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HNV FARMING – EXPLAINING THE CONCEPT AND INTERPRETING EU AND NATIONAL POLICY COMMITMENTS

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Introducing the HNV farming concept

The concept of "High Nature Value farming" developed in the early 1990s from a growing recognition that the conservation of biodiversity in Europe depends on the continuation of low-intensity farming systems across large areas of countryside (see Beaufoy *et al.*, 1994; Bignal *et al.*, 1994; Bignal & McCracken, 1996; 2000). A fundamental shift in the distribution of CAP funds away from more intensive farming was recommended, in order to provide support for these beneficial landuses. With the exception of a minority of Member States, this shift has not yet occurred.

The idea was that CAP support should be weighted in favour of low-intensity farming systems throughout the EU territory, and that this would provide a robust basis for biodiversity conservation in Europe. Eligibility for support payments would depend on simple criteria applied at the level of the farm holding, such as livestock density. It was not intended that support payments for low-intensity farming should be provided only in delineated "HNV areas".

Farming intensity and biodiversity

Farming in Europe ranges from the most intensive production systems, typically on more fertile land, to very low-intensity, more traditional landuses, usually found on poorer land. The differences in intensity are enormous. Nitrogen inputs range from none to several hundred kg/ha/year, arable yields from less than 1 t/ha to over 10 t/ha, olive yields from less than 0.5 t/ha to over 8t/ha, and livestock densities from as low as 0.1 Livestock Units (LU) per hectare, to 5 LU or more.

Biodiversity usually is higher on farmland that is managed at a low intensity. A more intensive application of machinery, fertilisers, biocides and livestock reduces the opportunities for wildlife on cropped and grazed land. At the same time, intensive use of farmland tends to eliminate features such as field margins and uncultivated patches.

At the lowest end of the intensity spectrum, the productive land itself supports a range of wildlife species, especially when it includes a high proportion of semi-natural pasture. Low-intensity farming of this sort covers extensive areas of Europe's more marginal regions, and the future of many of our most valued habitats and species

¹ Semi-natural vegetation is naturally occurring (not planted) grass, scrub or woodland that is grazed and/or cut on a regular basis, resulting in a state that mimics natural habitats. See section below for more details.

depends on these large areas continuing under such use. The term High Nature Value farming was coined to emphasise this crucial role of low-intensity farming in European biodiversity conservation (Baldock *et al.*, 1993).

Low-intensity, HNV farming faces enormous challenges of socio-economic viability. As intensive farming expands and increases its yields, and as incomes rise in the wider economy, it becomes harder to earn a living from HNV farming. Across vast areas of the EU's most fragile rural landscapes, HNV farming faces stark choices between abandonment and intensification. Every day, farmers are giving up and selling their stock. Landscapes rich in biodiversity and culture, beneficial for soil conservation and climate change, and resistant to forest fires, are being lost to scrub, dense forest or new intensive uses, such as irrigated cropping.

HNV farming and European biodiversity goals

The HNV farming concept emphasises that biodiversity conservation goals in Europe cannot be met only by protecting particular habitats or species, or designating certain areas for their management, such as Natura 2000 sites. This view has been expressed clearly by the European Commission in official communications on halting biodiversity decline². We must also maintain the low-intensity landuses that favour the dynamics of natural processes and create opportunities for biodiversity to flourish across large, contiguous areas of land. These different approaches are entirely complementary.

Providing effective economic support to HNV farming implies a fundamental shift in the way that the CAP operates, and in the way that funds are distributed to European farming. As payments to Europe's more productive and competitive farming are phased out after 2013, it will be important to have clearly identified the types of farming that still need public support, and are justified in receiving it.

An effective support system is urgently needed for HNV farming (see below). Without it, the EU's goal of halting the loss of biological diversity³ at all levels by 2010 cannot possibly be met.

The European policy commitments to HNV farming

The EU and all its Member States have committed themselves to three distinct actions concerning HNV farming:

- a) Identifying HNV farming.
- b) Supporting and maintaining HNV farming, especially through Rural Development Programmes (RDPs).

² "Natura 2000 and the conservation of threatened species will not be viable in the long—term without a wider terrestrial, freshwater and marine environment favourable to biodiversity. Key actions include: optimising the use of available measures under the reformed CAP, notably to prevent intensification or abandonment of high—nature—value farmland, woodland and forest and supporting their restoration;" COM(2006) 216 final COMMUNICATION FROM THE COMMISSION HALTING THE LOSS OF BIODIVERSITY BY 2010 — AND BEYOND Sustaining ecosystem services for human well—being.

