

DRAFT MINUTES OF THE MEETING OF THE CIVIL DIALOGUE GROUP ON DIRECT PAYMENTS AND GREENING

Brussels, 24 October 2014

1. Approval of the agenda

BirdLife stated its regret that the Commission (COM) had taken up agenda items suggested by certain groups but items of other groups were not. It asked to discuss the following items during this or one of the following meetings:

- Implementation of greening,
- Farm Advisory System,
- Strategic agenda of this Civil Dialogue Group (CDG).

EFNCP made some suggestions for the organisation of the meetings:

- Foresee sufficient time for discussions and inputs from the floor,
- Make available for the participants the detailed timetable of the meeting with the name of speakers from COM.

IFOAM supported the last point.

FoodDrinkEurope requested that documents are made available on CIRCABC within a fixed delay, e.g. 7 days before the meeting.

The agenda was adopted.

2. Election of the Chairperson and vice chairpersons

Ms Maira Dzelzkaleja (COPA) was elected for her first mandate as Chairwoman of the group.

Ms Trees Robijns (BirdLife) and Mr Jean-Michel Schaeffer (CEPM) were elected for their first mandate as Vice-chairpersons of the group.

3. Presentation of the new system of the CDGs

A representative of each umbrella organisation introduced his/her organisation.

COM explained the reasons for the revision of the previous system of Advisory Groups. This CDG would have 3 meetings/year. COM recalled the possibility for each group to set a 7-year strategic agenda. COM asked for comments on the draft rules of procedures.

The Chair suggested that the group set a strategic agenda, with the contributions of all the participating organisations, which would be approved at the following meeting of the CDG. The Chair asked for inputs from everybody before 15 November 2014.

COPA-COGECA asked COM what is the role of this group - dialogue or advice. COM welcomed recommendations and inputs from the groups and encouraged active participation.

EEB asked what are the implications of the European Parliament (EP) decision to freeze the budget for expert groups for 2015. COM said it could not comment at this time.

BirdLife stated that the composition (economic/non-economic operators) of the group was unbalanced. COM responded that non-economic operators had been allocated all the seats they had asked for.

4. Direct payments

4.1. Overview of the general principles governing direct support

COM made a PowerPoint presentation on “The CAP towards 2020: Direct payments” – issues: the new system of direct payments, convergence and the new design of direct payments.

COM made a PowerPoint presentation on “The CAP towards 2020: Greening” – issues: rules on greening, three greening practices, legal framework and timetable.

EEB referred to sustainable management of natural resources missing from Commissioner Hogan’s mission letter. EEB asked if tobacco was still eligible for coupled support.

FoodDrinkEurope was interested in voluntary coupled support to starch potato across Member States (MS) and asked for fair competition across producers of starch across the EU.

EMB asked how the CAP enabled the market orientation of the farmers.

Copa-Cogeca asked:

- The definition of land lying fallow,
- If it was possible to exclude non-active farmers from direct payment on the basis of the legal taxation identification number,
- What evidence would inspectors accept for crop diversification,
- Whether environmental benefits of greening were proportionate with the costs,
- Whether organic permanent grassland could be ploughed and whether it counted for the calculation of the ratio.

EFNCP asked the justification for the exemption of permanent crops from greening and the possibility to include them in the future.

EFNCP asked which alternative criteria to minimum Livestock Unit/ha could be used for minimum activity and recalled the importance of extensive livestock production. It asked why grazeable species would be excluded from eligibility.

EURAF & ECVC stated that, without minimum stocking density, it was difficult to target payments to active farmers.

EMB asked what environmental requirements applied to farmers who did not receive direct payments.

COM replied:

- Active farmer was an eligibility condition. If linked to it there was a requirement to produce, it would not be WTO compatible. Mowing could be an alternative criterion to grazing,
- Coupled support was not available anymore for tobacco,

- COM would analyse the results of external convergence of direct payments and other elements in the framework of the monitoring and evaluation of the CAP. Environment was part of the monitoring too,
- Income support was an income safety net but in the new CAP there was no more price support,
- Upcoming initiatives on Ecological Focus Area (EFA) included the revision of delegated act and the revision of the EFA percentage. COM had not started yet working on them. Some evaluations are foreseen see point 6. Stakeholders' inputs will be welcome later following the appropriate steps ,
- Permanent crops exclusion from greening was the result of a political compromise,
- Permanent grassland under organic method were not taken into account for the calculation of the ratio (art. 43 Reg. 639/2014) but they were not exempted from the no-ploughing derogation when permanent grassland was environmentally sensitive,
- Farmers must declare in the aid application the crops they planned to have for crop diversification. If the crops were not the same as the ones declared but the crop diversification was still respected at the time of the cultivation/inspection period, the farmer would be compliant. The crop must be there in the cultivation period: either not harvested or harvested but still visible in the field including residues,
- According to Art. 41i of Reg. 1307/2014, "grasses and herbaceous forage" referred to what was traditionally used and found in the MS,
- EEB asks:
 - o Many presentations of EU representatives over the last year and also this one about greening the CAP shows a triangular figure that seems perfect logical. Cumulative environmental benefits for all agricultural area eligible for direct payments. Baseline is cross compliance.
 - o There is a strong EU obliged connection between farming, landscape features and creating habitats for biodiversity. Therefore EEB asks the commission how it's possible so many landscape features on and adjacent to farmland protected under GAEC 7 are under threat because they are either over managed, neglect or vanished. And asks the commission how they will look after and address a proper translation of these standards on national and farm level by member states to really protect the last remains of landscape features on European farmland.

