

CAP GREENING AND FUTURE DIRECTIONS FOR IRELAND'S RDP

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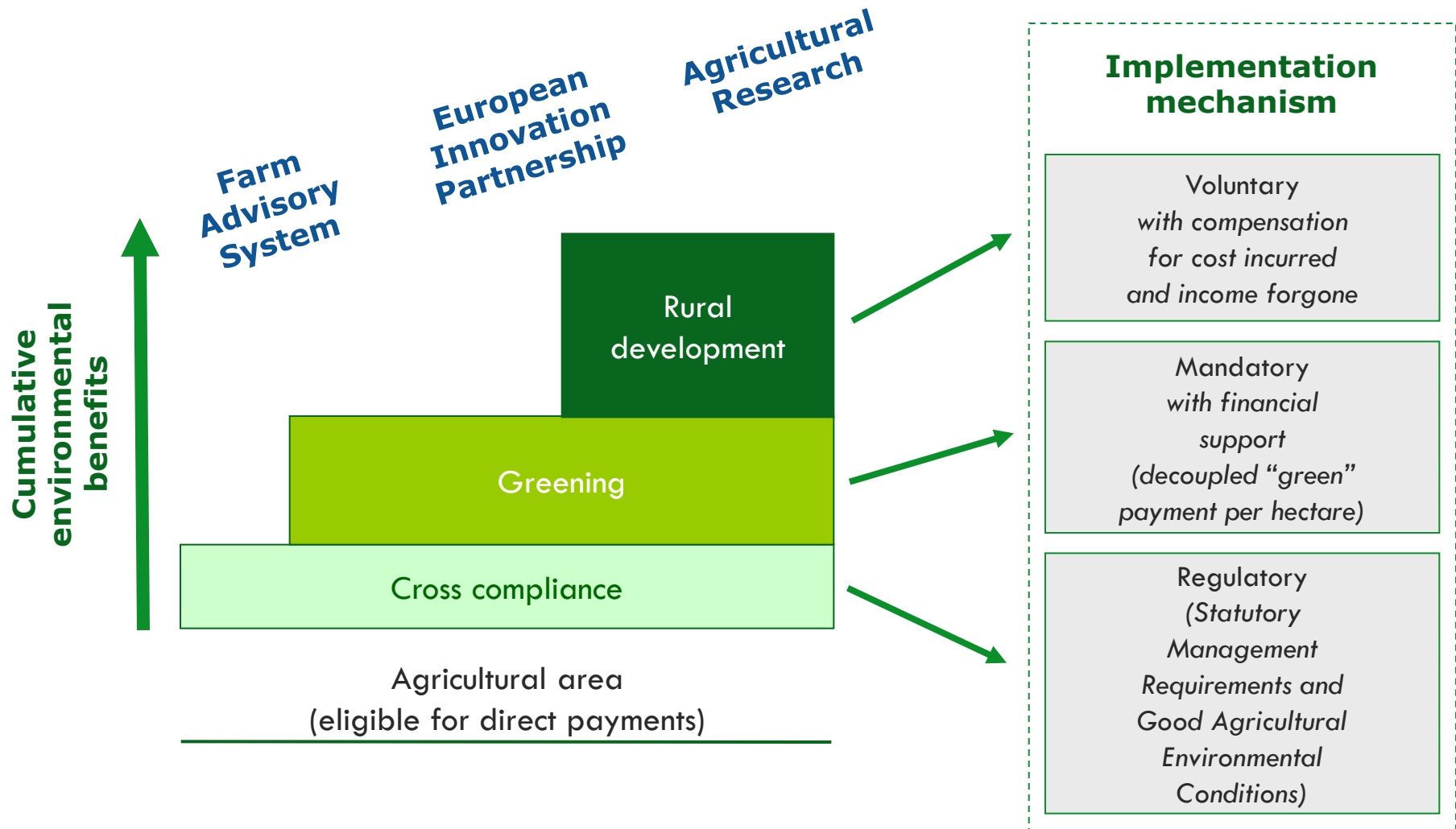
Presentation to Teagasc National AgriEnvironment Conference

