

Administrative burden for farmers

Insights from EU-level studies

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Funded by
the European Union

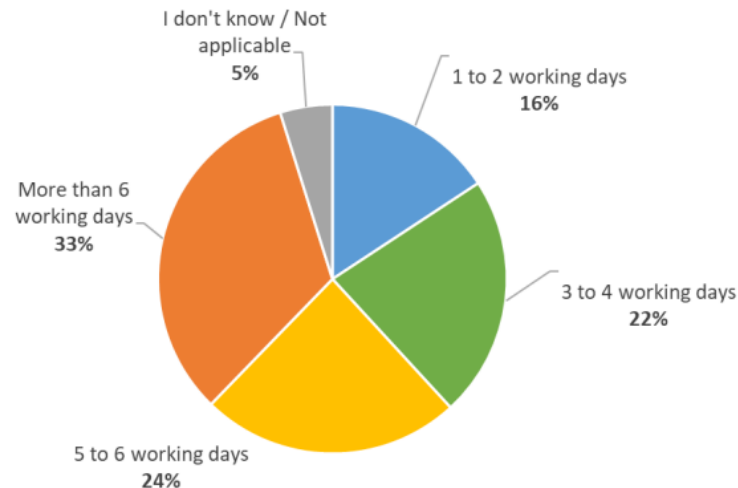


Why does it matter?

“The European Commission is working to deliver short and mid-term actions that can help reduce the administrative burden for European farmers”



Time spent annually on administrative tasks linked to application(s) of CAP aids, including documentation for conditionality
- % of farmers applying for CAP support



What is administrative burden?

Main concepts defined in EC's Better Regulation Guidelines and Toolbox

Compliance costs

Adjustment costs: Costs of complying with new regulation, e.g. *investments, equipment, installations, labour, material, ...*

Administrative costs: Costs of complying with administrative requirements imposed by regulation, e.g. *labelling, reporting, registration, monitoring, and storage of information*

› Would administrative activities take place in absence of legislation?

› **Yes – Business-as-usual (BAU)** costs. Costs due to (economic) interest of the beneficiary. They would exist in the absence of the legislation.

› **No – Administrative burden:** Costs due to administrative activities because of legal obligations. They would not exist in the absence of the legislation.



How to quantify administrative burden?

> Reliance on **standard cost model** to estimate costs

- > Time spent
 - > Cost of time
 - > Frequency of activities
 - > Number of actors
 - > Lump-sums for external costs
- } Price (P)
- } Quantity (Q)

$$\text{Costs} = \sum P \times Q + E$$

- > Important to ensure comparability of data collected e.g. in relation to
 - > Costs (currencies)
 - > Time (hours, days, ...)



Key challenges in assessing administrative burden

Common understanding of key terms

- Cost categories designed from regulatory point of view.
- They rarely resonate fully with experience of farmers/ beneficiaries.
- **Risk of blurring lines, inflating estimates**

Singling out costs linked to CAP

- Farmers need to comply with a wide set of legislation (pesticides, nitrates, ...)
- Farmers are aware that they have to comply, but might not know source of compliance requirement
- **Risk of counting in obligations from other laws, inflating estimates**

Identification of business-as-usual costs

- Under CAP, information requirements have existed for long time
- Difficult for farmers and researchers to assess what they would do anyway
- **Risk of capturing BAU under burden, inflating estimates**

Representativeness of collected data

- Requirements and time spent differ based on farm type, support received, etc.
- Research designs and samples rarely large enough
- **Risk of brushing over differences across farms and countries, de- or inflating estimates**

Measuring costs

- Identifying one-off and re-current costs is not always straightforward
- Exploring time spent for specific tasks can be very challenging
- **Risk of missing elements or counting additional activities in, de- or inflating estimates**

Findings from the analysis of administrative burden arising from the CAP (2019)

