



A man with short, light-colored hair and a beard, wearing a dark blue long-sleeved shirt, stands in a field of lavender. He is looking slightly to his right. The background is filled with the purple and white flowers of the lavender plants.

# HNV FARMLAND, THE RDR and the MTR of the CAP

Presentation to 8th EFNCP  
Montpellier, 16/09/2003



# Where we are



- (1) Reform agreed politically at Council
- (2) Formal adoption of Council  
legal texts expected
- (3) Work now needed on Commission  
detailed rules



# Main Reform Features



- ⌘ A single farm payment, independent from production for most sectors.
- ⌘ Some limited coupled elements to avoid abandonment.
- ⌘ Some semi non-decoupling options.



Linkage of single farm payment to respect for:

- ENV standards
- Public and Animal health standards
- Animal welfare standards

and requirement to keep all farmland in good agricultural and environmental condition (cross compliance)

**A TOTAL OF 18 DIRECTIVES**



# Relevant ENV standards



- ⌘ Birds directive
- ⌘ Habitats directive
- ⌘ Groundwater directive
- ⌘ Sewage sludge directive
- ⌘ Nitrates directive



# Good agricultural + environmental conditions



(1)

➤ MS to define nationally/regionally standards on:

<b>Soil erosion:</b>	⌘ Minimum soil cover ⌘ Minimum land management ⌘ Retention of terraces
<b>Soil organic matter:</b>	⌘ Crop rotations ⌘ Arable stubble management
<b>Soil structure:</b>	⌘ appropriate machinery use



# Good agricultural + environmental conditions (2)



## Minimum maintenance:

- ⌘ Minimum stocking rates or regimes
- ⌘ Protection of permanent pasture
- ⌘ Retention of landscape features
- ⌘ Encroachment of unwanted vegetation



For non-compliance with standards or good agri/env conditions

- Reduction/cancellation of direct payments
- Negligence 10%  $\Rightarrow$  20%
- Intentional 30%  $\Rightarrow$  all

MS may retain 25% of resulting amounts

Review by end 2007 with appropriate proposals



# Financial perspective



⌘ Establishment of financial perspective for EU 25 until 2006

↗ Agri total at (2004) prices	€ 50.6 billion
☒ CAP	€ 43.7 billion
☒ Rural Development	€ 6.8 billion
↗ Total appropriations	€ 119 billion



# Financial Matters

## (1) Discipline

A mechanism to ensure the farm budget until 2013 is not overshot.

## (2) Modulation

Transfer from larger farm direct payments for rural development purposes.

2005	3%
2006	4%
2007-2012	5%

Value +/- € 1.5 billion annually



# Rural development



## New support areas:

### ⌘ meeting standards:

- Advisory service**
- Meeting standards**
- Improvement of animal welfare**

### ⌘ Food quality

- Voluntary participation in EU/national schemes**
- Producer groups for promotion**

AND

Increased EU % co funding



# Completing the 2003 reform



⌘ Reform proposals on:

- ☒ Olive oil
- ☒ Tobacco
- ☒ Cotton

this autumn.

⌘ Further reflection on sugar.



# What now?



- ⌘ Time needed to bed CAP reform down
- ⌘ MTR of RDP in 2004
- ⌘ "cork" mark 2 -- Salzburg 2003
  - ⇒ seeking a shape for 2007-13
- ⌘ New financial perspective
  - ⇒ seeking a new funding shape?
- ⌘ WTO?



# What's upcoming for ENV?



- ⌘ NATURA financing communication
- ⌘ WFD - Preparing river basin management planning
- ⌘ Climate change issues
- ⌘ Several thematic strategies

How can CAP respond?



# Issues for ENV community



- ⌘ Making cross-compliance work in practice - sufficiently underpinning competitive agriculture
- ⌘ Are rural measures achieving results?
- ⌘ Ensuring the protective elements of rural plans
- ⌘ What new rural issues for 2007-13?
  - ☒ e.g. linking environmental issues to the plans
  - ☒ Targeting measures to areas
  - ☒ exploiting possibilities fully
- ⌘ Linking RDPs with
  - WFD
  - NATURA management
  - Climate change