4.2. Preliminary overview of Member States' notifications

COM made a PowerPoint presentation on "The payment for agricultural practices beneficial for the climate and the environment - Greening: Main choices from MS notifications by 01 August 2014" – issues: equivalent practices, permanent grassland obligation, EFA.

COM made a PowerPoint presentation on "Information on implementation support" – issues: set of guidelines under preparation by COM: LPIS reference layer, LPIS EFA layer and On-The-Spot-Checks (OTSC) and area measurement.

The Chair asked when the examination of the notifications would end and if COM intended to run any analyses.

EEB asked:

- If MS could split the percentage of EFA,

- How MS chose Nitrogen Fixing Crops (NFC) eligible for EFA,
- If a NFC could count for both EFA and crop diversification,
- What is COM room of manoeuvre on national choices,
- More details on the MS who activated equivalence,
- If notifications, due by 15 December each year, of the number of farmers implementing greening would be made public.

Copa-Cogeca stated that farmers had already started their production decisions for the next season (the first under the new rules) but outstanding questions remained unanswered:

- How does the “no-double funding” rule affect organic farmers?
- Farmers have started planting crops according to what MS have communicated to them but discussions with COM are still ongoing. No clarity on the ground. Farmers depend on national authorities to inform them about the final rules. Would there be any tolerance in the first years, given the delay in information?
- Was NFC mixture valid for EFA?

EURAF asked for clarifications on “permanent grassland established local practices”.

BirdLife expressed concerns on the impact on birds and asked to avoid deterioration of landscape features.

COM replied:

- COM would analyse the consequences of the national policy choices. MS were responsible for their choices and COM will give some observations when necessary. COM had to approve only a few of them (e.g equivalence),
- It was too early today to publish any document on national implementation. This could happen later next year including the analysis of the MS choices,
- Basic acts set the deadlines for policy decisions, to ensure stability for the farmer. MS could clarify their decisions,
- All stable EFA elements must go into the EFA layer of the land parcel identification system (LPIS) (e.g. landscape features such as ponds, whereas buffer strips are not necessary stable),
- Phasing in of certain elements (e.g. sanctions from claim year 2017, EFA layer in 2018) as set out in legislation. Not in COM power to decide how Member States will manage the phasing in of eg EFA layer, because of shared-management. Phasing-in of sanctions apply EU wide.,
- Double use of NFC or fallow land as crop diversification and EFA was allowed,
- Over-declaration of EFA i.e. more EFA's than necessary for the 5 % to be on the safe side was encouraged by COM,
- MS had to be as precise as possible on the choice of species qualifying for EFA,
- Rules on crop diversification are mostly set out in the basic act, except for the cropping/control period to be fixed by MS,
- Final guidelines could be made available to this group but CIRCABC section for national administrations not,
- Measurement of isolated trees for EFA could be done via conversion factors in delegated act or via diameter (polygon) but the method had to be the same for all EFA,

- Catch crop being a non-stable EFA, the farmer would be free to declare it on all parcels. If the farmer can not establish catch crop, he can have other elements such as fallow land,
- 10% OTSC only if EFA layer is not complete with all the stable EFAs before payment,
- COM was considering to give more guidance on what is a buffer strip or not,
- COM does not accept NFC mixtures which included 75% of cereals,
- Hectares of agro-forestry under Rural Development qualify for EFA,
- MS can activate the EFAs indicated in the EU legislation. For landscape features, MS can add GAEC landscape features and/or set dimensions under GAEC.

CEPM asked COM to support the practical organisation of these meetings.

EEB suggested that the following meeting focus on specific items organized in parallel working groups with debriefs to the larger group.

5. Copa-Cogeca presentation

Copa-Cogeca made a PowerPoint presentation on "The implementation of the new rules on direct payments - The farmers' perspective" – issues: opportunities from the new direct payments schemes, challenges for farmers to implement the new rules, field cases.

BirdLife stated that having presentations given by the Chair were not seen as good practice. It also repeated in the previous point that having some organisations being allowed to give presentations and others not, was not perceived as being good procedure. Concerns were raised that this would not continue in future meetings where all participants of the group should have equal input via the strategic agenda and good working within the Chairmanship. In response to the content of the presentation it continued that this was a more political presentation so the more political reaction was that greening rules were complicated because the agricultural sector asked for flexibility.

Copa-Cogeca assured that the role of the Chair would be neutral and explained that this situation was exceptional, given that the group was new and that elections were held for the first time.

EEB said that the use of public money needed to be controlled and that greening, as initially proposed by COM, would have been an easier option than what is finally on the table.

6. Upcoming initiatives

COM recalled two deadlines affecting greening rules, EFA in particular:

- Review after the first year of experience (COM declaration of 2 April 2014),
- Review of the percentage in 2017.

Besides, CAP should contribute to the mid-term review of the Multiannual Financial Framework (MFF), as indicated in Juncker's mandate to Commissioner Hogan.

Copa-Cogeca suggested that past reforms of the CAP focussed on the measures and this resulted in a lot of bureaucracy. In the next round of reform, the focus should be on the objectives we want to achieve. Practical examples of current practices showed that it was possible to deliver on the environmental and the agricultural sides.

EFNCP called for a focus on outcomes – thereby echoing Copa-Cogeca’s above point - and examples of good practices on policy design and implementation.

IFOAM said that greening should reward the farmers who deliver for the environment.

CEPM asked to combine economic and environmental interests.

The Chair summed up, suggesting looking together at the implementation of greening, to see if it worked and achieved the objectives we all wanted. The Chair also asked if the CDG could have the possibility to discuss the first findings of the review of the first year of experience.

COM replied that the time was crucial to get ready for the implementation of greening and that it was too early to speculate on the impact.

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