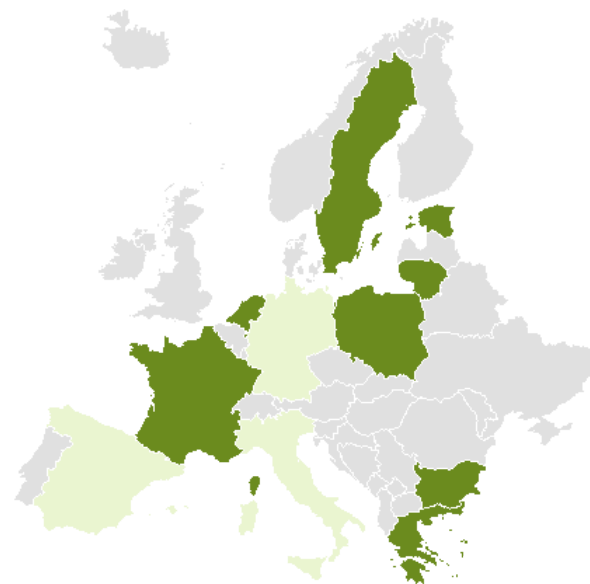
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Results from the analysis of administrative burden arising from the CAP (2019)

Methodology

- Looked also at **administrative burden** for farmers
- Based on sample of 12 countries
- Performed 122 interviews with farmers (about 10 per country)
- Explored time spent and lump-sum costs to get to estimates
- Use of ranges as inputs from farmers differed a lot

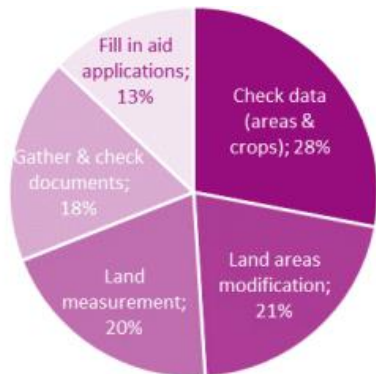


In DE, IT, and ES focus on individual regions

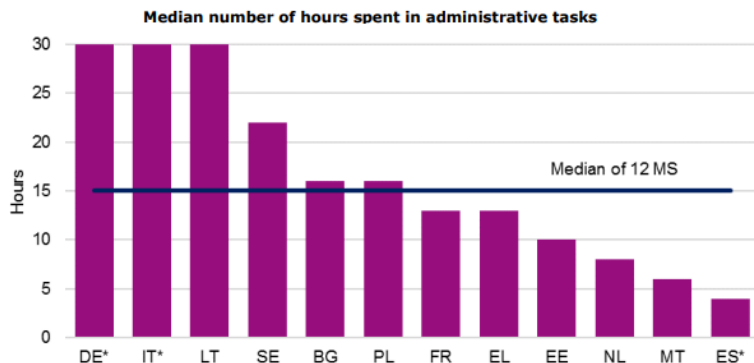




Results from the analysis of administrative burden arising from the CAP (2019)



- For about 85% of the sample, burden from the CAP accounts for **less than 2% of total farm costs**
 - Median burden is €236 per farmer and year
 - Ranges from €12.5 (MT) to €10,308 (DE)
 - For 90% of the sample, burden is below €2,000 per year
- Median cost of administrative burden is estimated at **2% of received aid**
 - Burden is less than 2% of total aid for more than half the sample;
 - Burden is below 4% for more than two thirds of all farmers.



*Bavaria (DE), Emilia Romagna (IT), Andalusia (ES)

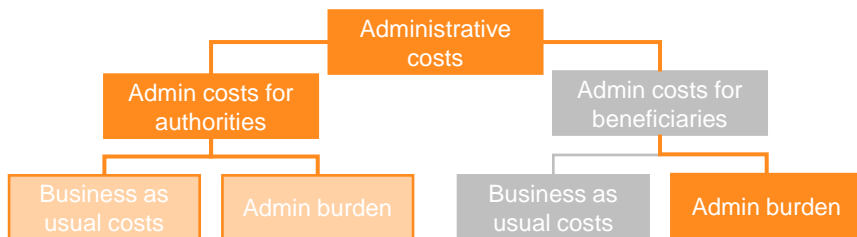




Efforts at EU level to understand the administrative burden of the CAP

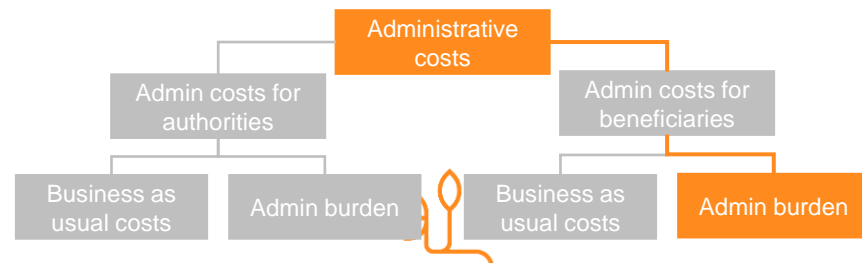
Analysis of administrative burden arising from the CAP (2019)

