

Proposal on advisory services and innovation for agricultural and rural development

A contribution of the European Chambers' of Agriculture to the discussions on the future of CAP after 2013

Working Paper

(version of the 25th October 2010)

Summary: The European Chambers of Agriculture propose that the new CAP includes a new "innovation" measure, which would be dedicated to the development and dissemination of innovations in farming systems and in rural territories, in order to address the future challenges for agriculture and rural areas.

The European Chambers' of Agriculture Network

Working in **14 European countries** (Austria, Croatia, Czech Republic, Estonia, Flanders, France, Germany, Hungary, Latvia, Lithuania, Luxembourg, Poland, Slovakia and Slovenia) with about **15 000 employees** in more than **130 independent Chambers of Agriculture**, we provide **extension and advisory services** for more than 5 million farmers, as well as local authorities, applied research agencies and rural enterprises. We manage numerous experimental stations, test areas and research laboratories for applied life science. **Knowledge transfer** from research to farm level and the way back is our daily job. On EU-level we are an informal network of Chambers of Agriculture, handling, translating and promoting EU-policies with a focus in agriculture, environment, applied life science and regional development.

Diagnosis: the current "Farm Advisory System" does not meet the new challenges of agriculture

A need for innovation to meet the new challenges of agriculture

Innovation is both a priority of the **Strategy "EU 2020"** and one of the new challenges of the CAP identified by the Member States during the "Health Check" in 2008.

Following the recent **public consultation on the future of CAP**, the European Commissioner for Agriculture has highlighted several major challenges for the CAP, in particular food security, sustainable development (especially production of public goods and services in the sector of bio-energy, biodiversity, water management and adaptation and climate change mitigation), competitiveness, and diversity of agriculture. Innovation and transfer of knowledge are the key drivers for these challenges.

In the agricultural and rural sector, **innovation requires** not only field experiments under conditions of applied science, but also **on-farm research by the farmers themselves, under real farm conditions**, on various topics such as crop and livestock production,

farming work organization and management, bio-energy, biodiversity, social science,... It means also to develop tools to disseminate results, to advise and train rural actors and also exchange best practices. However, **the current CAP lacks specific instruments to encourage this set of activities**. Meanwhile, existing activities in the field of agricultural and rural development risk to be given up because of public budget problems...

A need to adapt and to expand the scope of the “Farm Advisory System” (FAS) in order to encourage innovation

The **first external evaluation of the implementation of the FAS**, which was published in December 2009, presents a mixed picture: On the one hand, the FAS has largely served to inform farmers about cross-compliance requirements. On the other hand, it has often been limited to check the conformity with cross-compliance rules, without providing any real economic or technical added value. Furthermore, the evaluators estimate that less than 5% of farmers have actually benefited from individual advice in the framework of the FAS.

The evaluation report suggests to expand the scope of the FAS beyond cross-compliance. It also recommends a more comprehensive, integrative and participatory approach to achieve better results with the target groups.

In a comparative study carried out in 2008-2009 on the advisory services in the EU (**the “RECA study”**), the European Chambers of Agriculture had reached similar conclusions.

Simultaneously, **the EU Standing Committee on Agricultural Research (SCAR)** observes an increasing lack in communication and knowledge transfer between research and farmers in its 2010 reflection paper on Agriculture Knowledge and Information Systems (AKIS)...

Proposal to reshape the “Farm Advisory System” into an “innovation” measure

The European Chambers of Agriculture propose that the new CAP includes a **new “innovation” measure**, which would be dedicated to the development and dissemination of innovations in farming systems and in rural territories.

These innovations would concern **topics** like sustainable competitiveness, plant protection, water resources, biodiversity, energy, climate change, ... and would **aim at systemic changes** on farms and in rural areas, destined to address the new challenges for agriculture and rural areas. The new “innovation measure” would also be very useful to develop better-adapted and more efficient systemic agri-environment measures.

