



EDITORIAL

Decoupling, yes; retargeting, maybe – Franz Fischler's uncertain legacy



A remarkable achievement

No-one can doubt that outgoing Agriculture Commissioner Franz Fischler really believes in what he's doing. Not for him the shady politicking of some previous incumbents – his Mid-Term Review (MTR) of the Common Agricultural Policy (CAP) is as principled and coherent a reform package as one can ever hope to come across in this imperfect world.

The changes he has implemented actually have a *goal* – the strengthening of a multi-functional European Model of Agriculture which to him is much more than a form of words invented to pull the wool over the eyes of our trade partners.

The package is a complex tapestry in which compulsion is interwoven with discretion, centrally-enforced coherence with subsidiarity. Even a rather jaundiced observer cannot but admire its subtleties – each and every problem has its answer, it seems. More importantly, one can actually see how it might achieve its aims. A CAP

A typical alpine valley mosaic of haymeadows and mountain pastures.

which is politically acceptable at home and abroad supporting all that is best in Europe's agriculture is actually possible under his reforms. Some legacy!

The spirit of the reform

Success is sure then? Not quite. Even before the reforms are implemented – before the implementing Commission Regulation is issued even – we see Fischler intervening to defend his masterpiece from being perverted by Member States. The issue – whether or not some Member States can implement the Single Farm Payment on a regionalised area payment basis – is not important. What is significant is that even at this early stage, Fischler has to fall back not on legalities, but on the *spirit* of the reform.

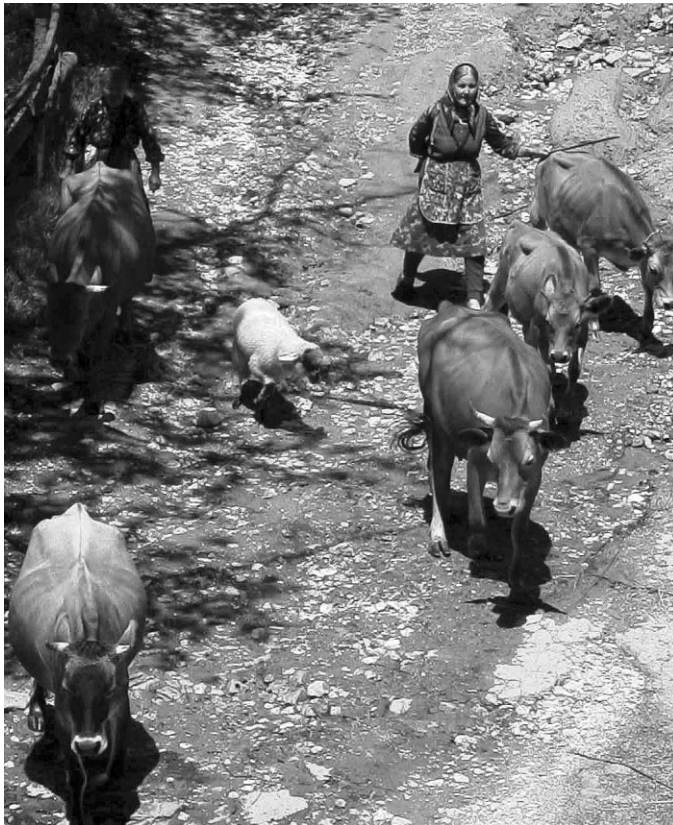
The reform, says the Commissioner, has an ethos – a purpose. For it to succeed it is not enough merely to implement it

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lawfully – even this excellent reform can be used in ways which are not conducive to the strengthening and development of multifunctional agriculture. Some of us knew that already. We are more than familiar with measures of dubious legality being accepted by the Commission; with packages which do little to address real problems and a lot to beef up current inequalities; with rural development and biodiversity action planning which is as much about ticking boxes as achieving results commensurate with the problems.



Eric Bignal

Average herd-size in Bulgaria is less than ten cows, and most mountain producers have only two to three milking cows which graze communal pastures and return each evening to the village for milking.

So why does this cynicism not inform the reform?

Austria is not the norm

Someone commented recently that it was notable how the direction and language of Community policy changed in the last Accession, when Austria, Sweden and Finland joined the Union. Fischler is a symptom of this change as well as its midwife.

These countries generally valued their countryside – the landscape, the wildlife, the fine products, the value for the tourist industry and the mental well-being and self-image of the populace. They also understood that agriculture was central to delivering these public goods, and others such as rural stability and avalanche control. Most of all they were rich and willing to pay farmers to keep these services going in often hard conditions. The much-vaunted European Model of Agriculture (EMA) is, we might say, really the Austrian Model of Agriculture. But not all countries are like Austria.

Some States have different traditions – a productivist agriculture aimed at feeding the workers has been the norm in the UK as much as in the former Communist states, for example. In the UK it is called an 'industry' – would the French regard it in such a light? Other States have pressing needs

which require urgent attention. Bulgaria's agriculture, for example, has to contend with massive challenges of infrastructure collapse after years of under investment. Poland has millions of small and semi-subsistence farmers and an industry apparently crying out for restructuring.

Who can blame these countries if the fate of semi-natural grasslands is low on their priority list? And more or less every Member State has its farming elite, usually an agro-industrial complex of its largest producers, processors, suppliers and retailers. They may represent only a small fraction of farms, and the land

they manage may not even be a majority of the country's surface area. Their need for support, as players on the world stage, is certainly limited. Nevertheless such is their political clout that it is to these farmers that policy is targeted. Even LFA (Less Favoured Areas) and agri-environment programmes are not immune. Indeed, so common is the divergence from the Austrian 'norm' for all these reasons and more that the surprise will be if any country actually does implement the MTR in a balanced way, following the 'spirit of the reform'.

The reality of the EMA

Why does this matter? Farming is multi-functional – if some farmers fall out of the bottom of the reform, who cares? Surely all that does is to improve the average market orientation of the remainder, so that farming provides us with the same goods at a lower cost? And in any case, some of these ex-farmers will have been developing non-farming income while still living in the countryside.

This is to misunderstand completely the reality behind the EMA. The reason why it matters that change is focused on one segment of agriculture is that not all farmers provide all the services of the EMA in the same proportions. Some produce a lot of cheap food and little else, others provide not only meat or milk products but also

public goods in the form of rural employment or the maintenance of wildlife populations and traditional landscapes.

The Forum's fear is that these farmers, who are economically and politically most marginal and yet deliver most biodiversity benefits, will be forgotten. The mistakes made in the drawing-up of the MTR must not be repeated when the RDR (Rural Development Regulation) is reviewed later this year. If, as experience has shown, 'high nature value' farming is again bottom of the heap in EU and Member States' decision making, we must, if we are to preserve its benefits, do things differently this time. We must not allow all the debate to centre on Natura 2000 sites, important though they may be.

Perhaps the time has come to make the maintenance and development of HNV farming systems both within and outside of the Natura network a distinct and separate aim of the CAP. Rural Development Policies should clearly identify HNV farmland within their areas, provide separate SWOT analyses for them, state their limits of tolerance and have to identify appropriate measures to safeguard them. Nor can we put the burden squarely on the shoulders of Member States. Despite the lack of enthusiasm some of them show for HNV farming, no-one can deny that the vast majority of HNV farmland is in the poorest countries of the Acceding States and in the Mediterranean region.

Funding mechanisms need to be found for these measures which somehow recognise their importance for Europe as a whole, while not detracting from the incentive for Member States to draw up and monitor worthwhile and legal schemes.

The ethos of LFA and Article 16 measures cannot remain purely compensation-based when the economic rationale of farming marginal areas has been destroyed by decoupling. LFA payments need to be strengthened and the measure made more robust against the kind of abuse identified, amongst others, by the Court of Auditors.

Agri-environment needs to recognise the reality of farming systems and to work through them where possible. Simple measures, lasting only a year at a time in some cases, need to be a fully accepted part of the scheme. And the Commission itself should look to its laurels. Regulatory impact assessments should look at the possible effects of any laws affecting HNV farmland and there should be a requirement to identify ameliorating measures.

The time for self-congratulation is over. HNV farming will be gone before we know it unless we wake up. Decoupling will not prove to be the cure-all which some suggest. We should have had a 'plan B' before we started down this road. Now we urgently need to think of one.

EFNCP Brussels seminars and DG Agriculture's information actions

This issue of *La Cañada* is primarily devoted to reporting on two seminars held in Brussels in the early part of 2004. These seminars, 50% funded by DG Agriculture under the programme entitled 'Information measures relating to the Common Agricultural Policy' aim to

facilitate the exchange of information and ideas about topical issues relating to the CAP. From our perspective we wanted to draw attention to the way that ongoing changes to the CAP are affecting farmland that is of most importance for biodiversity and nature conservation.

