The Contribution of the Common Agricultural Policy to the Bioeconomy

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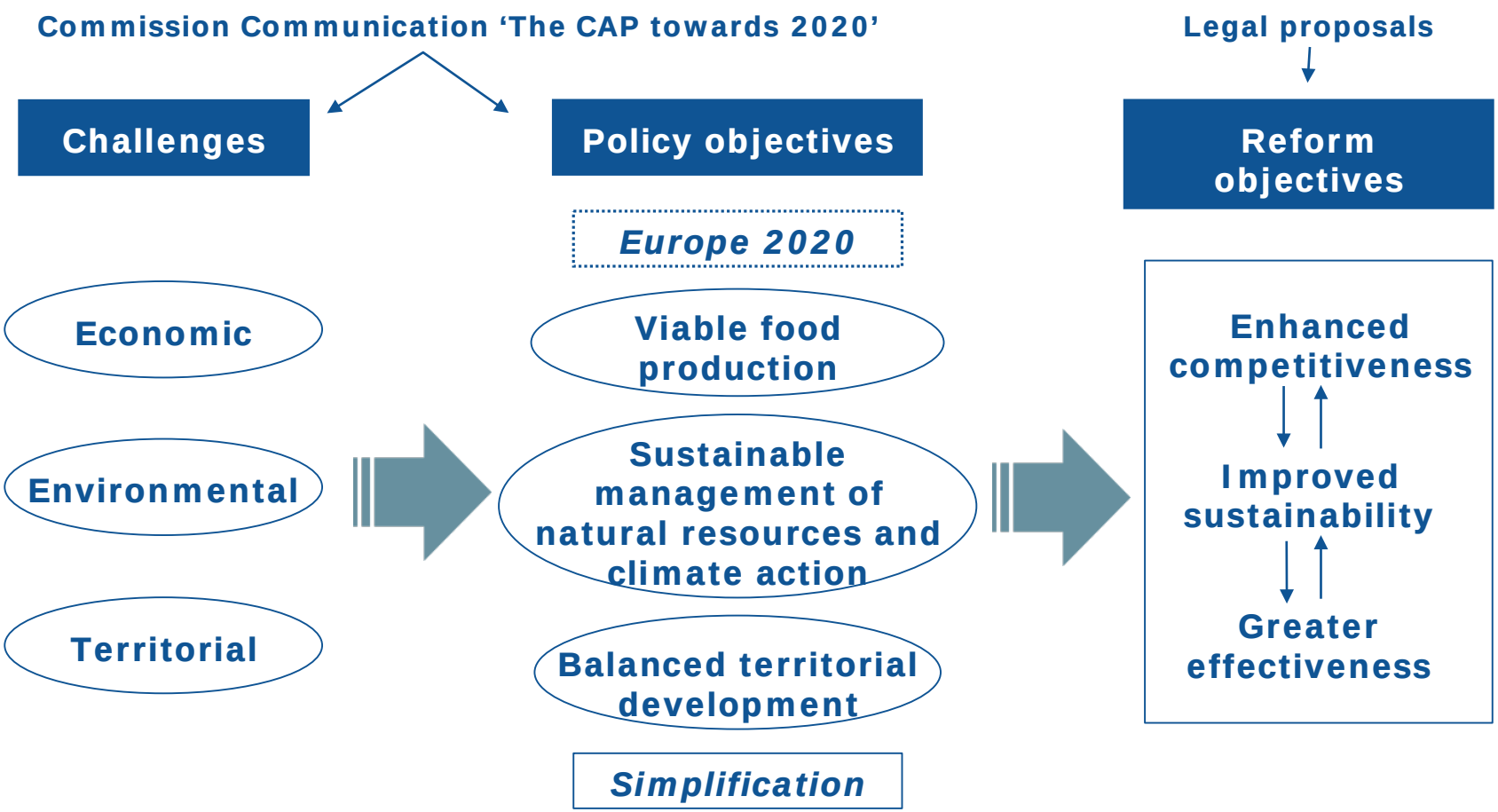
Dublin, 14 February 2013

