



BELGIUM

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).

BELGIUM

- covers an area of **30 530 km²** of which **14.5 % is agricultural land** while woodland covers 24 %.
- has a total population of around **11 million**, of which **8.6 %** live in rural areas.
- has a farming sector with a **strong regional variation**, for example with a well-organised, modern fruit & vegetables sector in the North, and more traditional livestock and arable production in the south, mainly due to the big difference in farm structure- an average farm in the Walloon region is more than double of the average for Flanders (56 ha compared to 25 ha).
- has a well-organised agricultural sector, with most farmers working in some form of **producer organisation** (fruits and vegetables sector) or **cooperative** (dairy).

INVESTING

in Belgium's agriculture: 2014-2020

In the period to 2020, the new CAP will invest more than **EUR 4.2 billion**¹ in Belgium's 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, Belgium has 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 fact that the overall Direct Payment budget for 2014-2020 is 3.2 % lower and that Belgium had one of the highest rates of support under the "historical references" allocations of the previous period means that the Belgian envelope for the period will be just under 1 % a year lower than in 2007-2013. Moreover, the federal government has opted to transfer EUR 96 million from Direct Payments to the Rural Development envelope – 2.3 % in 2015, rising to 4.6 % in 2019 – leaving Belgium with an overall Direct Payments envelope of **around EUR 3.62 billion for 2014-2020**. Belgium has opted for the implementation of the Direct Payments system in two regions – for Wallonia and Flanders.

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. While most

elements remain the same, there is some variation in the greening implementing rules between Wallonia and Flanders.

For the remaining 70 % of the Direct Payments envelope, like all other Member States formerly applying the Single Payment Scheme, Belgium applies the [Basic Payments Scheme](#) with the additional mandatory "top up" for young farmers (+25 % of the national average amount of direct payments per hectare for the first 90 payment entitlements activated and for the first 5 years after the setting-up). In addition to that, the authorities have the possibility for "coupled" payments in particular sectors undergoing difficulties and some flexibility on the extent to which the remaining payment (previously based on historical production per individual farm) becomes a flat-rate payment per hectare. Both Wallonia and Flanders have decided to move gradually towards a regional flat-rate payment per hectare, but not achieve this by 2020 (the end of the programming period).

In **Wallonia**, the authorities apply the so-called [redistributive payment](#) – allocating around 9 % of the Belgian Direct payments envelope annually to provide an additional payment of roughly EUR 130 per hectare for the first 30 hectares per farm – the net impact of which is to boost support for smaller farms. This means that the standard 5 % reduction of amounts over EUR 150 000 per farm will not apply. In addition to this, Walloon farmers will benefit from Voluntary Coupled Support for suckler cows, mixed cattle, dairy cattle and sheep & goats.

In **Flanders**, there is no redistributive payment, but there is an upper limit of EUR 150 000 on the amount that any individual farm can receive through the Basic Payment Scheme (with "savings" being transferred to the regional Rural Development Programme). In terms of Voluntary Coupled Support, the Flemish model has opted to support the suckler cow and veal sectors.

Other changes introduced in the 2013 CAP reform include rules on active farmers eligible for Direct Payments and a minimum claim threshold set at EUR 400 per holding in Flanders and EUR 100 in Wallonia.



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 Belgium, EU instruments (such as [Producer Organisations](#)) help farmers to get better organised and to market their products better.

This is particularly important to farmers in Belgium, as most farmers work in some form of producer organisation (fruits and vegetables sector) or cooperative (dairy). Indeed, Belgium is the EU country with the highest rate of Producer Organisation (PO) membership among fruit and vegetable producers (95 %), with each PO benefitting from an operational fund from the EU budget based on the value of production marketed through the PO. In 2014, this amounted to EUR 49 million for Belgian POs.

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



Supporting key priorities for Belgium's rural development

Under the so-called Second Pillar of the CAP, the EU budget is also providing some **EUR 648 million** of funding for Rural Development in the period from 2014-2020, which rises to EUR 1.57 billion when co-financing from national and regional public funds is included. The [2014-2020 Rural Development Programme for Belgium](#) is set out in two programmes, respectively one for Flanders and one for Wallonia. Although they are of course different, there is a common focus on **the following priorities**:

-  Improving competitiveness of the agricultural sector,
-  Adaptation to climate change,
-  Preserving ecosystems and an efficient use of natural resources,
-  Creating conditions for the economic and social regeneration of rural areas.

The proposed redistribution of the EU financial envelope between the two Rural Development programmes - to be complemented by national funding - is as follows: EUR 288 million for Flanders and EUR 264 million for Wallonia.



KEY ACHIEVEMENTS

Between 2007 and 2013, the CAP invested **more than EUR 5.6 billion²** in Belgium's farming sector and rural areas with the objective of stabilising farmers' income, modernising and increasing the sustainability of Belgian farms and securing the supply of safe, affordable and quality food for its citizens.