The first, held in January, considered the Impact of decoupled payments on High Nature Value (HNV) Farming Systems and the second, in March, the Impact of Accession on HNV cattle systems in Central and Eastern Europe Countries (CEEC).

A report of the latter seminar can be found on page 15, whilst some comments on the former are given below. The background to both seminars, the respective participant lists and the programmes, together with abstracts of the papers presented, can be found on the EFNCP website (www.efncp.org).

The impact of decoupled payments on High Nature Value farming systems

This seminar explored some of the policy and theoretical considerations that underpin the reform of decoupled payments and looked at a range of national responses, from those embracing full decoupling at the earliest opportunity (for example, Ireland) to those adopting partial decoupling for as long as possible (most Mediterranean Member States).

In many ways decoupling is a classic example of a major policy reform for which there seems to be a lack of appreciation and communication between, on the one hand, the policy makers, and on the other the farmers themselves. This is particularly the case in the marginal agricultural areas of Europe that tend to be of highest nature conservation value (highest biodiversity). Policy makers need to make more reference to real places and real issues affecting rural communities and valued farming systems to ensure the development of realistic and effective policy. Farmers and their representatives need to be able to understand the logic of policy at an early stage in order effectively to feed into its development and avoid a destructively confrontational approach and thereby loss of faith in the driving forces of agricultural reform.

From an environmental perspective, and particularly for the more marginal but HNV farming systems, the prognosis of the effects of decoupling has been far from clear. Many environmental NGO and national environmental ministries believe that decoupling (with farmers responding to market signals rather than production incentives) will lead to de-intensification with corresponding environmental gains. But others (including the editors of *La*

Cañada) have predicted that in the agricultural areas of highest nature conservation value there will be a decline in agricultural activity, potentially leading to biological impoverishment. The economic incentive for either less agricultural activity or virtual abandonment will be highest for systems that are currently most dependent on production subsidies. Recent research by EFNCP and others suggests that although HNV farms get less Pillar 1 support (15% less per farm and 46% less per hectare) they are more dependent on this Pillar 1 support than other farms (54% of output value compared with 26%). This raises further questions about the sustainability of HNV farming systems and, in turn, about the ability of agri-environment payments to support these systems into the future.

It is somewhat ironic that there are also predictions (for the same HNV areas) that agricultural activity, where it remains, may become more intensive. Whilst reality will probably fall somewhere in between these extremes, it does seem likely that this reform may increase the trend of polarising activity into fewer (possibly more intensively managed) farms.

Three questions were asked at the beginning of the meeting: would decoupled payments

- make agriculture and rural development more sustainable?
- encourage more environmentally friendly farming?
- shift the balance of support towards farming systems of high nature value?

The papers that follow on pages 4 to 14 explore how some of the details of the reform affect different Member States and

the implications for the environment. Below are some general comments that arose from the discussions.

An uncertain response

It is probably fair to say that the answers to all three of the above questions were pretty negative and that the overall conclusion of the meeting was a rather depressing one. From the Commission's side there were some rather simplistic assumptions about how the environment would potentially benefit, based, it has to be said, on dubious advice from some environmental NGOs. Whilst the Commission's economic analysis on markets and incomes showed relatively little predicted change it did, interestingly, highlight the fact that the farms with the highest likelihood of going out of business would be those with negative gross margins – that is most farms in the LFA. Despite the assumptions that removing production support would 'take the foot off the accelerator', the analysis predicted a trend towards specialisation, especially in cereals. This raised the rather cynical comment that perhaps the reform was less of a 'green box' reform but more of a 'green light' for the agriculture industry.

Over and above the likely reaction of the farming industry to the reform, we heard a range of national attitudes to the environment, which ranged from France where it was considerable and linked with the response of farming unions, to Ireland where it was virtually not considered at all. Ireland was an interesting example where there are predictions of intensification in the predominantly dairying regions of the south east and extensification in the sheep and beef areas of the west.

Ironically, the question of sustainability seemed to depend more on local culture than on the effects of the policy changes, with farmers tending to stay in non or marginally viable systems either because they wanted to or because they felt they had no alternative.

A background to decoupling

What is decoupling?

Decoupling breaks the link between production and the payment of agricultural support (subsidies).

Why was it done?

Because in theory it is more economically sensible, allowing farmers to respond to markets, and not to subsidies. Support does not cause intensive production and is therefore good for the environment and more acceptable to the public.

What is new in the 2003 decoupling?

Farmers receive a single payment based on the hectareage they farmed and the historic payments they received under most CAP regimes. They are allowed to undertake any type of farming except fruit, vegetables and table potatoes on the eligible hectares. Member States are given the choice between full or partial decoupling but a minimum of more than two thirds of direct payments EU-wide are to be decoupled.

Payments will be reduced annually (modulation) except for poorest farmers. The money from modulation will be used for Rural Development from 2006 (€1.1 billion per year from 2007). Rural Development money (current RD budget €4.5 billion) will be redistributed between Member States, increasing the Rural Development budget for Member States who wish to spend more.

What does this mean for farmers?

Farmers receive similar amounts of payment as before the reform, if they choose to continue farming or to continue to care for the land. If not, they have to give up the payments. If they continue, they have a wide choice in what to grow/rear.

What are seen as the main environmental elements of the 2003 reform?

1st Pillar (support schemes):

- decoupling – reduces incentive for intensive production
- cross-compliance controls accompanies decoupling
- farm advisory system established
- energy crops will receive a payment per hectare of €45

2nd pillar (Rural Development):

- money to help farmers meet new EU environmental legislation
- money specifically for Natura 2000 areas
- farm advisory service, payment of up to €1,500 per farm.

What are the features of the new cross-compliance rules?

- 1) obligatory on Member States and same broad elements throughout EU, providing a level playing field
- 2) has real teeth: the farmer loses payments, as the Member State will not receive money through 'clearance of accounts' system.
- 3) the same sanctions on Member States also apply to Annex III, existing environmental legislation (including Natura 2000), if not yet fully implemented
- 4) a farmer who wants to receive direct payments is obliged to maintain land in a 'good agricultural and environmental condition' (GAEC), even if he gives up farming. Annex IV (Regulation 1782/2003) requires Member States to ensure a minimum level of maintenance and avoid the deterioration of habitats, notably by: 'minimum livestock stocking rates and/or appropriate regimes; protection of permanent pasture; retention of landscape features; and avoiding the encroachment of unwanted vegetation on agricultural land.'

What elements of the reform are regarded as being of particular interest to High Nature Value Areas?

- Overall improvement in environment-agriculture relation in EU as a result of decoupling, with its accompanying cross-compliance (e.g. avoids over-grazing)
- Because of the increased risk of land abandonment in high nature value areas, the Reform has been carefully conceived to bring in a range of measures designed to avoid abandonment
- Cross-compliance in Annex IV required as above
- LFA payments continue. With more money for Rural Development, some Member States may choose to increase LFA payments
- Derogation in obligation to own land for transhumance
- Annex III requires farmers to conform to requirements of Birds and Habitats Directives (if in a Natura 2000 area) etc
- To assist with implementation of Natura 2000 areas, farmers can receive payments for up to 5 years of up to €500 at the start, decreasing to €200
- Bigger budget for Rural Development, and higher co-financing rates for agri-environment (to 60% and 85%). The quantity and quality of agri-environmental schemes is expected to increase
- Modulation (degressivity) of payments will not affect lowest income farmers (those whose CAP payments are less than €5,000 per year).

Cross-compliance and agri-environment

Some have argued for maximalist interpretation of good agricultural and environmental condition (GAEC). But careful analysis is needed to see where the real environmental interests lie.

- The application of cross-compliance has to be effective. This is a big challenge to Member States, particularly those who have not implemented cross-compliance up to now, and who might have a poor record on Annex III directives as well
- An over-ambitious interpretation of GAEC would (i) be too hard to implement and thereby undermine new compulsory cross-compliance as an effective instrument; (ii) would not leave space for agri-environment which can deliver more, with better environmental outcome.

Anna Barnett, DG AGRI (Evaluation Unit)

Decoupling in the MTR of the CAP: a French perspective

Decoupling: an opportunity to re-open a blocked game?

In the French context, where there is a 'territorial' approach to agricultural development, decoupling appears as an UPO (Unidentified Policy Object). The variety of parties involved means that there are almost as many reasons for rejecting as defending full decoupling. Introducing decoupled payments is seen as a source of major changes but even though these changes may remain unclear there is a broad consensus amongst those it effects that it might be best to be sceptical about adopting a fully decoupling approach.