³ The Kyiv Biodiversity Resolution, 5th Environment for Europe Ministerial Conference in Kyiv, Ukraine, May 2003.

c) Monitoring changes to the area⁴ of land covered by HNV farming, and to the nature values associated with HNV farming, as part of their monitoring of RDPs.

HNV farming commitments were established first in the 1998 EU Biodiversity Strategy⁵, which includes the explicit objective "to promote and support low-intensity farming systems...". More recently, the EAFRD⁶ regulation Strategic Guidelines⁷ on rural development established HNV farming as one of three priorities for Axis 2 of Rural Development Programmes (RDPs), as follows:

"To protect and enhance the EU's natural resources and landscapes in rural areas, the resources devoted to Axis 2 should contribute to three EU-level priority areas: biodiversity and the *preservation and development of high nature value farming and forestry systems and traditional agricultural landscapes*[...]"

Specific requirements for RDPs, relating to HNV farming

In order to include effective measures for HNV farming in their RDPs, Member States need to do some background evaluation of needs and how best to address them. The EAFRD implementing regulation states that they should produce an analysis of⁸:

"Environment and land management: the handicaps facing farms in areas at risk of abandonment and marginalisation; overall description of biodiversity with focus on that linked to agriculture and forestry, including high nature value farming and forestry systems [...]"

The 2007-2013 RDPs should demonstrate that measures are in place to maintain HNV farming and forestry systems. The effects of programmes will be evaluated against this objective, by applying specific "HNV indicators", as follows.

The Common Result Indicators include:

- Area under successful land management contributing to:
 - (a) biodiversity and high nature value farming/forestry
 - (e) avoidance of marginalisation and land abandonment

The Common Impact Indicators include:

- Maintenance of high nature value farmland and forestry

The Commission aims to produce guidelines for the application of HNV indicators to RDP monitoring (a first draft has been written by IEEP and EFNCP⁹). These are intended to help Member States to estimate the area of HNV farming and to monitor

⁴ Some confusion has arisen in connection with the use of the term "*area*", which has two meanings in English: a) a delineated area b) superficial extent. The HNV indicator for Rural Development Programmes is concerned with the *superficial extent* of HNV farmland or land under HNV farming systems. This can only be measured against a comparable baseline, so that the translation of 'area' as '*zone*' for the base indicator in some versions of Reg. 1974/2006 is unfortunate.

⁵ COM(1998) 42 final Communication of the European Comisión to the Council and to the Parliament on a European Community Biodiversity Strategy

⁶ Regulation 1698/2005 establishing EAFRD

⁷ Council decision 2006/144 on Community strategic guidelines for rural development (programming period 2007 to 2013)

⁸ Regulation 1974/2006 on the implementation of EAFRD

how it evolves over time. The Forum is working to promote consistency across the EU on the interpretation and application of the basic HNV criteria.

Identifying HNV farming

MS are committed to identifying and maintaining HNV farming, but there are no specific rules or quantified criteria established at EU level. It is for MS to interpret the concept and to decide how best to apply it.

Some MS have already made good progress with this, while some others have done very little. The Forum believes that an integrated and cohesive approach is needed across the EU territory. A patchy response in which some countries show more commitment than others would not be acceptable to the EU institutions.

The Forum's recommendations for approaching these tasks are explained below. We welcome comments and feedback on these ideas.

Description of broad HNV farming types or systems

Some Member States are struggling with the idea of identifying HNV farming. This is partly because to-date the concept has not been explained and promoted sufficiently by the European Commission. In many countries there has not been a sufficiently open and transparent debate on how to interpret and implement the HNV farming concept. In most countries, currently available data do not allow a very detailed identification of HNV farming systems. Their location and extent can only be estimated at present.

However, the Forum believes that it is perfectly possible in all countries to identify HNV farming systems at a level sufficient to enable the design and implementation of economic support measures for these systems.

Before undertaking statistical or GIS analyses, the essential first step is to produce a description of the broad types of HNV farming in the country, on the basis of existing literature sources and expert knowledge. The aim of this work is to identify the key criteria to be used in the identification process and thus to ensure that the estimate of the area under HNV farming systems is as meaningful as possible. An exhaustive study is not necessary – the level of detail need only be sufficient to enable the Member State to embark on the next step with confidence. This is the "characterising and identifying" process described in the draft Guidance Document (IEEP and Beaufoy, 2007). This task is best undertaken under the guidance of a small national working group including experts with a broad knowledge of farming systems and associated biodiversity.

