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High Nature Value Farming throughout EU-27 and its financial support under the CAP



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European Forum on
Nature Conservation
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“To obtain sufficient information about HNV farming in the EU-27, its distribution, its specificities, and the challenges it faces, to enable well-founded policy decisions to be taken at EU level on how to ensure HNV farming can continue, thus protecting the biodiversity values of these farming areas”



Scope of the study

- Characteristics of HNV farming systems and practices
- Extent of HNV farmland in EU-27
- EU legislative protection for HNPF biodiversity
- Member States' use of CAP funds to support HNPF
- Experience of defining the CMEF indicators for HNPF
- Estimating CAP funding needed for HNPF in future

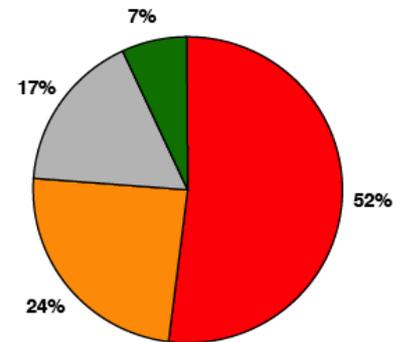
HNPF = HNV farmland + farming systems + farming practices

- EU/MS datasets where relevant (but often HNPF is not captured)
- Twenty individual HNV experts gathered data for 25 MS (not LU and MT)

Biodiversity of HNV farmland

Biodiversity

- 57 habitats and 257 species under threat in the EU (Annex I and II Habitats Directive) depend on or are associated with HNV farming
- >70% of the habitats and >75% of the species are in unfavourable conservation status



conservation status of 57 habitats

Types of HNV farmland:

- Type 1: high proportion of **semi-natural habitats**
- Type 2: **mosaic** of low-intensity farming + natural and structural elements (hedges, tree, walls, terraces, patches of scrub or woodland)
- Type 3: **rare species**, or high % of European/world population



Characteristics of HNV Farming in the EU

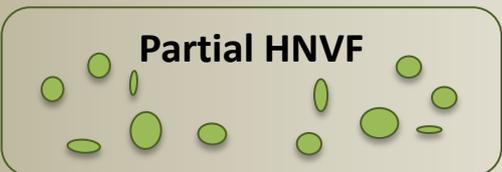
- long-established, low-intensity, complex farming systems highly adapted to local soils, vegetation and climate
- livestock/mixed HNMF systems throughout EU, permanent/arable cropping in south
- extensive use of semi-natural habitats by grazing livestock (including wooded pastures/meadows, *dehesa* and *montado*)
- labour intensive practices (shepherding, hay making, manual weed/pest control) and use of local/rare livestock breeds and crop types
- HNV farms vary in size (less than 1ha to more than 1000ha), structure (plot size, fragmented, transhumance) and land tenure (common pastures, landless graziers)
- scale and significance of HNMF within both farm business and the landscape affects biodiversity value and profitability

Significance of HNV land to the farm business and within the landscape



Whole farm HNVF

Low-intensity management of all land, common land, transhumance, seasonal grazing, mixed crops and livestock, fallow, hand labour, shepherding,



Partial HNVF

HNVF managed alongside more intensive land. Some common land, seasonal grazing, fallow, mixed crop and stock



Remnant HNVF

HNV land unrelated to intensive farming system with some abandonment, or management for cross-compliance, nature conservation or agri-environment payments