Major agricultural organisations fear that decoupling would weaken the legitimacy of farm support and, consequently, their own political basis. In this respect, it should be remembered that the most influential farmers' unions and agricultural bodies reflect both production sectors – dairy, crops, ... – and territorial units (départements, régions,...). The former CAP, with coupled payments on these two axes, indirectly but clearly strengthened the role of these organisations. The Ministry of Agriculture might share a part of this vision, which may explain their cautious approach to decoupling.

This analysis led some organisations promoting sustainable agriculture to defend the principle of decoupling. Re-opening a blocked 'game' in agricultural development, largely dominated by influential agricultural bodies that promote production-led agriculture, is seen as an opportunity to promote alternative paths for some farmers that might wish to escape from the dominance of the CAP.

Decoupling: a Pandora's box?

But, despite this analysis, some dominant environmental NGOs active in the field of agri-environment (LPO, FNE and WWF) share the scepticism about decoupling. In order to understand such a position, a brief analysis of French agriculture is useful.

Generally speaking, maintaining the heritage of the post-war mixed agriculture (livestock and permanent crop systems) appears as a key issue for most agri-environment organisations promoting biological benefits. The question is: what will be the effects of decoupling on promoting or maintaining such systems?

To answer this question, French agro-systems can be roughly characterised as follows:

- The three first types can be defined as the 'core' of agricultural production, including large farms specialising in crop production ('Bassin Parisien' for example) or in livestock production (e.g. in the western part of France (Bretagne)).
- The second type is mixed farms, mainly on the periphery of the previous systems. Though, here, the trend clearly is to intensification and specialisation, some diversity is maintained. Both the maintenance of mixed farms and their evolution towards intensified farming systems are acknowledged to be a result of the former CAP. In such areas, the co-existence of pastures and forage crops with cereals and other industrial crops might favour semi-natural habitats of some interest for birds. Generally speaking, these areas are probably the most endangered ones for current biodiversity.
- The last types include extensive farming systems, in quality dairy production, extensive beef systems and Mediterranean pastoral and/or crop systems. CAP, through Pillars 1 and 2, is acknowledged to sustain most of these systems. For example, the LFA scheme combined with the beef scheme maintains the overall area of grasslands in LFAs.

This typology helps in understanding why (full) decoupling is mostly regarded as a risk rather than an opportunity in France.

Possible positive impacts of decoupling are expected in intensive areas (first types). In Bretagne, for instance, less incentive for silage maize might mean the development of dairy farms based on grass production. But, at the same time, these advantages could be counterbalanced by the development of other farms that would largely increase their size and, thus, intensify their production patterns.

In mixed farm areas, decoupling is expected to lead to dual effects. On the one hand, most productive farms might go further in the specialisation/intensification process, that was previously limited by the balance of supports at regional levels. On the other hand, marginal farmers (e.g. older farmers frequently implementing semi-extensive farming systems) might abandon the management of complex agricultural systems. The environmental value of these systems will not be replaced by the bureaucratic rules of the annex IV of the

MTR regulation. The strategic importance of such areas for nature conservation leads environmental analysts to be sceptical about defending decoupling in such areas.

The possible effects in extensive areas depends on the economic context. For systems based on 'Appellations d'Origine Contrôlée', frequently involving dairy systems of real interest for nature conservation, the future is seen rather positively with or without (full) decoupling, even if some side-effects might occur. But the situation is more complex in beef and/or conventional dairy farm areas, in competition with more intensive systems. In such areas, the dual effects explained above (land intensification and land abandonment occurring at the same time, sometimes in very close zones) might also be the dominant effect. In these regions, the maintenance of beef or sheep farms is a primary condition for nature conservation strategies. Thus, the principle of retaining 100% coupled suckler cow payment is shared both by those defending the maintenance of economic production and by environmentalists.

To sum it up, in France decoupling is seen as a Pandora's box by the majority of those involved, including environmentalists. Forces in the box are not clear, but they are acknowledged to be powerful.

Decoupling or not decoupling: Charybdis and Scylla ?

The above analysis might appear conservative, with little recognition of any possible positive impacts of decoupling. In addition, can one argue that reforming a system that led to agricultural intensification can mostly be positive, given the negative impacts of the former CAP? The only thing Pandora left in her box was hope, and closing the box of decoupling too early might lead to the same result: keeping the worst and losing the best.

To say it more explicitly, the principle of decoupling does seem to offer a possible opportunity for nature conservation, with possible reallocation of payments between regions and types of farms. But defending a full decoupling might, frankly, open the box.

The option of regionalisation, either by defining a flat-rate payment or a single farm payment might change the balance of supports. The current unfair 80% of supports benefiting 20% of farmers (mostly intensive, and unfairly competing with extensive agricultural systems) would be changed by regionalised payments. But the effects of such an option greatly depends on the nature, diversity and income distribution of farming systems within a given area. Regionalisation might lead to better



Extensively grazed pasture in the foothills of the French Pyrenees. Will marginal land such as this be abandoned following decoupling?

support of extensive systems compared with intensive ones, but it might also disadvantage 'middle' systems whose economic sustainability depends on public support and, in turn, might give opportunities for larger farms to expand. In the French context, dairy farms that, in the MTR, would now get payments to compensate for the decrease in milk price, are expected to be losers of a flat-rate payment. Without defending the idea that every dairy system is beneficial to nature conservation, in many regions dairy farms sustain diversity in land use (grasslands) with some positive effects on current biodiversity.

Imagining the possible scenarios of regionalisation depends on numerous factors, some related to administrative management of regionalisation (shaping of areas, (inter)sectoral shifts of supports), some to the organisation of agricultural systems. This complexity makes decoupling a too open game in the French context, given the variety of situations.

Bankruptcy of some farms (those being over supported, not always the most intensive) might be a dangerous strategy for nature conservation.

Decoupling should be analysed using a risk assessment. Possible advantages are still balanced by likely drawbacks that would result from a more free economic market¹, including the very real risk of land abandonment for marginal farms. One should bear in mind that in the French context and with some regards to nature conservation, there is a tension between problematic trends (specialisation, intensification) and positive forces that maintain desirable mixed and/or extensive farms. The relative production between départements has broadly remained stable for the last 30 years meaning that (except for indoor livestock) there has been little specialisation at regional scale: the balance in land use has been roughly preserved, partly due to CAP supports used in an 'aménagement du territoire' perspective.

What has happened in the last decades

that has led to the destruction and abandonment of farmed land of high nature value could have been worse. For most nature conservation issues, the hope now would be to build on this existing ground rather than to introduce dramatic changes in production patterns. All the available simulations strengthen the view that full decoupling will radically change the existing balance; the risk of losing existing habitats is too high. Trying to escape from the drawbacks of the former CAP with decoupling could be interpreted as a Charybdis and Scylla situation.

Although the former CAP clearly was not satisfactory regarding nature conservation issues, the proposed remedy could be even worse. A lot hangs on this 'could': in most cases decoupling would not lead to positive effects, and it would be very difficult – not to say impossible – to restore what will be lost as a result.

If the objective is to promote the environmental value of agriculture, neither the former CMOs nor the present decoupling approach are the appropriate tools. Agri-environment is a complex issue and radical policies such as decoupling cannot be applied without appropriate detailed evaluation. One can, of course, defend the idea that conserving agricultural systems of high nature interest, and encouraging the others to reduce their negative impacts on the environment, should be at the core of the European agricultural model. It is a project that requires more policy involvement and better tools, as the present technological and market forces are clearly not going to achieve this objective.

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¹ Which clearly is the intention of the Commission: it recently stated that the introduction of decoupling was to reinforce economic signals to farmers, not to change the farming systems.

Ireland: the likely effects of full decoupling

On June 26th 2003 Agriculture Ministers from across the European Union reached a compromise on reform of the Common Agricultural Policy (CAP). The Luxembourg Agreement (CEU, 2003) provides the setting in which farming in the EU will take place over the next decade and beyond. The dominant feature of the agreement is the decoupling of agricultural income support payments from production.

Contained within the details of the final agreement are a number of options, principally relating to the decoupling of policies within the beef sector, but with significant options also available in other key sectors. Preferred national options will be decided upon and implemented at Member State level.

Currently, only Ireland has officially declared its intentions with regard to these options. On October 19th 2003, the Irish Minister for Agriculture, Mr Joe Walsh, announced that Ireland would select the so-called full decoupling option – a complete break in the link between agricultural production and support payments, the most extreme policy change allowed under the Luxembourg Agreement. In the process of arriving at this decision, the Minister commissioned a report from FAPRI-Ireland² which analysed some of the options available. The results summarised here are based on this report.

Composition of Irish Agriculture

Irish agriculture is dominated by dairy and beef production, each of which account for about one third of Irish agricultural production in value terms. Of the remaining one third, sheep, pigs and poultry make up a further 15% and the remainder is split between cereals, fruit, vegetables and other outputs. Many farms, particularly in the livestock sector, operate mixed systems, producing a variety of outputs. On average, farms are generally of medium size when compared with the average across western Europe. Production, in the beef, dairy and sheep sectors is highly focused on exports.