In this first step, the broad types of farming should be described and their agronomic characteristics identified, at an appropriate geographical level. The nature value (habitats, species, nature-conservation functions) of each HNV farming type should be identified as far as available data and knowledge allow, including the relationships between particular farm practices and nature conservation, where known. Examples are shown in the Forum's HNV Show Case (www.efncp.org).

⁹ IEEP and Beaufoy, G., 2007. Guidance Document to the Member States on the Application of the HNV Impact Indicator.

The descriptions of HNV farming types should identify in each case the basic components that make up an HNV farming system:

- The predominant **land cover** that characterises each category of HNV farmland, especially the types of semi-natural vegetation, types of cropped land, and their typical spatial coverage and distribution at the farm level (e.g. proportion of farmed area under each, mosaic patterns).
- The way in which this land cover is managed by the predominant **farming system and practices**, such as grazing regimes, cropping patterns and intensity of use (e.g. livestock densities per hectare of forage, nitrogen inputs).

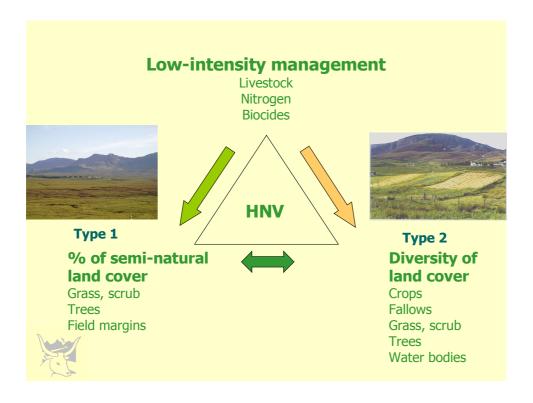
This information is crucial to the next step, which is to design indicators for distinguishing HNV farmland from non-HNV farmland.

The broad types of HNV farming

HNV farming is characterised by a combination of:

- Low intensity of land use
- Presence of semi-natural vegetation
- Presence of a landscape mosaic

The following diagram illustrates the interplay between these criteria. The dominant characteristic of HNV farming is the low-intensity use of the land and of other factors of production (except for labour and traditional knowledge). Also essential is a significant presence of semi-natural vegetation on the farmed area. In some situations, the semi-natural vegetation is found in a mosaic with low-intensity arable and/or arable crops.



The most widespread type of HNV farmland consists of semi-natural vegetation under low-intensity use for livestock raising. The grazed semi-natural vegetation may be grassland, scrub or woodland, or a combination of different types. Farmland that is predominantly grazed semi-natural vegetation has been labelled as Type 1 HNV farmland (Andersen *et al*, 2003).

Often the semi-natural grazing is not part of the farm holding, but has some other ownership (common land, State land etc.), so it is important not to consider only the UAA within the holding when identifying HNV farmland.

HNV livestock farms will usually have more than one type of forage land. This can range from the least altered semi-natural vegetation (never tilled, sown or fertilised), through grasslands that may be occasionally tilled and/or lightly fertilised, to more productive or "improved" pastures, and cereal crops for fodder. Although more productive, these fields are still managed at low intensity compared with mainstream farming. They can be an important part of an HNV farming system, and can also contribute to nature value when combined with a sufficient area of semi-natural grazing, by providing feeding opportunities for wildlife, and hosting certain plant communities that have become rare in more intensive farming landscapes.

Determining which pastures are semi-natural, and which are not, is to some extent a value judgement. One approach is based on the presence of certain indicator species, another is to decide that a pasture that has not been resown or fertilised for 20 years (for example) can be considered semi-natural. Occasional tillage may be compatible with semi-natural status. This is especially relevant in Mediterranean regions, where grasslands may be tilled occasionally for scrub control, without significantly reducing their natural value. Spontaneous vegetation in olive groves and on low-intensity fallow land may also be counted in the same category, if it is not affected significantly by fertilisers or biocides.

Only at the Member State or regional level can biodiversity significance of such thresholds and distinctions be established – the aim is to choose criteria which provide a good differentiation between HNV farmland and farmland of lower nature value. In practice, there is often no clear dividing line between semi-natural and artificial pasture. In some cases, it may be appropriate to consider a category of "nearly semi-natural" pasture, between the semi-natural and the "improved" or "intensified" pasture.

