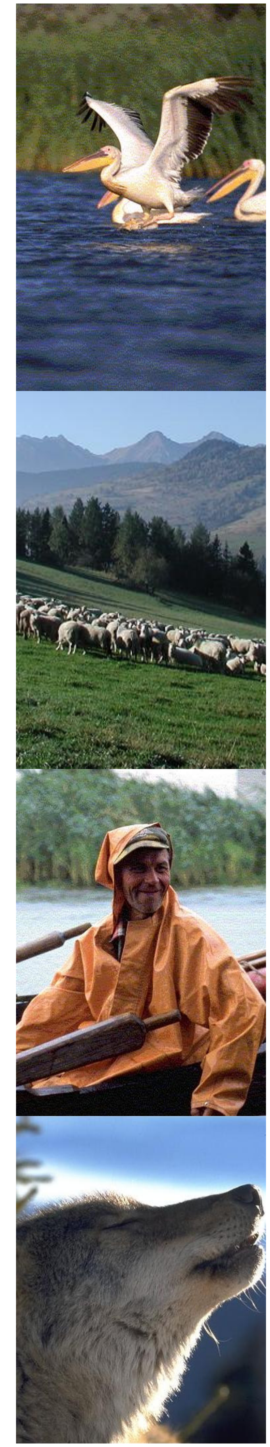
High Nature Value Farmlands – Recognizing the European Importance of SEE landscapes



Farmers managing High Nature Value Farmland

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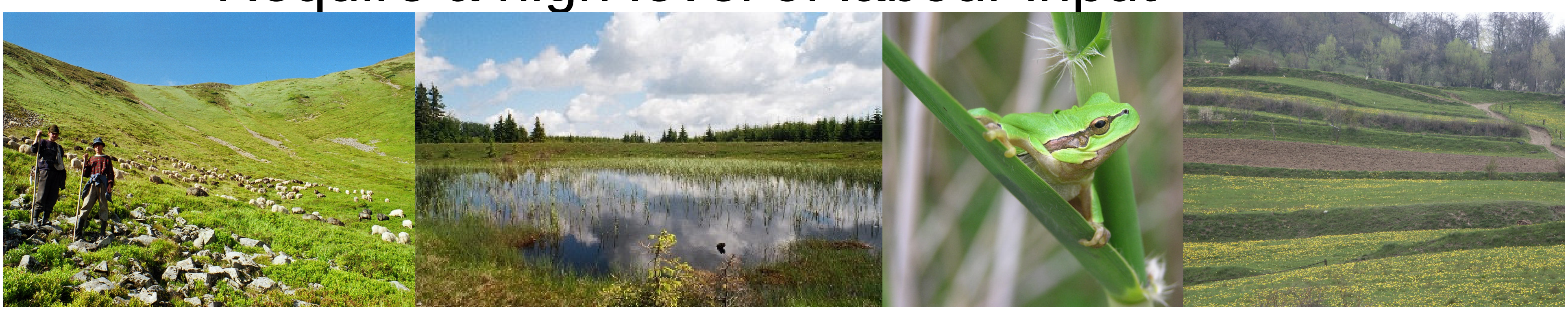
High Nature Value farming

Key characteristics:

- Well established management practices: e.g. transhumance, mowing, hay making
- Low use of fertilizers and agrochemicals
- Low degree of mechanization
- Low stocking densities
- Breeds adapted to the local environment
- Making use of large areas of public land
- Require a high level of labour input



Farmers managing HNV farmlands

Who are they?

Subsistence

Semi-subsistence

Market-oriented family

Commercial companies

Subsistence farmers

- The most difficult group to capture despite being the highest in numbers
- 1-2 to 4-5 animals per farm
- Form common herds grazing on common land
- Managing small scale mosaics near villages ??
- Outside the policy domains:
  - -> not registered
  - -> not eligible for support

BUT still responsible for
high shares of HNV farmlands!

Subsistence farmers: A policy issue!?

- No market orientation thus no support!
- A clear message from Pillar I “Market support”
- BUT what about Pillar II “Rural development”
- Even more **sustainable rural development**?
- Shall we expect that environmental and social objectives should be delivered via the market only?
- If they deliver the public good “high nature value” shouldn’t they get some public payment for this?

Semi-subsistence farmers

- A significant group as well! But not all eligible for support due to:
  - SAPS min land requirement
  - “farm size 1 to 4 economic units”

- Support under the new RDPs 07-13
  BG&RO – 1500 euro/year for 5 years
  RO–85 000 eligible; BG–34 500 eligible (~30% of all)
- Also eligible for free advisory services to prepare docs

