



Foto: J. M. Carstens

The Public Goods Bonus

A new approach for remunerating environmental services by farmers as part of CAP-post-2020

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About Landcare Germany e.V.

natural
reserve



politics

farming

About Landcare Germany e.V.

- Umbrella organisation of 164 single landcare organisations all over Germany since 1993. They care for cultural landscape, nature and agriculture in practise.
- 3 principles of landcare organisations:
 1. parity constitution of the board members:
farmer, conservationist, local politician/member of authority
 2. territorial and cooperative structures
 3. regional „roots“
- Basis for mutual understanding, responsibility, trust and acceptance in the region to „get things done“

Public money only for public goods



- an agricultural sustainable productivity bonus -

Main objectives of the PGB-method

1. Improving general Biodiversity, Climate and Water Quality
2. Supporting farmer's voluntary provision of public goods
3. Putting a price on these environmental services and their ecological effects: the more effects the more remuneration
4. Environmental services as an intrinsic part of sustainable farming
5. Win-win-policy on the farm
6. Feasibility in all EU-Member States

1. of 6 objectives of the PGB-method

Improving general Biodiversity, Climate and Water Quality

- more qualified biodiversity and protection of climate and water in general on agricultural land in adaption to the specific regional circumstances and environmental challenges on farm level
- further improving the efficiency of green measures
- Special measures for special species or investigations to improve biodiversity beyond usual farming (e.g. managing biotopes, toleration of geese) have still to be supported by supplementary programmes (2nd pillar; LIFE; nature conservation fund;...)

2. of 6 objectives of the PGB-method

Supporting farmer's voluntary provision of public goods

- Public bonus only for practices to go beyond minimum legal requirements and surpass good standard practice
- Remuneration only for measurable and effective public goods according to the principles 'budget on results' and 'added value' by defined parameters

3. of 6 objectives of the PGB-method

Putting a price on these environmental services and their ecological effects: the more qualified effects the more remuneration

- Valuation method: everyone is equal before the method and every type of farm is treated in the same way: because only the impacts of the measures count
- Shift from area-based-payments towards a result-based system: that means more results/effects → more points → more money
- Not more orientated at forgone income and costs

4. of 6 objectives of the PGB-method

Environmental services as an intrinsic part of sustainable farming

- the farmer: from subsidy recipient to motivated decision maker and biodiversity manager: market-products and/or public goods
- the target is to retain entrepreneurial independence and freedom on decision-making and exploit all operational opportunities: the motivated farmer in the center of action and decision which tool-measures can deliver the optimal environmental benefit

5. of 6 objectives of the PGB-method

Win-win situation on the farm

- by enhancing the integration and balance of agricultural-, environmental- and society-policy objectives