The fact that the vegetation is grazed by livestock (or mown for hay) is important, as this confirms that it is part of a farming system. This is not necessarily grassland: scrub and forest are an important forage resource in some parts of the EU (especially southern and eastern regions), and should be recognised as farmland. However, semi-natural woodland that is not grazed should be considered as a separate, non-farming landuse. Semi-natural vegetation that is grazed primarily by wild herbivores, such as deer (e.g. estates on moorland in Scotland or dehesas in Spain which are kept exclusively or mainly for hunting), should not be counted as HNV farmland.

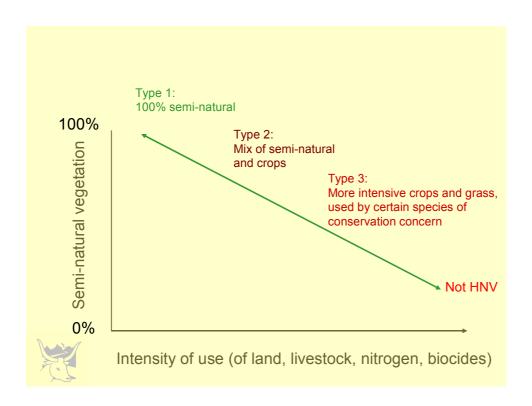
Farms and landscapes with a lower proportion of semi-natural vegetation, existing in a mosaic with arable and/or permanent crops, can also be of high nature value. Nature values will tend to be higher when the cropped areas are under low-intensity use, providing a mix of habitats that are used by a range of wildlife species, with numerous

and complex species flows (invertebrates, birds, mammals and reptiles). This type of HNV farmland has been labelled Type 2. Because the proportion of land under seminatural vegetation is less than in Type 1, and the proportion of cultivated land is greater, the management of the latter and existence of an "ecological infrastructure" of landscape features, are especially critical for wildlife. More intensive use of the cultivated land, and the removal of features, will lead to a rapid decline in wildlife values.

Peripheral semi-natural features, such as hedges, other field-margins and trees, are often found on Type 2 HNV farmland. These provide additional habitats and will tend to increase nature value. However, their total surface area is usually small compared with the productive area, so that it is the characteristics of the latter which determine whether the farmland in question is HNV. Peripheral features alone are not sufficient.

At the more intensive end of the HNV spectrum are farmland types whose characteristics of land cover and farming intensity do not suggest HNV farming, but which nevertheless continue to support species of conservation concern. Generally these are bird populations. This has been labelled Type 3 HNV farmland.

The three types of HNV farmland are not intended to be precise categories, with a sharp boundary between them. Rather, they should be seen as a continuum, ranging from those with a higher proportion of semi-natural vegetation and lower intensity use (Type 1) to more intensively managed farmland that still supports certain species of conservation value (Type 3). See below.



There is no universally applicable dividing line between HNV and non-HNV farming, any more than between low-intensity and intensive farming. The biological diversity of farmland ranges along a gradient between the lowest and the highest values.

But for a given situation, a judgement can be made of what types of farming should be considered as HNV, on the basis of available knowledge about the land cover, the farming systems in question and their inherent value for biodiversity (see previous step). Ideally a clear differentiation between HNV and other farmland can be made; but realistically, Member States will have to choose between criteria likely to *include* as much HNV farmland as possible and those which *exclude* as much farmland of lower interest as possible. Based on this judgement, indicators can be designed.

Broadly speaking, indicators of HNV farmland can use three different types of criteria:

1) Land cover criteria –

- If land is under predominantly semi-natural grazed vegetation, this is the strongest single indication of HNV farmland. Even if the current grazing or management regime is not the optimum for habitat and species conservation, the mere presence of large areas of semi-natural vegetation provides greater opportunities for a range of wildlife than land where this vegetation has been replaced with improved grassland or crops.
- A mosaic of semi-natural farmland and mixed cropping is also a strong indicator of HNV. In this case it is necessary to determine a threshold for the proportion of the farmland area that should be semi-natural in order to be considered as HNV. Some indication that the cropped land is managed at low intensity is also desirable. This may be a high proportion of fallow in the rotation (land cover information), or an indicator reflecting intensity of use on the cropped area (e.g. input use, see point 2).
- Orchards and olive groves with large, old trees and a (semi-)permanent unsown understorey indicate HNV farmland.
- Land cover data at a sufficiently high resolution can also show the presence of peripheral elements, such as semi-natural hedges, patches and water bodies, that can make a signficant contribution to the nature value of farmland.

