

Brussels, 20 September 2007

Rural development plans in Germany: 3 "Länder"

Country profile

Size: 357 000 km²

Population: 82.31 million inhabitants (density: 231 inhabitants/ km²).

GDP per capita: € 23 702 (year 2003; source: national strategy plan for rural development).

Rural areas cover 80% of the German territory and about 40% of the population live in these areas. The German situation is characterized by important regional discrepancies such as population density, size of agricultural holdings, income and unemployment rate.

Globally speaking, more than 53 % of the total surface area of Germany is utilised as agricultural land (19.1 million ha), of which 9.4 million ha are classified as Less Favoured Areas, and 33% (11 million ha) is covered by forests (of which 47% are private owned).

Some 1.3 million people are employed in 400 000 farms (590 000 works units), with a high share of farms (53 %) managed by part time farmers. The average size of the agricultural holdings is 43 ha, with huge farms (mainly as legal entities) in the new *Bundesländer* (East Germany) and also in the North-West of Germany, and on the other side relatively small farms in Southern Germany. The value of the output of German agriculture amounts to about € 43 billion and, including forestry (over € 3 billion) and fisheries and fish farming (approximately € 0.4 billion) to around € 47 billion. Thereby the sector contributes about 1 % to the total gross value added produced in Germany (food industry: 4.6%).

The population working in agriculture is however better educated and has a better productivity than the EU-27 average, and is also more engaged in other activities, but there is still an important need of targeted investments in agriculture.

The diversity of natural resources and landscapes (from the North- and Baltic seas to the Alps) can also be seen as an important asset. 13.5% of the territory has been classified as Natura 2000 areas, and the preservation of endangered biodiversity is seen as a very important issue.

In rural areas, the unemployment rate is higher than the German average, and the population working in agriculture is decreasing. Therefore, together with the provision of basic services and preservation of the rural heritage, accent has to be put to diversification of economic activities and job creation. In this respect, the encouragement of tourism activities as well as the development of renewable energy sources are seen as bringing important potentialities.

Chosen strategy corresponding to the profile

Due to its federal structure, the Federal Republic of Germany implements the rural development policy through rural development programmes (RDP) established at the regional level of the *Länder*. In this respect, 14 regional programmes (Brandenburg/Berlin and Lower Saxony/Bremen present joint programmes), and a programme related to the national network have been submitted to the Commission's services.

Germany has also submitted a **national framework** which has been adopted by the European Commission by the beginning of September. The national framework contains a menu of measures and actions according to the EAFRD regulation, which can be taken on board by the regional programmes with a national financial incentive. The Commission's approval of this document was a pre-condition for the approval of the German regional programmes.

Budget for Germany

Total: € 13 207 160 695, of which EAFRD¹ support amounts to € 8.112 517 055 € (Convergence regions: € 3 174 037 771)

¹ EAFRD: European Agricultural Fund for Rural Development

Hamburg

Region profile

- Total area 755 km² and 1.72 million inhabitants with an increasing tendency; located in the north of Germany and surrounded by 2 other German Bundesländer, no direct border to other member states but an important international port.
- Contrary to other big cities, Hamburg has an important area around the centre of the city with 25% of the total area being used for agricultural and 6 % for forestry; further 8 % are water and 9 % re-creational areas. Thus, more than 48 % of the total land is used for non urban and non traffic purposes.
- Hamburg is one of the most productive regions in Europe and the economy is dominated by the services sector. Secondary sector in Hamburg has drastically declined since the sixties and the importance of the primary sector to the economy is low.
- Agriculture is dominated by horticultural holdings of which 70% are engaged in floriculture by producing ~25 % vegetables and ~75 % flowers. There is a decreasing tendency for small farms notably due to structural problems, high energy costs and buildings that are often out of repair conditions.

Rural areas:

- Typical cultural landscapes of outstanding historical importance around the centre of the city such as the "Vier- und Marschlande" with agriculture and horticulture, the "Alte Land" as a world-renowned fruit growing area, the typical hedgerow landscape of the "Geest " in the north and west and the tree nursery region situated in the northwest.
- These multifunctional landscapes have good potential for increasing tourism and maintenance of cultural heritage but also perform housing and settlement functions, offer leisure and recreational opportunities and thus, perform important social functions for the "city-country relationships".
- Special attention is given to the improvement of the "City-Country relationship" and to the structural problems for horticulture and agricultural holdings as well as to the improvement of agricultural infrastructures.

Chosen strategy

The strategy chosen is based on the principle of improving the economic situation and living conditions in rural areas taking into account the overall goal of enhancing the image and identity of the "City-Country relationship".

The overall objectives are

- "Improving competitiveness of agricultural and horticultural as well as landscape infrastructure and special vocational training",
- "Maintaining and improving the quality of the environment and of biotopes",
- "Agri-structural development and securing of areas in the context of a diverse and lively cultural landscape".

Strong emphasis is placed on investments to further strengthen competition of holdings being efficiently managed and looking for future perspectives, notably in the horticulture sector, and on investments into innovative technologies and processes for production and processing. Another priority is with the support of land consolidation to improve agricultural structures, such as re-arrangements of rural areas (bigger plots, shortening distances between farm and farming plots). Therefore axis 1 is the most important axis in financial terms regarding EU contribution.

