

# Greening facing the European talks and the national choices : a comparative study on seven Member States (UK, DE, NL, DK, ES, IT, PL)

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# FEW ELEMENTS OF CONTEXT

- First CAP reform to be co decided as part of the treaty of Lisbon (Council and European Parliament).
- First CAP reform with 27 MS
- Threat of a budget cut on CAP
- Development of a speech on « Public Goods »
- Influence of different stakeholders on the European Commission: civil society (environmental NGOs), think tanks, agri-trade unions
- Wish of the European Commission to create « *simple, generalized, non-contractual and annual environmental actions that go beyond cross-compliance and are linked to agriculture* ».

# OBJECTIVES OF THE STUDY

- **Analyze the different opinions during the talks :**
  - Ratios of power between the different stakeholders : farmers interests vs environmental interests
  - Member States' positions promoted during the reform.
  - The impact of the European Parliament on Greening.
  
- **Study the implementation of Greening in these MS :**
  - Choices made on the 3 measures + equivalent practices.
    - How have they made these choices ?
  - Report what MS and farmers think about Greening.
    - Impacts on their administrations.
    - Impacts on the farmers' work.
    - Number of farmers concerned by the measures
  
  - **Analyze and prospect on the debate on simplification :**
    - What is the risk for Greening ?
    - How MS and the European Commission intend to modify the greening measures ?
    - What are the different scenarios on the future of the CAP ?



# METHODOLOGY

- READING :
  - Sociologic documents on « Public Goods ».
  - Documents on the MS' positions during the European talks
  - Publications of some MS regarding their national implementation.
  - Articles on the simplification of the CAP 2014-2020.
  
- INTERVIEWS :
  - 18 interviews realised with players related directly and indirectly to the implementation of the CAP reform.



# RESULTS OF THE STUDY

- FIRST PART : Return on the European talks : differences of opinion on the European Commission's legislative proposals.
- SECOND PART : A diversified integration of the greening measures owing to MS flexibilities in their national implementation.
- THIRD PART : Calling into question the greening measures : the debate on a simplification of the CAP 2014-2020.

# PART 1 : RETURN ON THE EUROPEAN TALKS

- Development of the European Commission's legislative proposals :
  - **A speech on « Public Goods » to promote non-profit goods.**

Role of agriculture in the promotion of environmental services.

    - Participation of NGOs and think tanks on the definition of « Public Goods ».
    - Impacts of agri-trade unions on that definition : food security.
  - **November, 18th, 2010 : Communication of the European Commission :**

*Creation of « simple, generalised, non-contractual and annual environmental actions that go beyond cross-compliance and are linked to agriculture ».*
  - **October, 12th, 2011 : Publication of the European Commission's legislative proposals.**

3 measures on Greening. Basis of the debates in the European Parliament and the Council.
  - **October, 18th, 2011 : Publication of an impact assessment by the European Commission on the legislative proposals.**
    - Negative impacts on the European talks.
    - Emphasis on the economic impacts rather than ecological impacts.

# THE IMPACT OF CODECISION PROCEDURE IN THE EUROPEAN TALKS

- **Role of the European Parliament in the talks on Greening :**
  - The commission of Agriculture and Rural Development was chosen.
  - Impact of the MPs on the talks in the Commission :
    - 31 % of MPs have been part of agri-trade unions or cooperatives.
    - 24 % of MPs have been ministers or civil servants in a Ministry of Agriculture.
  
- **Role of the European Commission during the talks :**
  - Different opinions between the DG AGRI (against) and Dacian Ciolos' staff (in favour) on the greening measures.
  - Will to preserve the Greening ambition
    - Legislative proposal on the designation of sensitive permanent grassland inside (mandatory) and outside (optional) Natura 2000.

# FOCUS ON THE TALKS IN THE AGRICULTURE AND FISHERIES COUNCIL

- **Agreement on the idea of a « green component » into the direct payments (Pillar 1) in order to find a new CAP legitimacy.**
  - Disagreement on the requirements of the greening measures not on the idea.
  - Purpose : preserve the CAP budget (not an environmental stake).
  - MS in favor : France, Spain, Italy.
- **Implementation of a greening menu in a European framework.**
  - On 9 measures, each MS could chose 3 measures of its choice.
  - Disapproval of a « one size fits all » approach.
  - MS in favor : the UK, Germany, Denmark.
- **Greening perceived as a new burden for administrations and farmers.**
  - MS which agreed : most of MS from East of the EU (study case : Poland).