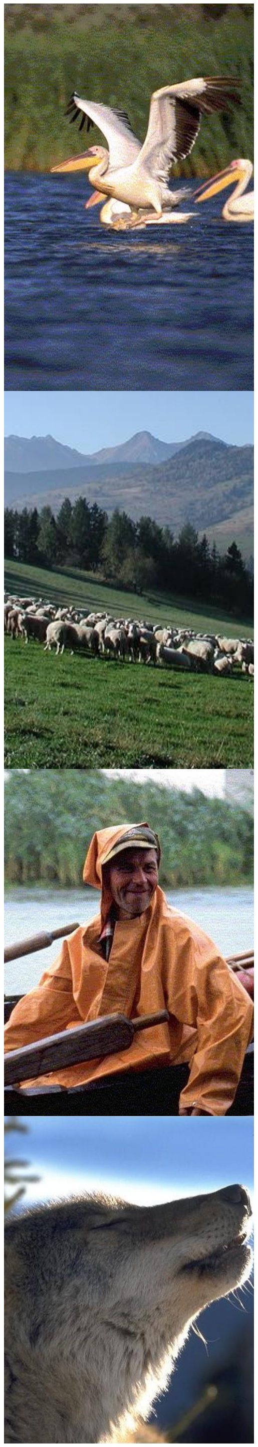
- Some operate in grey sector entirely
- some for part of their activities

Market-oriented family

- Small in numbers but with high viability potential!
- No targeted support, subject to all rules
- Generally easier to comply with requirements
- Being HNV mostly in marginal areas due to:
  - difficult natural conditions and/or
  - availability of significant ‘free’ grassland resources
- Due to (hygiene) rules some parts of the business may be in the grey sector

What are the issues they face?

- Recognition
- Support
  - financial
  - administrative
  - technical
- Markets
  - Hygiene requirements



Recognition issues

- It is an issue at local and national level alike!
- Their contribution to nature values is not known/understood:
  - by the public
  - by the administrators
  - by the farmers themselves!!
- Their usually low social status places them at the marginal end of the local communities
- Their added value to local economies via the landscapes and/or traditional food products esp. for tourism industry

Support issues: Financial

☼ Both BG&RO have targeted HNVF packages within the AE measures!

- HNVF identification in RO leaves regions out

  but payments in eligible regions can be significant

Euro/ha	SAPS	HNVF	**Total**	+ LFA (m)
Bulgaria	63	155	**218**	+90
Romania	55	182	**237**	+50

Support issues: Financial

- Still many semi-subsistence farmers are vulnerable to SAPS requirements:
- BG total 139 000; SAPS eligible only 30%! [34 500]
- WSP: 18% of all grasslands are LPIS registered!

  and abandoned land is accounted separately!

- Cross-compliance animal welfare: “need to have high mountain shelters to be eligible for support”

  -> is this in compliance with the production system?

  -> no, it drains money from extensive HNV farmers

Support issues: Administrative

- New policy, new systems, no practice esp. locally
  - Different interpretations of rules at local level
  - Staff too focused on meeting all requirements rather helping farmers receiving support
  - Lack of functional review/complaint mechanism
- “Absorption” easier with large farmers
- Official information flow is still too centralized – Internet based; regional centers, etc
- Unofficial info flow – may become too skewed

Support issues: Technical

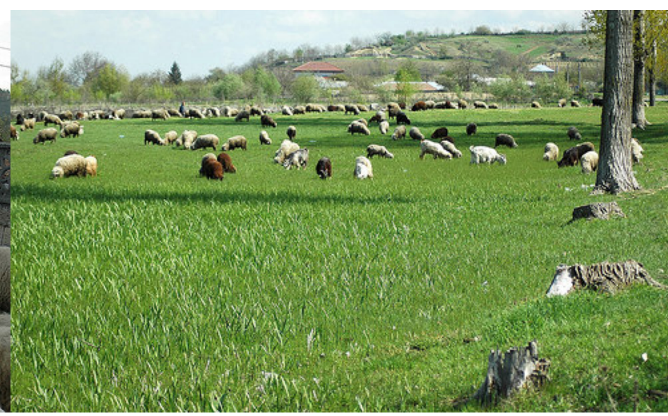
- Technical support available for developing application docs for AE, Semi-subsistence, etc
- Available only via the National agri advisory services and only for the application process
- *What about the 5 years duration of the project*?
- HNVF measures have environmental objectives
- But NAAS have farming and economic experts
- *What about environmental expertise?*
- All farmers need to be trained as well

Support issues: General

- HNV farmers rarely cooperate with each other
  - A problem for their representation at policy level
  - As well as for market access
  - And access to relevant information
  - Sharing investment money – common milk collection point or processing units or slaughtering units
  - Sharing milk quotas?

Market issues: Hygiene

- An issue for HNV farmers mostly in terms of
  - Milk processing at “farm” level
  - practicing “direct sales”


Market issues: Hygiene

- RO has a derogation for small scale producers
  Thus there is still a possibility to adapt to requirements!

- And yet from total milk production
  80% for self-consumption or nearby markets
  20% to milk processing companies

- Investments, training, technical support are all urgently needed
  so that (HNV) farmers don't become 'grey' sector

Market issues: Hygiene

- BG makes no differentiation:
- ➢ basically closes down small scale producers
- ➢ subsistence farmers are forced to sell animals to large producers
- ➢ This is positive from economic perspective

  “concentration = economic viability”
- ➢ But puts an end to extensive grazing, especially in lowlands – eg. Roussenski Lom
- ➢ And moves (part of) the farms in the ‘grey’ sector

Thank You!