The share of funding allocated to each axis is shown in the table below:

Financial plan by axis (in EUR total period): total

Axis	Public contribution		
	Total public	EAFRD contribution rate (%)	EAFRD amount
Axis 1	22.530.000	50	11.265.000
Axis 2	11.372.727	55	6.255.000
Axis 3	12.090.000	50	6.045.000
LEADER	2.274.545	55	1.251.000
Technical Assistance	1.060.912	50	530.456
Total	49.328.184	51	25.346.456

Lower Saxony + Bremen

Region profile

- Size: 47619 km² for Lower Saxony and 404 km² for Bremen.
- 8.6 million inhabitants (7.9 million in LS and 0.6 million in Bremen) 60% live in rural areas, the remaining 40% are located in the predominantly urbanized areas of Bremen and Hanover. With 168 inhabitants/km² the population density is lower in LS than in Germany (average 231/km²).
- Unemployment rate is 11.6 % for Lower Saxony and with 16.8 % even higher for Bremen
- In 2005, approximately 59,000 agricultural holdings managed 2.6 million hectares of cultivated land or 55% of the total surface. Niedersachsen and Bremen are cultivating about 15 % of the agricultural land in Germany. The average farm size is about 50 ha.
- Around 42.6 % of all farms are managed on part-time basis; in recent years the number of full-time agricultural holdings has remained stable, whereas the number of part-time farmers has fallen.
- The cultivated land can roughly be split into 2/3 of agricultural and 1/3 forestry land.
- Almost 70% of the total UAA is arable land and about 30 % of UAA is classified as grassland.
- Animal husbandry (dairy farming and pig production) contributes to 60 % to the agricultural production value.
- On average the agricultural and forestry sectors contribute 2.2 % to the GDP of Lower Saxony and Bremen.
- The food sector with its main components meat, dairy products, cereals, wine, fruit and vegetables is very well developed and is behind the car industry the 2nd most important sector of industry.
- 24% of the land is classified as forest of which 60% is private. The average size of private owned forests is about 20 ha.
- The heterogeneous regional structure, a labour market and employment opportunities do not always respond to the needs in certain regions leads to a certain level of commuting activity.
- High heterogeneous nature value (mountainous areas, coastal areas and heath land) and a very intensive agriculture challenge each other.
- Intensive agricultural production on the one hand and preservation/ maintenance of landscapes and healthy rural areas on the other hand are main the elements of the Rural Development Programme of Lower Saxony and Bremen.

Chosen strategy

Lower Saxony and Bremen presented a common programme for rural development in order to reduce bureaucracy, especially for Bremen. Within this programme the area of Lüneburg is classified as a convergence region!

The strategy chosen is based on the principle of improving the economic situation and living conditions in rural areas. The overall objectives are

- Strengthening the competitiveness of the agricultural and forestry sector,
- sustainable use of natural resources and landscape conservation, conservation and development of attractive and vigorous rural areas,
- complemented by the methodological objective of Leader; setting-up integrated regional networks.

Strong emphasis is placed on the modernisation of agriculture, taking account of the various environmental effects of agriculture and forestry and responding to the particular geographic and topological situation and to the demands of society. Therefore axis 1 (41 %) is the most important axis in financial terms and axis 2 (25 %) and 3 (24 %) keep the balance. Leader counts for about 7% !

The share of funding allocated to each axis is shown in the table below:

Financial plan by axis (in EUR total period): total

Axis	Public contribution		
	Total public	EAFRD contribution rate (%)	EAFRD amount
Axis 1	616.534.849	55	338.612.008
Axis 2	341.575.199	60	204.844.093
Axis 3	356.227.679	55	195.051.340
LEADER	98.749.999	61	60.000.000
Technical Assistance	33.750.000	50	16.875.000
Total	1.446.837.726	56	815.382.441

Part of the total (by axis) reserved for the convergence region (Lüneburg)

Axis	Public contribution		
	Total public	EAFRD contribution rate (%)	EAFRD amount
Axis 1	121.378.333	75,00	91.033.750
Axis 2	67.910.934	80,00	54.328.747
Axis 3	67.750.001	75,00	50.812.501
LEADER	22.750.003	80,00	18.200.002
Technical Assistance	-	-	-
Total	279.789.271	77,00	214.375.000

SAARLAND

Region profile

- Smallest region of Germany, apart from the metropolitan Länder.
- Total area 2,640 km²
- 1,043,167 inhabitants
- One of the highest population density of Germany (410 people/ km² (excluding the metropolitan Länder).
- GNP per capita slightly below German average.
- Unemployment rate slightly above German average (10.5%; high in comparison with West German Länder).
- Economic growth in the last decade below German average due to decline in the secondary sector. However, one of the highest growth rates of the German Länder in the last years.
- Sharp structural change in the primary (coal) and secondary sector with high job losses; however, recovering in certain branches (steel industry, car industry).
- Agriculture and forestry make up 0.4% of total production, below the German average (1.0%).
- Around 1,927 holdings in agriculture.
- Utilized agricultural area: around 78,000 ha.

Chosen strategy

The overall objectives are:

- improving the competitiveness of the agricultural and forestry sector,
- sustainable use of natural resources and landscape conservation,
- conservation and development of attractive and vigorous rural areas, flanked by the methodological objective of setting up integrated regional networks.

Strong emphasis is placed on the environment, nature protection and landscape conservation, taking account of the various environmental effects of agriculture and forestry and the demands of society. Therefore axis 2 is the most important axis in financial terms.

The share of funding allocated to each axis is shown in the table below:

Financial plan by axis (in EUR total period): total

Axis	Public contribution		
	Total public	EAFRD contribution rate (%)	EAFRD amount
Axis 1	9.501.000	50	4.750.500
Axis 2	20.393.652	50	10.196.826
Axis 3	17.400.258	50	8.700.129
LEADER	8.250.477	50	4.125.239
Technical Assistance	1.004.000	50	502.000
Total	56.549.388	50	28.274.694