rural regions**, which represents 16% of the population, while 41% live in intermediate regions.



2. GOALS AND STRATEGY OF THE CAP STRATEGIC PLAN OF GERMANY

Germany's strategy is aimed at ensuring the sustainable competitiveness and resilience of farms and, at the same time, at improving the protection of natural resources and the climate. It also aims at boosting the quality of life in rural areas through investments, knowledge transfer and innovation. Germany has designed a strategy that combines national and regional elements. This will provide support to farmers across the country with a fair approach, while taking into account specificities of the Laender. Legislative or financial tools at national and/or regional level, which complement the actions of the CAP Plan have to be taken into account for a complete picture.

2.1 AN ECONOMICALLY SUSTAINABLE AND FAIRER CAP

A key objective of the CAP Plan is to continue to **support farm income** in order to **keep farms viable and the sector attractive to farmers** so as to ensure food security and contribute to environmental and climate objectives.

Annually, over EUR 2.5 billion of basic income support is earmarked for 16.9 million hectares of agricultural land. This is complemented by a measure aimed at a fairer distribution of income support. Small- and medium-sized farms will benefit, in particular, from the redistribution of support from larger farms, in the form of an additional payment for up to 60 hectares per farmer. Many of these farms are also located in mountainous regions and other areas where natural constraints make farming particularly burdensome. Specific funding of nearly EUR 1 billion is earmarked to support farms in these areas.

To **enhance the competitiveness and reduce the climate and environmental footprint of the sector**, farmers will be supported to carry out **investments**, while dedicated support schemes to the fruit and vegetable, apiculture (beekeeping), wine and hops sectors will also be provided. Moreover, two newly introduced (coupled) support schemes specifically target the mother cow, sheep and goat sectors in order to prevent either intensification or abandonment of production in these livestock sectors.

- ➔ *EUR 933 million are allocated to support over 8 700 modernisation projects on farms by investing into solutions, such as hail protection nets against damage caused by adverse climate events and the purchase of new machinery and equipment (for example for precision farming).*
- ➔ *EUR 177 million will support the uptake of agricultural insurance schemes, thereby accounting for the importance of comprehensive risk management at farm level, in the light of drought and other adverse weather events.*

2.2 A GREENER CAP

Germany faces major challenges in terms of climate protection, quality of natural resources and biodiversity, which may vary regionally. In its CAP Plan, Germany therefore focuses on the mitigation of greenhouse gas emissions, the adaptation to the effects of climate change, the improvement of soil and water quality and on the enhancement of biodiversity.



Farmers need to implement a series of **mandatory climate and environmental practices**, which have been strengthened compared to previous years, if they want to benefit from the entire income support. For example, new requirements for drainage in peatlands and wetlands are introduced with a view to protecting these areas, as they are key for carbon storage.

In addition, farmers and foresters will benefit from a series of support schemes – partly at federal level and partly at Laender level – for **various practices beneficial for the climate and environment** that go beyond the mandatory standards. For example, the CAP Plan will support farmers to convert to, or continue to apply, **organic farming** practices with nearly EUR 2.4 billion. This will make an important contribution to achieving the German national target of at least 30% of agricultural land being farmed organically by 2030, which will also depend on other enabling factors.



- ➔ *A series of practices related to biodiversity will be funded, covering up to 1.9 million hectares annually, with a total of around EUR 1.7 billion. This includes the management of grassland in a more nature-conserving way, such as reducing the use of pesticides and fertilisers.*
- ➔ *Around 30% of the agricultural land respectively will benefit from support for practices to reduce emissions or to maintain or enhance carbon storage (for example by converting arable land into grassland or rewetting and maintaining peatland), or to improve soil or water quality (by using biological pest management techniques instead of synthetic pesticides).*



2.3 SOCIALLY SUSTAINABLE CAP

Life in rural areas crucially depends on a **sound economic and social environment**, which offers economic perspectives and jobs to all generations and favours cooperation and social cohesion. This is why the CAP Plan provides support for the **setting-up of young farmers or for investing** in line with the needs of the Laender. This includes EUR 169 million to encourage rural enterprises to invest, for example in processing and marketing. Overall, the CAP Plan will help create more than 20 000 new jobs as well as support 40 000 rural businesses.

The **availability and access to basic infrastructure and services** are also key enablers for the development of rural areas. Germany will thus invest nearly EUR 48 million into broadband and EUR 804 million into a wide range of infrastructures, including childcare, sport and tourist facilities. Projects for cooperation among different rural actors, funded with EUR 80 million, will also stimulate the social capital and innovation in rural areas.

To continue to provide safe food, while accounting for evolving societal demands, the CAP Plan will contribute **to higher animal welfare standards** and enhance biosecurity to prevent animal diseases. It will provide EUR 355 million for more animal-friendly farming methods (such as enhancing outdoor grazing), while investments into animal welfare (more space in stables) and biosecurity (washing and disinfection plants) are also eligible for funding.

- ➔ *Nearly 800 young farmers will receive support to start their agricultural business with a total budget of EUR 34 million.*
- ➔ *More than 35 million people will be covered by LEADER, an EU programme that brings together public, private and civil-society stakeholders in a particular area to find shared solutions for local challenges. The LEADER actions will be funded with more than EUR 1.6 billion.*



3. KNOWLEDGE SHARING, INNOVATION AND DIGITALISATION

The CAP Plan focuses on the importance of research and innovation and puts emphasis on **knowledge sharing**. Translating insights from research into agricultural practice, integration of innovations, the dissemination of good practices and insights via advice and training are key enabling factors **for a competitive and sustainable agriculture and for rural economies**.

It is therefore important to systematically **integrate all relevant actors**, namely farmers, trainers, advisors and people with relevant competences into the Agricultural Knowledge and Innovation System (AKIS). In line with this ambition, the CAP Plan provides EUR 222 million to support various training and advisory activities.

Additionally, EUR 156 million will facilitate the establishment and work of Operational Groups of the European Innovation Partnership for Agricultural Productivity and Sustainability, through which **innovative projects will be developed and implemented**.

→ 350 000 persons will benefit from advice, training and knowledge exchange, or from participating in Operational Groups supported by the CAP. 280 000 of them will specifically focus on increasing their environmental or climate-related performance.





4. FINANCIAL ANNEX

	EU budget (€)	National funding (€)	Total (€)
Direct payments	22 194 364 998	n/a	22 194 364 998
Sectoral support	161 720 251	10 808 307	172 528 559
Rural development	8 239 166 963	3 699 150 210	11 938 317 173
Total	30 595 252 212	3 709 958 518	34 305 210 730

National funding does not include additional national financing referred to in Article 146 of Regulation (EU) 2021/2115. Direct Payments include allocations for cotton set out in Annex VIII of Regulation (EU) 2021/2115 and reflect possible transfers between pillars. Payments for support under Regulation (EU) No 1308/2013 are not included in the CSP. National funding for sectoral support only relates to apiculture. Rural Development reflect possible transfers between pillars and include technical assistance.

EU FUNDING RESERVED FOR	In EUR
Young farmers (generational renewal)	761 129 891
Environmental and climate objectives under rural development	4 870 958 446
Eco-schemes under direct payments	4 935 112 456
LEADER	1 246 106 364
Complementary redistributive income support	2 574 841 281

The minimum financial allocations for support for young farmers can be reserved either under Direct Payments and/or Rural Development. Eco-schemes under Direct Payments may be lower than 25% if the possibility to use the rebate mechanism from Rural Development is used, in line with Article 97 of Regulation (EU) 2021/2115.

More financial information can be found in section 6 and in Annex V of Germany's CAP Strategic Plan.

