

European
Commission

THE NETHERLANDS

CAP IN YOUR COUNTRY

The **Common Agricultural Policy (CAP)** is Europe's answer to the need for a decent standard of living for 22 million farmers and agricultural workers and a stable, varied and safe food supply for its 500 million citizens. As a common policy for all 28 EU countries, the CAP strengthens the competitiveness and sustainability of EU agriculture by providing Direct Payments aimed at stabilising farm revenues and finances projects responding to country-specific needs through national (or regional) Rural Development Programmes, which also cover the wider rural economy.

The CAP also provides a range of market measures, including tools to address market difficulties, and other additional elements such as quality logos, promotion for EU farm products which complete CAP action to support farmers. The CAP budget fixed for the period from 2014-2020 provides a total of EUR 408.31 billion with EUR 308.73 billion intended for direct payments and market measures (the so-called First Pillar) and EUR 99.58 billion for Rural Development (the so-called Second Pillar).

THE NETHERLANDS

- covers an area of **41 540 km²** of which 19 000 km² are **agricultural land** of which 55 % is arable, while **forestry** covers a mere 3 650 km².
- has a total population of **nearly 17 million**, mainly in densely populated areas with **roughly 100 000** (or just 0.6 %) living in predominantly rural areas.
- has a highly **intensive** and **specialised farming sector** (notably for dairy, pigmeat, cut flowers and fruit & vegetables) with a high level of organisation and technological investment.
- has an **innovative** and **export-oriented** approach to agriculture, and in 2015 was the world's second largest exporter of agricultural products (in value.)

INVESTING

in agriculture in the Netherlands 2014-2020

In the period to 2020, the new CAP will invest **more than EUR 6 billion¹** in the Dutch farming sector and rural areas. Key political priorities have been defined at European level such as: jobs and growth, sustainability, modernisation, innovation and quality. At the same time, the Netherlands have flexibility to adapt both Direct Payments and the Rural Development Programme to its specific needs.

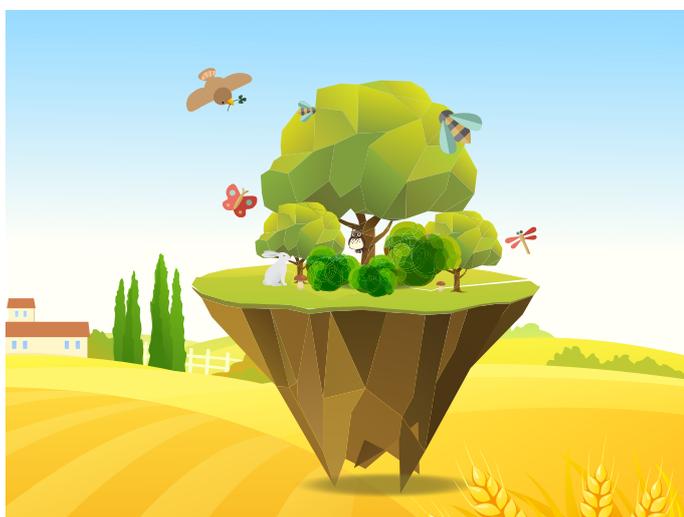
Fairer and greener direct payments

The new Direct Payments are to be distributed in a fairer way between Member States, and between farmers within the same Member State, getting away from allocations on the basis of "historical references". Given the difficulties of such redistribution, and due to persisting difficulties in certain agricultural sectors, Member States also have more flexibility to take into account specific sectors in particular regions. The budget for Direct Payments in the Netherlands amounts to **around EUR 5.2 billion** over the period – nearly EUR 800 million a year – taking account of the EUR 158 million transfer from this envelope to the rural development allocation (4.0 % a year from 2015 rising to 4.3 % in 2020).

A key change in the new CAP is the application of new '**Greening**' rules, in order to highlight the benefits farmers provide to society as a whole on issues such as Climate Change, biodiversity loss and soil quality. Under this system, 30 % of the Direct Payment envelope, paid per hectare, is linked to three environmentally-friendly farming practices: crop diversification, maintaining permanent grassland and conserving 5 % of areas of ecological interest or measures considered to have at least equivalent environmental benefit.