Belgian farmers benefit from the CAP

In recent years, Direct Payments have been a key safety net. In 2014, just over 35 200 Belgian farm businesses received **EUR 552 million** in Direct Payments, one third of which received a payment below EUR 5 000. Moreover, in 2014, the EU spent more than EUR 53 million on market measures in Belgium, targeting mainly the fruit and vegetable sector (Producer Organisation operational programmes).

Fostering growth and jobs in Belgium'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 487.6 million from EU funds) in a whole range of different activities supporting agricultural production and benefitting Belgium's rural areas by preserving its diversity and enhancing its economic strength, cultural richness and social cohesion. In concrete terms, Rural Development funds provided support to:

- set up more than **1 100 young farmers**, generating a total investment (public and private) of more than EUR 225 million;
- **support investments** on over 16 000 farms, generating a total investment (public and private) of close to EUR 1.7 billion;
- provide more than 425 000 days of **training to farmers**;
- **diversify farming activities** on more than 400 farms, generating a total investment (public and private) of more than EUR 121 million.

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

- more than **200 farmers** (corresponding to 6.116 ha) received support for **organic farming**;
- close to **19 000 farmers** (corresponding to 443 712 ha) were supported to use **certified environmentally-friendly farming methods**.

Example of a Rural Development project supported by the CAP

Boosting green tourism in Chimay area

The forest covering Chimay county in Wallonia, Belgium, has a great potential for tourism development. However, the area remained relatively unknown as a tourist destination. The EU helped to finance a range of new tools and services to attract more tourists, including an app to download more than hundred walks, with search criteria according to difficulty or length, and detailing information on the landscape and heritage landmarks. "The Great Woods Walk", for example, in Chimay is about 10 km long and should take 162 minutes.

In addition, several events took place such as weekend nature activities, an introduction to geocaching, theme discovery hiking, a park festival in Viroin-Hermeton, nature workshops for children and adults, competitions and a photo exhibition, and much more. [More information](#).

Total budget: EUR 484 750 (EU contribution: EUR 193 900)

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, Belgium has [18 food products](#) registered, [three as PDO](#) (*Vlaams-Brabantse tafeldruif*, *Beurre d'Ardenne* and *Fromage de Herve*), [ten as PGI](#) (such as *Gentse azalea* or *Pâté gaumais*) and [five as TSG](#) (such as *Kriek*, *Lambic* or *Faro*).

Responding to new market difficulties

Following the prolongation of the [Russian ban on the EU agricultural imports](#) and the specific market conditions of past summer, 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. Belgium opted to use all of its EUR 13 million allocation for the milk, pig, beef and cross-sectorial sectors.

In July 2016, the European Commission announced a [further solidarity package aid](#) worth EUR 500 million including adjustment aid worth EUR 350 million aimed at the dairy sector in particular, with nearly EUR 11 million earmarked for Belgium.

What do the Belgians think of the CAP?

According to the most recent Eurobarometer survey, published in January 2016, Belgians consider "supplying the population with a **diversity of quality products**" (51 % compared to 42 % in EU-28) and "ensuring the **EU's food self-sufficiency**" (36 % compared to 25 % in EU-28) as the **two main responsibilities** of farmers. For Belgians, the common agricultural policy shall ensure "a fair standard of living for farmers" (62 % compared to 49 % in EU-28) and "good quality agricultural products, that are healthy and safe" (61 % compared to 56 % in EU-28). In addition, **91 % of Belgians** think that it is important to **strengthen the farmer's role in the food chain** (88 % in EU-28).