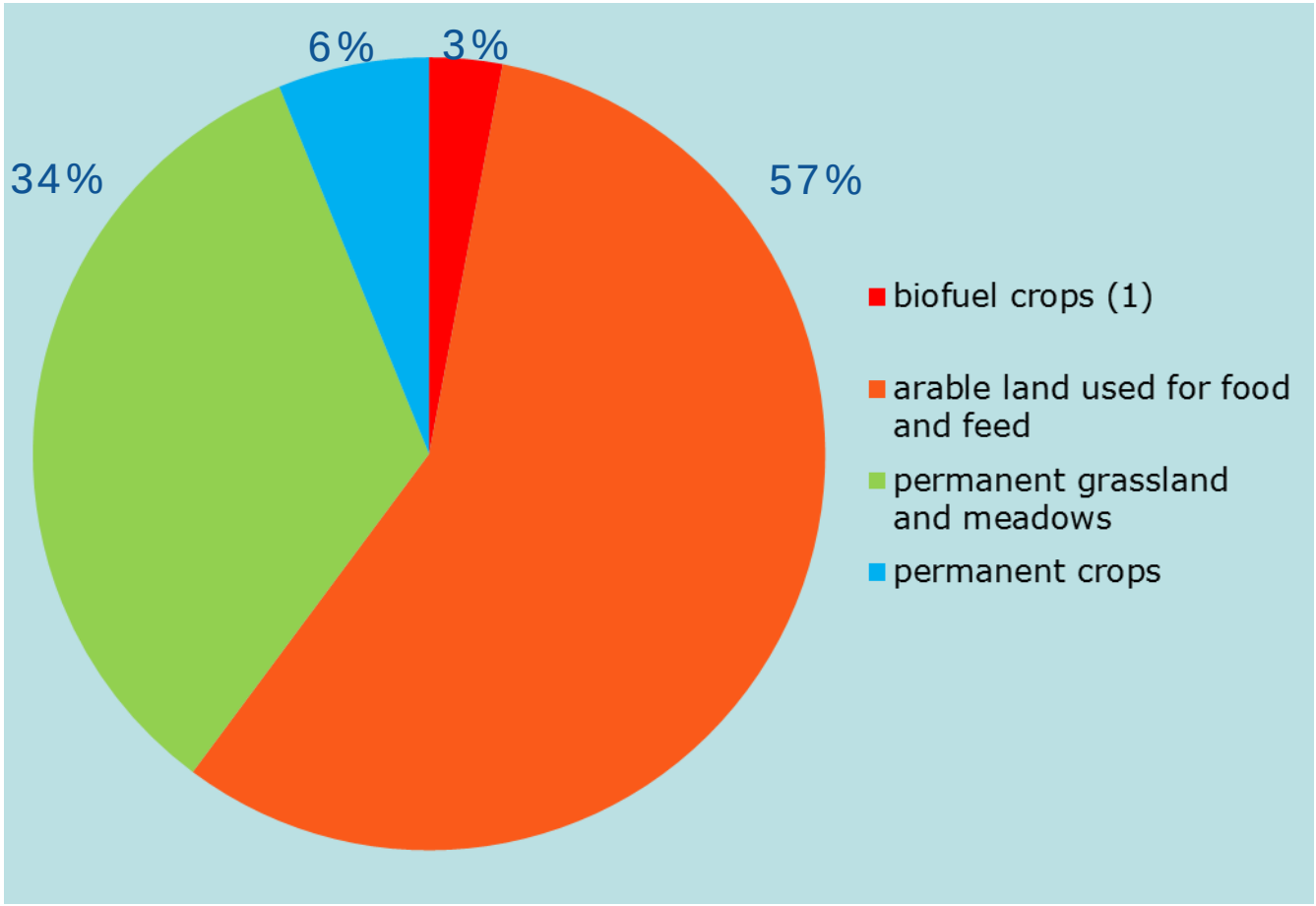
Agriculture

Policy Objectives of the CAP reform



Utilisation of agricultural land

(EU27, 2010, Eurostat and DG AGRI)