- Analysis for 2013 – 2020 financing period
- Focus: Costs related to the implementation of IACS after the CAP 2013 reform
 - Set-up costs
 - Running costs
 - Management and control costs
- Main target group are authorities, but also explored costs for farmers
- Captures both administrative costs and administrative burdens



Study on simplification and administrative burden for farmers and other beneficiaries (2024)

- Analysis for 2023 – 2027 financing period
- Focus: Burden for farmers and other beneficiaries after the CAP 2023 reform
 - Application costs
 - Information gathering and reporting
 - Control costs
- Main target group are farmers and other beneficiaries
- Captures the administrative burdens



Preliminary findings from the study on simplification and administrative burden for farmers and other beneficiaries (2024)

Marco Mazzei – Cogea



Research questions

- RQ1 What CAP requirements and related legislation are **most burdensome for beneficiaries** and why? What is suggested by beneficiaries as most effective simplification actions?
- RQ2: **What is the administrative burden arising from 2023-2027 CAP** for farmers and other CAP beneficiaries, how has it changed in comparison to the previous programming period and why?
- RQ3: What is the administrative burden stemming from **EU level legislation** as compared to the burden generated from different **Member States' implementation choices** and possible gold-plating?





Data collection



DONE

298 interviews with farmers across EU27
to explore farmers' concrete issues and personal views



Surveys to: LAGs, EIP-OGs, POs (F&V), wine growers and producers
*to capture the **perspective of other CAP beneficiaries***

Surveys and interviews to national **advisory services**
to complement and validate information collected from farmers

Interviews with MAs, PAs and other key informants at EU and national level
to identify areas of burden, disentangle sources of burden and discuss scope for simplification

Interviews with farmers: the sample

MS	Farmers	MS	Farmers
AT	11	IE	11
BE	13	IT	18
BG	10	LT	10
CY	4	LV	10
CZ	10	LU	4
DE	18	MT	2
DK	10	NL	12
EE	8	PL	15
ES	18	PT	16
FI	10	RO	10
FR	18	SE	10
EL	10	SI	8
HR	11	SK	10
HU	11	TOTAL	298

- › Farmers selected among the 27 000 respondents to the EC's **targeted consultation on simplification (TC)** - March 2024).
- › Two main sampling criteria: **farm size** (<5 ha, 5-50 ha, 50-100 ha, >100 ha), **farming type** (crop, livestock, mixed)
- › Secondary criteria used to fine-tune the sample (level of training, gender, number of workers, use of external support, recent inspections)



Structure of the interview questionnaire

Research
topic



Related TC question



Interview question

Links between research topics, TC questions and interview questions

Example

Topic: administrative burden

TC question: Approximately how much time do you spend annually on administrative tasks linked to the application(s) for CAP aids? (*number of days*)

Interview question: What exactly did you have to do to prepare the application, and how much time did you need for the individual steps?

Structure of the interview questionnaire

Research
topic



Related TC question



Interview question

Links between research topics, TC questions and interview questions

Example

Topic: compliance with requirements

TC question: What type of difficulties do you have when applying the requirements set under the GAECs or other environmental and sanitary requirements? (*4 options for each requirement + open answer*)

