Bioökonomierat

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Agriculture in Germany – its Role for Competitiveness of the Bioeconomy

Preliminary Remarks

Agriculture is of great importance to the bioeconomy, not least as an important producer of raw materials for the food industry and for the recovery of energy and recycling of materials. In this memo, the Bioeconomy Council outlines its assessment of the future prospects for German agriculture and recommends political strategies for creating a more competitive bioeconomy in Germany. Focusing on competition necessarily includes considering environmental, social and animal welfare objectives. With these recommendations, the Bioeconomy Council is aiming to create a more favourable framework for the bioeconomy, in order to generate productive, sustainable jobs in Germany in this important future-oriented sector. In another paper, the Bioeconomy Council also looks at the international consequences of national agricultural and bioeconomic policy in terms of sustainable resource utilization, bioenergy and ensuring adequate food supplies.

Policy Recommendations

Since, as we have shown, German agricultural policy cannot be based on general recommendations, it will need to be continually readjusted to strike a balance between the German agricultural sector (a) contributing towards meeting the ever-increasing demand for food and biobased industrial raw materials and (b) at the same time meeting the specific requirements of the German population in terms of production methods, environmental protection and animal welfare. Three general recommendations can be derived for how to achieve this balance:

1) Concepts for enhancing the competitiveness of the German agricultural sector should be designed in such a way as to minimize any negative impact upon socially valuable protected resources (land, biodiversity etc.).

2) Concepts for improving environmental protection and animal welfare should be designed in such a way as to minimize any negative impact upon the production potential and competitiveness of the agricultural sector.

3) Research should be conducted to ensure that agricultural production processes conserve resources as much as possible and increase the competitiveness of the German bioeconomy.

Below these general recommendations are translated into specific policy recommendations:

EU agricultural policy: Instead of the renewed system of direct payments, which are now being “greened”, EU agricultural policy should establish instruments to achieve social objectives.
Reasons: The current, area-based subsidy system is not necessary for ensuring the competitiveness of arable farming. The greened direct payments are hardly effective as an environmental policy instrument. With targeted use of these funds, it would be possible to make a greater contribution towards competitiveness, while, at the same time, better fulfilling social expectations regarding animal welfare, environmental protection etc..

Animal farming: The federal and regional governments should initiate a joint national process to reach consensus on the future of animal farming, that is both non-partisan and long-term.
Reasons: Social acceptance is very important to the competitiveness of animal farming in the future. Although recent critical debates have given rise to many different political and economic activities, these are uncoordinated and probably inadequate in scale. What is required is a long-term strategy that is not only based on technical innovations but also addresses social expectations.

Bioenergy: The EU and the Federal Government need to fundamentally review public funding of bioenergy lines that are in competition with food production.
Reasons: The funding of bioenergy adversely affects the competitiveness of foodstuffs or biogenic industrial raw materials. If it is not used properly, bioenergy funding can generate risks to the environment, climate protection and world food supplies. In the long term, other renewable energies (wind power, solar power) offer greater potential and fewer risks. Bioenergy should therefore only be funded in exceptional circumstances (e.g. belts of woodland in biotope networks).

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As a producer of renewable raw materials, the agricultural sector is of strategic importance to the bioeconomy.

Agrobiodiversity: The Federal Government should revise its so-called “Protein Strategy” and instead develop an internationally oriented strategy on agrobiodiversity.
Reasons: Because of international competition in plant breeding, the gap between the yields of globally dominant crops and other crops is widening. This encourages narrow crop rotation and leads to increased financial risks. This problem could be effectively resolved by means of internationally agreed strategies. The Federal Government’s “Protein Strategy”, which funds, inter alia, the cultivation of the globally dominant crop soybeans, is not sufficiently focused in this regard.

Water usage: The federal and regional governments need to develop a water usage strategy, aimed at boosting the productivity of agriculture, forestry and fisheries, while at the same time maintaining an overall positive ecological balance.
Reasons: Germany allows a large proportion of its rainwater to flow off into the sea unused. More careful management of this resource could help to increase crop yields in dry years and in dry regions. Synergistic benefits could be achieved by integrating aquacultures into agricultural production systems. There are few political strategies on this, partly due to the lack of coordination between the federal and regional authorities.

Agricultural research: Both the federal and regional governments should give more priority to agricultural research and establish mechanisms to make it more efficient and more effective.
Reasons: Agricultural research can make a huge contribution towards making the agricultural sector, as part of the bioeconomy, as competitive as possible. This requires (a) adequate financing, (b) good cross-departmental collaboration in the funding of research, (c) incentive and reward systems that do not disadvantage interdisciplinary or application-oriented research.

About BÖRMEMOS

BÖRMEMOS summarize the Council’s appraisal of key aspects of the bioeconomy in a condensed form. They do not claim to provide a comprehensive study of these facts. Rather, they present a focused and generally comprehensible view of each area and its relationship to the bioeconomy. BÖRMEMOS are designed as an incisive contribution to public debate. They are part of a series of analyses to be published by the Bioeconomy Council. They have their theoretical basis in extensive background papers that are also published on the Council’s home page. BÖRMEMOS are assessed together with BÖR background papers (peer review). While this process is taking place, they are identified as preliminary and the authors are named. This memo on agriculture was provisionally published on 4th June 2014 and finally approved by the Council at the 10th meeting on 14th November 2014, after going through the process outlined above.