HNVF management practices

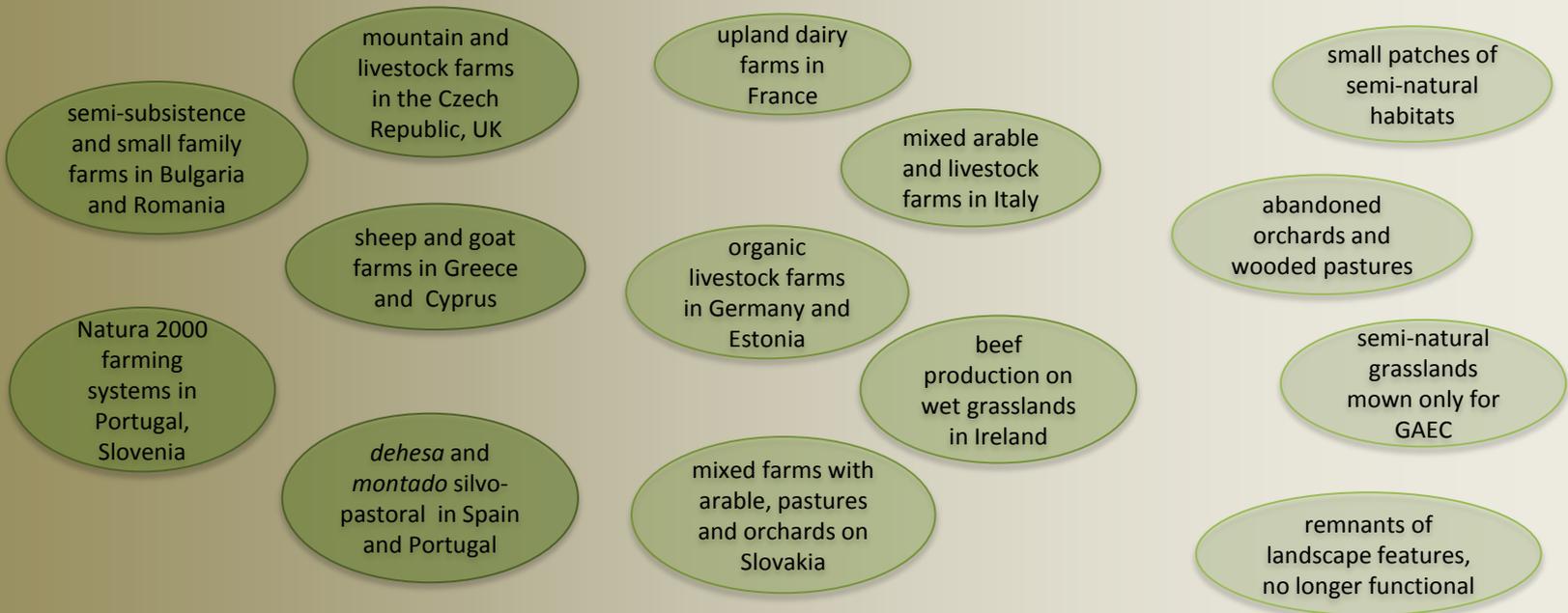
HNV land cover Type

Mainly **Type 1** with mosaics and protected habitats and species

Type 1 HNV with transition to **Type 2**

Small areas of **Type 1**, **Type 2** and **Type 3**

Examples of farming systems



Data on extent and distribution of HNV farmland

- land cover data (CORINE) show likelihood of HNVF (not agricultural land/activity).
- combined land cover + farming characteristics + biodiversity data more accurate, but requires EU agricultural data sets to be enriched with HNVF characteristics
- since 2008 EU and Member States focused mainly on land cover (plus some agricultural/biodiversity data)
- estimates of HNVF extent vary considerably within Member States (for some by factor of >3) when different data sets and criteria used
- report gives best available estimates for 27 MS



Member State	Estimated extent of HNV farmland		Source of estimates
	high (ha)	low (ha)	
AT	1,138,000	288,000	Both were calculated for work for the Ministry with the minimum estimate using more restrictive criteria.
BE Flanders	435,153	151,000	The higher (whole of BE) is JRC/EEA, the lower is from work done by Ministry.
BE Wallonia		69,000	The higher (whole of BE) is JRC/EEA, the lower is farmland coinciding with Main Ecological Infrastructure.
BG	1,630,035		Work done for Ministry.
CY	343,209	110,000	The higher estimate is from JRC/EEA and the lower is found in the RDP.
CZ	550,000		Both the RDP and the expert report arrive at a roughly similar estimate.
EE	531,554		JRC/EEA
FI	1,268,980	259,739	The higher estimate is from JRC/EEA and the lower is in a study for Ministry.
FR	7,000,000	4,000,000	Both are author's estimate of semi-natural farmland based on national land use data TERUTI.
DE	2,201,146		Official survey for CMEF indicator showed 13% of farmland to be HNV. The figure shown here is 13% of UAA.
DK	191,262	130,000	Higher estimate is from JRC/EEA, lower estimate is as used in the RDP (extensive farming within Natura 2000).
EL	4,467,000		Study for Ministry by Hellenic Ornithological Society using Corine and species data.
HR	3,077,230		JRC/EEA
HU	1,935,454	900,000	The higher estimate is from JRC/EEA and the lower is designated HNV areas from the RDP.
IE	1,154,495		JRC/EEA

