



The Public Goods Bonus

- a new approach for valuation and pricing of public services by farmers as part of CAP and farmers income-

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About Landcare Germany e.V.

- Umbrella organisation of 183 single landcare organisations all over Germany since 1993 with country offices
- Cares for practices that are beneficial for the cultural landscape, nature and the farmer
- **3 principles of landcare organisations:**
 - 1. parity constitution of the board:
farmers, conservationists, local politicians/authorities**
 - 2. territorial and cooperative structures**
 - 3. regional „roots“**
- This leads to mutual understanding, responsibility, trust and acceptance in the region to „get things done“



The basic idea

The DVL's proposal to a performance- and public goods-oriented CAP and the public goods bonus is based on **3 clear priorities** which have to be thought together:

1. the **effective improvement of the environmental and climate situation** in the agricultural landscape: **"ecological intensification"** on the whole agricultural area
2. the **farm and the farmer**: shifting decisions to farm level and strengthening the farmer's own competence and responsibility as well as the entrepreneurial aspects for stronger motivation
3. a **qualified system change in the logic of agricultural CAP-support** in order to earn money with additional effective public performances instead of just compensating for disadvantages and direct payments with the watering can per ha

facts

1. negative trends of environmental situation in the agricultural area
2. farmer is part of the cause and the solution at the same time: key role as a manager of the environment > 50%
3. flat-rate payments per total eligible farm area instead of remuneration for concrete achievements/effects per concrete area
4. lack of impact of the CAP to stop loss of biodiversity (ECA): CAP post 2020 is focused on delivering and rewarding public services - more ambitious than before (art. 92 pp.)
5. => enlarged farming profile and source of income => a new market of public goods (social necessity in Germany, e.g. referendum)
6. => How to remunerate these public goods and ecosystem services for **all** farmers?

For this we must rate public goods and give them a price!

A point system can fix it



Public goods bonus

A concept for the effective remuneration of agricultural environmental and climate protection services within the eco-schemes of the EU Common Agricultural Policy (CAP) beyond 2020

Developed in cooperation with agriculture, science and administration



Steckbriefe für die Maßnahmen der Gemeinwohlprämie

Bewertung der Umweltleistungen und Hinweise zur verwaltungstechnischen Umsetzung in der Gemeinsamen EU-Agrarpolitik in Deutschland



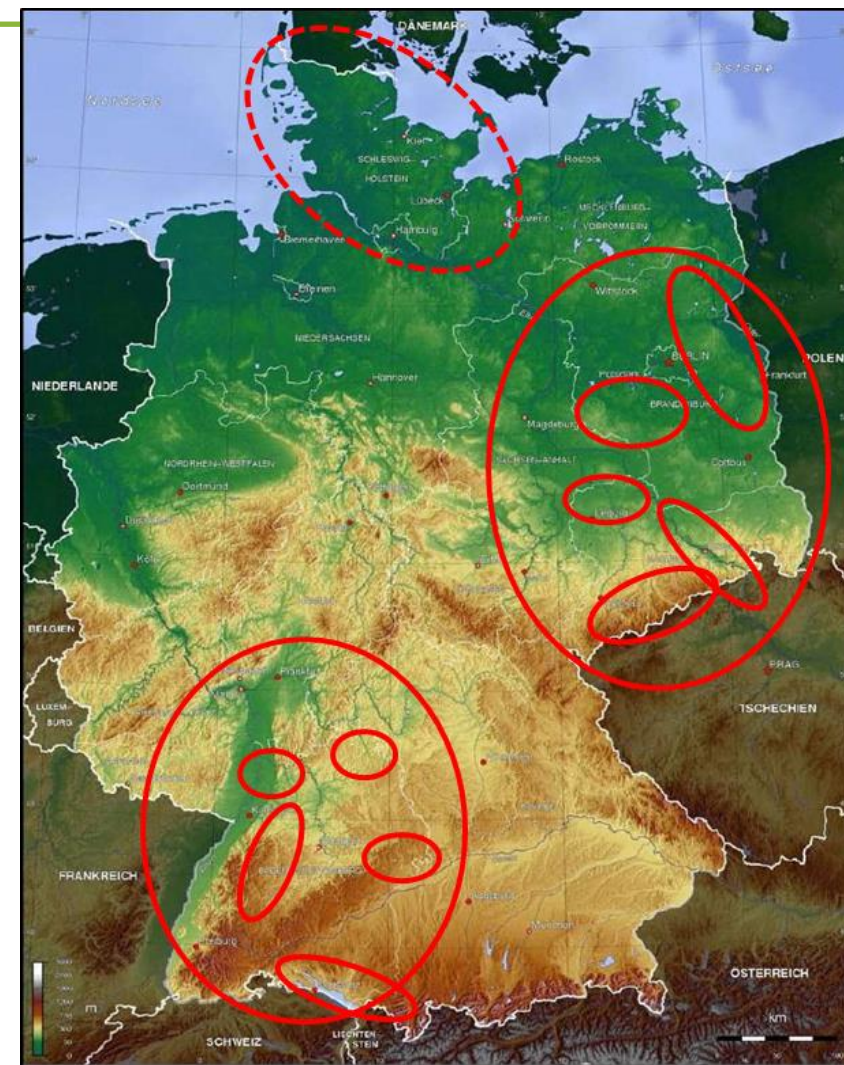
- 19 nationwide measures (arable land, grassland, special crops, farmgate balances) with a "bonus for diversity of measures"
- Different scoring according to expected effects
- Result orientation through points
- Economic calculations for farms: 50 Euro per point (Prof. Latacz-Lohmann 2020)
- Confirmation by Thünen-Institut and EU-COM
- Fitting into existing IACS