Luxembourg Agreement

The MTR Luxembourg Agreement is motivated by a diverse range of issues including inter alia, constraints on the EU agricultural budget, food quality, animal welfare and related consumer concerns and perhaps, most importantly, the

prospect of trade reform under the World Trade Organisation Doha Round.

To make the analysis and the interpretation of the results of our analysis manageable, it was decided that only a selection of the over 500 possible scenarios that could emerge from the Luxembourg Agreement would be investigated. The options chosen have the advantage that the results derived should present upper and lower boundaries within which the outcomes of other possible policy permutations would lie. Among the policy options selected for examination were:

- Full decoupling of all beef payments, ewe premiums and arable aid payments across all Member States in the EU15 (MAX Decoupling).
- Partial decoupling of the slaughter premium, suckler cow premium, ewe premium and arable aid payments across all Member States in the EU15 (MIN Decoupling).

Results of the analysis are highly detailed, and consequently only the briefest of summaries can be provided here. Therefore, we focus only on the projected effect of full decoupling in this summary. For a much more detailed analysis see Binfield *et al.* 2003.

WTO issues

Even though our report focuses on CAP reform it could not ignore the WTO Doha Round negotiations.

While the talks process has stalled, it is likely to resume at some point. For this study we operated on the assumption that the EU's proposals on WTO reform are

accepted. From an EU perspective some would argue that this is a best case WTO outcome for the EU.

Effect of MTR reform on the dairy sector

Under the dairy reform, producers will be free to leave milk production and retain the right to receive the new compensatory payments – subject to specific criteria. At the same time dairy support prices will be reduced. The effect is to reduce the EU and Irish average milk price by about 5% relative to the 2012 Baseline (Agenda 2000) position. This would put Irish milk prices at about 22 cents per litre in 2012, some 4 cents below the EU average. This will be offset to a degree by the 3.5 cents per litre compensation.

As farm milk prices fall under the reforms (due to reduced dairy intervention prices), it may mean that for some EU producers it is no longer economically rational to produce milk. Consequently, we are likely to see more farmers leaving dairying (and a consequential scaling-up of production) over the next few years and at a higher rate than would have been the case under Agenda 2000.

Effect of MTR reform on the beef sector:

Full decoupling, which would totally break the link between beef production and all direct payments, if adopted across the EU, is projected to lead to an 11% decline in EU suckler cow numbers. This result illustrates the importance of the suckler cow premium to EU suckler cow farming. EU finished cattle prices are projected to reach over 8% above the level that would have been achieved under Agenda 2000.

The effect of the reform is magnified for Ireland. The decline in the Irish suckler cow herd under full decoupling is

Farms on the wet soils of Co Roscommon, Ireland, have always been marginal.



Gwyn Jones

projected to be almost 18%. This large decline reflects the greater dependence of Irish suckler cow farmers on the suckler cow premium. Less efficient producers are likely to leave the system as a consequence.

Under full decoupling, the Irish cattle price is projected to fall initially (as producers de-stock) as the volume of beef on the market rises. However, once the suckler herd has contracted, it is projected that Irish beef prices will be almost 10% higher than would have been achieved with Agenda 2000.

Effect of MTR reform on the sheep sector

Fully decoupling the value of ewe premiums would reduce ewe numbers across the EU by approximately 5%. This reduction in the EU ewe flock is small when compared with the projected fall in EU suckler cow numbers that would take place. The impact of the decoupling of ewe premia in the light lamb-milk system is projected to be less than in the heavy lamb system due to a lower dependence on direct payments in the light lamb-milk system. Differences between the beef and sheep sectors in the operation of policy relating to extra-EU trade are also important. Under full decoupling, the EU sheep reference price is projected to increase by over 12% relative to the Baseline by 2012.

In this circumstance, the Irish ewe flock is projected to be almost 6% smaller by 2012 relative its projected size under Agenda 2000. It is worth noting that other circumstances unrelated to agriculture policy, such as the labour intensive nature of sheep production and competing off-farm job opportunities, are already set to lead to reduced sheep numbers in Ireland.

Effect of MTR reform on the crops sector

The decoupling of direct payments (arable aid and set-aside payments) from production across the EU would have a generally negative effect on cereals area harvested and on production of cereals. The magnitude of the changes in supply that would occur in response to decoupling are small by comparison with the supply effects of decoupling direct payments in the livestock sector. The effect of decoupling in the cereals sectors is likely to be relatively small because direct payments under the crop and oilseeds programmes of the CAP

were already partially decoupled under Agenda 2000.

The effect of full decoupling on cereals supplies is modest. EU wheat, barley and maize area harvested are projected to decline by less than 1% compared with Agenda 2000. This will leave EU prices relatively unchanged.

Full decoupling would have only a limited impact on the Irish cereal sector. Areas harvested in Ireland would decline for both wheat and barley by between approximately 4% relative to areas projected to be harvested under Agenda 2000. Cereal prices would be subject to little or no change. The decline in cereal area occurs due to the relatively unchanged price for cereals, the permanent set-aside element of the Luxembourg Agreement and the decoupling of the arable aid payments.

Effect of MTR reform on the pigs sector

The impact of the MTR on the pig sector is not likely to be significant. Changes mainly derive from the cross-price effects of the reforms in the cattle and sheep sector i.e. higher beef and lamb prices encourage some switch by consumers towards substitutes such as pigmeat which then boosts price and production. On the other hand, a small increase in extra EU imports is triggered by the tariff reduction in the EU proposal and this has some downward pressure on pigmeat prices. Overall, EU and Irish production levels are likely to be unchanged.

Effect of MTR reform on the input usage

In Ireland, full decoupling is likely to lead to a decline of 8% in agricultural input expenditure by 2012. Levels of feed and fertiliser usage in particular will decline due to the expected lower level of livestock numbers and lower intensity of production facilitated by full decoupling.

Effect of MTR reform on the aggregate agricultural income

The benefits from decoupling in terms of improvements in the agriculture sector's Operating Surplus (agricultural sector income) flow would be due, in large measure, to reduced expenditure on inputs. Under full decoupling, there is likely to be little change in the overall agricultural output value (the total value of

agricultural produce sold) compared with that projected under Agenda 2000. However, the decline in expenditure on inputs means that in 2012 operating surplus is up 10% relative to what would have been achieved under Agenda 2000. In other words, from a 'money in the farmer's pocket' perspective, the reform would represent an 'improvement' over a continuation of the existing Agenda 2000 policy.

Concluding remarks

Decoupling has important and serious implications for Ireland, especially for its two largest agricultural sectors – beef and dairy. Importantly, it could be misleading to draw inferences from the aggregate results in terms of specific farm-level effects. Few Irish farms are specialised in the production of a single commodity. Most will have a mix of enterprises, be it differing types of livestock, livestock products or crops. In order to optimise their incomes, farmers change the enterprise mix in response to changing prices, policy payments and other factors. Also the continuing process of structural change in Irish farming means that output on farms and the number of farms is changing over time. For these reasons, specific farm-level impacts are best derived from detailed farm-level analysis. See Breen and Hennessy (2003), for more details.

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Further Reading

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¹The FAPRI-Ireland Partnership is a joint venture between the Food and Agriculture Policy Research Institute at the University of Missouri, Teagasc – The Irish Agriculture and Food Development Authority – and the Irish Universities

The impact of the CAP Mid Term Review proposals on the Highlands of Scotland



Gwyn Jones

Crofts in Stenscoll, on the Isle of Skye, western Scotland. Small-scale cropping receives some agri-environment support, but will it survive decoupling if the cattle rearing system for which it is necessary becomes uneconomic?

Over a 10-year time period Full Decoupling would lead to a major reduction in livestock numbers in the Highlands of Scotland. Beef cow numbers would fall by around 15%, ewes by the same level. Cropping is forecast to drop by about a third; total output by 20%. These falls would be significantly greater than for Scotland as a whole.

There are major regional differences within the Highlands. The harsher hill areas and islands would lose stock while the favoured Moray Firth area in the East Highlands would see a shift from crops to grass and the establishment of extensive low ground livestock systems. The Moray Firth would soak up some of the stock reduction from the rest of the Highlands.

The implications for high nature value, extensive grazing systems are clear. Cow grazing would disappear from some hill areas. Many hills would become entirely

non-agricultural as sheep and cows are removed. The machair systems in the Western Isles (a mix of cropping and grass to support beef cattle) would be threatened. Grazing intensity would stay high on in-bye land while hills become under-grazed.

