

Revealed: How billions in EU farming subsidies are being misspent

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A unique study has analyzed in detail how EU agricultural subsidies flow down to the local level. The new data show that most income support payments go to intensively farmed regions already above median EU

income, while climate-friendly and biodiverse farming regions, as well as poorer regions, are insufficiently funded. Consequently, the majority of payments are going to the regions causing the most environmental damage and the farmers in the least need of income support.

The Common Agricultural Policy (CAP) is the EU's largest budget item, averaging EUR 54 billion annually. It is well known that over 80% of payments are going to only 20% of farmers, but to what extent these payments support policy goals is poorly understood, due to a lack of transparency and complex reporting.

"Our analysis shows that at least €24 billion per year goes to income support in the richest regions, while the poorest regions with the most farm jobs are being left further behind. That misspent money would more than cover the €20 billion per year needed to meet the EU's Biodiversity Strategy," says Kimberly Nicholas, study author from the Lund University Center for Sustainability Studies (LUCSUS) in Sweden.

The researchers created a unique database that maps the [geographical location](#) and purpose of CAP payments for the first time. It includes individual payments to all farmers in the EU from 2015. This detailed breakdown allowed analyzing and mapping how CAP money is spent across its nine modern goals and the UN Sustainable Development Goals.

"By revealing the extreme concentration of payments to relatively wealthy regions, we hope this study can catalyze radical change in the distribution of CAP funding towards needs-based income support and sustainable development," says Mark Brady, an economist from the Swedish University of Agricultural Sciences and Lund University.

"We show in black-and-white that current spending is exacerbating, rather than reducing [income](#) inequality among farmers, and that

payments intended to support rural development are going to urban areas like London. Current payments primarily support farming regions causing the most climate pollution, with the least biodiversity-friendly farming and fewest farm jobs," he continues.

With CAP currently up for reform, the researchers believe their results are timely, as the opportunity exists for re-allocating funds to meet the massive social and environmental challenges highlighted in existing policy goals, as well as creating a more sustainable food system and vibrant rural societies.

"Right now, the farming regions with the highest greenhouse gas emissions from intensive livestock production are getting paid to pollute. Farm payments should be needs and results-based to ensure social and environmental benefits. The EU has an obligation to harmonize reporting of CAP spending data, tracked using more relevant indicators, to ensure public spending actually provides public benefits," concludes Kimberly Nicholas.

The study is published in *One Earth*.

More information: *One Earth*, [DOI: 10.1016/j.oneear.2020.07.011](https://doi.org/10.1016/j.oneear.2020.07.011)

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