

Farm Advisory System as a mean to promote cross-compliance

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Introduction

In the contest of the reform of the Common Agricultural Policy (CAP) adopted in 2003, extension services have experienced of a new attention. In fact in the policy makers' purpose they are both a mean to make farmers to comply with compulsory rules and an instrument to improve farms competitiveness.

Firstly, in the regulation 1782/2003 the necessity to create an involving advisory system with the aim to help farmers to meet the standards of "modern, high quality agriculture" was established. Member States were asked to create a "comprehensive system" offering advice to farmers to become more aware of impact of their activities on environment, food safety, animal health and welfare. In spite of the more general statement expressed in the "whereas", article 13 of the regulation proposed farm advisory system (FAS) as a support to implementation of "cross compliance", that is a few rules consistent of "statutory management requirements" (SMR) and some "good agricultural and environmental conditions" (GAECs). In fact, the regulation established that FAS must cover "at least" the SMRs and the GAECs.

In a second time, measure to support FAS have been introduced in the regulation 1698/2005 on support for rural development. These measures were set in the axis 1, that is in the framework of the support improving competitiveness of farms.

According to art 24 of Regulation 1698, a support can be provided to meet costs arising from the use of advisory services if the advisory service cover "at least" cross compliance requirements and occupational safety standards based on Community legislation.

In a first time Italian Regions¹ interpreted this "minimum" criteria as an opportunity to extend both the aims and the contents of FAS to all the possible farmers' needs related to environmental impact and earning improvement. European commission did not agree with this approach so Italian regions were obliged to renegotiate their rural development plans giving more weight to cross compliance issues.

In the definition of the measures related to FAS, Italian Regions have expressed priorities according to their natural resources and economic specificities.

Measures related to FAS in Italian rural development plans

FAS established by art. 13-16 of R.1782/2003 does not have to be necessarily found via Rural Development policy or other Community support. Therefore the Italian regions may use or not Community Funding in order to set up their FAS.

In Italian RDPs, measures specifically related to FAS are:

- 114 for use of agricultural and forest advisory services
- 115 for the setting up of farm advisory services.

In addition we can add measure 111 for the actions to training, information and diffusion of knowledge for to improve knowledge and human capital.

We consider the financial weight of each measures as proxy of their relevance.

At European Community level, about on 483 million of euro are allocated to the measures addressed to extension services, that is about 7% of Axis 1 and to 3% of the total public European Community funding by regional RDP (Rural Development Plans). Resources are mainly addressed to measure 114: over 240 million of euro, corresponding to 4% of Axis 1 and only 1,5% on the

¹ In Italy, Regions are the authorities in charge of the implementation of the policy for the rural development.

public resources assigned to total RDP. Measure 115 for the starting of farm advisory services is tightly connected to the 114. The total public European Community funding for such measure is very small; in fact it is equal to about on 26 million of euro. In Italy many regions did not activate this measure.

Other components of the knowledge system, such as “professional training” and “information”, are contained in the measure 111 which are addressed to employees of agricultural, forest and agro-food sectors. Totally, public European Community funds allocated for such measure is equal to more than 214 million of euro, equivalent to 3% of Axis 1 and to 1% of total RDP.

Main elements in Measure 114 are:

- Contents: cross-compliance is compulsory requirement, whilst the improvement of whole performance is a secondary and optional action;
- Beneficiaries: agricultural and forest farmers;
- Total amount: total amount for the use of advice by farmers paid by the RD programme cannot overcome 80% of the expense, for a maximum amount of €1.500 for advice (except Sicily that foresees a maximum amount equal to €1.000 for advice); 20% of budget spent per year dedicated to the use of FAS by farmers it is paid by the farmers;
- Advisors: the FAS operating advisors must be authorities and private bodies but not single people (the only exception concerns the Emilia Romagna); such advisory bodies have to received qualification by demonstrating their competency and reliability (e.g. staff qualification, administrative and technical facilities, experience, etc.);
- Monitoring the effectiveness of FAS: contracts between farmers and advisory bodies must contain list of provisions of advice for each: date, time, type, particular aspects.