Not all impacts are negative. Fewer breeding stock (which in some cases have been supported at artificially high levels by headage payments) would lead to greater productivity per animal. There may actually be an increase in finishing, especially of lambs, in some places allowing more local value adding and perhaps more diverse land use.

The Beef National Envelope would be under serious consideration in Scotland. If applied to all beef cows in Scotland it would have little impact. However, if targeted fully at only cows in the Highlands, assuming that the quality and

environmental enhancement criteria of the BNE allows this, then it would maintain total Highland cow numbers at current levels. Cow numbers would still decline in the Highland periphery, but may increase in the better upland areas (a payment per cow of £140 is attractive in the better areas, but in excess of £200 per cow is needed in the harder hill/island areas). Indeed, the best areas would suck in cows from the rest of Scotland where producers would lose 10% of their historic beef payments, but gain no BNE payment. Under this scenario Scottish cow numbers could potentially fall further than under full decoupling. The conclusion would be that a BNE alone is a poorly targeted tool for maintaining high nature value mixed grazing systems in the most peripheral Highland areas.

The Flat Rate, as opposed to Historic, payment option was not under serious consideration in Scotland. However, it is being considered for England and N Ireland and the Highland lobby can see its redistributive advantages. It would be massively redistributive in Scotland, where a typical east coast farmer might be receiving £200 plus per ha while a crofter in the Western Isles with a large area of common grazing may be receiving only £10 per ha. Adoption of this option may be good for Highland farmers and crofters, but would not necessarily maintain hill/upland cattle and sheep grazing systems under a fully decoupled scenario.

To achieve the retention of cows (and mixed systems with some cropping) in the most peripheral Highland areas (a relatively small area and with a relatively small proportion of Scotland's, and even the Highland's, livestock) really requires a tightly targeted, bespoke scheme. This means the use of Pillar 2 and perhaps the Land Management Contract route, much discussed in Scotland. This would also mean a higher modulation rate, which is unpopular with most producers. However, it may be the cheapest way of channelling funds to fragile systems and areas, without distorting the whole industry.

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Summary of decoupled payments in Switzerland

General aspects

In Switzerland, decoupling was introduced in 1998 with the revision of the Federal legislation on agriculture: on general direct payments in 1998; on ecological quality (ecological contributions) in 2001; on the cultivation of fields in 1998, revised in 2001; and on the summering of livestock in 2000.

There are several types of general direct payments:

- Surface payments
- Payments for livestock feeding on coarse fodder
- Payments for livestock in difficult conditions
- Payments for cultivated land and vineyards on steep slopes (more than 18% decline).
- Besides these general direct payments there are also ecological contributions:
- Ecological compensation
- Ecological quality
- Organic farming
- Extensive cultivation of cereals and rape
- Stalling with special attention to animal welfare
- Livestock spending a large amount of time outdoors
- Other payments may be received for field cultivation and for the summering of livestock.

General direct payments

To qualify for the general direct payments

- The size of the farm must have at least 1ha of cultivated land (SAU Surface Agricole Utile) eligible for direct payments, or at least 50ha for farms with special cultures or 30ha for vineyards on terraces or on a steep slope
- The work needed to operate the farm must be at least 0.3 standard working units
- The farmer must be younger than 65 years on 1st January of the year of payment
- At least 50% of the work must be done by the farmer himself, his family or his employees
- Legislation on water protection, environment protection and nature and landscape protection must be respected
- Tree nurseries, plantations of ornamental or forestry plants and greenhouses on concrete ground do not qualify for direct payments
- Traditionally farmed land just across the Swiss border qualifies for 75% of the payments
- The amount of the direct payment decreases with increasing farm size or increasing number of livestock. Payment is 100% up to a farm size of 30ha or 45 (UGB) large livestock units; it decreases down to zero for farms larger than 90ha or with more than 135 (UGB) large livestock units
- Farms must comply with Required Ecological Benefits (Prestations écologiques requises PER)
- The farmer must keep records of the management of his farm
- Livestock must be kept in accordance to the animal welfare legislation
- The manure produced may not exceed specified limits
- Soil analysis is compulsory every ten years
- 3.5% of the surface of land used for special crops must be used for ecological compensation measures, 7% of the rest of the cultivated land. There are precise definitions on how these compensations surfaces must be managed
- Crop rotation is compulsory in farms comprising more than 3ha of open land
- There may not be any loss of soil
- The use of agrochemicals is restricted
- The farmer who applies for direct payments must prove that he complies with this required ecological benefit.



Alpine village in the Bernina Alps.

Ecological compensation payments

Payments may be received for the following ecological compensation surfaces: extensive meadows, hedges, groves, wooded banks, fallow land, extensively cultivated stripes, high trunk fruit trees. These surfaces must be on the cultivated land and must be mapped.

Agrochemicals are not allowed or only on individual plants. The period of grass cutting is prescribed for meadows, depending on altitude. The size of surfaces of fallow land, the duration of the fallow and the time of cutting are defined, depending on the type of fallow. The management of extensively cultivated strips is also defined precisely.

On a cantonal, management plans for these ecological compensation surfaces are being designed in the form of contracts between the canton and individual farmers.

Ecological quality and organic farming

Special payments may be received by farmers who are eligible for ecological compensation payments if they comply with certain criteria of biological quality of their products and/or of ecological networks (to increase the ecological value of a landscape on a larger scale). The duration of an ecological quality contract is six years.

Farmers who comply with the legislation on organic farming are eligible for special contributions.

Extensive cultures of cereals and rape, Stalling with special attention to animal welfare, Livestock spending a large amount of time outdoors

Criteria to be eligible are defined quite precisely in the relevant legal texts.

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Possible implications of the latest CAP reforms for HNV olive groves

Council decision on olive reform: a fundamental change in approach

Towards the end of April this year, the Council of Ministers agreed on some profound changes to the CAP olive subsidy regime. This article considers possible implications of the changes for the incomes of High-Nature-Value olive groves. As is increasingly the case with the CAP, the outcome on the ground will depend largely on implementation decisions taken by national and regional authorities.

The current CAP olive subsidy is paid in direct proportion to production, with the following drawbacks:

- It rewards intensification: olive production responds well to fertilisation and irrigation, and yields in intensive plantations can be 10 or 20 times higher than in the most traditional groves.
- The least intensive groves of most natural value are very low yielding and receive a relatively small level of support. They are barely viable at present, and consequently are threatened with abandonment.

The Commission had proposed a reform which followed the lines established for the arable sector, but with a significant additional element: while 60% of the current olive subsidy would be incorporated in the Single Farm Payment (SFP), the remaining 40% would form national envelopes whose purpose would be to finance a new Olive Grove Payment (OGP). This payment would be targeted on olive groves of 'environmental and social value, including aspects related to landscapes and social tradition' and giving 'special attention to the maintenance of olive groves in marginal areas'.

Although full details were not available

Right inset: Jaen landscape. If the SFP is implemented on the basis of individual holdings' historic receipts, these intensive, mechanised and highly profitable plantations will continue to receive the lion's share of the CAP olive budget.

Right: Hurdes landscape. These traditional plantations in marginal mountain areas make a positive contribution to natural values and fire prevention. They also require a high labour input. The new OGP will not be enough to make these farms viable: they also need the SFP to be implemented on a flat-rate basis.

at the time of writing this article, it seems that in the final reform agreement, Ministers agreed to incorporate a *minimum* of 60% of the current subsidy into the SFP. Member States then have the *option* of using the remaining percentage for financing a new OGP. The definition of which areas or types of olive plantation are to receive the OGP is also left to the Member States, although within the broad objectives set out above.

Approximate income effects under different scenarios

For olive producers, the proposed reform implies two basic changes to the current regime:

- a change in the form of olive support, from production subsidy to decoupled payments at fixed rates regardless of production
- a change in the amount of support, with a reduction for some producers and an increase for others (i.e. a redistribution in favour of less intensive groves).

The effects of changing the form of support are impossible to assess, without undertaking a comprehensive survey of farmers' reactions. This article therefore focuses on the income effects of different implementation scenarios, particularly for the Spanish case.

The table below shows the approximate income effects of different support options for three types of olive production in Spain.

The low-intensity, traditional type is generally of high nature value, especially if the seasonal grass under-storey is allowed to develop, or is controlled by grazing. Mechanisation is difficult and labour requirements per kg of olives are high.

Intensified traditional plantations are the most widespread type in Spain. The systematic use of a range of pesticides and herbicides leads to a great reduction in nature value, compared with the low-intensity type. Yields are considerably higher and some mechanisation is possible.

The irrigated, intensive type of plantation is far more productive. An average yield of 6,500kg/ha/year has been assumed; this is a conservative figure, as yields of over 10,000kg can be achieved. Many tasks, including harvesting, are mechanised. Labour use per kg of olives is very low.

