

# CAP Strategic Plan in Austria 2023 -2027

International Congress of Cooperative Union of Slovenia, 22<sup>nd</sup> and 23<sup>rd</sup> March 2023

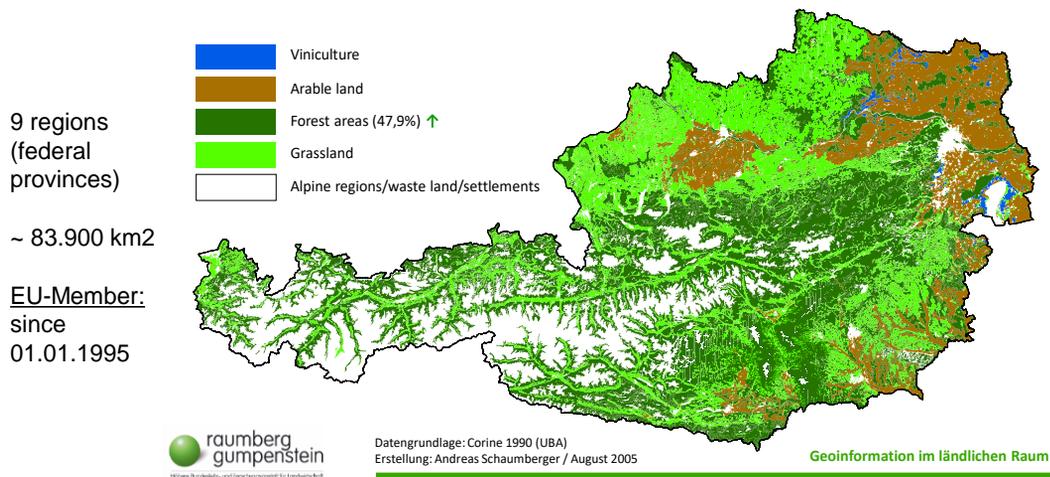
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## Content

- objectives and elaboration process
- financial allocation
- green architecture
- Pillar 1
- Pillar 2

# Land use in Austria



## Agriculture – Facts & Figures

- Small scale, mostly family-operated farms (93%) linked to forestry  
~ **155.000 holdings**: 36% full-time farms, 57% part-time farms
- Ongoing trend towards larger agricultural holdings ↑, less decline of holdings
- Utilized agricultural area (arable land, permanent crops, permanent grassland)  
Ø 18.8 ha in 2010 to **Ø 23.6 ha** in 2020
- Animal husbandry: ~ 82.000 holdings
- Ø 34 head of cattle, 112 pigs, 33 sheep and 12 goats/per holding
- Share of **young farmers** ≤ 40 years (2016)  
**AT**: 22,2 % (highest share in the whole Union) – **EU**: 10,7%

# Agriculture – Facts & Figures II

High proportion of **less-favoured areas** (approx. 70% of UAA)

Production intensity: relatively low, **however**

Strong focus on **high-quality food** → regionally/organically produced food important for consumers!

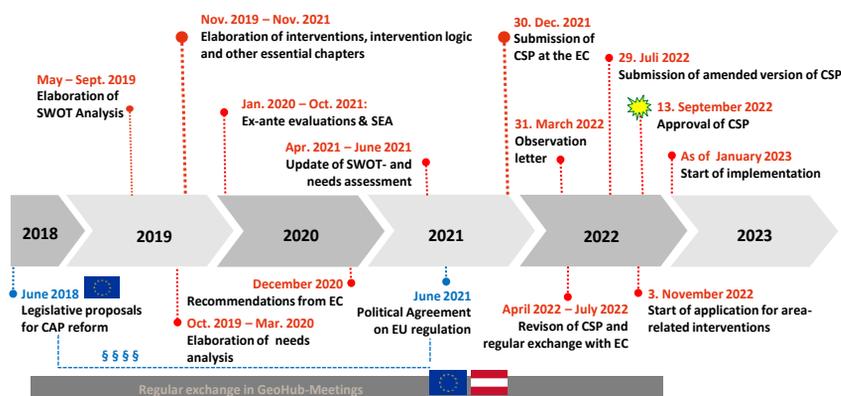
**Tourism** as a strategic partner (e.g. farm holidays, selling of quality products etc.)