Selection of (standard) measures/eco-schemes

requirements:

- more targeted and effective than before
- uniform nationwide, simple, delimitable, administrable
- connectable to IACS, area monitoring CMEF etc.
- accessible for all farmers (and management guidelines)
- annual payment, but multi-annual payments are possible (e.g. currently "honey fallow land" as EFA for 3 years possible)
- can be combined with AECM and New Conditionalities
- consideration of individual farm landscape situations (small scale)



The developement of the PGB-method



2011/12

2020

Entry into the system change: eco-schemes

(" ... are the way forward" (F. Timmermans, Speech Agri-Committee 07.05.2020))

- actual and proposed new green architecture (EU-Commission proposal):



Basic principles of the PGB method

- **Point evaluation of** individual farm biodiversity, climate and water protection services/**effects** by measures and **remuneration** according to €/point
- "More points = more payments" (and **not**: "Minimum number of points/requirements as a condition for **uniform payments**")

Area-based farm services:


- Biodiversity
- Water protection
- Climate protection



Evaluation: points per measure in total + bonus for diversity of measures, if applicable = total score



remuneration: total points x 50€/point = €/farm (**public goods bonus**)

Measure	Points for scope of measures)	Minimum area share for bonus Variety of measures a
	[Points/ha]	[% of LN (net)]
Arable land (AL)		
AL 1 Small-scale arable farming	1	10
AL 2 summer grain	1	10
AL 3 Legumes and mixtures thereof	2	5
AL 4 Unprocessed stubble fields	2	10
AL 5 Flowering areas and strips	10	1
AL 6 Fallow land with self greening	12	1
AL 7 No use of chemical-synthetic pesticides and mineral fertilizers	4	5
Grassland (GL)		
GL 1 Small-scale grassland management	1	10
GL 2 Permanent pasture	1	30
GL 3 Willow	2	10
GL 4 Old grass and hem strips	1	10
GL 5 No use of chemical-synthetic pesticides and mineral fertilisers	4	5
GL 6 No organic fertilisers b	4	5
GL 7 Orchards with grassland use	4	0,5
Special crops (SC)		
SC 1 Alternate management of tramlines	1	10
SC 2 Flowering and beneficial insect strips	3	1
SC 3 No use of chemical-synthetic pesticides and mineral fertilizers	8	5
Nutrient balances (HO) c		
HO 1 Farm-gate nitrogen (N) balance (gross)	0-12 points/operation * 0.7 * LN Total	No crediting with the bonuss  Deutscher Verband für Landschaftspflege
HO 2 Farm-gate phosphorus (P) balance	0-12 points/operation * 0.7 * LN Total	
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3 steps from performance to public goods bonus

1. selection of measures

2. Evaluation of the effects in points

3. Monetisation: Total points (x bonus) x point value (50€/point)



The potentials of PGB

1. Improving general Biodiversity, Climate and Water Quality tied to land management as eco-schemes; and in combination with AECM also for special species conservation
2. Supporting farmer's voluntary provision of public goods by a simple and practible evaluation method of the ecological effects of beneficial measures (beyond regulatory framework)
3. Evaluation and documentation of the environmental effects as an intrinsical part of sustainable farming: more visible effects – more public services - better image - more reward
4. Combination of ecological requirements and entrepreneurial thinking: farmer keeps the key role and decision majestic
5. Part of the new green architecture, the Integrated Administration and Control System and PMEF
6. „more with less”: efficient use of public money

Thank you for your attention



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