



The new CAP, new data needs and the FADN

Emmanuel Jacquin
DG Agriculture and Rural Development
Head of Unit E.3 – Economic Analysis of EU Agriculture



Outline

- CAP reform 2013: fairer, greener, more efficient
- The new structure of Direct Payments
- Monitoring and evaluation: an obligation
- The FADN farm return: adapting to policy changes

CAP REFORM 2013: FAIRER, GREENER, MORE EFFICIENT



A historical deal

For the first time

- all elements of the CAP were reviewed simultaneously.

A new negotiation process

- the Presidency negotiates in the name of the Council;
- the European Parliament acted as co-legislator with the Council.

Four new basic European Parliament and Council regulations for the Common Agriculture Policy:

1. Direct Payments (1307/2013)
2. Single Common Market Organisation (1308/2013)
3. Rural Development (1305/2013)
4. Horizontal Regulation for financing, managing and monitoring the CAP (1306/2013)



CAP reform in a nutshell: "fairer, greener, more efficient"

Fairer:

- Redistribution of direct payments both within Member States ('internal convergence') and among Member States ('external convergence')
- Move away from allocations based on historic references; towards more similar levels of payment per hectare

Greener:

- Introduction of a greening payment
- Continuing cross-compliance rules
- Minimum spending on agri-environment/climate measures under Rural Development programmes

More efficient:

- Simplified flat-rate option for small farms
- 'active farmers' identified based on negative list
- Greater flexibility between the two pillars
- Greater market orientation; end of sugar quota
- Monitoring and evaluation of the whole CAP

CAP reform in a nutshell: "fairer, greener, more efficient"

Simpler ?

- As a result of the negotiation process, a lot of flexibility/exemptions/equivalences/derogations
=> An "à la carte" menu for MS also in the field of direct payments

THE NEW STRUCTURE OF DIRECT PAYMENTS

New design of direct payments

In 2015, EU farmers will have access to:

Compulsory schemes (*all MS*):

- Basic payment scheme
- **'Green' payment***
- Young farmers scheme



Voluntary schemes (*MS choice*):

- Coupled support
- Support in natural constraint areas
- Redistributive payment

All payments subject to cross compliance

All farmers will have access to the Farm Advisory System

OR

A simplified scheme for small farmers (*voluntary for MS*)

* *Payment for agricultural practices beneficial to climate change and the environment*



Greening - Overview

- Compulsory agricultural practices (to be observed on all eligible hectares):
 - Crop diversification
 - Maintaining existing permanent grassland
 - Ecological focus area
- Equivalent practices (MS decide if they apply)
 - Agri-environment-climate measures (applies to a specific greening measure)
 - National or regional environmental certification schemes (applies to the holding as a whole)
- Special cases
 - Organic farms comply *ipso facto*
 - Farmers under Small Farmers Scheme (exempted but may choose to comply on **voluntary** basis)
 - Farms located in Natura 2000 and Water Framework Directive areas (entitled to the payment, obligations limited to compatible practices)



Greening – Compulsory schemes

- Crop diversification
 - No obligation under 10 ha
 - 2 crops between 10 and 30 ha, 3 crops above
 - Exemptions: farms with a significant part covered by fallow/grassland/crops under water and farms above the 62nd parallel
- Maintaining existing permanent grassland on 2 levels:
 - No ploughing/conversion of environmentally sensitive permanent grassland in Natura 2000 areas and areas designated by MS
 - Maintenance obligation of ratio of permanent grassland and agricultural area at MS/regional/sub-regional/holding level (5% max decrease ratio)
- Ecological focus area
 - 5% of arable land (above 15 ha of arable land), **possibility to increase** to 7% as from 2018
 - **MS to decide** what can be considered as EFA (list provided in the basic act)



Greening – EFA list

- Land laying fallow
- Terraces
- Landscape features
 - Hedges – wooded strips
 - Isolated trees – trees in line – trees in group
 - Field margins
 - Ponds
 - Ditches
 - Traditional stone walls
- Buffer strips along water courses – Other buffer strips
- Agro-forestry
- Strips of eligible hectares along forest edges
- Short rotation coppices
- Afforested areas under Rural Development
- Catch crops – green cover
- Nitrogen fixing crops

Greening – Area covered

- *Crop diversification, EFA & permanent grassland*
 - **13 % of arable land concerned by crop diversification (2 crops)**
 - **74 % of arable land concerned by crop diversification (3 crops)**
 - **83 % of arable land concerned by ecological focus area obligation**
 - **100 % of permanent grassland (except organic and small farmers scheme)**
- *Exemption and non-application of greening*
 - **Organic farming: (5.2% of UAA and 4.6% of arable land)**
 - **Small farmer scheme: up to 10% of UAA**
 - **Permanent crops: 6.2% of UAA**
- *Additional exemptions*
 - **Farms with >75% grassland**
 - **Farms north of 62nd parallel**
 - **Farms with more than 50% of area covered by forests etc.**

