



European Confederation of Agricultural,
Rural and Forestry Contractors



European Agricultural Machinery
Industry Association

CEETTAR - CEMA JOINT POSITION

ON THE SUPPORT OF PRECISION FARMING & NEW TECHNOLOGIES UPTAKE

under the

COMMON AGRICULTURAL POLICY - CAP 2021-2027

Brussels, 18 September 2019

Key messages:

- ✓ CEETTAR and CEMA jointly believe that the new Common Agricultural Policy CAP should stimulate the use of precision technologies by beneficiaries.
- ✓ Agricultural, rural and forestry contractors are a critical part of EU Agriculture's value-chain (60% of regular work is completed by contractors). Therefore contractors should be well taken into consideration by the next CAP 2021-2027.
- ✓ As the current CAP proposal grants more responsibilities to Member States for achieving the new green architecture goals, Member States should design their future national strategic plans so that EU farmers and foresters of all sizes can access the precision technologies provided by rural, agricultural and forestry contractors.
- ✓ In line with these goals CEETTAR and CEMA jointly propose the CAP to set up a new and innovative incentive in the form of a **"smart technologies voucher"** to be allocated to farmers and to be released by contractors.

1. CONTRACTORS SUPPORT SUSTAINABLE AGRICULTURE

On April 9th 2019, at the Forum for Agriculture, EU Commissioner Hogan stated¹:

"When we talk about sustainability, we mean first and foremost the sustainability of our soils, our air, our water, and our biodiversity. But there is another crucial meaning of the word, which is just as important. This refers to the sustainability of our farmers' livelihoods. The reality is that we have to do everything in our power to guarantee the sustainability of farmers and food producers from a business and economic point of view".

CEETTAR and CEMA share the same views on the sustainability challenge as described by Commissioner Hogan. It is both environmental and economic.

New environmental challenges are emerging due to climate change. With the entry into force of the Paris agreement (COP21) and the United Nations commitments to sustainable development goals, new environmental and mandatory targets will be implemented by the CAP. These targets could only be reached by the use of new precision technologies.

Land-based contractors believe it is their very mission to constantly provide their customers with the most advanced machinery, which bring more sustainability through the use of precision farming and other technologies. Contractors support the use and uptake of innovative technologies for all land-based activities. A majority of EU farmers find it difficult to directly purchase precision agriculture technologies, especially when it comes to value investments in biodiversity, soil protection and climate change mitigation.

In these matters, contractors have the economic scale and financial means to amortize such greening investments and provide the necessary services to the EU farmers. In this respect, one should notice that contractors will actively contribute to seven of the nine announced priority objectives for the next CAP, namely:

- to ensure a fair income to farmers,
- to increase competitiveness,
- climate change action,
- environmental care,
- to preserve landscapes and biodiversity,
- to support generational renewal,
- to protect food and health quality.

However, contractors' services are not taken into account by the current and future CAP. As Commissioner Hogan also stated during the FFA:

"If we want to help our farmers to respond to these challenges, they need the right incentives. The support schemes we can design with our future CAP should become more attractive in that respect".

In conjunction with this statement, **CEETTAR and CEMA propose the next CAP to incentivise the use of advanced technologies.**

¹ Forum For Agriculture, 9th April 2019, see: <https://tinyurl.com/yyauurfx>

2. INCENTIVISING THE USE OF INNOVATIVE TECHNOLOGIES

The European Union is confronted with an **ageing farm workforce**. Barely 6% of the EU-27 farm holdings are owned by farmers under 35 years. There are more than 3 million EU farmers older than 65.

This demographic situation requires more and more external services offered by contractors. At the same time, farmers and contractors mind-set is changing. They are willing to valorise the economic and environmental added-value of the use of advanced technologies in their service contracts. Also contractors contribute to the financial wealth of EU farmers by reducing the amount of fixed-assets they need to operate their farms and for many of them the debt they need to contract to acquire advanced-machinery.

To be consistent with its own priorities, the next CAP should support the use of innovative technologies, as performed by land-based contractors. In addition to the CAP's core responsibility to support investment in modern efficient machinery and Precision Agriculture Technologies, **farmers should have access to a smart technology dedicated subsidy or voucher for renting the services of a contractor equipped with these technologies**. This will offer small and medium-sized farms the possibility to use new technologies, that they not themselves are able to finance.

The added value brought by precision farming techniques and new technologies should be calculated on a given percentage of the total cost of the service representing the precision agriculture part of it.

Farmers and contractors' economic relationship is ruled by principles similar to those underpinning the **sharing economy system**. By using the equipment and the skilled workforce provided by contractors, all types of farms benefit from the same quality of technology in proportion of their respective size. This allows small farm-holdings to compete with bigger farms equipped with the most-advanced equipment, which will also have an indirect positive effect on rural development.

Assuming that standardised data management measures are well-implemented, new invoicing and payment systems could be used by farmers, foresters by which the added-value brought by contractors will be identified to the detail. Another effect can be, that precision farming tools penetrate the market faster because the acceptance will be faster as well - without having the risk of spending money for new technologies. Farm holdings of all sizes would be better able to test the additional value of precision farming technologies through their contractors first, before potentially considering a new investment.