EU legislative protection for HN VF

- MS required by EU legislation to act to conserve the 57 threatened farmland habitats and 257 species, but despite this:
 - within Natura 2000 areas the legal requirements and management plans have limited influence on farming
 - outside Natura 2000 areas EU legislation is weakly enforced
- effect of GAEC cross-compliance 2007-13 depended on how Member States defined and implemented the standards

standard	✓	✗
minimum maintenance	stocking rate appropriate for semi-natural pastures	stocking rate too high for semi-natural pastures
	late mowing meadows	mulching only
	olive groves and vineyards	
unwanted vegetation	natural bushes/scrub removed from protected habitats	alien invasive species controlled

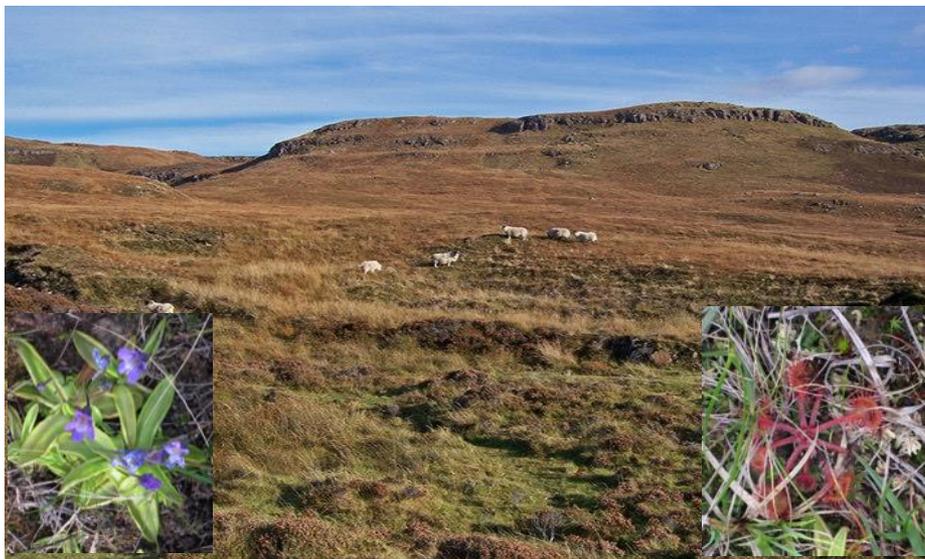


CAP support for HNMF 2007-13



Influence of Pillar 1 and LFA payments on HNMF incomes

- inherently low productivity of HNMF farming and labour-intensive HNMF practices result in lower income/ha and /labour unit than other farms
- on wholly or mainly HNMF farms Pillar 1 and LFA payments are vital to farm income but often low €/ha if SPS is 'historic'. No guarantee that HNMF system will continue if CAP payments are weakly linked to HNMF practices



	Hill suckler system			Hill sheep (store lamb) system		
	(decreasing activity) →			(decreasing activity) →		
	Business as usual active farming	Subsidy-adjusted active farming?	'Minimal farming'	Business as usual active farming	Subsidy-adjusted active farming?	'Minimal farming'
Subsidy claimant's LU/ha	0.18	0.12	0	0.15	0.12	0
Income from agricultural production €/ha (note: includes coupled beef calf payment in case of suckler system)	89.79	47.77	0	39.52	26.34	0
Estimated real costs of agricultural production €/ha (taken to be proportional to stocking density, i.e. purely variable, for 'subsidy-adjusted' system)	-154.38	-82.13	Small	-89.69	-59.80	Small
SPS €/ha (strongly coupled to historic & decoupled from current production)	24.52	24.52	24.52	17.04	17.04	17.04
LFA payments €/ha (strongly coupled to historic & moderately & uncertainly coupled to current production)	22.09	22.09	0	12.99	12.99	0
Total for farm enterprises €/ha	-17.97	-3.56	~24.52	-20.15	-3.42	~17.04

- important areas of HNMF partially or completely excluded from CAP support in 2007-13 ('non-agricultural', presence of trees and rocks, small farms and parcels, insufficient SPS entitlements)