Tullamore Court Hotel

7 November 2013

The new greening architecture of the CAP

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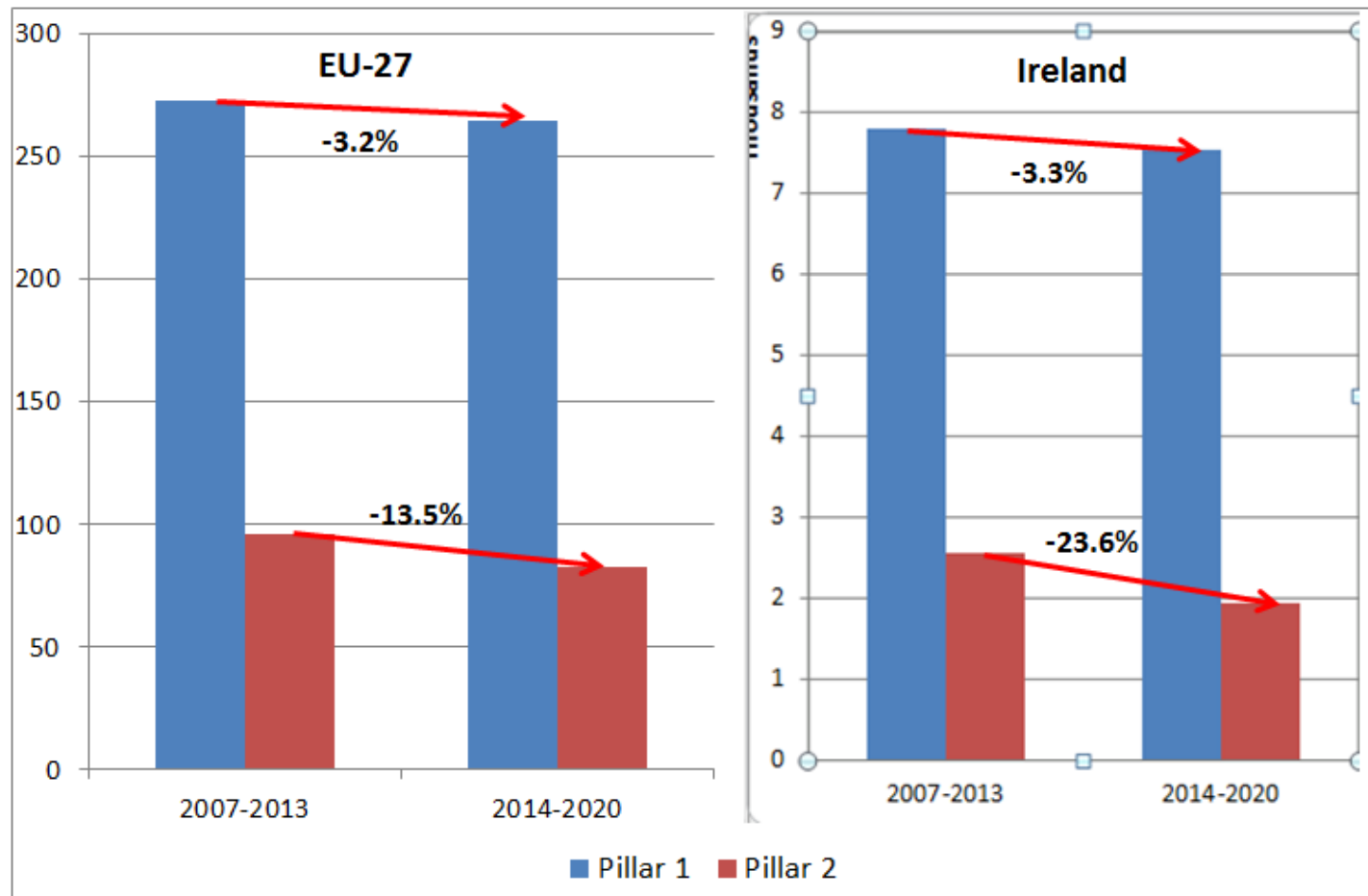


Source: DG Agri (P. Bascou)

What we know – and don't know!

