



Assessing the multiple Impacts of the
Common Agricultural Policies (CAP)
on Rural Economies (Fp7 SSH - 216672)

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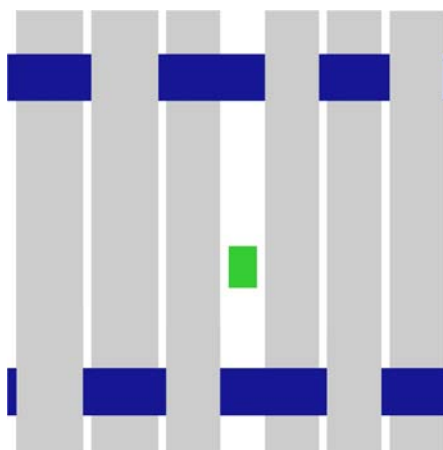
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TITLE

CASE AREA DESCRIPTION

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SUMMARY

The province of Noord-Holland is situated in the northwestern part of the Netherlands. It is a densely populated province with a surface area of 2,700 square kilometers and 2.6 million inhabitants. The rural areas in Noord-Holland are under considerable pressure from development. The southern part of the province is part of the urban network of the Netherlands' Randstad metropolitan area, which has about 6 million inhabitants. The largest city in Noord-Holland is Amsterdam. In the southern part, the province has a high degree of pressure from urbanization, especially around Amsterdam and the Schiphol airport region; ten thousand homes are currently being built in the area, as well as industrial parks and infrastructure. Looking at land use agriculture is less important in the southern part of the case study area (30% and 40% of total land is agricultural) and more important in the Northern part of the province (between 66% and 80% of total land).

The size of the different agricultural and horticulture sectors and the farm structure is significantly different in Noord-Holland in comparison to the rest of the Netherlands. Especially horticulture, flower-bulb cultivation and ornamental plant cultivation are upcoming sectors in Noord-Holland. About 37% of the flower-bulb farms in the Netherlands is situated in Noord-Holland, while 7% of all agricultural and horticultural farm businesses is situated in this province. When looking at vegetables and cut flowers, about 19% of the businesses is situated in Noord-Holland. About 19% of the farms in the province are dairy farms, whereas on a national scale 27% of the farms is a dairy farm.

Agriculture in Noord-Holland is largely geared to the world market, with a strong emphasis on international trade; this is especially true for the flower-bulb cultivation and horticulture sectors, the flower auction in Aalsmeer and other agricultural distribution activities. Businesses in the area are constantly undergoing an increase in scale. Relevant new developments are new areas for greenhouse horticulture (Greenport Aalsmeer, Alton-Grootslag-Agriport A7). Important for these developments are logistics and professional services. Increase in scale is also important for dairy farming and arable farming. Farmers face restrictions in developing their farms, like lack of space, infrastructure, available and quality of labor, the size a farm building that is allowed by zoning policies and quality of plots. Other areas of agriculture, especially dairy farming, are also focusing increasingly on demand from consumers in the cities while performing more and more multifunctional activities like the sale of regional products at farm shops, wildlife and landscape management, the operation of bed-and-breakfasts, and children's day care facilities and other types of care.

