



HEMP AND THE „NEW CHALLENGES“

Regional development in the Common Agriculture Policy (CAP) of the European Union

Florian Gerlach
nova-Institut GmbH, Huerth

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Overview

- The EU Common Agricultural Policy (CAP) is shifting from funding production to aims relevant to society as a whole („**new challenges**“).
 - **Hemp** production makes an **important contribution** to several of the „new challenges“.
 - The **regions/states decide** how to use additional EU funding.
 - Details of funding are **finalised this year**.
 - **Funding** targetted at „new challenges“ **will start 2010**.
- Industrial hemp needs to present its advantages to the regional authorities.

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CAP and the „Health check“

- Modulation (since 2005, after Mid Term Review): Money is shifted from production subsidies to rural development („Second pillar“)
- 2007-2008: Health Check of CAP reform:
 - Obligatory modulation to increase every year
 - „New challenges“ to be funded from the second pillar

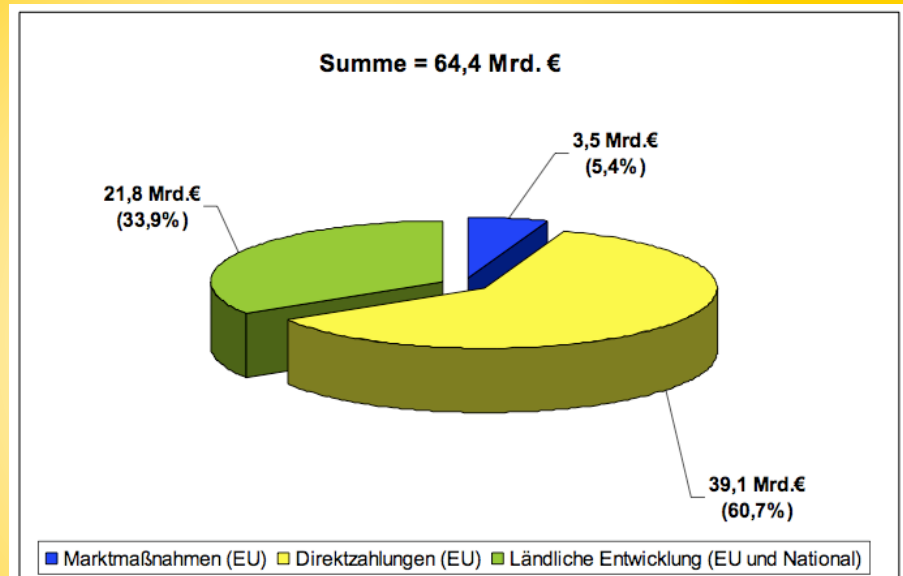


Modulation

- Direct payments to farmers are reduced by an annually growing percentage:
 - 7% in 2009
 - 8% in 2010
 - 9% in 2011
 - 10% in 2012
- No reduction of payments below 5.000 €, 4% extra reduction for payments exceeding 300.000 €.
- The funds saved by these reductions are added to the funding of the European Agricultural Fund for Rural Development (EAFRD)
- The decision to increase (obligatory) modulation is criticised by a number of regions and organisations.



CAP budget 2009



- Yellow: direct payments
- Green: rural development
- Blue: market measures



New challenges

- Climate change
- Water management
- Biodiversity
- Bioenergy
- (Dairy restructuring)



New challenges - details

Funding via European
Agricultural Fund for
Rural Development
(EAFRD)

Regions need to
cofinance only
10-25%

Money for new
challenges to equal
funding of rural
development

Existing funding for
new to count
towards the total
obligation



New challenges – Hemp can do it!

Climate change

- High biomass efficiency with low input
- Excellent CO2 avoidance / capture of hemp products

Water management

- No biocides, moderate fertilisation
- Anti-erosion crop

Biodiversity

- Niche crop, increases agricultural biodiversity
- Spring crop with long undisturbed growing period

Bioenergy

- Innovative initiatives for bioenergy from hemp (by)products



New challenges – recommendations to the regions by the European Council

Types of Operations

- Investment support
- Agri-environment and forestry measures
- Local scale projects and cooperation
- Local action groups
- Support for innovation

Other recommendations

- Focus support on key actions
- Increased subsidy sums / rates for new challenges
- Improved conditions for innovative initiatives



Convincing regional authorities

Now: Contact the regional authorities responsible for the European Agricultural Fund for Rural Development (EAFRD).



Now: Encourage decisionmakers to consider the potential of hemp in their programmes.



From 2010: Apply for funding from existing or new programmes within the EAFRD framework to cofinance your projects.



EU funding for industrial hemp?

It's up to us!



EHHA support

- Brochure „Hemp – progress for Europe’s agriculture“ (to be published in June 2009)
- Lobbying at EU institutions
- Advice for members on strategy and argumentation
- Network facilitation for projects



Thank you!



Florian Gerlach, Dipl.-Ing. (agrar)
staff scientist
nova-Institut GmbH
Tel.: +49 (0) 2233 – 48 14-43
E-Mail: florian.gerlach@nova-institut.de