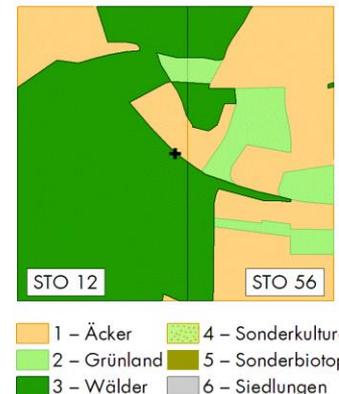
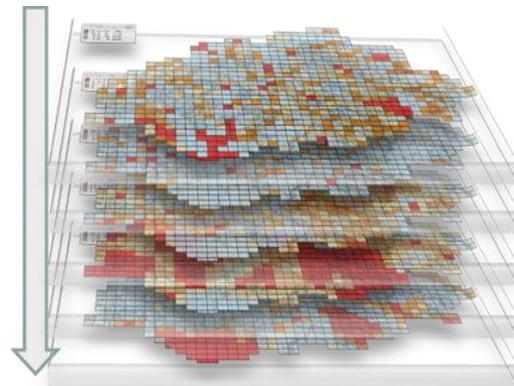
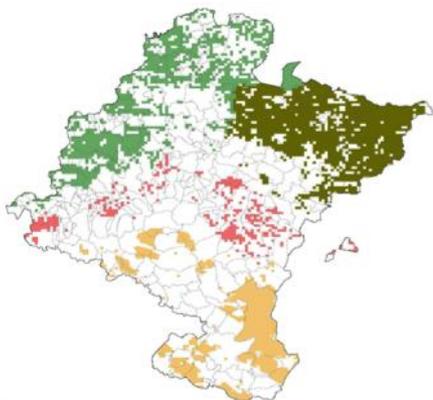
RDP support for HNMF 2007-13

- carefully designed agri-environment schemes specifically for HNMF habitats, species and local breeds do not reach all HNMF that could benefit
- LFA payments contribute to farm incomes but rarely support HNMF practices (some set minimum grazing levels)
- missed opportunities to use non-productive investment for HNMF habitat restoration (some MS use state aid instead)
- other RDP support generally not targeted at HNMF;
- some MS use Article 68 (Pillar 1) to support HNMF



Defining the CMEF indicators for HNMF

- CMEF baseline HNMF indicator '*utilised agricultural area of HNMF farmland*' has been difficult for MS to define because of insufficient data on
- some MS initially used a limited definition (eg Natura 2000 farmland) or proxy indicators (LFA area, AE target area) and work is in progress to refine these
- innovative approaches to overcoming data problems, for example:
 - combining available national or regional data on land cover, farming and biodiversity in Navarra (Spain) and Estonia
 - new sample survey in Germany





Estimating future funding needs



Estimating EU funding needed to support HNMF

– a farm income approach

Data on current CAP payments were used to estimate future funding needs:

- In Aragon (Spain) LFA payments are low and AE schemes fail to reach most of the 2-3 million ha of HNMF (not even the majority of Natura 2000 grasslands and arable land)
 - a 5 fold increase would be needed in budget for LFA, AE, Art.68 to cover all Natura 2000 farmland in the region; or
 - with no increase in CAP budget, support from both Pillars could be rebalanced to give all HNMF land higher direct payments *and* targeted environment support
- In Scotland HNMF livestock farms manage around 3 million ha of semi-natural pastures
 - the total 'historic' SPS and LFA payments for this area fall short of offsetting the HNMF farm business losses by €63 million a year. A more coherent package of CAP support would benefit biodiversity and HNMF farm incomes, with only a modest increase in expenditure
- In Romania CAP support is more balanced. There is no disparity between HNMF and intensively farmed land in SPS and LFA payments. An ambitious agri-environment scheme reaches 1 million ha of HNMF grassland, on these farms the AE payments from largest share of total CAP support

Estimating EU funding needed to support HNMF - a habitat approach

- the additional annual cost at EU-27 level of maintaining and restoring HNMF semi-natural habitats by 2020, in the face of expected pressures, was estimated using:
 - best available estimates of extent of HNMF land
 - reported conservation status of farmland habitats
 - typical payment rates for agri-environment and similar measures
- at EU-27 level it is estimated that between €150 and €1100 million of additional funding for habitat management and restoration would be needed each year until 2020 if 15% of degraded HNMF habitats are to be restored. This rises to between €730 million and €3,300 million (or more) if all degraded habitats are to be restored