The analysis of the effects of the reform assumes that Member States will choose to divide their allocated budget as originally intended by the Commission: 60% SFP and 40% OGP. Dividing the budget in this way could have significant effects on the subsidy received by different farms, depending on whether or not they are considered eligible for the OGP.

The amount of the OGP will depend on how much of the budget the Member State decides to allocate, and also on how thinly the national envelope is spread. In Spain, one possibility being discussed is using a yield threshold to determine which olive groves should receive the OGP, for example, 1,500kg per ha. This should capture all HNV groves, but would also include many non-HNV groves that are low-yielding but lack the features which produce high nature value.

Estimates have put the area of olives



Guy Beaufort

Possible changes in the distribution of support under different scenarios in Spain - estimated annual averages per hectare for 3 types of grove.

	Low-input traditional plantation	Intensified traditional plantation	Intensive irrigated plantation
Current production subsidy	€75	€375	€975
SFP on 'individual holdings' basis (60% of current subsidy)	€45	€225	€585
SFP on 'flat-rate' basis for all EU olive regions	€270	€270	€270
OGP spread over 1.5 million ha in Spain (40% of current subsidy)	€270	-	-
SFP (individual holdings basis) + OGP @€270/ha	€315	€225	€585
SFP on 'flat-rate' basis for all EU olive regions + OGP @€270/ha	€540	€270	€270
Net income under scenario:			
production support	- €425	- €225	+ €1,378
SFP(ih) ¹ + OGP	- €185	+ €75	+ €988
SFP(fr) ² + OGP	+ €40	+ €120	+ €673

¹ ih = individual holdings basis

² fr = flat-rate basis

classifiable as 'marginal' in Spain as approximately 1.5 million ha. Dividing the proposed Spanish national envelope by this area produces a payment of €270 per ha, which is the OGP amount used in this analysis (the Spanish budgetary allocation was increased by the Council decision, but this increase has not been taken into account here).

Under scenario a) (current situation with production subsidy), the irrigated, intensive plantation makes an estimated net income of nearly €1,400/ha/year, whereas the low-intensity traditional plantation makes a net loss of around €400/ha/year. In this estimate, farm labour is charged at local rates, whereas in practice many traditional producers depend on their own and family labour that is not remunerated. It is clear that the effect of the production subsidy is to magnify enormously the inherent economic advantage of intensive plantations.

Under reform scenario b), Member States choose to calculate the SFP on the basis of the individual receipts of farms in the reference years, so that producers will receive 60% of these amounts (except for holdings of under 0.3ha, which will receive 100% of the historic support). The analysis suggests that, for the most productive irrigated groves, this reduction should not put their viability at risk, as these systems can generate considerable net income (almost €1,000/ha/year) even with no subsidy.

However, non-irrigated traditional groves under intensified management may see their margins reduced to an uncomfortably small amount under this scenario and, as they are not of environmental value due to the intensified management, they would not receive an OGP to make up the loss. This raises the possibility of whether such producers might sell their SFP rights and give up olive production for some other land use.

Low-intensity traditional plantations would still make a significant loss under

scenario b), if labour is costed at normal rates: an OGP of €270/ha/year still leaves the low-intensity plantations at a great economic disadvantage compared with the most intensive plantations, as the latter would still be receiving far larger amounts through an 'individual-holdings-basis' SFP.

Under scenario c), Member States choose to implement the SFP as a standardised area payment for all farmers in a given region. Low-intensity, HNV groves would benefit greatly from this approach. Combining the flat-rate SFP with the €270 OGP would enable these plantations to cover their true labour costs, whereas they cannot under all the other scenarios. Non-irrigated intensive groves at the lower end of the yield-scale would suffer a smaller reduction than under b), or possibly none at all, depending on the level at which the standardised SFP were set. The most productive groves would see their support cut considerably, but they would still generate far higher net incomes than the other types of plantation.

The analysis shows that the proposed 60/40 distribution of funds between SFP and OGP does not result in a sufficient shift of support in favour of low-intensity, traditional plantations, if Member States choose the 'individual holdings' basis for implementing the SFP. Stated simply, this approach continues to allocate too much of the available budget to the most intensive and profitable plantations, by fossilising the current distribution of at least 60% of the current CAP budget for olive farming.

By implementing the SFP on a regionalised basis, Member States can achieve a far more significant redistribution of support in favour of HNV olive farming than they can by putting 40% of the budget into the OGP. Thus the most critical factor in determining the effects of the new reform is how Member States decide to implement the SFP, rather than the use that is made of the OGP.

Conclusions

For the olive reform to have acceptable social and environmental effects, the implementing decisions of Member States are crucial. In the Spanish case, it is important to correct the social injustice of the current subsidy system, as well as to achieve viability for the least intensive, environmentally valuable plantations. The following combination is recommended:

- A flat-rate SFP: this would achieve an overall redistribution of support that avoids penalising the intensified, traditional farms that make up the majority in Spain, and that cannot reach the extreme production levels of irrigated plantations.
- A substantial OGP (€300/ha/year may be appropriate) targeted on olive farms that are low-yielding and where the management system maintains genuine environmental values.

Finally, the role of Pillar 2 measures should not be forgotten. Agri-environment measures are essential for the maintenance of certain labour intensive practices, such as rebuilding stone walls and terraces, ploughing with animal traction on narrow, inaccessible terraces, or keeping sheep flocks for high nature value weed control. In Spain, agri-environmental schemes for HNV olive farming are very poorly developed, and non-existent in some olive regions, such as Extremadura.

Regardless of the changes made to the Pillar 1 olive regime, the ageing population in the most remote rural areas may lead to further abandonment of marginal, HNV olive groves in the future. Young people need to be drawn into olive farming, with a greater emphasis on quality production and direct marketing: traditional practices may be good for nature, but they are not always good for ensuring a quality product. A fundamental question is whether rural development measures can be developed on a sufficient scale, and with sufficient effect, to encourage this to happen.

So, by combining the best of the new Pillar 1 with the full range of opportunities under Pillar 2, governments could establish a policy package that would promote sustainable olive farming, including the maintenance and enhancement of HNV systems. However, they could equally well choose to use none of these opportunities, and to continue with the current unbalanced and ineffective system, that puts a lot of tax-payers' money into intensive production in return for minimal public benefit.

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Impact of decoupled payments on the extensive dryland cereal farming areas in Portugal

A short historic background

During the 1930s the Portuguese state introduced high wheat prices in an attempt to make the country self-sufficient in bread. This policy resulted in the ploughing-up of all types of soils on all types of slopes causing disastrous soil erosion, but failed to stop wheat imports.

The wheat campaign, as it was known, also caused the clearing of thousands of hectares of oak forest or montado to create open areas for the cereal crops. Some of these areas are the extensive cereal steppes of today. The guaranteed high cereal prices continued right through to the 1980s, encouraging the sowing of often totally unsuitable land, but any crop of 1,000 kg per ha was profitable. The period 1986-91 saw the Portuguese EU accession and the introduction of the Common Agricultural Policy.

This brought EU capital aid for farm modernisation, mechanisation and intensification, as well as EU subsidies for cereals and livestock, and through the intensification of cereal farming, often traditional farm rotations were abandoned, resulting in an increase in cropping areas and decrease in fallow pasture areas. Also in the same period, there was a substantial increase in fertiliser, herbicide and pesticide use. The area of catch-crops, such as sunflower, also expanded.

The period 1992-99 and the CAP revision in 1992 brought an extensification to farming in the Alentejo, as a result of the decrease in direct subsidies for crops and the introduction of the agri-environmental measures in Portugal in 1994. As a result the area in cereals was reduced with an increase in fallow pasture land and a increase in animal stocking rates.

In the same period there were changes in soil management with less use of the mouldboard plough and a more common use of chisel type ploughs or heavy discs with some reduction of soil run-off.

On the better soil there was an increase in irrigated crops such as maize, tomatoes, melons and sunflowers.

Then 2000-03 and 'Agenda 2000' brought further cuts in support for soft wheat and most cereal farmers changed from growing soft wheat to durum wheat.

Cereal production has been dependant on the area and set-aside subsidies and the Portuguese co-finance aid per kilo of grain to combat the falling grain prices over the

past 10 years. Since these subsidies have declined and the co-finance has ceased altogether, there has been an almost complete change in crop management to sow durum wheat instead of soft wheat due to the high area subsidy for durum wheat. This has been to such an extent that the last two years have seen the Portuguese durum wheat quota exceeded, leading to a reduced subsidy payment to individual farmers. This type of example of subsidy-led farming should become history with the decoupled payments.