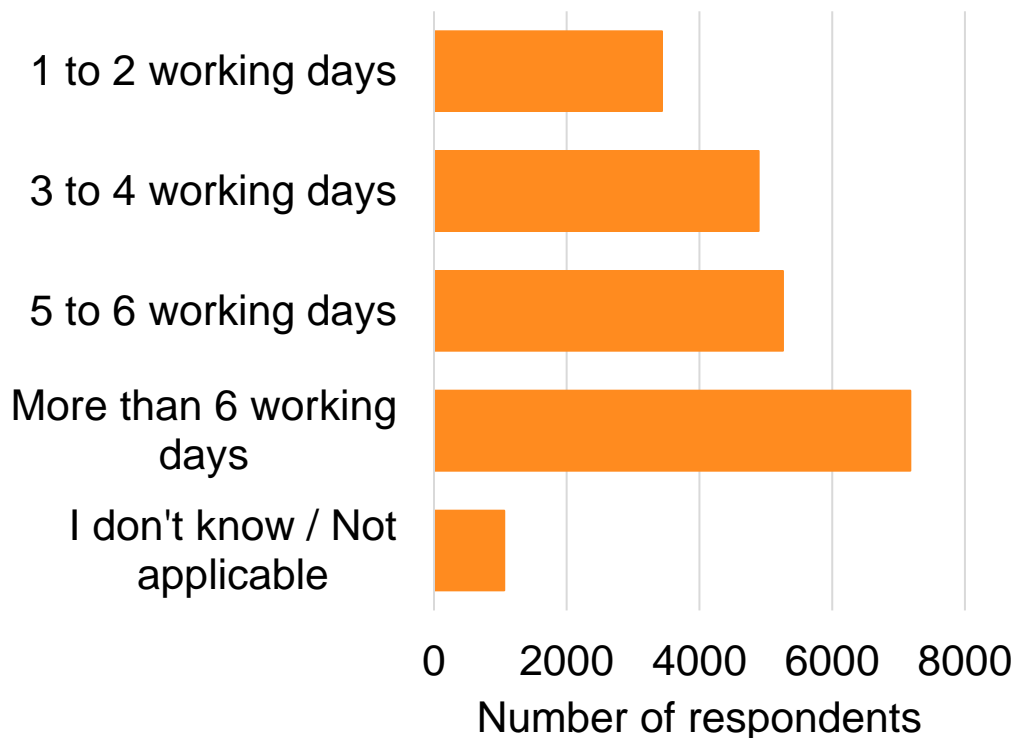
Interview question: What are the three most difficult requirements to comply with (requirements can be related to CAP or other legislation)? Why did you choose those three?

Interview with farmers

Preliminary findings



Amount of time spent on administrative tasks for CAP aid



Which administrative tasks do farmers perform?

- Prepare and submit CAP application
- Prepare documents related to conditionality
- Follow up on application (correct errors, exchange with authorities)
- Record and report information
- Undergo controls and inspections



CAP application and preparatory work

What farmers find burdensome

Understanding the rules and making decisions (10% of interviewees)

- › Rules are perceived as unclear and/or constantly changing
- › Farmers complain about receiving poor information and guidance.

Filling in application forms and collecting evidence (75% of interviewees)