Share of **organic farming** ↑

- **26% of UAA** or **22% of holdings** are managed according to organic farming principles
- **Highest share** in the whole Union (EU-27: approx. 8,5%)
- **Green-Deal Goal** for 2030 for the EU: 25%
- **National Goal** for 2027 (CAP Strategic Plan): 30%

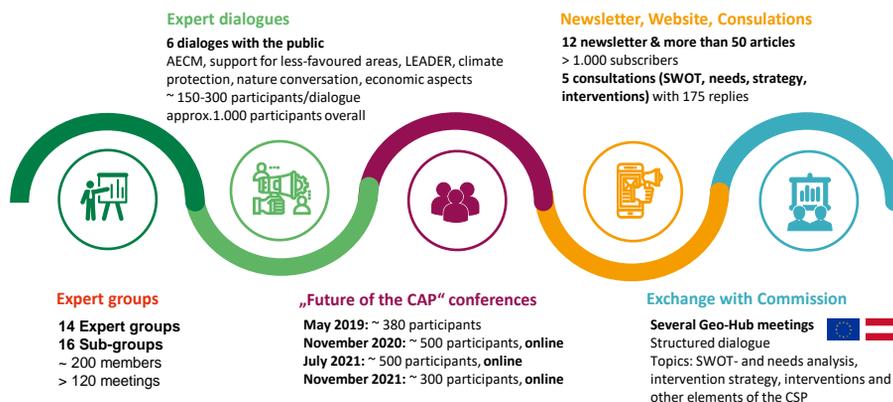
Sources: Farm Structure Survey 2020, Eurostat

## Elaboration – Process and intermediate achievements



Source: Federal Ministry Republic of Austria Agriculture, Forestry, Regions and Water Management

## Participation – Process and main achievements



Source: Federal Ministry Republic of Austria Agriculture, Forestry, Regions and Water Management

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## CSP – scope and instruments

One **national CAP Strategic Plan (CSP)** per Member State, including

- **“Pillar 1”** (direct payments, sectoral programmes) and
- and **“Pillar 2”** (rural development) of the Common Agricultural Policy  
 Instruments – types of interventions:
  - **Direct payments:** coupled and decoupled payments (basic income support), **NEW:** Eco-schemes (voluntary for farmers, obligatory for MS)
  - **Sectoral** types of interventions : specific for fruit and vegetables, apiculture, wine, hops, olive oil and table olives and other sectors
  - **Rural development:** Agri-environmental-climate interventions, payments for areas with natural or other constraints, investments, installation of young farmers and rural businesses, risk management, cooperation, knowledge exchange and information

**New Delivery Model:** result based model with common objectives and indicators

Source: Federal Ministry Republic of Austria Agriculture, Forestry, Regions and Water Management

## CSP Austria – financial plan (Mio.€)

| Intervention                                   | Public funding<br>2023-2027 | Public funding/y | Share          |
|--|-----------------------------|------------------|----------------|
| <b>Direct payments</b>                         | <b>3.387,9</b>              | <b>677,6</b>     | <b>38,5 %</b>  |
| <i>Basic income support</i>                    | 2.388,00                    | 477,6            | 70,5%          |
| <i>Redistribution payment</i>                  | 338,8                       | 67,76            | 10,0%          |
| <i>Payment for young farmer</i>                | 71,1                        | 14,2             | 2,1%           |
| <i>Eco Schemes</i>                             | 500,0                       | 100,0            | 14,8%          |
| <i>Coupled income support (alpine grazing)</i> | 90,0                        | 18,0             | 2,7%           |
| <b>Sectorial types of intervention</b>         | <b>103,4</b>                | <b>20,7</b>      | <b>1,2 %</b>   |
| <b>Rural development</b>                       | <b>5.308,4</b>              | <b>1.061,7</b>   | <b>60,3 %</b>  |
| <i>Agri-environment and climate</i>            | 2.370,0                     | 474,0            | 44,6 %         |
| <i>Areas with natural a/other constraints</i>  | 990,0                       | 198,0            | 18,6 %         |
| <i>Investments</i>                             | 989,0                       | 197,8            | 18,6 %         |
| <i>Setting up /primarily farmers</i>           | 78,5                        | 15,7             | 1,5 %          |
| <i>Co-operation</i>                            | 532,4                       | 106,5            | 10,0 %         |
| <i>Information and knowledge transfer</i>      | 206,1                       | 41,2             | 3,9 %          |
| <i>Technical Assistance</i>                    | 142,5                       | 28,5             | 2,7 %          |
| <b>Total</b>                                   | <b>8.799,6</b>              | <b>1.759,9</b>   | <b>100,0 %</b> |