For the remaining Direct Payments (after "Greening"), the Dutch model for the **Basic Payment Scheme** (replacing the Single Payment Scheme) foresees gradual convergence in the level of payments per hectare by 2019, but not full convergence. The Dutch authorities have decided to earmark just 0.5 % of the Direct Payments envelope for **voluntary coupled support** (targeting sheep grazing on non-eligible land and female beef cattle above 2 years of age). In terms of limiting payments to the largest beneficiaries, the Dutch authorities are reducing payments per individual beneficiary by 5 % for the amounts above EUR 150 000 – the minimum requirement foreseen under CAP rules.

Other changes introduced in the 2013 CAP reform include stricter rules on active farmers eligible for Direct Payments and a new 25 % aid supplement for young farmers who are setting up for the first time (during the first 5 years), in addition to already existing installation grants.



¹ Total allocation of Direct Payments and Rural Development for the period 2014-2020 (in current prices).



Farmers at the heart of the food supply chain

To improve the balance of the food supply chain in the Netherlands, EU instruments (such as [Producer Organisations](#)) help farmers to get better organised and to market their products better. The Dutch have traditionally had a high participation rate in this sort of organisation.

Moreover, the EU organic logo helps consumers choose food produced in a sustainable way.



Supporting key priorities for the Netherland's rural development

With a total contribution of **more than EUR 765 million** (including the EUR 158 million transferred from the direct payment envelope) - plus national co-funding worth EUR 449 million, plus EUR 432 million of additional national funding top-ups - for measures benefiting its rural areas, with additional national funding, the [2014-2020 Rural Development Programme for the Netherlands](#) focuses on the following priorities:

- Improving competitiveness of the agricultural sector,
- Food chain organisation and risk management,
- Preserving ecosystems and an efficient use of natural resources,
- Creating conditions for the economic and social regeneration of rural areas.



Rural Development projects supported by the CAP

Renewable energy fights climate change, improves competitiveness

Geothermal reservoirs exist under parts of the Netherlands where agricultural firms grow fruit, vegetables and flowers in large greenhouse complexes. These businesses tend to have high energy consumption rates and so their competitiveness can be improved by sourcing cheaper, reliable, renewable power, like that from geothermal energy.

Five greenhouse companies invested in a **renewable energy plant** as part of their long-term business plans, with support from their municipality (Westland). The geothermal plant "Green Well Westland" proved successful, producing even more heat than expected- so another five greenhouse companies are now using Green Well's heat. Thanks to this EU-funded project, huge savings in the use of natural gas heating from fossil fuels have been achieved, reducing CO2 emissions. [More information.](#)

Total budget: EUR 14 million (EU contribution: EUR 12 million)

KEY ACHIEVEMENTS



Between 2007 and 2013, the CAP invested **more than EUR 7.5 billion²** in the Dutch farming sector and rural areas with the objective of stabilising farmers' income, modernising and increasing the sustainability of Dutch farms and securing the supply of safe, affordable and quality food for its citizens.

Dutch farmers benefit from the CAP

During recent years, Direct Payments have been a key safety net. In 2014 roughly 50 000 Dutch farm businesses received just over **EUR 805 million** in Direct Payments, 36.3 % of which received a payment below EUR 5 000. Roughly 200 beneficiaries received more than 150 000 EUR.

Moreover, in 2015, the EU spent nearly **EUR 53.5 million** on market measures in the Netherlands, notably through fruit and vegetables producer organisations' operational programmes.

