

Austrian CAP strategic plan

Transition to sustainability or (bad) business as usual?

What is at stake

Austrian agriculture faces numerous challenges. From an environmental perspective, one of the key problems is the intensification of grasslands mainly due to an increase in milk production. Milk is the most important agricultural sector in Austria, every second kilo is exported. The strong demand for protein fodder leads to early and frequent mowing of grassland, and the soy production area has increased almost 10-fold over the last 30 years (additionally 600.000 tons of soy are imported). One of the consequences is the loss of small farms and farm structures through specialization and focus on the amount of output, which goes hand in hand with the loss of biodiversity: even though the Austrian Farmland Bird Index has stabilized at a low level overall, it still declines in grassland areas, and a large proportion of grasslands is in unfavourable conservation status (>90%). Even though the CSP offers some potentially beneficial biodiversity measures such as the conservation measure or biodiversity areas (UBB and Bio), the anticipated areas covered by them will not be enough to substantially improve biodiversity or reach the Green Deal targets

What is wrong with the Austrian CSP

- Direct payments favouring large farms: Lack of ambition in redistributing direct payments above the obligatory 10% means that most of CAP funds will continue going to big players rather than small farms, typically delivering environmental benefits.

- Failure to redirect direct payments toward protecting biodiversity: Eco-schemes are supposed to be a novel instrument rewarding farmers for managing land in a nature-friendly way. However, Austrian CSPs does not include any eco-schemes with a clear biodiversity benefit.

- Agri-environment budget supporting ineffective measures and fails on biodiversity: The agri-environment programme in Austria is traditionally popular among farmers but has been criticized for not delivering (e.g. by the Austrian court of auditors). The new programme shows some good approaches, but is set to continue funding schemes with little or no benefit for biodiversity (e.g., haying and EEB – input reduction scheme), thus spending €150 million without contributing to halting and reversing biodiversity loss and inflating the result indicator R31 for preserving habitats and species by including such “light green” measures

- Inadequate requirement for creating space for nature on farms: By requiring only 7% of non-productive and high biodiversity areas (instead of 10% as required by the EU biodiversity strategy) within the most effective horizontal AECM “UBB” covering almost 60% of UAA, CSP misses the opportunity to make adequate space for nature on all farms and create the right conditions to bring biodiversity back.

- Investment support to harm the environment and drive further intensification: 40% of subsidies targeted for investments in infrastructures (anticipated €456 million), such as stable capacities or irrigation, lack climate or environmental requirements, and are likely to contribute to further intensification.

This is how the Austrian CSP can help the transition to sustainability

- Increasing redistribution of direct payments to small farms (e.g. double payments for first 20ha), thus preserving jobs, livelihood and landscape diversity at the same time
- Putting in place incentives for low-output milk production, livestock reduction or on-farm cultivation of protein feedstuff, thus reducing nutrient depositions and utilization pressure on sensitive grassland habitats
- Putting in place well-designed and adequately funded biodiversity measures within eco-schemes.
- Introducing broad-scale, low-threshold subsidies for extensive grassland management such as low frequency mowing to bring back invertebrate biomass and species abundance in grassland habitats
- Increasing the budget for highly effective biodiversity measures within the agri-environment programme to make them more attractive and amplify the area under contract. Making the agri-environment scheme on biodiversity areas (UBB/Bio) truly work for biodiversity by improving the distribution of biodiversity areas in the agricultural landscape and increasing the requirement for space for nature to 10%.