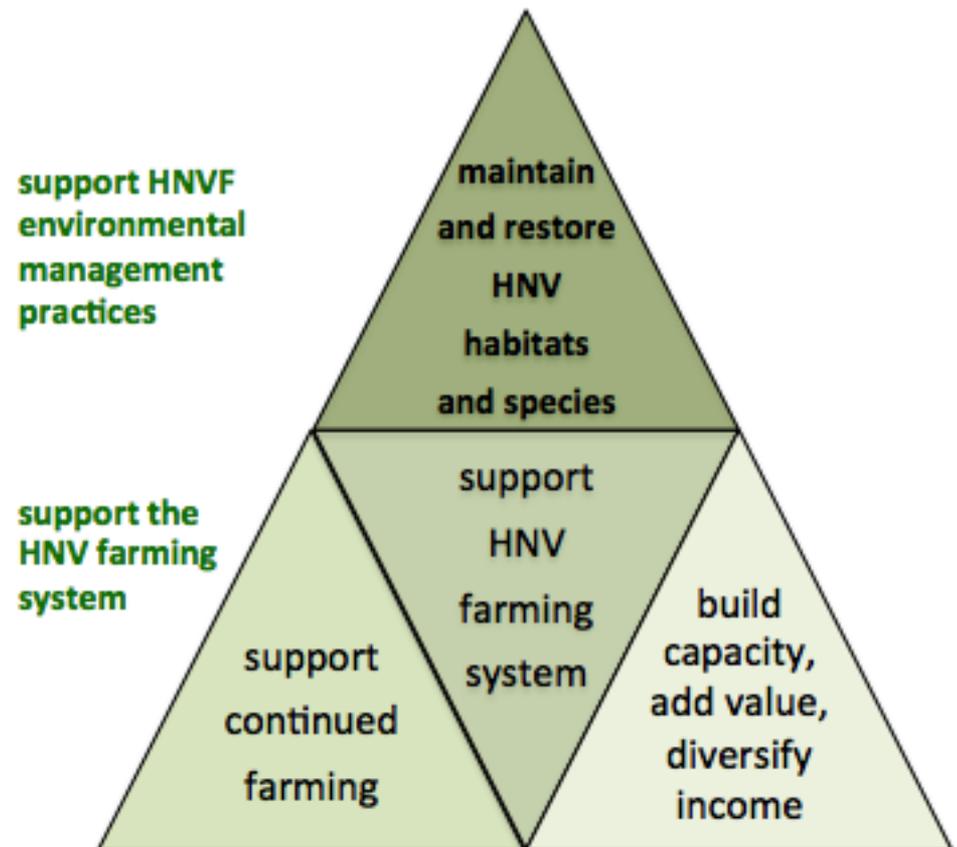


The challenge of coherent CAP support for HNVF

How best to use the CAP in a way that improves the economic viability of HNV farms without compromising their characteristic biodiversity value and locally adapted, low-intensity farming systems?

Support for HNVF farming and its biodiversity has two main components, funded by different elements of the CAP.

The total package 'at the farm gate' must work coherently and effectively



Urgent need to improve HNVF data at farm level

- time is very short, economic pressures threaten abandonment, intensification or afforestation of significant areas of HNVF
- to halt the further decline of HNV farming in the EU, the substantial gap in the use of CAP funding for HNVF will have to be filled for 2014-20
- designing, targeting, costing, delivering and monitoring CAP support requires improved data on HNVF characteristics at farm and parcel scale
- cost-effective improvements to data include:
 - extending EU and Member States' agricultural datasets (IACS, LPIS, FSS, LUCAS) to include HNVF characteristics
 - integrating environmental and agricultural datasets in GIS
 - sharing best practice in developing integrated HNVF data sets and indicators at Member State and regional level



CAP 2015?



CAP 2015 - Member States hold the HNVF key

- **CAP 2015 offers new and improved opportunities for HNVF support – almost all of these are optional for Member States**
- Member States' implementation of CAP 2015 will (by design or default) set HNVF priorities for next 7 years
- Many MS could improve HNVF support just by making more effective use of the CAP funding envelopes for *both* Pillars
- Importance of the 'HNVF farmer's eye' view - how will the sum of CAP payments and requirements for the farm affect family income and HNVF systems and practices?
- **Primary aim of HNVF support should be to make continuation of HNVF farming an economically rational choice in the face of pressures of abandonment, intensification and afforestation**

CAP 2015 – choosing the HNVF options (1)

Eligibility of HNVF

- define ‘permanent grassland’ to include **all** Annex 1 habitats dependent on agricultural activity, including wood pastures and other non-herbaceous vegetation which can be grazed
- recognise HNVF landscape features (and trees) as part of the eligible area
- use minimum eligibility threshold for very small farms