Source: Federal Ministry Republic of Austria Agriculture, Forestry, Regions and Water Management



## CAP 2023 – 2027 in Austria

- Ensure **strong direct payments** with higher focus on environment (enhanced conditionality, 15% for eco-schemes, etc.)
- Further development of **agri environmental programme** with focus on **flexibility, visibility and performance orientation**
- Continuation of payment for **ANCs** with higher **funding for smaller farms**
- Focus of **investment support** on **animal welfare and climate protection**



Source: Federal Ministry Republic of Austria Agriculture, Forestry, Regions and Water Management



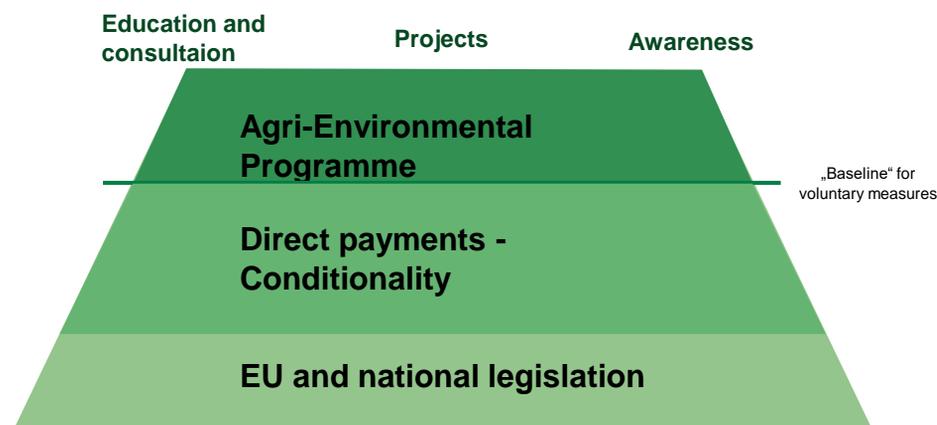
## Requirements for (full) Direct Payments

- Farm must be **located in AT**
- Minimum **1,5 ha or 150 €/farm**, if only coupled support
- Performing **agricultural activity** on agricultural area at farmer's disposal
- Minimum management requirement
- **Active farmer**
- Compliance with **Conditionality**
  - **GAEC**
  - **SMR**
- **No payment entitlements**

Source: Federal Ministry Republic of Austria Agriculture, Forestry, Regions and Water Management

## Green Architecture

**Compensation of environmental services** (additional costs and income foregone)



Source: Federal Ministry Republic of Austria Agriculture, Forestry, Regions and Water Management

# IACS – major innovation – Area Monitoring Systems (AMS)

= **Multitemporal verification of eligibility criteria** with **sentinel satellite data** (but no area measurement).

- First pilot projects launched at EU level in 2018, **mandatory for all MS as of 2023**
- AMS can **replace OTSC** where it delivers relevant results
- AMS will deliver results on:
  - Land sealing, inhomogeneous non-eligible crops, rotation of permanent crops, arable land, grassland, crop groups, mowing dates on grassland and arable forage, harvesting event of arable crops, land cover for catch crops, fallow land
- **Advantages for beneficiaries:**
  - **Reduction of OTSC**
  - AMS also functions as **supporting tool for application** - possibility for **corrections without sanctions** in case of irregularities discovered by AMS
- **Geotagged Fotos** supporting AMS in case of inconclusive results (under construction)