2) Farming systems criteria -

- In the absence of reliable inventories of semi-natural vegetation, very low livestock densities per hectare of forage (e.g. <0.2LU/ha, although the figure will depend on the area) are themselves a strong indication of predominantly semi-natural forage, and thus of HNV farmland.
- For land under arable and permanent crops, a combination of low nitrogen and biocide inputs per hectare may be considered a good indicator.

3) Species criteria -

 Species indicators should not be necessary for Types 1 and 2, as these types of HNV farmland are defined by land cover and farming characteristics which are know to produce a situation inherently valuable for a range of wildlife and biodiversity, regardless of whether certain selected species are present or not. In the case of Type 3 HNV farmland, the land cover and farming characteristics do not suggest conditions of high nature value, so that such farmland is considered HNV only because of the presence of certain species. Generally these will be a limited number of species, but of conservation importance.

Drawing on these criteria, indicators can be designed that distinguish HNV farming from farming that is inherently of less value for nature. Ideally, a combination of land-cover, farming-systems and species criteria should be used, but the combination of necessary criteria depends on the Type considered.

Thus for Type 1, it is desirable to know that the forage resource is mainly semi-natural, but also that the current grazing regime is appropriate. Similarly for Type 2 mosaics, the full picture can only be provided by a combination of land-cover and farming practices data. From these two explanatory criteria (i.e. land cover and farming practices), the species criteria can be assumed in principle. As explained in the following section, data on relevant farming practices are not generally available, and as a result the tendency to-date has been to focus on land-cover data.

For Type 3 farmland, the proof of its HNV characteristics stands on the presence of species of conservation interest, which could not be derived from land cover and farming practices criteria.

Applying indicators for HNV farming

There are two distinct reasons for designing indicators of HNV farming, and these may require slightly different tools and approaches.

- To measure the approximate extent of HNV farmland in a region or Member State, so that this can be monitored over time, for the purposes of RDP evaluation.
- To enable support measures to be targeted at HNV farming.

Member States were required to estimate their total area ("superficial extent") of HNV farmland (baseline indicator) at the start of the 2007-13 RDPs. This figure can only be an approximate estimate, because current data sources do not permit an exact calculation.

The aim should be to capture an approximate picture of the total hectarage of land under landuses that meet the basic HNV criteria. Some Member States have taken rather unconvincing short-cuts, such as proposing that the HNV farmland area is equivalent to the farmland within Less favoured Areas, or within Natura 2000 sites. This is not a satisfactory approach as, although considerable overlaps can be expected, these two sets of areas were delineated on very different criteria from the HNV farmland criteria.

Following the lead taken by the European Environment Agency (EEA) with CORINE, some Member States have pursued the land cover approach. Where suitable data on semi-natural vegetation are available at national and regional levels, this is a sensible starting point. However, experience suggests that CORINE is not a suitable data base, in its current format, as it does not distinguish between semi-natural and more intensively managed grassland.

For identifying Type 1 HNV farmland, a recent and comprehensive inventory of seminatural vegetation types provides an intitial indication of the total area. Inventories of semi-natural grasslands as produced in some countries (see www.veenecology.nl) are more detailed than CORINE-based exercises and may be a valuable tool for identifying the location of this particular type of HNV farmland.

However, not all semi-natural vegetation is under farming use, and some means of verifying the current usage therefore is needed. The CAP Land Use Parcel Identification System (LPIS) should provide this information if it is operating correctly, as the use of all parcels is recorded on an annual basis.

Integrating semi-natural vegetation inventories with LPIS is a very desirable step, that has been taken already in some Member States (e.g. Bulgaria, Slovakia). CAP payments (Pillar 1 and 2) are made through the combination of LPIS and the Integrated Administration and Control System (IACS), on the basis of individual parcels with the farm holding. Measures for supporting HNV farming also must operate at this level.

At this stage, the aim should be to establish a baseline area of semi-natural vegetation under farming use (grazing and/or mowing), that can be targeted for policy measures and monitored over time. It probably is not realistic on the basis of existing data to expect to know what are the current management practices on this land, such as livestock densities and grazing regimes, and whether they are optimum for conservation of the nature values.

