

DRAFT MINUTES OF THE MEETING OF THE CIVIL DIALOGUE GROUP ON “DIRECT PAYMENTS AND GREENING” ON 10TH NOVEMBER 2015

1.+ 2. APPROVAL OF THE AGENDA AND MINUTES OF THE PREVIOUS MEETING

The Chair informed the Civil Dialogue Group (the group) that the agenda, which contained 8 items, was approved, as were the minutes of the previous meeting.

3. ELECTIONS

Ms Maira Dzelzkaleja (COPA) was elected for her second term as a Chairwoman of the group. Mr Jean-Michel Schaeffer (CEPM) and Ms Trees Robijns (BirdLife) were also elected for their second terms as Vice-Chairpersons of the group.

4. CALENDAR OF MEETINGS 2016

The Chair announced that the (provisional) dates of the next meetings of CDG for the year 2016 had been scheduled for 12th April and 24th November. Confirmation would be sent 6 weeks before the final date of the CDG.

5. INFORMATION ON CAP SIMPLIFICATION INITIATIVES

- ❖ The COM gave a presentation on CAP Simplification – State of play.

COGECA asked when concrete action on simplification should be expected in 2016.

The ECVC pointed out that the implementation system was difficult to understand and asked whether the COM takes into account the provision of support in simplification. The ECVC mentioned the problem of avoiding penalties, if farmers do not fully understand how to implement greening requirements.

The COM stated that proposals for a further simplification package were expected by spring/summer 2016. The COM also said that greening was a big debate and it was important to see what the review brings in terms of the positive aspects and what is difficult to manage or easy to implement. Putting forward proposals without a full overview was not possible.

The COM reminded those present of two deadlines that affect greening rules, EFA in particular:

- Review after the first year of implementation (COM declaration of 2nd April 2014) to take place in spring 2016.
- Evaluation report in 2017 for EFA and possible increase of 5% percentage .

Regarding permanent grassland eligibility and potential penalties in case of wrong classification, COM explained the pro-rata system and how to establish eligible area in the Geospatial Aid Application. The COM referred to the possibility for MS to make preliminary checks – warnings, if they exceeded the boundaries of the farm, farmers are given the opportunity to correct the application. This makes it possible to avoid many possible errors.

COPA expressed its worries that there would be significant consequences for farmers if the rules were not clear and stressed the need to reduce the number of OTSC (on the spot checks) and possibly look at how penalties are applied.

CEJA raised the issue of simplification proposals for young farmers and the increasing number of problems in terms of allocation for young farmers.

BirdLife asked whether the COM was looking at the evaluation of greening in terms of biodiversity and whether simplification was not counterproductive in environmental terms.

The COM said that as part of the greening evaluation, numerous simplification proposals (Council, MS, stakeholders) related to management and regulations were being screened.

The COM explained that the additional simplification package also looks at reducing OTSC for 2016, which would open the possibility for more MS to reduce such checks than is currently possible. This will be achieved by modifying the conditions under which OTSC are necessary and it will also allow national administrations to target OTSC to where they will have greatest effect. Regarding the Young Farmers Scheme, certain simplification proposals will be adopted later this year and should therefore be applicable as from Claim Year 2016.

COPA asked for the date of aid applications and stressed the need for more effective implementation.

CEJA referred to the importance of flexibility for young farmers and also reiterated the importance of facilitating the process as well as making the bureaucratic system as simple as possible.

The EEB asked when the public consultation on greening would be launched.

The EFNCP expressed its concerns about the difficulties with the implementation and suggested a pro-rata system as well as raising its concerns about the ecological value of the outcomes of DP, such as the loss of woody pastures.

Regarding the greening implementation, there was a need to have all the results from all MS. The launching of the public consultation on greening was scheduled for the end of 2015.

COPA asked the COM for more clarity in the definitions of permanent and temporary grassland.

Beelife raised a point about the real effectiveness of greening measures on the ground.

