

SURE
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RESILIENT
EU FARMING
SYSTEMS **Farm**

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T4.2: Assessing how policies enable or constrain the resilience of the intensive dairy farming system in Flanders, Belgium.

An application of the Resilience Assessment Tool (ResAT)

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Eewoud LIEVENS¹ - Erik MATHIJS¹

(Contact: Eewoud Lievens)

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¹ Division of Bioeconomics, KU Leuven, Belgium

1 Introduction

1.1 Challenges for the dairy sector in Flanders²

Flemish dairy farms are “family farms” for the most part: farm owners generally manage the farm, with help of little or no use of non-family labour. Nonetheless, a large group of dairy farms is intensifying its production activities at fast pace. These factors contribute to the large variance in the size and profitability of dairy farms. The abolishment of the milk quota in 2015 has removed a barrier for highly performant dairy farms to expand their operations. This poses a challenge to the large group of farms that operate with a lower profitability.

As general economic challenges, milk price volatility, input price volatility and the cost of land should be mentioned. Volatile milk prices are a recurrent problem for the sector. The magnitude of price volatility is illustrated by the average milk price of October 2007, which was 41 €cent/kg, and the average milk price of June 2009, which was only 20 €cent/kg. However, the abolishment of the milk quota system in 2015 may severely change the level and volatility of milk prices in the future. Also the volatility of input prices (fertilizers, crop protection products, feed, ...) is a challenge, not the least because dairy farms in Flanders are strongly dependent on imported soy for the protein component in the feed of cows. A third major economic challenge is the high and rising price of land. Agricultural land in Flanders costs €52,000 per ha on average, with large differences across provinces and soil types. Since 2013, prices have risen by €10,000 per ha on average. As dairy farming is spread over all Flemish provinces, many dairy farmers face very high costs to acquire land (often over €75,000 per ha). This is one factor that explains the rather low succession on dairy farms (which by itself is a challenge).

The Flemish dairy sector is dependent on export: the self-sufficiency rate is higher than 100%. As the support for milk production by some groups in the Flemish society lowers, export dependency could increase in the future. Another challenge in this regard is the competitiveness of processors on the world market. The major dairy processor, as well as some minor processors, is a cooperative, which has to balance the interests of its members with its own financial interests. This introduces possible limitations to its competitiveness. The major dairy processors have also diversified and differentiated their products only to a limited extent. Therefore, opportunities for private vertical initiatives regarding milk quality and diversification of milk products exist.

In addition, the existing heterogeneity of farmers in marketing cooperatives (due to large variance in size and profitability) may undermine farmers’ resilience: it complicates the management of the cooperative. The majority of Flemish dairy farmers is member of a marketing cooperative.

Two environmental policies clearly restrict the growth of the Flemish dairy sector: the EU Nitrates Directive and the Flemish *Programmatiese Aanpak Stikstof* (PAS) regulation. The Nitrates Directive restricts farmers in the amount of manure that can be applied to agricultural land. As the whole of Flanders is a “focus area”, i.e. an area where the concentration of nitrate in the groundwater is problematic, all dairy farmers face similar restrictions w.r.t. the use of manure. The PAS regulation on the other hand limits the amount of ammonia that can be emitted by a firm. The regulation aims to reduce

² The identification of the challenges was performed by the case study leader ILVO for the most part.

nitrogen deposition on natural areas belonging to the Natura 2000 network. As a result of PAS, some dairy farms are obliged to stop their operations, and others can only continue to operate on the condition of significant investments to reduce nitrogen emissions. In addition, the support among stakeholders for the dominant pathway of intensification and scale enlargement has lowered in many regions within Flanders.

Still at the environmental side, weather conditions and animal diseases can pose a serious challenge for dairy farmers. Weather conditions affect dairy farmers mainly in their arable production activities (the average amount of land used by a dairy farm in Flanders is about 40 hectares).

Farming oriented education in Flanders might hamper farmers' resilience as it is largely steered towards increasing robustness of farms. There is little attention for the adaptability of farms. In addition, the debt structure and asset specificity of dairy farming, and the specificity of dairy farmers' capacities, do not allow for easy adaptation and transformation.

1.2 Overview of the relevant policies

The policies that affect Flemish dairy farmers' resilience are largely determined by the EU Common Agricultural Policy. Three groups of policy instruments are relevant for the Flemish dairy sector: direct payments (CAP Pillar 1), market management measures (CAP Pillar 1), and rural development programmes (CAP Pillar 2). This assessment is based on these three groups of policy instruments, and looks at both the European policies and regional implementation. In addition, the European Innovation Partnership for Agricultural productivity and Sustainability (EIP-AGRI) is discussed. Market management measures are part of either the Common Market Organisation³ (CMO) of agricultural products on the one hand, or the dairy market safety net. The three groups of policy instruments will be discussed simultaneously. Where possible, the impact on resilience of policy goals and policy instruments will be distinguished.

1.3 Direct payments

Direct payments take up the lion's share of the EU CAP budget. This is no different at the Belgian or Flemish level. Of the €4.2 billion Belgian CAP budget for the period 2014–2020, €3.6 billion was allocated to direct payments. To obtain a rough figure of the share of direct payments that flows to the Belgian dairy sector, we have to look at older documents. From 2007 to 2009, the dairy sector received 28% of the total direct support⁴ budget of Flanders. The ratio of direct support to farm income was 32% for dairy farmers at that time (Deuninck and Vrints, 2012). By 2013, this ratio had lowered to 31% (Department of Agriculture and Fisheries, 2015a). Dairy farmers are less dependent on direct payments than beef cattle farmers, arable farmers, or farmers combining either beef or dairy farming with arable farming. They are however much more dependent on them than pig farmers or horticultural producers. More recent figures on the distribution of direct payments over agricultural subsectors in Flanders were not readily available.

1.4 Market management measures

1.4.1 The Common Market Organisation

The CMO determines the rules for trading an extensive set of agricultural products, including milk and milk derivatives, on the European market. Besides marketing standards, which specify the requirements

³ Milk is just one of the agricultural products integrated into the Common Organisation of the Markets in agricultural products (CMO Regulation (EU) No 1308/2013)

⁴ The term "direct payments" was only introduced with the 2013 CAP reform

for products in order to enter the market, also import quota are set out. Depending on the existence of a bilateral trade agreement, third countries can export higher or lower amounts of (dairy) products to the European single market, with or without paying an import levy. The CMO thus plays a significant role in shielding EU producers from international competition, by reducing import. Perhaps the most tangible instrument of the CMO for milk was the milk quota regime. The milk quota, installed in 1984 to control (restrict) the production of EU dairy producers, expired on 1 April 2015.

Secondly, the CMO provides the legal framework for Producer Organisations (POs), including the derogation from some EU competition rules. The set of regulations called “the Milk Package” (approved in 2012 and 2013) introduced the possibility for POs in the dairy sector to negotiate contract terms on behalf of their members. The package also sets out specific EU rules for inter-branch organisations, and entails measures enhancing transparency in the market and possibilities for the supply management of cheese covered by a Protected Designation of Origin (PDO) or Protected Geographical Indication (PGI), under specific conditions.

1.4.2 The dairy market safety net

Besides the CMO, a set of market management measures for the dairy sector exist which are altogether referred to as the “dairy market safety net”. Market management measures are either long-term, recurring measures or exceptional (irregular) measures. Recurring measures include the public intervention buying of skimmed milk powder (SMP) and butter, and the financial support for private storage of SMP, butter and PDO and PGI cheeses. These measures replace the higher level of milk price support that accompanied the milk quota system for three decades. The intervention price of (standardised) milk was gradually lowered from 2004 to 2015, when the quota were lifted. Public intervention purchases and support for private storage are only initiated when the price of either SMP or butter are exceptionally low. Dairy farmers are currently much more exposed to price volatility and competition than they were under the quota regime. The budget needed for the public intervention policy depends on the purchase and sales prices of SMP and butter. The exact budget for the private storage policy could not be retrieved.

Exceptional measures include the €150 million support package for the voluntary reduction of milk production of 2016. The budget of exceptional measures is low as compared to the budget of direct payments or the rural development programme, but not negligible: the Belgian budget was €3.82 million for voluntary milk production reduction in 2016. Market management measures are generally perceived as highly “distortive” instruments; therefore the share of market management measures⁵ in the overall CAP budget was reduced from around 76% in 1992 to around 6% in 2013 (Flemish Government, 2013).

1.5 Rural development programmes

The Flemish rural development programme (RDP) 2014 – 2020 is structured around four main themes: “young farmers and the future of the agricultural sector in Flanders”, “investing in innovation and education”, “increasing the economic and ecological resilience and sustainability of the sector”, and “strengthening the viability of rural areas through a high quality connection with the sector” (Department of Agriculture and Fisheries, 2015b). These four themes are the core of the wider motivation of the selection of EAFRD measures for the Flemish RDP, done by the Flemish government. There are no budgets

⁵ Whether the replacing coupled support, decoupled support and direct payments are not instruments that affect markets, is off course debatable

allocated to the specific four themes; the allocation is done at the level of the concrete EAFRD measures. The budget breakdown of the concrete EAFRD measures gives an idea of the priorities of the Flemish Government, and possible implications for farmers’ resilience (Table 1). The Belgian RDP budget, including co-financing by the member state but excluding transfers from Pillar 1 to Pillar 2, is €1.57 billion⁶. The budget of the Flemish RDP 2014–2020 is €671 million, and was raised by a 50/50 contribution of the EAFRD and the Flemish region (€288 million each), plus another €96 million which was transferred from Pillar 1 to Pillar 2 by the Flemish region.

Table 1: EAFRD contributions to the Flemish RDP (absolute budget numbers are the sum of Pillar 2 and transferred Pillar 1 funds). Source: Department of Agriculture and Fisheries (2014).

Measure	Budget (€)	Budget (%)
M01: Knowledge exchange and extension	15,082,653	3.93
M02: Firm advisory and management services	7,876,004	2.05
M04: Farm investments in material assets	206,288,063	53.75
M06: The agricultural firm and business development	31,533,607	8.22
M07: Basic services and infrastructure development in rural areas	15,591,194	4.06
M08: Investments for the development of forest areas and the viability of forests	3,934,462	1.03
M09: Establishment of producer groups and – organisations	500,000	0.13
M10: Agri-environmental and climate measures	69,562,536	18.13
M11: Organic agriculture	4,423,976	1.15
M16: Cooperation	2,440,492	0.64
M17: Risk management	3,142,949	0.82
M19: LEADER – community-based local development	19,189,945	5.00
M20: Technical assistance to Member States	4,200,000	1.09
Total	383,765,881	100.00

In practice, the RDP offers farmers the opportunity to participate in a wide set of concrete support schemes. Farmers choose to participate in a scheme individually. Therefore, tracing down the share of rural development support that flows to a specific agricultural subsector (in our case: the dairy sector) is hardly possible (Vlaams Parlement vraag nr. 688, 2017).

2 Data

The policy documents listed in Table 3 were coded using NVivo® software for policy goals and policy instruments. Scoring was done based on a Likert scale (Table 2).

Table 2: Likert scale used to score the enabling or constraining character of policies

Question: To what extent do the policy’s goals and instruments enable or constrain the characteristic?

⁶ The EU finances €648 million and Belgium €922 million

Answers enabling	Answers constraining	Scores
Not clear		0
Not enabling	Very constraining	1
Slightly enabling	Constraining	2
Fairly enabling	Fairly constraining	3
Enabling	Slightly constraining	4
Very enabling	Not constraining	5

Table 3: List of policy documents used for the analysis. References to the source of these documents are given in section 4.

Description of the policy document	Publisher	Year
Belgium - Rural Development Programme (Regional) – Flanders (full RDP proposal)	Flemish Dept. of Agriculture and Fisheries	2014
Brochure “Landbouw tuinbouw 2015 Vlaanderen”	Flemish Dept. of Agriculture and Fisheries	2015
Brochure "Vlaams Programma voor Plattelandsontwikkeling PDPO III - 2014 - 2020"	Flemish Dept. of Agriculture and Fisheries	2015
Brochure “VLIF-investeringssteun voor land- en tuinbouwers”	Flemish Dept. of Agriculture and Fisheries	2018
Report ‘Herverdeling van de rechtstreekse steun binnen Vlaanderen: Ex-ante evaluatie van de wetgevende voorstellen van de Europese Commissie’	Flemish Dept. of Agriculture and Fisheries	2012
Website ‘Crisismaatregel vermindering melkproductie’	Flemish Dept. of Agriculture and Fisheries	2015
Website ‘VLIF-steun voor de land- en tuinbouw’	Flemish Dept. of Agriculture and Fisheries	2016
Brochure ‘Food & Farming – Focus on Market Safety Nets’	EC - DG AGRI	2015
Report ‘Mapping and analysis of the implementation of the CAP’	ECORYS, IEEP, Wageningen University & Research	2016
Report from the Commission to the EU Parliament and The Council on the dairy market situation and the ‘Milk Package’ provisions	European Commission	2016
Website ‘Policy instruments for the dairy sector’	European Commission	2017
Brochure ““Mededinging” en de Gemeenschappelijke Marktordening’	Flemish Dept. of Agriculture and Fisheries	2017
Report ‘Samenwerking in de keten: producentenorganisaties en brancheorganisaties’	Flemish Dept. of Agriculture and Fisheries	2012
Proposal by the Flemish Minister of Agriculture to the Flemish Government, for the implementation of the CAP 2020 reform on direct payments	Flemish Government	2013
Brochure ‘De biologische landbouw in Vlaanderen. Stand van zaken 2017.’	Flemish Dept. of Agriculture and Fisheries	2016
Formal request to the Flemish Minister of Agriculture in the Flemish Parliament	Flemish Parliament	2017
Brochure ‘EIP-AGRI Network’, update October 2015	EIP-AGRI	2015
Website “European School Milk Scheme”	EC – DG AGRI	2018



3 Analysis

3.1 Score matrices

Tables 4, 5 and 6 illustrate the co-occurrence of codes assigned to policy text fragments. A high co-occurrence of codes at lower (higher) Likert scale levels points at a constraining (enabling) character for robustness/adaptability/transformability.

Table 4: Co-occurrence matrix of robustness categories and scores

	Robustness_0	Robustness_1	Robustness_2	Robustness_3	Robustness_4	Robustness_5
Short-term focus _Goals	1	0	0	0	0	2
Short-term focus _Instruments	3	2	0	0	0	1
Protecting status quo _Goals	1	0	0	1	0	5
Protecting status quo _Instruments	2	1	0	1	1	6
Buffer resources _Goals	0	1	0	1	1	6
Buffer resources _Instruments	0	0	0	1	0	4
Other risk management _Goals	0	0	0	0	2	14
Other risk management _Instruments	1	0	0	0	2	5

Table 5: Co-occurrence matrix of adaptability categories and scores

	Adaptability_0	Adaptability_1	Adaptability_2	Adaptability_3	Adaptability_4	Adaptability_5
Middle-long term focus _Goals	0	0	0	0	1	4
Middle-long term focus _Instruments	1	0	0	0	0	4
Flexibility _Goals	0	0	0	0	2	0
Flexibility _Instruments	1	3	0	0	5	1
Variety and tailor-made responses _Goals	1	0	0	0	0	5
Variety and tailor-made responses _Instruments	0	1	1	0	4	6
Social learning _Goals	0	0	0	0	5	0
Social learning _Instruments	0	0	0	0	4	1

Table 6: Co-occurrence matrix of transformability categories and scores

	Transformab_0	Transformab_1	Transformab_2	Transformab_3	Transformab_4	Transformab_5
Long-term focus _Goals	0	0	0	2	5	2
Long-term focus _Instruments	1	1	0	2	4	1
Dismantling incentives that support the status quo _Goals	0	7	0	2	2	5
Dismantling incentives that support the status quo _Instruments	0	2	0	0	1	4
In-depth learning _Goals	0	0	1	0	0	1
In-depth learning _Instruments	0	1	1	0	0	0
Enhancing & accelerating niche innovations _Goals	0	0	0	0	1	4
Enhancing & accelerating niche innovations _Instruments	0	1	0	0	1	5

The sections 3.2, 3.3 and 3.4 will provide a textual version of “Table 5” in the guidelines (D 4.1).

3.2 Robustness

3.2.1 Short-term focus

a) *To what extent is a focus on the short-term enabled or constrained by the policy goals? Score: 4/5.*

The market safety net for the dairy sector was created to prevent exceptionally low milk prices. It is supposed to protect dairy farmers from price volatility, at least on the downward side. The goal of this set of policies is short-term focussed, because the policy stabilises market conditions as they are now. As such, the dairy market safety net enables a short-term focus. As stated by the European Commission:

“The EU's dairy policy dates from the 1960s. It helps to create stable market conditions for EU milk producers and processors.” (European Commission, 2017)

b) *To what extent is a focus on the short-term enabled or constrained by the policy instruments? Score: 0/5.*

Instruments of the dairy market safety net are very short-term focussed: some product volume is removed from the market in order to counter oversupply at a certain moment in time. These interventions take place almost regardless of expected (near -) future price evolutions. In the case of public intervention, the public tenders for skimmed milk powder and butter are even initiated automatically.

However, the very short-term focus of the dairy market safety net does not guarantee the robustness enabling character of policy. On the contrary, the short-run intervention in milk powder may contribute to market instability in the medium-run. The public intervention generates a stock of SMP and butter which places a burden on the market, that may negatively affect future milk prices. For example, the EC's SMP stocks accounted for more than 20% of the total annual European production by the end of 2017. Therefore, we believe that the impact of a short-term focus of policy instruments on the robustness of the dairy sector is unclear.

“... it creates a burden on the market that may have a depressing impact on future powder and milk prices. By that the short-run needless intervention in milk powder may contribute to market instability in the medium-run. This then not only backfires to farmers, but can create future market instability as well as a further need for future intervention.” (Jongeneel, 2017)

3.2.2 Protecting the status quo

a) *To what extent is protection of the status quo enabled or constrained by the policy goals? Score: 5/5.*

The level of direct payments that a firm receives, depends on its payment entitlements (the amount of direct payments per eligible hectare the firm is entitled to), and the eligible acreage of the firm for which it requests direct payments. The level of payment entitlements received by Belgian farms is determined historically; it depends on the level of support that this firm received under previous Pillar I policies (coupled support, ...). This by itself implies a very strong protection of the status quo with respect to support to different groups of farmers. Currently, the EU moves to an internal convergence of payment entitlements: differences between payment entitlements within a country have to be lowered. The Flemish Minister of Agriculture confirms that the differences between payment entitlements of Flemish farmers cannot be justified anymore:

“Omwille van die reden zijn de toeslagrechten in Vlaanderen vrij hoog (gemiddeld €488 in 2012 – de op twee na hoogste waarde na Malta en Nederland). Tegelijk zorgt dit voor aanzienlijke

waardeverschillen tussen de toeslagrechten. De waarden gaan van < € 100 tot > € 5000 in Vlaanderen. Deze grote verschillen in waarden zijn niet meer te rechtvaardigen.” (Flemish Government, 2013)

Yet, Flanders (as well as Wallonia) did not choose to converge direct payment entitlements to a flat rate per hectare by 2019, as some member states did. Flanders is a slow mover with respect to internal convergence (ECORYS, IEEP and Wageningen University & Research, 2016). As such, the status quo with respect to exit and entry of farms, and the practices that farms currently apply, is protected. As the dairy sector was the largest recipient of decoupled support in previous CAP regimes, this protection of the status quo with respect to direct payments generally favours the dairy sector. The following example quotation illustrates well the goal to protect the status quo at the implementation of the previous CAP reform:

“Uitgaande van het feit dat alle begunstigen in Vlaanderen tussen 2012 en 2019 hun ontkoppelde directe steun al met gemiddeld 2.144 euro zullen zien dalen, is het wenselijk dat bijkomende verliezen als gevolg van interne convergentie zoveel mogelijk beperkt worden. Een overgang naar een flat rate is onhaalbaar, en zou de continuïteit van Vlaamse bedrijven bedreigen. Vlaanderen dient daarom te kiezen voor het scenario dat voor de minste herverdeling zorgt in 2019: ...” (Flemish Government, 2013)

The redistributive payment scheme under Pillar I was not implemented by Flanders at the 2013 CAP reform. Redistribution was said to have both desired and undesired effects, such as a shift of subsidies towards agricultural activities that use lower amounts of land. The following exemplary quote by the Flemish Minister of Agriculture again demonstrates the objective of protecting the status quo with respect to differences in direct payments per firm:

“Analyses tonen aan dat een herverdelende betaling in Vlaanderen zal leiden tot bijkomende, maar niet altijd gewenste verschuivingen in directe steun tussen producenten. Zo zullen melkveebedrijven, die in Vlaanderen een gemiddelde grootte hebben die het algemene gemiddelde overtreft, door een dergelijke betaling directe steun verliezen ten voordele van landbouwbedrijven die gebruik maken van een kleiner areaal (zoals producenten van groenten en fruit).” (Flemish Government, 2013)

The dairy sector is advantaged as well by the choice of the Flemish Government to maintain coupled support for the production of veal calves. The profit obtained from selling male calves for veal meat production is believed to make a contribute significantly to dairy farms’ profitability. Supporting the status quo is again the objective, as illustrated by the following coded quote:

“Als gevolg van de invoering van het nieuwe systeem van directe steun, en in het bijzonder interne convergentie, dreigen alle Vlaamse kalvermesters een belangrijk deel van hun sinds 2012 ontkoppelde directe steun te verliezen. Dit komt bovenop het concurrentieel nadeel dat de Vlaamse producenten ondervinden t.o.v. de hogere, historisch gegroeide, steunniveaus in naburige productielanden. Dat alles vormt een bedreiging van de economische leefbaarheid van de sector. [...] Een gekoppelde steun voor de kalversector kan helpen verhinderen dat een te snel inkomensverlies zorgt voor onaanvaardbare negatieve effecten op het inkomen van de kalvermesters en de melkveebedrijven.” (Flemish Government, 2013)

In conclusion, we believe that the direct payments policy is implemented in a way that a protection of the status quo is strongly enabled.

b) To what extent is protection of the status quo enabled or constrained by the policy instruments? Score: 5/5.

Direct payments aim to make farming more profitable within the current conditions. By doing so, farms are not encouraged to adapt or transform, in order to reach a state with possibly more resilient, sustainable, etc., operating conditions. The dairy market safety net instruments have a similar effect: by controlling market conditions, and blocking sudden changes in market conditions, the current dairy farming systems are protected. Direct payments and market safety net instruments (which together take the lion's share of the CAP budget at EU level) thus protect the status quo, with respect to farms and farming strategies.

The following quote clearly demonstrates how direct payments are seen as a righteous source of income for farmers to compensate them for costs invoked by societal demands to EU agriculture:

“Dit onderdeel heeft als doelstelling om het inkomen van landbouwers te ondersteunen, omdat de markt in bepaalde sectoren niet zorgt voor voldoende inkomsten, maar ook als compensatie voor publieke diensten die niet vergoed worden door de markt (vb. [...]), en als vergoeding voor de hoge EU-normen inzake voedselveiligheid, milieu en dierenwelzijn.” (Flemish Government, 2013)

Direct payments provide a strong incentive for older farmers with high direct payment entitlements to keep farming operations ongoing, even though the future trajectory of the firm is of little interest to them. This mechanism (among others) has invoked heavy criticism on direct support policies. The instrument of direct payments thus protects the status quo to a great extent.

Also the allocation of 53.7% of the Flemish RDP budget to support for investments in material assets can be seen as a policy choice that protects the status quo. The agricultural subsectors in Flanders that are more competitive on the international market such as dairy, pig, fruits and vegetables production, are all capital-intensive sectors. By heavily supporting further investments in material assets, the pursuit of competitiveness through output increase is encouraged. This is already the dominant strategy in the dairy sector as well as in other sectors. The investment support instrument thus enables a continuation of the status quo. Remarkably, one of the three stated goals of the investment support instrument is to increase farmers' resilience (Department of Agriculture and Fisheries, 2018). However, no further information on what is understood under resilience is given.

The public opinion on the environmental sustainability and animal friendliness of dairy production might become a challenge for the Flemish dairy sector in the near future. The attention of NGOs and consumer groups for environmental and animal welfare issues related to dairy production is rising. In this regard, the diverse EU promotion programmes for the dairy sector (generally 50% co-funded by other public or private funds) can be seen as an aim to protect the status quo. Especially school milk programmes aim to stimulate the demand for milk.

“The EU School Milk Scheme is intended to encourage consumption among children of healthy dairy products containing important vitamins and minerals. First established in 1977, the scheme not only has a nutritional character, but also an educational character and therefore helps contribute to the fight against obesity among children.” (European Commission, 2018)

3.2.3 Buffer resources

- a) *To what extent is the development of buffer resources enabled or constrained by the policy goals? Score: 3/5.*

As described in the previous section 3.2.2.b (and illustrated by the first example quotation of this section), direct payments are motivated as a regular source of income that compensates for foregone profits rather than as a buffer resource for farmers. Yet, direct payments can be seen as a resource that provides a buffer against market fluctuations. When taking that view, the previous arguments apply: direct payments take up the lion's share of the Flemish as well as the EU CAP budget, and therefore buffer resources are a priority of both policy goals and instruments. In that logic, a positive score for the buffer resources enabling character of the CAP's Pillar I could be justified.

However, there are good arguments to assign a neutral score as well: because of the general motivation of direct payments as a compensation for foregone profits, no explicit references to farmers' buffer resources were found in the consulted policy documents. There is a strong emphasis on farmers' competitiveness in general, but the development of buffer resources to overcome periods of difficulty (i.e. liquidity, savings, or assets that can be sold rather quickly) is not addressed. Given the importance of buffer resources for farmers' robustness, a neutral score seems more justified than a positive one.

- b) *To what extent is the development of buffer resources enabled or constrained by the policy instruments? Score: 5/5.*

When taking the view that direct payments provide a buffer resource to farmers, a score of 5 should be given to the enabling character of policy instruments for the development of buffer resources. A more specific policy that realises the development of buffer resources was implemented at the 2013 CAP reform: a share (about 1%) of the EU direct payments budget will be set aside for agricultural crises. If the budget is not used for this purpose, it will be distributed in the form of direct payments afterwards. The following example quotation illustrates this policy:

"Vanaf 2014 (MFK-jaar 2015) zal een deel van het budget voor directe steun [...] gereserveerd worden, als provisie voor landbouwcrisissen. Vroeger bestond deze verbinding met het directe steun budget niet. Concreet betekent dit dat landbouwers dit geld via directe steun pas later zullen krijgen, en enkel indien het niet aangewend werd voor landbouwcrisismaatregelen in hun of een andere lidstaat." (Flemish Government, 2013)

3.2.4 Risk management

- a) *To what extent are other modes of managing risks enabled or constrained by the policy goals? Score: 5/5.*

Improving the resilience and sustainability of the agricultural sector is one of the four strategic themes of the Flemish Rural Development Programme (RDP). Resilience is often named together with risk management in the policy documents issued by the Flemish Department of Agriculture and Fisheries. The following two example quotations illustrate how improving resilience is a top priority, and how improving risk management is seen as a major element of this:

"Focussen op het verhogen van de weerbaarheid en verduurzaming van de landbouwsector in al zijn facetten. [...] Anderzijds wordt ingezet op het economische aspect met aandacht voor de versterking van de positie van de primaire producenten in de landbouwketen, de crisisbestendigheid van de sector (opvangen en verminderen van de gevolgen van volatiliteit van

afzetzprijzen en kostprijzen) en de ontwikkeling van risicobeheer.” (Department of Agriculture and Fisheries, 2014)

“Het landbouwbedrijf moet voldoende weerbaar zijn om ook in de toekomst zijn positie te bestendigen. Een belangrijke uitdaging hierbij is de versterking van de plaats van de landbouwsector in de keten. De Vlaamse actoren zien mogelijkheden op het vlak van modernisering, diversificatie, risicobeheer, samenwerkingsvormen, ... [...] Daarnaast moet er aandacht zijn voor crisisbestendigheid, zodat het landbouwbedrijf gewapend is tegen tegenvallende externe factoren zoals weersomstandigheden of volatiele marktprijzen.” (Department of Agriculture and Fisheries, 2014)

Only 0.82% of the Flemish RDP budget is dedicated to risk management, which puts the emphasis on risk management of policy documents in perspective. On the other hand, this amount is not negligible, especially since it is dedicated to a new policy in the RDP: the budget is dedicated to the establishment of a general insurance scheme for weather-related crop damage in a public-private partnership⁷.

Market management measures, known as the dairy market safety net, are motivated as risk management tools as well. The following example quotation, taken from a brochure that discusses the dairy market management measures taken over the last few years, illustrates this point of view well:

“The EU’s policy response has focused on targeting income by addressing immediately the cash-flow difficulties farmers are facing, by stabilising markets, by maximising the use of existing measures, and by raising issues about the functioning of the supply chain.” (DG AGRI, 2015)

The same view is shared by the Flemish policymakers who implemented the 2013 CAP reform. At the time of the reform, the Flemish Government stated that market management measures will remain important for the agricultural sector, because of increasing price volatility of input and sales prices, among other reasons:

“Niettemin blijft het marktbeleid van strategisch belang voor de landbouwsector, onder andere omwille van de toenemende volatiliteit van zowel verkoop- als aankooprijzen.” (Flemish Government, 2013).

From the perspective of the farming system, that includes policies and policymakers, risk management is a top priority, and the existing instruments do increase the farming system’s robustness. Therefore we assign a score 5 to the risk management enabling character of policy goals. However, one could adopt the point of view that market management measures insulate farmers from volatility and shocks, and as such constrain the development of risk management by farmers themselves. In that case, a strongly negative score can be motivated.

b) *To what extent are other modes of managing risks enabled or constrained by the policy instruments?*
Score: 4/5.

Although better risk management is one of the priorities of the Flemish RDP, implementation of risk management measures under the RDP is lagging behind. The establishment of a co-financed insurance scheme for weather-related crop damage, foreseen for the 2014-2020 period, has not been completed up to now. The latest news indicates an implementation in 2018 at the earliest. Thus, up to now, only the

⁷ The rural development programme fund would co-finance 50% or 65% of a private insurance premium

disaster relief fund has provided help for farmers affected by weather-related crop damage, and policy instruments do not yet enable management of weather risks strongly.