13 Source: Federal Ministry Republic of Austria Agriculture, Forestry, Regions and Water Management

## Conditionality – Climate



### Maintenance of permanent grassland

- No decrease of permanent grassland ratio by more than 5 % at national level
- Safety net applies as soon as ratio decreases by more than 4 %

### Protection of wetland and peatland

- Protection of peatland and moist black soils according to revised nat. wetland inventory + electronic soil map (high CO<sub>2</sub> binding-potential)
- Prohibition of: peat mining and burning, first installment of drainage systems, ground-transforming excavations and fills, converting and ploughing PG



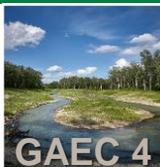
### Ban on burning of arable stubble

- Exceptions only based on phytosanitary reasons

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Source: Federal Ministry Republic of Austria Agriculture, Forestry, Regions and Water Management

## Conditionality – Water



### Buffer strips along water courses

- 3 m minimum width for the use of PPP and fertilizers along ALL water bodies
- Broader BS of 5 m along running waters and 10 m along standing waters with additional requirements along water bodies with missed WFD-targets

### Control of diffusive phosphate sources

- Recommendations for proper fertilization of the Austrian Advisory Council for Soil Protection and Soil Fertility on P-fertilization are to be followed
- Mandatory prove of P-requirement through soil analysis in case of application of > 100 kg P<sub>2</sub>O<sub>5</sub>/ha additional to farm manure



### Water Framework Directive + Nitrates Directive

- Provisions include
  - Use of water for irrigation
  - Restrictions on the application of nitrogenous fertilizers
  - Required storage capacity of farm manure etc.

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Source: Federal Ministry Republic of Austria Agriculture, Forestry, Regions and Water Management

## Conditionality – Soil



### Tillage management

- No cultivation of sensitive soils (snow-covered, frozen etc.)
- Erosion-reducing cultivation methods on arable land with a predominant slope gradient of 10 % or more
- Requirements for areas with permanent crops above relevant slope gradient of 10 % or more

### Minimum soil cover

- Minimum soil cover on 80 % of arable land and 50 % of permanent crops during winter
- Arable land not used for production must be covered with vegetation during growing season
- Close connection with eco-schemes



### Crop rotation/crop diversification

- Main crop may not exceed 75 % of the total arable area of the farm
- Yearly crop rotation on at least 30 % of arable land
- Crop rotation on all arable land after three years at the latest
- Exemption for organic farms

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Source: Federal Ministry Republic of Austria Agriculture, Forestry, Regions and Water Management

## Conditionality – Biodiversity



### Non-productive areas/LSF/cutting-ban of hedges and trees

- At least 4 % of arable land for unproductive areas (land laying fallow + landscape features) for farms with > 10 ha of arable land
- Retention of areal LSF
- No cutting of hedges and trees during breeding and nesting season

### Environmental sensitive PG in NATURA 2000

- Definition of sensitive permanent grassland includes 25 habitat types and all alpine pastures in NATURA 2000 areas
- These areas cannot be ploughed or converted into other types of land use



### Bird conservation directive + Habitats/Fauna/Flora/Directive

- Provisions include
  - Damage to or removal of landscape features
  - Land-altering measures
  - Changes in the water balance etc.