These new techniques already allow the use of vouchers to help EU farmers to access advanced technologies.

3. MEMBER STATES TO IMPLEMENT VOUCHERS FOR THE USE OF ADVANCED TECHNOLOGIES PROVIDED BY CONTRACTORS

The European Commission proposes to give a more important role to Member States authorities in the new CAP programming process, through national strategic plans, as a way to enhance simplified procedures and better efficiency. Three of the nine future CAP objectives to be implemented by Member States aim to enhance and improve our environmental and climate change actions².

These measures are accompanied by a streamlined system, which replaces the current green architecture, consisting of conditionality, eco-schemes in the first pillar that are mandatory for the Member States but voluntary for the farmer and tools in the agri-environment and climate measures of the second pillar, under which farmers can voluntarily provide more targeted public goods, for which they will be paid.

For **CEETTAR and CEMA**, these future CAP objectives open a window of opportunities for Member States to support the use of innovative technologies for all land-based activities. Member States should design their national strategic plans towards **issuing a smart technologies voucher to the farmer to be released by the contractor. The amount of the annual voucher would be calculated on a given percentage of the total cost of the service representing the precision agriculture part of it.** There should be preconditions for contractors to offer the proposed services, especially in terms of traceability of work performed, as not only the use but also the effect of using the tools will make this idea beneficial. We also believe that each Member State should create a register for contractors so that they can identify that the service is in fact provided by a contractor.

As a starting point, the advanced technologies to be considered as part of precision agriculture are:

1. DGPS or Camera Based Machine-/Implement Guidance systems
2. Advanced data acquisition and communication technology incl. sensors for machine, soil, crop and weather attribute determination in conjunction with DGPS positioning to capture temporal and spatial variability of such attributes incl. storage and transfer to a central data storage location such as on online agricultural data portal or desktop software application.
3. Equipment for measuring of yield and NIR data as nutrient and dry matter content etc.
4. Variable Rate Application equipment (VRA) for graduation of nutrient, spraying etc. and logging of "As applied data". This equipment may be required in some Member States to minimize environmental impact.
5. Technology on tractors and implements enabling data analysis based on soil scanning/yield analysis and a site-specific application of soil- or crop treatment based on a pre-defined prescription map (application map) to variably treat/apply plants or products according to in-field management zones or even at individual plant level.
6. Decision Support tools and services including data analytics and data interpretation services to obtain expert advice through consultation services

² Contributing to climate change mitigation and adaptation, as well as sustainable energy, fostering sustainable development and efficient management of natural resources such as water, soil and air, and contributing to the protection of biodiversity, enhanced ecosystem services and preservation of our habitats and landscapes.

specialized in the field of Precision Agriculture, in the overall goal of either growing yield and crop quality with the same amount of inputs, or retaining yield and crop quality at reduced levels of inputs.

The voucher system should be technology neutral and as harmonized as possible across the EU to avoid market distortions. It should exclude unauthorized alterations of the equipment or retrofits that void the original type-approval of the machinery. It should be well defined in time and scope, to provide enough legal certainty to investors, contractors and manufacturers. Additional proportional support should also be provided to the farmer who adopts at least 4 technologies, proving that he/she is using a full set of digital tools on the farm.

The amount of the voucher provided to the farmer should also depend on the total amount of hectares that the farmer would use the precision agricultural services from the contractor for.

Providing indirect support to contractors through such vouchers will also entice young people to be part of a business environment that is increasingly important in rural areas. Young farmers will not need thereby to increase their operating costs and they will be enabled to hire more skilled work. Benefits for the farmer will also include higher yield and lower input costs.

Finally, vouchers should be available in all Member States in order to ensure a geographical level playing field in terms of use of precision technologies. In this view agricultural technologies standard values would need to be determined at the member state level.

About CEETTAR

The European Confederation of Agricultural, Rural and Forestry Contractors CEETTAR, established in 1961, represents about 150,000 companies and nearly 600,000 workers. It aims to represent the interests of land-based contractors in Europe. In 2014, the European Network of Forestry Entrepreneurs decided to merge with CEETTAR, resulting in a stronger and more representative single organisation representing land-based contractors at EU level.

Rue de l'Hôpital/Gasthuisstraat 31 b2 – 1000 Brussels
Tel. +32 (0)2 274 22 06
Fax: +32 (0)2 400 71 26
e-mail. ceettar@ceettar.eu
website. www.ceettar.eu
EC Register: 15086733813-03

About CEMA

CEMA aisbl www.cema-agri.org is the association representing the European agricultural machinery industry. With 11 national member associations, the CEMA network represents both large multinational companies and numerous European SMEs active in this sector. The industry comprises about 7,000 manufacturers, producing more than 450 different types of machines with an annual turnover of about €40 billion (EU28 - 2016) and 150,000 direct employees. CEMA companies produce a large range of machines that cover any activity in the field from seeding to harvesting, as well as equipment for livestock management.

Bd. Auguste Reyers, 80
1030 Brussels
Tel. 02 706 81 73
e-mail. secretariat@cema-agri.org
EU Transparency Register: [489575310490-58](https://ec.europa.eu/transparency/regexp10/index.cfm?do=entity.entityDetail&entityId=489575310490-58)