Dairy market safety net instruments strongly protect dairy farmers from downward price spikes. Given the moderate impact and moderately high budgetary requirements of the dairy market safety net instruments, a high score for the risk management enabling character of these policies seems adequate. As compared to previous CAP regimes where intervention prices were substantially higher⁸, the current market management measures only operate at very low market prices (i.e. 40% of the long-term average milk price). Dairy farmers are thus still exposed to a great deal of price risk.

Whether these risk management measures effectively increase dairy farmers' robustness is another question, as was discussed in section 3.2.1 (on the short-term focus). Building stocks of milk products at times of oversupply may backfire at farmers later in time. And as stated in the previous section on policy goals, an effective reduction of price volatility by policy instruments may constrain the adoption of risk management strategies by individual farmers. If this analysis would concern only farmers' actions and not the farming system as a whole, a negative score for the risk management enabling character of the market safety net instruments would be more adequate.

Relevant as well for the risk management enabling character are the recent instruments that facilitate the creation of producer organisations (POs) and inter-branch organisations. POs receive derogation for some rules of the EU antitrust regulation, for example the possibility to coordinate production levels and – timing, or the possibility to bargain collectively and thereby reduce the market power of buyers. Coordinating production could prevent the occurrence of oversupply, and in this way limit the vulnerability of farmers to price volatility. The goal of this policy is thus related to (price) risk management. The following quote taken from the original EU Directive 261/2012 illustrates the goal of this policy:

"... de productie beter op de markt af te stemmen, wat betekent dat de landbouwers hun beslissingen over wat en hoe te produceren, baseren op prijssignalen, teneinde de concurrentiepositie van de zuivelsector te verstevigen en de duurzaamheid van de sector in een geglobaliseerde omgeving te verbeteren." (Bijttebier, Taragola and Debruyne, 2017)

The establishment of POs in the dairy sector is possible since the adoption of the set of Regulations known as the 'Milk Package' in 2012. In Flanders, this call was answered with the establishment of the POs "*Beste melk*" and "*Dairycom*", which represent the suppliers of the two largest private processors *Danone* and *Friesland-Campina*, respectively. The Flemish RDP provided funds for the establishment of these POs. The EC's attention for the development of dairy marketing PO's will affect Flanders less than the EU in general, as the largest dairy processor in Flanders, *Milcobel*, is a cooperative, and cooperatives have a long tradition in the Belgian dairy sector.

⁸ Intervention prices were gradually lowered since 2004

3.3 Adaptability

3.3.1 Middle long-term focus

- a) *To what extent is a focus on the middle-long term enabled or constrained by the policy goals? Score: 5/5.*

No explicit references to a middle long-term focus were encountered in the analysed documents. The Flemish RDP does however refer to adaptive capacity explicitly when motivating the support for investments in material assets, as can be seen in the following example quotation:

*“Bijgevolg is het essentieel om al deze sectoren kansen te bieden om blijvend te investeren. In de nodenanalyse geeft nood 05 (concurrentiële landbouwbedrijven met voldoende **aanpassingscapaciteit** om te voldoen aan markt- en beleidswijzigingen) duidelijk aan dat investeringen nodig blijven zowel om concurrentieel te blijven als om te voldoen aan milieu- en kwaliteitseisen.”* (Department of Agriculture and Fisheries, 2014)

As investments in material assets reflect decisions made with a middle long-term focus, the high priority given to this type of support (in terms of budget allocation, i.e. 53.7% of the RDP budget) enables a focus on the middle-long term strongly. Depending on the specific investment made, the decision covers a shorter or longer term. In the case of construction works (e.g. stables) the depreciation period can reach up to 30 years, which can be regarded as a long-term decision. However, the majority of investments typically supported (for example machinery and adaptations to infrastructure) covers a term of only ten to twenty years. In this way, adaptation is much more facilitated than transformation.

The focus on adaptability in the motivation of this type of support to farmers also stands out in the following example quotation, which translates as follows: “Through investment support, farmers are encouraged to adapt their firm (structure) in order to keep up with changing conditions. ...”.

“Via investeringssteun worden de land- en tuinbouwers aangemoedigd hun bedrijfsstructuren voldoende snel aan te passen aan de gewijzigde omstandigheden. Investeringssteun zorgt er voor dat de investeringskosten significant verlaagd worden waardoor de noodzakelijke investeringen sneller uitgevoerd worden en de financiering ervan vlotter verloopt. Deze maatregel draagt alzo bij tot het strategisch PDPO III thema om de weerbaarheid en de verduurzaming van de landbouwsector, zowel ecologisch als economisch, te verhogen met zowel aandacht voor de externe als interne verduurzaming.” (Department of Agriculture and Fisheries, 2014)

- b) *To what extent is a focus on the middle-long term enabled or constrained by the policy instruments? Score: 4/5.*

The investment support policy is important in terms of the amount of support individual farmers can receive. For recipients of investment support, the received amounts are typically in the same range as annual direct payments (10-15,000 € per firm). As direct payments are continuous and investment support is limited to the limited number of investments in material assets that can be done on one farm, direct payments still surpass investment support in the total contribution to farmers’ revenues. The following example quotation illustrates the focus on adaptability of this specific policy instrument:

“Concrete actie 1: investeringen die de weerbaarheid van het land- of tuinbouwbedrijf verhogen. [...] Via deze sub-maatregel worden land- en tuinbouwers aangemoedigd de interne structuur van

het bedrijf tijds aan te passen aan de snel veranderende omgevingsfactoren om weerbaar te blijven en verder te verduurzamen.” (Department of Agriculture and Fisheries, 2014)

Although the investment support policy aims to increase farmers’ adaptive capacity, it may have adverse effects in this regard. By stimulating investments and consequently the use of loans, it may stimulate the level of debt of a given firm. In a situation of debt, it is very well possible that the adaptive capacity of a farm is reduced. As stated in the introduction, the debt structure and asset specificity of dairy farming generally constrain adaptability.

3.3.2 Flexibility

a) *To what extent is flexibility enabled or constrained by the policy goals? Score: 2/5.*

One new instrument of the Flemish RDP aims to stimulate bottom-up invention and innovation, with the goal of providing a flexible support channel for innovation by farmers:

“Er is nood aan een maatregel die pure innovatie en vernieuwing stimuleert die van bij de landbouwer zelf of van bij een groep van landbouwers ontstaat en waarbij ook de effectieve realisatie van de innovatie wordt ondersteund. In PDPO II kregen pure innovatieve investeringen of projecten vaak geen kans, o.a. gezien bij de “gewone” investeringssteun gebruik wordt gemaakt van limitatieve lijsten met subsidiabele investeringen.” (Department of Agriculture and Fisheries, 2014)

This is the only reference to flexibility⁹ encountered in the consulted policy documents. Therefore, we consider that enabling flexibility is not a goal of agricultural policies in Flanders, and this theme receives too little attention as compared to other aspects of resilience. As a lack of attention for flexibility by policymakers creates a risk of policies constraining flexibility being developed, we consider a negative score to be more adequate than a neutral score here.

b) *To what extent is flexibility enabled or constrained by the policy instruments? Score: 3/5*

A major change in the direct payments policy by the 2013 CAP reform was the shift from a fixed amount of direct payments per firm to a variable amount, consisting of a basic payment and several possible add-ons, such as greening payments, payments for small farms (not implemented in Flanders), etc.

“In 2015 worden nieuwe betalingsrechten toegekend op nagenoeg het gehele landbouwareaal. Deze betalingsrechten zullen niet langer recht geven op één jaarlijks bedrag, maar op een basisbetaling en één of meerdere gerelateerde betalingen, allen eveneens jaarlijks.” (Flemish Government, 2013)

As such, member states have more flexibility to implement the direct payments policy according to local conditions, and individual farmers have more flexibility to choose for the type of direct payments they are willing to accept (they can partially opt-in on direct payments, and refuse the conditions of some premiums). The flexibility given to member states allows them to develop more tailor-made policies in turn: in the case of Flanders, the premiums for (a) naturally disadvantaged regions and (b) small farmers are not implemented because the requirements for (a) cannot be fulfilled and young farmers receive support already by the RDP. The relevance of flexibility in the direct payments scheme, and the variation in farmers’ willingness to accept the conditions of direct payments was demonstrated by the high

⁹ And it is only an implicit reference

resistance to the introduction of Greening payments at the 2013 CAP reform. One of the main arguments of opponents was that the Greening requirements leave too little flexibility for farmers to use their land as they see fit.

The Greening requirement to maintain the acreage of permanent pasture at the regional level is especially relevant for the dairy sector. Although initially it was proposed to demand a maintenance of permanent pasture at the farm level (Flemish Government, 2013), the Flemish Government finally chose to demand maintenance of the acreage only at the regional level, and as such allowed farmers to pool their permanent pastures. The flexibility of this policy was thereby increased.

In the previous section 3.3.1 we discussed how the majority of the Flemish RDP budget is allocated to co-financing investments in material assets. We also argued that stimulating investments may reduce farmers' adaptive capacity by increasing their level of indebtedness. This is again relevant, as farmers with a high level of indebtedness have less flexibility to choose another strategic orientation than the one they chose previously; firms can get "locked in" a certain development strategy. The investment support policy may thus enable the adaptability of dairy farmers, by lowering the costs of necessary investments, but equally constrain it, for the reasons mentioned.

Another policy evolution that is relevant, is the following: the European Commission considers setting an EU-wide obligation for PO members to deliver all milk to their PO, as is currently the case for fruit and vegetables POs (European Commission, 2016). In the Flemish case such an obligation would barely affect dairy farmers: those who deliver milk to a PO, already deliver 100% to one processor (except for a small quantity for direct sales). In other countries, such an obligation might have a large impact. We do not take this possible future measure into account for the scoring, as this policy is not yet implemented.

In conclusion, the flexibility- enabling character of policy instruments is strongly ambiguous, and dependent on the situation of the individual farm. Generally, EU policies tend to attach more importance to flexibility than was the case in previous decades. We opt for a neutral score.

3.3.3 Variety and tailor-made responses

- a) *To what extent are variety and tailor-made responses enabled or constrained by the policy goals?*
Score: 4/5.

When implementing the CAP 2013 reform, the Flemish Government involved stakeholder bodies in the decision-making process. For Pillar 1 decisions, related to greening and environmental aspects, the Department of Environment, Nature and Energy was involved as well. The strategic advisory bodies comprising most of the stakeholders, i.e. MINA (for Environment, Nature and Energy) and SALV (for Agriculture and Fisheries) had the opportunity to react and advice the original concept note. This testifies of an intention of the Flemish Government to implement the 2013 CAP reform in a way that takes regional conditions into account as much as possible.

Whereas CAP Pillar 1 policies support all EU farmers¹⁰ in a relatively uniform way, Pillar 2 policies support more specific actions with specific targets. A summation of the different measures adopted by the Flemish RDP is given in Table 1. Targets include the economic, ecological and social performance of farms. Flanders chose to transfer a high share of the Pillar 1 budget to Pillar 2 (10% from 2018 onwards), and thus chose to finance policies that are more varied and tailor-made to specific challenges. The proposal of the

¹⁰ More precisely: all 'active' farmers

Minister of Agriculture (see following example quotation), and subsequent decision of the Flemish Government to give extra support to Pillar 2 reflect the goal to develop more varied, tailor-made responses.

“Vlaanderen stelt dat een versterking van PDPO (pijler II) met, op termijn, 10% directe steun middelen (pijler I) wenselijk is. Een versterking van Pijler II moet de budgettaire beperkingen van het Vlaamse plattelandsbudget voor 2014-2020 verminderen, en onder meer mogelijk maken dat maatregelen ter ondersteuning van investeringen inzake duurzaamheid meer slagkracht krijgen.” (Flemish Government, 2013)

The scoring of the enabling character of policy goals thus faces a trade-off: how to weigh the uniformity and one-size-fits-all approach of direct payments and market safety net measures against the more varied and tailor-made character of the (Flemish) RDP?

Another policy that aims to enable varied and tailor-made actions by farmers (and related stakeholders) is the EIP-AGRI Thematic Networks instrument. Thematic Networks are created around specific themes, often agricultural practices, for which practitioners see a need of bringing together existing knowledge.

“Thematic networks are innovative projects, funded through Horizon 2020, that aim to find solutions for the most urgent needs of agriculture and forestry production. They do this by involving a range of actors from science and practice. These networks aim to collect existing best practices and research results that are close to being put into practice, but that are not sufficiently known and used by people in the field.” (EIP-AGRI Service Point, 2015)

b) To what extent are variety and tailor-made responses enabled or constrained by the policy instruments? Score: 3/5

The arguments raised in the previous section 3.3.2 on the increased flexibility of direct payments due to modularity, i.e. the split in a basic payment, greening payments, etc., hold as well in this case: the reformed direct payments scheme allows farmers to apply for subsidies in a more varied way. The current modular system of direct payments enables a varied uptake of direct payments by farmers better than the previous direct payments policy did. However, direct payments still could be regarded as a one-size-fits-all policy.

Essentially, the dairy market safety net instruments are “one size fits all” solutions, constraining tailor-made solutions. However, progress was made recently to establish more varied, tailor-made policies. Mainly the subsidies for voluntary milk production reduction, given in 2016, allow a more varied response by farmers as compared to public intervention purchases and subsidised private storage: farmers who face lower opportunity costs for lowering milk production can opt-in on the scheme, while farmers with higher opportunity costs (e.g. having long term milk delivery agreements) can opt to maintain the level of production. The Commission evaluated the milk reduction scheme as a successful instrument; it will be applied again in the future, and may partially replace public intervention purchases.

As discussed in the previous section on policy goals, Pillar 2 policies support more specific actions with specific targets than Pillar 1 policies do. The main Pillar 2 policy in terms of budget, i.e. support for investments in material assets, aims to stimulate varied and tailor-made responses as well. The following example quotation states that a wide array of types of investments is supported, in order to be able to respond to diverse needs.

“Er is een brede waaier aan types investeringen om te kunnen inspelen op de diverse noden, zoals geformuleerd in de nodenanalyse. Investeringssteun is immers een van de meest aangewezen tools om noden rond waterbeheer, energie-efficiëntie, klimaat etc. aan te pakken.” (Department of Agriculture and Fisheries, 2014)

The LEADER programme, part of national or regional RDPs, is by far the most varied and tailor-made instrument, as it is based on a bottom-up approach. To acquire LEADER funds, Local Groups (private-public partnerships) can submit a local development strategy, i.e. a region oriented long-term vision.

In conclusion, CAP Pillar 1 instruments are close to one-size-fits-all solutions. Efforts have been made however to make the dairy market safety net instruments and direct payments requirements more varied. Pillar 2 instruments, at least in the Flemish RDP, do enable varied responses. Both a negative and positive score could be motivated, so we opt for a neutral score.

3.3.4 Social learning

a) *To what extent is social learning enabled or constrained by the policy goals? Score: 4/5.*

The Flemish RDP addresses social learning as a policy goal, albeit not explicitly. The RDP links the sharing of knowledge to the support channels for demonstration projects, extension actions, collaborative actions under the LEADER programme. At the regional level, policies that encourage social learning are thus to be sought in the RDP. The policy goal to encourage social learning is illustrated by the following example quotation:

“In Vlaanderen wordt reeds heel wat innovatie op bedrijfsniveau gerealiseerd. Hierop willen we verder inzetten via een stimulerend beleid via demonstratieprojecten, vorming, steun voor innovaties op het landbouwbedrijf, voorlichting, ... - met oog op kennisversterking en objectieve kennisdeling. Hierbij moet vooral het praktische aspect van innovatie en kennisdeling voor ogen worden gehouden.” (Department of Agriculture and Fisheries, 2014)

The RDP also acknowledges the importance of knowledge sharing for the entry of young farmers:

“Om de (jonge) Vlaamse bedrijfsleiders te begeleiden en de instap te stimuleren en te faciliteren, dient blijvend ingezet te worden op kennisoverdracht, advisering en innovatie in de sector. Dit kan via opleiding en vorming, maar ook via diverse samenwerkingsverbanden.” (Department of Agriculture and Fisheries, 2014)

Stated policy goals related to social learning are not often focussing on adaptability. From the documents consulted, it appears to be the case that enabling social learning might as well be a way to stimulate farmers' robustness. Therefore, we assign only a moderately positive score to the adaptability enabling character of Flemish policy goals on social learning.

b) *To what extent is social learning enabled or constrained by the policy instruments? Score: 4/5*

The intention of EIP-AGRI is to support agricultural knowledge and innovation systems, in the various forms in which they occur. Networking around Europe to make new knowledge readily available is stated as one of the objectives of EIP-AGRI. This instruments is clearly targeted at social learning. Its impact on the EU farming system as a whole is still limited, as it reaches a limited number of farmers and is a lightweight in terms of budget as compared to other EU agricultural policies.

Also the Flemish RDP refers to Operational Groups of the European Innovation Partnership (EIP-AGRI) as an instrument to facilitate the sharing of knowledge (cf. following example quotation). By the reimbursement of costs made by farmers to participate in Operational Groups, the RDP aims to stimulate this form of exchange.

“In een operationele groep organiseren land- en tuinbouwers, adviseurs, onderzoekers, ondernemers en/of andere actoren zich rond een bepaald vraagstuk, zoeken ze een oplossing en werken ze samen aan concrete innovaties. Operationele groepen voeren projecten uit gericht op het testen en toepassen van innovatieve praktijken, technologieën, processen en producten en met als doel het verspreiden van de resultaten naar de praktijk.” (Department of Agriculture and Fisheries, 2014)

Again, as was the case for the tailor-made character of policies, policies that encourage social learning are to be sought under Pillar 2. Pillar 1 policies pay little to no attention to this theme. In addition, policy instruments targeting social learning often do not target the adaptive capacity of farmers, but rather the development of knowledge that allows them to increase their robustness.

3.4 Transformability

3.4.1 Long-term focus

a) *To what extent is a focus on the long term enabled or constrained by the policy goals? Score: 4/5.*

One of the four strategic themes of the Flemish RDP is to “invest in innovation and education in order to achieve a future-oriented approach to individual, business-related and more general societal challenges” (Department of Agriculture and Fisheries, 2014) (own translation). The primary reason to set this priority is the lack of generational renewal that characterises the Flemish (but also the Belgian and European) agricultural sector. The following two example quotations illustrate how facilitating generational renewal is a priority policy goal:

“Binnen de Vlaamse landbouwsector verloopt de generatiewissel zeer moeilijk. [...] Uit een peiling bleek dat slechts 14% van de Vlaamse bedrijfsleiders ouder dan 50 jaar over een vermoedelijke opvolger beschikken. Daarom is het wenselijk dat Vlaanderen maximaal blijft inzetten op jonge starters, en deze Europese verplichting ook budgettair ten volle benut.” (Flemish Government, 2013)

“Een financiële tegemoetkoming is nodig zodat de landbouwer van start kan gaan met een levensvatbaar landbouwbedrijf dat voldoet aan alle regelgeving. De financiële lasten mogen niet te zwaar en te lang in de tijd gespreid zijn omdat de financiële middelen bij de snel wijzigende omgevingsvoorwaarden bij voorkeur ingezet worden voor investeringen gericht op structuurverbetering.” (Department of Agriculture and Fisheries, 2014)

Also in the implementation of the direct payments policy, generational renewal was prioritised. Flanders chose to allocate the maximum amount of the direct payment budget (which is 2%) to payments for young farmers. Supporting young farmers and facilitating generational renewal likely increases the transformability of the dairy sector. However, depending on the modalities and conditions of this support, starting farmers may equally well be encouraged to orient their decisions in the same direction as the majority of dairy farmers did before. The following example quotation illustrates that the conditions of receiving support as a young farmer do reflect a certain (normative) view on farming and viable farms:

“De steun wordt echter wel slechts toegekend aan voldoende performante bedrijven (min Bruto Bedrijfsresultaat, boekhoudkundig systeem, ...). Op die manier wordt gefocust op bedrijven die economisch sterk genoeg staan om ook in de toekomst te overleven en bij te dragen aan de Vlaamse sterktes, kansen en noden.” (Department of Agriculture and Fisheries, 2014)

Conditions with respect to minimal farm size, minimum amount of investments, etc. can constrain the transformability of the sector instead of enabling it. Therefore, a long-term focus of policies that support young farmers does not guarantee the enabling of transformability.

With respect to the CAP 2021-2027 reform proposal it is interesting to note that the intention is to double the budget for agri-food research and innovation under the Horizon Europe research programme, up to €10 billion. In addition, the need to support actions that stimulate the transfer of knowledge among generations and facilitate succession planning is mentioned.

b) To what extent is a focus on the long term enabled or constrained by the policy instruments? Score: 2/5
As discussed in the previous section on policy goals, the Flemish RDP has a dedicated support channel for starting farmers. Young farmers (< 40 years) who start an agricultural firm (< 5 years in business) can receive a payment of €40,000, €55,000 or €70,000 euros, depending on the firm's turnover¹¹.

The Flemish RDP also provides funding for innovative projects. Unlike the much larger scheme of support for investments in material assets, which covers well-established innovations, this instrument aims to stimulate highly new innovations and inventions on agricultural firms. By creating a special support channel for innovative projects in agriculture, the Flemish RDP shows a long-term focus.

With respect to direct payments, the existence of a separate scheme of direct payments for young farmers (2% of the budget) likely contributes positively to generational renewal. However, since the other 98% of direct payments provide an incentive for old farmers to retain ownership of their farm, the overall contribution of Pillar 1 policies constrains a long-term focus.

In the first section on short-term focussed policies, we argued that dairy market safety net instruments are very short-term focussed instruments. By preventing extremely low milk prices (less than 40% of the long-term average milk price), dairy farmers are somewhat insulated from shocks. The incentive to really transform the firm following such a shock is thus lowered.

Again the counteracting incentives of different policies cause a dilemma for the overall scoring of the policies: support measures for young farmers (either as direct payments or RD support) and support for innovative projects enable a long-term focus; direct payments and market safety net instruments constrain it. Since the policy goals with respect to a long-term focus are so diverse, we assign a neutral score to them. As the instrument that constrains a long-term focus, i.e. direct payments, overrules the other policies by far in terms of budget implications, we opt for a moderately negative overall score.

3.4.2 Dismantling incentives that support the status quo

a) To what extent is the dismantling of incentives that support the status quo enabled or constrained by the policy goals? Score: 2/5.

In section 2.2 we argued that direct payments protect the status quo with respect to entry and exit of firms. In addition, we can argue that direct payments reduce incentives to transform farming businesses

¹¹ The starting firm's turnover may vary considerably, as many young farmers inherit an existing farm.

(or the wider farming system), as they improve the profitability of the current farming practices. In that perspective, the (continued) reduction of direct payments during the current CAP term dismantles the incentives that support the status quo. Two policies lie at the basis of this reduction: the EU “external convergence” policy, which lowers differences in the level of direct payments per hectare across member states, and the EU “internal convergence” policy, which lowers differences in direct payment entitlements between individual farmers, within one country. As previously discussed, the Flemish dairy sector was an above-average beneficiary of direct payments in Flanders. In addition, Belgian (and thus Flemish) farms are above-average beneficiaries of direct payments as compared to the European average. Therefore it will see its share in the Belgian direct payment budget decrease.

“In 2019, het laatste jaar van de hervorming bedraagt de totale Belgische directe steun enveloppe 505 miljoen euro, dit is een daling van ongeveer 11,5% ten opzichte van het jaar 2012. De daling die België ondervindt is groter dan gemiddeld als gevolg van externe convergentie, dit is de beslissing om de verschillen in de gemiddelde directe steun per hectare tussen de lidstaten te verminderen.” (Flemish Government, 2013)

The European external and internal convergence policies thus enable a dismantling of the incentives that support the status quo. For the implementation of internal convergence policies, member states were given different options. As explained before in section 2.2, Flanders (just as Wallonia) chose for the “Irish” model that implies the slowest convergence of direct payment entitlements. As such, Flanders is a slow mover with respect to internal convergence (ECORYS, IEEP and Wageningen University & Research, 2016). Knowing that member states have the possibility to implement flat rate payment entitlements, instead of varying payment entitlements that are based on the historical levels of support, it is clear that the Flemish Government chose to dismantle the incentives that support the status quo not more than was required by the EU.

As previously discussed, the Flemish Government did choose to transfer a relatively large amount of Pillar 1 to Pillar 2, which favours a more positive score for this theme.

At the European level, the shift from a regime of milk quota and classical price support to a dairy market safety net implies a dismantling of incentives that protect the status quo. The following example quotation taken from a brochure on the market safety net sums up the general policy goal well:

“Price evolution has been accompanied by a shift in focus, and in measures, from an inward-looking European agricultural policy towards strong market orientation.” (DG AGRI, 2015)

As an overall score for the policy goals, we opt for a moderately negative score.

b) To what extent is the dismantling of incentives that support the status quo enabled or constrained by the policy instruments? Score: 2/5

The same argument regarding market management measures holds when discussing policy instruments: the latest reforms of market management measures have intended to increasingly expose EU farmers to international competition. The decrease of the CAP budget share allocated to market management measures (from $\pm 76\%$ in 1992 to $\pm 6\%$ in 2013) reflects this policy choice. Especially the abolishment of the milk quota reduced the protection of the status quo in the dairy sector. In the current safety net system, interventions are only triggered when the milk price drops to 21 eurocents per kg of milk (about

40% of the long-term average milk price). Consequently, the total supply of milk is less under control of policymakers, which could lead to more volatile milk prices.

With respect to direct payments, the arguments of the previous section on policy goals remain valid as well. Direct payments represent a strong protection of the status quo in the entry and exit of farms. The general trend in Europe is to reduce this protection, but Flanders and Belgium as a whole are not willing to go fast in this evolution.

In conclusion, much recent policy changes enable the dismantling of incentives that support the status quo with respect to entry and exit of farms, and transformation of farms. However, direct payments, still the largest CAP instrument in terms of budget, essentially provide incentives that support the status quo. We thus give the enabling character of policy instruments a moderately negative score.

3.4.3 In-depth learning

a) To what extent is in-depth learning enabled or constrained by the policy goals? Score: 1/5.

The Flemish RDP frequently addresses learning in general. It does so because it has adopted the EAFRD Priority 1 ('knowledge transfer and innovation'). More specifically, the EAFRD sub-priority 1C ('fostering lifelong learning and vocational training in the agricultural and forestry sectors') is often mentioned in the motivation of different RDP support measures. The RDP also sets out the regulations for the firm advisory services which all EU member states are obliged to offer (EU Directive 1306/2013).

Remarkably, when discussing the goals of policy instruments that address learning, self-reflection or in-depth learning are never addressed (neither explicitly nor implicitly). Even the section that motivates the support for firm advisory services ("KRATOS") never addresses these concepts. This, and the fact that the (compulsory) support for firm advisory services is mainly tailored to starting farmers, points at very little attention to in-depth learning of policy goals. Therefore, we assign a strongly negative score to the enabling character of policy goals towards in-depth learning.

b) To what extent is in-depth learning enabled or constrained by the policy instruments? Score: 2/5

As stated previously, self-reflection and in-depth learning are not addressed in the consulted policy documents. Learning in general is, and it is not unlikely that farmers reflect on their activities and strategy when making use of firm advisory services. The firm advisory services supported by the Flemish Government are organised in separate modules: the business plan, financial and business advice, cross-compliance for direct payments, requirements for greening payments, biodiversity, climate, water, soil and safety at work. The first two modules are reimbursed for 50%, the other modules for 80%. A farmer can choose to participate in a subset or in all of these modules. As the modules are developed by the private companies who perform the advisory services, no further details on their content is available in the consulted policy documents.

Because the policy instruments that cover learning in general do not specify requirements on self-reflection (or in-depth learning), a neutral or negative score for this theme seems the most appropriate. On the other hand, instruments to stimulate learning in general are well-developed, and it is likely that these trainings will spark self-reflection with the participating farmers. Both a moderately negative or neutral score could be motivated, but we opt for a moderately negative one.

3.4.4 Niche-innovations

- a) *To what extent is the enhancement and acceleration of niche innovations enabled or constrained by the policy goals? Score: 4/5.*

As was mentioned already in section 3.4.1, the Flemish RDP contains an instrument to support innovative projects, that are more inventive, long-term focussed and risky than common, incremental innovations. The Flemish RDP states that this instrument is necessary to stimulate true innovation and invention, which is insufficiently supported by the support channel for investments in material assets.

“Er is nood aan een maatregel die pure innovatie en vernieuwing stimuleert die van bij de landbouwer zelf of van bij een groep van landbouwers ontstaat en waarbij ook de effectieve realisatie van de innovatie wordt ondersteund. In PDPO II kregen pure innovatieve investeringen of projecten vaak geen kans, o.a. gezien bij de “gewone” investeringssteun gebruik wordt gemaakt van limitatieve lijsten met subsidiabele investeringen.” (Department of Agriculture and Fisheries, 2014)

Supporting highly innovative projects in general does not specifically accelerate niche innovations. The innovations supported may align with mainstream farming practices as well as with niche farming practices.

Explicit support to niche farming practices (not necessarily innovations) is foreseen in the Flemish RDP in the form of support for organic farming and support for small farms. Organic (dairy) farming is still a niche activity in Flanders: in 2015, the number of certified organic dairy cows was 2,984, or less than 1% of the total number of dairy cows (Timmermans and Van Belleghem, 2016). Although small farms are not per definition applying niche practices, it is clear that the dedicated support channel for small farms of the Flemish RDP targets niche innovations. According to the Flemish RDP brochure, support for the development of small farms targets farms that either develop new crops, new production methods, alternative commercialisation strategies, or are exploited as a part-time activity of the farm manager:

“Voor bepaalde types van bedrijven en sub-sectoren zijn de voorwaarden om te kunnen genieten van de overnamesteun voor jonge landbouwers of van de investeringssteun niet haalbaar. Vaak betreft het bedrijven die nieuwe teelten of alternatieve vormen van productiemethodes en commercialisatiestructuren ontwikkelen of actief zijn op bedrijven die traditioneel geëxploiteerd worden in bijberoep of verbonden zijn met diverse vormen van diversificatie.” (Flemish Department of Agriculture and Fisheries, 2015b)

The focus on niche innovations of this instrument is also demonstrated by the following example quotation: it is stated that the instrument aims to support farmers “... to evolve into farms that focus on sustainability, changes in activities or structures, or the attractiveness of the countryside in the way they produce and commercialise, in what they produce, or in the way the business is run”.