# DIFFERENTS IDEAS PROMOTED BY MS

- **Spain** : Significance of agriculture in the spanish economy → 4,6 % of Spanish people work in that sector. Importance of competitiveness in the spanish farm sector. Conservatism of farm organizations on Greening.
  - Will to preserve a strong CAP. Preservation of direct payments and the CAP budget.
- **Italy** : Significance of organic farming and labels. Paradoxically, conservative position of the Italian government on Greening.
- **Poland** : will to extend their competitiveness and productivity. Will to modernize the Polish farming → In favor of the conservation of direct payments and the CAP budget.
- **NL** : Atypical approach : development of ecological associations. Will to promote new farming practices. In favor of the idea of Greening.
- **UK** : 2 different models
  - England/Wales : promotion of non-profit goods, questioning direct payments, transferts from Pillar 1 to Pillar 2.
  - Scotland/ North of Irland : Importance of direct payments. Funds from Pillar 2 used for the productiveness of their farms.
- **Germany** : competitiveness and productivity of its farms. German demands according to its farm model (opposed to fallow land in EFAs, will to integrate nitrogen fixing crops as EFAs).

# DEMANDS MADE BY MS DURING THE TALKS

## ■ On crop diversification

- Germany, Spain, Italy and Poland asked for an exemption for small farms (10 to 15 ha).
- Germany, UK, Poland and France asked that varieties which belong to the same kind of crop be considered as different.
- Italy and Spain asked for an exemption on permanent crops and underwater plants (rice growing).
  - Study made in Spain exposed that permanent crops have a positive impact on the environment and should be considered as green by definition.
- Germany and Denmark asked to take into account plots' annual rotation (specialised potatoes growing).



- **On maintenance of 7 % of EFAs :**

- MS asked for a decrease of EFAs' rate : NL: 3.5 %, DK : 3 %, ES : 3 %, IT : 3 %, PL : 3 %

Exception : France and the UK agreed on the EC's legislative proposal.

- MS asked for an extension of EFAs' list :

Germany was afraid that EFAs would mean the imposition of fallow land. Impact on the competitiveness of the European agriculture and its productivity.

- Germany : inclusion of nitrogen fixing crops.
- Denmark, Italy, France and Poland : inclusion of permanent grassland.
- NL, Denmark and Poland : inclusion of catch crops.
- ES : inclusion of agroforestry

- Exclusion of small farms : Spain, Italy and Poland



- **On the maintenance of permanent grassland :**
  - Implementation of the measure at a national or regional level rather than at a farm level.
  - Disapproval on the definition of permanent pastures.
    - Spain and Italy asked for the integration of permanent crops.
  - On the ploughing limitation : France wanted to step the rate up from 5 % to 7 %.
  - Only Germany was in favor of the legislative proposal of the EC.
  
- **On the implementation of the greening payment :**
  - Some MS wanted to preserve a system based on the historical references of each farmer : Denmark, Spain (against convergence).



# INFLUENCE OF NEW EXTERNAL STAKEHOLDERS INTO THE TALKS

- From 1990s, the European Commission has taken into account other interests than farmers ones.
- Many think tanks published reports before the publication of the legislative proposals.
- Intervention of civil society :
  - Participation to the public debate launched by the EC.
  - Publication of proposals : « Proposal for a new EU CAP ».
  - Merging of several NGOs into EEB or ARC 2020.
- Nonetheless, intervention of COPA in the debate :
  - Competitiveness of the European agriculture.
  - Need to enforce the productiveness of European farmers.
  - Need to maintain the direct payments into Pillar 1.

# PART 2 : A DIVERSIFIED INTEGRATION OF GREENING

- Reminder on the 3 greening measures :
  - **Crop diversification** : a farmer must cultivate at least 2 crops when his arable land exceeds 10 hectares and at least 3 crops when his arable land exceeds 30 hectares. The main crop may cover at most 75% of arable land, and the two main crops at most 95% of the arable area.
  - **Maintaining an « ecological focus area » of at least 5 % of the arable area of the holding** : for farms with an area larger than 15 hectares (excluding permanent grassland) – i.e. field margins, hedges, trees, fallow land, landscape features, biotopes, buffer strips, afforested area. This figure will rise to 7% after a Commission report in 2017 and a legislative proposal.
  - **Maintaining permanent grassland** : allowance of 5 % of ploughing.

Designation of sensitive permanent grassland inside Natura 2000 and possibly to designate sensitive permanent grassland outside Natura 2000.