## Conditionality – Public/Animal/Plant Health + Animal Welfare

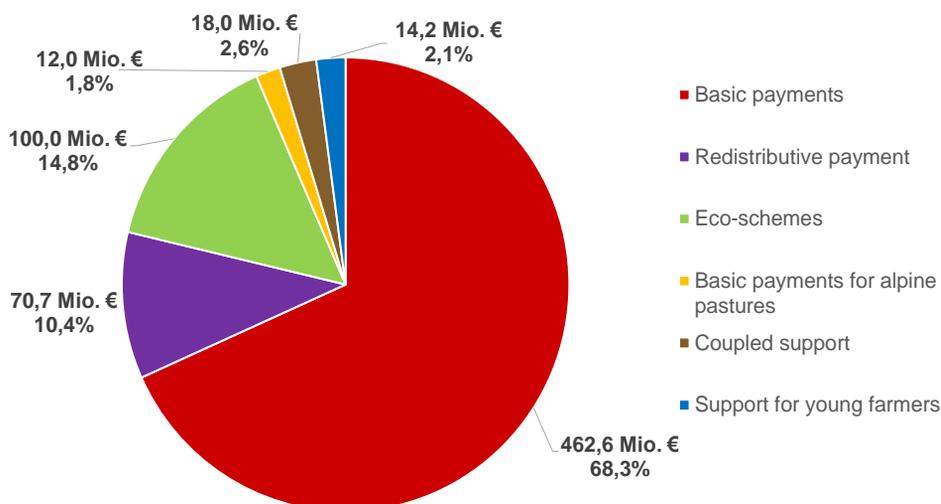


- SMR 5 – Basic foodstuff regulation
- SMR 6 – Directive on prohibition of the use of certain substances with hormonal or thyrostatic effects
- SMR 7 – Regulation on placing of PPP
- SMR 8 – Directive on sustainable use of pesticides

- SMR 9 – Directive on the protection of calves
- SMR 10 – Directive on the protection of pigs
- SMR 11 – Directive on the protection of animals kept for farming purposes



## 1st pillar – allocation of funds (678 Mio. €)



Source: Federal Ministry Republic of Austria Agriculture, Forestry, Regions and Water Management

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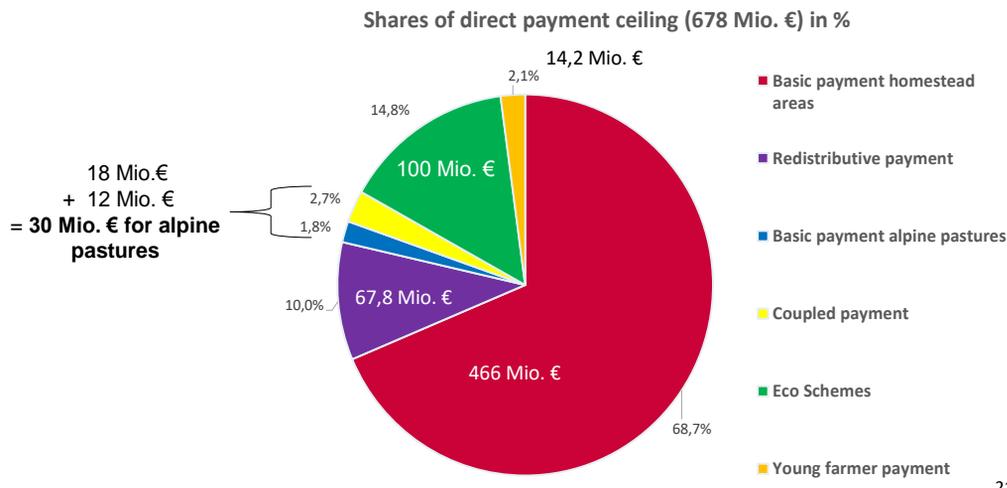
## Overview – direct payments

- **No transfer between pillars** and no small farmers scheme
- **Active Farmer:** direct payments  $\leq 5.000$  € or insured via national compulsory Farmers-Insurance-Law
- **Capping** with consideration of labour costs / no depression
- **Basic payment:** 208 €/ha
- **Redistributive payment:** 46 €/ha (for 0 – 20 ha) and 23 €/ha (for 20 – 40 ha)
- **Young farmers:** 66 €/ha (for 0 – 40 ha)
- **Coupled support:**
  - Cows 100 €/LU
  - Other cattle 50 €/LU
  - Milk sheep/goats 95 €/LU
- Simplification/relief on several levels:
  - **Abolition of payment entitlements**, uniform minimum farm size in both pillars (1,5 ha ut. agric. area), etc.