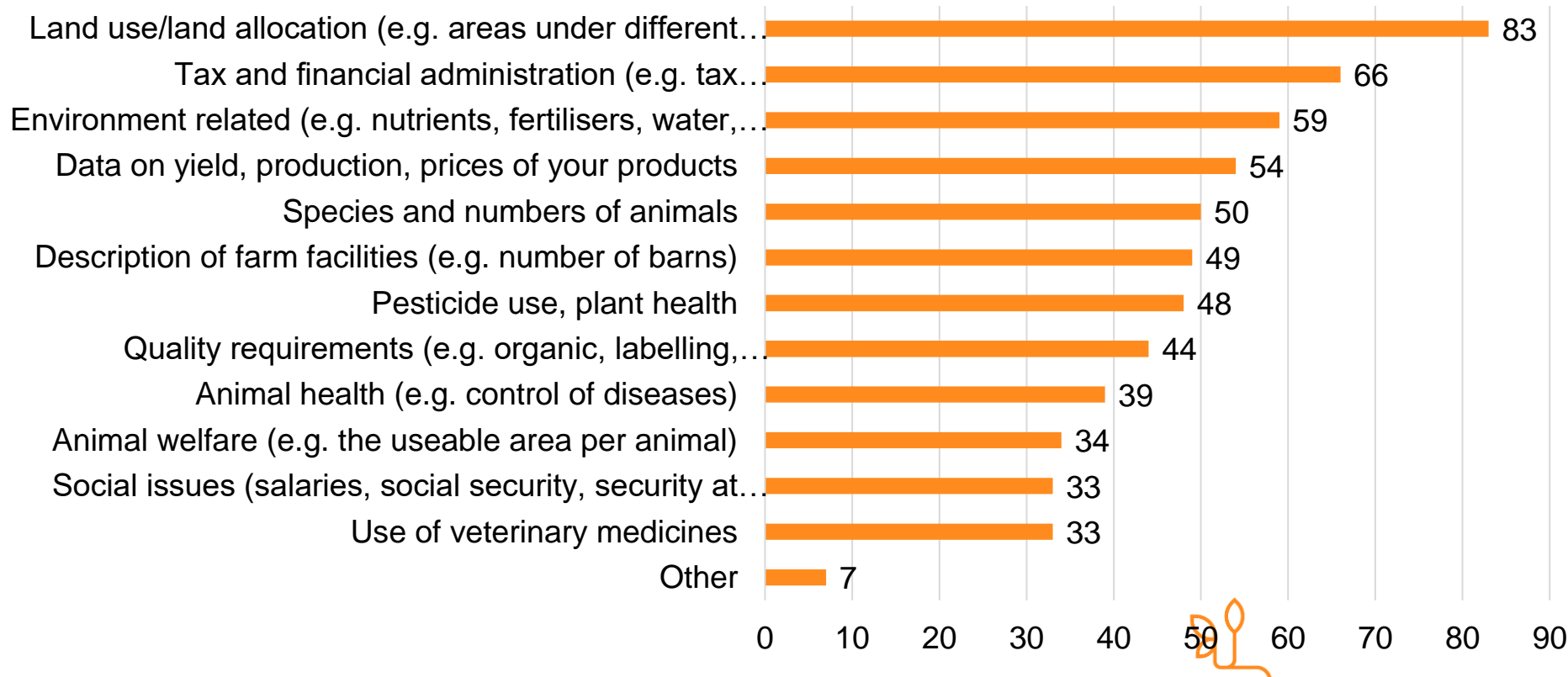
- › Gathering proofs for investments (paperwork, 3-quote rule)
- › Repeated submission of the same information
- › Meeting too rigid conditions (e.g. drawing plots)
- › Issues related to digitalisation: poor IT skills; not functioning or not user-friendly platforms

One/third of farmers claimed not having applied for one or more aid schemes (for lack of sufficient or clear information, complexity of requirements or inability to meet the conditions, lack of cost-effectiveness of commitments)



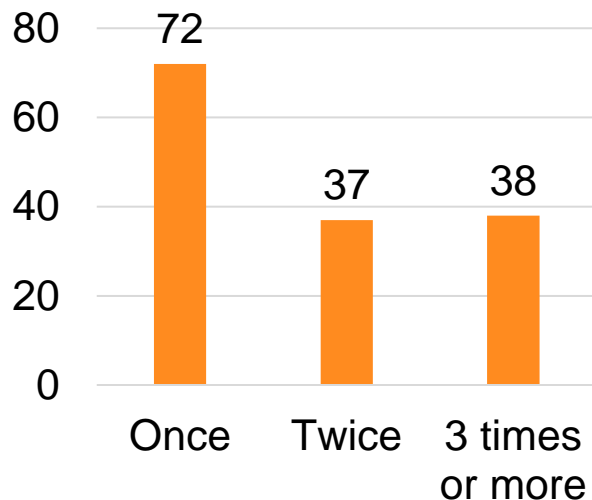
Repeated reporting (not only for CAP!)

Categories for which farmers report the same information several times



Controls (not only for CAP!)