1 IDENTIFICATION AND DESCRIPTION OF STUDY AREA (NUTS 2 LEVEL)

Name: Noord-Holland

Country: the Netherlands

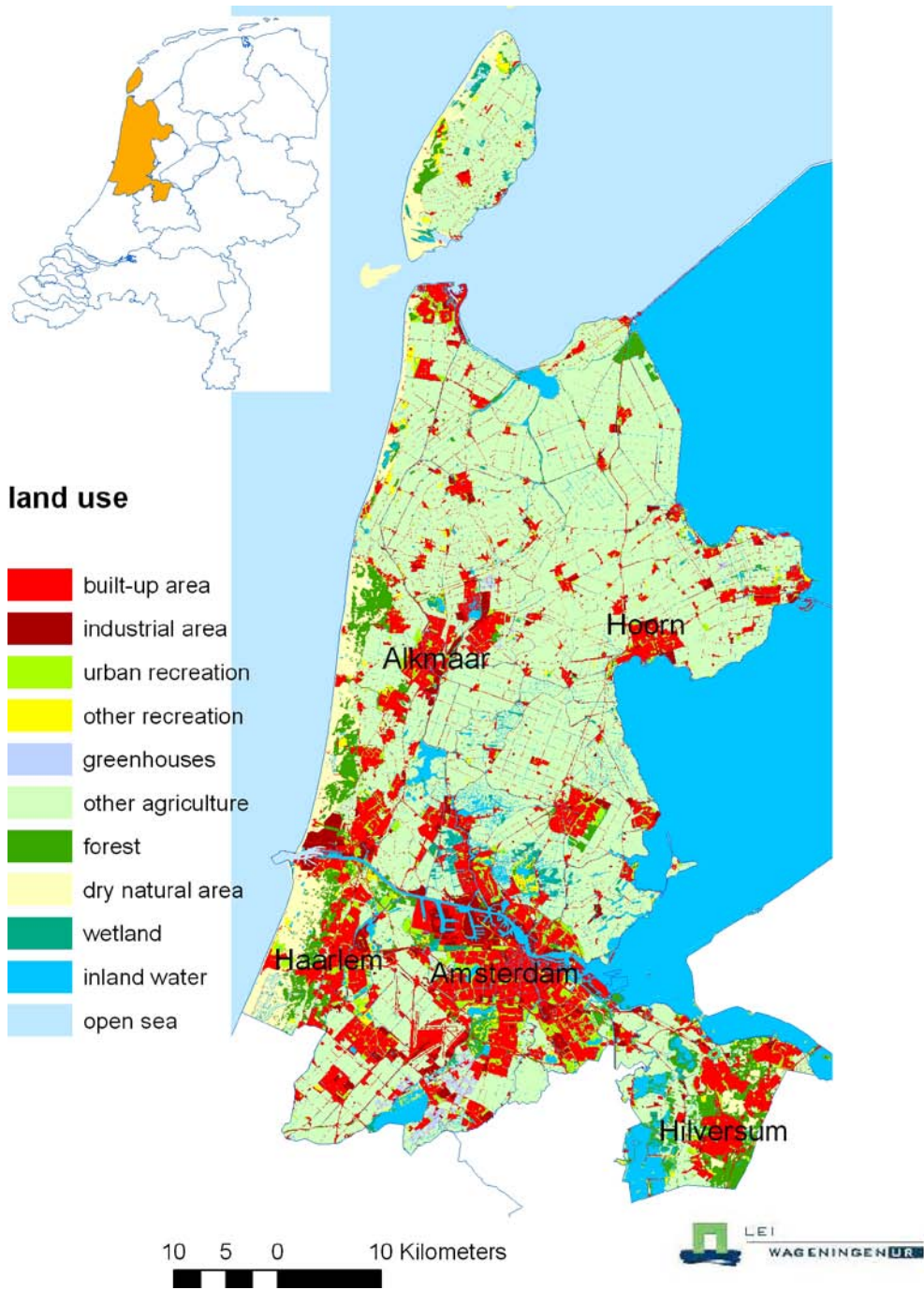
NUTS 2

Geographical location

General comments/qualifications

The province of Noord-Holland is situated in the northwestern part of the Netherlands. It is a densely populated province with a surface area of 2,700 square kilometers and 2.6 million inhabitants. The province is part of the urban network of the Netherlands' Randstad metropolitan area, which has about 6 million inhabitants. The largest cities in the Randstad are Amsterdam, Utrecht, Rotterdam and The Hague. In the southern part, the province has a high degree of pressure from urbanization, especially around Amsterdam and the Schiphol airport region; ten thousand homes are currently being built in the area, as well as industrial parks and infrastructure.

Figure 1 – Map of case study area North-Holland



1.1 Socio-demographic aspects (NUTS 2 level)

Table 1 – Main socio-demographic aspects

NUT2 region:	Surface*		Population*	
	HA	%	Number	%
Total	267,100		2,626,163	
Urban	115,300	43.2	2,224,888	84.7
Rural	151,800	56.8	401,275	15.3

* Source: CBS, 2008

Note: In order to distinguish urban from rural, we make use of the environment address density (on the level of municipalities). This is an indicator of the number of addresses per km². We consider an area to be urban, if this indicator is 1000 addresses/km² and over. The population density is around 980 inhabitants per km² (source: CBS, 2008) and the average age is 39.4 years (CBS, 2007 and LEI calculations).