EURAF stressed the disparity in types of grassland in Europe and asked whether it was possible to have a higher number of trees/ha, more than 100/ha, and also asked for more flexibility and compatibility between crops, pastures and types of tree.

The COM explained that the implementation of the new definition of permanent grasslands and flexibility is left to the MS.

6. ASSESSMENT OF GREENING

- ❖ IFAB presented a study on the implementation of greening.

COPA asked whether this study takes into account the evaluation of environmental value, which is much wider than biodiversity, such as evaluation for conservation – location of buffer strips.

COGECA stressed the importance of estimating the performance of catch crops and asked for the definition of key species.

EURAF asked if the IFAB study also evaluated key biodiversity species.

IFAB explained that the presentation did not take all aspects into account and the study was wider than just biodiversity. As regards key species, all the surveys had to follow the list of one hundred species and species groups that are included in the outcome of the survey. IFAB clarified that the definition of key species is the species that indicate biodiversity and easily detect certain indication values. IFAB stated that catch crops may have negative effects on biodiversity.

The COM made reference to evaluation programmes and said that it was going to use different types of studies from different countries and regions mainly focused on biodiversity and the quality of soil. In 2018 and 2021 the common framework of evaluation will be made available. The COM also clarified that in spring 2016 the impact on biodiversity should be visible.

- ❖ The NFU and the DBV gave presentations on the BPS (Basic Payment Scheme) and greening implementation and the current situation in England and Germany.

COGECA stressed the issue of complexity in terms of applying rules in the field, according to weather and looking at specific measures and structures.

COPA brought up the problem with crop diversification and applications. It also raised the issue of insufficient internet access in rural areas and the application procedure, as well as issue of crops in the tillage sector where applications had been slowed down.

The EEB asked the COM if it could provide information on what the MS will do in April and also recalled that in the name of flexibility and subsidiarity, MS had asked for derogations and exemptions.

ELO made reference to the delays with processing of applications and mentioned the importance of protection of buffer strips and biodiversity.

BirdLife pointed out the complications related to the implementation of greening measures.

COPA recalled that in future it would be necessary to bear in mind the importance of cover crops, catch crops and cutting hedgerows.

7. ASSESSMENT OF EFA

Concrete proposals for further simplification arising from group discussions between members without representing the consensus in the group; rather, they reflect individual members' suggestions:

EFA in general

- To introduce an 'early warning system' similar to the one provided for under cross-compliance rules as regards controls.
- To link the use of an EFA element, in particular productive areas, to the farm advisory system.
- To link the activation of an EFA element, in particular productive areas, to an impact assessment allowing to ascertain the biodiversity benefits of such EFA element.

Buffer strips and field margins

- To increase the conversion factor to create greater incentives for farmers.
- To take seasonality into account so that the buffer strip should not be fixed in the calendar year, but rather follow the main crop (from sowing until harvest).
- More tolerance in measurement of the strips and in controls.
- Flexibility in terms of the identification of EFA in the electronic application system.
- To be able to use measures to control invasive species on buffer strips.
- Flexibility with regard to adjacent EFA (an example could be a hedge and a field margin located next to each other) .
- Farmers are hesitant to use buffer strips, because the risk of mistakes and losing green payments is too high.

Landscape elements

- To increase or abandon the requirement of a maximum size for landscape elements. Many farmers have landscape elements on their farms which are larger than the maximum dimensions set out in the delegated acts. Therefore they cannot count as EFA. This gives the farmer an incentive to decrease the size of the landscape element in order to be able to count it as EFA. This is not the underlying intention of the legislation.

Catch crops

- Spontaneous growth of seeds others than the seeds from the established catch crop should be counted as one of the species in the seed mixture. The effect will be the same, for soil structure/quality, the environment and for biodiversity.
- Abandon requirement to establish a seed mixture.

Nitrogen fixing crops

- To allow the establishment of NFC as a seed mixture, which is common practice in some Member States.

Fallow land

- This is one of the safer options for EFA, because the measure is very simple compared to other types of EFA.
- To add the minimum management requirements for fallow land.