# PART 2 : A DIVERSIFIED INTEGRATION OF GREENING

- MS can chose which elements they want to integrate into their EFAs' list.
- MS can chose to implement some regulations on plant protection products and fertilisers.
- MS can decide which rate of permanent grassland they want to designate as sensistive permanent grassland. MS can chose to integrate or not sensitive permanent grassland outside Natura 2000.
- MS can implement a flat rate payment or a proportional one taking into account the historical references of each farmer.
- MS have the opportunity to implement equivalent practices to respect the greening purpose.
  - Equivalent certification schemes
  - Agri-environment measures from Pillar 2.
- Some exemptions have been notified : permanent crops and underwater plants.

# NATIONAL IMPLEMENTATIONS OF GREENING

- **Different practices on the integration of Greening :**
  - In some MS, the greening measures are implemented by the ministries of Agriculture.  
MS : France, Spain, Poland
  - In others, Greening is defined in the national Parliaments.  
MS : NL, Germany, Wales  
Case study : influence of the Dutch parliament on the implementation of the greening measures (« equivalent package ») : The package consists of a managed field margin, which is *permitted* to include adjacent ditches, catch crops, protein crops and certain landscape features. The managed field margin constitutes at least 30% of the weighted area of the overall package.
  - Impact of the controls with the rate of error allowed by the European Commission.
    - Threat of all MS to be higher than this rate.
    - Will to simplify at its maximum the implementation of the CAP.



# CHOICES MADE ON THE 3 GREENING MEASURES

## On maintaining an EFA of at least 5 % :

- Extension of the list of EFAs with regard to the national specificities to facilitate the respect of the measure.
- On the number of elements chosen by MS :
  - Integration of the whole elements of the list : Germany (except agroforestry), France, Poland.
  - Integration of a restricted list : Spain (4 elements), Denmark (4 elements).
- Why the MS have made this choice ?
  - Impact of the European obligation to map digitally all the 3 years-potential EFAs chosen by the MS.  
Study case : England (inclusion of hedges in the EFAs).  
Potential impacts : administrative burden, complexification of farmers' work.
  - Result : Few MS chose landscape features (except field margins not concerned by the mapping).

## A collective approach chosen in NL and Poland :

- Purpose in NL : increase the efficiency of the measure on the biodiversity protection.
- Purpose in Poland : simplify the measure and increase a collaborative approach between farmers.



- On plant protection products and mineral fertilisers regulations :
  - European rules only specify regulations for short rotation coppice « area with short rotation coppice with no use of mineral fertilisers and/or plant protection products » (article 46 of the REGULATION No 1307/2013).
    - None has chosen to prohibit both (plant protection products and mineral fertilisers) except France.
  - MS have the opportunity to implement regulations on other crops included as EFAs.
    - Regulations on catch crops :
      - Germany : prohibition of plant protection products AND mineral fertilisers.
      - NL : prohibition of plant protection products
    - Regulations on field margins :
      - Poland : prohibition of mineral fertilisers (national directive).
    - No regulations on nitrogen fixing crops.
      - Exception : Germany and Spain : After the gathering, farmers cannot leave the soil uncultivated (as part of the Nitrates Directive).

- Use of cross-compliance to extend the Greening ambition.
  - A different approach in comparison with the European talks : disagreements on the water directive and plant protection products directive.
  - Some MS chose to use cross-compliance to fulfill the ambition of Greening :
    - Germany : prohibition of all the inputs as part of GAEC « minimum soil cover ».
    - Spain : integration in cross-compliance of all landscape features : hedges, field margins, stone walls, ...
  
- Administrative burden related to the measure :
  - England : issue related to the IT system.
  - NL/IT : issues encountered with the obligation to map digitally every potential landscape features in the EFAs' list.



## On maintaining permanent grassland :

- Almost all MS chose to control the measure at a national level.

Regional level : France, UK, Germany

- Case study : Regression of France which used to implement a farm control with GAEC 6 (cross-compliance).
  - UK and Germany : already implemented a regional approach as part of GAEC.
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- Few MS implemented sensitive permanent grassland outside Natura 2000.
    - None except NL realised an impact assessment to designate sensitive permanent grassland (as part of a study realised on the impact of Greening on the Dutch farms).
    - Only Wales designated sensitive permanent grassland outside Natura 2000 (as part of Terrestrial Sites of Specific Scientific Interest).