(1):
rough approximation based on the rapeseed area for biodiesel production, EU-average yields, subtracting area for co-products, and disregarding trade

The CAP and renewable energy / raw material

- ***CAP supports agriculture and forestry => key providers of biomass***
- ***Development in biomass use contributes to EU objectives on renewable energy and de-carbonisation of the economy, as well as the wider bioeconomy***
- ***Biomass provides an additional source of income to farmers***
- ***Rural economies benefit from sustainable utilisation of biomass***

➢ ***RD policy to enable rural areas to benefit from RE technology, including advanced biofuels***

How to facilitate supply of waste, residues and non-food raw material for the purposes of the bioeconomy?

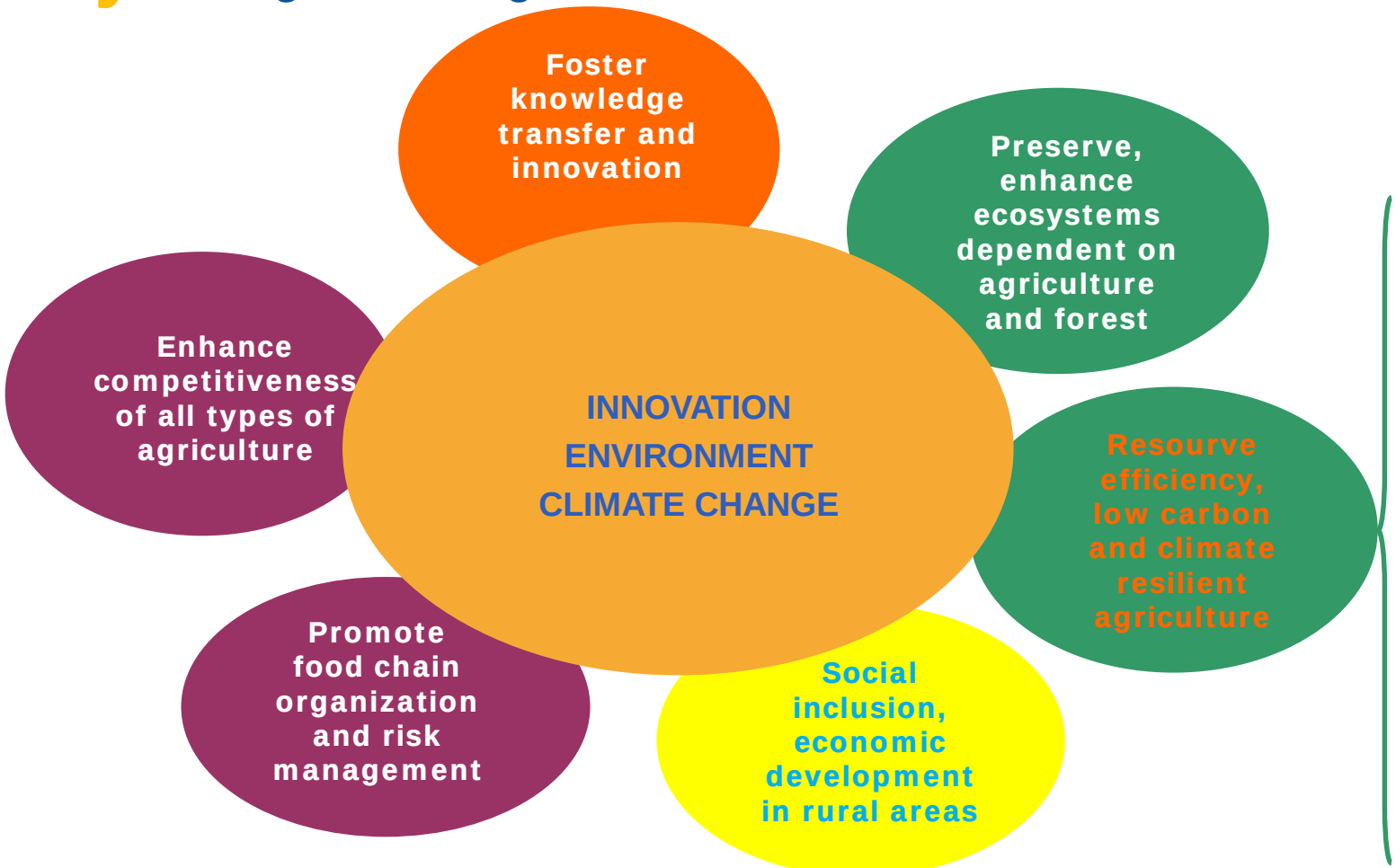
- ***No direct support for production possible – direct payments are largely decoupled***
- ***The effective working of the supply chain should rely on the normal functioning of markets provided the development of appropriate technology is available***
- ***But potential competition issue (e.g. with current uses of residues)***

