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Cross Compliance implementation: first assessment and outlooks for the future?

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Structure of the presentation:

- Introduction
- Assessment
- Identified problems:
  - general
  - specific
- What about the future?

Introduction

Cross compliance has 2 elements:

- Statutory Management Requirements (SMR), and;
- GAEC including the maintenance of the ratio of permanent pastures.

Introduction (cont'ed):

GAEC = Good agricultural and environmental condition; how much agriculture and how much environment?

Need to consider the economic nature of farming.

Farmers' incomes are deteriorating (12% drop in 2009) and they are at the level of 50% of earnings of other economic sectors.

Introduction (cont'ed):

GAEC is used as a flexible instrument, following the idea of subsidiarity and taking into account the different agro-economic conditions across EU.

With the Health Check a revision of the GAEC has been undertaken – the inclusion of new standards, the differentiation between compulsory and optional (exhaustive list).

Assessment:

In respect of all the major objectives of the CAP, cross compliance is a good tool to ensure that while we produce food in sufficient quantities, it is safe and produced in a sustainable manner.

This means that cross-compliance requirements already have certain environmental reflections that need to be respected.

Identified problems:

General

Each time additional regulation under GAEC is put on farmers their cost are significantly increased and/or their productivity reduced. Thereby their competition position is reduced (between EU and third countries) and thus the economic viability.

For your info: there are quite essential differences across Europe regarding the GAEC standards – the measures farmers have to apply to comply with natural resource protection and biodiversity conservation are decided at member state level, or even beyond e.g. Wallonia and Flandria.

Identified problems (cont'ed):

There are differences across the EU regarding GAEC standards – the measures farmers have to apply to comply with natural resource protection and biodiversity conservation are decided at member state level, or even at regional level (e.g. Wallonia and Flanders in Belgium).

Identified problems (cont'ed):

GAEC = Good agricultural and environmental condition; how much agriculture and how much environment?
If farmland is used in a too extensive way fulfilling the environmental conditions (or no longer on a regular basis: hedges, permanent buffer strips, flood plains, too many trees), farmers risk to lose this land as being part of their productive area (and thus eligible for single farm payment + impact on land price).

Identified problems (cont'ed):

There are several exceptions negotiated by MS, e.g. grassland in Natura 2000 areas. There might be even a conflict due to the compulsory standard "avoiding the encroachment of unwanted vegetation on agricultural land" and "the establishment and /or retention of habitats" (optional standard).

Identified problems (cont'ed):

The abandonment of farming activities and related business (input and processing) in rural areas, leads to the loss of economic viability in the rural areas.

Without active farmers who will care for the environment? Certainly not the environmental NGOs.

Identified problems (cont'ed):

Specifc

"Protection of permanent pasture": Due to this obligation farmers grub-up the grassland that is NOT permanent before achieving a 5 year time period to avoid that it becomes permanent (as this implies the loss of potential productive arable land and affects negatively the land value / level of single farm payments in those member states that differentiate).

Identified problems (cont'ed):

Specifc

The temporary use of this area for crop production – often only for one year is not beneficial to the environment (biodiversity, carbon stocks in the soil) neither brings economic benefits to the farmers (relatively high costs to cleaning up the ground, grubbing). There is no possibility for farmers to avoid grassland becoming permanent by specific IACS (integrated administration and control system) declaration.

Identified problems (cont'ed):

Specifc

"Establishment of buffer strips along water courses": This GAEC standard is based on the nitrate directive and there are huge differences across Europe how it is implemented (some derived from the different regional conditions and farm types, but also how strong the national enforcement is). Another issue is the calculation of width of buffer strips: Field borders starts in some MS directly at water level, in others at the above border of the bank slope or even at a certain distance (on farm parcel).

Identified problems (cont'ed):

Specifc

Sanctions under cross-compliance and fines: The sanctions might differ significantly as they are a percentage of the direct payments received by the farm concerned. In addition, cross compliance should not replace national fines (where infractions are punished depending on their severity).

What about the future?

What are the main challenges in front of us:

- Economic and financial crisis.
- (extreme) Volatility in prices.
- Rapid increase in production costs (e.g. energy, fertilisers).
- Food security.
- Climate Change and other environmental related aspects.
- Bilateral (and multilateral) trade agreements.

What about the future? (cont'ed):

Amongst other, the new CAP post 2013 should have as objectives:

- ensure that all production is carried out in a way which protects the environment (air, soil, water), protects animal welfare and biodiversity and provides an attractive countryside.
- optimise EU's agriculture's contribution to economic and employment opportunities in rural areas throughout the EU.

What about the future? (cont'ed):

Amongst other, the new CAP post 2013 should have as objectives:

- encourage land management practices which promote biodiversity, resource and habitat conservation, taking into account specific regional conditions.
- assist farmers' ability to adjust to and mitigate the negative effects of, climate change.

What about the future? (cont'ed):

An emphasis has to be put on the land management and the livestock management themselves and not on bureaucratic procedures (red tape).

The risk of competitiveness distortion is a major issue and has to be addressed – e.g. the Water Framework Directive is implemented through River Basin Management Plans with Programmes of Measure being part of them. The measures may vary significantly from one river basin to another.

What about the future? (cont'ed):

The production capacity of European farmland needs to be maintained and assured for the increasing food demand for an increasing population at global level.

Further burdens on farmers involving the risk of land abandonment should be avoided – who will produce the food for the EU citizens if farming activity is not profitable.

Food production is the primary function of farmers.

What about the future? (cont'ed):

The increasing demand of bio-renewable will bring changes in the land management.

There should be room for innovative approaches providing income to farmers while bringing environmental benefits.

What about the future? (cont'ed):

There is need of flexibility – cross compliance is very static.

In particular with the cross compliance check lists at national level.

Each additional standard makes it more and more difficult to farmers to comply with cross compliance while fostering renewable production (e.g. combination of solar energy production and crop production, processing of animal manure – biogas, digestates, perennial energy crops on flood plains).

What about the future? (cont'ed):

Europe will also have to contribute to feed world population. Need to look into the outlook for 2050 in terms of population and food demand.

What about the future? (cont'ed):

Climate Change will have an impact on a number of regions with extreme weather events, drought, floods, and temperature rise (amongst other) leading to major changes not only in the crops produced and the farming system, but also in unavoidable negative effects to the environment (decreasing carbon stocks with temperature rise, diseases / pests affecting cultivated plants as well as the indigenous flora and fauna of the agricultural ecosystem).

What about the future? (cont'ed):

We are discussing biological processes that are dynamic in nature.

We need to have flexibility that covers the different agro-ecological conditions in EU.

We need to provide farmers the possibility to adapt their production whilst responding to market signals but respecting their environmental commitments.

Thank you for your attention!

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