“De sub-maatregel [...] draagt in eerste instantie bij tot focusgebied 2A: het verbeteren van de economische resultaten van de landbouwbedrijven en het faciliteren van de herstructurering en modernisering van landbouwbedrijven. Via deze maatregel worden landbouwers met financiële steun aangemoedigd om te evolueren naar een landbouwbedrijf dat qua aard van de producten, productie- en commercialisatietechnieken, of de vorm van exploitatie een focus legt op duurzaamheid, vernieuwing van activiteiten en structuren, aantrekkelijkheid van het platteland,...” (Department of Agriculture and Fisheries, 2014)

More broadly, the choice of the Flemish Government to transfer a relatively high share of the Pillar 1 budget to Pillar 2 can be seen as a policy choice in favour of “niche” farming practices. Whereas Pillar 1 policies do not distinguish “mainstream” or “niche” farms, Pillar 2 policies do. However, the current proposal for the post 2020 CAP budget foresees a cut in Pillar 2 expenses that is proportionally larger than the cut in Pillar 1 expenses. If the proposal would be implemented as such, we must be much more critical on the policy goal to support niche-innovations.

In conclusion, we argue that the Flemish government has specifically targeted niche innovations in the implementation of the second pillar of the CAP. A score for the enabling character of policy goals needs to take into account that the general policies of the first pillar often help mainstream practices more than niche practices (for example, the dairy market safety net does not distinguish differentiated types of milk). Therefore, we opt for a moderately positive score.

b) *To what extent is the enhancement and acceleration of niche innovations enabled or constrained by the policy instruments? Score: 3/5.*

As already discussed, The Flemish RDP created instruments to support small, niche-oriented farms and organic farms. Farms that are too small to be eligible for material asset investment support or support for young farmers are entitled to support for the development of small farms¹². Organic farms are entitled to a payment per hectare, which differs by the type of land use and the status of the farms as either in conversion or certified organic.

In addition, the Flemish RDP holds an instrument that supports collaboration between rural and urban stakeholders. This instrument supports collaborative projects on local food sourcing and renewable energy, a new and highly niche strategy in Flanders.

“Deze maatregel wil mogelijkheden bieden aan plattelandsactoren om samen met de naburige stad of steden te werken aan deze dynamiek. Samenwerking tussen actoren die in verschillende regio’s of lidstaten zijn gevestigd, komt eveneens in aanmerking voor steun. Binnen deze maatregel is samenwerking mogelijk op basis van lokale voedselvoorzieningen en hernieuwbare energie.” (Department of Agriculture and Fisheries, 2014)

Policy instruments that encourage niche-innovations thus exist. They are exclusively found in the RDP. However, these instruments are only lightweights in terms of budget as compared to the Pillar 1 instruments that do not distinguish “mainstream” and “niche” farming practices. The strong emphasis on support for investments in material assets in the Flemish RDP also holds the risk of supporting mainstream practices rather than niche practices, as support is only granted to the investment in listed, well-known assets. Therefore we assign a neutral score to the enabling character of policy instruments.

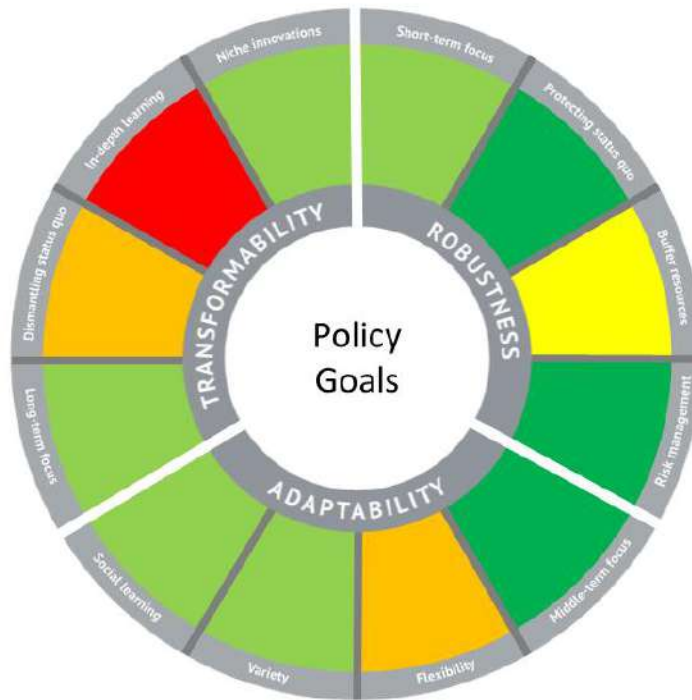
3.5 ResAT Wheel

Figure 1 represents the ResAT wheel for policy goals (a) and policy instruments (b). The colours represent the scores motivated in the sections 3.2, 3.3 and 3.4. Table 2 shows how the scores are represented with the traffic light colours.

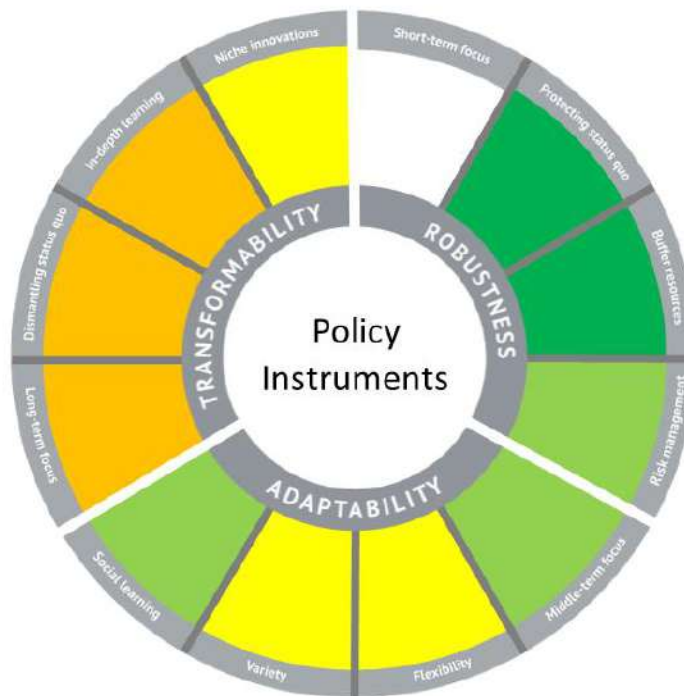
¹² The amount of support in this scheme is 7000, 11000 or 15000 euros per year, depending on the firms’ turnover.

Figure 1: ResAT wheel representing the scores for (a) policy goals and (b) policy instruments

(a)



(b)



4 Stakeholder check

A stakeholder check was conducted with 16 participants of a workshop in Brussels, on the 4th of September. A total of 45 stakeholders from diverse backgrounds was invited to the workshop by e-mail. The 16 participants represented farmers' unions, banks, technology providers, the Flemish Government, extension agents, agricultural consultants, milk processors, retailers, and the union of organic farmers. The representation is considered to be good, given that the invitation was sent during the summer holiday period and only five weeks in advance. The workshop consisted of a general presentation of the SURE-Farm project, including short discussions, a short overview of the IFCN Dairy 2030 forecast, and an exercise on this policy analysis. During the general presentation, the idea of SURE-Farm Work Package 4 was already explained, and the objective of the exercise to come.

During the exercise, the participants were split up randomly over three groups. Each group was assigned one resilience theme (robustness-adaptability-transformability) to work on for the first 30 minutes. They joined one moderator, positioned next to the poster of his theme (the setting of the exercise is depicted in Figure 2). After these 30 minutes, the group moved to next theme and moderator. Each group covered two out of three resilience themes. During the first 10 minutes of each round, participants were asked to give written comments on a set of statements given to them. These statements were based on the argumentation developed in the ResAT policy analysis, described in section 3. This first exercise served to 1) prepare them for the group discussion to come and 2) provide feedback (a "check") on some of the

Figure 2: Setting of the stakeholder check exercise on September 4th, Brussels.



arguments developed in section 3. After these 10 minutes, participants were asked to argue why they believe that some policies, or policies in general, deserve a positive or a negative score for one of the four ResAT indicators of the resilience theme that they were discussing. No distinction was made between policy goals and policy instruments, as this seemed not feasible with the diverse stakeholder group. Participants were handed over a three-page information sheet on the ResAT-indicators, with examples from the dairy sector, that could help them to understand the concepts used.

Arguments had to be written on post-its, and attached to a poster that specified the four ResAT-indicators of the resilience theme in question. Positive arguments had to be written on green post-its, negative arguments on pink ones, and arguments for a neutral or unclear score on light-yellow post-its (see for example the two posters with arguments on robustness, Figure 3). After the workshop, two to three pages of notes on the discussions on one resilience theme were written down by either the moderator or a note taker. The arguments described in these notes, and those raised in the written comments on the statements, are the basis for this stakeholder check. The remainder of this section describes the arguments raised by participants, and how these correspond to our argumentation. We do not explicitly compute a score for the ResAT indicators based on the participants’ positive/neutral/negative post-it arguments, mainly because many participants had difficulties in understanding the meaning of the ResAT indicators, and were not consistent in the use of positive/neutral/negative arguments. For example,

Figure 3: Posters with arguments from the first and second group discussion on robustness.



shortcomings in the implementation of instruments and the accompanying suggestions for improvement were written on negative as well as on positive-argument post-its. We use the same structure as in the previous section (3), where the argumentation of our own policy assessment was described.

4.1 Robustness

4.1.1 Short-term focus

There was strong agreement among participants that the dairy market safety net instruments are very short-term focused instruments. One participant even stated that the current intervention policy for skimmed milk powder (SMP), which regulates the purchase of SMP on the basis of only the general market price of SMP, is a very narrow-minded instrument that does not sufficiently take into account other market trends, for example the milk price on the middle-long term or even the price of butter on the short term. Also the fact that milk powder stocks put a burden on the market on the middle-long term was mentioned, to support the opinion that the dairy market safety net instruments are short-term focused. In one group it was argued that interventions in the dairy market constrain a correction of milk supply by the exit of farms or production reduction. In this way, low market prices are sustained longer in time than they would be in a free market. Hence, not everyone believes that the dairy market safety net instruments increase the robustness of the dairy sector in the long run. At least we can say that the workshop participants strongly confirmed our argument that the dairy market safety nets are highly short-term focused.

Interestingly, the two groups that discussed the short-term focus of policies mentioned a positive aspect of the short-term focussed character of the dairy market safety net instruments: they argued that it is precisely the short-term focus that enables these instruments to respond sufficiently quick to severe shocks. The instrument of intervention purchases could however be improved by specifying a ceiling to the quantity of SMP or butter that can be purchased per year, instead of continuing purchases until the market price has restored. Such a more precise instrument would reduce the long-term negative effects of the intervention purchases. Nonetheless, the short-term focussed character of the instruments would still stand out.

Some of the participants argued that direct payments are short-term focused as well, because supporting all farmers increases their income in the short run but compromises it in the long run, by sustaining oversupply. According to participants it would be better if direct payments were replaced by more targeted support for changes that farmers apply to become more competitive. This would reduce the short-term focus of policies and thereby increase their overall resilience enabling character. However, this recommendation is highly contradictory to the comment that several participants gave on the existing Flemish investment support policy, as is described later on. This policy is believed to over-incentivise investments in material assets (possibly with the goal of adaptation) by farmers, and thereby to stimulate unnecessary growth and debt of firms.

The participating stakeholders thus confirmed our arguments that a) the dairy market safety net is a highly short-term focussed policy and b) its short-term focus may enhance but as well constrain the robustness of dairy farmers. However, the short-term focus of the dairy market safety net instruments is often believed to be necessary, in order to respond sufficiently quick to shocks in the market.

4.1.2 Protecting the status quo

In our analysis (section 3.2.2) we argued that the choice of the Flemish Government to keep direct payment entitlements dependent on the support given to firms historically was a choice to protect the status quo, at least with respect to structural change. When asked whether this choice protects the status quo in the dairy sector in terms of structural change, participants had mixed opinions: some agreed, some disagreed, and many were unsure on what to answer. Those who agreed follow our argumentation, but others believed that the amount of support given in the form of direct payments is not enough to effectively steer decisions on entry, exit, or long-term strategical decisions of dairy farmers.

In addition we argued that maintaining a coupled support for veal calf production indirectly protects the status quo in the dairy sector. Again, participants had highly mixed opinions on this. Some believe that both sectors are sufficiently “coupled” for the support to significantly influence the dairy sector, others did not believe that this is the case. Also the argument that the dairy market safety net reduces the need for transformation, and thereby protects the status quo in the dairy sector, was met with mixed responses. Two arguments to support stakeholders’ disagreement where that a) intervention purchases provide a floor for the general milk price, but this floor is too low to significantly affect a firm’s profitability and b) these short-term profitability improvements have little effect on a firms’ long-term profitability.

It is clear that different stakeholders have very different views on how direct payments affect structural change in the dairy sector. The variable knowledge of the stakeholders on socio-economic disciplines constrained a profound discussion on this topic; not many were willing or able to elaborate on arguments that supported their view.

A few stakeholders indirectly confirmed that agricultural policies in general protect the status quo. They believed that policies should invest in more future-oriented measures such as farming education, or adaptation measures, than in simply existing as a farm. Another indirect confirmation of the status quo protecting character of agricultural policies can be recognised in the following argument: some stakeholders shared the opinion that policies are not doing well in creating an environment that stimulates entrepreneurship. The diverse sets of obligations and support measures are believed to incentivise farmers to keep things the way they are, instead of triggering a proactive attitude on the development and strategic orientation of their farm. Similarly, it was argued that collective action both among farmers and among different supply chain partners is too little incentivised. According to one participant, policies leave too little space for autonomous organisation among supply chain partners, and in this way fail to facilitate the development of new supply chain arrangements in which farmers could be better off than they are currently (think of vertical integration, contract farming, ...).

An interesting concluding argument was made by one participant (and agreed on by several others): he/she argued that protecting the status quo is desirable if it is done at a higher level, i.e. the production of food and other goods and services by farming. How the provisioning of these goods and services is achieved should be left more to the initiative of farmers and other actors, and market forces. Protecting the status quo with respect to individual firms was said to be not necessarily beneficial for the higher level objectives.

It is difficult to conclude whether stakeholders generally supported the view that agricultural policies strongly enable a protection of the status quo, given the somewhat difficult interpretation of “the status quo” for participants, and the limited extent to which they supported their views with arguments.

4.1.3 Buffer resources

In our own policy assessment, we argued that direct payments can be seen as a buffer resource given to farmers. This view is not shared by many of the participating stakeholders. When asked whether direct payments provide a sufficient buffer for periods of low milk prices in Flanders, all participants disagreed. One of the reasons for their disagreement mentioned is that the amount of support is generally too low to represent a significant buffer. A few stakeholders shared the opinion that policies should stimulate the development of buffer resources by farmers themselves more, and allow farmers less to rely on the fund for natural disasters for compensation in the case of irregular weather events.

When discussing buffer resources, it was pointed out that the huge amount of (capital) resources that dairy farms nowadays hold, could be sold in difficult times and hence can be seen as a buffer resource. For example, dairy farms usually possess an amount of land that corresponds to a large amount of capital, as they use relatively large amounts of land and the price of land in Flanders is high (around €50,000 per hectare on average). As farmers are by necessity rich in (capital) resources, it could be argued that they are rich in buffer resources. However, the resources they possess, including land and often all machines, are needed to perform their production activities, and hence cannot be sold in case of need without altering the functioning of the farm. Consequently, the (capital) resources that are part of a dairy farm are rarely seen as buffer resources. This view was clearly illustrated by the statement of one participant that direct payments do not provide an incentive to develop buffer resources because they provide an incentive to buy land. The participant thus does not view land as a buffer resource.

Land may very well be the most important resource that dairy farmers generally possess, as it is the only asset that increases in value over time, and not decreases. Currently, direct payments are partly “capitalised” in the price of land: they drive up the price of land by increasing the demand for it. This has both a positive and negative effect on the establishment of buffer resources by farmers: positively, it increases the value of land and thus farmers’ buffer resources. Negatively, it makes it more difficult for farmers to acquire land. The same principle applies to the CAP in general: by subsidising a production activity, the production factors needed for this activity become more expensive due to an increased demand for them. Rising prices for agricultural production factors are a threat to farmers’ robustness, according to the participating stakeholders. These are again arguments that contest the idea that direct payments enable the development of buffer resources, as was argued in section 3.2.3.

Acquiring the large amount of resources that is needed to run a farm is a severe challenge for young farmers. One participant mentioned that the support given to young farmers can be seen as support to help them acquire these resources, and thus as support for the development of buffer resources.

Similarly, the Flemish policy of support for investments for material assets was mentioned as a policy that facilitates the acquisition of assets and thus resources (by subsidising 15% or 30% of the cost), and can be seen as a policy that enables the development of buffer resources. The presence of material assets on a farm can help farmers to receive credit from banks, which is another pathway to buffer resources. However, by incentivising the purchase of assets, the policy discourages the saving of liquid (fluid) capital, and thus constrains the development of “quick-release” buffer resources. In addition, Belgian fiscal policies strongly encourage farms (and firms in general) operating as a legal person to invest the profits obtained in successful years in assets, rather than saving them as liquid (fluid) capital. The choice to tax especially profits of farms (and firms) thus constrains the development of a readily available financial buffer. In the Flemish dairy sector, only a minority of the farms has a legal person status. The majority

(which are natural person firms) pays flat rate taxes, and hence does not have the fiscal incentives to re-invest all profits.

The discussions on buffer resources pointed out that the large amount of capital resources that farmers possess cannot easily be exploited as buffer resources, since selling them means selling components of the farm. The different policy instruments that support the acquisition of (capital) resources thus do not support the development of buffer resources that can be exploited. The stakeholder feedback points towards a negative score for policy goals and instruments rather than a neutral or positive one, like we chose in our assessment.

4.1.4 Risk management

We argued in the previous section that risk management is a major priority in current policy goals. However, the participating stakeholders clearly disagreed on this statement. One comment was that too little efforts have been made to establish a true risk management instrument. When asked why the implementation of crop insurance schemes is lagging behind on the targets set by the Flemish Government in 2014, there was strong agreement that this is probably due to the high cost of crop insurance, and the difficulty to market weather-related risks on a regional scale (i.e. Belgium or even Western Europe). In addition, the participants found it especially problematic that farming education pays little to no attention to risk management, and the potential of insurance in farming. On the other hand, a positive contribution to the enabling of risk management by farmers was the creation of the European milk market observatory, which is believed to have improved transparency on milk prices.

Regarding policy instruments, we argued that the promotion of producer organisations could potentially be an important instrument to manage market risks, by coordinating production and bargaining with milk processors. Participants have mixed opinions on the performance of Flemish PO's in managing (price) risks. It was argued that milk price risk could be mitigated by PO's, but the fact that Flemish dairy PO's are tied to one buyer, largely takes away their bargaining power. The one-to-one link between PO's and milk processors is not obliged by law, but more a norm (or code). Another factor that reduces the bargaining power of PO's is the fact that they do not own the milk: ownership is transferred from farmers directly to the milk processors. This "handicap" could be circumvented by making strong internal agreements, that guarantee solely collective bargaining. But currently, these agreements are lacking. A participant mentioned that farmers could be less exposed to risk if they would collaborate more with their trading partners, and incorporating the vertical dimension in the policies on PO's would thus increase their effectiveness. Both groups who discussed robustness came to the conclusion that PO's could improve the robustness of farmers, but the way this instrument is currently implemented is not good enough to fully realise their potential.

Again, the support for investments in material assets policy was mentioned in the discussion. According to some participants, investments that are risky can be obtained relatively easily from this support channel. They believe that the Flemish government could reduce the support to risky investments by evaluating the riskiness of an investment more strongly.

The positive score we gave to policy goals for enabling risk management was thus not supported by the stakeholders. Also our moderately positive score for policy instruments is not in line with the general view of the stakeholders on risk management enabling policies (both goals and instruments): too little, too late.

4.2 Adaptability

4.2.1 Middle-long term focus

Our positive scores for the middle-long term focus enabling character of policy goals and instruments are largely based on the strong prioritisation of investment support in the Flemish RDP, and the motivation of this prioritisation in terms of farmers' adaptability. The workshop participants generally agreed that investment support is indeed a strong priority of the RDP, and the RDP in this way enables a middle-long term focus of farmers. Some participants argued however that the supported investments are to be situated also on the long term, i.e. ten to twenty years, and the policy thus also has a long-term focus.

Many participants agreed that support for investments in material assets helps dairy farmers to adapt to changing conditions, by reducing the cost of physical adaptations. The list of eligible investments also contains many novel techniques. One participant stated that some eligible investments are even oriented on transformation, such as investments that enable on-farm processing of products and direct sales. On the other hand, some participants mentioned that farms' adaptability may be constrained by encouraging large investments, such as a milk robot, manure processing facility, etc., because these are not reversible and often leave the farmer with debt. The stakeholders thus developed a similar argumentation as we did in section 3.2.1: they confirmed the importance of investment support for farmers' adaptability, and the both positive and negative effect it may have.

Some suggestions were made for an improvement of the resilience enabling character of the Flemish investment support policy. To lower the flexibility constraining character of done investments, assets should be chosen that are more polyvalent or flexible. These could be machines that can perform a larger number of operations, or constructions that are more easily convertible for other types of use. More polyvalent assets could be rewarded with higher reimbursement rates (similar to the sustainability distinction that is used currently), or the polyvalence of an asset could be incorporated in the score of a support request (which determines its likelihood of being granted). Another suggestion was to pay more attention to collective investment in assets. Currently, the policy is oriented strongly towards individual investments. Encouraging farmers to share assets between two or more firms would greatly increase the cost-efficiency of these firms and the policy instrument, according to some participants. A third suggestion was to pay more attention to the business plan of a farm, that is already required to accompany a support request. Apparently, the standard for these business plans is not high, and the quality of the business plans developed is consequently low. If the requirements to the business plan were stronger, it would better ensure the appropriateness of the investment.

An interesting remark on the adaptability of dairy farmers in Flanders that is not mentioned in our own assessment was made by one participant. She argued that the many dairy farmers who grow pigs as well, or have extensive arable farming activities, have a lower adaptive capacity with respect to dairy farming than specialised dairy farmers. Being more specialised in dairy farming urges a farmer to be more innovative in this field, she argued. Therefore, policies that aim to take a more long-term view and enhance adaptability should encourage specialisation, at least where it would lead to more innovative practices.

In conclusion, the participating stakeholders generally agreed with our arguments on the adaptability enhancing and constraining effects of the Flemish investment support policy. They also believed that this instrument is intended to enhance farmers' adaptability. Not everyone agreed on the middle-long term

focus of this instrument though: some believe that it focusses on the long term rather than the middle-long term.

4.2.2 Flexibility

In our own assessment we argued that the 2013 CAP reform made direct payments a more flexible instrument, by giving farmers the choice to opt in on greening payments and comply with the associated requirements, or not. The workshop participants had mixed opinions on this: some agree on our argument, but the majority believed that the reformed policy actually reduces the flexibility of farmers: they believe that direct payments are “a right”, and the reform forces them to comply with extra requirements (the greening requirements) for 30% of the eligible acreage, without compensating for these extra efforts.

In our assessment we also argued that the new dairy market safety net instrument of voluntary production reduction is more flexible than the traditional intervention instruments. One participant raised this argument as well, and thus confirmed our assessment.

Interestingly, a participant pointed at a policy instrument that was not specifically addressed in our analysis (section 3.3.2): the support for agro-environmental measures, established under the Flemish RDP. Given the importance of agro-environmental measures in the Flemish RDP budget (18%) and the relatively high amounts of support that individual farmers can receive through this scheme it is an important instrument. It is a flexible instrument because it offers many different support options to farmers who wish create a biodiversity-rich landscape. Participation however is entirely voluntary, and so the instrument does not constrain farmers who do not want to spend time on such activities. Arguably, agro-environmental measures enable variety and tailor-made responses more than flexibility: the instrument encourages a variety of nature-friendly practices, according to farmers’ individual preferences.

Some participants expressed the belief that policies could enable farmers’ flexibility by reducing the regulation of agricultural and food production activities. Especially food safety regulations and environmental regulation of farming were said to constrain dairy farmers’ flexibility. For example on-farm processing of dairy products requires now very high investments, which is in part due to strict food safety legislation. Strict regulation may therefore constrain adaptation and transformation. Another example is the PAS-regulation, a policy instrument to reduce ammonia deposition on protected nature areas. The regulation is especially inflexible because it obliges some dairy farms to apply ammonia-reducing techniques or reduce their herd size, in case the first option cannot sufficiently limit the emissions of a given farm. In some rare cases, farms are even obliged to abandon livestock farming. According to a participant, the instrument should have taken the age of farm managers, the business plan and done investments into account when planning the emission reduction of farms around a given protected area.

In conclusion, few stakeholders agreed on our argument that the reformed direct payments policy now is more flexible. Others argue that farmers have to accept more restrictions to their farming activities to maintain the level of support they received previously, and therefore the policy change restricts flexibility. The use of voluntary measures by the RDP was acknowledged as positive for the flexibility enabling character of policies, but little discussed. Environmental and food safety regulations (which are not determined by the CAP) were considered to be especially relevant for farmers’ flexibility, and negatively affect it. Although policy goals on flexibility were not discussed explicitly, the discussion seems to confirm our rather negative score chosen in the assessment. At the side of policy instruments, the contrasting

characteristics of the two pillars of the CAP make an overall assessment difficult. In general, stakeholders seemed to experience policies as more constraining for flexibility than as enabling.

4.2.3 Variety and tailor-made responses

In our assessment, we argued that the dairy market safety net instruments disregard the variety there is among dairy farms in Flanders. Participants agreed on this statement, and confirmed that dairy farmers and processors who aim to create value added are relatively less supported by these instruments. In addition, participants mentioned that the instruments do not take sustainability efforts or the degree of specialisation into account.

Also our argument (section 3.3.3) that the Flemish RDP offers a wide array of support measures, which target different types of farms and “styles” of farming, was generally confirmed by the stakeholders. One participant mentioned that especially the free advisory services offered by the Flemish Government (“KRATOS”) offers tailor-made services to farmers, based on the specificities of their farm. This is a significant improvement as compared to the pre-2014 RDP. Consequently, these advisory services are more popular with farmers; the budget for the module on Energy & Climate for the 2014-2020 period is already spent. To date, 210 farms¹³ were advised on energy & climate, 181 farms advised on the business plan and 131 farms advised on workplace safety. On a total of almost 25,000 farms in Flanders, this number is still limited. This demonstrates the small share of voluntary, targeted measures in agricultural policies.

In our assessment we argued that the EIP-AGRI is a policy instrument that aims to produce tailor-made solutions, and takes into account the variety among farms. This was confirmed during the workshop, where the possibility to define EIP project topics in a bottom-up way was praised in this regard. However, also the limited acquaintance of farmers with the EIP was confirmed (as will be discussed later).

An interesting comment was made on the varied and tailor-made character of agricultural policies in general. According to one participant (but many agreed with him), policies too easily assume that farmers are entrepreneurs. In reality, many farmers want to work in farming, but do not want to take the risk and financial responsibility that come with managing a farm. Creating options for people who want to work as a farmer but do not want to manage a firm would strongly enhance the tailor-made character of agricultural policies, and could strongly reduce the need to support farmers financially. These options could include contract farming, access to futures markets through intermediaries, or even the facilitation of the merging of farms where one farmer becomes an employee and the other one the manager. Indeed, many agricultural policies are currently tailored to individual farm ownership (e.g. direct payments, support for young farmers, ...), and discourage the integration of farms.

The stakeholder feedback thus generally confirms our argumentation on the enabling character of policies for variety and tailor-made responses: market management measures disregard the variety among dairy farmers, while Pillar 2 measures, which are voluntary, enhance variety among dairy farms. The limited acquaintance of farmers with Pillar 2 measures and EIP initiatives however limits their impact on the dairy sector. A neutral or negative score thus seems appropriate.

¹³ This number concerns all kinds of farms, not only dairy farms

4.2.4 Social learning

The workshop participants did not come up with many arguments on social learning spontaneously. The two groups discussing the adaptability-indicators confirmed that some policy instruments aim to improve knowledge sharing among farmers, but these are isolated instruments, with limited impact. From previous research, we know that Flemish farmers are generally believed to have rather individualistic preferences and behaviour. It is therefore no surprise that no-one disagreed on the statement that there is a lack of willingness to cooperate in the Flemish dairy sector, which inhibits knowledge to be shared among farmers. One participant added on this that knowledge is shared within families, “from father to son”, but not between firms, as they see each other as competitors.

In one group, someone argued that policies do pay attention to peer to peer learning and collaboration among farmers, but not to learning and collaborating between partners from different stages of the supply chain. Other participants agreed that such collaborations could yield important insights for farmers with respect to challenges and appropriate adaptations. This relates to the comment made in section 4.1.2: not encouraging farmers to collaborate with other supply chain partners means a continuation of the status quo in many cases.

In our assessment, we pointed at the strong enabling character of the EIP initiatives and LEADER project for social learning. Most participants share our impression that the EIP and its offer to farmers is little known among Flemish farmers. The same is true for the collaborative projects financed by the LEADER programme. These policies are highly dependent on agricultural advisors that advertise them to farmers; without these middlemen, hardly any farmers would be reached. A better advertisement towards agricultural advisors might increase the effectiveness of these policies strongly.

Although the discussions on social learning were rather limited, we believe that they generally confirm our assessment: a few policy instruments explicitly aim to improve knowledge sharing among farmers; as these instruments are not well known among farmers and the participation is low, their impact is limited.

4.3 Transformability

4.3.1 Long-term focus

In our assessment we argued that the agricultural policies in Flanders with a long-term focus are those which target young farmers, or innovative projects. The workshop participants had highly mixed opinions on the sufficiency of the support given to young farmers in Flanders. The availability of significant amounts of support for taking over a firm, and the prioritisation of young farmers in the investment support scheme were named as positive elements. On the other hand, some participants argued that the levels of support given are only sufficient in the case of small to medium size farms. In addition, it was argued that support for young farmers could be more effective in reducing the financial risk of starting a farm, if it was implemented in a way that takes risk into account.

We also argued that the support given to young farmers is counteracted by the direct payments given to all farmers, because these stimulate underperforming and older farmers to stay in business. When presenting this argument as a statement to the participants, some did strongly agree, but some did not. One participant mentioned he disagreed because the definition of “active farmers”, who can receive direct payments, was refined in Flanders; the participant believed that this local implementation of the policy ensures that only active farmers are subsidised.

