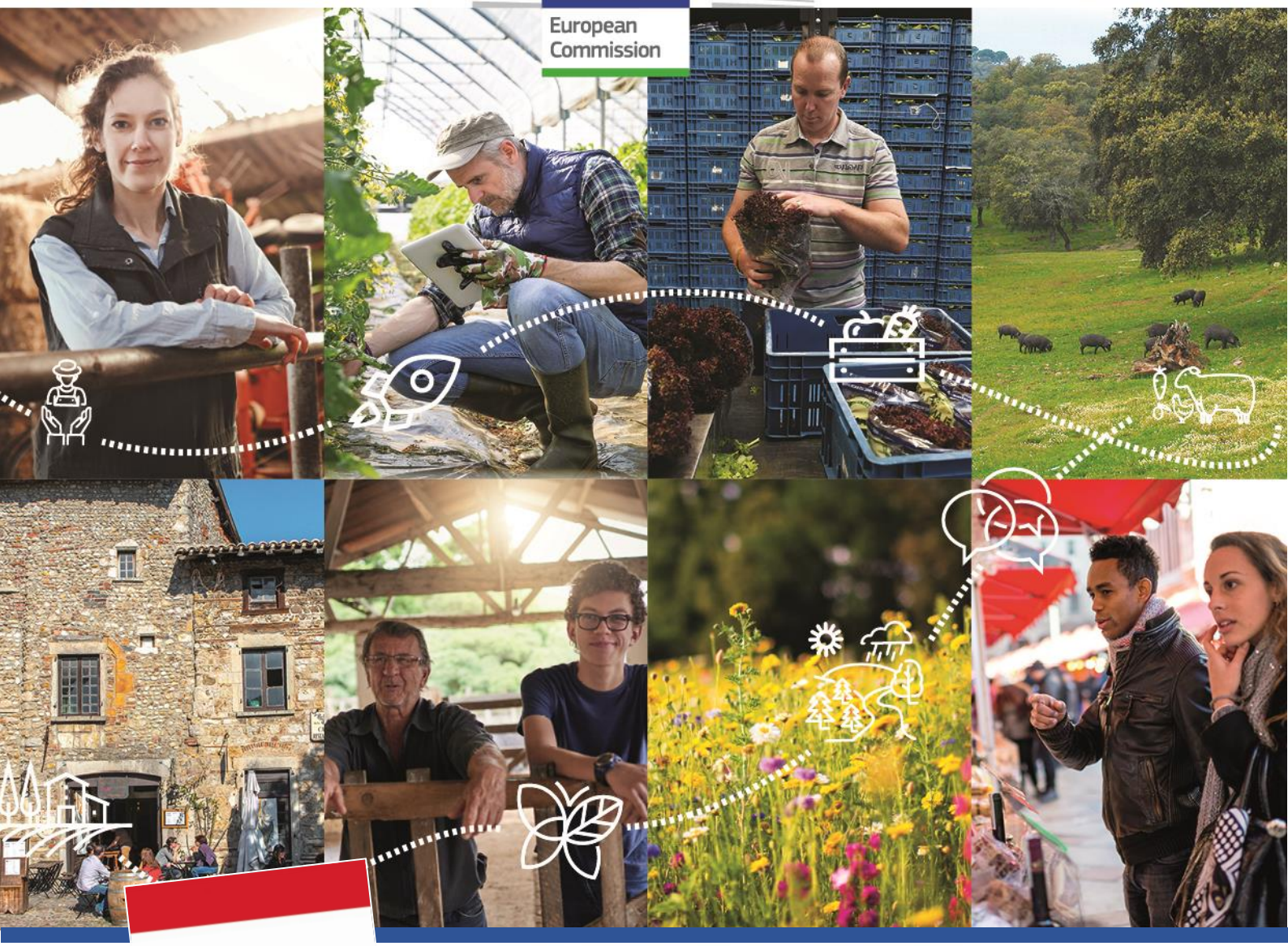
European Commission



At a glance:

THE NETHERLANDS'
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 strengthening 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.