6. of 6 objectives of the PGB-method

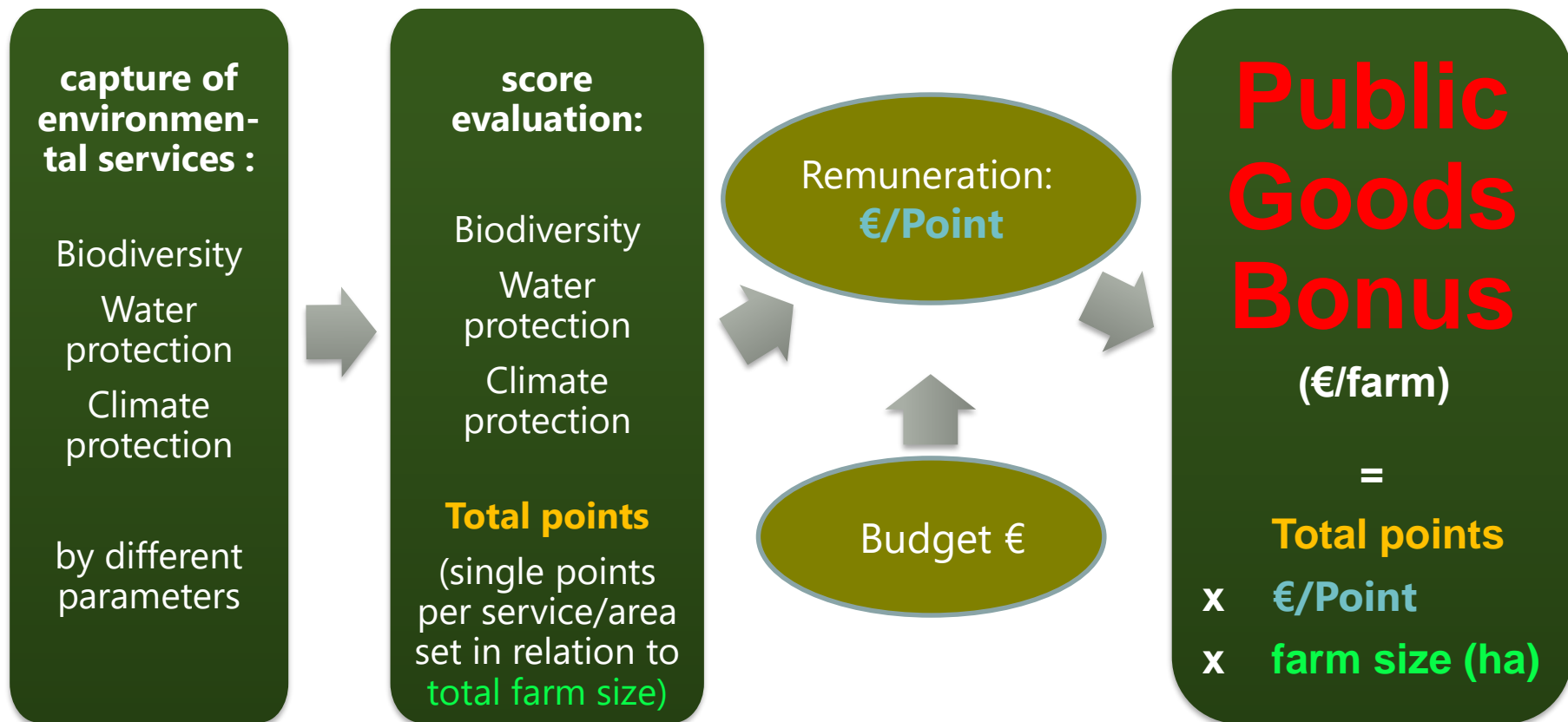
Feasibility in all EU-Member States

- Connectability to existing Integrated Administration and Control Systems of CAP (incl. indicators)
- actual project has started to test the transferability of the method in general from Schleswig-Holstein to the other Bundesländer / rest of Germany

Reducing admistration burden:

- simplification by new technical and digital opportunities (form of application; PG-Bonus-evaluator on i-Pad; more monitoring by satellites)

From service to Euro



Parameters to determine the PGB

22 parameters of valuation method

Example of
Northern Germany

Types of land usages:

- Number of usage types
- Share of permanent grassland

Landscape features (LF):

- Total area
- number

Arable land:

- Average field size
- Land cover in winter
- Crop variety
- Etc.

pasture:

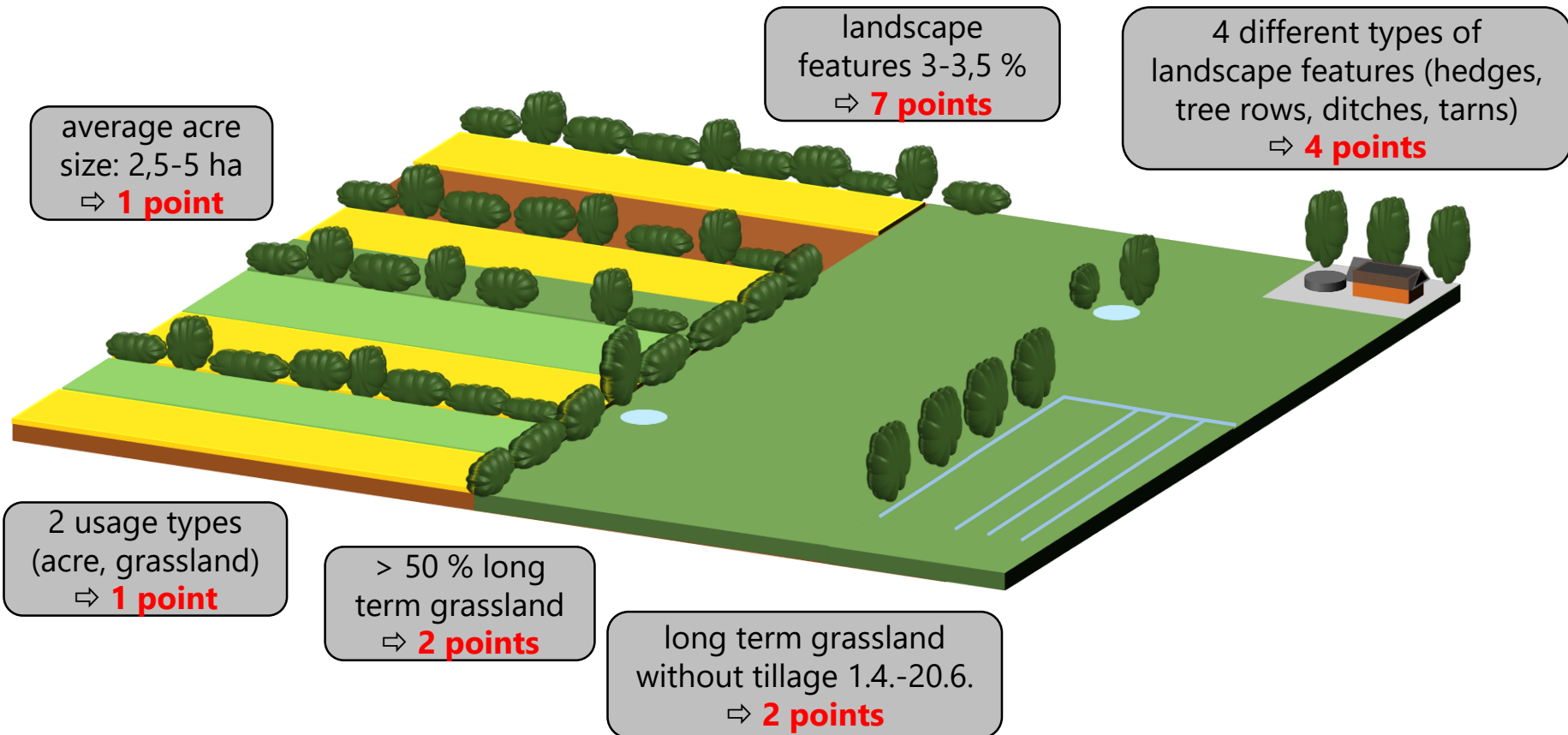
- No tillage between 01.04.-20.06.
- No mineral fertilizer
- No organic fertilizer
- Etc.