## On crop diversification :

- UK has a particular issue with the workability of the crop diversification requirement (3 crops rule). It goes against the objectives of competitiveness and productivity promoted by the British government.
- Different impacts according to the MS' regions.
  - Italy : Lombardia and Emilia Romagna in the North and the Marche, Molise and Sardegna regions in the South are the most concerned.
  - Germany : different impacts according to the lander (West vs East).

## Equivalent practices :

- Only 5 MS have implemented equivalent practices :
  - 3 MS (Ireland, Austria and Poland) have implemented equivalent practices regarding their agri-environment measures.

Study case : Poland (crop diversification) : 4 crops with the main crop (maximum 65%). Any crops can represent less than 10 %.

- 2 MS (the Netherlands and France) have implemented equivalent practices with national certification schemes.

Study cases : NL : « Equivalent package »

FR : Certification scheme on maize in France : winter soil cover recognized as a green practice.

- Some MS want to implement equivalent practices : Scotland, England, Czech Republic and Portugal.

## Choice made by MS regarding the greening payment

- All MS (from the panel) except Germany, Scotland and England chose to implement the exemption (preservation of the historic references).



- Estimations on the number of farmers in each MS who have to respect the greening measures :

- **The Netherlands** (from the University of Wageningen) :

In total 20.768 will have to comply to the greening (of the around 60.000 farmers that receive CAPpayments).

- On crop diversification : More than 17.000 have to comply with the crop diversification measure, but only 16% this means really an effort as many of the farmers already grow 2 or 3 different crops.
- On EFAs : 15.000 have to comply with the EFA.
- On the maintenance of permanent grassland : 4.000 farmers have to comply with the maintenance of permanent grassland.

- **Germany** (statistics from the federal institute belonging to the work area of the Ministry for Agriculture, Thunen)

- On crop diversification : there are 321,900 farms in Germany, there are 25,400 farms who'll have to change the crops in order to fulfill diversification measure.
- On EFAs : need for 553,000 ha in respect of 11,060,400 ha arable land.

- **Poland** (statistics from the Polish ministry of Agriculture) :

- On crop diversification : 17 % of the Polish farms are concerned by the measure.
- On EFAs : 10 % of the Polish farms are concerned by the measures.

- **Italy** : (from *the effects of CAP greening on Italian agriculture*, Francesco Vanni) :

- On crop diversification : only 3.8 % of Italian farms have to fulfill the measure.
- On EFAs : Among the 93.190 farms potentially affected, there are 11.210 which have more than 5 % of arable land as fallow land.





# LINKS BETWEEN GREENING AND AGRI-ENVIRONMENT MEASURES

- According to some specialists, there would be 3 possible scenarios.
  - **First scenario** : Reevaluation of agri-environment measures with Greening (with regard to the prohibition of double funding).
    - Disappearance of less ambitious agri-environment measures.
  - **Second scenario** : As the implementation of Greening is not ambitious, Greening should not have any impact on agri-environment measures.
  - **Third scenario** : Same historical path than cross-compliance
    - Not well-welcomed at the beginning
    - Then, well-integrated by the Member States.



# PART 3 : DEBATE ON A SIMPLIFICATION OF CAP 2014-2020

- MS asked for some changes regarding the greening measures :
  - They consider that greening measures are causing too much administrative burden especially on a maintaining of EFAs.
  - On maintaining an « ecological focus area » of at least 5 % : MS asked for the end of mapping every 3 years-potential EFAs.
  - MS asked to be tolerant with farmers during the first year of implementation.
  
- What did Phil HOGAN modify ?
  - MS do not have to map digitally every potential elements of their EFAs' list. Farmers only have to map what they decided to integrate as EFAs.
  - The EC allows administrations to make some adjustments if farmers made some mistakes.
  
- New demands from agri-trade unions :
  - On the permanent grassland's definition : will to declare grassland (5 years and more) as arable areas.
  - On crop diversification : institute controls based on the risk.
  - Extension of equivalent practices to become a true alternative from each European farmer.

# SOME SCENARIOS ON THE FUTURE OF THE CAP

- CAP would turn into a regionalized farming policy.
- CAP facing budget cuts (cuts in some programs, resort to private funds).
- Environmental stake (removal of direct payments in Pillar 1, creation of an environmental fund (sort of Pillar 3), CAP payments conditioned by the participation to agri-environment measures).
- New stakes to take into account

Study case : sustainable food : support short distribution channels, projects with regions on institutional catering...

**Thank you for your attention !**

**Any questions ?**