This question is best addressed when designing and applying CAP support measures, by making such payments conditional on a management regime that is adapted to the conditions of the area (e.g. minimum and maximum livestock densities per hectare of forage). Thus, in this case the land cover data indicate the presence of HNV farmland, and the conditions attached to the support payment that the farming practices are appropriate for an HNV farming system. In practice, this is how existing agrienvironment schemes for HNV grasslands are operating in countries such as Bulgaria and Romania.

Identifying Type 2 HNV farmland is more challenging. The type of land cover is more complex, as it includes a mix of semi-natural vegetation and cropped land. Identifying only the semi-natural element (e.g. through inventories) is not a sufficient approach in this case, as the nature value of Type 2 HNV farmland depends partly on the low-intensity cropping and its existence in a mosaic with semi-natural vegetation, with some importance of landscape featrues. Some measurement of the proportion of land under semi-natural vegetation is needed, and ideally this would be combined with a measurement of the intensity of use on the cropped area. More detail on the choice of indicators is provided in the draft Guidance Document (IEEP and Beaufoy, 2007).

At present, data are not readily available on farming practices such as input use. Therefore, as with Type 1 HNV farmland, the realistic approach for the time being is to focus on identifying the land cover patterns (mosaics of semi-natural vegetation and crops) that indicate the probable presence of HNV farmland. Measures then can be targeted at this land, with the eligibility conditions of the measures themselves ensuring that the farming system is appropriate for maintaining nature values.

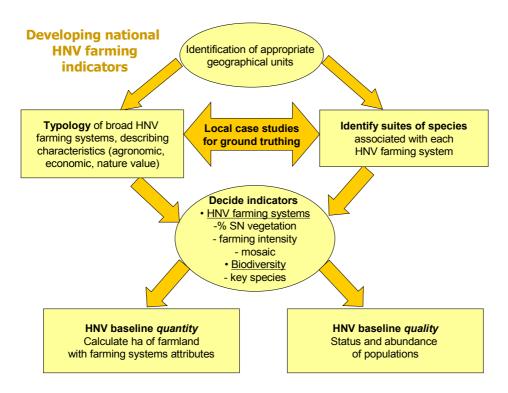
The choice of threshold values for HNV farming must be supported by information provided in the description of farming types and their nature values. Thus the definition of minimum and maximum stocking densities should be in accordance with ecological criteria for the region or area in question. This is the range of stocking densities considered most favourable to the conservation of species and habitats, which may be lower than the stocking densities considered as agronomically optimum.

It is essential that national choices of thresholds and indicators for HNV farming should be tested at the local level. Better still, the development work at national level should be informed by local-level research that is designed specifically to answer the key questions for identification of HNV farmland. A selection of local case studies from different parts of the country should be undertaken.

The usefulness of mapping HNV farmland

The European Environment Agency (EEA) has worked on the identification of geographical areas where natural values (vegetation types, areas designated for particular habitats and species) coincide with agriculture. This has lead to the production of maps of possible "HNV farmland areas".

Overview of process of identifying and monitoring HNV farming



The Forum considers such maps to be a useful strategic policy tool – they illustrate the approximate location and extent of nature values associated with HNV farming, and the overlaps between nature values and certain types of geographical area (e.g. mountains, LFAs, etc.). They have also tested available data sources, illustrating their strengths and weaknesses.

However, the type of maps produced to date are not suitable for calculating the total area of HNV farming in a country (baseline indicator). They also should not be the basis for including or excluding individual farms from support schemes. There are several reasons for this caution with the mapping approach:

- The HNV concept emphatically does not involve the "designation" of HNV areas, in the manner of Natura 2000. This network of European nature areas is already being established, and measures will be targeted at the priority habitats and species within these areas. The idea of designating HNV areas in addition to Natura 2000 is quite misleading and likely to cause negative reactions from some sectors of society, without any benefit for the application of the HNV concept.
- Data used for generating HNV farmland maps to date (location of vegetation types through CORINE, distribution of habitats and species) is imperfect in all countries. The maps therefore show only an approximate picture of where nature values coincide with farming. There is a danger that, once a map is produced, the areas identified become "set in stone" as definitive HNV farming areas.
- By using farm-level indicators (e.g. parcels with semi-natural vegetation, livestock densities below certain thresholds), support payments can be directed towards HNV farms without the need to produce maps. Crucially, this avoids the exclusion of farms from receiving HNV support payments just because they fall outside a boundary that has been drawn on the basis of data bases that were not intended for this use.
- Wildlife species move to take advantage of changing opportunties. The HNV concept aims to maintain broadly beneficial landuses across large areas of territory, thus favouring these natural dynamics. Farming also changes, as different farmers take over the land, technology develops, etc. Drawing static lines on maps flies in the face of these realities.

