

Advancing agricultural machinery and solutions for sustainable farming



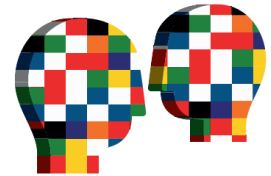
Why A Modernized CAP is Essential

- CLIMMAR Congress - October 2019
Jerome Bandry – CEMA Secretary General

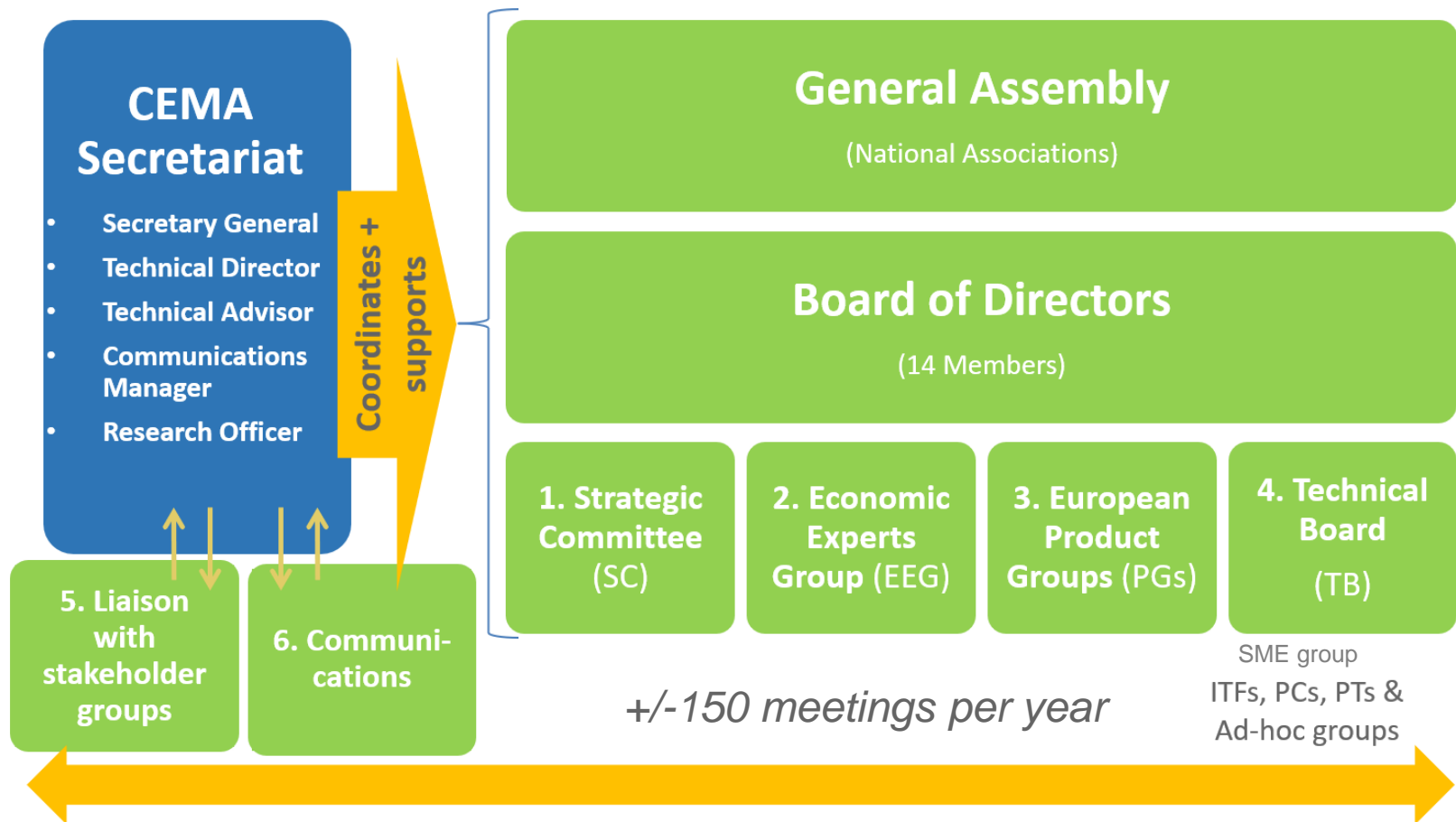
CEMA – the voice of Agricultural Machinery manufacturers in Europe