- Four **basic CAP regulations** now agreed
 - ▣ Adoption & publication end 2013 / start 2014
- Commission **delegated acts / implementing acts**
 - ▣ in progress; good level of convergence on many points
- **Partnership Agreement** based on EU Common Strategic Framework
 - ▣ Being drafted by Dept Public Expenditure and Reform
- **Rural Development Programme**
 - ▣ Drafting under way in Department
 - ▣ Ex ante evaluation required
 - ▣ Commission approval required
 - ▣ RD programme to start during 2014 or 1 Jan 2015?
- **Transitional rules for 2014**
 - ▣ Political agreement reached on the rules, but not yet available
 - ▣ New animal and area-based commitments can be undertaken

Whether to boost or reduce the Pillar 2 RD budget – up to 15% flexibility either way



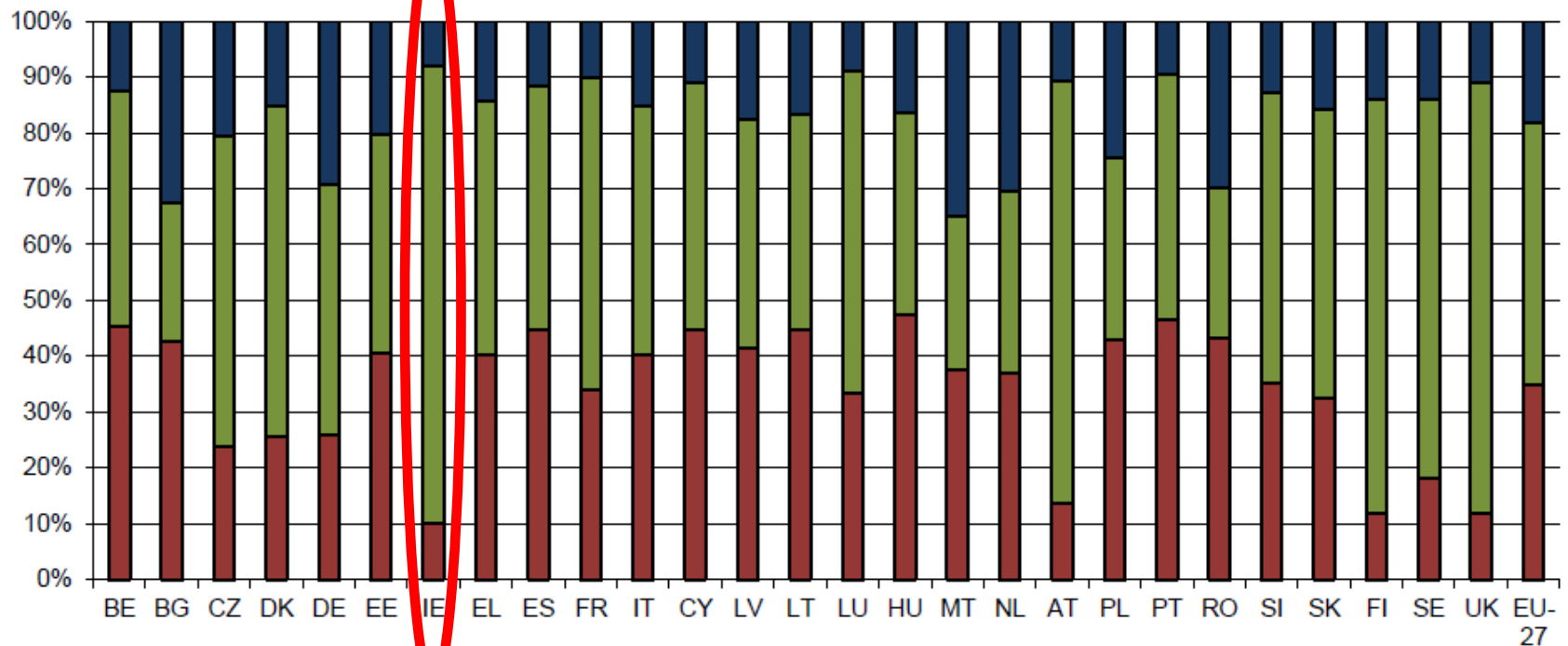
2011 constant prices, 2007-13 figures take account of compulsory modulation

Source: European Parliament 2013

What proportion of RD budget to devote to agri-environment measures?

- Minimum 30% required for agri-environment-climate

Graph 105 - Relative importance of the 3 thematic axes by Member State, programming period 2007-2013



The green direct payment

- Organic and small farms exempt
- Non-compliance means loss of green payment (first 2 years) up to 125% of payment by 2018
- Maintain **permanent grassland**
 - ▣ ban on ploughing in designated areas
 - ▣ maintain 2012 national/regional ratio with 5% flexibility
 - ▣ where actual ratio falls by >5%, individual farmers can be required to reconvert ploughed land to pasture
- **Crop diversification**
 - ▣ at least 2 crops when the arable land of a holding exceeds 10 hectares
 - ▣ at least 3 crops when the arable land of a holding exceeds 30 hectares
 - ▣ the main crop may cover at most 75% of arable land, and the two main crops a maximum of 95% of the arable area