Some participants pointed at areas for improvement of the long-term focus of agricultural policies. One critique was that the Flemish investment support policy may constrain farms' transformability, as subsidies to some long-term investments require farmers to remain active in the specific sector for which the investment was done. Another critique was that a real long-term focus would require the government to implement more accompanying measures when making important policy changes. The example given was that of the milk quota abolishment: in order to ensure the establishment of fair milk prices after the quota abolishment, the government should have created the right market conditions, including higher transparency on milk prices throughout the supply chain.

Interestingly, participants pointed at a trade-off between the flexibility and the long-term focus of policies. They stated that if policies are adapted too frequently, they fail to provide steady conditions over time for farmers to operate in, and in this way constrain a long-term focus. A relevant timeframe in this regard is the time needed to depreciate an investment. For example, if permitted emission levels are adapted (reduced) over shorter time intervals than a dairy stable is depreciated, a dairy farmer incurs extra costs that he could not foresee at the time of investing in the stable.

The stakeholders participating in the discussion thus partly confirmed our arguments: generational renewal is a big challenge in Flanders, and a long-term focussed policy should address it. Young farmers do indeed receive a lot of attention in policy goals and instruments, but the participants were not so much convinced that policies do succeed in facilitating generational renewal. Regarding the negative impact of direct payments in general on generational renewal, our arguments were less supported. We assume that not all stakeholders would agree on giving a moderately negative score to policy instruments for this reason.

4.3.2 Dismantling incentives that support the status quo

In our assessment we argued that direct payments and market management measures are the main policies which provide incentives that support the status quo, and these incentives have been dismantled to some extent in the current CAP term. Participants generally agreed with the statement that the net decrease of direct payment entitlements for Flemish dairy farmers, due to internal and external convergence, will remove barriers for structural change in the sector. Some specified that this will be the case because farmers will have to give more priority to certainty and control risks better, or because a shift of means from the first pillar to voluntary measures under the second pillar of the CAP will stimulate firms to apply structural adaptations. The majority of workshop participants also expected that the abolishment of the milk quota in 2015 will, on the longer term, increase the variety among dairy farms in Flanders. Participants stated that increased competition will force "each dairy farm to find its own way to be competitive", which may include "care farms, bed and breakfast farms, direct sales, organic production". One participant however did not agree, because "dairy farmers will have no choice but to grow, together with their peers. Small dairy farms will not be able anymore to cope with the requirements of the dairy processing industry in the future."

Interestingly, some stakeholders pointed out that cultural factors may be as important for the sustaining of the status quo as financial incentives are. Two factors are believed to contribute in this way: the belief that upscaling is always the path to greater competitiveness, and the strong individualism which is believed to characterise (Flemish) farmers.

Another important comment that goes beyond the assessment of the CAP was the following: according to some, farming education in Flanders currently contributes to the sustaining of the status quo, by paying too little attention to economic and managerial skills for farmers, and by not challenging the belief that scale enlargement is the way forward, regardless of the conditions. Other participants confirmed that a general lack of knowledge of economics indeed constrains critical reflection on the strategy of the farm. A suggestion was to urge young farmers to reflect critically on the business plan of the farm they want to start. Starting a farm should be seen more as a project, than as the natural choice to take over the firm of the parents.

In general, the stakeholders thus agree on our findings that incentives that protect the status quo in the direct payments and dairy market safety net policies are being dismantled. There was less support for the evaluation of these policies as being protective of the status quo. To increase the transformability of the Flemish dairy farming sector, some beliefs should be challenged and addressed in farming education.

4.3.3 In-depth learning

We started the section on in-depth learning in our assessment with the observation that in-depth learning, and self-reflection, are not addressed in policy documents. It is therefore no surprise that few participants had a clear opinion on the enabling character of policies for in-depth learning. Instruments were mentioned that could enable in-depth learning, such as the support for innovative projects, EIP and demonstration projects, where researcher and other stakeholders are often involved.

Some stakeholders shared the opinion that the advisory services (“KRATOS”, discussed also under *Social learning*) and knowledge sharing platforms offered to Flemish farmers do enable self-reflection for farmers who are open to this, and are by themselves inclined to critically reflect on their activities and the environment they are operating in. The full potential of these trainings / advisory services is not exploited as it is difficult for the Flemish government to determine the exact content of these trainings. The trainings are performed by a third party, which is chosen based on its offer in a public tender. After the public procurement is completed, the government has very few levers to force the third party to make adjustments to the exact content of the trainings. Forcing the third party to stimulate self-reflection with participating farmers was said to be difficult; it is not so easily laid down in the specifications of a public tender.

One participant argued that LEADER demonstration projects and EIP operational groups on the one hand, and the trainings on energy & climate and alternative business models on the other hand do encourage critical reflection. A good property of LEADER and EIP projects in this regard is that project topics can be defined bottom-up by farmers. However, even the bottom-up initiated projects have so far addressed robustness and adaptability, but not really transformability (except projects on alternative business models).

The same argument as in the previous section on protection of the status quo is relevant here: starting farmers should be stimulated more to reflect critically on the project they have in mind for their farm. Paying attention to adaptability and transformability, or even simply socio-economic trends in farming education could enable young farmers to do so.

The workshop participants thus confirmed that there is very little attention for in-depth learning in policy goals. Some believe that some of the trainings payed for by the Flemish government do enable this type of learning, if the farmer in question is inclined to critically reflect on his activities. Still, no feedback was

provided that calls for a revision of our negative scores for policy goals and instruments, with respect to in-depth learning.

4.3.4 Enhancing and accelerating niche-innovations

We argued in our assessment that the Flemish government created specific support schemes for niche-innovations, i.e. the support schemes for innovative projects, organic farming, and small farms¹⁴. The general finding of the discussions that niche farming practices are sufficiently supported is thus no surprise. Remarkably, some participants shared the opinion that niche farmers are often better off (economically) when their niche remains a niche, than when the mainstream farming sector adopts their practices. Therefore, they argued, policies should not accelerate niche innovations too much, and agricultural policies are already supporting niche-innovations sufficiently. This idea is in contrast with the ResAT premise that niche-innovations lie at the basis of transformations of the wider agricultural sector, and therefore should be enhanced and accelerated.

A participant mentioned that the support for mixed grass-clover forage production (an agro-environmental measure of the RDP) is an important instrument for the dairy sector. Growing grass-clover forage reduces the dependency of dairy farmers on purchased feed, which is an important challenge for the Flemish dairy sector. As relatively high amounts of support are available for the production of grass-clover forage this instrument could be regarded as an important lever for transformability. However, the instrument is not very well known among farmers and should be better advertised in order to have a truly large impact. Participants agreed that this a general problem: highly specific policy instruments, which are often the ones that better enable adaptability or transformability, are often little known among farmers.

Although the discussions on the enhancement and acceleration of niche-innovations were rather limited, we believe they confirm our assessment: there is relatively much attention for niche practices in the Flemish RDP, and farms applying such practices have access to several types of support. A positive score in the ResAT wheel thus seems justified. Making “mainstream” farmers more acquainted with the possibilities of these instruments could increase their impact.

4.3.5 A general comment on transformability

An interesting general comment was made on the transformability-enhancing character of agricultural policies in Flanders. A few participants shared the opinion that several instruments¹⁵ exist that could enhance the sectors’ transformability (KRATOS trainings on diverse themes, support for innovative projects, support for young farmers, ...) , but currently fail to do so because the instruments are not implemented with transformability in mind. This comment points at a lack of attention for transformability in policy goals, rather than a lack of the capacity to enhance transformability of policy instruments. A participant formulated the critique as follows: the government is doing not enough to construct a vision for the future of agriculture; they need to think out of the box themselves and communicate their vision on agriculture, if they want the sector to think out of the box.

¹⁴ Why organic farms and small farms are still a niche in Flanders is explained in section 3.4.4

¹⁵ These are local implementations of CAP instruments

5 Overall analysis of strengths and weaknesses

In our assessment, we discussed how dairy market management measures, direct payments and rural development measures scored in the ResAT indicators. Policies other than the CAP, either at the European or regional level, were discussed where especially relevant. The stakeholder check with 16 participants involved more broad discussions on policies, both the CAP and others. In this concluding section we will present the main findings of our assessment and the stakeholder check.

Transformability of the farming system is much less part of policy goals than robustness or adaptability are. Even policy goals that focus on the long term rarely address transformability, or themes closely related to it. Consequently, existing policy instruments that could strengthen characteristics of transformability (e.g. trainings, knowledge sharing platforms, ...) often miss this opportunity. Paying more attention to transformability when implementing these instruments could certainly make a difference for their transformability-enabling character. The opposite is observed for the robustness and adaptability enabling character of policies: these themes receive more attention, but the policy instruments are not in place yet, or not implemented as such that they can realise the policy goals. Examples of this case are the slow development of crop insurance schemes, the limited impact of rural development measures, etc.

Dairy market management measures, currently named “the dairy market safety net”, are highly short-term focussed instruments that respond to milk price shocks quickly. Their pronounced short-term focus is needed to ensure sufficiently quick responses to price shocks, but introduces some risks with respect to the long-term effects of their interventions. By simply purchasing milk powder or butter until market prices have reached again a threshold, stocks are created that put a burden on the market in the future. Therefore, the short-term focus of these instruments may compromise the robustness of the dairy sector on the longer term.

Many stakeholders confirmed that agricultural policies somehow support a continuation of the status quo, but there is no consensus on which policy instruments are responsible for this. Two main features of agricultural policy in Flanders were mentioned in this regard: 1) the supporting of all firms, regardless whether they are applying adaptations or innovations or not and 2) the discouraging of decentral organisation and self-organisation of supply chain arrangements. The Flemish Government does not actively (and perhaps consciously) encourage central organisation, but by prescribing many regulations and arrangements at the general level, decentral organisation is discouraged.

Protecting the status quo is often associated with direct payments. In our assessment we argue that direct payments indeed protect the status quo with respect to structural change in the dairy sector. While some stakeholders agree with our view, many stakeholders disagree with it. The impact of direct payments on structural change in the sector is thus controversial. It is clear that they provide an extra source of income, but this does not necessarily strengthen farmers’ robustness, as this extra income reduces the incentives to exit the farming sector and in this way sustains oversupply. The common view that direct payments constrain transformation in the sector by keeping older and underperforming farmers in business is also not supported by all stakeholders. The question is whether governments succeed in distinguishing active farmers from “passive” ones. At least this is a priority for the Flemish Government. An important remark is that different stakeholders have different understandings of “the status quo” in the dairy sector. Having a fruitful discussion on this topic thus would require a more narrow definition of the dynamics that are to be studied.

Another much-debated policy instrument is the support for farmers' investments in material assets. The goal of this policy instrument is, besides of improving farmers' competitiveness, to increase farmers adaptive capacity. In one way the instrument does so by lowering the costs of investments for adaptation, but it also stimulates farmers to invest savings in material assets which may be inflexible, and force them to stay with the strategy chosen at the time of investing. The policy also may constrain farmers from developing buffer resources, as the material assets purchased are not readily convertible to fluid capital in times of difficulty. The Belgian fiscal policy provides similar incentives: by taxing especially profits, farms who do not pay flat-rate taxes are stimulated to invest all profit in new (material) assets. The fiscal policy thus constrains the development of buffer resources.

In general, (dairy) farmers possess a great amount of capital resources, of which land is often the most important one. Farmers and other stakeholders generally do not view these resources as buffer resources, which can be sold to recover from shocks, as the resources are the physical components of a farm, which are needed to continue production. This explains why farmers often appear to be poor on buffer resources, while rich on (capital) resources in general. Also direct payments are not viewed as a buffer resource for farmers, but as a compensation for the profit losses that farmers incur due to the relatively higher societal demands to farming in the EU.

In contrast to CAP Pillar 1 policies, Pillar 2 policies (implemented as the Flemish Rural Development Programme) provide varied, tailor-made support measures for different types of farms and farming practices. Examples are the support for small farms, organic farms, for diversification to activities other than production, etc. By relying on voluntary measures, Pillar 2 policies also provide a flexible framework of support for farmers. Pillar 2 policies are thus the main policies that enhance (dairy) farms' adaptability. Unfortunately, many of the RDP instruments are not well known among farmers, as they are more specific and tailor-made.

The support given to young farmers aims to secure the future of (dairy) sector in Flanders, and does provide substantial help to overcome the high cost of purchasing or establishing a farm, at least in the case of small to medium-sized farms. The question is whether this support is not annihilated by other support schemes, that incentivise farmers to stay in business and hence create barriers to the entry of young farmers. Young farmers could also be empowered by paying more attention to adaptability and transformability in farming education; stakeholders reported that these themes receive too little attention. In addition, a limited knowledge of economics and management with many farmers was said to constrain an entrepreneurial attitude, and critical reflection on the firms' strategy.

This relates to the more general remark that policies and policymakers too easily assume that farmers are entrepreneurs. It was argued that many farmers want to work as a farmer, but not necessarily want to manage a firm. Policies however assume and often stimulate individual farm ownership (think of the support for young farmers for example). Creating more options for contract farming, franchising, or the management of farms as a form of sub-contracting could cater to the needs of farmers who are not entrepreneurial and do not care too much about their independency.

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7. Appendix

1. Robustness

1.1. Short-term focus – goals

Proposal Flemish Minister of Agriculture to Flemish Government_Implementation CAP2020 reform> - § 2 references coded [0.43% Coverage]

Reference 1 - 0.35% Coverage

¶126: Het marktbeleid (Pijler I) voorziet Europese regels voor de productie en handel van bepaalde producten of productgroepen² 3. De instrumenten die binnen dit onderdeel van het GLB passen zijn gericht op aanbodbeheersing (o.a. quota) en prijsondersteuning (o.a. referentieprijzen, private en publieke opslag, exportsubsidies). Vandaag worden ze hoofdzakelijk ingezet als economisch vangnet voor verschillende sectoren, en als bescherming tegen extreme prijsvolatiliteit, zoals bij crisissen.¹ Het budgettaire aandeel van het marktbeleid binnen het GLB is gevoelig afgenomen (van ± 76% in 1992 tot ± 6% in 2013), als gevolg van de Europese wens om landbouwbedrijven steeds meer te oriënteren op de markt⁴, maar ook als gevolg van het afsluiten van internationale handelsakkoorden²

Reference 2 - 0.08% Coverage

¶126: Niettemin blijft het marktbeleid van strategisch belang voor de landbouwsector, onder andere omwille van de toenemende volatiliteit van zowel verkoop- als aankooprijzen.³

Reference 3 - - 0.30% Coverage

Uit onderzoek blijkt dat de eerste twee elementen resulteren in een daling van het gemiddeld bedrag voor ontkoppelde directe steun per begunstigde ter grootte van 2.144 euro³⁸ (tegen 2019). Dit is hoofdzakelijk het gevolg van Europese budgettaire keuzes, maar wordt ook beïnvloed door Vlaamse beleidskeuzes³⁹ die in deze nota zijn opgenomen. Het is duidelijk dat er moet getracht worden van de meest kwetsbare landbouwbedrijven te vrijwaren. Langs de andere kant is het ook duidelijk dat de keuze van het Vlaamse model voor interne convergentie dient te gebeuren rekening houdend met deze budgettaire context.

Website 'Policy instruments for the dairy sector' _ EC> - § 1 reference coded [0.74% Coverage]

Reference 1 - 0.74% Coverage

¶11: The EU's dairy policy dates from the 1960s. It helps to create stable market conditions for EU milk producers and processors. The policy has been continuously updated.⁶

Annotations

1 The market intervention instruments under Pillar 1 are clearly oriented at controlling market conditions for EU farmers, and protecting them from too strong shocks in market conditions. By doing so, the status quo (current farms and farming styles) are protected. It also reflects a short-term focus: policies are oriented at stabilising market conditions as they are at this moment.

2 in addition to previous annotation: the market intervention policy under pillar 1) has been lowered severely in the last 20 years (up to the 2014 reform). this counters the strong contribution to the short term focus and the status quo protective character.

3 market intervention is thus seen as an important way to manage risks, and more specifically volatility of input and sales prices

⁴ Shift from a fixed amount of support per firm to a variable amount of support per firm. This allows farmers to decide to which extent they wish to adjust their management to the conditions for receiving subsidies.

⁵ Adaptability is facilitated, by allowing a more flexible opt-in on direct payments to farmers. formerly, it was rather a question of "all or nothing".

6 As stated literally, the goal of the EU dairy policy is to create stable market conditions for EU milk producers and processors. Rather than allowing changes and risks to occur, the policy aims to shield producers and processors from these risks, and as such to increase robustness. This could be considered a form of risk management by the policy.

1.2. Short-term focus – instruments

Website 'Policy instruments for the dairy sector' _ EC> - § 2 references coded [5.70% Coverage]

Reference 1 - 2.00% Coverage

¶23: Between 1 March and 30 September each year, a maximum quantity of 109,000 t SMP and 50,000 t butter complying with specific quality requirements can be offered by private operators. Once these volumes are reached, intervention continues by tender until the end of the intervention period (that can be extended under exceptional circumstances).

¶24: When market conditions so allow, butter and SMP are sold back on the market via a Commission Regulation.¹

Reference 2 - 3.70% Coverage

¶41: Private storage Another market tool is the granting of support (aid) for the private storage of butter, SMP and cheeses with a Protected Designation of Origin (PDO)/Protected Geographical Indication (PGI). This aid helps operators by taking products temporarily off the market, but differs to public intervention, as the goods remain under the ownership of private operator. The granting of private storage aid by the Commission is optional.

¶42: Recent schemes introduced in the milk sector provide for the possibility of financing storage costs for a minimum period of 90 days – and a maximum of 210 days. The aid available comprises a fixed rate per tonne, plus a set daily amount per tonne. The products concerned remain the property of operators, who are responsible for selling them once the contractual storage period has elapsed.²

WUR Economics blog 'The EU safety net for dairy is undermined by intervention in dairy products' - § 3 references coded [7.22% Coverage]

Reference 1 - 2.03% Coverage

¶14: Between 1 March and 30 September each year, a maximum quantity of 109,000 tonnes of SMP and 50,000 tonnes of butter complying with specific quality requirements can be offered by private operators. Once these volumes are reached, intervention continues by tender until the end of the intervention period (which can be extended under exceptional circumstances). When market conditions allow, butter and SMP stocks are sold back on the market.

Reference 2 - 3.53% Coverage

¶120: This needless public intervention in the milk powder market leads to significant public intervention stocks of now already more than 350 thousand tonnes at EU level. These stocks are not only costly to the EU taxpayer, but they are also contributing to future marketing problems. Stocks that are generated once will have to be sold and brought back into the market again. When these stocks represent a substantial amount, as is currently the case (they now represent already more than 20% of the EU's total annual skimmed milk powder production), they are likely to create a depressing impact on future milk powder prices. This will depress the farmer's dairy prices, potentially driving them below their safety level at a moment that

¶121: also butter prices come down.³

Reference 3 - 1.65% Coverage

¶121: Moreover, it creates a burden on the market that may have a depressing impact on future powder and milk prices. By that the short-run needless intervention in milk powder may contribute to market instability in the medium-run. This then not only backfires to farmers, but can create future market instability as well as a further need for future intervention.⁴

Annotations

1 The public intervention in the markets of skimmed milk powder and butter closely is a strong instrument to shield dairy farmers from market price risks. By doing so, the policy reduces the incentives for farmers to adapt or transform when their production is not well aligned with the global demand.

2 Similarly as it is the case for public intervention, granting financial support for the private storage of butter, SMP and PDO and PGI cheeses is an instrument to shield producers from price risks.

3 The intervention purchases and the support for public storage are very much short-term focussed instruments. They change market prices on a certain moment in time. Future consequences of these interventions are highly uncertain and perhaps even unpredictable. As is seen at the moment in the dairy sector, where the SMP stocks accounted for more than 20% of the total annual European production by the end of 2017. This stock will put a severe pressure on prices in the future. Consequently, the Commission decided to forego the automatic buying-in of a certain amount of SMP at a fixed price in 2018.

4 see previous argument

1.3. Protection of the status quo – Goals

Press release - EU budget~ the Common Agricultural Policy beyond 2020> - § 1 reference coded [1.75% Coverage]

Reference 1 - 1.75% Coverage

¶16: Direct payments will remain an essential part of the policy, ensuring stability and predictability for farmers. Priority will be given to supporting the small and medium-sized farms that constitute the majority of the EU's farming sector, and to helping young farmers.¹

Proposal Flemish Minister of Agriculture to Flemish Government_Implementation CAP2020 reform> - § 8 references coded [2.36% Coverage]

Reference 1 - 0.19% Coverage

¶135: De grootte van de jaarlijkse betaling per toeslagrecht is in België weliswaar hoofdzakelijk historisch bepaald op basis van de steun die bedrijven ontvangen hadden voor de toekenning van de toeslagrechten in 2005. Sinds 2005, heeft de aard van de productie en het productieniveau in het jaar van de betaling daarentegen geen invloed op de grootte van de bedrijfstoelag. Vandaar dat men spreekt van “ontkoppelde” directe steun.

Reference 2 - 0.01% Coverage

¶171 Uit onderzoek blijkt dat de eerste twee elementen resulteren in een daling van het gemiddeld bedrag voor ontkoppelde directe steun per begunstigde ter grootte van 2.144 euro³⁸ (tegen 2019). Dit is hoofdzakelijk het gevolg van Europese budgettaire keuzes, maar wordt ook beïnvloed door Vlaamse beleidskeuzes³⁹ die in deze nota zijn opgenomen. Het is duidelijk dat er moet getracht worden van de meest kwetsbare landbouwbedrijven te vrijwaren. Langs de andere kant is het ook duidelijk dat de keuze van het Vlaamse model voor interne convergentie dient te gebeuren rekening houdend met deze budgettaire context.

Reference 3 - 0.05% Coverage

¶107: In meerdere lidstaten, waaronder België, is de waarde van een toeslagrecht vandaag

¶108: historisch bepaald.

Reference 4 - 0.16% Coverage

¶108: Omwille van die reden zijn de toeslagrechten in Vlaanderen vrij hoog (gemiddeld €488 in 2012 – de op twee na hoogste waarde na Malta en Nederland). Tegelijk zorgt dit voor aanzienlijke waardeverschillen tussen de toeslagrechten. De waarden gaan van < € 100 tot > € 5000 in Vlaanderen. Deze grote verschillen in waarden zijn niet meer te rechtvaardigen.⁴

Reference 5 - 0.78% Coverage

¶1239: Uit onderzoek blijkt dat de eerste twee elementen resulteren in een daling van het gemiddeld bedrag voor ontkoppelde directe steun per begunstigde ter grootte van 2.144 euro³⁸ (tegen 2019). Dit is hoofdzakelijk het gevolg van Europese budgettaire keuzes, maar wordt ook beïnvloed door Vlaamse beleidskeuzes³⁹ die in deze nota zijn opgenomen. Het is duidelijk dat er moet getracht

¶1240: 37 Uit onderzoek blijkt dat er op dit moment in Vlaanderen geen certificeringssystemen voorkomen die een reële kans maken om door de Europese Commissie aanzien te worden als equivalent aan alle standaard vergroeningsmaatregelen, en die vandaag reeds door een voldoende groot aantal gehanteerd [Bergen D. (2013) Milieucertificering in het kader

¶1241: landbouwbedrijven wordt van het GLB – Ideeën voor

¶1242: equivalentiemaatregelen uit enkele buurlanden, Departement Landbouw en Visserij, afdeling Monitoring en Studie, Brussel].

¶1243: 38 Het gemiddeld bedrag voor ontkoppelde directe steun in 2019 bevat een schatting voor de basisbetaling en de vergroeningspremie, doch niet voor de betaling voor jonge landbouwers. Jonge landbouwers die voor deze laatste

¶244: betaling in vergroeningspremie.

¶245: 39 Deze schatting is gebaseerd op de volgende assumpties: 10% transfer naar Pijler II, 10% van de enveloppe gaat naar gekoppelde steun.

¶246: 22/37 aanmerking komen zullen deze ontvangen bovenop de basisbetaling en de

¶247: worden om deze toch significante daling geleidelijk door te voeren tussen 2015 en 2019, ten einde de continuïteit van de meest kwetsbare landbouwbedrijven te vrijwaren. Langs de andere kant is het ook duidelijk dat de keuze van het Vlaamse model voor interne convergentie dient te gebeuren rekening houdend met deze budgettaire context.

Reference 6 - 0.35% Coverage

¶258: Uitgaande van het feit dat alle begunstigden in Vlaanderen tussen 2012 en 2019 hun ontkoppelde directe steun al met gemiddeld 2.144 euro zullen zien dalen,

¶259: is het wenselijk dat bijkomende

¶260: verliezen als gevolg van interne convergentie zoveel mogelijk beperkt worden. Een overgang naar een flat rate is onhaalbaar, en zou de continuïteit van Vlaamse bedrijven bedreigen. Vlaanderen dient daarom te kiezen voor het scenario dat voor de minste herverdeling zorgt in 2019: het lers model met maximumverlies van 30% met een variabele vergroeningspremie. De keuze voor een variabele vergroeningspremie, in plaats van een flat rate bedrag, laat bovendien toe om landbouwers met een hogere vergroeningsinspanning in de meeste gevallen ook een hogere vergroeningspremie toe te kennen.⁵

Reference 7 - 0.61% Coverage

¶288: Als gevolg van de invoering van het nieuwe systeem van directe steun, en in het bijzonder interne convergentie, dreigen alle Vlaamse kalvermesters een belangrijk deel van hun sinds 2012 ontkoppelde directe steun te verliezen. Dit komt bovenop het concurrentieel nadeel dat de Vlaamse producenten ondervinden t.o.v. de hogere, historisch gegroeide, steunniveaus in naburige productielanden. Dat alles vormt een bedreiging van de economische leefbaarheid van de sector. Het is te verwachten dat de hierboven beschreven financiële verliezen als gevolg van het nieuwe systeem van directe steun, op korte termijn niet kunnen worden geabsorbeerd door een aanpassing van de marktcondities. Daardoor kunnen er negatieve gevolgen optreden voor sommige partijen in de keten (nl. druk op de vergoedingen van de kalvermesters, dalende prijzen die melkveehouders voor hun nuchtere kalveren kunnen realiseren, wegvallende vraag naar bepaalde nevenproducten van de zuivelindustrie). Een gekoppelde steun voor de kalversector kan helpen verhinderen dat een te snel inkomensverlies zorgt voor onaanvaardbare negatieve effecten op het inkomen van de kalvermesters en de melkveebedrijven. Deze steun moet in de eerste plaats de primaire producent ten goede komen. Een beperkt deel van de Vlaamse enveloppe voor directe steun kan hiervoor ingezet worden (ongeveer 1%⁵¹).⁷

Reference 8 - 0.21% Coverage

¶308: Analyses tonen aan dat een herverdelende betaling in Vlaanderen zal leiden tot bijkomende, maar niet

¶1309: altijd gewenste verschuivingen in directe steun tussen producenten. Zo zullen

¶1310: melkveebedrijven, die in Vlaanderen een gemiddelde grootte hebben die het algemene gemiddelde overtreft, door een dergelijke betaling directe steun verliezen ten voordele van landbouwbedrijven die gebruik maken van een kleiner areaal (zoals producenten van groenten en fruit). Vandaar dat⁸

Report 'Mapping and analysis of the implementation of the CAP'> - § 1 reference coded [0.02% Coverage]

Reference 1 - 0.02% Coverage

¶1517: Also, the historical factor was at play when implementing internal convergence and the decision not to implement the redistributive payment. It was ensured that the transition to a flat rate would be smooth and gradually, while the redistributive payment was not implemented in order to not increase differences between sectors and regions. Additionally, the factor of simplification played an important role were the greening payment needed to be both feasible for farmer and for administration to implement and control.

WUR Economics blog 'The EU safety net for dairy is undermined by intervention in dairy products'> - § 1 reference coded [3.82% Coverage]

Reference 1 - 3.82% Coverage

¶11: A not less important part of the latest reform in the EU dairy sector was the switch from a regime of classical price support to a safety net system. Under normal conditions prices are no longer supported nor manipulated. Only when there are extreme circumstances, an intervention mechanism will operate, which aims to create a price floor preventing the milk price to further decline. This safety net aims to protect farmers against extreme downside price risk. With the safety net price level to be about 21 eurocents per kg of milk, while normal milk prices are in a range of 33 to 38 eurocents, the safety will not

¶12: start operating until the price declines by about 40 percent from its normal value. Safety net provisions also apply to other sectors but there intervention is not aimed at derived products as it is in dairy.⁹

Annotations

1 Maintaining the conditions in which farmers operate currently remains a major target of the CAP, in the proposal. Reducing farmers' exposure to shocks and challenges remains a primary target. This is reflect by the lions' share of the budget that is allocated to direct payments.

2 Shift from a fixed amount of support per firm to a variable amount of support per firm. This allows farmers to decide to which extent they wish to adjust their management to the conditions for receiving subsidies.

3 Adaptability is facilitated, by allowing a more flexible opt-in on direct payments to farmers. formerly, it was rather a question of "all or nothing".

4 Although the minister of Agriculture indicates that the very high differences in direct payments/ha that farmers receive are not justifiable anymore, Flanders chose the least ambitious option for internal convergence of DP, i.e. the option that does not lead to equal DP/ha for all farmers by 2019 or 2020.

5 The minister clearly indicates that internal convergence and subsequent direct payment losses for farmers should be limited as much as possible, as all farmers will see the total amount of direct payments lower anyway.

6 To nuance the degree to which protecting the status quo is the goal: the minister does propose to cap direct payments for beneficiaries who receive over 150.000€ as much as possible.

7 The veal calves sector is tied to the dairy sector. the minister wishes to limit the reduction of direct payments to veal calf producers because of internal convergence. As the veal calf sector was strongly supported historically, veal calf producers will see the amount of direct payments they receive lower substantially because of internal convergence. Dairy farmers are indirectly affected by the protection of the status quo in the veal calf sector as the price they receive for veal calves influences the profitability of their operations.