Comments

In 2006, the total of all the economic activities relating to agriculture and foodstuffs - what is referred to as the 'agricultural complex' - accounted for approx. 9.5% of the total Dutch national added value and more than 10% of the national employment of the agricultural sector (Berkhout et al., 2007). These numbers show the importance of the agricultural complex in Noord-Holland. Agriculture in Noord-Holland is largely geared to the world market, with a strong emphasis on international trade; this is especially true for the flower-bulb cultivation and horticulture sectors, the flower auction and other agricultural distribution activities. Businesses in the area are constantly undergoing an increase in scale. The total share of Noord-Holland in the Dutch agricultural export accounted for approximately 37.5%, which is high. The population in Noord-Holland grew steadily over the last few years. The population has grown with 5,2% in the period 1996-2006. In the same period in the Netherlands, the population grew with 5,4%.

1.1.1 Social indicators

Table 2 – Employment

	Females	Males	Total
Employment rate (%)*	70.9	82.4	76.7
Unemployment rate (%)*	3.3	2.7	5.6
Employment rate of older workers**	42.8	64.5	53.6
Average exit age from the labour force	n/a	n/a	n/a
Employment rate in primary sector (%)***	n/a	n/a	2.0
Employment rate in secondary sector (%)****	n/a	n/a	15.3
Employment rate in tertiary sector (%)*****	n/a	n/a	82.7

* Source: Eurostat, 2007

** Employment rate of workers between 55 and 64 years. Source: Eurostat, 2007

*** Employment rate in agriculture, hunting, forestry and fishing. Source: Eurostat, 2007

**** Employment rate in industry and construction. Source: Eurostat, 2007

***** Employment rate in services. Source: Eurostat, 2007

Table 3 – Social cohesion

	Females	Males	Total
Long-term unemployment rate*	n/a	n/a	41.18
Jobless households	n/a	n/a	n/a
Dispersion of regional employment rates**	2.6	2.2	2.2
Early school leavers (% of total school leavers)***	n/a	n/a	57

* Unemployed for 12 months and more. Source: Eurostat, 2007

** Coefficient of variation of employment rates of age group 15-64, based on NUTS2. Source: Eurostat, 2006

*** Number of early school leavers in secondary education ('voortgezet onderwijs') and vocational education ('middelbaar beroepsonderwijs') as a percentage of the total school leavers. Source: CBS, September 30, 2005

Table 4 – Social inclusion

Inequality of income distribution (dispersion of regional GDP at NUTS2)*	11.6
Lifelong learning (%)**	17.9
Individuals' level of Internet skills	
- Households with access to the Internet at home (% of households)	85
- Households using a broadband connection (% of households)	76
- Individuals accessing the Internet at least once a week on average (%)	83

* Coefficient of variation of regional GDP at NUTS2. Source: Eurostat, 2005

** Participation of adults aged 25-64 in education and training. Source: Eurostat, 2007 and LEI calculations

Table 5 – Demographic changes

Life expectancy at age 65, by gender (in the Netherlands)*	females: 20.3 years males: 16.8 years
Net migration**	4,750 persons

* Source: Eurostat, 2006

** Number of persons that settled in Noord-Holland minus inhabitants that left Noord-Holland. Source: CBS, 2006

Table 6 – Other indicators

Number of towns above 100,000 inhab.*	4
Number of agrifood processing plants	n/a

* Source: CBS, 2007

Comments

The province of Noord-Holland has a relatively low unemployment rate (Table 2). Connection to the internet is high (Table 3)

1.2 Territorial aspects (NUTS 2 level)

Table 7 – Main territorial aspects

NUT2 region:	Surface*		Population*	
	HA	%	Number	%
Total	267,100		2,626,163	
Plain	267,100	100	2,626,163	100
Mountain	0	0	0	0

* Source: CBS, 2008

Comments

The Netherlands has not mountain areas. Some parts are below sea level.

Table 8 – Agricultural area

	Ha
Utilised agricultural area *	134,400
Unutilised agricultural land (fallow) *	2,300
Area under agri-environment support	n/a
Area under nature protection	n/a

* Source: Eurostat, 2005

Comments

In a large part of Noord-Holland plot size and the distance to the farm are ranked as moderate to good (Kadaster, 2008). However, regional differences exist.