The Netherlands submitted its first proposal for a CAP Strategic Plan on 29 December 2021, after consultation with stakeholders. On 02 November 2022, the Netherlands submitted a revised proposal, addressing the Commission's observations on the first draft. The Commission approved this proposal on 13 December 2022. This document presents some of the main features of the CAP Strategic Plan of the Netherlands.

1. DID YOU KNOW?

The Netherlands is a very densely populated country, where rural areas have urban centres in which most of the people live. The Dutch agricultural sector is characterised as highly productive, modern, innovative and export-oriented and it employs about 2% of the Dutch working population. Ornamental horticulture products, dairy and eggs, meat, vegetables and fruit are the most important sectors in terms of production value. **The value of exported agri-food products is above EUR 100 billion per year.**

- About **66% of the land** in the Netherlands **is used for agricultural purposes**.
- There are about **51 000 farms in the Netherlands**, with an average farm size of 32 hectares.
- The tulip is the most famous flower from the Netherlands. The Dutch flower auction is the largest across the globe and flowers are an important export product for Dutch agriculture.

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

The Netherlands' strategy was jointly prepared by the Dutch Government, the Provinces and the Water Boards to ensure synergies with other policies and national resources. The Strategy aims at supporting farmers that contribute to the transition to sustainable agriculture. As each region has its own characteristics and challenges, the actions foreseen by the Plan will be tailored to the different areas of the country. Sustainability, food security and fair farm income are among the main objectives of the Plan.

2.1 AN ECONOMICALLY SUSTAINABLE AND FAIRER CAP

As farmer's income is about 40% lower than in other sectors, income support plays an important role in the CAP Plan. For many Dutch farmers, CAP support is an important part of their income. Consequently, the **fair distribution of financial support is one of the key economic objectives of the Plan**, with the Netherlands aiming to redistribute money from large to small- and medium-sized farms. Therefore, farmers will receive a higher support per hectare for the first 40 hectares.

The Dutch Plan aims to have an agricultural sector that is at the forefront of farming in the EU and **capable of responding to changing conditions and market demands**. Therefore, it is important for farmers to increase their income, resilience and embark on the transition to sustainable farming models/methods. For example, support will be available for developing business plans, for investments in digitisation aimed at reducing emissions of pesticides and fertilisers to waterways, to restore and develop landscape features or to adapt farm production to a niche market. About 8% of the agricultural holdings in the Netherlands will receive investment support for modernisation.

The Plan will also provide **support to the fruit and vegetables sector,** channelling it mainly through the recognized producer organisations, as well as **to the apiculture sector**.

- ➔ *The Plan will make EUR 17.5 million available every year for weather insurance to farmers. This will at least allow farmers to be compensated in case their harvest is lost due to an extreme drought or flood.*
- ➔ *Producer organisations are of great importance to the Dutch fruit and vegetables sector to increase the commercial value and quality of products, with 1 800 agricultural holdings expected to participate in them.*

2.2 A GREENER CAP

The Netherlands faces major challenges in relation to environmental, biodiversity and climate-related objectives. The Dutch Plan plays a crucial role in supporting the national objectives of addressing the high nitrogen emissions as well as biodiversity conservation and restoration.

The Netherlands will apply strict good agricultural and environmental conditions on more than 96% of its agricultural area. In buffer zones along water courses, the use of all types of fertilisers and plant protection products will be restricted. This will reduce leakage of nutrients and pesticides to water. In order to maintain and restore biodiversity, a minimum share of land will be dedicated to **protecting areas that are valuable for biodiversity**, such as hedgerows or small ponds. The Plan will use EUR 174 million specifically to increase the water level of peat meadows, which is beneficial for the climate as it reduces the release of greenhouse gas emissions. The Dutch Plan also focuses on increasing the agricultural area under organic farming to 109 300 hectares.