1.4. Protection of the status quo – Instruments

Proposal Flemish Minister of Agriculture to Flemish Government_Implementation CAP2020 reform> - § 5 references coded [0.82% Coverage]

Reference 1 - 0.20% Coverage

¶126: directe steun. Dit onderdeel heeft als doelstelling om het inkomen van landbouwers te ondersteunen, omdat de markt in bepaalde sectoren niet zorgt voor voldoende inkomsten, maar ook als compensatie voor publieke diensten die niet vergoed worden door de markt (vb. onderhoud van het landbouwpotentieel, bijdrage aan een leefbaar platteland), en als vergoeding voor de hoge EU-normen inzake voedselveiligheid, milieu en dierenwelzijn^{1.2}

Reference 2 - 0.19% Coverage

¶135: De grootte van de jaarlijkse betaling per toeslagrecht is in België weliswaar hoofdzakelijk historisch bepaald op basis van de steun die bedrijven ontvangen hadden voor de toekenning van de toeslagrechten in 2005. Sinds 2005, heeft de aard van de productie en het productieniveau in het jaar van de betaling daarentegen geen invloed op de grootte van de bedrijfstoelage. Vandaar dat men spreekt van “ontkoppelde” directe steun.

Reference 3 - 0.05% Coverage

¶107: In meerdere lidstaten, waaronder België, is de waarde van een toeslagrecht vandaag

¶108: historisch bepaald.

Reference 4 - 0.22% Coverage

¶211: Verder, om consistent te blijven met de criteria die gelden voor de aangifteplicht voor de Mestbank zal Vlaanderen een minimumareaal instellen. Bedrijven die in 2015 minder dan 2ha subsidiabele grond hebben, krijgen geen toegangsticket tot het nieuwe systeem³⁵. Bedrijven met meer dan 2 subsidiabele ha krijgen wel een toegangsticket en het aantal betalingsrechten dat ze zullen krijgen hangt af van hoeveel subsidiabele grond ze hadden in 2013 en 2015 (zie voorgaande paragraaf).

Reference 5 - 0.17% Coverage

¶236: Het bedrag voor ontkoppelde directe steun dat een gemiddelde Vlaamse begunstigde in 2019 zal ontvangen zal lager liggen, en dit omwille van drie elementen: 1. Het totale Vlaamse budget voor directe

steun daalt tussen 2012 en 2019 als gevolg van Europese budgettaire keuzes: minder Europese middelen voor het GLB gecombineerd met externe convergentie (zie punt 2.3).

Report from the Commission to the EU Parliament and The Council on the dairy market and 'Milk Package' provisions> - § 1 reference coded [0.72% Coverage]

Reference 1 - 0.72% Coverage

¶151: The reference to 'areas facing natural or other specific constraints' as defined in Articles 31 and 32 of Regulation 1305/2013 was the most frequent (12 Member States). Other Member States referred to less favoured areas (Regulation 1257/1999), less developed regions (Regulation 1308/2013), and Directives 75/268/CEE and 85/148/ECC. Six Member States provided different descriptions without legal references and four Member States did not declare any definition for disadvantaged regions.⁴

Report 'Mapping and analysis of the implementation of the CAP'> - § 1 reference coded [0.02% Coverage]

Reference 1 - 0.02% Coverage

¶512: Both Belgian regions (Flanders & Wallonia), Spain, France, Greece, Italy, Portugal and Slovenia are part of cluster 3. These Member States are slow movers in terms of internal convergence, with none of them moving to a flat rate payment in 2020. The Voluntary Coupled Support will be used by all of the Member States at rather high rates compared to the other groups.

Website 'European School Milk Scheme' _ EC> - § 1 reference coded [3.54% Coverage]

Reference 1 - 3.54% Coverage

¶8: The EU School Milk Scheme is intended to encourage consumption among children of healthy dairy products containing important vitamins and minerals. First established in 1977, the scheme not only has a nutritional character, but also an educational character and therefore helps contribute to the fight against obesity among children.

Website 'Policy instruments for the dairy sector' _ EC> - § 4 references coded [8.80% Coverage]

Reference 1 - 1.17% Coverage

¶82: Aid schemes

¶83: Aid is paid for the supply of milk products to pupils under the so-called School Milk Scheme

¶84: EN ••• . A Union aid of € 18.15 / 100 kg –limited to

¶85: a maximum of 0.25 litre of milk equivalent per pupil and per day - can be supplemented with national

Reference 2 - 0.63% Coverage

¶88: Marketing standards

¶89: Milk and milk products or spreadable fats must comply with specific standards to be marketed in the EU (Article 78 CMO).⁶

Reference 3 - 5.41% Coverage

¶192: Eu promotion programmes relating to the dairy sector

¶193: In the latest wave of EU Promotion Programmes published on 21 April 2015

¶194: EN ••• there are six new information and promotion programmes for the dairy sector.

¶195: All six are targeting third country markets - worth nearly EUR 12.2 million from the EU budget over three years (details in this table

¶196: EN •••).

¶197: As they are 50 % co-funded by public or private funds, the total investment through these programmes will be nearly EUR 24.4 million.

¶198: Most of these programmes were due to start in the middle of 2015.

¶199: These new programmes come in addition to 14 ongoing multi-annual programmes for the dairy sector which were launched between 2011 and 2014 – four in 2011, three in 2012, six in 2013 and one in 2014.

¶100: Nine of these ongoing programmes target third countries (worth just under EUR 31 million total budget – half of which is EU-funded).

¶101: The five others target the internal market for a total amount of EUR 26.4 million (also 50 % EU-funded) – including a "multi country" programme in seven Member States worth EUR 16 million.

¶102: Altogether the 20 new or ongoing promotion programmes for the dairy sector are EUR 82 million of which 50 % are EU-funded.⁷

Reference 4 - 1.59% Coverage

¶106: An import regime applies to the entry of dairy products into the EU

¶107: EN ••• . Preferential imports are subject to the issuing of an import

¶108: licence and, in general, payment of an import duty (tariff). Several trade agreements, multilateral and bilateral, have resulted in preferential imports at reduced or zero duty, mostly in the form of

¶109: import quotas.⁸

Annotations

1 Direct payments are seen as a constant source of income rather than a buffer resource by the Flemish Government. This reflects the attitude of farmers towards direct payment: a small but constant source of income that is justified based on the high societal demands (and therefore limitations) put on EU agriculture.

2 direct payments aim to make farming profitable within the current conditions. By doing so, farmers are not encouraged to look for adaptations or transformations that would place them in a different set of conditions

3 Although the minister of Agriculture indicates that the very high differences in direct payments/ha that farmers receive are not justifiable anymore, Flanders chose the least ambitious option for internal convergence of DP, i.e. the option that does not lead to equal DP/ha for all farmers by 2019 or 2020.

4 Extra payments for farmers in areas facing natural or other specific constraints hamper the shift to production in naturally favoured areas. No such disadvantaged regions occur within Flanders. Flemish dairy farmers are thus disadvantaged by this policy: they can exploit their natural competitive advantage only to a lesser extent. In general, the policy can be said to protect the status quo, i.e. the spread of farms over naturally advantaged and disadvantaged areas.

5 By subsidising the supply of milk products to schools, dairy farmers are somewhat shielded from market related challenges, both directly by the subsidies, but also on the long term, by the promotion of milk products to future customers.

6 The relatively high EU marketing standards pose a barrier for smallholders (both within and outside of the EU) to sell milk products on the EU market.

7 The EU is a major producer of milk products, and the no. 1 exporter of cheese in the world. The co-funding of promotion programmes by the EU could be considered an instrument that protects this status quo.

8 The import regime for dairy products protects EU farmers from global competition. This could be described as an insulation from the pressure that global competition puts on primary producers.

1.5. Buffer resources – Goals

Brochure 'Vlaams programma voor Plattelandsontwikkeling PDPO III - 2014-2020' > - § 1 reference coded [0.08% Coverage]

Reference 1 - 0.08% Coverage

¶138: Versterking van het concurrentievermogen van alle landbouwtypen en verbetering van de rendabiliteit van de landbouwbedrijven¹

Proposal Flemish Minister of Agriculture to Flemish Government_Implementation CAP2020 reform> - § 5 references coded [0.99% Coverage]

Reference 1 - 0.20% Coverage

¶26: directe steun. Dit onderdeel heeft als doelstelling om het inkomen van landbouwers te ondersteunen, omdat de markt in bepaalde sectoren niet zorgt voor voldoende inkomsten, maar ook als compensatie voor publieke diensten die niet vergoed worden door de markt (vb. onderhoud van het landbouwpotentieel, bijdrage aan een leefbaar platteland), en als vergoeding voor de hoge EU-normen inzake voedselveiligheid, milieu en dierenwelzijn^{2,3}

Reference 2 - 0.19% Coverage

¶35: De grootte van de jaarlijkse betaling per toeslagrecht is in België weliswaar hoofdzakelijk historisch bepaald op basis van de steun die bedrijven ontvangen hadden voor de toekenning van de toeslagrechten in 2005. Sinds 2005, heeft de aard van de productie en het productieniveau in het jaar van de betaling daarentegen geen invloed op de grootte van de bedrijfstoelage. Vandaar dat men spreekt van “ontkoppelde” directe steun.

Reference 3 - 0.11% Coverage

¶138: verbetering van het concurrentievermogen van de land- en bosbouw (As 1), via maatregelen zoals investeringssteun voor landbouwbedrijven, verbetering van de verwerking en de afzet van landbouwproducten en opleiding voor de landbouwers.⁴

Reference 4 - 0.28% Coverage

¶119: De Belgische directe steun enveloppe¹⁸ over de periode 2014-2020 is vastgelegd op 3,65 miljard euro (in lopende prijzen; d.i. 3,25 miljard euro in 2011 prijzen), een daling met ongeveer 9% ten opzichte van de periode 2007-2013. In 2019, het laatste jaar van de hervorming bedraagt de totale Belgische directe steun enveloppe 505 miljoen euro, dit is een daling van ongeveer 11,5% ten opzichte van het jaar 2012. De daling die België ondervindt is groter dan gemiddeld als gevolg van externe convergentie, dit is de beslissing om de verschillen in de gemiddelde directe steun per hectare

¶120: tussen de lidstaten te

¶121: verminderen.

Reference 5 - 0.20% Coverage

¶121: Vanaf 2014 (MFK-jaar 2015) zal een deel van het budget voor directe (400 miljoen euro, op Europees niveau; in 2011 prijzen) jaarlijks gereserveerd worden, als provisie voor landbouwcrisissen. Vroeger bestond deze verbinding met het directe steun budget niet. Concreet betekent dit dat landbouwers dit geld via directe steun pas later zullen krijgen, en enkel indien het niet aangewend werd voor landbouwcrismaatregelen in hun of een andere lidstaat.^{5,6}

Report 'Mapping and analysis of the implementation of the CAP'> - § 1 reference coded [0.01% Coverage]

Reference 1 - 0.01% Coverage

¶1518: The objective of viable food production is understood as being essential in Flanders. There is a strong focus on ensuring the competitiveness of the sector while ensuring a fair income to producers. Both Pillar 1 and Pillar 2 allocate a substantial budget to this objective (Priority 2 & 3 represent 45% of the planned expenditure under Pillar 2).⁷

Website 'Policy instruments for the dairy sector' _ EC> - § 1 reference coded [0.74% Coverage]

Reference 1 - 0.74% Coverage

¶11: The EU's dairy policy dates from the 1960s. It helps to create stable market conditions for EU milk producers and processors. The policy has been continuously updated.⁸

Annotations

1 EAFRD priority 2 is to increase the competitiveness of all forms of agriculture, and to improve agricultural firms' profitability. Arguably, the goal is thus to increase buffer resources, to make farms robust to challenges.

2 Direct payments are seen as a constant source of income rather than a buffer resource by the Flemish Government. This reflects the attitude of farmers towards direct payment: a small but constant source of income that is justified based on the high societal demands (and therefore limitations) put on EU agriculture.

3 direct payments aim to make farming profitable within the current conditions. By doing so, farmers are not encouraged to look for adaptations or transformations that would place them in a different set of conditions

4 Axe 1 of Pillar 2 aims to increase the competitiveness of farmers. With respect to resilience, this can be seen as increasing the buffer capability (resources) of farmers.

5 The degree to which EU farmers are insulated from market volatility and shocks is thus reduced as compared to the previous 7-year CAP term.

6 From 2014 onwards a financial buffer is established at EU level: a share of the direct payment budget is kept aside for agricultural crises. If it is not needed to compensate farmers' losses in crises, the budget will be spent on direct payments afterwards.

7 why is it also an instrument that influences risks for farmers? Because investments are subsidised, financial risks and especially risks on liquidity problems are lowered.

8 As stated literally, the goal of the EU dairy policy is to create stable market conditions for EU milk producers and processors. Rather than allowing changes and risks to occur, the policy aims to shield producers and processors from these risks, and as such to increase robustness. This could be considered a form of risk management by the policy.

1.6. Buffer resources – instruments

Proposal Flemish Minister of Agriculture to Flemish Government_Implementation CAP2020 reform> - § 3 references coded [0.57% Coverage]

Reference 1 - 0.19% Coverage

¶135: De grootte van de jaarlijkse betaling per toeslagrecht is in België weliswaar hoofdzakelijk historisch bepaald op basis van de steun die bedrijven ontvangen hadden voor de toekenning van de toeslagrechten in 2005. Sinds 2005, heeft de aard van de productie en het productieniveau in het jaar van de betaling daarentegen geen invloed op de grootte van de bedrijfstoelage. Vandaar dat men spreekt van “ontkoppelde” directe steun.

Reference 2 - 0.17% Coverage

¶171: Lidstaten krijgen enige vrijheid om de waarde van die betalingen te bepalen, maar worden ook verplicht om de verschillen in waarde tussen individuele betalingsrechten ten minste te verkleinen door de hoogste en laagste bedragen gradueel naar elkaar toe te laten evolueren, en om de grootte van de jaarlijkse betalingen per bedrijf boven een bepaalde drempel af te romen.

Reference 3 - 0.20% Coverage

¶121: Vanaf 2014 (MFK-jaar 2015) zal een deel van het budget voor directe (400 miljoen euro, op Europees niveau; in 2011 prijzen) jaarlijks gereserveerd worden, als provisie voor landbouwcrisissen. Vroeger bestond deze verbinding met het directe steun budget niet. Concreet betekent dit dat landbouwers dit geld via directe steun pas later zullen krijgen, en enkel indien het niet aangewend werd voor landbouwcrismaatregelen in hun of een andere lidstaat.1,2

Report 'Mapping and analysis of the implementation of the CAP'> - § 1 reference coded [0.01% Coverage]

Reference 1 - 0.01% Coverage

¶1518: The objective of viable food production is understood as being essential in Flanders. There is a strong focus on ensuring the competitiveness of the sector while ensuring a fair income to producers.

Both Pillar 1 and Pillar 2 allocate a substantial budget to this objective (Priority 2 & 3 represent 45% of the planned expenditure under Pillar 2).³

Annotations

1 The degree to which EU farmers are insulated from market volatility and shocks is thus reduced as compared to the previous 7-year CAP term.

2 From 2014 onwards a financial buffer is established at EU level: a share of the direct payment budget is kept aside for agricultural crises. If it is not needed to compensate farmers' losses in crises, the budget will be spent on direct payments afterwards.

3 why is it also an instrument that influences risks for farmers? Because investments are subsidised, financial risks and especially risks on liquidity problems are lowered.

1.7. Other modes of risk management – goals

Belgium - Rural Development Programme (Regional) Flanders> - § 3 references coded [0.06% Coverage]

Reference 1 - 0.02% Coverage

¶1451: Focussen op het verhogen van de weerbaarheid en verduurzaming van de landbouwsector in al zijn facetten. Enerzijds is er het ecologisch aspect, waarbij speciale aandacht gaat naar biodiversiteit, waterkwaliteit, instandhoudingsdoelstellingen in het kader van de realisatie van de Natura-2000 gebieden, erosiereductie en milieu- en klimaatvriendelijke landbouwpraktijken. Anderzijds wordt ingezet op het economische aspect met aandacht voor de versteviging van de positie van de primaire producenten in de landbouwketen, de crisisbestendigheid van de sector (opvangen en verminderen van de gevolgen van volatiliteit van afzetprijzen en kostprijzen) en de ontwikkeling van risicobeheer.

Reference 2 - 0.03% Coverage

¶1464: Het landbouwbedrijf moet voldoende weerbaar zijn om ook in de toekomst zijn positie te bestendigen. Een belangrijke uitdaging hierbij is de versterking van de plaats van de landbouwsector in de keten.. De Vlaamse actoren zien mogelijkheden op het vlak van modernisering, diversificatie, risicobeheer, samenwerkingsvormen, ... zodat Vlaanderen ook in de toekomst nog voor de meeste voedingsproducten zelfvoorzienend kan blijven en meer nog, zijn sterke netto-uitvoerpositie kan

¶1465: 111

¶1466: verstevigen. Hiervoor dient de relatie met het sterke agrobusinesscomplex bestendig te worden – rekening houdend met de huidige economische en financiële crisis die zowel op individueel als op algemeen niveau zijn sporen nalaat. Daarnaast moet er aandacht zijn voor crisisbestendigheid, zodat het landbouwbedrijf gewapend is tegen tegenvallende externe factoren zoals weersomstandigheden of volatiele marktprijzen.

Reference 3 - 0.01% Coverage

¶1473: Ten opzichte van PDPOII worden enkele nieuwe maatregelen ingesteld, die specifiek inspelen op de aangehaalde noden. Zo zal de nieuwe maatregel rond risicobeheer inspelen op nood 12 “preventie en beheer van risico’s in de landbouw”.

Brochure 'Food & Farming - Focus on Market Safety Nets'> - § 4 references coded [4.79% Coverage]

Reference 1 - 1.03% Coverage

¶19: Finally factors outside economic markets can also create a disruptive effect on agricultural prices and production. The risk of animal diseases, loss of consumer confidence in case of a food scare or changed trade policies are all realities that will persist and could even increase with further trade integration or climate change.

Reference 2 - 1.72% Coverage

¶22: Market signals help producers, and the agricultural sector, in orienting their production decisions, but markets are not perfect. With a short-sighted interpretation of price signals, the economic cost of agricultural production may be minimized but farming may not be kept sustainable for the long term in a resource constrained world. This was the basic reason why European agricultural policy has shifted from strong market management with high support prices towards a flexible system consisting of direct payments complemented by a market safety net.

Reference 3 - 1.22% Coverage

¶35: Farmers are also encouraged to share responsibility in managing specific on-farm risks. Member States have the possibility to design tools to support farmers in this process through support for insurance premiums, mutual funds or an income stabilisation tool. But also private initiatives are being promoted that share the risks between farmers and processors or within producer organisations.

Reference 4 - 0.81% Coverage

¶66: The EU's policy response has focused on targeting income by addressing immediately the cash-flow difficulties farmers are facing, by stabilising markets, by maximising the use of existing measures, and by raising issues about the functioning of the supply chain.

Brochure 'Vlaams programma voor Plattelandsontwikkeling PDPO III - 2014-2020'> - § 2 references coded [0.38% Coverage]

Reference 1 - 0.06% Coverage

¶40: Bevordering van de organisatie van de voedselketen en van het risicobeheer in de landbouw¹

Reference 2 - 0.32% Coverage

¶321: Via een oproep kunnen recent opgerichte en door de Vlaamse overheid erkende producentenorganisaties een aanvraag indienen tot het ontvangen van een opstartsteun gedurende vijf jaren na de datum van erkenning. Hiervoor dient de producentenorganisatie een bedrijfsplan op te maken met de doelstellingen voor de komende vijf jaren. De bedoeling is om de marktpositie van landbouwers in de keten te versterken door hen te stimuleren tot samenwerking en gezamenlijke afzet.²

Hogan future_of_food_and_farming_communication> - § 2 references coded [0.94% Coverage]

Reference 1 - 0.32% Coverage

¶114: While farmers, as entrepreneurs, are ultimately responsible for designing their own on-farm strategies, it is important to set up a robust framework for the farming sector to successfully prevent or

deal with risks and crises, with the objective of enhancing its resilience and, at the same time, providing the right incentives to crowdin private initiatives.³

Reference 2 - 0.62% Coverage

¶116: The CAP already offers a layered set of tools helping farmers to prevent and manage risks, from direct payments and market intervention to post-crises compensations and the present second pillar measures in particular an Income Stabilisation Tool (IST) and insurance support. For example sector specific stabilisation tools with a 20% trigger level for income loss can be effective. It is important to consider whether to further adjust its design to improve its functioning. Furthermore, it should be explored how existing possibilities as regards risk management can be better exploited, for instance by the use of indexes to calculate farm income losses, reducing red tape and costs.⁴

POs in de melkveehouderij - ILVO mededeling> - § 3 references coded [1.15% Coverage]

Reference 1 - 0.12% Coverage

¶135: Een producentenorganisatie is een samenwerkingsverband van primaire producenten. Na erkenning door de Vlaamse Overheid kunnen zij genieten van een uitzondering op de mededingingswetgeving.⁵

Reference 2 - 0.65% Coverage

¶137: Deze aanbevelingen resulteerden (maart 2012) in Europese regelgeving (Verordening (EU) nr. 261/2012 van het Europees Parlement en de Raad) met als doel om 'de productie beter op de markt af te stemmen, wat betekent dat de landbouwers hun beslissingen over wat en hoe te produceren, baseren op prijssignalen, teneinde de concurrentiepositie van de zuivelsector te verstevigen en de

¶138: duurzaamheid van de sector in een geglobaliseerde omgeving te verbeteren.' En meer specifiek: om een du '

¶139: urzame ontwikkeling van de productie en een billijke levensstandaard voor de

¶140: melkproducenten te waarborgen, moet de onderhandelingspositie van deze producenten ten opzichte van de zuivelverwerkers worden versterkt, wat een eerlijker verdeling van de meerwaarde in de hele keten zal meebrengen', mogen erkende producentenorganisaties, met betrekking tot de productie van al hun leden of een gedeelte daarvan, gezamenlijk met de zuivelfabrikanten onderhandelen over contractvoorwaarden, inclusief de⁶

Reference 3 - 0.38% Coverage

¶142: Ook de Vlaamse Overheid gelooft dat PO's in de toekomst aan belang zullen toenemen. Ze willen PO's als instrument aanreiken om landbouwers een aantal vrijheidsgraden aan te bieden om te gaan onderhandelen en om meer marktgericht te gaan ondernemen. De hoofddoelstelling bestaat in het samenbrengen van het aanbod en dat aanbod gezamenlijk op de markt brengen. Door zich te organiseren in een PO, mogen landbouwers onderling afspraken maken en samen gaan

¶143: \2

¶144: onderhandelen over prijzen, wat volgens de mededingingsregels niet mag als ze als individuele producenten gaan ondernemen.⁷

Proposal Flemish Minister of Agriculture to Flemish Government_Implementation CAP2020 reform> - § 2 references coded [0.23% Coverage]

Reference 1 - 0.08% Coverage

¶126: Niettemin blijft het marktbeleid van strategisch belang voor de landbouwsector, onder andere omwille van de toenemende volatiliteit van zowel verkoop- als aankooprijzen.⁸

Reference 2 - 0.15% Coverage

¶102: Gewasdiversificatie. Een landbouwer met meer dan 10ha bouwland moet minimum 2 gewassen verbouwen, vanaf 30ha zijn 3 gewassen nodig. De oppervlakteaandelen van de gewassen mogen bepaalde maxima niet overschrijden. Deze maatregel verbetert het landbouwkundig potentieel en levert een bijdrage in de strijd tegen klimaatsverandering.⁹

Report 'Mededinging en de gemeenschappelijke marktordening (GMO)'> - § 1 reference coded [0.07% Coverage]

Reference 1 - 0.07% Coverage

¶177: Met de nieuwe GMO1 wil de Europese Commissie immers de rol van producentenorganisaties (PO's) en brancheorganisaties (BO's) uitbreiden door de onderhandelingspositie van de individuele landbouwer te versterken.¹⁰

Report 'Samenwerking in de keten _ producentenorganisaties en brancheorganisaties'> - § 1 reference coded [0.46% Coverage]

Reference 1 - 0.46% Coverage

¶151: In de nieuwe GLB-voorstellen worden de mogelijkheden voor de ontwikkeling van PO's en BO's uitgebreid naar alle landbouwsectoren. In de groenten- en fruitsector bestaat dit concept al gedurende jaren. Voor de zuivelsector is een zuivelpakket uitgewerkt dat in voege treedt op 30 maart 2012. Voor de andere sectoren is uitwerking voorzien vanaf 2013/2014 afhankelijk van de vordering van de discussies over de hervorming.¹¹

Website 'Policy instruments for the dairy sector' _ EC> - § 2 references coded [1.27% Coverage]

Reference 1 - 0.74% Coverage

¶11: The EU's dairy policy dates from the 1960s. It helps to create stable market conditions for EU milk producers and processors. The policy has been continuously updated.¹²

Reference 2 - 0.52% Coverage

¶14: Several market tools are available in the dairy sector: they provide a safety net in case of serious market imbalance.¹³

WUR Economics blog 'The EU safety net for dairy is undermined by intervention in dairy products'> - § 1 reference coded [1.39% Coverage]

Reference 1 - 1.39% Coverage

¶15: latter objective, actually the safety net provision is about the only instrument in the CAP to achieve this objective. What is important, however, is that the aim of the provision is to protect dairy farm incomes and not necessarily specific processed dairy products such as for example milk

¶16: powder.

Annotations

1 EAFRD priority 3 is to improve the organisation of the food supply chain and risk management in agriculture. Clearly, managing risk is the objective, at least partly in another way than by increasing farms' buffer resources.

2 This policy aims to increase the robustness of farmers by supporting the creation of producer organisations that a) improve the bargaining position of individual farmers. Collective bargaining is certainly a form of price risk management for individual farmers. Recently, two POs were raised that group the producers supplying Campina and Danone respectively, the two largest private dairy processors in Belgium. These POs can receive financial support from this channel.

3 Risk management is an explicit focus of the CAP reform proposal. In this text, the Commissioner explicitly mentions the need for policies to prevent or deal with risks for farmers.

4 See text

5 POs receive derogation for some items of the EU antitrust regulation. The goal of this derogation is to enable farmers to coordinate production. Coordinating production should limit the vulnerability of farmers to price volatility. We thus consider this goal a form of risk management.

6 The goal of the EU directive on POs is to allow farmers to coordinate production, in order to improve their competitiveness. As an exemption in Flanders, POs in the dairy sector are not obliged to adopt the cooperative legal status and purchase the produce of their members; they can bargain on behalf of their members without owning the milk.

7 Again, allowing farmers to bargain collectively and to coordinate supply is the goal of the policy on POs. The goal is clearly to increase farmers' robustness. We classify it here under other modes of risk management

8 market intervention is thus seen as an important way to manage risks, and more specifically volatility of input and sales prices

9 Crop diversification is one of the most common risk management strategies applied by farmers. The crop diversification requirements under the Greening policy (CAP Pillar 1) thus oblige farmers to conduct a form of risk management other than accumulating buffer resources.

10 Another source that confirms the CMO goal of improving farmers' bargaining position and hence robustness. Improving farmers' bargaining power could be seen as a form of risk management: the risk of incurring bad commercial deals lowers.

11 The CAP reform of 2013 extended the possibility of the formation of POs from the F&V sector to all sectors. The goal of this policy change is to increase farmers' robustness by allowing cooperation with respect to marketing.

12 As stated literally, the goal of the EU dairy policy is to create stable market conditions for EU milk producers and processors. Rather than allowing changes and risks to occur, the policy aims to shield producers and processors from these risks, and as such to increase robustness. This could be considered a form of risk management by the policy.

13 Again, shielding EU producers and processors from global changes and shocks is the policy goal. The CMO thus seems to be targeted at increasing robustness, and paying little attention to transformability and adaptability.

1.8. Other modes of risk management – instruments

Belgium - Rural Development Programme (Regional) Flanders> - § 1 reference coded [0.01% Coverage]

Reference 1 - 0.01% Coverage

¶1556: Een brede weersverzekering steunt de landbouwers in hun risicobeheer.

¶1557: Aan focusgebied 3B wordt ruim 3 miljoen euro (regulier en transfer Pijler 1) toegewezen via de hoger gemelde maatregel. Dit is een nieuwe maatregel. Voor de inschatting van de ramingen is uitgegaan van een 10% van de akkerbouwers die een verzekeringspremie zouden aanvragen. Op die manier wordt nood 12 (preventie en beheer van risico's in de landbouw) aangepakt.

POs in de melkveehouderij - ILVO mededeling> - § 1 reference coded [0.65% Coverage]

Reference 1 - 0.65% Coverage

¶137: Deze aanbevelingen resulteerden (maart 2012) in Europese regelgeving (Verordening (EU) nr. 261/2012 van het Europees Parlement en de Raad) met als doel om 'de productie beter op de markt af te stemmen, wat betekent dat de landbouwers hun beslissingen over wat en hoe te produceren, baseren op prijsignalen, teneinde de concurrentiepositie van de zuivelsector te verstevigen en de

¶138: duurzaamheid van de sector in een geglobaliseerde omgeving te verbeteren.' En meer specifiek: om een du '

¶139: urzame ontwikkeling van de productie en een billijke levensstandaard voor de

¶140: melkproducenten te waarborgen, moet de onderhandelingspositie van deze producenten ten opzichte van de zuivelverwerkers worden versterkt, wat een eerlijker verdeling van de meerwaarde in de hele keten zal meebrengen', mogen erkende producentenorganisaties, met betrekking tot de productie van al hun leden of een gedeelte daarvan, gezamenlijk met de zuivelfabrikanten onderhandelen over contractvoorwaarden, inclusief de1

Proposal Flemish Minister of Agriculture to Flemish Government_Implementation CAP2020 reform> - § 1 reference coded [0.15% Coverage]

Reference 1 - 0.15% Coverage

¶102: Gewasdiversificatie. Een landbouwer met meer dan 10ha bouwland moet minimum 2 gewassen verbouwen, vanaf 30ha zijn 3 gewassen nodig. De oppervlakteaandelen van de gewassen mogen bepaalde maxima niet overschrijden. Deze maatregel verbetert het landbouwkundig potentieel en levert een bijdrage in de strijd tegen klimaatsverandering.2

Report from the Commission to the EU Parliament and The Council on the dairy market and 'Milk Package' provisions> - § 1 reference coded [0.57% Coverage]

Reference 1 - 0.57% Coverage

¶163: In Belgium, non-binding interbranch codes covering 85% of the producers and 98% of the purchasers are also in place since 2009, including notably quality agreements, agreements on

¶164: 9 http://www.dairyuk.org/images/2012_Voluntary_Code_of_Practice.pdf 5

¶165: the notice period to be given by farmers and buyers, sustainability agreements and arrangements on the role of producer organisations.