Besides the obligatory “minimum” principle of respect the cross-compliance, many regions have adopted priorities for the choice of farmers beneficiaries of the measure. Notably, there are following priorities in accordance with requirements affecting livestock (that is the thematic on which this paper focuses), in relation to implementation of cross compliance and in accordance with different regional contexts.

Particularly, five regions - Liguria, Veneto, Marche, Lazio, Sicilia – consider a priority condition that the farm is set in Nitrate vulnerable zones (Nvz). Besides, there are two regions also that consider as priority condition to have finalized programs, as environmental issues, animal pathologies, etc. (Piemonte) and to have farms with cultivation methods and breeding for animal health and welfare (Marche).

To improve effectiveness of FAS it is very useful to collect some information among farmers. In fact, according to art. 146 of Regulation (EC) No 1782/2003, the regions have transmit to European Commission the information related to measures for implementation of the FAS. In regard that, we analyze the results of following information for Italian regions concerning the livestock issue: the financing of the FAS in order to set up it, the group of farms receiving priorities and the number of farmers reached per group (if data is available), the methods used to provide advice to farmers, eventual problems encountered during the organisation and management of the FAS and suggestions for the future.

The way by the total cost of the FAS is financed in Italian regions is following, in order to percentage of funding (figure 1)².

In north regions it is that:

- in *Lombardia and Emilia-Romagna* the measure 114 finance 100% ;
- in *Veneto* the measure 114 finance 80 %;

² For the measure 115 on the Setting up of FAS, the regions have describe only the financing of farm advisory services, not the farm relief and farm management services which are also included in measure 115.

in *Piemonte* the measure 114 finance 52%. In this region the FAS is financed also by measure 115 (0,026%) and 111 (44,87%);

in *Liguria* the FAS is financed by measures 114 and 111. There are also regional funds (by L.R. n. 22/04);

in *Bolzano* the measure 111 finance 0,12%.

In central regions it is that:

in *Umbria* the measure 114 finance 100%;

in *Toscana* (in this region also the measure 111) and *Marche* the measure 114 finance 80%;

in *Lazio* the FAS is financed by measure 114, 115 and 111.

In south regions and islands it is that:

in *Abruzzo* the measure 114 finance 100%;

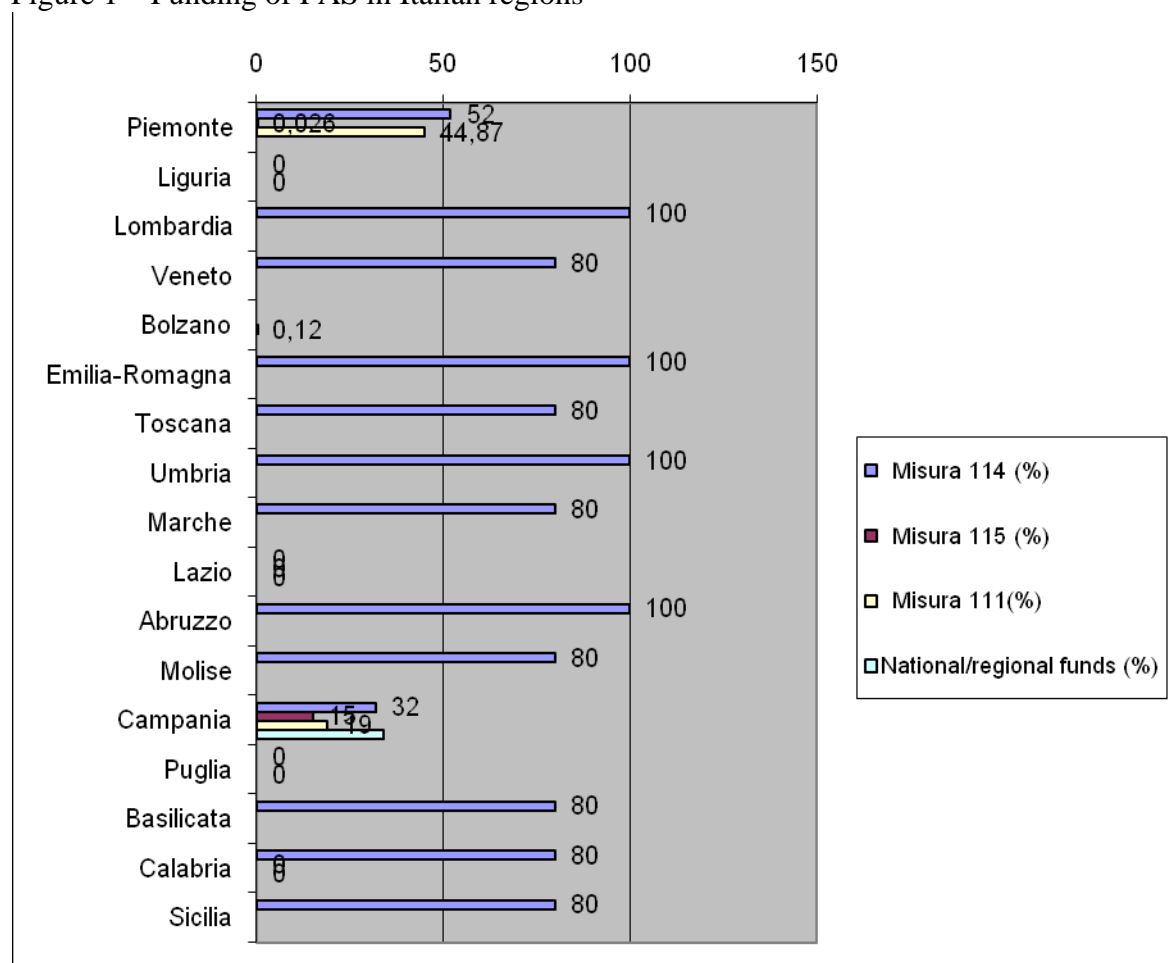
in *Molise*, *Basilicata*, *Calabria* (in this region also the measures 115 and 111) and *Sicilia* the measure 114 finance 80 %;