About EUR 760 million will be used on more than 1.5 million hectares to encourage and support farmers in **implementing agricultural practices that protect the soil, reduce the use of nutrients and pesticides** and planting non-productive crops. The quality of water bodies will be improved on 57% of the agricultural area by, for example, supporting the biological control of pests and the cultivation of crops that need less fertilisers.

- *The Netherlands is a key area for several meadow bird species. In order to increase their presence, the Plan will encourage farmers to create 36 000 hectares of new meadows with characteristics that are beneficial for these bird species.*
- *The Plan targets specifically about 15 000 hectares around Natura 2000 sites. The aim is to reduce the ammonia deposition and improve the availability of water, with positive outcomes for the biodiversity conservation in those nature sites.*

2.3 SOCIALLY SUSTAINABLE CAP

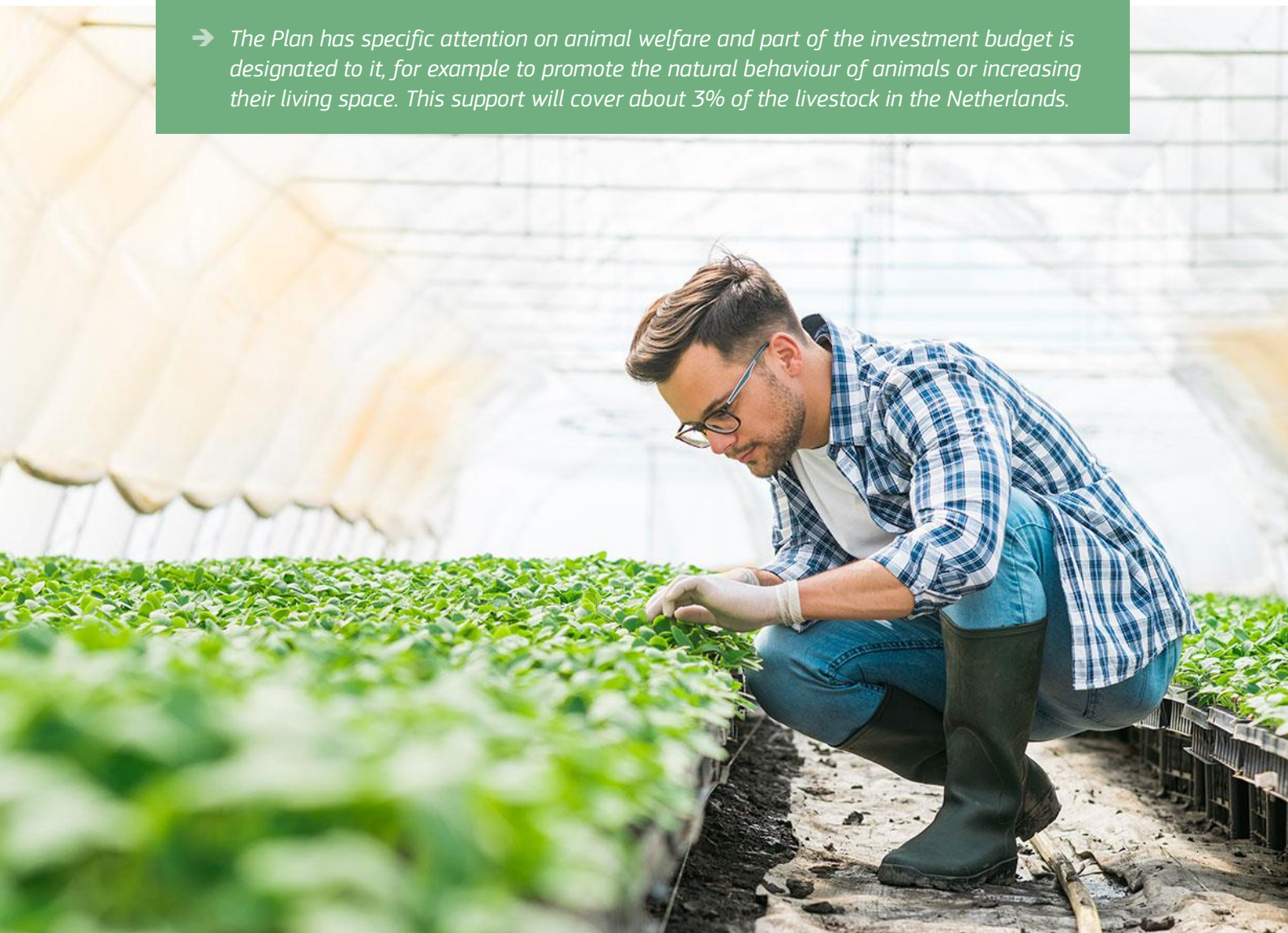
Young farmers and other entrepreneurs are important for a future-proof Dutch agricultural sector. The financial burden of starting an agricultural activity and the acquisition of a farm will be supported through the Plan by setting-up support and by providing higher support levels for investments.