Number of farmers that have undergone inspections in the last three years (only quantifiable responses)



Farmers' views regarding controls

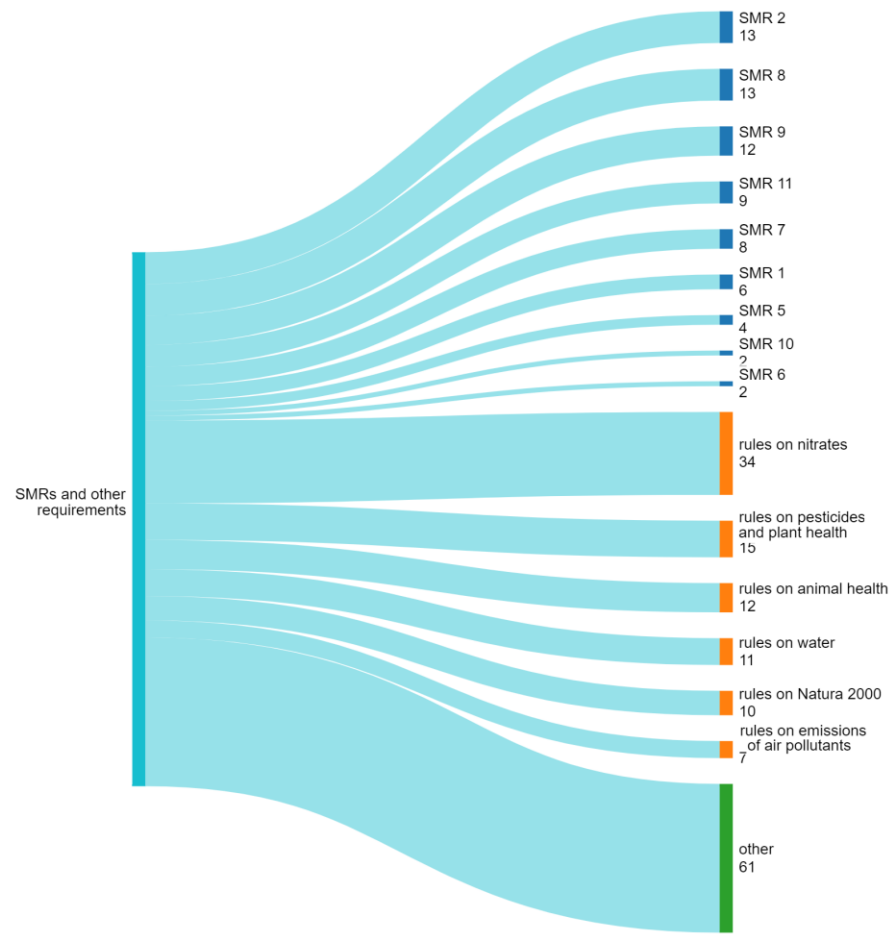
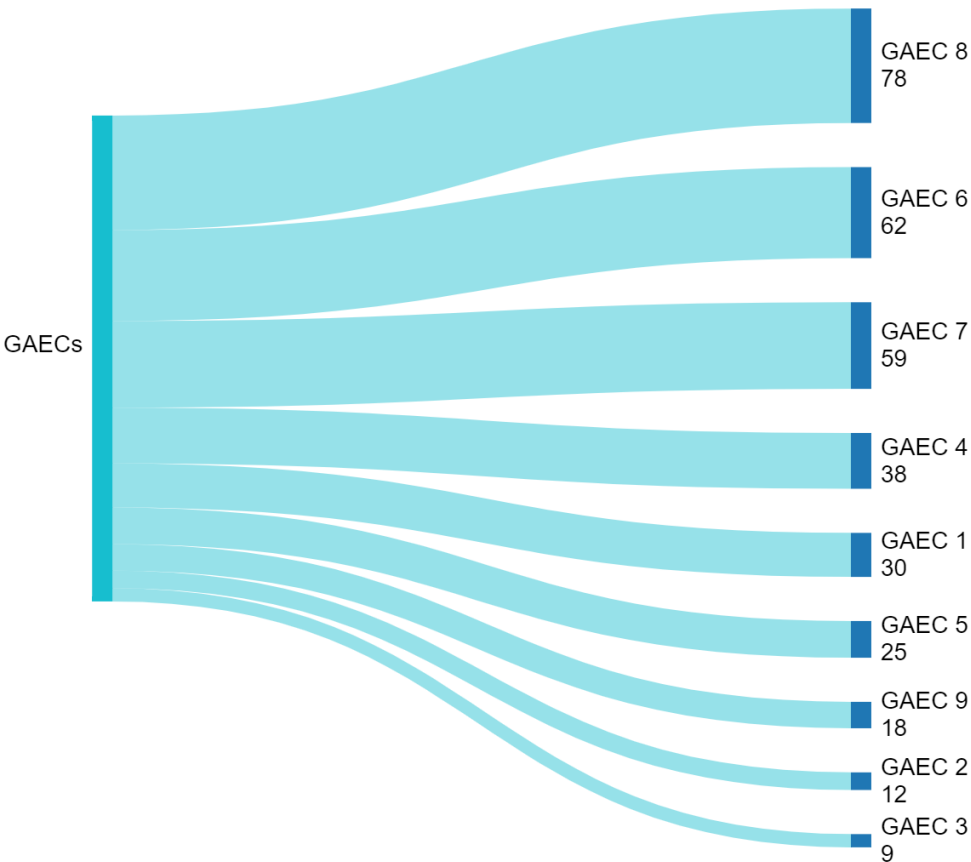
For several farmers, controls are necessary and **help clarify doubts**