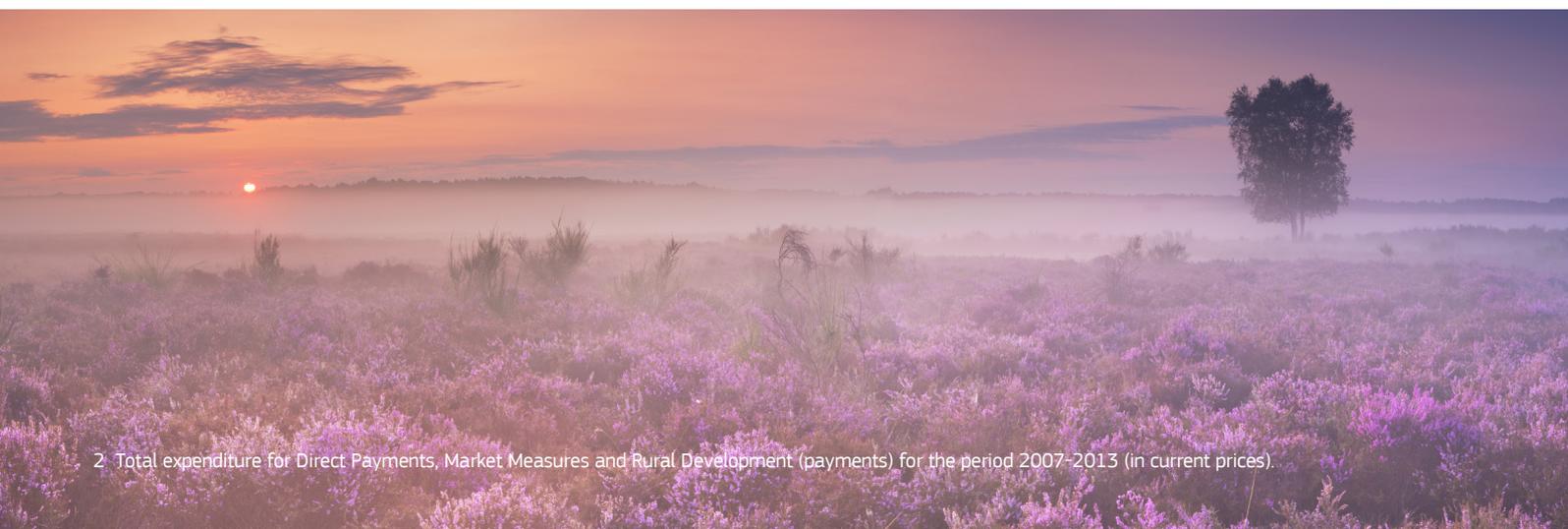
Fostering growth and jobs in Netherland's rural areas

In the period from 2007 to 2013, the rural development programme invested **more than EUR 1.1 billion** of public funds (EUR 592 million from EU funds) in a whole range of different activities supporting agricultural production and benefitting Dutch rural areas by preserving its diversity and enhancing its economic strength, cultural richness and social cohesion. In concrete terms, Rural Development funds provided:

- support close to 260 projects for **improving basic infrastructures in rural areas**, generating a total investment (public and private) of more than EUR 110 million;
- support to **farm investments** on nearly 4800 farms, generating a total investment (public and private) of close to EUR 700 million;
- more than 47 000 days of **training to farmers**;
- support to **diversify farming activities** on over 370 farms, generating a total investment (public and private) of more than EUR 54 million.

Rural Development funds have also encouraged the evolution of a **more sustainable model of agriculture**:

- approximately 400 farms received support for **non-productive investments**, generating a total investment (public and private) of more than EUR 43 million.
- more than **14 000 farmers** (covering 236 112 ha of farmland) were supported to use **certified environmentally-friendly farming methods**.



² Total expenditure for Direct Payments, Market Measures and Rural Development (payments) for the period 2007-2013 (in current prices).

Adding value with Quality schemes

Through the [Quality Policy of the CAP](#), the EU provides a number of measures to help producers build on the high quality reputation of European products to sustain competitiveness and profitability. A key tool in this is the register of more than 1 300 protected food names which are classified as a **Protected Designation of Origin (PDO)**, a **Protected Geographical Indication (PGI)** or a **Traditional Speciality Guaranteed (TSG)**. The production of these registered quality products contributes to diversity, development and growth in the rural areas where they are produced and protects local knowledge, skills and jobs.



At present, the Netherlands have [14 food products registered](#), of which [6 as PDO](#) (such as *Noord-Hollandse Gouda* or *Noord-Hollandse Edammer*), [5 as PGI](#) (such as *De Meerlander*) and [3 as TSG](#) (such as *Hollandse maatjesharing/Hollandse Nieuwe/Holländischer Matjes*).

