

A photograph of a man with a mustache, wearing a dark suit jacket over a light blue shirt and a grey fedora-style hat. He is standing in a field with many sheep in the background. The text is overlaid on the lower half of the image.

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:

| | |
|----------------------|--|
| Soil erosion: | <ul style="list-style-type: none">⌘ Minimum soil cover⌘ Minimum land management⌘ Retention of terraces |
| Soil organic matter: | <ul style="list-style-type: none">⌘ Crop rotations⌘ Arable stubble management |
| Soil structure: | <ul style="list-style-type: none">⌘ 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