Bring shared expertise and shape EU legislation for the benefit of sustainable farming and the agriculture machinery and solutions sector



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Unique feature:
+/- 250 technical experts from large multinationals to SMEs taking up 450 seats in technical bodies
+/- 100 industry experts and leaders in sectoral and policy related activities



Ag. Machinery industry in the EU28 (2016 - including garden machinery)

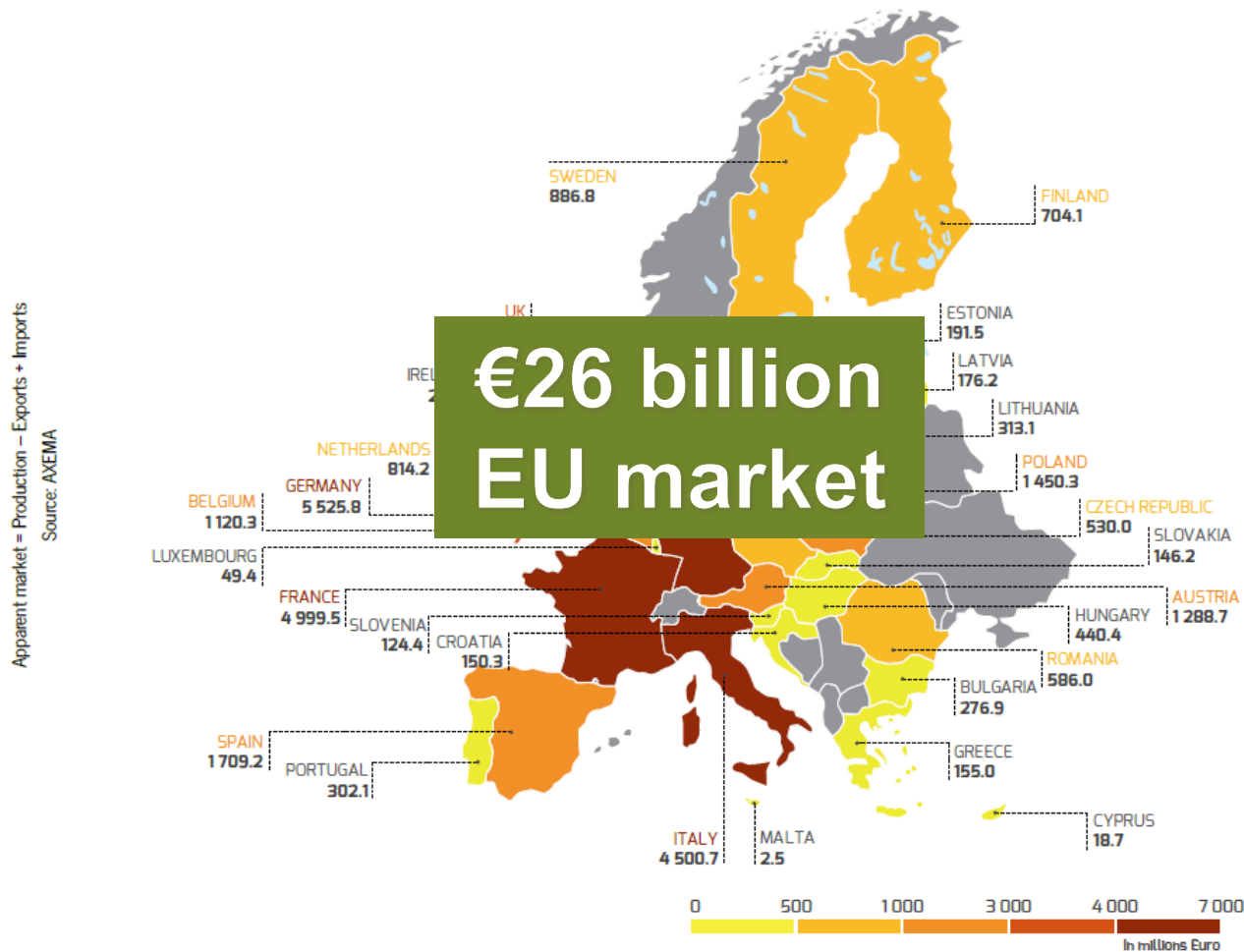
Country	Turnover (€ m)	Number of companies	Number of employees
Germany	11.467,7	588	40.205
Italy	8.351,5	1791	31.925
France*	4.950,1	540	16.924
United Kingdom	2.670,0	483	7.633
Netherlands	2.367,2	307	7.505
Austria	2.039,6	121	6.154
Belgium	2.024,3	225	5.438
Poland	1.474,9	562	17.698
Spain	1.417,8	694	8.598
Sweden	1.316,7	208	3.636
Finland		139	4.180
Czech Republic		261	8.305
Denmark		156	4.200
Hungary		145	5.056
Slovakia		46	1.347
Ireland **		79	1.144
Slovenia	101,0	56	1.316
Greece	122,0	412	1.174
Portugal	113,2	142	1.672
Croatia	104,0	59	1.077
Romania	102,3	60	2.225
Estonia	80,5	28	625
Lithuania	36,2	10	490
Latvia	28,1	22	512
Bulgaria	25,8	54	1.049
Cyprus	10,2	8	70
Luxembourg	0,0	0	0
Malta	0,0	0	0
European Union (28 countries)	42243	7196	180158