in *Campania* the measure 114 finance 32 %. In this region the FAS is financed also by measure 115 (15%) and 111 (19%). There are also national funds for 34% of the FAS;

in *Puglia* the FAS is financed by measures 114 and 111.

Three regions (*Trento*, *Valle d'Aosta* and *Friuli Venezia Giulia*) don't finance the FAS with Community funds for many reasons. For example they have well established advisory body's, there are few funds offered by regional RDP and excessive bureaucracy, they want to have possibility to give advice for free.

Figure 1 – Funding of FAS in Italian regions



Source: Our elaboration by data of questionnaires

In order to the group of farms (their participation is always voluntary) receiving priorities (the measure of level priority - high, medium, low - is attributed subjectively by each region) and the

number of farmers reached per specific group until this time, as it regards livestock and relative requirements to implementation of cross compliance, we have following results (table 1):

In north regions there are:

Trento with high priority for 1500 livestock farms reached;

Liguria and Veneto (741 farmers reached) for farms in Nvz;

Piemonte with medium priority for farmers in Nvz or in zones that have finalized programs like animal pathologies and that have use environmental measures of past RDP 2000-2006.

In central regions there are:

Marche and Lazio (also farmers having glossary projects) with high priority for farmers in Nvz.

In south regions and islands there are:

Basilicata with medium priority for farmers in Nvz;

Sicilia with high priority for farmers in Nvz areas, and also in zones that have risk by pesticide pollution;

Sardegna with high priority to following farmers:

- farmers of ovines and goats (around 10.500 farmers reached) beneficiaries of measure on animal welfare of past RDP 2000-2006 and that participate to obligatory training on requirements affecting cross-compliance;

- livestock farmers (around 180 farmers reached) in Nvz;

- farmers of ovines and cattles (around 6.000 farmers reached) participants to regional programs technical support on management requirements affecting livestock.

Table 1 – Priorities for the use of FAS affecting livestock issue in Italian regions

	Livestock farms	Nvz	Finalized programs	Glossary projects
Piemonte		medium	medium	
Liguria		high		
Veneto		high		
Trento	high			
Marche		high		
Lazio		high		high
Basilicata		medium		
Sicilia		high	high	
Sardegna		high	high	

Source: Our elaboration by data of questionnaires

The methods used to provide advice to livestock farmers - related to SMR, like protection of environment (e.g. protection of waters against nitrates), animal health and welfare, and GAEC, like to ensure a minimum level of maintenance affecting livestock issue - they are classical methods used by extension services.