Responding to new market difficulties

Following the prolongation of [the Russian ban on the EU agricultural imports](#) and the specific market conditions of the summer 2015, the European Commission adopted in October 2015 a [support package worth EUR 500 million](#) to help those farmers affected most by the difficulties, including EUR 420 million in national envelopes to support especially the **dairy and livestock sectors**, with flexibility to Member States to decide how to target this support. The Netherlands opted to use all of its EUR 30 million allocation for the milk, pig and other cross-sectorial sectors.

In July 2016, the European Commission announced a [further solidarity package aid](#) worth EUR 500 million, including ad-

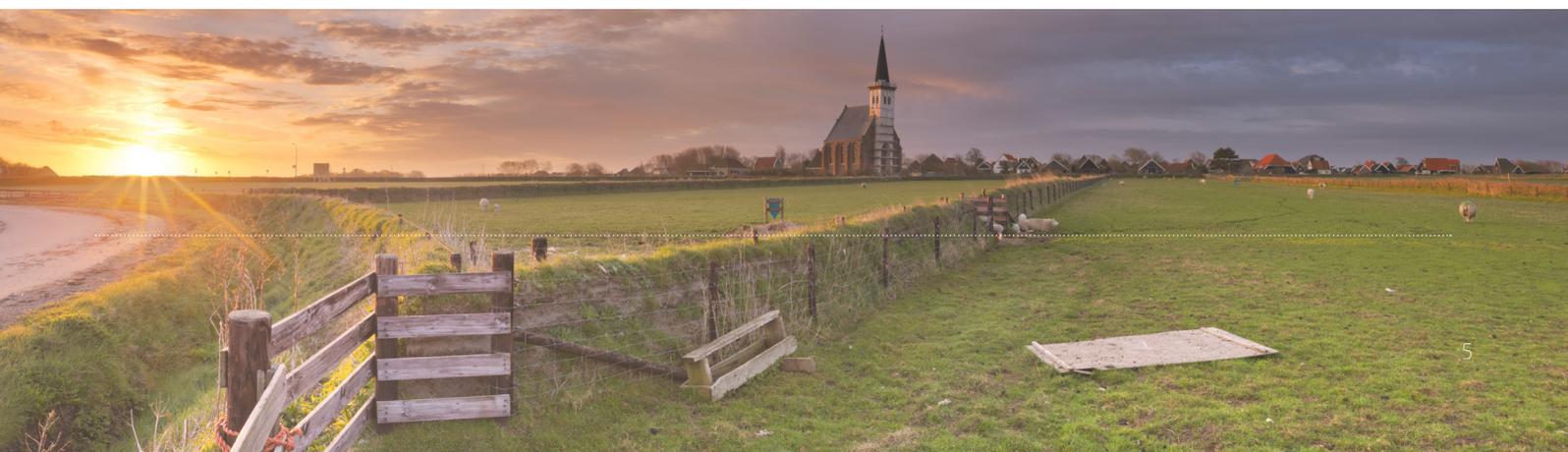
justment aid worth EUR 350 million aimed at the dairy sector in particular, with nearly EUR 23 million earmarked for the Netherlands.

In spite of the Russian ban, global EU agri-food exports to third countries have performed well, increasing by EUR 6.8 billion in the first 12 months since the ban, relative to the EUR 5.2 billion drop in trade with Russia compared to the same period of the previous year. Major gains have been achieved in exports to the USA, China, Switzerland and other key Asian markets such as Hong Kong and South Korea.

What do the Dutch think of the CAP?

According to the most recent Eurobarometer survey, published in January 2016, the Dutch consider as main objectives of the EU in terms of agriculture and rural development policy: "ensuring that agricultural products are of **good quality, healthy and safe**" (72 % of the Dutch compared to 56 % in EU-28) and "ensuring a **sustainable way to produce food**" (59 % of the Dutch compared to 43 % in EU-28). Regarding farmers, Dutch see their main responsibilities in "ensuring the **welfare of farmed animals**" (56 % of the Dutch compared to 35 % in EU-28) and "supplying the population with a **diversity of quality products**".

The Eurobarometer survey 440 "Europeans, Agriculture and the CAP" can be consulted [here](#).