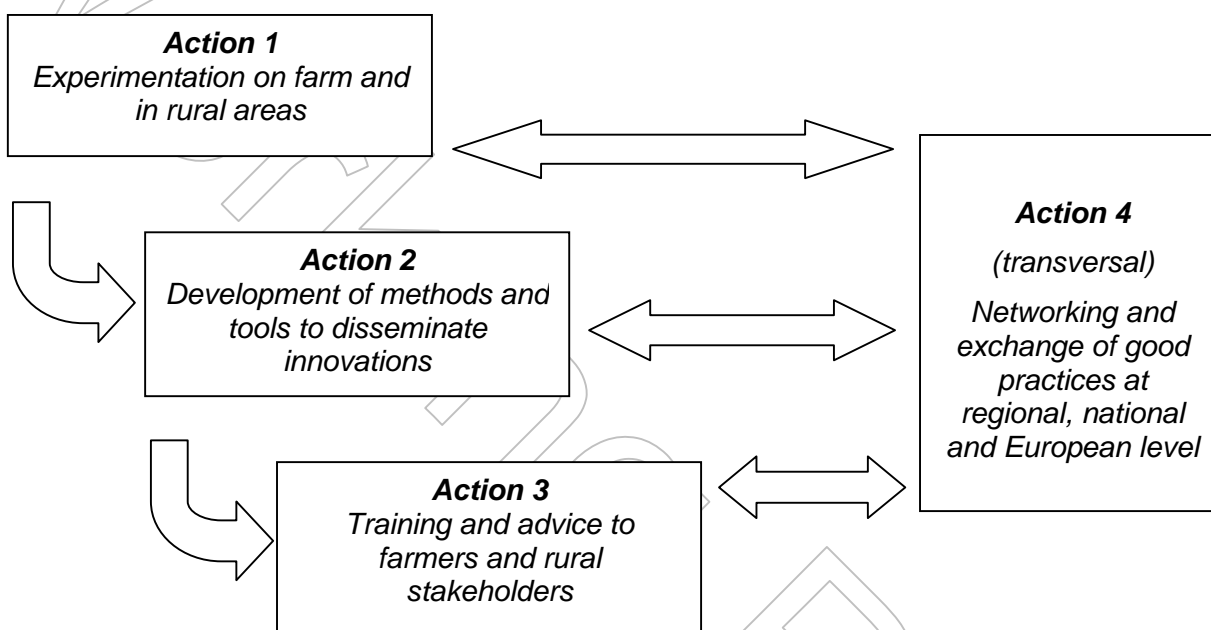
This measure would include **four types of actions**:

- Action 1: Carrying out on-farm experiments and participatory action research in rural areas**, taking into account the demands of agricultural and rural stakeholders in applied research and involving them closely to conduct experiments;
- Action 2: Developing methods and tools** to develop and widely disseminate innovative practices;
- Action 3: Training and advising farmers and rural stakeholders**, to accompany the change processes over time;
- Action 4: Networking at regional, national and European level**, to develop benchmarking, exchanges of good practices and cooperation between European research, extension and training organizations, in close collaboration with farmers and rural stakeholders. This action also includes coordination activities.

To ensure that the new measure has a wide impact, **priority should be given to collective and integrative approaches:**

- ⇒ By supporting experimental projects designed and carried out by groups of stakeholders (including the whole added-value-chain),
- ⇒ Promoting training and advice to groups rather than to individual actors,
- ⇒ Giving a priority to project proposals including the four types of actions.

Diagram summarizing the "innovation" measure:



Funding and beneficiaries of the new "innovation" measure

This measure could be **financed by the second pillar of the CAP** and would target **two types of actors:**

1. **Farmers and rural stakeholders**, who could be compensated for the time they spend on collective initiatives – experiments (action 1)¹ and European exchanges (action 4). *To prevent distorting experimental results, the financial support to farmers and rural stakeholders could consist in two parts: on the one hand, a limited compensation for the time spent on experiments and exchanges; on the other hand, an insurance to cover the economic risks due to the experiment itself (especially if the experiment is implemented on a big scale).*

In addition, they could receive a financial support to cover the cost of advisory and training services (action 3), particularly in the case of priority groups such as young farmers or farmers located in Less Favoured Areas (LFAs).

This “innovation measure” could possibly be part of a 2nd pillar “voucher cheque-book”, which would be proposed to farmers.

2. **Training, extension and applied research organizations** (actions 1, 2, 3 and 4). In order to benefit from a financial support, these organizations will have to submit innovative projects in the framework of calls for proposals.

Implementation of the new "innovation" measure

The measure should allow **sufficient flexibility in its implementation**, to take into account differences between the member states: for example, the Member States should be able to determine their priority topics (related to the new challenges), to designate a coordinating organisation either at national or at regional level, to decide if some actions (within the set of actions mentioned above) should be financed by the national budget only, to determine the details of the call for proposals (at national or regional level)...

Link between the new "innovation" measure and the current "Farm Advisory System"

The extension and training services to farmers and other rural actors will **take into account the existing regulatory basis**, including cross-compliance requirements.

However, unlike the current "Farm Advisory System", which had a limited scope, the new measure will have far more ambitious objectives: the development of innovations contributing to the **sustainable development of farms and rural areas**, as well as to the **production of "public goods and services"**.

Monitoring and evaluation of the new "innovation" measure

The extension and training organizations will have to provide **a qualitative feedback** on innovations developed and adopted by farmers and rural stakeholders (identification of best practices throughout Europe, etc.). This qualitative feedback will be useful to monitor and illustrate, through concrete examples, the achievements of this "innovation" measure. This could also help to address the European Commission's concern to monitor and evaluate the impact of its policies.