The green direct payment

- Maintain **ecological focus area** of at least 5% of arable area of holding
 - ▣ only applicable for farms with more than 15 hectares arable land (30 ha on primarily grassland farms)
 - ▣ figure to rise to 7% after a Commission report in 2017 & a legislative proposal
 - ▣ MS will decide if EFAs include: field margins, buffer strips, fallow land, landscape features, afforested area, terraces, areas with catch crops, green cover and nitrogen fixing crops, short rotation coppices, agro-forestry, strips of land along forest edges
 - ▣ Matrix of conversion and/or weighting factors *may* apply
 - ▣ EFAs must be on or adjacent to arable land of the holding
 - ▣ Possibility of collective implementation by a group of farmers

Greening and livestock farms

- A livestock farm of 45ha, with 42ha of permanent grassland and 3ha used for the growing of fodder crops.
- **Crop diversification:** Requirements do not apply to this farm as more than 75% of the eligible agricultural area is permanent grassland and the arable area does not exceed 30ha.
- **Permanent grassland:** This farm will have to contribute to the obligation for the ratio of permanent grassland not to decrease by more than 5% compared to the reference ratio in any year.
- **Ecological Focus Areas (EFAs):** The EFA requirements do not apply to this farm as more than 75% of the eligible agricultural area is permanent grassland and the arable area does not exceed 30ha.
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Greening and mixed farms

- Mixed farm of 50 ha with 12 ha tillage
- **Crop diversification:** Because the arable land of this farm covers between 10ha and 30ha the farmer will be required to grow two different crops on that arable land. The main crop must not cover more than 75% of the arable land.
- **Permanent grassland:** This farm will have to contribute to the obligation for the ratio of permanent grassland not to decrease by more than 5% compared to the reference ratio in any year.
- **Ecological Focus Areas (EFAs):** The EFA requirements do not apply to this farm as the arable land covers less than 15ha even though permanent grassland <75% of farm

Greening and arable farms

- Arable farm with 60 hectares, 25 hectares in permanent grassland
- **Crop diversification:** Because arable land of this farm covers more than 30ha, farmer will be required to grow three different crops on that arable land. Main crop must not cover more than 75%, and the two main crops together must not cover more than 95%, of the arable land.
- **Permanent grassland:** This farm will have to contribute to the obligation for the ratio of permanent grassland not to decrease by more than 5% compared to the reference ratio in any year.
- **Ecological Focus Area (EFAs):** The EFA requirements apply to this farm as the arable land covers more than 15ha. Five percent of the arable land must be managed as EFA, drawing from the list of EFA options made available.

Equivalent greening practices

- Alternative practices to the greening practices – Member States decide if this possibility is used
- Equivalent practices:
 - AEC commitments (one practice replacing one greening obligation) under RD agri-environment programme
 - Certification schemes (all three greening obligations have to be covered)
- Equivalent practices are defined in Annex VIa to DP Regulation:

Equivalent greening practices

- **Crop diversification:** At least three crops plus e.g. crop rotation, green cover, catch crops
- **Maintenance of existing permanent grassland:** e.g. Maintain permanent pasture plus
 - management of meadows/ pastures (e.g. Cutting regime/appropriate mowing, Specified grass varieties and/ or seeding regime for renewal, Evacuation of forage/ hay, Appropriate management for steep slopes)
 - extensive grazing systems (e.g. Extensive grazing (timing, maximum stocking density), Shepherding/ mountain pastoralism, or Using local/traditional breeds for grazing the pasture)
- **Ecological focus area:** Applied on at least 5% of land e.g ecological set-aside, management of uncultivated buffer strips and field margins (cutting regime, local/specified grass varieties and/ or seeding regime, re-seeding with regional varieties, no use of pesticides, no disposal of manure and/or mineral fertilizers), Borders, in-field strips and patches managed for wildlife/ specific fauna, Management (pruning, trimming, dates, methods, restoration) of landscape features (trees, hedgerows, riparian woody vegetation, stone walls (terraces), ditches, ponds), production with no use of fertilisers/pesticides

Rural development in a new framework

Europe 2020 strategy

Common Strategic Framework (CSF)

– covering the EAFRD, ERDF, ESF, Cohesion Fund and EMFF, and reflecting EU2020 through common thematic objectives to be addressed by key actions for each of the funds