1.3 Economic aspects (NUTS 2 level)

1.3.1 General economic indicators

Table 9 – Main economic aspects

NUT2 region:	€	%
GDP	87,327 million	18.2 (% of total GDP of the country)
GDP of primary sector	1,109 million	10.7 (% of GDP of primary sector of the country)
GDP of secondary sector	12,415 million	10.6 (% of GDP of secondary sector of the country)
GDP of tertiary sector	73,803 million	21.0 (% of GDP of tertiary sector of the country)
Per-capita urban GDP	n/a	
Per-capita rural GDP	n/a	

Source: CBS, 2006 (provisional figures)

Comments

The GDP is based on gross value added at factor costs (both for GDP and GDP of primary, secondary and tertiary sectors).

1.3.2 Farm classification

Table 10 – Farm classified by class of size

Class of size (ha UAA)	Number of farms	Relative frequency	Cumulative relative frequency	Ha	Relative frequency	Cumulative relative frequency
0 - 5	1,640	30	30	3,130	2	2
5-10	710	13	43	5,060	4	6
10-20	820	15	59	11,910	9	15
20-50	1,480	27	86	49,190	37	52
> 50	780	14	100	62,870	48	100
Total	5,410	100		132,160	100	

Source: Eurostat, 2007

Comments

Noord-Holland provides a wide range of farm sizes. Approximately 14% of the farms are over 50 ha with 48 % of the land area. Approximately 30% are less than 5 ha with just 2% of the land area. However, it should be taken into account that farm size in the bulb sector is on average about 18 ha (2007) and greenhouse horticulture is about 3.4 ha. Nevertheless, these are important sectors given their class of income.

Table 11 – Farm classified by class of income

Class of income (ESU)	Number of farms	Relative frequency	Cumulative relative frequency	Ha	Relative frequency	Cumulative relative frequency
0 – 2	0	0	0	0	0	0
2 – 4	50	1	1	110	0	0
4 – 8	410	8	9	1,450	1	1
8 – 16	540	10	18	3580	3	4
16 – 40	960	18	36	12,020	9	13
40 – 100	1,420	26	62	33,440	25	38
> 100	2,040	38	100	81,550	62	100
Total	5,410	100		132,160	100	

Source: Eurostat, 2007

Comments

The economic size of farms is expressed in terms of European Size Units (ESU). The number of ESUs is calculated by using standards per hectare crop or an animal. These standards are based on the gross margins. Approximately 38% of the farms fit in the category over 100 ESU with 62% of the land area. This means that larger farms use relatively more land. Further, approximately 18% of the farms fit in the category 0-16 ESU with just 4% of the land area. The largest farms measured in ESU are greenhouse horticulture and bulb farming.

Table 12 – Farm classified by land use

Land use	Number of farms	Ha
Arable crops	3,540	77,210
Fodder crops	n/a	n/a
Permanent grasslands	2,600	53,770
Fruit plantations	n/a	n/a
Wooded area	30	50

Source: Eurostat, 2007

Comments

According to Eurostat land use statistics for 2005, 24,600 ha of arable land are in use to grow green fodder.

Table 13 – Farms classified by livestock

Livestock	Number of LSU
Cattle	122,500
Sheep and goats	23,800
Poultry	14,400
Pigs	3,900

Source: Eurostat, 2005

Table 14 – Other aspects

Total irrigable area	n/a
Average of surface	n/a
Area under organic farming (ha)	n/a
Organic farms (number)*	111
Agricultural-Holdings with another gainful activity (number)	n/a
Holdings in less favoured areas (including mountainous)	n/a
Total ha in less favoured areas**	31,156

* Source: CBS, 2004

Table 15 – Employment in agriculture

Labour	Numbers of workers
Full time*	15,164
Part-time**	7,193

	Male	Female
Number of workers***	13,251	7,188
Family labour force***	6,790	3,676

* Number of persons that work more than 20 hours a week on a regular basis. Source: CBS, 2005

** Number of persons that work less than 20 hours a week on a regular basis. Source: CBS, 2005

*** Source: CBS, 2007

Comments

Most workers in agriculture are full-time workers and most of the workers are male.

1.4 Policy aspects (NUTS 2 level)

1.4.1 Single Farm Payment (SFP)

Comments

On January 1, 2006, the Single Farm Payment (SFP) was introduced in the Netherlands. The SFP in this country is based on historical claims, meaning that entitlements are based upon average arable and livestock claims submitted by holdings between 2000 and 2002. The entitlements include the former diary and sugar premia.