The largest method is “one to one on the farm”. Besides six regions (Bolzano, Trento, Valle d’Aosta, Friuli, Liguria, Calabria) use also ”small group advice on the farm”, two regions (Sicilia and Sardegna) also “small group advice outside the farm” and “publications”.

The problems encountered during the organisation and management of the subsidised FAS are following.

- The need of empowering of network of the different advisory body’s and also of training advisors.
- Difficulty of the farmers in accepting an advisor the part of a consultant who is obliged to report any shortcomings
- High costs concerning great bureaucracy and controls.

- It remains difficult to control the efficiency and effectiveness of FAS implementation.

It results too much strict that FAS fund almost exclusively the activities of cross compliance implementation, while the farmers require the advice for improvement of the global output, introduction of innovation and farm diversification (in the respect of cross compliance).

The FAS could have point of view broader respect to implementation of cross compliance. The FAS could operate in network of farms, public institutions, advisory body's and public and private research board finalized to development and transfer of innovations in the agricultural, forest and agro food sector. In such way the FAS would make integral part of development policy to competitiveness of whole productive sector.

Evidences from the case studies

Regional planning has mainly been based on previous knowledge of local features and economies. In order to improve effectiveness of FAS, Ministry of Agriculture funded a research about the needs of advice to comply with cross compliance. This research provides a survey to collect information among farmers and experts in specific case studies which has been chosen both on regional and sectorial criteria. Even if the project has not been ended, some evidences from survey are already available.

Project concerns all the cross compliance matters, but this paper focuses only on SMRs especially affecting livestock, namely Nitrates directive, identification of animals, notification of animal disease, animal health and welfare and traceability in animal productions.

Because of differences in natural resources, climatic conditions and general economic situations, in Italy agriculture shows large differences according to regional context. The interviewed were made in three regions (Piemonte, Veneto and Arborea district in Sardegna) in order to take in account different livestock specialization and farm organization as well as different socio-economical and political context.

Regional differences can also affect farmers sensitivity as well as public opinion. In fact, in Piemonte farmers seem to be more aware of environmental sustainability issues than in Veneto and in Sardegna, where livestock is generally more intensive and reduction of cost seems to be farmers' priority.

However farmers' consciousness about the pollution capacity of their activity seems to be low. Most farmers declare that agriculture have always a positive impact on environment. As a consequence cross-compliance requirements are often seen as an useless bureaucratic heaviness.

At the same time farmers are not conscious of the wideness of the cross compliance content. In fact they spontaneously refer to nitrate directive, sometime to identification of animals rules, but they generally forget food safety rules, namely traceability of milk production and feed management.

Even if farmers' high concerns about Nitrate Directive could be explained by the difficulty to solve eventually non compliance with it, it does not seem understandable that other SMR don't worry farmers at all but the case that farmers are undervaluing other requirements.

In fact Nitrate Directive has been most debated because of its potential impact on intensive livestock farming (CRPA, 2006),but identification of cattle is the most detected instances of non compliance in the European Union (European Commission, 2007).

All in all, the most important evidence in the interviews to farmers is that they don't have an overall perspective of cross compliance as a mean to qualify public support to the European citizens eyes. In fact, at the best farmers know cross compliance as a whole of requirements, but they don't understand the general aim of the introduction of cross compliances. They try to comply with these rules, because they are asked to do so and because they are suggested by professional and producers' associations, but they are not aware that cross compliance belongs to a re-qualification process which is happening.

Conclusions

In Italy, the importance of nitrate directive constrains the other requirements in the cross compliance.

Because of an objective condition, there is a substantial agreement between farmers concerns and political priorities in rural development plans.

Advisory system could widen farmers' consciousness about environmental impact of agriculture as well as about the changes in the general political perspective, which more and more wants to take in account what "society at large" expects from farmers. That is "Public expenditure must yield something in return – whether it is food quality, the preservation of the environment and animal welfare, landscapes, cultural heritage, or enhancing social balance and equity" (European Commission, 2002).

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