MONITORING & EVALUATION: AN OBLIGATION

Future M&E framework

Art. 110 of HZ regulation requires common M&E framework **for the whole CAP**

Art. 74-86 of RD regulation set specific requirements for Pillar II M&E and
Common Provisions regulation art. 41-50 for all CSF funds

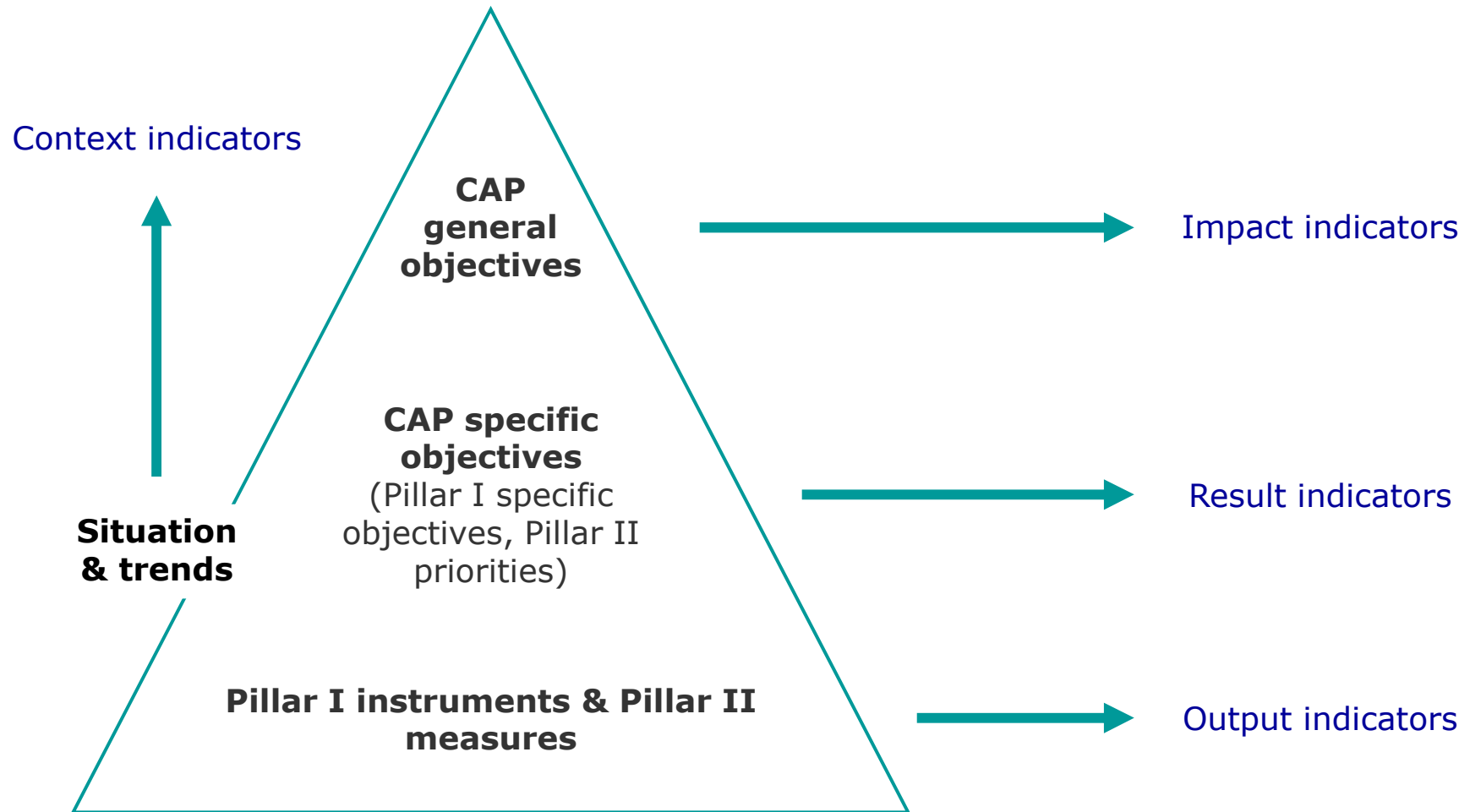
Cover both pillars of the CAP – but consider specificities of each pillar

Broadly structured along lines of existing system, but simplified and more
coherent

Minimise administrative burden:

- *use existing indicators/data sources*
- *reduce number of indicators*
- *rationalise submission and use of data*

Types of indicators





Reporting requirements

The **performance of the CAP** shall be measured in relation to the following objectives:

- (a) viable food production, with a focus on agricultural income, agricultural productivity and price stability;
- (b) sustainable management of natural resources and climate action, with a focus on greenhouse gas emissions, biodiversity, soil and water;
- (c) balanced territorial development, with a focus on rural employment, growth and poverty in rural areas.

Member States shall provide the Commission with all the information necessary to permit the monitoring and evaluation of the measures concerned. As far as possible, such information shall be based on established sources of data, such as the **Farm Accountancy Data Network** and **Eurostat**.