Website 'Policy instruments for the dairy sector' _ EC> - § 7 references coded [18.72% Coverage]

Reference 1 - 0.52% Coverage

¶14: Several market tools are available in the dairy sector: they provide a safety net in case of serious market imbalance.³

Reference 2 - 0.70% Coverage

¶16: Public intervention

¶17: One of these market tools is the buying-in of butter and skimmed milk powder (SMP) into public storage – known as "public intervention".

Reference 3 - 2.00% Coverage

¶23: Between 1 March and 30 September each year, a maximum quantity of 109,000 t SMP and 50,000 t butter complying with specific quality requirements can be offered by private operators. Once these volumes are reached, intervention continues by tender until the end of the intervention period (that can be extended under exceptional circumstances).

¶24: When market conditions so allow, butter and SMP are sold back on the market via a Commission Regulation.⁴

Reference 4 - 3.70% Coverage

¶41: Private storage Another market tool is the granting of support (aid) for the private storage of butter, SMP and cheeses with a Protected Designation of Origin (PDO)/Protected Geographical Indication (PGI). This aid helps operators by taking products temporarily off the market, but differs to public intervention, as the goods remain under the ownership of private operator. The granting of private storage aid by the Commission is optional.

¶42: Recent schemes introduced in the milk sector provide for the possibility of financing storage costs for a minimum period of 90 days – and a maximum of 210 days. The aid available comprises a fixed rate per tonne, plus a set daily amount per tonne. The products concerned remain the property of operators, who are responsible for selling them once the contractual storage period has elapsed.⁵

Reference 5 - 6.29% Coverage

¶50: Commission Delegated Regulation (EU) 2016/1612 EN ••• of 8

¶51: September 2016 providing aid for milk production reduction – part of the "2016 July Package"

¶52: The quantities covered EN ••• by aid applications submitted

¶53: for the last quarter of 2016 do not exceed the total maximum volume (1.07 million tonnes). Authorisations may therefore be granted for quantities notified to the Commission for cow milk delivery reduction in October, November and December 2016. Applications have been received for a total of 1.06 million tonnes from 51 955 milk producers

¶54: The quantities covered EN ••• by aid applications submitted

¶55: for the 2nd reduction period (November 2016 - January 2017) exceed the total maximum volume available (12 198 tonnes). Applications have been received for a total of 97 880 tonnes from some 6000

milk producers. An allocation coefficient has therefore been calculated. It amounts to 0.12462762 and applies to the quantity covered by each aid application received for the 2nd reduction period. Only the publication in the Official Journal is authentic (expected on 19 October)

¶156: See here: Total uptake EN ••• of the milk production reduction

¶157: scheme covering both rounds and taking account of the allocation coefficient for the second round

¶158: Final uptake of the scheme EN •••

¶159: An allocation coefficient being fixed, it is no longer possible to submit applications for the next reduction periods⁶

Reference 6 - 3.15% Coverage

¶171: Joint agreements/decisions on milk production planning – part of the "2016 March Package" On 13 April 2016, the Commission activated, for 6 months, the possibility for producer organisations, interbranch organisations and cooperatives in the dairy sector to establish voluntary joint agreements on milk production planning (producer organisations

¶172: EN ••• , cooperatives EN •••).

¶173: This was prolonged by the Commission Implementing Regulation (EU) 2016/1615

¶174: EN ••• of 8 September 2016 amending

¶175: Implementing Regulation (EU) 2016/559 as regards the period in which agreements and decisions on the planning of production in the milk and milk products sector are authorised, for 6 months until 12 April 2017.⁷

Reference 7 - 2.34% Coverage

¶177: A major amendment to the CMO Regulation, known as the Milk Package, was adopted in 2012. The regulation

¶178: EN ••• deals with contractual relations in the milk

¶179: sector and provides for written contracts between milk producers and processors and for the possibility for farmers to negotiate contract terms (including the price) collectively via producer organisations.

¶180: It also sets out specific EU rules for inter-branch organisations, facilitating actors in the dairy supply chain to dialogue and carry out certain activities.⁸

Annotations

1 The goal of the EU directive on POs is to allow farmers to coordinate production, in order to improve their competitiveness. As an exemption in Flanders, POs in the dairy sector are not obliged to adopt the cooperative legal status and purchase the produce of their members; they can bargain on behalf of their members without owning the milk.

2 Crop diversification is one of the most common risk management strategies applied by farmers. The crop diversification requirements under the Greening policy (CAP Pillar 1) thus oblige farmers to conduct a form of risk management other than accumulating buffer resources.

3 Again, shielding EU producers and processors from global changes and shocks is the policy goal. The CMO thus seems to be targeted at increasing robustness, and paying little attention to transformability and adaptability.

4 The public intervention in the markets of skimmed milk powder and butter closely is a strong instrument to shield dairy farmers from market price risks. By doing so, the policy reduces the incentives for farmers to adapt or transform when their production is not well aligned with the global demand.

5 Similarly as it is the case for public intervention, granting financial support for the private storage of butter, SMP and PDO and PGI cheeses is an instrument to shield producers from price risks.

6 Similar to public intervention and support for private storage, aid for milk production reduction is an instrument to shield producers from price risks. Contrary to the former two instruments, aid to farmers for voluntary production reduction does urge them to adapt their production level to the prevailing market conditions. As such it contains an element of learning: producers become conscious of the magnitude of the prevailing oversupply, and are likely to reflect on the consequences of such an event in absence of the aid for production reduction. It also allows a more varied, differentiated response from producers to oversupply: those for whom production reduction is feasible are stimulated to do so, and those for which it is not, are not obliged to.

7 The temporary derogation on EU competition law, granted to allow production planning during the 2016 milk price crisis, is another form of risk management. By allowing voluntary joint agreements between primary producers and processors, more varied and tailor-made responses are stimulated as compared to the previous safety net measures. A social learning effect is again expected, as producers (organisations) gain insight in expected optimal production levels.

8 The amendment to the CMO Regulation that introduces collective bargaining for individual contracts (by POs) and the possibility of dialogue along the supply chain (in interbranch organisations) bears a long term focus: it is aimed at helping producers to better target their production at their buyers' needs. It encourages flexibility, as producers can decide for themselves what to do with the information obtained in this dialogue.

9 The amendment of measures regarding transparency and cheese supply management introduces instruments to increase farmers' robustness. These do not fit in the robustness sub-categories however.

2. Adaptability

2.1. Middle-long term focus – goals

Belgium - Rural Development Programme (Regional) Flanders> - § 4 references coded [0.08% Coverage]

Reference 1 - 0.01% Coverage

¶2580: Bijgevolg is het essentieel om al deze sectoren kansen te bieden om blijvend te investeren. In de nodenanalyse geeft nood 05 (concurrentiële landbouwbedrijven met voldoende aanpassingscapaciteit om te voldoen aan markt- en beleidswijzigingen) duidelijk aan dat investeringen nodig blijven zowel om concurrentieel te blijven als om te voldoen aan milieu- en kwaliteitseisen.

Reference 2 - 0.02% Coverage

¶2581: Uit de SWOT blijkt als bedreiging dat landbouw bijdraagt tot de klimaatverandering. In de nodenanalyse staan diverse noden aangegeven die ook een link hebben met de landbouwsector (vb. nood 17 rond energieefficiëntie, nood 18 rond hernieuwbare energie, nood 19 rond klimaat, ...). Investeringssteun is een ideaal instrument om antwoorden te bieden op deze bedreiging en noden. En

elke landbouwsector kan/moet hiertoe zijn steentje bijdragen. In de selectieprocedure zal de impact op het milieu bijgevolg altijd een van de criteria zijn.

Reference 3 - 0.03% Coverage

¶2586: Land- en tuinbouwers worden permanent geconfronteerd met nieuwe ontwikkelingen die invloed hebben op de exploitatie en de rendabiliteit van hun bedrijf, zoals nieuwe regelgeving of eisen inzake leefmilieu, hygiëne en dierenwelzijn of inzake kwaliteit van de producten; nieuwe technologie, maatschappelijke ontwikkelingen, wijzigende commercialisatie- en distributiestructuren, heroriëntatie van het EUlandbouwbeleid, verbreding van de landbouw en kleinere marges door ongelijke ontwikkeling van de kosten en de producentenprijzen.

¶2587: Een niet-inspelen op de ontwikkelingen heeft tot gevolg dat er mechanismen op gang komen die op termijn leiden tot de marginalisering en de stopzetting van het bedrijf. Om de weerbaarheid van landbouwbedrijven in stand te kunnen houden en te verhogen, en om de sector verder te verduurzamen, zijn investeringen noodzakelijk. Zonder de nodige impulsen zouden nieuwe milieu- en klimaatvriendelijke technieken niet snel ingang genoeg vinden in de sector

Reference 4 - 0.02% Coverage

¶2588: Via investeringssteun worden de land- en tuinbouwers aangemoedigd hun bedrijfsstructuren voldoende snel aan te passen aan de gewijzigde omstandigheden. Investeringssteun zorgt er voor dat de investeringskosten significant verlaagd worden waardoor de noodzakelijke investeringen sneller uitgevoerd worden en de financiering ervan vlotter verloopt. Deze maatregel draagt also bij tot het strategisch PDPO III thema om de weerbaarheid en de verduurzaming van de landbouwsector, zowel ecologisch als economisch, te verhogen met zowel aandacht voor de externe als interne verduurzaming.

Website 'VLIF-steun voor de land- en tuinbouw'> - § 1 reference coded [15.81% Coverage]

Reference 1 - 15.81% Coverage

¶6: Het Vlaams Landbouw investeringsfonds (VLIF) ondersteunt de Vlaamse land- en tuinbouw door duurzame investeringen te stimuleren om de structuur van de land- en tuinbouwbedrijven te verbeteren, hun rendabiliteit te verzekeren en de kostprijs te verminderen.

2.2. Middle-long term focus – instruments

Belgium - Rural Development Programme (Regional) Flanders> - § 1 reference coded [0.02% Coverage]

Reference 1 - 0.02% Coverage

¶2592: Concrete actie 1: investeringen die de weerbaarheid van het land- of tuinbouwbedrijf verhogen. Dit past bij focusgebied 2A over het verbeteren van de economische resultaten van de landbouwbedrijven en het faciliteren van de herstructurering en modernisering van landbouwbedrijven, meer bepaald met de bedoeling het marktgericht produceren en de diversificatie te verbeteren. Via deze sub-maatregel worden land- en tuinbouwers aangemoedigd de interne structuur van het bedrijf tijds aan te passen aan de snel veranderende omgevingsfactoren om weerbaar te blijven en verder te verduurzamen.

Brochure 'Vlaams programma voor Plattelandsontwikkeling PDPO III - 2014-2020'> - § 1 reference coded [0.35% Coverage]

Reference 1 - 0.35% Coverage

¶147: Land- en tuinbouwers moeten bijgevolg regelmatig investeren om hun bedrijfsstructuren voldoende snel aan te passen aan de wijzigende omstandigheden. Investerings die de weerbaarheid of de duurzaamheid van het land- of tuinbouwbedrijf verhogen, kunnen in aanmerking komen voor steun. Op periodieke tijdstippen zal de administratie een selectie uitvoeren op alle ontvangen aanvragen. Via een aantal objectieve en meetbare criteria zullen de meest duurzame investeringen geselecteerd worden en dus steun kunnen ontvangen.¹

Report 'Mapping and analysis of the implementation of the CAP'> - § 1 reference coded [0.01% Coverage]

Reference 1 - 0.01% Coverage

¶525: Pillar 2: The highest amounts are allocated to M4: Investments in physical assets (53,7%)²,

Website 'Policy instruments for the dairy sector' _ EC> - § 2 references coded [3.39% Coverage]

Reference 1 - 0.24% Coverage

¶59: to submit applications for the next reduction periods³

Reference 2 - 3.15% Coverage

¶71: Joint agreements/decisions on milk production planning – part of the "2016 March Package" On 13 April 2016, the Commission activated, for 6 months, the possibility for producer organisations, interbranch organisations and cooperatives in the dairy sector to establish voluntary joint agreements on milk production planning (producer organisations

¶72: EN ••• , cooperatives EN •••).

¶73: This was prolonged by the Commission Implementing Regulation (EU) 2016/1615

¶74: EN ••• of 8 September 2016 amending

¶75: Implementing Regulation (EU) 2016/559 as regards the period in which agreements and decisions on the planning of production in the milk and milk products sector are authorised, for 6 months until 12 April 2017.⁴

Annotations

¹ By allocating more than 50% of the budget to support for investments in material assets, a large share of the Flemish RD programme has a short to middle-long term focus. We believe that promoting investments in material assets promotes robustness rather than adaptability, and negatively affects farms' transformability. VLIF support is taken from a closed envelope: farms have to compete for the available means (within several "blocks" in a year). Farms' proposals are ranked according to a sustainability score, a coefficient for the farm head's age, and a score for additionality. No details on the sustainability score could be found online, therefore we cannot assess its contribution to the influence of VLIF investment support on farms' resilience. The level of support is 15 or 30% of the eligible costs, depending on whether the type of investment is classified as sustainability-improving or not. The criteria for this classification are not well specified.

2 The percentage of Pillar 2 budget spent on investment support is very high in Flanders. Arguably, creating strong incentives for farmers to invest in physical assets (i.e. subsidizing 30% of the cost of the investment in most cases) urges farmers to take a short-term focus, and base their strategies on current production systems.

3 Similar to public intervention and support for private storage, aid for milk production reduction is an instrument to shield producers from price risks. Contrary to the former two instruments, aid to farmers for voluntary production reduction does urge them to adapt their production level to the prevailing market conditions. As such it contains an element of learning: producers become conscious of the magnitude of the prevailing oversupply, and are likely to reflect on the consequences of such an event in absence of the aid for production reduction. It also allows a more varied, differentiated response from producers to oversupply: those for whom production reduction is feasible are stimulated to do so, and those for which it is not, are not obliged to.

4 The temporary derogation on EU competition law, granted to allow production planning during the 2016 milk price crisis, is another form of risk management. By allowing voluntary joint agreements between primary producers and processors, more varied and tailor-made responses are stimulated as compared to the previous safety net measures. A social learning effect is again expected, as producers (organisations) gain insight in expected optimal production levels.

2.3. Flexibility – goals

Belgium - Rural Development Programme (Regional) Flanders> - § 1 reference coded [0.01% Coverage]

Reference 1 - 0.01% Coverage

¶12603: Dit is een nieuwe maatregel. Er is nood aan een maatregel die pure innovatie en vernieuwing stimuleert die van bij de landbouwer zelf of van bij een groep van landbouwers ontstaat en waarbij ook de effectieve realisatie van de innovatie wordt ondersteund. In PDPO II kregen pure innovatieve investeringen of projecten vaak geen kans, o.a. gezien bij de “gewone” investeringssteun gebruik wordt gemaakt van limitatieve lijsten met subsidiabele investeringen.

Proposal Flemish Minister of Agriculture to Flemish Government_Implementation CAP2020 reform> - § 2 references coded [0.14% Coverage]

Reference 1 - 0.14% Coverage

¶125: De tweede beleidslijn (‘Pijler II’) - ook bekend onder de term “plattelandsbeleid” - groepeerd verschillende maatregelen ter ondersteuning van het Europese model van een multifunctionele landbouw, die in alle gebieden van de EU op duurzame wijze bijdraagt aan economische, ecologische en sociale doelstellingen¹

Reference 2 - 0.01% Coverage

¶171: Uit onderzoek blijkt dat de eerste twee elementen resulteren in een daling van het gemiddeld bedrag voor ontkoppelde directe steun per begunstigde ter grootte van 2.144 euro³⁸ (tegen 2019). Dit is hoofdzakelijk het gevolg van Europese budgettaire keuzes, maar wordt ook beïnvloed door Vlaamse beleidskeuzes³⁹ die in deze nota zijn opgenomen. Het is duidelijk dat er moet getracht worden van de meest kwetsbare landbouwbedrijven te vrijwaren. Langs de andere kant is het ook duidelijk dat de keuze van het Vlaamse model voor interne convergentie dient te gebeuren rekening houdend met deze budgettaire context.

Annotations

1 The goal of the Pillar 2 policy is to support and enhance the multifunctional character of agriculture in Europe. Arguably, multifunctional farms will be more flexible, as they can rely more on a certain or some function(s) if it faces severe challenges w.r.t. another function.

2 Shift from a fixed amount of support per firm to a variable amount of support per firm. This allows farmers to decide to which extent they wish to adjust their management to the conditions for receiving subsidies.

3 Adaptability is facilitated, by allowing a more flexible opt-in on direct payments to farmers. formerly, it was rather a question of "all or nothing".

2.4. Flexibility – instruments

Belgium - Rural Development Programme (Regional) Flanders> - § 4 references coded [0.05% Coverage]

Reference 1 - 0.03% Coverage

¶12577: Uit de SWOT blijken een aantal een aantal sterktes en kansen:

¶12578: ☒ Sterkte: België heeft een hoge zelfvoorzieningsgraad aan diverse landbouwproducten (aardappelen, varkensvlees, melk, groenten...).

¶12579: ☒ Sterkte: de hoge investeringsgraad leidt ook tot een hoge innovatiekracht ☒ Kans: het agrobusiness-complex is divers en sterk ontwikkeld

¶12580: Deze sterktes en kansen worden mogelijk gemaakt dankzij alle landbouwsectoren. Bijgevolg is het essentieel om al deze sectoren kansen te bieden om blijvend te investeren. In de nodenanalyse geeft nood 05 (concurrentieële landbouwbedrijven met voldoende aanpassingscapaciteit om te voldoen aan markt- en beleidswijzigingen) duidelijk aan dat investeringen nodig blijven zowel om concurrentieel te blijven als om te voldoen aan milieu- en kwaliteitseisen.

Reference 2 - 0.01% Coverage

¶12582: Om bovenstaande redenen wordt de maatregel M04 a priori opengesteld naar alle sectoren. Bij een oproep kan de overheid eventueel toespitsen naar bepaalde sectoren.

Reference 3 - 0.01% Coverage

¶12589: Er is een brede waaier aan types investeringen om te kunnen inspelen op de diverse noden, zoals geformuleerd in de nodenanalyse. Investeringssteun is immers een van de meest aangewezen tools om noden rond waterbeheer, energie-efficiëntie, klimaat etc. aan te pakken.

Reference 4 - 0.01% Coverage

¶12603: Dit is een nieuwe maatregel. Er is nood aan een maatregel die pure innovatie en vernieuwing stimuleert die van bij de landbouwer zelf of van bij een groep van landbouwers ontstaat en waarbij ook de effectieve realisatie van de innovatie wordt ondersteund. In PDPO II kregen pure innovatieve investeringen of projecten vaak geen kans, o.a. gezien bij de "gewone" investeringssteun gebruik wordt gemaakt van limitatieve lijsten met subsidiabele investeringen.

Brochure 'Vlaams programma voor Plattelandsontwikkeling PDPO III - 2014-2020'> - § 1 reference coded [0.35% Coverage]

Reference 1 - 0.35% Coverage

¶147: Land- en tuinbouwers moeten bijgevolg regelmatig investeren om hun bedrijfsstructuren voldoende snel aan te passen aan de wijzigende omstandigheden. Investerings die de weerbaarheid of de duurzaamheid van het land- of tuinbouwbedrijf verhogen, kunnen in aanmerking komen voor steun. Op periodieke tijdstippen zal de administratie een selectie uitvoeren op alle ontvangen aanvragen. Via een aantal objectieve en meetbare criteria zullen de meest duurzame investeringen geselecteerd worden en dus steun kunnen ontvangen.¹

Proposal Flemish Minister of Agriculture to Flemish Government_Implementation CAP2020 reform> - § 2 references coded [0.33% Coverage]

Reference 1 - 0.12% Coverage

¶71: . In 2015 worden nieuwe betalingsrechten toegekend op nagenoeg het gehele landbouwareaal. Deze betalingsrechten zullen niet langer recht geven op één jaarlijks bedrag, maar op een basisbetaling en één of meerdere gerelateerde betalingen, allen eveneens jaarlijks^{92,3}

Reference 2 - 0.21% Coverage

¶219: De GLB2020-hervorming biedt lidstaten opnieuw de optie om het behoud van blijvend grasland – nu het opgenomen wordt onder vergroening – te garanderen op lidstaat, regionaal, sub-regionaal of bedrijfsniveau. Omwille van het sterk verstedelijkte karakter van Vlaanderen, en de daaruit volgende druk op landbouwgrond en blijvend grasland, is het echter wenselijk om de behoudsverplichting in Vlaanderen ook na 2014 te hanteren op het niveau van het landbouwbedrijf.⁴

Report from the Commission to the EU Parliament and The Council on the dairy market and 'Milk Package' provisions> - § 1 reference coded [0.39% Coverage]

Reference 1 - 0.39% Coverage

¶180: Consider setting an obligation to farmers belonging to a PO to deliver all their milk (or a minimum share) through their PO, or to milk purchasers to negotiate with POs and not with PO members, so as to avoid circumventing the collective negotiation pursued by POs.⁵

WUR Economics blog 'The EU safety net for dairy is undermined by intervention in dairy products'> - § 1 reference coded [1.79% Coverage]

Reference 1 - 1.79% Coverage

¶25: Moreover, it needs consideration whether the possibilities for private storage support should not be extended. Private storage support has as an advantage that the responsibility for the stocked products stays in the private sector, which could not only contribute to reduce the risk for the EU Commission, but also to a more business-driven management of market stabilisation operations.

Annotations

1 By allocating more than 50% of the budget to support for investments in material assets, a large share of the Flemish RD programme has a short to middle-long term focus. We believe that promoting investments in material assets promotes robustness rather than adaptability, and negatively affects farms' transformability. VLIF support is taken from a closed envelope: farms have to compete for the available means (within several "blocks" in a year). Farms' proposals are ranked according to a sustainability score, a coefficient for the farm head's age, and a score for additionality. No details on the sustainability score could be found online, therefore we cannot assess its contribution to the influence of VLIF investment support on farms' resilience. The level of support is 15 or 30% of the eligible costs, depending on whether the type of investment is classified as sustainability-improving or not. The criteria for this classification are not well specified.

2 Shift from a fixed amount of support per firm to a variable amount of support per firm. This allows farmers to decide to which extent they wish to adjust their management to the conditions for receiving subsidies.

3 Adaptability is facilitated, by allowing a more flexible opt-in on direct payments to farmers. formerly, it was rather a question of "all or nothing".

4 Finally, Flanders has chosen to maintain the acreage of permanent pasture only at the regional level, and not the individual. This policy allows more flexibility, i.e. farmers can choose whether they reduce the amount of pasture on their utilisable agricultural area.

5 The obligation at EU level for members to deliver all milk to the PO, leaves little flexibility for POs and farmers to optimise their marketing arrangements. As is seen in the Belgian F&V sector for example, some farmers heavily bypass such an obligation by not reporting sales, if they can make attractive deals outside of the collective negotiation process. An EU wide obligation to deliver all milk could be considered a one size fits all approach.

2.5. Variety and tailor-made responses – goals

Belgium - Rural Development Programme (Regional) Flanders> - § 2 references coded [0.02% Coverage]

Reference 1 - 0.01% Coverage

¶1474: Met de twee nieuwe (sub)maatregelen “operationele groepen i.k.v. EIP” en “projectsteun voor innovaties in de landbouw” wil de Vlaamse overheid extra stimulansen geven aan samenwerking en innovatie (nood 1 en nood 3).

Reference 2 - 0.01% Coverage

¶12589: Er is een brede waaier aan types investeringen om te kunnen inspelen op de diverse noden, zoals geformuleerd in de nodenanalyse. Investeringssteun is immers een van de meest aangewezen tools om noden rond waterbeheer, energie-efficiëntie, klimaat etc. aan te pakken.

Brochure 'EIP-AGRI Network', update October 2015> - § 1 reference coded [1.54% Coverage]

Reference 1 - 1.54% Coverage

¶141: Thematic networks are innovative projects, funded through Horizon 2020, that aim to find solutions for the most urgent needs of agriculture and forestry production. They do this by involving a range of actors from science and practice. These networks aim to collect existing best practices and research results that are close to being put into practice, but that are not sufficiently known and used by people in the field.

Press release - EU budget~ the Common Agricultural Policy beyond 2020> - § 1 reference coded [2.73% Coverage]

Reference 1 - 2.73% Coverage

¶15: Member States will have more flexibility in how to use their funding allocations, allowing them to design tailor-made programmes that respond most effectively to farmers' and wider rural communities' concerns. Member States will also have the option to transfer up to 15% of their CAP allocations between direct payments and rural development and vice-versa to ensure that their priorities and measures can be funded.

Proposal Flemish Minister of Agriculture to Flemish Government_Implementation CAP2020 reform> - § 2 references coded [0.50% Coverage]

Reference 1 - 0.38% Coverage

¶371: Vlaanderen stelt dat een versterking van PDPO (pijler II) met, op termijn, 10% directe steun middelen (pijler I) wenselijk is. Een versterking van Pijler II moet de budgettaire beperkingen van het Vlaamse plattelandsbudget voor 2014-2020 verminderen, en onder meer mogelijk maken dat maatregelen ter ondersteuning van investeringen inzake duurzaamheid meer slagkracht krijgen. Deze versterking is bovendien zinvol op langere termijn omdat het aansluit bij de beleidsintentie om geleidelijk te evolueren naar een actiever en meer doelgericht beleid binnen een sterk Europees kader: de lidstaat of regio bepaalt zelf welke middelen waar worden ingezet en kan beter afstemmen

¶372: 32/37

¶373: op de lokale noden en behoeften. De middelen zullen enkel overgeheveld worden naar die Pijler II maatregelen waar landbouwers rechtstreeks de begunstigden van zijn.⁵

Reference 2 - 0.11% Coverage

¶373: Het volgende stappenplan wordt voorgesteld: 0% transfer in 2014, 5% transfer in 2015, 7,5% transfer in 2016 en 10% vanaf 2018. In overeenstemming met de Europese bepalingen ter zake, zal de Vlaamse regering in 2017 hieromtrent een evaluatie maken.

Annotations

1 The post 2020 CAP will specify less details on how to meet objectives and agreed targets. These will have to be specified by the members states. The goal of this subsidiarity principle is to allow for the development of more varied, tailor-made policies with respect to differences across member states. The goal is thus to have a more flexible CAP.

2 see previous argument

3 The Commissioner states that generational renewal should become a priority, but in his discussion on instruments to achieve this target, direct payments as the main incentive that supports the status quo are not mentioned. Only additional support for young farmers is. There seems to be a misalignment between the goal of generational renewal and the incentives given by the aggregated CAP.

4 Generational renewal was stated to be a priority for a new CAP framework. Some supporting instruments are proposed. However, the incentives that support the status quo, mainly direct payments, are not touched.

5 Rather than simply subsidising all farmers, Pillar 2 policies allow to support specific actions with specific targets such as environmental sustainability problems. The minister proposes to shift gradually up to 10% of the annual direct payment budget to the group of more tailor-made and targeted support measures.

2.6. Variety and tailor-made responses – instruments

Belgium - Rural Development Programme (Regional) Flanders> - § 1 reference coded [0.01% Coverage]

Reference 1 - 0.01% Coverage

¶2589: Er is een brede waaier aan types investeringen om te kunnen inspelen op de diverse noden, zoals geformuleerd in de nodenanalyse. Investeringssteun is immers een van de meest aangewezen tools om noden rond waterbeheer, energie-efficiëntie, klimaat etc. aan te pakken.

Brochure 'EIP-AGRI Network', update October 2015> - § 3 references coded [4.02% Coverage]

Reference 1 - 0.98% Coverage

¶26: Each member state (or in some countries, region) decides if the support would need to prioritise certain issues, areas of action or specific groups of actors. However, all Operational Groups in the EU must contribute to a productive and sustainable agricultural sector.

Reference 2 - 1.50% Coverage

¶28: Operational Groups are groups at local level with people from different backgrounds – such as farmers, researchers, advisers, businesses, NGOs – that are set up to find an innovative solution to a shared problem or to test an innovative idea in practice. Both the size and composition of the Operational Group depend on the project. Therefore, one Operational Group can look completely different from another.

Reference 3 - 1.54% Coverage

¶41: Thematic networks are innovative projects, funded through Horizon 2020, that aim to find solutions for the most urgent needs of agriculture and forestry production. They do this by involving a range of actors from science and practice. These networks aim to collect existing best practices and research results that are close to being put into practice, but that are not sufficiently known and used by people in the field.

Brochure 'Vlaams programma voor Plattelandsontwikkeling PDPO III - 2014-2020'> - § 2 references coded [1.09% Coverage]

Reference 1 - 0.54% Coverage

¶199: Aanvullend op de maatregel 'overnamesteun voor jonge landbouwers' wil Vlaanderen ook kleine landbouwbedrijven die zich verder willen ontwikkelen, ondersteunen.

¶200: Voor bepaalde types van bedrijven en sub-sectoren zijn de voorwaarden om te kunnen genieten van de overnamesteun voor jonge landbouwers of van de investeringssteun niet haalbaar. Vaak betreft het bedrijven die nieuwe teelten of alternatieve vormen van productiemethodes en commercialisatiestructuren ontwikkelen of actief zijn op bedrijven die traditioneel geëxploiteerd worden in bijberoep of verbonden zijn met diverse vormen van diversificatie. Omdat de beoogde bedrijven en bedrijfstvormen globaal goed scoren inzake duurzaamheid en diversificatie van activiteiten op het platteland, wordt deze nieuwe maatregel opgenomen in PDPO III.1

Reference 2 - 0.55% Coverage

¶1439: LEADER ontstond begin jaren '90 op Europees niveau als een innovatieve methode om aan plattelandsbeleid te doen. Via een bottom-up aanpak wordt er een gebiedsgerichte visie op lange termijn ontwikkeld en uitgevoerd. Plaatselijke publiek-private samenwerkingsverbanden, de zogenaamde Plaatselijke Groepen (PG), creëren deze lokale ontwikkelingsstrategieën en voeren ze ook uit. Dit houdt in dat zij onder meer verantwoordelijk zijn voor de selectie van projecten, de begeleiding van de promotoren, de financiële en inhoudelijke opvolging van de uitvoering van de lokale ontwikkelingsstrategie, voorlichting en publiciteit. Tevens dienen de PG's multisectoraal te werken, waardoor samenwerking en netwerkvorming worden bereikt. Vlaanderen neemt al sinds de start van de methodiek deel aan het LEADER-verhaal²

Proposal Flemish Minister of Agriculture to Flemish Government_Implementation CAP2020 reform> - § 3 references coded [0.54% Coverage]

Reference 1 - 0.10% Coverage

¶100: Het in stand houden van blijvend grasland. Grasland draagt bij tot klimaatmitigatie en – adaptatie (CO₂-sink, waterberging), is vaak een habitat voor fauna en flora, en draagt bij tot een goede bodem- en waterkwaliteit.³

Reference 2 - 0.23% Coverage

¶198: Uit schattingen blijkt dat er in Vlaanderen als gevolg van de verruimde definitie van

¶199: landbouwactiviteit een areaal van ongeveer 679.000 hectare potentieel subsidiabele grond zal zijn in 2015 (dit is een stijging van ongeveer 17.50032 hectare t.o.v. 2011).