CAP measures:

- ***Support for development in use of non-food materials:***
  - **Investments & Infrastructure**
  - **Training / knowledge transfer**
  - **Innovation: European Innovation Partnership for Agricultural Production and Sustainability**

- ***Environmental safeguards (GAEC):***
  - *Retention of landscape features, biodiversity, water, …*
  - *Soil protection (maintain soil organic matter, soil cover, erosion, protection of carbon rich soils)*

Strategic priorities for rural development policy: Target setting for each focus area



Key RD measures for Focus Area 5c:

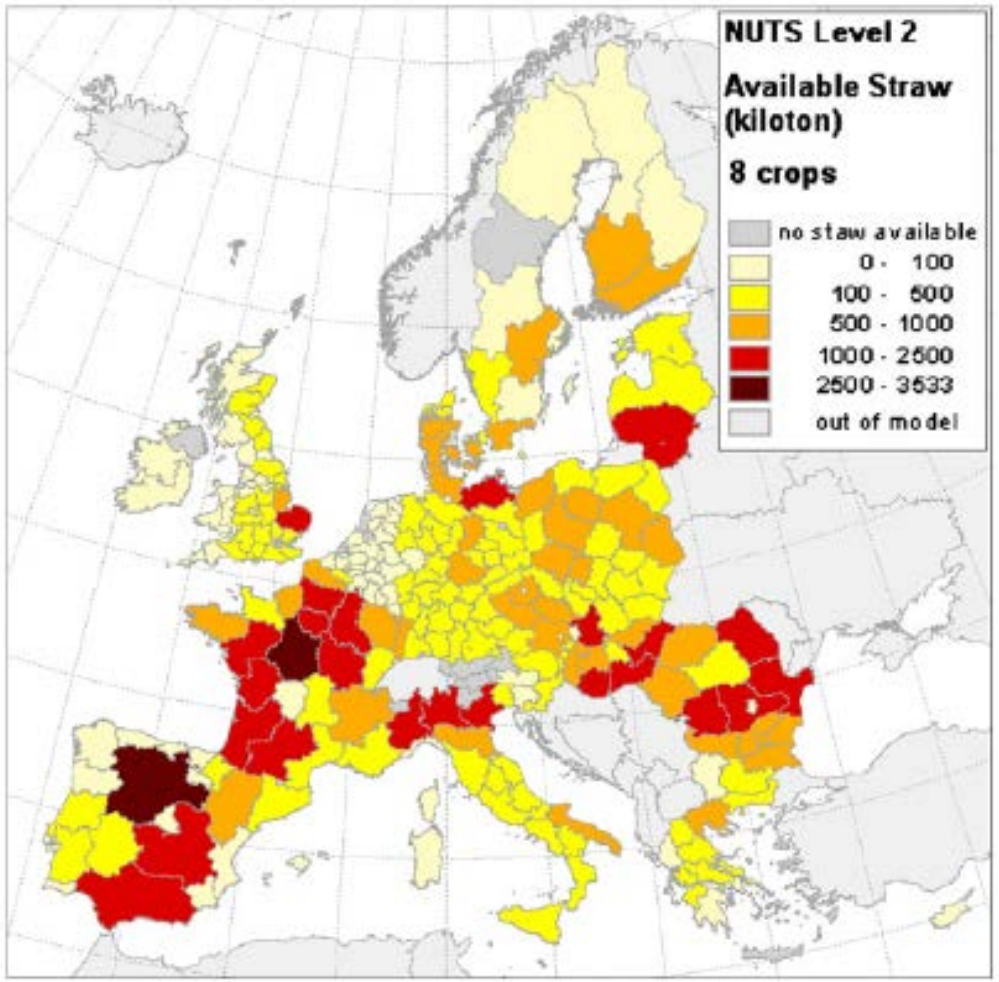
Facilitating the supply and use of renewable sources of energy, and the use of byproducts, wastes, residues and other non food raw material for purposes of the bio-economy