Table 16 – Farm classified by class of SFP

Class of SFP	Number of farms	Ha	Amount (euro)
TOTAL			

Average of SFP per hectare of all farms of the study area	
Average of SFP per farm of all farms of the study area	

Comments

Specific single firm payment data for Noord-Holland are currently not available from public sources. Because of that, we go into SFP on the national level. In 2007, the maximum amount of SFP that was available to the Netherlands, is € 730.6 million minus 5% of modulation deductions. The Dutch Ministry of Agriculture, Nature and Food Quality (LNV) paid out approximately € 660 million in that year (source: LNV, 2008a). In 2008, in total € 743.2 million minus 5% of modulation deductions is available for SFP (source: LNV, 2008b).

In 2006, dairy farms received 57 % of the payments. On average, these holdings drew well over € 23,000. Farms in the arable crop sector received 19 % of the payments and close on € 20,000 on average (Berkhout en Bruchem, 2008). The payments are distributed among the income classes as stated in the table 17. About 35% of the farms in the income classes above € 50,000 receive about 53% of the payments. The farms (20%) that earned an income above € 75,000, drew one third of the SFP. SFP is not relevant important for greenhouse horticulture and bulb farming.

Table 17 – Number of farms and percentage of payments by class of income in the Netherlands

Class of income	Number of farms	Relative frequency	Cummulative relative frequency	Percentage of payments	Cummulative relative frequency
< 0	11,236	19	19	9%	9%
0 – 25,000	14,791	25	44	17%	26%
25,000 – 50,000	12,554	21	65	21%	47%
50,000 – 75,000	8,198	14	79	20%	67%
> 75,000	12,707	21	100	33%	100%
Total	59,486	100			

* Source: Berkhout en Bruchem, 2008

1.4.2 Other coupled and area-based payments

Table 18 – Description of other type of payment

Type of payment	Number of farms	Ha	Amount (euro)
e.g. Durum wheat premium			
TOTAL			

Comments

In the Netherlands, the following payments are (partially) coupled to production:

- slaughter premium for adult bovine animals
- slaughter premium for calves
- seeds for fiber flax
- dried fodder (partially)
- potato starch (partially)

1.4.3 Cross compliance

Comments

Cross Compliance means that agricultural and horticultural operations must comply with a number of conditions, for example, in the field of food quality and food security, animal welfare, animal diseases, and environment (based on EC 1782/2003). There are supplementary requirements for land management. Farmers who do not meet these requirements face a reduction in their income payments under the first pillar of the CAP. About 90% of eligible Dutch farmers comply to these rules.

1.4.4 Rural development plan (RDP)

Comments

For the Netherlands, in the programming period 2007 – 2013, nearly five hundred million euros will be available from Europe for projects under RDP2, and an equal amount from national, provincial and regional authorities. The new Rural Development Programme was drawn up by a specially created RDP2 Programme Team, in which representatives of state (from the Ministries of LNV and VROM) and provinces worked together. Most of the measures under axes 2-4 are area specific, and will be carried out by the provincial authorities. The Netherlands intends to focus on integrated projects in this period. The provinces administer area specific policy. This role is regulated by the Rural Areas Development Act (WILG). The Provincial Council or Executive grants the subsidies. The Province issues decisions for the implementation of projects which fall within area-specific policy. The Government Service for Land and Water Use (DLG) is the designated paying agency for RDP2, and tests decisions, subsidies etc. against European rules, pays and records payments and declares them to the funding bodies. DLG also carries out the physical checks. The National Regulation Agency (DR) acts as the 'delegated body' (source: summary of the Rural Development Programme 2007-2013 (RDP2) for the Netherlands).

For the period 2008-2013 the province makes € 1.660.000 available for subsidies for 3-year pilot projects on agro-biodiversity. The money is meant for sustainable projects that can be implemented in practice, e.g. projects that improve soil management and fertilization in order to increase biodiversity in soils and decrease nitrogen leaching. These projects fit within the investment budget for rural areas (Investeringsbudget Landelijk Gebied (ILG)) and is linked by WILG. Another example is a project related to cooperation in rural areas in a peat area North of Amsterdam. Other projects focus on multifunctional agriculture (budget €200.000). Improvements of agricultural plots (size and quality) and infrastructure belong to this type of policies.