Source: Federal Ministry Republic of Austria Agriculture, Forestry, Regions and Water Management

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# Allocation of Direct Payments as of 2023



Source: Federal Ministry Republic of Austria Agriculture, Forestry, Regions and Water Management

## Eco-Schemes

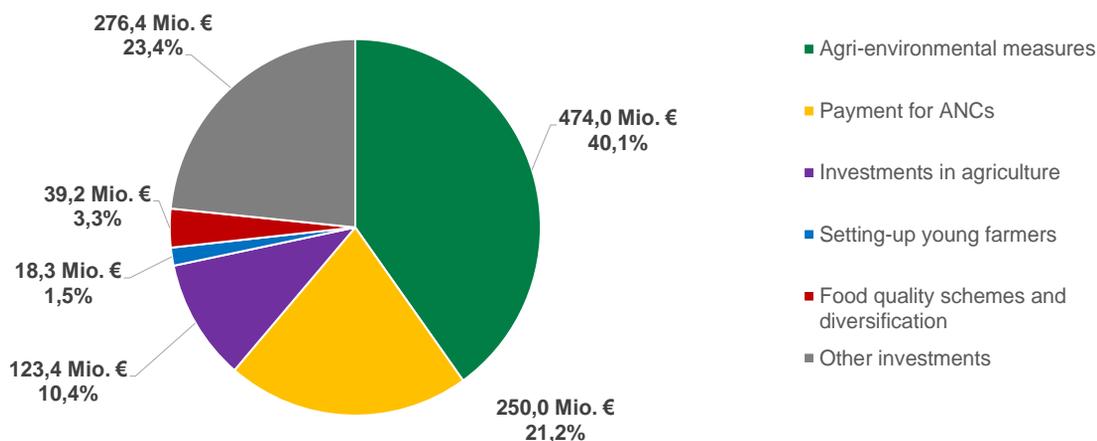
- Starting in 2023, Pillar 1 funds will be **directly dedicated to voluntary agri-environmental and - climate interventions** for the first time
- 14,8 % of DP-ceiling** (100 Mio. €) due to offsetting of the high share of environmental and climate benefits of the 2nd pillar
- Important factors: Targeting, broad uptake and good calculability
- 4 interventions:**

- Greening of arable land – Intercropping
- Greening of arable land - Evergreen system
- Erosion control wine, fruit and hops
- Animal welfare - pasture

Source: Federal Ministry Republic of Austria Agriculture, Forestry, Regions and Water Management

## 2nd pillar – allocation of funds (1.181 Mio. €\*)

\* 50% EU funding and 50% national funding



## To sum it all up

- Importance of direct payments is even greater in times of rising production costs and uncertain market situations
- Nevertheless, direct payments must also increasingly meet social demands:
  - increased baseline ambition
  - introduction of eco schemes
  - introduction of social conditionality
- The aim is to ensure an ecologically and economically sustainable agriculture
- Innovation on all levels is key in order to meet variety of targets

# Overview of ÖPUL\* 2023 (AECM + Eco-schemes)

## ÖPUL = Austrian Agri-Environmental Programme

| Generell  | Arable Land                           | Grasland   | Animal Welfare                              | Permanent crops   | Natura 2000 / WFD            |
|---|---------------------------------------|--|---|---|------------------------------|
| Environmentally sound and biodiversity-promoting management (UBB) | Permanent greencover on arable land   | Humus conservation and soil protection on arable grassland**       | Animal welfare – grazing of livestock       | Erosions protection in vineyards, orchards and hops       | Natura 2000 – agriculture    |
| Organic farming (Bio)   | Intermediate crops on arable land     | Limitation of yield-increasing inputs (PPP & mineral fertilizers)* | Animal welfare – enhanced stable for pigs   | Herbicide renouncement in vineyards, orchards and hops    | WFD – agriculture (regional) |
| Nature conservation   | Groundwater protection on arable land | Hay production**   | Animal welfare – enhanced stable for cattle | Insecticide renouncement in vineyards, orchards and hops  | Eco-Scheme                   |
| Results-based management  | Erosion protection on arable land     | Cultivation of mown mountain grassland                             | Animal welfare – herding                    | Use of beneficial organisms in greenhouses                |                              |
| Surface-near application of liquid manure & separation of manure  |                                       | Grazing on alpine pastures   | Maintenance of endangered livestock breeds  | * = combination with UBB/Bio<br>** = combination with UBB |                              |

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## Thank you for your attention!



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