**€40 billion
turnover**

AXEMA 2017 report * France: INSEE, 2015 - ** Ireland: 2014 data - Source: Eurostat

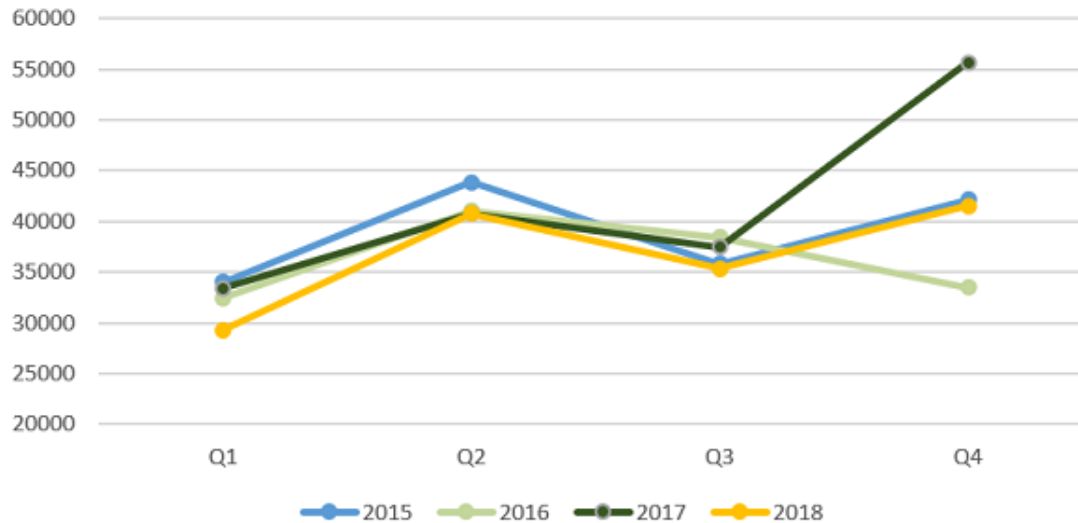
European apparent markets = Production – Exports + Imports

▶ EUROPEAN AGRICULTURAL MACHINERY MARKETS IN 2016



2018 Tractor registrations impacted by artificial peak

Graph 1: Agricultural tractor registrations

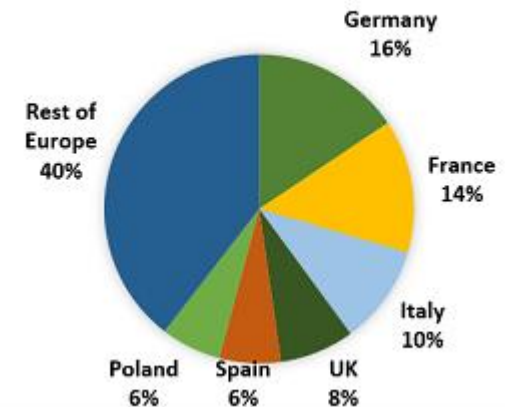


Positive year
for tractor sales

Overall, 177,000 tractors were registered across Europe in 2018, according to national registration authorities (39,784 tractors under 50 hp and 137,503 above 50 hp).