¶200: Het feit dat sommige landbouwgronden van de types “grassen in natuurbeheer” en “spontane bedekking”, waarop een minimum landbouwactiviteit wordt uitgeoefend, subsidiabel worden, kan nieuwe opportuniteiten bieden voor samenwerking tussen landbouw en natuur.

Reference 3 - 0.21% Coverage

¶219: De GLB2020-hervorming biedt lidstaten opnieuw de optie om het behoud van blijvend grasland – nu het opgenomen wordt onder vergroening – te garanderen op lidstaat, regionaal, sub-regionaal of bedrijfsniveau. Omwille van het sterk verstedelijkte karakter van Vlaanderen, en de daaruit volgende druk op landbouwgrond en blijvend grasland, is het echter wenselijk om de behoudsverplichting in Vlaanderen ook na 2014 te hanteren op het niveau van het landbouwbedrijf.⁴

Website 'Crisismaatregel vermindering melkproductie'> - § 1 reference coded [8.87% Coverage]

Reference 1 - 8.87% Coverage

¶6: Ter compensatie van de aanhoudende crisis in de zuivelsector is een Europese enveloppe van 150 miljoen euro ter beschikking gesteld voor een tijdelijke en vrijwillige productiebeperking.

¶7: Om in aanmerking te komen moet de landbouwer de melkproductie tijdens de 'verminderingperiode' verlagen ten opzichte van de 'referentieperiode' een jaar eerder. Het gaat enkel om een vermindering van melkleveringen aan zuivelfabrieken. Rechtstreekse verkopen komen niet in aanmerking.⁵

Website 'Policy instruments for the dairy sector' _ EC> - § 3 references coded [11.39% Coverage]

Reference 1 - 6.29% Coverage

¶150: Commission Delegated Regulation (EU) 2016/1612 EN ••• of 8

¶151: September 2016 providing aid for milk production reduction – part of the "2016 July Package"

¶152: The quantities covered EN ••• by aid applications submitted

¶153: for the last quarter of 2016 do not exceed the total maximum volume (1.07 million tonnes). Authorisations may therefore be granted for quantities notified to the Commission for cow milk delivery reduction in October, November and December 2016. Applications have been received for a total of 1.06 million tonnes from 51 955 milk producers

¶154: The quantities covered EN ••• by aid applications submitted

¶155: for the 2nd reduction period (November 2016 - January 2017) exceed the total maximum volume available (12 198 tonnes). Applications have been received for a total of 97 880 tonnes from some 6000 milk producers. An allocation coefficient has therefore been calculated. It amounts to 0.12462762 and applies to the quantity covered by each aid application received for the 2nd reduction period. Only the publication in the Official Journal is authentic (expected on 19 October)

¶156: See here: Total uptake EN ••• of the milk production reduction

¶157: scheme covering both rounds and taking account of the allocation coefficient for the second round

¶158: Final uptake of the scheme EN •••

¶159: An allocation coefficient being fixed, it is no longer possible to submit applications for the next reduction periods⁶

Reference 2 - 3.15% Coverage

¶171: Joint agreements/decisions on milk production planning – part of the "2016 March Package" On 13 April 2016, the Commission activated, for 6 months, the possibility for producer organisations, interbranch organisations and cooperatives in the dairy sector to establish voluntary joint agreements on milk production planning (producer organisations

¶172: EN ••• , cooperatives EN •••).

¶173: This was prolonged by the Commission Implementing Regulation (EU) 2016/1615

¶174: EN ••• of 8 September 2016 amending

¶175: Implementing Regulation (EU) 2016/559 as regards the period in which agreements and decisions on the planning of production in the milk and milk products sector are authorised, for 6 months until 12 April 2017.⁷

Reference 3 - 1.95% Coverage

¶177: The regulation

¶178: EN ••• deals with contractual relations in the milk

¶179: sector and provides for written contracts between milk producers and processors and for the possibility for farmers to negotiate contract terms (including the price) collectively via producer organisations.

¶180: It also sets out specific EU rules for inter-branch organisations, facilitating actors in the dairy supply chain to dialogue and carry out certain activities.⁸

Annotations

1 Small farms that do not meet the requirements to receive support according to the general schemes of support for young farmers (pillar 1) or investment support (pillar 2) can receive "small farm development support". Farms that operate on less than 2 ha fall within this category. The support ranges from 7000 to 15000 euros, a considerable amount for small farms in Belgium.

2 LEADER is a RD instrument based on a bottom-up approach. Local Groups (private-public partnerships) can submit a local development strategy, a region oriented long-term vision. If approved, the Local Groups can select and support projects by different types of actors that fit in the local development strategy. The LEADER instrument thus has a strong variety and tailor-made character

3 The obligation to retain permanent pasture (> 5 years old) could be described as a one size fits all approach. This instrument does not take into account regional agricultural economic trends (e.g. poorly performing livestock farmers), or regional natural value (biodiversity) of open, agricultural landscapes (the policy presumes that retaining pastures is a good strategy for nature conservation, everywhere).

4 Finally, Flanders has chosen to maintain the acreage of permanent pasture only at the regional level, and not the individual. This policy allows more flexibility, i.e. farmers can choose whether they reduce the amount of pasture on their utilisable agricultural area.

5 As compared to other market intervention measures, the voluntary reduction of milk production is an instrument that allows a tailor-made response: farmers who face lower opportunity costs for lowering milk production can opt-in on the subsidized reduction, while farmers with higher opportunity costs (e.g. having fixed delivery contracts) can opt to maintain the level of production.

6 Similar to public intervention and support for private storage, aid for milk production reduction is an instrument to shield producers from price risks. Contrary to the former two instruments, aid to farmers for voluntary production reduction does urge them to adapt their production level to the prevailing market conditions. As such it contains an element of learning: producers become conscious of the magnitude of the prevailing oversupply, and are likely to reflect on the consequences of such an event in absence of the aid for production reduction. It also allows a more varied, differentiated response from producers to oversupply: those for whom production reduction is feasible are stimulated to do so, and those for which it is not, are not obliged to.

7 The temporary derogation on EU competition law, granted to allow production planning during the 2016 milk price crisis, is another form of risk management. By allowing voluntary joint agreements between primary producers and processors, more varied and tailor-made responses are stimulated as compared to the previous safety net measures. A social learning effect is again expected, as producers (organisations) gain insight in expected optimal production levels.

8 The amendment to the CMO Regulation that introduces collective bargaining for individual contracts (by POs) and the possibility of dialogue along the supply chain (in interbranch organisations) bears a long term focus: it is aimed at helping producers to better target their production at their buyers' needs. It encourages flexibility, as producers can decide for themselves what to do with the information obtained in this dialogue.

9 The amendment of measures regarding transparency and cheese supply management introduces instruments to increase farmers' robustness. These do not fit in the robustness sub-categories however.

2.7. Social learning – goals

Belgium - Rural Development Programme (Regional) Flanders> - § 6 references coded [0.11% Coverage]

Reference 1 - 0.01% Coverage

¶1531: In Vlaanderen wordt reeds heel wat innovatie op bedrijfsniveau gerealiseerd. Hierop willen we verder inzetten via een stimulerend beleid via demonstratieprojecten, vorming, steun voor innovaties op het landbouwbedrijf, voorlichting, ... - met oog op kennisversterking en objectieve kennisdeling). Hierbij moet vooral het praktische aspect van innovatie en kennisdeling voor ogen worden gehouden.

Reference 2 - 0.01% Coverage

¶1539: Om de (jonge) Vlaamse bedrijfsleiders te begeleiden en de instap te stimuleren en te faciliteren, dient blijvend ingezet te worden op kennisoverdracht, advisering en innovatie in de sector. Dit kan via opleiding en vorming, maar ook via diverse samenwerkingsverbanden.

Reference 3 - 0.01% Coverage

¶1595: In een operationele groep organiseren land- en tuinbouwers, adviseurs, onderzoekers, ondernemers en/of andere actoren zich rond een bepaald vraagstuk, zoeken ze een oplossing en werken ze samen aan concrete innovaties. Operationele groepen voeren projecten uit gericht op het testen en toepassen van innovatieve praktijken, technologieën, processen en producten en met als doel het verspreiden van de resultaten naar de praktijk.

Reference 4 - 0.01% Coverage

¶1596: De betrokkenheid van land- en tuinbouwers heeft als voordelen dat onderzoeksvragen meer op basis van de praktijk zullen bepaald worden, dat er meer interactie is tussen land- en tuinbouwers onderling en dat onderzoekers leren hoe hun resultaten in de praktijk gebruikt worden. Door hun deelname in een operationele groep worden land- en tuinbouwers mede-eigenaar van het proces i.p.v. een studieobject te zijn.

Reference 5 - 0.01% Coverage

¶1597: Via samenwerkingsverbanden (o.a. LEADER, waarbij de dynamiek van onderuit komt) en ontwikkelingsstrategieën kan ingezet worden op de kwalitatieve inbedding van de huidige dynamiek die zich voordoet binnen de landbouwsector binnen het Vlaamse platteland.

Reference 6 - 0.05% Coverage

¶1596: Onder het type concrete actie "Versterken omgevingskwaliteit en vitaliteit van het platteland door samenwerking" zijn 6 soorten samenwerkingsverbanden geselecteerd uit de lijst van art. 35.2

¶1597: ☐ Proefprojecten worden beperkt tot volgende thema's o milieu met inbegrip van biodiversiteit; o klimaat (duurzame energie en klimaatadaptatie); o armoede in de landbouw en plattelandsgemeenschap; o sociaal- economieprojecten indien ze landbouwgerelateerd zijn; o toeristische proefprojecten met een duidelijke landbouwlink;

¶1598: ☐ Samenwerking tussen kleinschalige marktdeelnemers met als doel gemeenschappelijke werkprocedés te organiseren en voorzieningen en hulpbronnen te delen, alsook om de toeristische diensten rond plattelandstoerisme te ontwikkelen / te vermarkten;

¶15999: ¶ Horizontale en verticale samenwerking tussen actoren in de toeleveringsketen met het oog op de oprichting en de ontwikkeling van korte toeleveringsketens en plaatselijke markten en hun afzetbevorderingsactiviteiten;

¶16000: ¶ Gezamenlijke actie met het oog op klimaatmitigatie en –adaptatie en gezamenlijke benaderingen van milieuprojecten en geldende milieupraktijken, met inbegrip van efficiënt waterbeheer, gebruik van hernieuwbare energiebronnen en de instandhouding van het landbouwlandschap;

¶16001: ¶ Horizontale en verticale samenwerking tussen actoren in de toeleveringsketen in de duurzame levering van biomassa voor gebruik in voeding en energieproductie en industriële processen;

¶16002: ¶ Diversificatie van landbouwactiviteiten naar activiteiten in verband met gezondheidszorg, sociale integratie, door de gemeenschap gesteunde landbouw en onderricht over milieu en voedsel.

Annotations

1 By promoting digitisation, the EC aims to increase the adoption of modern technologies by farmers. It is also an objective that farmers will learn from their peers, by having better access to information.

2 Supporting social learning is thus a goal of the commission, for the new CAP. The intention is to support agricultural knowledge and innovation systems, in the various forms in which they occur.

2.8. Social learning – instruments

Brochure 'EIP-AGRI Network', update October 2015> - § 2 references coded [1.99% Coverage]

Reference 1 - 1.50% Coverage

¶128: Operational Groups are groups at local level with people from different backgrounds – such as farmers, researchers, advisers, businesses, NGOs – that are set up to find an innovative solution to a shared problem or to test an innovative idea in practice. Both the size and composition of the Operational Group depend on the project. Therefore, one Operational Group can look completely different from another.

Reference 2 - 0.50% Coverage

¶128: The results and knowledge developed by an Operational Group must be shared via the EIP-AGRI network so it can benefit the entire sector.

Brochure 'Vlaams programma voor Plattelandsontwikkeling PDPO III - 2014-2020'> - § 3 references coded [1.78% Coverage]

Reference 1 - 0.44% Coverage

¶127: Vaak kunnen de nieuwste technieken of innovaties het best getoond worden buiten een leslokaal, op een veld of op een bedrijf. Daarom worden demonstratieprojecten in de land- en tuinbouw gesubsidieerd.

¶128: Deze maatregel heeft als doel om enerzijds land- en tuinbouwers bewust te maken van nieuwe mogelijkheden op het vlak van duurzame praktijken en technieken, en anderzijds deze praktijken via

demonstraties in de praktijk ingang te doen vinden op onze Vlaamse bedrijven. Zeker aan de toepasbaarheid van de nieuwe inzichten wordt veel belang gehecht. Hiervoor wordt gewerkt met voorbeeldbedrijven of met groepen die samenkomen op praktijkbedrijven.¹

Reference 2 - 0.81% Coverage

¶412: Deze maatregel wil de interactie tussen onderzoek en praktijk stimuleren. EIP staat voor “European Innovation Partnership” en het wordt in verschillende domeinen (waaronder landbouw) gebruikt. Door onderzoek en praktijk dicht bij elkaar te brengen wil men meer innovaties realiseren met het oog op economische groei en competitiviteit.

¶413: In een operationele groep organiseren land- en tuinbouwers, adviseurs, onderzoekers, ondernemers en/of andere actoren zich rond een bepaald vraagstuk, zoeken ze oplossingen en werken ze samen aan concrete innovaties. De landbouwer en zijn/haar vraag staan centraal in het proces. De kennisuitwisseling binnen de operationele groep moet nieuwe inzichten en ideeën opleveren en bestaande impliciete kennis kneden tot bruikbare oplossingen. De betrokkenheid van land- en tuinbouwers heeft als voordeel dat onderzoeksvragen meer op basis van de praktijk zullen bepaald worden, dat er meer interactie is tussen land- en tuinbouwers onderling en dat onderzoekers leren hoe hun resultaten in de praktijk gebruikt worden. Door hun deelname in een operationele groep worden land- en tuinbouwers mede-eigenaar van het proces in plaats van een studieobject te zijn.²

Reference 3 - 0.53% Coverage

¶447: Deze maatregel focust op samenwerkingsprojecten binnen de eerder opgemaakte Lokale Ontwikkelingsstrategie. Deze samenwerking kan zowel interterritoriale (tussen gebieden binnen dezelfde lidstaat) als transnationale projecten (tussen gebieden van verschillende staten binnen en buiten de EU) omvatten. Als een gebied niet erkend is als LEADER-gebied, kan er samengewerkt worden mits er een soortgelijke methodologie als LEADER aanwezig is (publiek-privaat samenwerkingsverband, lokale strategie, e.d.). De uitvoering van een project gebeurt door de Plaatselijke Groep zelf, een publiek-privaat samenwerkingsverband binnen Vlaanderen of kan gedelegeerd worden naar een promotor in het betrokken gebied. Binnen een samenwerkingsproject coördineert één partij (Lead partner) de werkzaamheden.³

Website 'Policy instruments for the dairy sector' _ EC> - § 2 references coded [3.38% Coverage]

Reference 1 - 0.23% Coverage

¶59: submit applications for the next reduction periods⁴

Reference 2 - 3.15% Coverage

¶71: Joint agreements/decisions on milk production planning – part of the "2016 March Package" On 13 April 2016, the Commission activated, for 6 months, the possibility for producer organisations, interbranch organisations and cooperatives in the dairy sector to establish voluntary joint agreements on milk production planning (producer organisations

¶72: EN ••• , cooperatives EN •••).

¶73: This was prolonged by the Commission Implementing Regulation (EU) 2016/1615

¶174: EN ••• of 8 September 2016 amending

¶175: Implementing Regulation (EU) 2016/559 as regards the period in which agreements and decisions on the planning of production in the milk and milk products sector are authorised, for 6 months until 12 April 2017.5

Annotations

1 Demonstration projects run for two years maximum. Eligible costs are subsidised for 100%.

2 Flemish farmers can receive support for participating in EIP operational groups. The idea of these operational groups is that practical solutions are derived from knowledge exchange between farmers, advisors, researchers and other actors.

3 Social learning is the explicit focus of the collaboration projects in the LEADER programme.

4 Similar to public intervention and support for private storage, aid for milk production reduction is an instrument to shield producers from price risks. Contrary to the former two instruments, aid to farmers for voluntary production reduction does urge them to adapt their production level to the prevailing market conditions. As such it contains an element of learning: producers become conscious of the magnitude of the prevailing oversupply, and are likely to reflect on the consequences of such an event in absence of the aid for production reduction. It also allows a more varied, differentiated response from producers to oversupply: those for whom production reduction is feasible are stimulated to do so, and those for which it is not, are not obliged to.

5 The temporary derogation on EU competition law, granted to allow production planning during the 2016 milk price crisis, is another form of risk management. By allowing voluntary joint agreements between primary producers and processors, more varied and tailor-made responses are stimulated as compared to the previous safety net measures. A social learning effect is again expected, as producers (organisations) gain insight in expected optimal production levels.

3. Transformability

3.1. Long term focus – goals

Belgium - Rural Development Programme (Regional) Flanders> - § 5 references coded [0.04% Coverage]

Reference 1 - 0.01% Coverage

¶1449: Inzetten op jonge landbouwers met het oog op het bestendigen van de toekomst van de Vlaamse landbouwsector (o.a. een vlotte generatiewissel mogelijk maken);

Reference 2 - 0.01% Coverage

¶1450: Investeren in innovatie en opleiding met het oog op een toekomstgerichte aanpak van zowel de individuele, bedrijfsgerichte als de meer algemeen maatschappelijke uitdagingen;

Reference 3 - 0.01% Coverage

¶1474: Met de twee nieuwe (sub)maatregelen “operationele groepen i.k.v. EIP” en “projectsteun voor innovaties in de landbouw” wil de Vlaamse overheid extra stimulansen geven aan samenwerking en innovatie (nood 1 en nood 3).

Reference 4 - 0.01% Coverage

¶12604: De maatregel draagt bij tot de strategische doelstelling “investeren in innovatie en opleiding” met het oog op een toekomstgerichte aanpak van zowel de individuele, bedrijfsgerichte als de meer algemeen maatschappelijke uitdagingen.

Reference 5 - 0.02% Coverage

¶12936: Deze problematiek behoeft een totaalaanpak. Een deel daarvan kan binnen het PDPO III verwezenlijkt worden, met name via opleiding, bedrijfsadvies, investeringssteun en vestigingssteun.

¶12937: Een financiële tegemoetkoming is nodig zodat de landbouwer van start kan gaan met een levensvatbaar landbouwbedrijf dat voldoet aan alle regelgeving. De financiële lasten mogen niet te zwaar en te lang in de tijd gespreid zijn omdat de financiële middelen bij de snel wijzigende omgevingsvoorwaarden bij voorkeur ingezet worden voor investeringen gericht op structuurverbetering.

Brochure 'Food & Farming - Focus on Market Safety Nets'> - § 1 reference coded [1.72% Coverage]

Reference 1 - 1.72% Coverage

¶122: Market signals help producers, and the agricultural sector, in orienting their production decisions, but markets are not perfect. With a short-sighted interpretation of price signals, the economic cost of agricultural production may be minimized but farming may not be kept sustainable for the long term in a resource constrained world. This was the basic reason why European agricultural policy has shifted from strong market management with high support prices towards a flexible system consisting of direct payments complemented by a market safety net.

Brochure 'Vlaams programma voor Plattelandsontwikkeling PDPO III - 2014-2020'> - § 2 references coded [0.84% Coverage]

Reference 1 - 0.79% Coverage

¶127: Werkgelegenheid

¶128: EUROPA 2020 werkt via ‘slimme, duurzame en inclusieve groei’ aan 5 kerndoelstellingen: Armoede en

¶129: Onderzoek en innovatie

¶130: Klimaatverandering en energie

¶131: Onderwijs sociale uitsluiting Gemeenschappelijk Strategisch Kader (GSK) werkt via 11 gemeenschappelijke doelstellingen:

¶132: 1. Onderzoek, technologische ontwikkeling en innovatie 2. Toegang tot, gebruik en kwaliteit van informatie en communicatietechnologie 3. Versterken van het concurrentievermogen van KMO's, de landbouwsector en de visserij- en aquacultuursector

¶133: 4. Steun voor de verschuiving naar een koolstofarme economie in alle sectoren 5. Bevorderen van de aanpassing aan klimaatverandering, risicopreventie en management 6. Milieubescherming en het promoten van het efficiënt gebruik van hulpbronnen 7. Bevorderen van duurzaam transport en wegnemen van knelpunten in infrastructuurnetwerken 8. Bevorderen van werkgelegenheid en arbeidsmobiliteit 9. Bevorderen van sociale inclusie en armoedebestrijding 10. Investeren in onderwijs,

vaardigheden en levenslang leren 11. Versterken van institutionele capaciteit en een efficiënte overheidsadministratie

¶134: COHESIEFONDS ESF EFRO EFMZV ELFPO1

Reference 2 - 0.05% Coverage

¶167: Inzetten op jonge landbouwers en de toekomst van de Vlaamse landbouwsector2

Proposal Flemish Minister of Agriculture to Flemish Government_Implementation CAP2020 reform> - § 2 references coded [0.40% Coverage]

Reference 1 - 0.25% Coverage

¶267: Binnen de Vlaamse landbouwsector verloopt de generatiewissel zeer moeilijk. De gemiddelde leeftijd van bedrijfsleiders bedroeg in 2010 50 jaar (t.o.v. 46,5 jaar in 2000). Slechts 5% van de bedrijfsleiders was jonger dan 35 in 2010 terwijl 44% ouder is dan 55 jaar. Uit een peiling bleek dat slechts 14% van de Vlaamse bedrijfsleiders ouder dan 50 jaar over een vermoedelijke opvolger beschikken. Daarom is het wenselijk dat Vlaanderen maximaal blijft inzetten op jonge starters, en deze Europese verplichting ook budgettair ten volle benut.8

Reference 2 - 0.15% Coverage

¶371: Deze versterking is bovendien zinvol op langere termijn omdat het aansluit bij de beleidsintentie om geleidelijk te evolueren naar een actiever en meer doelgericht beleid binnen een sterk Europees kader: de lidstaat of regio bepaalt zelf welke middelen waar worden ingezet en kan beter afstemmen

¶372: 32/37

¶373: op de lokale noden en behoeften.9

Annotations

1 The implementation of the rural development programme (CAP Pillar 2) is embedded within a long-term vision, i.e. the "common strategic framework" that underlies several investment funds, among which the European Agricultural Fund for Rural Development.

2 Supporting young farmers is one of the four priorities for the Flemish Government in the rural development programme. This indicates a long-term focus.

3 One of the four priorities for the Flemish Government with the rural development programme is to invest in innovation and education. Based on the description of in-depth learning vs. social learning in D4.1 we believe that the goals of the Government are better described by the latter, and that Adaptability is more a goal than Transformability is.

6 Generational renewal was stated to be a priority for a new CAP framework. Some supporting instruments are proposed. However, the incentives that support the status quo, mainly direct payments, are not touched.

7 A significant budget is allocated for research and innovation in food, agriculture, rural development and bioeconomy. The commission thus aims to increase knowledge with farmers, farming stakeholders and public administrations

8 The minister states that generational renewal is not taking place as it should be. Therefore, he proposes that the Flemish region allocates the maximum amount of the direct payment budget (2%) to support for young farmers.

9 Rather than simply subsidising all farmers, Pillar 2 policies allow to support specific actions with specific targets such as environmental sustainability problems. The minister proposes to shift gradually up to 10% of the annual direct payment budget to the group of more tailor-made and targeted support measures.

3.2. Long term focus – instruments

Belgium - Rural Development Programme (Regional) Flanders> - § 5 references coded [0.06% Coverage]

Reference 1 - 0.01% Coverage

¶2601: De steun wordt echter wel slechts toegekend aan voldoende performante bedrijven (min Bruto Bedrijfsresultaat, boekhoudkundig systeem, ...). Op die manier wordt gefocust op bedrijven die economisch sterk genoeg staan om ook in de toekomst te overleven en bij te dragen aan de Vlaamse sterktes, kansen en noden.

Reference 2 - 0.01% Coverage

¶2604: De maatregel draagt bij tot de strategische doelstelling “investeren in innovatie en opleiding” met het oog op een toekomstgerichte aanpak van zowel de individuele, bedrijfsgerichte als de meer algemeen maatschappelijke uitdagingen.

Reference 3 - 0.01% Coverage

¶2605: Daarom wordt binnen de maatregel steun voorzien voor volgende uitgaven: uitgaven voor roerende of onroerende innovatieve investeringen, de hieraan gekoppelde onderzoekskosten, haalbaarheidsstudies, kosten van proefinstallaties en kosten voor de ontwikkeling van software en sturingsprogramma's en de kosten van externe begeleiders en experts

Reference 4 - 0.01% Coverage

¶2606: Ervaring leert dat innovatie, zeker in de beginfase, nood heeft aan een 'trekker' en vaak ook aan een deskundig begeleider. Projecten waarbij één persoon of team zich engageert (tijd vrijmaakt) of waarbij het project begeleid wordt door een expert hebben meer kans op slagen. In die zin worden ook

¶2607: 200

¶2608: begeleidingskosten mee opgenomen binnen de subsidiabele kosten.

Reference 5 - 0.02% Coverage

¶2936: Deze problematiek behoeft een totaalaanpak. Een deel daarvan kan binnen het PDPO III verwezenlijkt worden, met name via opleiding, bedrijfsadvies, investeringssteun en vestigingssteun.

¶2937: Een financiële tegemoetkoming is nodig zodat de landbouwer van start kan gaan met een levensvatbaar landbouwbedrijf dat voldoet aan alle regelgeving. De financiële lasten mogen niet te zwaar en te lang in de tijd gespreid zijn omdat de financiële middelen bij de snel wijzigende omgevingsvoorwaarden bij voorkeur ingezet worden voor investeringen gericht op structuurverbetering.

Brochure 'Vlaams programma voor Plattelandsontwikkeling PDPO III - 2014-2020'> - § 3 references coded [1.36% Coverage]

Reference 1 - 0.35% Coverage

¶117: Jaarlijks wordt een projectoproep gericht aan erkende centra voor landbouwvorming. De erkende centra kunnen subsidies aanvragen door een jaarprogramma rond vormingsactiviteiten in te dienen. Deze vormingsactiviteiten worden beoordeeld op basis van vastgelegde en objectieve selectiecriteria. Deze beoordeling is bepalend voor de beslissing welke vormingsactiviteiten in aanmerking komen voor subsidiëring. Na goedkeuring krijgen de geselecteerde centra een budget toegewezen om de opleidingen en/of stages in te richten.¹

Reference 2 - 0.51% Coverage

¶158: Deze maatregel stimuleert pure innovatie en vernieuwing die op het land- en tuinbouwbedrijf ontstaat en vormt een aanvulling op de gewone investeringssteun, waar de allernieuwste innovaties niet op de lijst met subsidiabele investeringen staan.

¶159: De maatregel wil innovatieve ideeën en concepten op het vlak van productie, verwerking en afzet van landbouwproducten realiseren via kapitaalpremies voor roerende of onroerende innovatieve investeringen, de hieraan gekoppelde studies, kosten voor proefinstallaties, kosten voor de ontwikkeling van software en sturingsprogramma's en de kosten van externe begeleiders en experts. Ervaring leert immers dat innovatie, zeker in de beginfase, nood heeft aan een 'trekker' en vaak ook aan een deskundig begeleider²

Reference 3 - 0.49% Coverage

¶192: Vakbekwame landbouwers die jonger zijn dan 40 jaar op het moment van aanvraag en zich voor het eerst vestigen als zelfstandig bedrijfsleider op een landbouwbedrijf. De landbouwer moet eveneens voldoen aan de definitie van landbouwer volgens het VLIF. De steun wordt uitsluitend verleend aan kleine en micro-ondernemingen.

¶193: BEDRAG OF % OVERHEIDSSTEUN

¶194: Er wordt een vast steunbedrag uitbetaald. Er zijn drie categorieën: afhankelijk van het bruto bedrijfsresultaat bedraagt de opstartpremie 40.000, 55.000 of 70.000 euro.

¶195: 30 / PDPO III 2014-2020

¶196: De uitbetaling gebeurt in verschillende schijven over een periode van maximum 5 jaar en de laatste schijf wordt pas uitbetaald indien het bedrijfsplan correct wordt uitgevoerd.³

Website 'Policy instruments for the dairy sector' _ EC> - § 1 reference coded [2.34% Coverage]

Reference 1 - 2.34% Coverage

¶177: A major amendment to the CMO Regulation, known as the Milk Package, was adopted in 2012. The regulation

¶178: EN ••• deals with contractual relations in the milk

¶179: sector and provides for written contracts between milk producers and processors and for the possibility for farmers to negotiate contract terms (including the price) collectively via producer organisations.

¶180: It also sets out specific EU rules for inter-branch organisations, facilitating actors in the dairy supply chain to dialogue and carry out certain activities.⁵

Annotations

1 Education on agricultural practices is supported by the government. The government aims at practice-oriented education, rather than stimulating critical reflection or discussion, so we consider the type of education supported to be not a form of social learning or in-depth learning.

2 By creating a special support channel for innovative projects in agriculture, the Flemish RD policy shows both a long-term focus and provides an instrument for social learning: learning from the innovations applied by other farmers.