Table 19 – RDP budget characteristic

RDP	
Total budget	
Participation (2000-2006):	
Number of farms	
Surface (ha)	
Budget per axis (2000-2006)	
Axis 1	
Axis 2	
Axis 3	
Budget per axis (2007-2013)	
Axis 1	
Axis 2	
Axis 3	
Leader	
Average amount per ha (euro/ha of UAA)	

Comments

In Noord-Holland 29,739 ha is designated as less favoured area. Almost the whole area is designated as area for agri-environmental schemes. The budget for continuing schemes was about 1.5 million euro in 2007. From January first 2007 the agri-environmental schemes are managed by provinces. From 2009 the province will introduce new scheme design.

1.4.5 Other policies**Comments**

The Rural Areas Development Act (WILG) was already mentioned in the part on the RDP. The total budget for Noord-Holland is about 400 million euro (Slangen et al., 2008). About 6% of this budget is for agriculture. Noord-Holland is sketched by a diversity of landscapes. Water has been a decisive element and still is decisive for landscape development in Noord-Holland (see for instance the Water Framework Directive). Many landscapes are of international significance, including the sand dunes, the peat meadow land areas, and the extensive water areas. Large parts belong to the network of European nature reserves (Natura 2000). The polders (reclaimed land) hold cultural historical importance. The Beemster polder (reclaimed in the 17th century), for instance, has been designated as a UNESCO world heritage site. Within the rural areas of Noord-Holland, some 5,000 hectares of agricultural land are currently being converted into nature areas as part of the National Ecological Network. Water storage locations are being created to cope with climate changes and subsidence. Landscapes

in Noord-Holland are an essential component of efforts of the Randstad conurbation's northern wing to attract recreating citizens.

In short, rapid developments in the landscape can be seen taking place throughout the province. Many people fear that the region's identity could be lost and the landscape cluttered in the process. The provincial government is being called upon more urgently to pursue an active landscape policy.

Water Boards are important for rural policies. Dutch water boards (Dutch: waterschappen) are regional bodies in the government of the Netherlands. They are larger than single municipalities. They are charged with managing water in the Netherlands (i.e. water barriers, the waterway system, water levels and water quality). Water boards are among the oldest forms of local government in the Netherlands; some of them having been founded in the 13th century.

Within its territory, a water board is responsible for:

- management and maintenance of water barriers: dunes, dikes and levees;
- management and maintenance of waterways;
- maintenance of a proper water level in polders and waterways;
- maintenance of surface water quality through water treatment.

Each water board has the authority to impose taxes. The central government contributes to this system by paying for the cost of constructing and maintaining the water barriers and the main waterways. The costs of water treatment are financed by a water pollution levy, which is based on the polluter pays principle. Water bodies hold separate elections, levy taxes and function independently from other government bodies. The structure of the water boards varies, but they all have a general administrative body, an executive board and a chairperson. The general administrative body consists of people representing the various categories of stakeholders: landholders, leaseholders, owners of buildings, companies and, recently, all the residents as well. The government appoints the chairperson (dijkgraaf, literally: "dike count") for a period of six years. Unlike municipal council elections, voters do not usually have to go to a polling station but can vote by mail or even by telephone.

Many actors have their own organizations. The agricultural sector is represented by the Dutch organization for Agriculture and Horticulture (LTO). The LTO has departments in each province (LTO Noord, ZLTO and LLTB), and has its representatives at each bureaucratic level. Almost all farmers are member of these agricultural lobby organizations. There is a representative for each agricultural sector. The agricultural lobby organizations have intensive contact with politicians, the Ministry of Agriculture, Nature and Food Quality and representatives in Brussels. Also, farmers organize themselves in relatively smaller organization with specific objectives like environmental cooperatives or groups of farmers with the objective to improve their farming practices.

There are 12 agri-environmental associations active in Noord-Holland. On about 90% of the area an association is active (total area is about 77.000 ha). These associations use exclusion mechanisms so non-members or non-payers can be barred from e.g. individual wildlife and landscape management contracting services. The area covered by these associations is 11.000 ha on average. The membership ranges between 30 to 300 members per association, and about 20% of these members is farmer. Of course, there are many other organizations that focus on rural areas. There can be thought of recreation and tourism organizations. Some of these organizations focus at a local level, others mainly at the provincial level and final some of them are of national importance.

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