In total, 1/3 of interviewees expressed concerns.

- The **behaviour** and **expertise** of inspectors is crucial. (30% complained about inspectors).
- **Inappropriate timing** or **excessive frequency** of controls (40%).
- Lack of **flexibility** and **proportionality** of controls (25%).
- **Did not understand the rules** underpinning controls (20%).



Frequency of requirements most difficult to comply with



Why are requirements challenging?

Main issues

- **Clarity and stability** of rules
- Difficult **farm operations** (timing, specific equipment needed)
- **Contextual issues** (local conditions, farm structure)
- **Economic impact** (higher costs, loss of yield)
- **Administrative issues** (IT skills, interaction with authorities)

What works well

- Area-based and animal-based payments
- Rules on animal health and welfare
- GAEC 7
- Requirements perceived as **clear and stable**
- Requirements perceived as «**normal practice**»
- Online tools

Farmers' views on simplification: broad areas and concrete suggestions

**Less, clearer,
more stable and
consistent rules**

More training and
advise, better
communication

Reduce the
burden on small
farms & organic
farms

**Streamline reporting
and controls,
avoiding
redundancy**

Further apply digital
tools

Automated
notifications

Centralised data
management

Increase the use of
simplified costs

**Flexible requirements,
adapted to local conditions
and circumstances**

Time windows instead of rigid
deadlines

Intercropping as a form of
crop diversification

Less requirements when the
land is rented



Where we are



Analytical approach to RQ1 and RQ3

1. Identify the main areas of burden (RQ1)

«Areas of burden» are:

- › CAP interventions
- › Requirements

2. Contextualise them in the lifecycle of CAP operations (RQ1)

Analytical matrix to figure out where exactly the burden lies.

3. Identify the source of burden (RQ3)

Each area of burden should be traced back to its source.

5 different outlooks can be foreseen

4. Explore scope for simplification at MS level (RQ3)

There might be **solid motivations** behind burdensome requirements (e.g. **compliance** with EU/national rules).



Focus on step 2

1. Identify the main areas of burden (RQ1)



2. Contextualise them in the lifecycle of CAP operations (RQ1)



3. Identify the source of burden (RQ3)



4. Explore scope for simplification at MS level (RQ3)



Areas of burden

	1. Info-gathering & preparatory steps	2. meeting requirements and eligibility conditions	3. CAP aid application	4. Further activities linked to CAP application	5. Recording & reporting	6. Controls
A						
B						
C						
D						
E						
F						





Focus on step 3

1. Identify the main areas of burden (RQ1)



2. Contextualise them in the lifecycle of CAP operations (RQ1)



3. Identify the source of burden (RQ3)



4. Explore scope for simplification at MS level (RQ3)



		Main provenance of burden				
CAP area of high burden		i. Burden stemming exclusively / near exclusively from EU CAP legislation	ii. Burden stemming mainly from EU CAP legislation	iii. Burden stemming more-or-less equally from EU CAP legislation and Member States' choices	iv. Burden stemming mainly from Member States' choices	v. Burden stemming exclusively / near exclusively from Member States' choices
A.	...					
B.	...					
C.	...					
D.	...					
E.	...					