ASSESSMENT OF PERMANENT GRASSLAND

Main concerns from both the environmental angle and from the perspective of many farmers when it comes to the management of permanent grassland are summed up below without representing the consensus in the CDG.

The environmental angle (public interest):

1. Carbon storage in the soil – climate mitigation
2. Protection of biodiversity
3. Protection of water quality

Farmers' concerns:

1. Land value drops because of restrictions
2. Production potential is lost thus threatening the continuity of the farm
3. Loss of DP because of failure to meet the greening obligations

Debating on definitions - basically, there are two types of grasslands:

- a. High value biodiversity grasslands or pasture, which is not part of a rotation scheme, are also normally managed less intensively. These are often part of an extensive farming system. Agricultural activity such as grazing takes place on these grasslands.
- b. Low value biodiversity grasslands, which are often but not always part of a rotation scheme and are managed more intensively. These grasslands are ploughed occasionally for grassland renewal or for the production of arable crops. The rotation may happen once in 4-5 years (thus meeting the CAP definition) but there are also many farmers, for example, who plough the grasslands once every 8 or more years.

The Working Table raised a number of examples where the EU regulation does not take local conditions and practices into account sufficiently:

Examples:

- Extensive grasslands with trees/shrubs where agricultural activity such as grazing takes place. Problems with the 'pro rata' system leading to deductions from the direct payments and LFA payments were raised.
- Grazing benefits biodiversity, but it is not recognised under greening.
- Farmers try to be on the safe side in order to have maximum flexibility in the future. Some of them have ploughed grassland to avoid it being classified as permanent grassland and losing the possibility to grow other crops in the future. Without greening, this may not have happened so the EU legislation led to results opposite to those it was meaning to achieve.
- The situation in Member States is very diverse:
 - In ES the main issues on permanent grassland are vegetation encroachment and minimum activity.
 - Where grass is grown for silage production (e.g. FI), regular grassland renewal is often seen by farmers as vital for the economic viability of these farms.
- The 5-year permanent grassland rule has caused many problems for farmers. Some participants said that multi-annual measures in the context of the first pillar of the CAP, which is managed on an annual basis, do not work.
- Reference was also made to Natura 2000. Farmers in Natura 2000 regions are faced with more than one layer of legislation.

As regards the themes proposed under the review of greening after one year of implementation:

- On the level playing field between Member States and farmers: this is not strongly affected by the permanent grassland provisions, in particular from the point of view of premia distribution.
- On production potential: the restrictions to the active grassland renewal in general reduces the production potential (e.g. through ban on ploughing).

ASSESSMENT OF CROP DIVERSIFICATION

This is a summary of what was said in the group by different members, without representing the opinion of the overall CDG.

- There is no common EU diversification practice, the only common thing is that crop rotation is recognised by farmers to be, in principle, a beneficial practice, the Working Table found. A wide range of crop rotation practices, which differ depending on north-south, regional and climatic variations, have been identified and it is very difficult to have a common EU rule that would take into account all these differences– this; as a result, we all have concerns but for different reasons. What is needed is a way of recognising the **equivalence** [equal value?] of the different practices.

- A question related to the level of environmental expectation of CD measure was raised bearing in mind that it is a Pillar 1 and not Pillar 2 measure.
- The crop diversification rules run a real risk of creating the very problems it may be trying to prevent. Namely, it may lead to not rotating crops, creating commodity surpluses and so distorting the 'real' market, creating homogenous rotations that fit with the EU rule but not with the local climate or market which ultimately creates a situation where EU farms become less competitive.
- There is a need for more flexibility and recognition of equivalence allowing this measure to be adapted to local circumstances, weather and with the aim of reducing bureaucratic controls.

8. A.O.B.

Disclaimer

The opinions expressed in this report represent the point of view of the meeting participants from agriculturally related NGOs at community level. These opinions cannot, under any circumstances, be attributed to the European Commission. Neither the European Commission nor any person acting on behalf of the Commission is responsible for the use which might be made of the here above information.