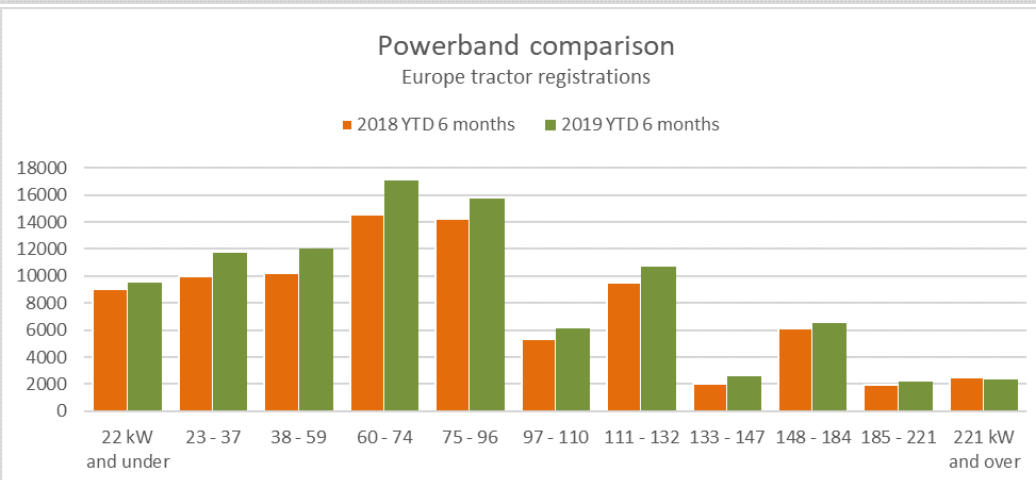
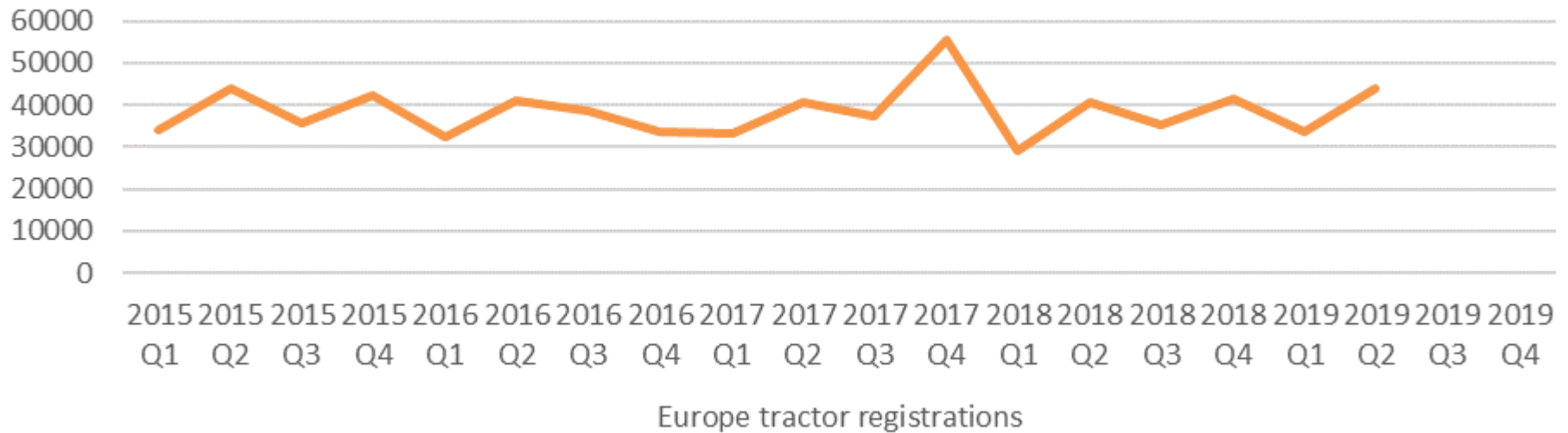
CEMA considers that 146,927 of these vehicles are agricultural tractors, the rest being quads, telehandlers or other equipment.