Partnership Contract

– national document outlining the intended use of the funds in the pursuit of EU2020 objectives

Rural development policy: EAFRD

Other CSF funds (ERDF, ESF, CF, EMFF)

Innovation, Environment and Climate Change as cross-cutting objectives

Priorities

Fostering knowledge transfer and innovation in agriculture, forestry and rural areas

Enhancing competitiveness of all types of agriculture and farm viability

Promoting food chain organisation and risk management in agriculture

Restoring, preserving and enhancing ecosystems dependent on agriculture and forestry

Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors

Promoting social inclusion, poverty reduction and economic development in rural areas

Rural Development Programme(s)



European Commission
Agriculture and
Rural Development



Environmental aspects of Rural Development

- Innovation, environment, and combatting climate change are **cross-cutting objectives**
 - ▣ All RD measures have to contribute
- Two out of six **RD priorities** relate directly to environmental topics:
 - ▣ 4. Restoring, preserving and enhancing ecosystems
 - ▣ 5. Resource efficiency and shift towards a low carbon and climate resilient economy
 - ▣ Also priority 1 'Knowledge transfer and innovation' can contribute significantly to an enhanced environmental performance
 - ▣ Of six broad priorities, MS must aim to meet at least four.
- At least **30% of the total EAFRD contribution** to the RDP shall be allocated to measures and projects that are beneficial for the environment and combat climate change
 - ▣ (environment and climate related investments, forestry measures, agri-environment-climate, organic farming, Natura 2000 payments, areas facing natural and other constraints).

Priority 4 and focus areas

- (4) Restoring, preserving and enhancing **ecosystems** related to agriculture and forestry, with a focus on the following areas:
 - (a) restoring and preserving and enhancing **biodiversity**, including in Natura 2000 areas and areas facing natural or other specific constraints and high-nature-value farming, and the state of European landscapes;
 - (b) improving **water management**, including fertiliser and pesticide management
 - (c) preventing **soil** erosion and improving soil management.

Priority 5 and focus areas

- 5. Promoting **resource-efficiency** and supporting the shift towards a **low-carbon** and **climate-resilient** economy in the agriculture, food and forestry sectors, with a focus on the following areas:
 - ▣ increasing efficiency in water use by agriculture
 - ▣ increasing **efficiency in energy use** in agriculture and food processing
 - ▣ facilitating the supply and use of **renewable sources of energy**, of by-products, wastes, residues and other non-food raw material for purposes of the bio-economy
 - ▣ reducing **greenhouse gas** and ammonia emissions from agriculture
 - ▣ fostering **carbon conservation and sequestration** in agriculture and forestry

Most relevant measures

- **Investments**, e.g.
 - ▣ Investments in physical assets (art. 18)
- **Area-related measures**, e.g.
 - ▣ Agri-environment-climate (art. 29)
 - ▣ Organic farming (art. 30)
 - ▣ Water Framework Directive payments (art. 31)
- **Training / advice**, e.g.
 - ▣ Knowledge transfer & information actions (art. 15)
 - ▣ Advisory services (art. 16)
- **Joint activity, technological development / adaptation**, e.g.
 - ▣ Co-operation (art. 36)
 - ▣ Leader

Rural development programming

- Other **focus areas** may be included in RD programmes to pursue a priority if justified
- **Thematic sub-programme** can be included for climate change and biodiversity (10% higher support rate)
- **Appropriate targets** must be set for each of the focus areas of the Union priorities included in the RD programme
- Relevant **combinations of measures** should be selected for each focus area selected, based on a sound intervention logic
- An appropriate approach towards **innovation** to achieve the RD priorities towards environment, and climate change mitigation and adaptation, must be adopted in the programme
- Sufficient **advisory capacity** on the regulatory requirements and on actions relating to innovation must be made available

Additional issues

- **Design of agri-environment scheme**
 - ▣ Whole farm vs measures-based approach
 - ▣ Entry-level vs higher options schemes
 - ▣ Measure can be aimed at preservation as well as promotion of change in agricultural practices
 - ▣ Payments can be made to groups of farmers/land managers to achieve landscape-level benefits
- **Greening** becomes the baseline for AEMs – no double funding
- LFA scheme to be replaced by new **Areas of Natural Constraints scheme**, non-mountain areas defined purely on bio-physical criteria by 2018



Thank you

More discussion on capreform.eu