3 A relatively large amount of financial support is available for young farmers (<40 years) who start their own farming business. This shows a long-term focus in the goals of the RD policy.

5 The amendment to the CMO Regulation that introduces collective bargaining for individual contracts (by POs) and the possibility of dialogue along the supply chain (in interbranch organisations) bears a long term focus: it is aimed at helping producers to better target their production at their buyers' needs. It encourages flexibility, as producers can decide for themselves what to do with the information obtained in this dialogue.

6 The amendment of measures regarding transparency and cheese supply management introduces instruments to increase farmers' robustness. These do not fit in the robustness sub-categories however.

3.3. Dismantling incentives that support the status quo – goals

Brochure 'Food & Farming - Focus on Market Safety Nets'> - § 1 reference coded [0.50% Coverage]

Reference 1 - 0.50% Coverage

¶18: Price evolution has been accompanied by a shift in focus, and in measures, from an inward-looking European agricultural policy towards strong market orientation.¹

Proposal Flemish Minister of Agriculture to Flemish Government_Implementation CAP2020 reform> - § 9 references coded [1.77% Coverage]

Reference 1 - 0.17% Coverage

¶171: Lidstaten krijgen enige vrijheid om de waarde van die betalingen te bepalen, maar worden ook verplicht om de verschillen in waarde tussen individuele betalingsrechten ten minste te verkleinen door de hoogste en laagste bedragen gradueel naar elkaar toe te laten evolueren, en om de grootte van de jaarlijkse betalingen per bedrijf boven een bepaalde drempel af te romen.

Reference 2 - 0.05% Coverage

¶1107: In meerdere lidstaten, waaronder België, is de waarde van een toeslagrecht vandaag

¶1108: historisch bepaald.

Reference 3 - 0.25% Coverage

¶1108: Tegelijk zorgt dit voor aanzienlijke waardeverschillen tussen de toeslagrechten. De waarden gaan van < € 100 tot > € 5000 in Vlaanderen. Deze grote verschillen in waarden zijn niet meer te rechtvaardigen.⁴ Daarom wil Europa evolueren naar meer gelijke waardes via

¶109: 'interne convergentie'. Dit betekent dat de

¶110: betalingsrechten binnen Vlaanderen vanaf 2015 moeten evolueren naar een meer gelijke waarde in 2019. Voor het bepalen van die waarde in 2019 biedt het politiek akkoord verschillende opties/modellen, waaruit de lidstaten kunnen kiezen.

Reference 4 - 0.28% Coverage

¶119: De Belgische directe steun enveloppe¹⁸ over de periode 2014-2020 is vastgelegd op 3,65 miljard euro (in lopende prijzen; d.i. 3,25 miljard euro in 2011 prijzen), een daling met ongeveer 9% ten opzichte van de periode 2007-2013. In 2019, het laatste jaar van de hervorming bedraagt de totale Belgische directe steun enveloppe 505 miljoen euro, dit is een daling van ongeveer 11,5% ten opzichte van het jaar 2012. De daling die België ondervindt is groter dan gemiddeld als gevolg van externe convergentie, dit is de beslissing om de verschillen in de gemiddelde directe steun per hectare

¶120: tussen de lidstaten te

¶121: verminderen.

Reference 5 - 0.20% Coverage

¶121: Vanaf 2014 (MFK-jaar 2015) zal een deel van het budget voor directe (400 miljoen euro, op Europees niveau; in 2011 prijzen) jaarlijks gereserveerd worden, als provisie voor landbouwcrisissen. Vroeger bestond deze verbinding met het directe steun budget niet. Concreet betekent dit dat landbouwers dit geld via directe steun pas later zullen krijgen, en enkel indien het niet aangewend werd voor landbouwcrisismaatregelen in hun of een andere⁵

Reference 6 - 0.10% Coverage

¶174: Landbouwers die geen directe steun kregen in 2013, maar op dat

¶175: moment wijn, sierplanten of groenten en fruit verbouwd of teelden, zullen tevens worden opgenomen als potentiële begunstigen van nieuwe betalingsrechten.⁷

Reference 7 - 0.20% Coverage

¶238: Europa verplicht de lidstaten ook om de waarde van de betalingsrechten tegen 2019 naar elkaar toe te laten evolueren (interne convergentie), en biedt hiervoor de keuze tussen verschillende convergentiemodellen. Dit zal zorgen voor een bijkomend verlies bij deze begunstigen die in 2015 een meer dan gemiddelde waarde per betalingsrecht hebben. De mate van het verlies hangt af van het convergentiemodel dat de lidstaat weerhoudt.⁸

Reference 8 - 0.35% Coverage

¶258: Uitgaande van het feit dat alle begunstigen in Vlaanderen tussen 2012 en 2019 hun ontkoppelde directe steun al met gemiddeld 2.144 euro zullen zien dalen,

¶259: is het wenselijk dat bijkomende

¶260: verliezen als gevolg van interne convergentie zoveel mogelijk beperkt worden. Een overgang naar een flat rate is onhaalbaar, en zou de continuïteit van Vlaamse bedrijven bedreigen. Vlaanderen dient

daarom te kiezen voor het scenario dat voor de minste herverdeling zorgt in 2019: het lers model met maximumverlies van 30% met een variabele vergroeningspremie. De keuze voor een variabele vergroeningspremie, in plaats van een flat rate bedrag, laat bovendien toe om landbouwers met een hogere vergroeningsinspanning in de meeste gevallen ook een hogere vergroeningspremie toe te kennen.⁹

Reference 9 - 0.17% Coverage

¶1288: Een gekoppelde steun voor de kalversector kan helpen verhinderen dat een te snel inkomensverlies zorgt voor onaanvaardbare negatieve effecten op het inkomen van de kalvermesters en de melkveebedrijven. Deze steun moet in de eerste plaats de primaire producent ten goede komen. Een beperkt deel van de Vlaamse enveloppe voor directe steun kan hiervoor ingezet worden (ongeveer 1%⁵¹).¹¹

Report from the Commission to the EU Parliament and The Council on the dairy market and 'Milk Package' provisions> - § 1 reference coded [0.72% Coverage]

Reference 1 - 0.72% Coverage

¶151: The reference to 'areas facing natural or other specific constraints' as defined in Articles 31 and 32 of Regulation 1305/2013 was the most frequent (12 Member States). Other Member States referred to less favoured areas (Regulation 1257/1999), less developed regions (Regulation 1308/2013), and Directives 75/268/CEE and 85/148/ECC. Six Member States provided different descriptions without legal references and four Member States did not declare any definition for disadvantaged regions.¹²

Report 'Mapping and analysis of the implementation of the CAP'> - § 2 references coded [0.04% Coverage]

Reference 1 - 0.02% Coverage

¶1512: Both Belgian regions (Flanders & Wallonia), Spain, France, Greece, Italy, Portugal and Slovenia are part of cluster 3. These Member States are slow movers in terms of internal convergence, with none of them moving to a flat rate payment in 2020. The Voluntary Coupled Support will be used by all of the Member States at rather high rates compared to the other groups.

Reference 2 - 0.02% Coverage

¶1517: Also, the historical factor was at play when implementing internal convergence and the decision not to implement the redistributive payment. It was ensured that the transition to a flat rate would be smooth and gradually, while the redistributive payment was not implemented in order to not increase differences between sectors and regions. Additionally, the factor of simplification played an important role were the greening payment needed to be both feasible for farmer and for administration to implement and control.

WUR Economics blog 'The EU safety net for dairy is undermined by intervention in dairy products'> - § 1 reference coded [3.82% Coverage]

Reference 1 - 3.82% Coverage

¶11: A not less important part of the latest reform in the EU dairy sector was the switch from a regime of classical price support to a safety net system. Under normal conditions prices are no longer supported nor

manipulated. Only when there are extreme circumstances, an intervention mechanism will operate, which aims to create a price floor preventing the milk price to further decline. This safety net aims to protect farmers against extreme downside price risk. With the safety net price level to be about 21 eurocents per kg of milk, while normal milk prices are in a range of 33 to 38 eurocents, the safety will not

¶12: start operating until the price declines by about 40 percent from its normal value. Safety net provisions also apply to other sectors but there intervention is not aimed at derived products as it is in dairy.¹⁵

Annotations

1 The goal of the recent changes in the EU milk policies is expose EU farmers to international competition, and force them to adapt to this competition. Former incentives that supported the status quo were thus reduced.

4 Although the minister of Agriculture indicates that the very high differences in direct payments/ha that farmers receive are not justifiable anymore, Flanders chose the least ambitious option for internal convergence of DP, i.e. the option that does not lead to equal DP/ha for all farmers by 2019 or 2020.

5 The degree to which EU farmers are insulated from market volatility and shocks is thus reduced as compared to the previous 7-year CAP term.

6 From 2014 onwards a financial buffer is established at EU level: a share of the direct payment budget is kept aside for agricultural crises. If it is not needed to compensate farmers' losses in crises, the budget will be spent on direct payments afterwards.

7 It is the aim to apply a significant correction to the historical lower support to fruit & vegetable producers.

8 Direct payments form a larger share of the income of specialised dairy farmers (31%) and dairy farmers with important arable farming activities (30%) than they do for Flemish farmers in general (24%). As the dairy sector is a historically strongly supported sector, payment entitlements (for direct payments) are generally higher for dairy farmers than for the average farmer. payment entitlements (per ha) are also generally higher for larger than for smaller dairy farms. By introducing internal convergence, the incentives that support the status quo are thus dismantled, or at least that is the intended effect.

9 The minister clearly indicates that internal convergence and subsequent direct payment losses for farmers should be limited as much as possible, as all farmers will see the total amount of direct payments lower anyway.

10 To nuance the degree to which protecting the status quo is the goal: the minister does propose to cap direct payments for beneficiaries who receive over 150.000€ as much as possible.

11 The veal calves sector is tied to the dairy sector. the minister wishes to limit the reduction of direct payments to veal calf producers because of internal convergence. As the veal calf sector was strongly supported historically, veal calf producers will see the amount of direct payments they receive lower substantially because of internal convergence. Dairy farmers are indirectly affected by the protection of the status quo in the veal calf sector as the price they receive for veal calves influences the profitability of their operations.

12 Extra payments for farmers in areas facing natural or other specific constraints hamper the shift to production in naturally favoured areas. No such disadvantaged regions occur within Flanders. Flemish dairy farmers are thus disadvantaged by this policy: they can exploit their natural competitive advantage only to a lesser extent. In general, the policy can be said to protect the status quo, i.e. the spread of farms over naturally advantaged and disadvantaged areas.

15 The CAP reform for the period 2014-2020 included a major switch from a regime of classical price support to a safety net system in the dairy sector. Interventions now only start at prices of 21 eurocents per kg of milk, which is about 40% of the average milk price.

3.4. Dismantling incentives that support the status quo – instruments

Proposal Flemish Minister of Agriculture to Flemish Government_Implementation CAP2020 reform> - § 4 references coded [0.97% Coverage]

Reference 1 - 0.43% Coverage

¶26: Het marktbeleid (Pijler I) voorziet Europese regels voor de productie en handel van bepaalde producten of productgroepen² 3. De instrumenten die binnen dit onderdeel van het GLB passen zijn gericht op aanbodbeheersing (o.a. quota) en prijsondersteuning (o.a. referentieprijzen, private en publieke opslag, exportsubsidies). Vandaag worden ze hoofdzakelijk ingezet als economisch vangnet voor verschillende sectoren, en als bescherming tegen extreme prijsvolatiliteit, zoals bij crisissen.¹ Het budgettair aandeel van het marktbeleid binnen het GLB is gevoelig afgenomen (van ± 76% in 1992 tot ± 6% in 2013), als gevolg van de Europese wens om landbouwbedrijven steeds meer te oriënteren op de markt⁴, maar ook als gevolg van het afsluiten van internationale handelsakkoorden². Niettemin blijft het marktbeleid van strategisch belang voor de landbouwsector, onder andere omwille van de toenemende volatiliteit van zowel verkoop- als aankooprijzen.³

Reference 2 - 0.21% Coverage

¶107: In meerdere lidstaten, waaronder België, is de waarde van een toeslagrecht vandaag

¶108: historisch bepaald. Omwille van die reden zijn de toeslagrechten in Vlaanderen vrij hoog (gemiddeld €488 in 2012 – de op twee na hoogste waarde na Malta en Nederland). Tegelijk zorgt dit voor aanzienlijke waardeverschillen tussen de toeslagrechten. De waarden gaan van < € 100 tot > € 5000 in Vlaanderen. Deze grote verschillen in waarden zijn niet meer te rechtvaardigen.⁴

Reference 3 - 0.16% Coverage

¶261: Zoals aangegeven in punt 2.2.4, heeft Vlaanderen de verplichting om de basisbetaling per bedrijf af te romen vanaf 150.000 euro, maar kan het zelf de grootte van deze afroming kiezen. Vlaanderen kiest voor een maximale afroming. Van zodra het Europese wetgevende detail over deze optie duidelijk wordt, zal Vlaanderen hieraan uitvoering geven⁵.

Reference 4 - 0.17% Coverage

¶288: Een gekoppelde steun voor de kalversector kan helpen verhinderen dat een te snel inkomensverlies zorgt voor onaanvaardbare negatieve effecten op het inkomen van de kalvermesters en de melkveebedrijven. Deze steun moet in de eerste plaats de primaire producent ten goede komen. Een beperkt deel van de Vlaamse enveloppe voor directe steun kan hiervoor ingezet worden (ongeveer 1%⁵¹).⁶

Website 'Policy instruments for the dairy sector' _ EC> - § 1 reference coded [0.64% Coverage]

Reference 1 - 0.64% Coverage

¶86: Milk quotas

¶187: The milk quota regime which had been introduced in 1984 in order to address problems of surplus production expired on 1 April 2015.⁸

WUR Economics blog 'The EU safety net for dairy is undermined by intervention in dairy products' - § 1 reference coded [3.82% Coverage]

Reference 1 - 3.82% Coverage

¶11: A not less important part of the latest reform in the EU dairy sector was the switch from a regime of classical price support to a safety net system. Under normal conditions prices are no longer supported nor manipulated. Only when there are extreme circumstances, an intervention mechanism will operate, which aims to create a price floor preventing the milk price to further decline. This safety net aims to protect farmers against extreme downside price risk. With the safety net price level to be about 21 eurocents per kg of milk, while normal milk prices are in a range of 33 to 38 eurocents, the safety will not

¶12: start operating until the price declines by about 40 percent from its normal value. Safety net provisions also apply to other sectors but there intervention is not aimed at derived products as it is in dairy.⁹

Annotations

1 The market intervention instruments under Pillar 1 are clearly oriented at controlling market conditions for EU farmers, and protecting them from too strong shocks in market conditions. By doing so, the status quo (current farms and farming styles) are protected. It also reflects a short-term focus: policies are oriented at stabilising market conditions as they are at this moment.

2 in addition to previous annotation: the market intervention policy under pillar 1) has been lowered severely in the last 20 years (up to the 2014 reform). this counters the strong contribution to the short term focus and the status quo protective character.

3 market intervention is thus seen as an important way to manage risks, and more specifically volatility of input and sales prices

4 Although the minister of Agriculture indicates that the very high differences in direct payments/ha that farmers receive are not justifiable anymore, Flanders chose the least ambitious option for internal convergence of DP, i.e. the option that does not lead to equal DP/ha for all farmers by 2019 or 2020.

5 To nuance the degree to which protecting the status quo is the goal: the minister does propose to cap direct payments for beneficiaries who receive over 150.000€ as much as possible.

6 The veal calves sector is tied to the dairy sector. the minister wishes to limit the reduction of direct payments to veal calf producers because of internal convergence. As the veal calf sector was strongly supported historically, veal calf producers will see the amount of direct payments they receive lower substantially because of internal convergence. Dairy farmers are indirectly affected by the protection of the status quo in the veal calf sector as the price they receive for veal calves influences the profitability of their operations.

7 According to the official CAP 2020-2027 proposal of June 2018, direct payments will be reduced from €60,000 and capped at €100,000. The largest beneficiaries of direct payments will thus see the amount of support they receive lower.

MS are now obliged to allocate 2% of their budget for direct payments to payments for young farmers, whereas this was only a possibility in the previous CAP. Flanders however already decided to spend the full 2% to payments for young farmers.

8 Abolishing the milk quota in 2015 has very much dismantled incentives that support the status quo: the quota previously limited the exposure of dairy farmers to competition. The quota were already tradeable, and therefore competition was already at play, but the cost of acquiring quota was a barrier for competitive dairy farms to increase production.

9 The CAP reform for the period 2014-2020 included a major switch from a regime of classical price support to a safety net system in the dairy sector. Interventions now only start at prices of 21 eurocents per kg of milk, which is about 40% of the average milk price.

3.5. In-depth learning – goals

Belgium - Rural Development Programme (Regional) Flanders> - § 2 references coded [0.05% Coverage]

Reference 1 - 0.03% Coverage

¶1287: Landbouwers dienen gestimuleerd te worden om deel te nemen aan kwaliteitsvolle opleidingen. Opleiding kan immers leiden tot het uitvoeren van innovaties, tot milieuvriendelijke(re) landbouwpraktijken (die mee bijdragen aan de realisatie van EU-doelstellingen inzake water, natuur, lucht, ...), tot vermindering van de klimaatimpact en adaptatie van het landbouwbedrijf, tot betere bedrijfseconomische resultaten, lagere risico's etc. Er is in de verschillende landbouwopleidingen – zowel op school als naschools, zowel korte vormingen als langere cursussen - bijgevolg nood aan aandacht voor alle aspecten van landbouw: bedrijfseconomische thema's, vergroening, diversificatie, innovatie, strategisch management, arbeidsveiligheid, etc. Reeds vanaf het middelbaar landbouwonderwijs moeten deze thema's aan bod komen.

Reference 2 - 0.02% Coverage

¶2460: Art. 12 – 15 van de Verordening (EU) nr. 1306/2013 verplicht de lidstaten een bedrijfsadviseringssysteem op te zetten dat het mogelijk maakt voor de landbouwer om advies in te winnen over minstens een aantal door de EC bepaalde onderwerpen. Het bedrijfsadviseringssysteem moet er o.a. voor zorgen dat landbouwers zich meer bewust worden van de relatie tussen landbouwpraktijken en het beheer van bedrijven enerzijds en normen op het gebied van milieu, klimaatverandering, een goede landbouwconditie van grond, voedselveiligheid, volksgezondheid, de gezondheid van dieren en planten en dierenwelzijn anderzijds.

3.6. In-depth learning – instruments

Belgium - Rural Development Programme (Regional) Flanders> - § 2 references coded [0.02% Coverage]

Reference 1 - 0.01% Coverage

¶2465: De voorgestelde maatregel heeft een meer flexibel karakter dan de PDPO-II maatregel ter ondersteuning van bedrijfsadvisering, aangezien de landbouwer niet meer verplicht is over alle modules advies aan te vragen. Dit zorgt ervoor dat een advies, meer op maat van de landbouwer, mogelijk is.

Reference 2 - 0.01% Coverage

¶2466: Vlaanderen werkt een maatregel uit die in de eerste plaats focust op de ondersteuning van starters (type concrete actie "bedrijfsadvies voor jonge starters"). Hiermee draagt de maatregel bij tot het strategische PDPO III-thema "inzetten op jonge landbouwers met het oog op het bestendigen van de toekomst van de Vlaamse landbouwsector".

3.7. Enhancing and accelerating niche innovations – goals

Belgium - Rural Development Programme (Regional) Flanders> - § 2 references coded [0.03% Coverage]

Reference 1 - 0.01% Coverage

¶12603: Dit is een nieuwe maatregel. Er is nood aan een maatregel die pure innovatie en vernieuwing stimuleert die van bij de landbouwer zelf of van bij een groep van landbouwers ontstaat en waarbij ook de effectieve realisatie van de innovatie wordt ondersteund. In PDPO II kregen pure innovatieve investeringen of projecten vaak geen kans, o.a. gezien bij de “gewone” investeringssteun gebruik wordt gemaakt van limitatieve lijsten met subsidiabele investeringen.

Reference 2 - 0.02% Coverage

¶12945: De sub-maatregel 'Steun voor ontwikkeling van kleine landbouwbedrijven' draagt in eerste instantie bij tot focusgebied 2A: het verbeteren van de economische resultaten van de landbouwbedrijven en het faciliteren van de herstructurering en modernisering van landbouwbedrijven. Via deze maatregel worden landbouwers met financiële steun aangemoedigd om te evolueren naar een landbouwbedrijf dat qua aard van de producten, productie- en commercialisatietechnieken, of de vorm van exploitatie een focus legt op duurzaamheid, vernieuwing van activiteiten en structuren, aantrekkelijkheid van het platteland...

Brochure 'Vlaams programma voor Plattelandsontwikkeling PDPO III - 2014-2020'> - § 2 references coded [0.69% Coverage]

Reference 1 - 0.44% Coverage

¶1127: Vaak kunnen de nieuwste technieken of innovaties het best getoond worden buiten een leslokaal, op een veld of op een bedrijf. Daarom worden demonstratieprojecten in de land- en tuinbouw gesubsidieerd.

¶1128: Deze maatregel heeft als doel om enerzijds land- en tuinbouwers bewust te maken van nieuwe mogelijkheden op het vlak van duurzame praktijken en technieken, en anderzijds deze praktijken via demonstraties in de praktijk ingang te doen vinden op onze Vlaamse bedrijven. Zeker aan de toepasbaarheid van de nieuwe inzichten wordt veel belang gehecht. Hiervoor wordt gewerkt met voorbeeldbedrijven of met groepen die samenkomen op praktijkbedrijven.¹

Reference 2 - 0.25% Coverage

¶1425: Deze maatregel wil mogelijkheden bieden aan plattelandsactoren om samen met de naburige stad of steden te werken aan deze dynamiek. Samenwerking tussen actoren die in verschillende regio's of lidstaten zijn gevestigd, komt eveneens in aanmerking voor steun.

¶1426: Binnen deze maatregel is samenwerking mogelijk op basis van lokale voedselvoorzieningen en hernieuwbare energie.

Annotations

1 Demonstration projects run for two years maximum. Eligible costs are subsidised for 100%.

[3.8. Enhancing and accelerating niche innovations – instruments](#)

Belgium - Rural Development Programme (Regional) Flanders> - § 3 references coded [0.08% Coverage]

Reference 1 - 0.03% Coverage

¶2589: Vlaanderen werkt, net zoals in de vorige programmaperiode, met een gesloten lijst. Dit betekent: enkel de investeringen die op deze lijst staan zijn subsidiabel. Er is een brede waaier aan types investeringen om te kunnen inspelen op de diverse noden, zoals geformuleerd in de nodenanalyse. Investeringssteun is immers een van de meest aangewezen tools om noden rond waterbeheer, energie-efficiëntie, klimaat etc. aan te pakken. In de voorbije periode 2007-2013 was de steunmaatregel niet altijd voldoende selectief en doelmatig bij het beperkt budget. Hierdoor was er bij het ontstaan van nieuwe noden (milieu, dierenwelzijn, kwaliteit) of ontwikkelingen (technologie, innovatie) vaak nood aan bijsturingen en wijzigingen van het PDPO II. De noodzakelijke structurele maatregelen zijn voor de gehele periode van 7 jaar vooraf niet in te schatten. Daarom wordt de gesloten lijst regelmatig geactualiseerd, zodat ze steeds afgestemd is op de meest innovatieve (doch bedrijfszekere) technieken en op de recente noden en beleidsdoelen.

Reference 2 - 0.01% Coverage

¶2603: Dit is een nieuwe maatregel. Er is nood aan een maatregel die pure innovatie en vernieuwing stimuleert die van bij de landbouwer zelf of van bij een groep van landbouwers ontstaat en waarbij ook de effectieve realisatie van de innovatie wordt ondersteund. In PDPO II kregen pure innovatieve investeringen of projecten vaak geen kans, o.a. gezien bij de "gewone" investeringssteun gebruik wordt gemaakt van limitatieve lijsten met subsidiabele investeringen.

Reference 3 - 0.03% Coverage

¶2940: De sub-maatregel 'Steun voor ontwikkeling van kleine landbouwbedrijven' betreft de ontwikkeling van kleine landbouwbedrijven. Dit is een nieuwe maatregel. Voor bepaalde types van bedrijven en subsectoren zijn de voorwaarden om te kunnen genieten van die overnamesteun en investeringssteun (bedrijfsomvang, activiteiten, inkomsten...) zelden haalbaar. Vaak betreft het bedrijven die nieuwe producties (teelten) of alternatieve vormen (versus gangbare) van productiemethodes en commercialisatiestructuren ontwikkelen of actief zijn op bedrijven die traditioneel geëxploiteerd worden in bijberoep of verbonden zijn met diverse vormen van diversificatie. Omdat de beoogde bedrijven en bedrijfstvormen globaal goed scoren inzake duurzaamheid en diversificatie van activiteiten op het platteland, wordt deze nieuwe sub- maatregel opgenomen in PDPO III.

¶2943: Deze maatregel kadert hoofdzakelijk binnen het strategische thema: inzetten op jonge landbouwers om de instroom in de sector en de generatiewisseling te ondersteunen.

Brochure 'Vlaams programma voor Plattelandsontwikkeling PDPO III - 2014-2020'> - § 5 references coded [2.62% Coverage]

Reference 1 - 0.51% Coverage

¶158: Deze maatregel stimuleert pure innovatie en vernieuwing die op het land- en tuinbouwbedrijf ontstaat en vormt een aanvulling op de gewone investeringssteun, waar de allernieuwste innovaties niet op de lijst met subsidiabele investeringen staan.

¶159: De maatregel wil innovatieve ideeën en concepten op het vlak van productie, verwerking en afzet van landbouwproducten realiseren via kapitaalpremies voor roerende of onroerende innovatieve investeringen, de hieraan gekoppelde studies, kosten voor proefinstallaties, kosten voor de ontwikkeling

van software en sturingsprogramma's en de kosten van externe begeleiders en experten. Ervaring leert immers dat innovatie, zeker in de beginfase, nood heeft aan een 'trekker' en vaak ook aan een deskundig begeleider¹

Reference 2 - 0.54% Coverage

¶199: Aanvullend op de maatregel 'overnamesteun voor jonge landbouwers' wil Vlaanderen ook kleine landbouwbedrijven die zich verder willen ontwikkelen, ondersteunen.

¶200: Voor bepaalde types van bedrijven en sub-sectoren zijn de voorwaarden om te kunnen genieten van de overnamesteun voor jonge landbouwers of van de investeringssteun niet haalbaar. Vaak betreft het bedrijven die nieuwe teelten of alternatieve vormen van productiemethodes en commercialisatiestructuren ontwikkelen of actief zijn op bedrijven die traditioneel geëxploiteerd worden in bijberoep of verbonden zijn met diverse vormen van diversificatie. Omdat de beoogde bedrijven en bedrijfstvormen globaal goed scoren inzake duurzaamheid en diversificatie van activiteiten op het platteland, wordt deze nieuwe maatregel opgenomen in PDPO III.2

Reference 3 - 0.50% Coverage

¶399: Om de biologische productiemethode in Vlaanderen te stimuleren, dient de markthandicap tijdens de omschakelingsperiode en in de periode na de omschakeling ondervangen te worden. Door de specifieke regels waaraan biologische landbouwers moeten voldoen, is de productiekost van biologische producten vaak hoger dan deze van gangbare producten. Tijdens de omschakelingsperiode heeft men vooral te kampen met het niet kunnen valideren van de gemaakte meerkosten. Ook na de omschakelingsperiode kunnen niet steeds alle gemaakte meerkosten in de prijs worden doorgerekend.

¶400: Bio-landbouwers kunnen daarom bij omschakeling en in de periode erna een hectarestaun ontvangen, die de gemaakte kosten, gederfde inkomsten en transactiekosten compenseert.³

Reference 4 - 0.81% Coverage

¶412: Deze maatregel wil de interactie tussen onderzoek en praktijk stimuleren. EIP staat voor "European Innovation Partnership" en het wordt in verschillende domeinen (waaronder landbouw) gebruikt. Door onderzoek en praktijk dicht bij elkaar te brengen wil men meer innovaties realiseren met het oog op economische groei en competitiviteit.

¶413: In een operationele groep organiseren land- en tuinbouwers, adviseurs, onderzoekers, ondernemers en/of andere actoren zich rond een bepaald vraagstuk, zoeken ze oplossingen en werken ze samen aan concrete innovaties. De landbouwer en zijn/haar vraag staan centraal in het proces. De kennisuitwisseling binnen de operationele groep moet nieuwe inzichten en ideeën opleveren en bestaande impliciete kennis kneden tot bruikbare oplossingen. De betrokkenheid van land- en tuinbouwers heeft als voordeel dat onderzoeksvragen meer op basis van de praktijk zullen bepaald worden, dat er meer interactie is tussen land- en tuinbouwers onderling en dat onderzoekers leren hoe hun resultaten in de praktijk gebruikt worden. Door hun deelname in een operationele groep worden land- en tuinbouwers mede-eigenaar van het proces in plaats van een studieobject te zijn.⁴

Reference 5 - 0.25% Coverage

¶1425: Deze maatregel wil mogelijkheden bieden aan plattelandsactoren om samen met de naburige stad of steden te werken aan deze dynamiek. Samenwerking tussen actoren die in verschillende regio's of lidstaten zijn gevestigd, komt eveneens in aanmerking voor steun.

¶1426: Binnen deze maatregel is samenwerking mogelijk op basis van lokale voedselvoorzieningen en hernieuwbare energie.

Annotations

1 By creating a special support channel for innovative projects in agriculture, the Flemish RD policy shows both a long-term focus and provides an instrument for social learning: learning from the innovations applied by other farmers.

2 Small farms that do not meet the requirements to receive support according to the general schemes of support for young farmers (pillar 1) or investment support (pillar 2) can receive "small farm development support". Farms that operate on less than 2 ha fall within this category. The support ranges from 7000 to 15000 euros, a considerable amount for small farms in Belgium.

3 Organic dairy farming and agriculture in general is still a niche activity in Flanders: only around 1% of the farms produces according to organic standards. The Flemish Government supports the conversion to organic farming with a fixed fee per hectare, during the 2 year conversion period as well as the whole duration of the organic farming activity.

4 Flemish farmers can receive support for participating in EIP operational groups. The idea of these operational groups is that practical solutions are derived from knowledge exchange between farmers, advisors, researchers and other actors.