Nutrient balances:

- Farm gate balanced nitrogen budget
- Farm gate balanced phosphorous budget

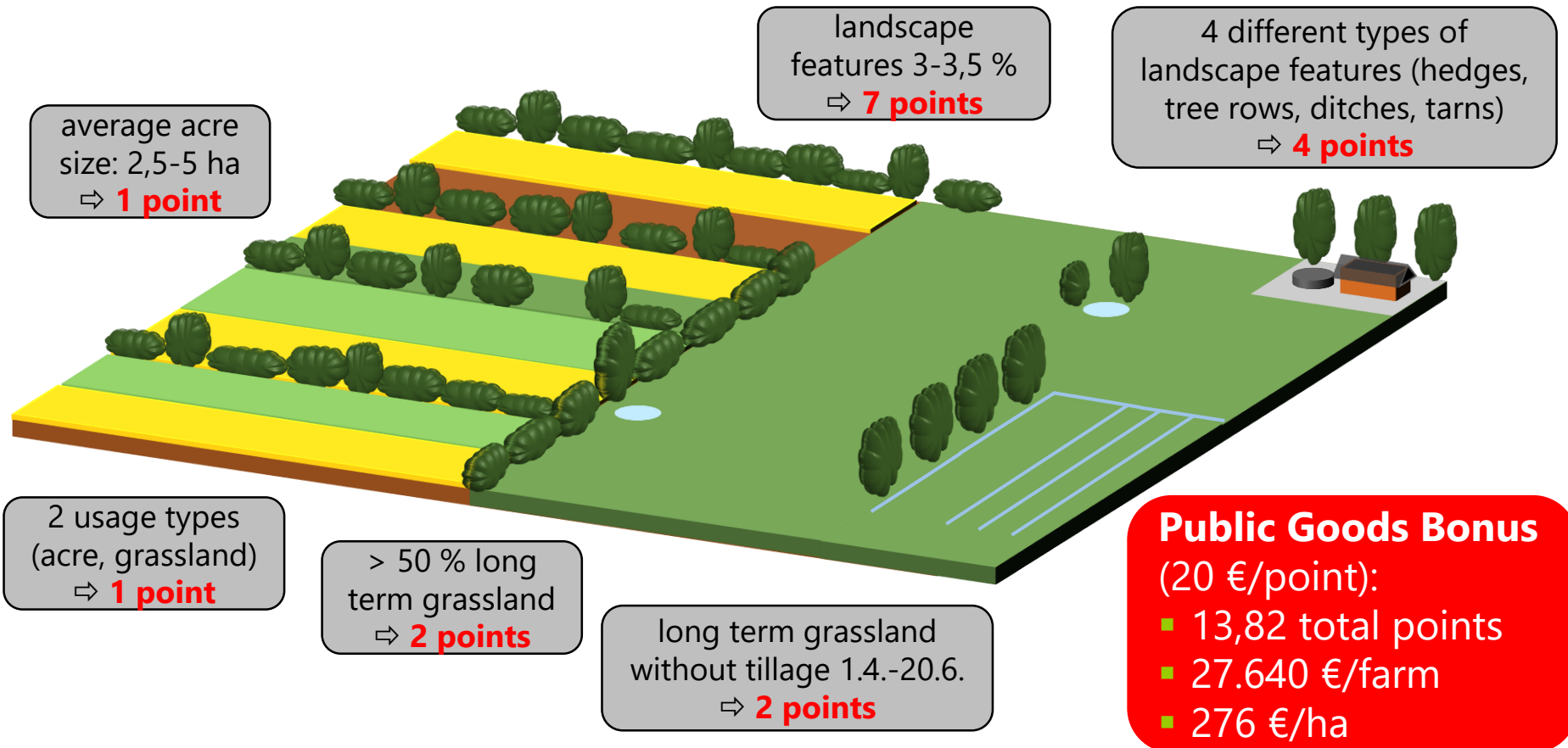
Public bonus for actual situation

Mixed crop-livestock farm, 100 ha farm area in total,
52 hectares grassland



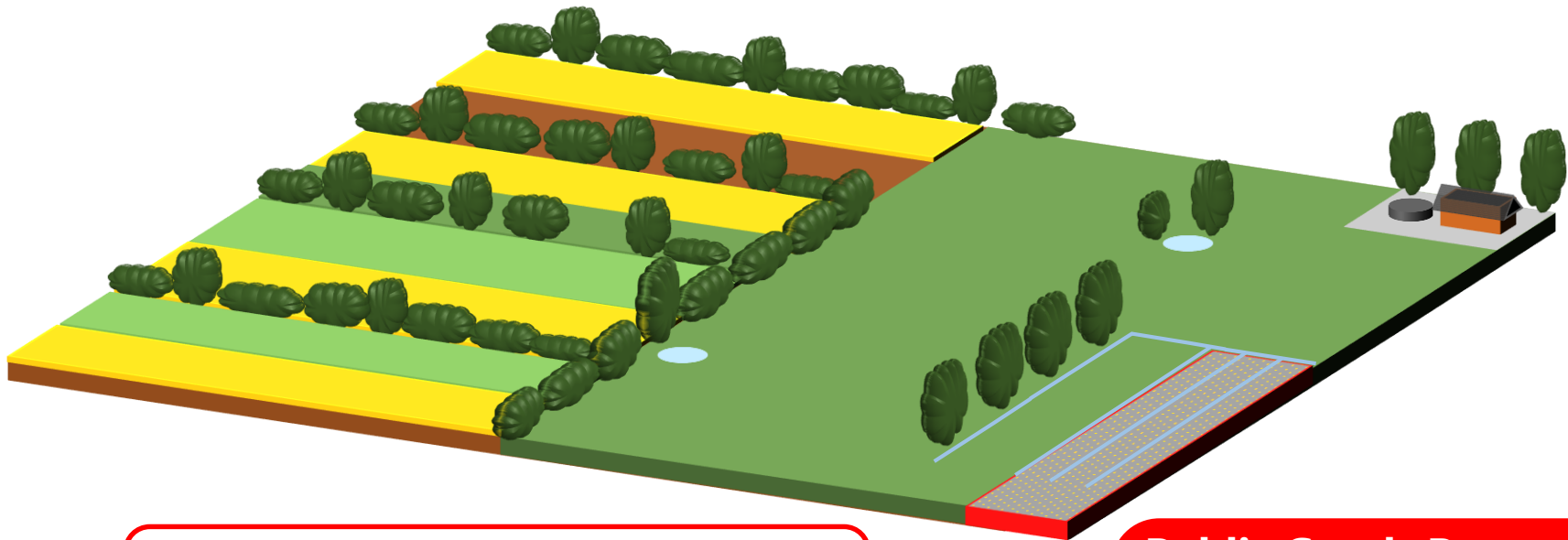
Public bonus for actual situation

Mixed crop-livestock farm, 100 ha farm area in total,
52 hectares grassland



Public bonus for future situation

Extensification of 6 hectares of grassland



mowing after June 21st, no fertilizer and chemical measures \Rightarrow + 5 points



Public Goods Bonus

(20 €/point):

- 13,82 \Rightarrow 16,93 total points
- 27.640 \Rightarrow 32.780 €/farm
- 276 \Rightarrow 328 €/ha

Farmers motivation

- Do-it-yourself method provided by a digital bonus calculator
- From subsidy recipient to decision maker and producer of public goods
- Higher reputation in society
- The more environmental effects -> the more points -> the more money
- Unproductive land with a higher nature value changes to a more **attractiv area**



The pros of the PGB-method

- ✔ improving efficiency of greening measures
- ✔ valuation and pricing of public goods
- ✔ do-it-yourself method:
motivation and great acceptance by the farmer
- ✔ envi-services as an intrinsical part of farming
- ✔ transparent, logical and result-orientated
- ✔ fitting exactly to specific regional circumstances and priorities

References/documents:

- Neumann, H. & U. Dierking (2014): Ermittlung des „Biodiversitätswerts“ landwirtschaftlicher Betriebe in Schleswig-Holstein. Ein Schnellverfahren für die Praxis. NuL (Naturschutz und Landschaftsplanung) 46 (5), 145-152.
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Thank you for your attention



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