We believe that when maps based on non-farm-level data are produced, these should use fuzzy boundaries, indicating an approximate density of HNV farmland while avoiding the impression of an exact demarcation between HNV and non-HNV land. Maps should be seen as an information exercise that can inform the more essential work on developing farming systems indicators. In addition, the specific policy purpose of maps should be made clear when they are produced.

Maintaining HNV farming

HNV farming is in decline. Farms are abandoned daily, and although some of the land may be taken over by other farmers and managed in a similar way, much is left to natural succession, is directly afforested, or is converted to more intensive uses.

The main reason is the insufficient income generated by low-intensity farming on generally poor land. The situation is compounded by the relatively small support received from the CAP, compared with more intensive farming on better land, and by CAP subsidies for afforestation and new intensive landuses, such as irrigated crops.

The central objective of the HNV concept is to shift support in favour of low-intensity farming across extensive areas of landscape. This does not require highly sophisticated excercises of mapping and indicators.

We know that the most widespread HNV farming involves low-intensity livestock raising, with semi-natural pasture as an important part of the forage resource. Directing support to this type of farming is not complicated. In the past, the CAP included a payment for extensive beef farming. In order to qualify for this support, a farm had to comply with a stocking density threshold, which was determined by farm-level data on stock numbers and forage area.

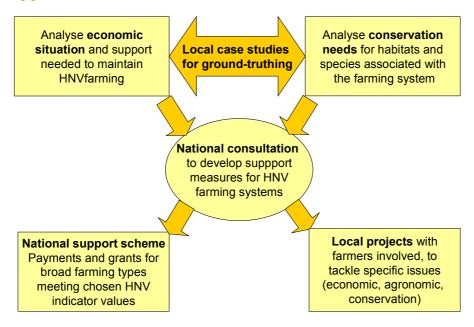
There was no need for a delimitation of "eligible areas" for the Beef Extensification scheme. Payments were simply made to farms meeting the eligibility criteria. The main failing of the scheme was that the stocking threshold was too high to be relevant for HNV farming. A similar payment system could be used now to support HNV livestock farming across the EU (for example, at less than 0.2 LU/ha). Article 69 is a suitable mechanism for re-directing part of the existing CAP Pillar 1 regimes in this way.

In addition to a broad system of support payments, there is a need for payments targeted at particular activities that are central to HNV farming. One example is shepherding. This is essential to HNV farming in many parts of southern and eastern Europe in particular, but the cost of shepherds threatens the viability of the farming system. In some countries (e.g. Bulgaria), support for shepherding is provided through agrienvironment payments in certain areas. Such support needs to be made much more widespread, through Article 69, through a supplement to LFA payments, or through simple and wide-ranging agri-environment schemes.

Finally, there is a need for investment aid, advice and technical support to be closely targeted on HNV farms. Blanket grant and advisory schemes, as implemented under many RDPs, are of little benefit to HNV farms. They may even have negative effects, as more better-capitalised farms on more productive land absorb the available support, and compete more strongly with low-intensity farms.

One way to ensure close targeting on the farms of most nature value and greatest socioeconomic need is through local schemes, as illustrated by pilot projects such as BurrenLIFE in Ireland (www.burrenlife.com). This approach could be targeted on Natura 2000 sites, using the model of Local Action Groups involving farmers.

Developing HNV support measures



The poor socio-economic situation of HNV farming means that support measures are needed urgently, and should be set up as quickly as possible. The support needs can be summarised as:

- Broad support for low-intensity farming systems and for widespread beneficial
 practices. No such EU-wide scheme exists at present. MS have the possibility
 for targeting mechanisms such as Article 69 and the LFA scheme on HNV
 farming, but such initiatives are limited to one or two countries. Some countries
 use the agri-environment scheme to support HNV systems, but the need to
 demonstrate that the farmer suffers an "income foregone" make it problematic to
 use this measure for providing basic income support.
- Local-level initiatives should be established in priority areas. One option is to follow the LEADER approach, by setting up Local Action Groups with an explicit remit for supporting HNV farming, and with a high level of farmer involvement.

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