Article RD Regulation	Measure title
Art 15	Knowledge transfer and information actions
Art 16	Advisory services, farm management and farm relief services
Art 18	Investments in physical assets
Art 20	Farm and business development
Art 21	Basic services and village renewal in rural areas
Art 23	Afforestation and creation of woodland
Art 24	Establishment of agro-forestry systems
Art 25	Prevention and restoration of damage to forests from forest fires and natural disasters
Art 26	Investments improving the resilience, environmental value and climate contribution of forest ecosystems
Art 27	Investments in new forestry technologies and in processing and marketing of forest products
Art 28	Setting up of producer groups
Art 36	Co-operation

EU-27: sustainably collectable residues and available residues for energy use

European Commission

- *Retain a minimum percentage of residues in soils*
- *On average (EU-27), 40% of residues are collectable*
- *70% of collectable residues are economically available*
- *High rates available to produced residues in Eastern Europe (HU 46% is the max), followed by IT, FR, DE, AT, PL.*



Scarlat et.al (JRC), 2013

Another example of food vs non-food demand : food-fuel competition

- ***Moving to advanced biofuels and other RE technologies in transport has the potential to reduce competition with food production and impacts on the environment***

- ***Commission ILUC proposal:***
  - **Limit contribution to RE targets by biofuels from food crops to 5%**
  - **Phasing out of 1G biofuels beyond 2020**

- ***Food-based biofuels projected to remain important over the next decade but are likely to decline thereafter***

Conclusions:

- Renewable energy and non-food raw material production for bio-based industry is given much attention in the CAP, although the CAP does not set production targets and no direct support
  - Pillar II provides a toolbox for supporting renewable energy and use of non-food raw materials
  - MS have to set national/regional targets under rural development
  - Choice of instruments lies with the MS
- Environmental aspects are important:
  - apply to food, feed and non-food production; addressed by cross compliance
- Specific sustainability aspects for biofuels addressed by Renewable Energy Directive
- Innovation is given high attention (*EIP*).
  - New and sustainable uses of biomass are to be developed, alongside with innovative methods of production, collection and further processing along the biomass production chain
- Farm Advisory Service important in order to allow farmers to participate

Thank you

For further information

The CAP after 2013

http://ec.europa.eu/agriculture/cap-post-2013/index_en.htm

Commission Communication 'The CAP towards 2020'

http://ec.europa.eu/agriculture/cap-post-2013/communication/index_en.htm

Impact assessment

http://ec.europa.eu/agriculture/analysis/perspec/cap-2020/index_en.htm

Legal proposals

http://ec.europa.eu/agriculture/cap-post-2013/legal-proposals/index_en.htm