GRAPH 3: TRACTOR REGISTRATIONS 2018

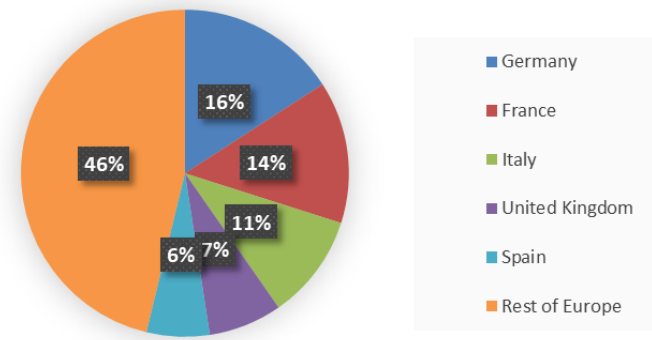


Positive first six months for tractor registrations in 2019

but ...

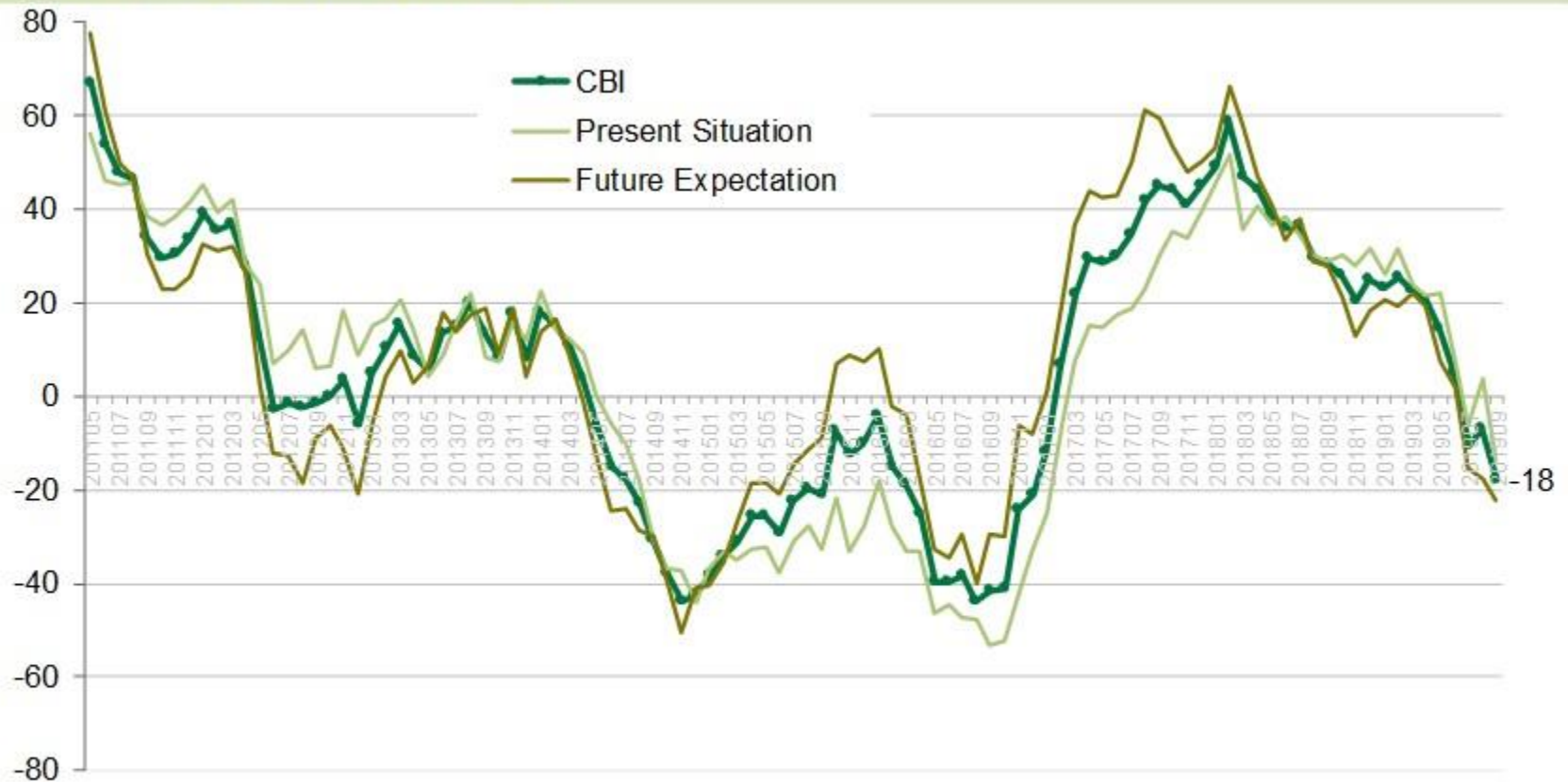


Tractor Registrations - 2019 first semester



CEMA Barometer in negative range for the third time in a row

CEMA Business Climate Index (CBI) -Total



Source: CEMA Business Barometer

Advanced Agricultural Machinery & Solutions

The European Way

► Four wheels and an engine don't make you a car

- 15 000 000 cars, 1 500 000 trucks, 150 000 tractors / year
- But we copy-paste legislation

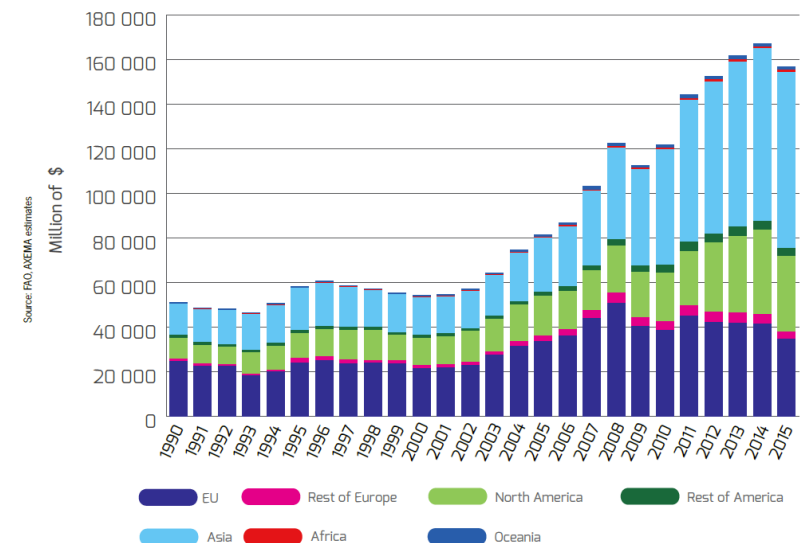
► The most stringent engine emissions in the world

- 25 new tractors built in 2016 emit less NOx and PM than 1 built in 1997
- But most of new investment is now in Asia while we launch Stage V

► Our manufacturers are leading on technology and innovation

- But slow uptake & fleet renewal

► EVOLUTION OF INVESTMENT IN AGRICULTURAL MACHINERY PER REGION:
1990 - 2015



Long-term global structural challenges:

- ▶ **More and more people to feed, but**
- ▶ Less and less people that want to do so
 - ▶ 11% of EU farm managers are under 40, 1/3 are over 65
- ▶ More and more pressure on the toolbox available
- ▶ Growing misunderstanding / disagreement on how ?

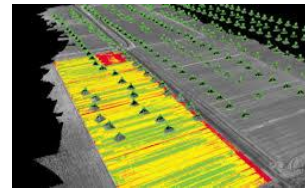
This plate is full...