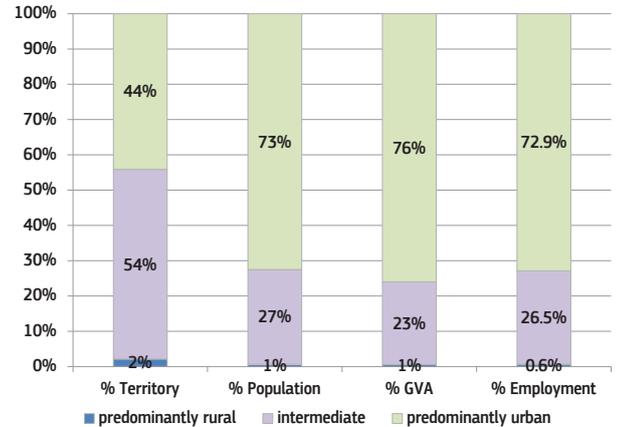


AGRICULTURE AT A GLANCE

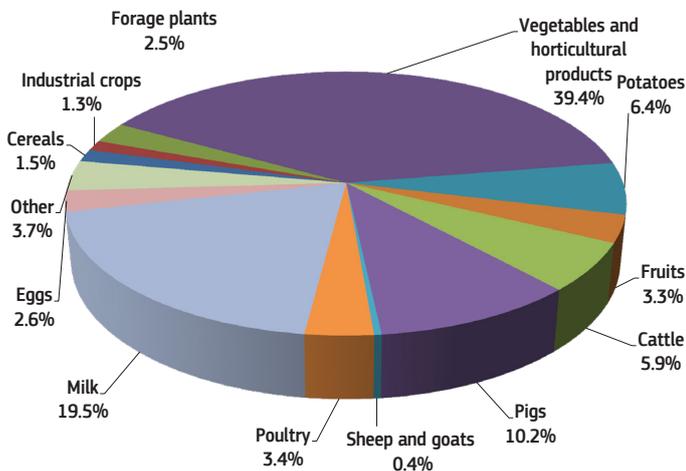
Dutch agriculture is characterised by:

- a higher contribution to the economy than EU-average: accounting for 1.8 % of the country's economy (total GVA) and for 2.1 % of employment, this is higher than the European average in economic terms (1.6 % in EU-28) and lower in employment (4.7 % in EU-28).
- an average farm size of 27.4 ha (compared to 16.1 ha in EU-28), but with relatively few very small or very large holdings.
- fewer older farmers: Although just 3.1 % of farmers are under 35 (EU-28: 5.9 %), only 21.0 % are older than 64 (EU-28: 30.6 %).

Importance of rural areas

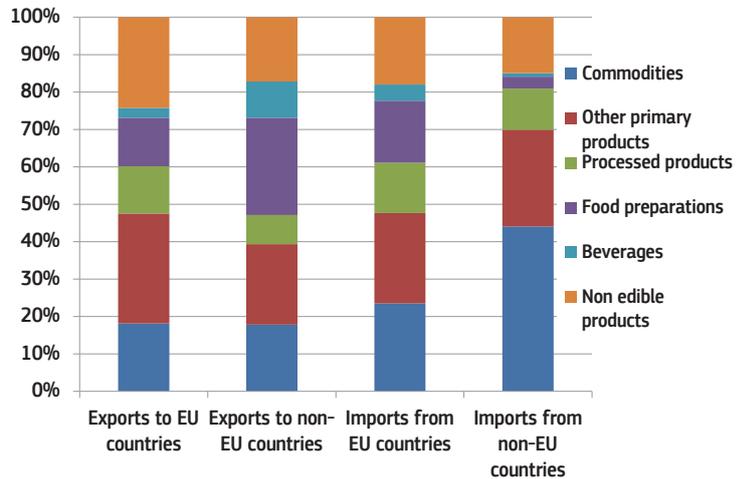


A very diversified production



Output components (2013-2015 average); values at constant producer prices

Agricultural trade with EU Member States is highly important for the Netherlands (2014 data)



Farmer's income continues to be more volatile than wages and salaries in other sectors