27 Local Action Groups will receive funding in the framework of LEADER, a local community-led approach that aims **to involve local actors from rural areas in the development of their own regions.** The Plan will use EUR 67 million to bring together public, private and civil-society stakeholders to find shared solutions for the challenges of a certain rural area. Moreover, the Plan will support the development and implementation of more than 30 area-based plans; with this initiative, local people will come together to agree on the economic, social and environmental objectives for their area and then receive funding to implement their project. These area plans complement LEADER activities and national instruments. Around 2 500 jobs will be created thanks to projects funded by the CAP.

Considering the importance of animal production in the Netherlands, continued efforts will be put in place **to improve animal welfare and reduce the use of antimicrobials**. Among others, the CAP plan focuses on providing investments to farmers to further improve the living conditions of animals.

➔ *Dutch agriculture needs young farmers, which is why the plan will try to attract also young people with no agricultural background. About 3 000 young farmers will be supported by the plan to start a farm.*

➔ *The Plan has specific attention on animal welfare and part of the investment budget is designated to it, for example to promote the natural behaviour of animals or increasing their living space. This support will cover about 3% of the livestock in the Netherlands.*



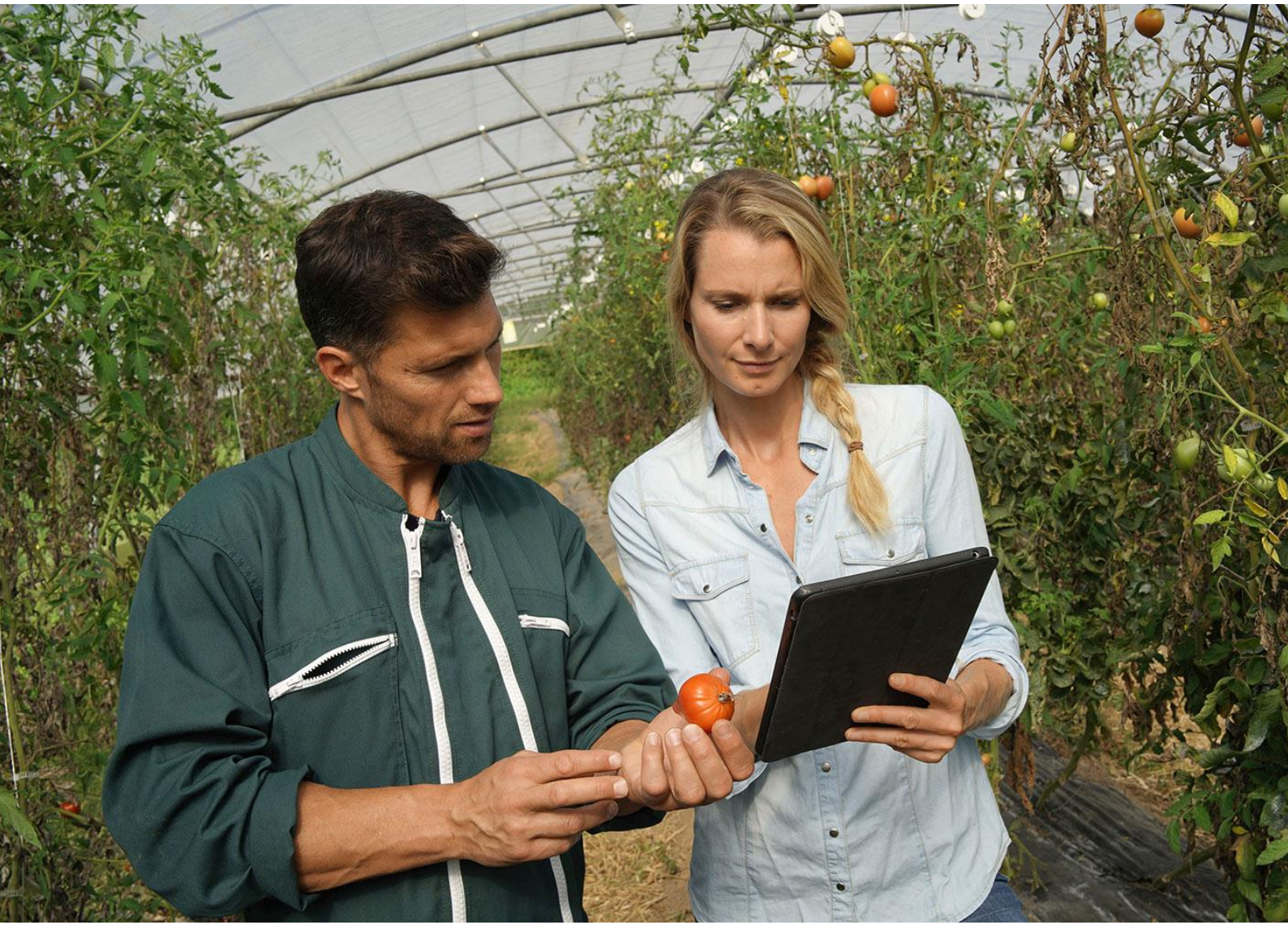
3. KNOWLEDGE SHARING, INNOVATION AND DIGITALISATION