The growing of cereal crops, the after-harvest stubbles, the rotational fallows and the set-aside are extremely important as the feeding and breeding areas for steppe birdlife, and in particular for great bustard, little bustard, Montagu's harrier, lesser kestrel, stone-curlew, white stork, red partridge, several lark species, as well as wintering lapwing and golden plover. These areas are rich in small mammals and insects, and so are an important hunting area for raptors. The flora diversity is rich with arable weeds, particularly on the fallow areas and set-aside.

There has been a noticeable improvement in soil management on cereal farms now using only the more suitable soils for cropping, with less tendency for erosion, as well as a movement towards better tillage techniques such as minimal cultivations and direct drilling.

The main extensive cereal growing region today is the Alentejo province in the south of Portugal. The climate here is mediterranean with winter rainfall and hot, dry summers. Other cereal growing regions, such as the Ribatejo, are growing more intensive crops often with irrigation.

Within the Alentejo, the high nature value extensive cereal areas include Castro Verde, Moura/Mourão, Cuba, Évora, Vila Fernando/Veiros and Campo Maior. These are all Important Bird Areas (IBA's) and Natura 2000 sites. They are particularly important due to their populations of steppe birds. Castro Verde is the only one to have a Zonal Programme.

The cereal campaigns over the past 80 years have kept these areas open and generally unforested, which together with the extensive and low input nature of the cereal and livestock farming has created an ideal habitat for these steppe birds.

The farming system is based on a cereal rotation of two to three years cereals,

followed by two or three years of natural grass fallow. The better soils found in Moura/Mourão, Cuba, and Campo Maior allow farming almost continual cereals, with a short, maybe one year, fallow.

Most farms will have livestock. Beef cows based on local breeds are today the main enterprise, and also large Merino sheep flocks. Cattle are easier to manage; they graze the grass fallows and the cereal stubbles are important for the summer forage. The straw is used for winter supplement.

These farm enterprises sell grain, calves and lambs, and rely heavily on the cereal, livestock, compensatory and agri-environmental subsidies which contribute about 60% of the farmers income.

So how will decoupling affect these farmers and consequently the valuable habitat that they support?

A simplistic description of decoupling and single farm payments

The idea of a single farm payment is to do away with direct production aid and to let the farmer manage his land in the best way for the soil and the environment, as well as for profitability, but motivated by market forces and not by subsidies. If he fails to meet the basic good farming practices and environmental levels, he will not receive any payments at all. On the other hand, he can increase his income through entering the agri-environmental measures.

The Portuguese Ministry of Agriculture has decided to opt for a mixed bag of decoupling and modulation starting in 2005.

Cereals will be 100% decoupled, sheep and goats 50/50, and beef cattle 100% coupled to quotas.

So a farmer who had sown extensive dryland wheat in 2000/01/02 will receive a single payment based on the three-year average area sown, $\times \text{€}62 \times$ the local parish productivity reference. This varies between one and three tonnes reflecting the local soil quality. Set-a-side and fallow will also be calculated on historic hectares. After 2005 the farmer does not have to sow anything to receive the payment, but has to keep the farm in good condition. Whatever area of cereals that he sows, his income from that crop is from the grain and straw. The stubbles have a forage value for livestock grazing.

Sheep and goat farmers will receive 50% historic quota payment (2000/01/02), and 50% for actual numbers in 2005. So if in 2005 there are no sheep kept, the farmer receives the 50% historic payment. If he has the same number as before, he gets 100% or about €25 a head. If he has more than the original number, the extra heads

get 50% only.

Beef cows numbers will have to be the same in 2005 as the historic (2000/01/02), and will receive the base premium and the extensification premium which add up to about €330 a head. But if there is insufficient area for the number of cows, they won't get the extensification premium. Any additional cows brought in after 2002 will receive only the base premium or about €230 a head.

Some 3% of the historic value will go to the National Reserve which will be used for new entrants into farming.

I have spoken to several farmers and people connected to farmers associations and research, as well as people involved in environmental monitoring in these extensive cereal farming areas, and get different opinions from each.

One farmer who has 200ha of extensive cereals, 150 cows and 700 sheep in the Vila Fernando area, says that he will stop growing cereals except for 50ha within the agri-environmental scheme which has an annual premium of €150/ha. This is only marginally worthwhile and only for soft wheat which is the most productive cereal. He says that only one year in the past five has been profitable for cereals if you do not count the subsidy.

Some 100ha of cereal land will be converted into a further 50 cow quotas, and the hay production and pasture will be increased.

He will fence off one or two areas to plant cork oaks, which can sometimes be grazed by sheep.

Only the agri-environmental scheme has persuaded him to continue some cereals, but the livestock will also benefit from the stubble grazing.

A farmer in the Castro Verde area has recently come out of the Zonal Programme due to the 30% reduction in premiums as well as the compulsory livestock stocking rate was too low for his enterprise. He farms 650ha and sows 300ha cereals annually and runs 100 beef cows and 100 ewes. Basically, he expects to reduce the cereal area, but to sow a sufficiently large area to have stubbles for the livestock summer grazing and straw for feed, as well as having grain for cattle fattening and for selling. He will try to further reduce cereal costs by changing back to soft wheat which is more productive and with considerably cheaper seed than durum wheat. Farmers in the area who do not have livestock are more likely to stop growing cereals, except for those farmers in the extensive cereals agri-environmental scheme, or those who remain in the Castro Verde Zonal Programme.

One expert from a farmers' association believes that cereal farmers will continue

to grow areas of soft wheat, triticale and oats, as it is something that they have always done on their farms, but will try to reduce costs to be viable. So the traditional rotation of cereals and natural grass fallows with livestock may still continue for a few years until it becomes clear whether it is economically possible or not.

Another says that most farmers will stop sowing cereals except where they have livestock which require the grain, stubbles and straw. Some forage cereals, such as triticale or oats, will be sown to be grazed mid winter, then left in the spring to produce grain.

It will be a particularly difficult time for firms connected to agriculture, supplying fertilisers, machinery, etc.

The alternative crops for these areas are very limited because of the climatic conditions and often thin soils. One possibility is an expansion of the irrigated area to grow wheat or maize, but this is not likely to be very much since the farmer will not have a historical base, and the profitability of these crops has been falling.

Likewise there will not be any dramatic intensification of livestock, as that has already happened with the earlier headage payments scheme.

There will be a continuation of the afforestation programme on arable land which would be a major threat to open steppe areas, and must be controlled in the most sensitive areas for steppe birds.

Factors that can help to sustain the extensive cereal systems

Firstly, a substantial increase in the value of wheat. This is not likely to happen in the near future, and particularly with the countries from eastern Europe increasingly improving their productivity. But who knows what may happen by 2013? There are no worries about decreased bread cereal self-sufficiency, as Portugal already imports 96% of its soft wheat for milling.

Secondly, strong extensive cereal support in the agri-environmental scheme, with an acceptable payment level, and a system designed to protect the steppe habitat.

Lastly, new Zonal programmes for the IBA's extensive cereal areas in the Alentejo, designed to support the farming system and the requirements of the bird life.

The Castro Verde Zonal Programme is the first and only ESA in Portugal, and has been very successful for both farmers and bustards. Initially, the premium was pitched too low, but after an increase in 1998, more farmers joined the scheme and 50% of the 64,000ha in the plan were covered. At the same time the great bustard population increased from 500 birds to over 800. This is a real success

story of European importance. But having tempted the farmers in, the planners then cut the premiums by 30% which resulted in an exodus of farmers in 2003, so reducing the take-up area from over 30,000ha to 16,000ha, almost a 50% reduction. Despite strong pressures from both farmers and environmentalists involved in the programme, the Ministry seems adamant that it cannot do any more. Indeed, the six new zonal plans approved by the Commission, none of which are steppe areas, are not being implemented in 2004 because of a lack of available money.

When I spoke to the Agricultural Minister a few months ago about the Castro Verde situation, and how it is of European importance, and that all that has been achieved cannot now be lost, he replied that if farmers are leaving the programme, it obviously is not working.

Talking to two people who had just come out of a meeting with the Ministry of Agriculture planners where they had been discussing a new report by Erena that advises on the way forward for Castro Verde and the six other proposed ESAs, they said that the main reason not to provide further support is the lack of funds available. This report is now with the Commission.

So, having given the farmers the freedom to plan their farm enterprises without subsidy restrictions, such as planting forest on vital steppe areas or abandoning extensive cereal areas to scrub, which could arguably be called good goat grazing, we now have to find a way in which to safeguard these bird habitats, which means paying the farmers a reasonable compensation through well designed agri-environmental measures.

Good Agricultural Practices:

Recently, a new Good Agricultural Practices farm code was published by the Agricultural Ministry.

The code is cross-compliant with the new contracts (5 years) of the Agri-environmental measures, and with the Less Favoured Area payments (this covers all the Alentejo).