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



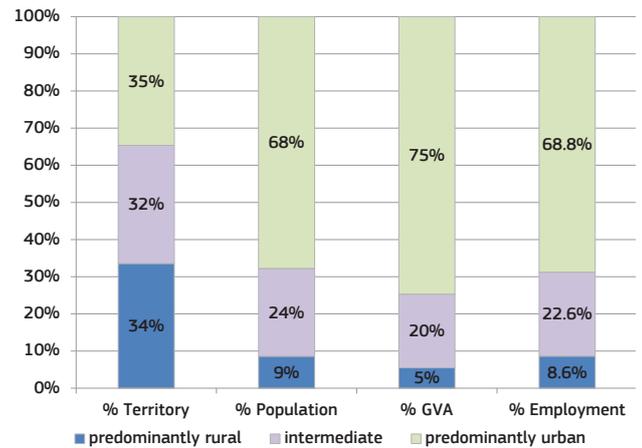


AGRICULTURE AT A GLANCE

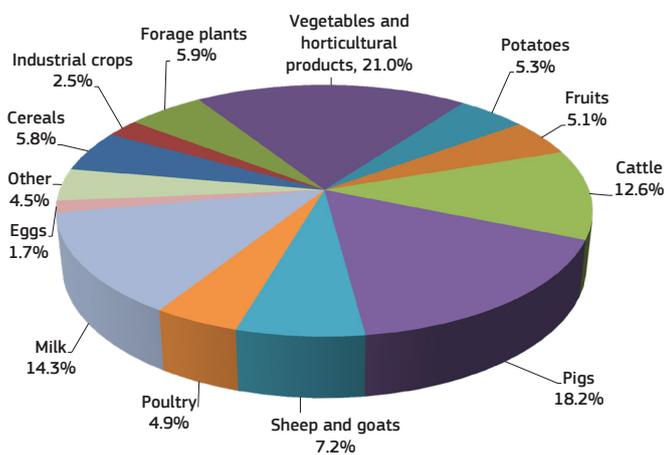
Belgian agriculture is characterised by:

- **pre-dominantly medium-sized agricultural holdings** with an average size of 34.6 ha compared to 16.1 ha in EU-28, with arable and livestock farms in the south tending to be larger still.
- **fewer older farmers** with only 21.2 % older than 64 (30.6 % in EU-28), but only 4.0 % of farmers under 35 years old (5.9 % in EU-28).
- **a low contribution to the country's economy** (0.7 % of total GVA compared to 1.6 % in EU-28) and **employment** (1.2 % compared to 4.7 % in EU-28).

Importance of rural areas

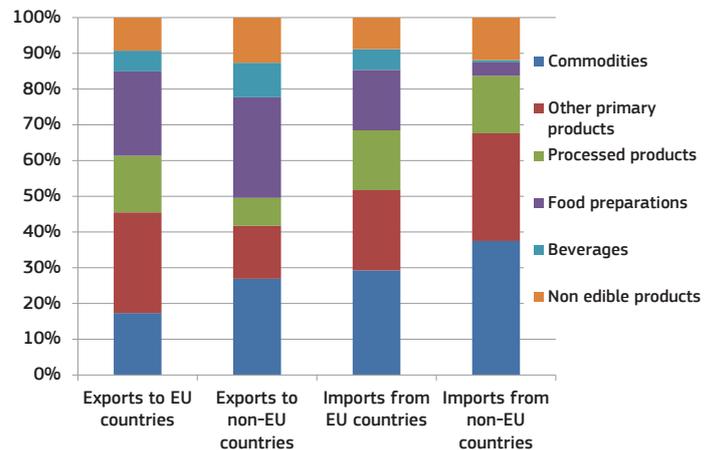


A very diversified production

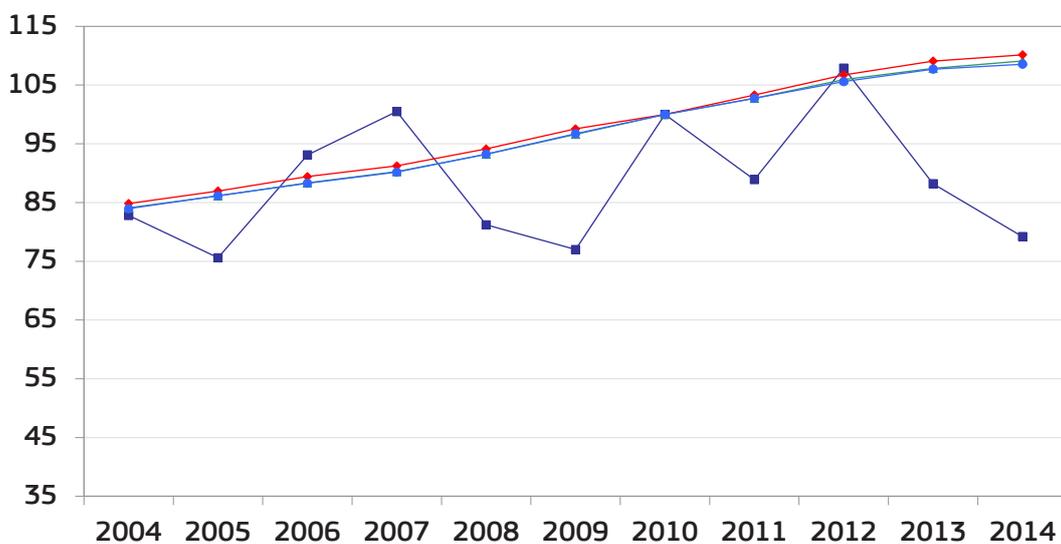


Output components (2013-2015 average); values at constant producer prices

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



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



- Agricultural income (Indicator A)
- ▲ Wages and salary index - Industry
- ◆ Wages and salary index - Construction
- Wages and salary index - Services