



Improving Pillar 1 greening and GAEC options for Permanent Pasture (PP) 12th September 2012

Summary

EFNCP believes the EC's proposed approach to CAP greening and GAEC for permanent pastures¹ is fundamentally flawed. It is unlikely to deliver significant environmental benefits, while creating heavy bureaucracy and unnecessary restrictions for farmers. It proposes standard rules ("one size fits all") for all permanent pasture, ranging from the most agronomically intensive and productive to the most extensive and environmentally valuable – this cannot be made to work.

EFNCP proposes the following simple approach, with an overall category of permanent pastures (PP), and a sub-category of semi-natural pastures (SNP). The only greening requirement for SNP would be to maintain at the parcel level in farming use without cultivation. The only greening requirement for other PP would be EFA.

	GREENING OPTIONS APPLIED TO FARMLAND CATEGORY			GAEC same for all farms	GAEC for Member States
	Crop rotation	EFA (3)	Maintain as pasture at parcel level without cultivation (4)		
Arable crops				Retain existing landscape elements and prevent habitat deterioration (5)	
Permanent crops					
Permanent Pasture (1)					Monitor the extent of both PP categories at NUTS2 level (6)
Semi-natural Pasture (2)					

- 1) Permanent Pastures - land used to grow grasses or other forage (self-seeded or sown) and that has not been ploughed or sown for 5 years or longer.
- 2) Semi-natural pastures consist of predominantly self-seeded forage maintained by livestock grazing and/or harvesting. The vegetation has not been substantially modified by agronomic improvement (reseeding, fertilisation). It should be registered on LPIS.
- 3) EFA to include trees, hedges, dry-stone walls, buffer strips, **semi-natural pastures [very important]**
- 4) Specific minimum maintenance to be defined by MS, including minimum grazing/cutting regimes (as in current GAEC MS options, already applied in some MS). Permission for cultivation of parcels for environmental reasons may be given on the basis of environmental assessment by the appropriate authorities.
- 5) As in current GAEC (including MS options – already applied in some MS)
- 6) The two categories require different thresholds and different policy responses in the event of decline, as the drivers are different. Data bases in many countries and at EU level require improvement and harmonisation.

¹ The term "pasture" is used here to include meadows, as under current CAP definitions



Analysis

The EC's proposed greening mechanism says to farmers "to receive the greening payment you must keep the same amount of all permanent pastures on your holding". But it says nothing about how permanent pastures are *managed*, which is the most important factor for the environment. Fossilising the extent and/or location of all PP gives absolutely no guarantee of environmental benefits, in fact there could be enormous environmental losses through re-seeding and intensification of older, more environmentally valuable pastures within the EC's proposed greening rules and GAEC – the changes would go unnoticed. The EC's greening approach seems to give very little consideration to environmental outcomes, which should be the whole purpose of greening mechanisms.

As currently defined, PP covers an immense range of farmland types. At one extreme of PP are intensively managed "crops" of grass, lucerne, sainfoin that may be heavily fertilised, in some regions irrigated, and re-sown within 5 years, or sometimes more. At the other extreme are unsown, semi-natural pastures such as moorland, Alpine grassland or dehesas, usually under highly extensive grazing. We believe it makes no sense to introduce a standard set of rules for such highly diverse types of farmland, across the EU, and with minimal consideration of options or environmental and agronomic outcomes.

For the most intensively used PP (reseeded within 5 years), there is no environmental benefit in "freezing" the amount of this grassland, or keeping it always on the same land. It should cease to be counted as PP, and be re-classified as temporary grassland or as cropland. This is already the approach in some countries, but not in all, and not at EU level (PP is simply grass that is "out of the arable rotation"). The most useful greening option for this land is EFA, as for arable crops (the reasons are the same) – the move involves a simple and rational change to the PP definition, that also would harmonise the way PP is defined in different MS. See table footnote 1) above.

This change is needed, but it still leaves a very wide range of pasture types as PP. Much PP will be re-seeded when productivity of the grass declines, maybe after 6-8 years, or maybe only after 10-15 years (just for example), depending on many local factors. It might be heavily fertilised and grazed, or not so heavily. It might be put into a cereal crop after more than 10 years, and then return to PP. The environmental value of this grassland varies considerably according to historical and current management practices, landscape context, region, etc. It is not just a question of how many years have passed since re-seeding or cropping, so moving the definition threshold from >5years to >8 years as proposed by the EC does not provide a solution.

Under some types of management, PP may accrue significant biodiversity and carbon storage over the years, and ploughing and/or re-seeding will eliminate most of these gains (even over-seeding will eliminate biodiversity above ground). In these cases, preventing any re-seeding of the grassland would be beneficial for the environment, but in many other cases it would not, while imposing a major restriction on farmers. In fact in many cases PP of >5 or >8 years will be very similar environmentally, with very limited biodiversity. Depending on fertilisation, grazing pressure and environmental factors, many of these "medium-intensity" PP will be of no more value than "temporary" grasslands reseeded at <5 years.

So a blanket prohibition on cultivating or re-seeding all PP in the hope of environmental benefits in some cases makes no sense, either environmentally or agronomically. In fact such a restriction on PP would merely encourage farmers to reseed within 5 years (or 8 years, whatever threshold were chosen), thus avoiding PP restrictions.

If the EC's proposed start date of 2014 is retained, then *all* PP could be ploughed up in the intervening years - the obligation to replace it under national cross-compliance rules would do little to compensate the massive environmental impacts of ploughing up more valuable PP. This proposed start date has the potential to cancel out any environmental benefits of CAP reform by incentivising ploughing of PP. The baseline year should be 2011.