Thanks to advanced agricultural
machinery & solutions



Technology is part of any solution



Universal machine -> Bigger, faster, wider -> Smart & connected -> autonomous & AI?

Industry needs stressed in AgriTech 2030

... but in summary:

- ▶ The legislator must create a framework supportive of our industry
- ▶ The industry must create value for the user
- ▶ The Institutions must deliver on key initiatives for the uptake of technology (CAP, Horizon Europe, Digital Infrastructure/Smart villages)



Signature of the Joint Declaration
on the key role of Smart Farming
in the agri-food sector

<https://ec.europa.eu/digital-single-market/en/news/eu-member-states-join-forces-digitalisation-european-agriculture-and-rural-areas>



Towards a modernized CAP – CEMA views

2015 and 2017 positions on cema-agri.org

- ▶ Acknowledge the value of the CAP to EU society
- ▶ Nonetheless, CAP needs to evolve, addressing farming current challenges:
 - ▶ reducing the environmental impact while preserving natural resources,
 - ▶ maintaining competitiveness and economic viability for all type of farmers and,
 - ▶ ensuring productivity levels for European society.
- ▶ Farm equipment industry advocates for post 2020 CAP to:
 - ▶ Consider Precision Agriculture as a promoter of sustainable productivity growth in agriculture,
 - ▶ Encourage the uptake of Smart & Precision Agriculture Technologies (S&PAT)
 - ▶ Support the access of all type of farmers to S&PAT,
 - ▶ Ensure a notable budget shift to R&D funds to guarantee continuous and target agricultural research programs,
 - ▶ Introduce Total Factor Productivity (TFP) to apply the principle “to grow more with less”.
- ▶ AND
 - ▶ CAP must retain a strong budget despite the cuts an EU 27 will trigger

CAP: Smart Agriculture for All Farms

December 2017 position on cema-agri.org

- ▶ Improve access by small farm holdings in Europe to S&PAT
 - ▶ Concrete measures to make S&PAT accessible to the average European farmer (farming between 50-100 ha)
 - ▶ Sustainable Productivity Bonus adapted to the farm size
 - ▶ Enable S&PAT to boost sustainability & environmental protection
 - ▶ Prioritize S&PAT to be promoted by the CAP
 - ▶ Some S&PAT diagnostic technologies are already highly affordable and available to smaller farms (smart phones / tablets and applications).
 - ▶ Other fundamental S&PAT are less available to smaller farms and should be promoted by the CAP. Three categories:
 - ▶ Guidance Systems
 - ▶ Variable Rate Applications (VRT) & Nutrient Sensing
 - ▶ Precision Livestock Farming (PLF) Technologies



CAP: Leverage the contractors

2019 position on *cema-agri.org*

- ▶ CEMA – CEETTAR proposition for innovative “smart technologies voucher” under the CAP 2021 – 2027.
- ▶ Allow farmers to access advanced technologies delivered by land-based contractors.



CEETTAR - CEMA JOINT POSITION

ON THE SUPPORT OF PRECISION FARMING & NEW TECHNOLOGIES UPTAKE

under the

COMMON AGRICULTURAL POLICY - CAP 2021-2027

Brussels, 18 September 2019

Key messages:

- ✓ CEETTAR and CEMA jointly believe that the new Common Agricultural Policy CAP should stimulate the use of precision technologies by beneficiaries.
- ✓ Agricultural, rural and forestry contractors are a critical part of EU Agriculture's value-chain (60% of regular work is completed by contractors). Therefore contractors should be well taken into consideration by the next CAP 2021-2027.
- ✓ As the current CAP proposal grants more responsibilities to Member States for achieving the new green architecture goals, Member States should design their future national strategic plans so that EU farmers and foresters of all sizes can access the precision technologies provided by rural, agricultural and forestry contractors.
- ✓ In line with these goals CEETTAR and CEMA jointly propose the CAP to set up a new and innovative incentive in the form of a **“smart technologies voucher”** to be allocated to farmers and to be released by contractors.

What MUST the modernized CAP do?



Thank you!

CEMA – European Agricultural Machinery

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