The Netherlands has a well-structured approach to **fostering knowledge and innovation in agriculture and rural areas** implemented by private parties. This approach will however be changed to an impartial advisory system providing training and advisory activities for farmers to help them address new challenges.

Innovation plays an important role in the transformation to sustainable agriculture, which is why innovation projects, such as the ones under the European Innovation Partnership (EIP), will play an important role and will be supported by the Plan.

- *Each farmer will receive a voucher for a fixed amount of EUR 1 750 for training. Around 55 000 persons will benefit from advice, training or knowledge exchange, or from participating in European Innovation Partnership operational groups supported by the CAP related to environmental or climate-related performance.*

- *About 2 100 advisors will be supported in their work to make innovation available to farmers, for example crop production on wet soils.*



4. FINANCIAL ANNEX

	EU budget (€)	National funding (€)	Total (€)
Direct payments	2 977 971.465	n/a	2 977 971 465
Sectoral support	1 350 860	1 350 860	2 701 720
Rural development	1 082 970 984	414 381 162	1 497 352 146
Total	**4 062 293 309**	**415 732 022**	**4 478 025 331**

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)	**107 654 800**
Environmental and climate objectives under rural development	**514 196 519**
Eco-schemes under direct payments	**963 897 707**
LEADER	**54 150 012**
Complementary redistributive income support	**298 059 068**

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 the Dutch CAP Strategic Plan.