There may be some climate justification for preventing ploughing (as opposed to light tillage or harrowing), but then long-term rotations to cereals would be more difficult - in some specific situations, it is environmentally beneficial to introduce some arable cropping into existing permanent pasture “monocultures”. There may be benefits in some situations from requiring farmers to maintain the same amount of PP at the holding level, but this is far from clear in all cases, so attempting to “freeze” all PP is simply not a rational greening measure.

EFA as the best greening for permanent pasture in general

Overall it seems that for grassland that is agronomically improved, whether over short or long periods (<5 years, >5 years or even >10 years) the EC greening option that is most likely to generate benefits across a range of situations is the EFA requirement (in some situations this sort of PP is found in landscapes that already have well over 7% EFA, but often they do not). So the same EFA as required for arable should be required for PP.

Semi-natural permanent pastures (SNP) – needs targeted greening measures and support

The PP with most environmental value by far is PP that is in a broadly semi-natural state, i.e. unsown forage that is not agronomically improved through cultivation or fertilisation. This is also known as High Nature Value (HNV) Pasture, as it is of exceptional biodiversity value and contributes other environmental services such as carbon storage, water-catchment management and fire-break functions.

Preventing the conversion of this semi-natural PP through ploughing, reseeding or afforestation is an environmental priority across the EU, and in some Member States (e.g. the UK), conversion and intensification of semi-natural pastures is prohibited (except with permission) under current GAEC rules for prevention of habitat deterioration. We propose that similar rules should be included in GAEC at the EU level.

In terms of greening, there is no need to require additional actions from farmers on semi-natural pastures (these pastures are themselves a type of EFA), they should merely be maintained at holding level. Due to their special characteristics, MS should define appropriate minimum maintenance conditions for these pastures, such as minimum grazing/harvesting regimes (currently a GAEC option implemented in several MS). Subsidised afforestation should not be allowed on these pastures. In some specific situations, and on the basis of assessment by the appropriate authorities, permission may be given for cultivation of individual parcels, e.g. for scrub control.

Simply imposing rules that oblige farmers not to convert this land is unlikely to achieve the desired outcomes on its own. Abandonment and afforestation are increasingly the main threats to semi-natural PP, as a result of its limited economic viability as farmland and the failure of the CAP to reward the public goods delivered by farming on this land. Farmers cannot be forced to keep this land in use by rules, if the rewards from farming and from the CAP are insufficient to generate a net income. Only a small proportion of the EU’s semi-natural pastures are currently in agri-environment schemes.

Pillar 1 Premium for semi-natural pastures

Hence all the main environmental NGOs agree that an essential measure to prevent further losses of semi-natural PP is to combine GAEC-greening protection with an additional Pillar 1 Premium – a financial incentive to farmers for maintaining these pastures in non-intensified farming use, and to reward their exceptional public goods. If such an incentive is provided, farmers will be encouraged to register their semi-natural PP on LPIS, and to maintain it in farming use without intensification. Imposing restrictions on semi-natural PP without a financial reward for their value encourages farmers to convert this land before it can be registered and protected as semi-natural, e.g. through gradual fertilisation. Incentives are far more effective than restrictive rules.



Putting semi-natural pastures and EFA on LPIS/IACS

Simple definitions of semi-natural pasture types can be established at national level, as a category within PP. Semi-natural PP should be registered on LPIS as a specific category (EFA will also have to be registered on LPIS for the EC's greening proposals to be implemented, and SNP is effectively a type of EFA). In some countries, semi-natural PP will coincide with existing categories of uncultivated pasture already on LPIS. Where such categories do not exist, semi-natural PP can be identified from aerial photos or remote sensing with reasonable accuracy. In the case of doubt, pastures that are on the borderline of semi-natural can be included (farmers will be encouraged by the Premium payment), thus securing continued non-intensive management of this PP, allowing environmental benefits to accrue over time.

Article 68 approach

This Premium for semi-natural (or HNV) Pastures should be introduced under the Direct Payments Regulation as a special payment for implementation in all Member States, following the current Article 68 approach but explicitly targeted. This would follow the example of Denmark which implements a special Art. 68 payment for permanent pastures, with specific GAEC requirements.

In contrast with the EC's proposed greening options, this approach addresses a specific environmental priority for PP. It is more likely to achieve significant environmental benefits, with fewer blanket restrictions on all PP. It would make a major contribution to the objectives of the EU Biodiversity Strategy for maintaining habitats, species and ecosystem services.

Permanent pasture eligibility issue

Of course it is also essential that all semi-natural pastures are eligible for Pillar 1 basic payment, so long as they are in active farming use, regardless of the relative proportions of grasses, shrubs, trees and hedges. Many types of vegetation have a practical function in extensive livestock systems (forage may be provided by grasses, shrubs and trees, hedges and trees provide shade and shelter, etc.) and farmers should never be penalised for the presence of such features. The definition of PP should allow for grasses and other forage types, with no limitations to only "herbaceous" pasture.

Conclusions

All parties involved in CAP reform should give careful consideration to the objectives of greening mechanisms, GAEC and Pillar 1 payments for permanent pastures, and how these objectives can best be achieved. Currently there are explicit and similar concerns among many farming and environmental organisations that the EC's proposals are unworkable and are not good for the environment or for farmers. But with constructive discussion the flaws can be corrected and the proposals improved.