The Commission shall present an initial report, including first results on the performance of the CAP, to the European Parliament and the Council by **31 December 2018**. A second report including an assessment of the performance of the CAP shall be presented by 31 December 2021.



THE FADN FARM RETURN: ADAPTING TO POLICY CHANGES





Farm return 2014: status

- 2008-2012: extensive revision of the farm return (simplification, improved consistency, new elements useful for the analysis e.g. quantities of N,P,K...)
- *Commission Implementing Regulation (EU) No 1320/2013 of 3 December 2013 correcting Implementing Regulation (EU) No 385/2012 on the farm return to be used for determining the incomes of agricultural holdings and analysing the business operation of such holdings*
 - **New FADN, not yet 'Lisbonized', CAP transition year**
 - **Applied for the 2014 accounting year ONLY**



Farm Return: new developments

from 2015, new FADN, new legal framework, new CAP

Revision along 3 axes:

- **Overhaul of the FADN** (Council Regulation (EC) No 1217/2009)
- **Alignment with the Lisbon Treaty**
 - Basic act adopted - Regulation (EU) No 1318/2013 of the European Parliament and of the Council
 - Delegated and implementing acts in preparation (target: 05/11/2014)
- **Adapting to the 2013 CAP reform** (revision of the Farm Return in the delegated and implementing acts)

Main challenge: integrating the new structure of direct payments



Direct payments in the Farm Return: Table M – Subsidies (in Annex VIII "Form and layout of the Farm Return" of the new implementing act)

Principles for integrating changes:

- Collecting additional information on greening without introducing a new table
- Minimising changes to the existing table & code structure (Reg. (EC) 385/2012)
- Scrapped schemes: codes discontinued;
New type of subsidies: new codes



Structure of the proposed new Table M "Subsidies" integrating administrative information on greening – 09/2014

Code (*)	Group	Description of categories	Columns		
			N	V	T
		Decoupled payments			-
1150	S	BPS (Basic payment scheme)			-
1200	S	SAPS (Single area payment scheme)			-
1300	S	Redistributive payment			-
1400	S	Payment for agricultural practices beneficial for the climate and the environment	-		-
1500	S	Payment for areas with natural constraints			-
1600	S	Payment for young farmers			-
1700	S	Small farmers scheme			-
					-
		Coupled support			-
		...			-
		Rural development			-
		...			-
		Grants and subsidies on costs			-
		...			-
		Grants and subsidies on livestock purchases			-
		...			-
9000		Differences from the previous accounting years			-



Additional information on agricultural practices beneficial for the climate and the environment ("Greening")

- *What do we want to collect?*
 - **Information on compulsory agricultural practices:**
 - Crop diversification
 - Maintaining existing permanent grassland
 - Ecological focus area
- *Why?*
 - **Policy monitoring and evaluation (not policy control!):**
 - Impact of greening obligations on farm income
 - Environmental impact of greening (when linked to biological models)
- *When?*
 - **From the 2015 accounting year**
 - Crop diversification, Permanent grassland, EFA (main category, column T)
 - **From the 2018 accounting year**
 - EFA (main category, column N + EFA details)



Additional rows on greening

Code	Group	Description of categories	Columns		
			N	V	T
Payments for agricultural practices beneficial for the climate and the environment					
10000	AI	Agricultural practices beneficial for the climate and the environment	-	-	-
10100	AI	Crop diversification	-	-	-
10200	AI	Permanent grassland	-	-	-
10210	AI	Of which environmentally sensitive permanent grassland in Natura 2000	-	-	-
10220	AI	Of which environmentally sensitive permanent grassland outside Natura 2000	-	-	-
10300	AI	Ecological focus area	Optional until 2017	-	-
10310	AI	Land laying fallow		-	-
10311	AI	Terraces		-	-
10312	AI	Landscape features		-	-
10313	AI	Buffer strips		-	-
10314	AI	Hectares of agro-forestry		-	-
10315	AI	Strips of eligible hectares along forest edges		-	-
10316	AI	Areas with short rotation coppice		-	-
10317	AI	Afforested areas		-	-
10318	AI	Areas with catch crops		-	-
10319	AI	Areas with nitrogen-fixing crops		-	-

N= area concerned by agricultural practices beneficial for the climate and the environment, in ha.

Codes 10300-10319: arable land area corresponding to EFA, in ha after application of conversion factors but before making use of weighting factors, where appropriate.

Code	Description
1	Agricultural holding has an obligation to comply with the administrative requirement.
2	Agricultural holding complies ipso facto with the administrative requirement (organic farming).
3	Agricultural holding benefits from an exemption based on the compliance with Natura 2000, Birds or Water Framework Directives.
4	Agricultural holding benefits from an exemption based on other types of criteria specified in the Regulation (EU) No 1307/2013.
5	Agricultural holding is applying equivalence based on national or regional environmental certification schemes.
6	Agricultural holding is applying equivalence based on agri-environment-climate measures.



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Thank you!