‘Agricultural activity’

- for HNV habitats, should not be solely mechanical clearance (mulching)

Allocation and use of payment entitlements

- in making the transition from SPS to BPS, ensure HNVF farms with below average stocking densities are not disadvantaged
- ensure farmers have to declare all eligible land that they farm

CAP 2015 – choosing the HNVF options (2)

Greening Payments

- **crop diversification**
 - landscape features should count towards requirements
- **Ecological Focus Areas**
 - include HNVF semi-natural habitats and landscape features, and fallow
 - ensure arable farms use HNVF within the holding as EFAs
 - define very clear criteria for EAFRD and state aid afforestation support, to protect semi-natural HNVF grasslands from afforestation as EFAs
- **permanent grassland**
 - use HNVF habitat management as equivalent measures
 - designate ‘environmentally sensitive’ grasslands outside Natura 2000 areas and protect from drainage and afforestation

CAP 2015 – choosing the HNVF options (3)

Rural Development Programmes 2014-20

- **agri-environment-climate payments**
 - available for all HNVF land, giving initial priority to Natura 2000 farmland and Annex I habitats outside Natura 2000
 - encourage collective approaches and group applications, using option of 30% transaction costs
- **non-productive investment** for HNVF habitat restoration
- **LFA (ANC) payments** linked to basic HNV farming practices
- **other EAFRD measures** used in a way that enhances biodiversity capacity of HNV farms and land



CAP 2015 HNV – choosing the options (4)

Objective	Pillar 1	Pillar 2
Ensure that farming continues	Basic Payment Scheme (degressive payments) Small Farmers Scheme	
Support extensive farming systems	Greening payment ANC top-up Coupled payments	ANC compensation Natura 2000 compensation Organic farming Genetic resources
Build capacity and add value	Young Farmers Scheme	Advisory services Knowledge transfer and information Investment in physical assets Farm and business development Setting up producer groups Quality schemes for agricultural products
Specific conservation management of HNVF habitats, landscape features and species		Agri-environment-climate Non-productive investments Animal welfare payments Prevention of forest fires and restoring agricultural potential



Further reading





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High Nature Value farming throughout EU-27 and its financial support under the CAP

Final report





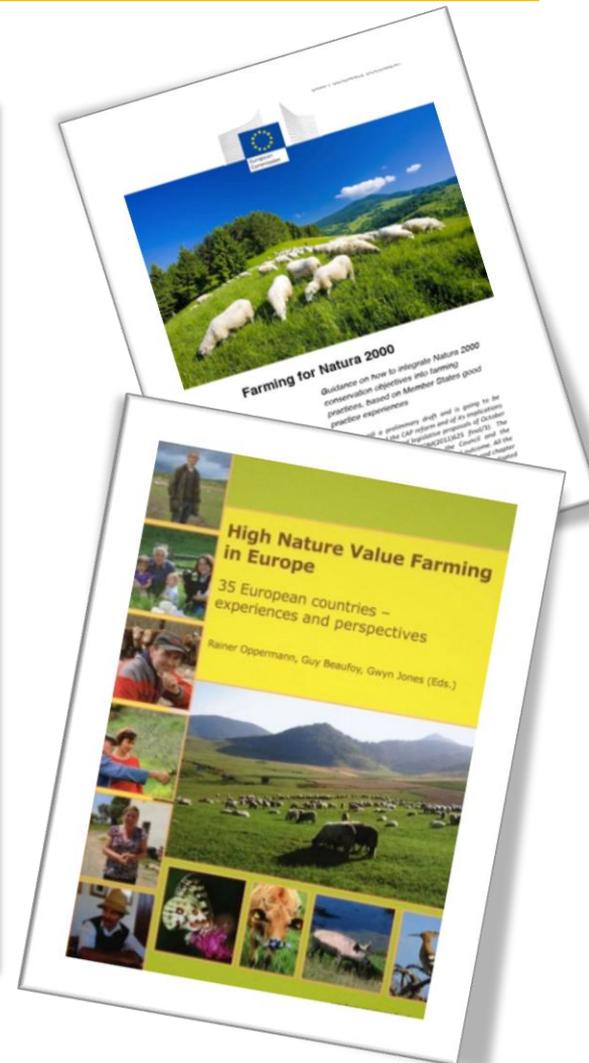

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