- Stocking rates: maximum of 2 LU per forage ha.
- Erosion risk of soil: there is a risk factor attached to each parcel of land (1 low to 5 high).
- Risk 4: no annual crops (can only plant new crops of trees, bushes or pasture renewal after permission).
- Risk 5: no annual crops and no pasture renewal (can improve natural pastures, but without soil movements, can put in new tree or bush crops, only after permission).

Peter Eden

The impact of accession on High Nature Value cattle systems in Central and Eastern European Countries:

A summary of some points arising from the seminar held on 3rd March 2004

The purpose of the seminar was to examine the following issues:

The environmental importance of cattle farming systems in CEEC and their future role in the objectives of the rural development policies of the Common Agricultural Policy (CAP);

The CAP policy framework that will shape CEEC's agriculture in the coming years and the prognosis for biodiversity associated with cattle farming;

Some of the specific integration issues surrounding accession and cattle farming – such as new welfare and hygiene standards, marketing issues, and animal transport regulations;

Examples of how cattle systems in High Nature Value (HNV) areas of CEEC are being maintained and promoted using CAP and other measures and whether these lessons can be applied more widely.

Environmental importance

Central and Eastern European countries (CEEC) are characterised by extensive areas of HNV farmland, but this has declined over the last 50 years as a result of 'collectivisation', and later, because of land abandonment. HNV areas, including semi-natural grassland and many important bird areas, are thought to represent about 20% of the total agricultural area, although this varies between countries (2.4a). Semi-natural grasslands, including that which has been abandoned, is estimated to make up 12% of the farmland.

The future of these dwindling HNV resources largely depends on the viability of traditional farming systems, which in turn are extremely sensitive to social, economic and political challenges. These include the way in which the EU Rural Development Policy (Reg. 1257/1999 and 1783/2003) is being applied and further reformed (2004-5), and the way the newly reformed CAP framework (reg. 1782/2003) will be implemented.

Problems faced by CEEC farming systems

The seminar revealed concerns about:

- levels of large-scale land abandonment; marginalisation of HNV farm systems,

especially small farms restricted to self-provision;

- continuing loss of locally adapted infrastructure, indigenous technologies and knowledge;
- uncertainties over the future nature of farm management;
- the possibility of unsustainable intensification, and difficulties over the negotiating position during the accession process.

1) Abandonment

This affects up to 30% of the Usable Agricultural Area (UAA) of the CEEC, but varies markedly between countries and is associated with decreasing stock numbers. During the 1990s, livestock numbers declined progressively to roughly half of their former levels. For example, between 1989 and 1994 in the Candidate countries, cattle numbers fell by 39% (30.4 to 18.6 mln) (Baldock, 1996) and sheep numbers by 57%.

Early accession negotiations used the late 1990s as 'reference years' for EU support, which threatened to perpetuate abandonment and make it difficult to deliver locally appropriate management (1.2). Although livestock numbers are still an issue, and need to be increased, many countries have still to reach the limit of their current allocations, suggesting an interaction with other factors, possibly related to infrastructure (1.3a) and markets (1.3b).

Decoupling under the Mid Term Review reform (2003) might help to increase livestock numbers, but without ecologically-sound baseline stocking rates (1.2) there is unlikely to be a widespread interest in bringing HNV grassland and its associated farming systems back into management and production.

2) Maintenance of traditional techniques

The survival of HNV grassland assemblages depends not only on an adequate level of farming activity, but also on the continuation or reinstatement of appropriate management techniques. The application of these techniques is strongly coloured by the day-to-day management

decisions made by viable, locally adapted farming enterprises. This has not always been recognised by conservation initiatives, leading to the use of inappropriate techniques: for example, the preservation of grazed grasslands by mowing and mown grasslands by grazing.

3) Loss of rural infrastructure

A large decrease in animal numbers in CEEC over the past 15 years has been accompanied by a loss of rural infrastructure (e.g. local slaughterhouses, milk processing plants). Even if production on farms can be increased and market demand promoted, it will be difficult, if not impossible, to exploit these effectively, and thus support HNV farming systems, unless the local infrastructure can be reinstated, enhanced and adapted to future needs. Integral to this process will be the need to broaden farming activities by supporting producer groups, and by developing HNV-friendly rural development measures to exploit the market potential of locally distinctive crops (reg.1257/1999) and products (reg. 2081/1992).

4) Perceived weaknesses in the negotiations, and interim solutions

There is a general view, whether politically realistic or not, that the rationale underpinning current 'quota' levels needs to be re-evaluated and that gaps and overlaps in the discussion process are frustrating progress on key issues.

The level of 'quotas' is pivotal to the development of a sustainable countryside. This will determine the scale and form of the rural infrastructure and the ability to reintroduce appropriate types and levels of management on abandoned grassland, and thus effect the balance of HNV farmland, wilderness and forest throughout the CEEC. In this respect, the current level of 'quotas', or 'support levels' contingent upon the Mid Term Review decoupling, are not ideal and should be used as a starting point pending negotiations aimed at redistributing production over a larger Europe.

Since discussions on redistribution will



Eric Bignall

Grasslands in CEE countries, such as Bulgaria, are rapidly becoming colonised by forest regeneration after the decrease in the number of domestic livestock following the end of Communism.

remain uncertain, at least for the immediate future, new Member States should explore ways of bringing part of the abandoned land under management using the new horizontal regulation 1782/2003, article 42 (National Reserve) and article 69 (reallocation of up to 10% for environmental purposes). To this end, the best use of LFA and Agri-environment measures, as well of other rural development instruments should be explored and debated. It is important that in these discussions, priority should be given to (former) HNV 'hot spots'

Strenuous efforts should also be made to ensure that Structural Funds and RDR discussions are sufficiently well integrated with one another to foster the development of a 'critical mass' in the appreciation and understanding of HNV farming issues.

5) Ongoing concerns raised by the accession process

'Quota' allocations: discussion on these has moved away from the controversial position on 'reference years', but current stocking levels are far from ideal and could undermine the long-term viability of HNV farming systems, at least in some areas.

Small-scale farms: there are many small-scale (<1-2ha), semi-subsistence enterprises across the CEEC. These tend to be concentrated in the least 'collectivised' countries such as Poland and Slovenia, and are often traditionally-managed privately-owned farms that contribute to the maintenance of HNV areas. For instance, of the 1,888,000 farms in Poland, 87% have nine, or fewer, cows, and 46% only one or

two. These farm 'types' are under threat on three main fronts: they may not qualify as 'farms' or be eligible for support; they will decline with the present generation of (pensioner) farmers; and, it may not be feasible to try to maintain such a scale of farming across such a range of countries.

The landscape and ecosystem imprint of the traditional small-scale farm 'type' has not been looked at closely, which is surprising, because small farms are not only an important expression of biodiversity but are also a functionally distinctive component of many HNV areas. In order to manage HNV 'hot spots' effectively, it is arguable that the accession process should pay some attention to protecting the size and 'type' of farm that has traditionally delivered the appropriate management techniques.

6) Health and hygiene regulations

Small-scale semi-subsistence HNV farmers are surviving by meeting their own needs and by selling surpluses to the local market door-to-door, or on an individual basis. The viability of these enterprises would be severely affected by an over-zealous application of EU health and hygiene regulations at a national level. Inertia over reviving small-scale processing plants and other related elements of the rural infrastructure would compound this effect.

7) Definition and CAP status of abandoned land

Decisions on how to define 'abandoned' land and (a) whether to include it in the land eligible for CAP payment and (b)

have long-term implications for HNV areas. Recent grassland mapping projects indicate that national figures (1.1) underestimate the true extent of abandonment. They also suggest the need for standardised, criteria-driven definitions of 'abandonment' that recognise biogeographical differences. There are also indications that the degree of abandonment in semi-natural grasslands (major component of HNV areas) may be much higher than average. In Estonia, for instance, an average of 20% abandonment rises to 60% in semi-natural grassland areas. The indications are that CEE countries are taking different approaches on whether or not to include abandoned land in the agricultural base area (ABA) that will be set for each country in the coming months. This figure will be used to set an upper limit on the total amount of financial spend on agricultural support within each country. The approach taken to establish this figure, therefore, has wide-ranging implications for how support can be directed in the future. For example, if abandoned land is not included within the ABA that is currently being set, then it may not qualify for payments if brought back into production.

In addition, even if future support payments can be directed to land which is currently abandoned, the non inclusion of such land in the ABA would mean that bringing abandoned land back into the ABA would involve a decrease in the overall level of support payments within each country. This would be necessary to ensure that the upper limit on spend is not breached.

Since there will be limits on the amount of HNV land that can be brought back into production using traditional techniques, priority should be given to areas of highest natural values (current or recent past) (3.2). Reinstated farming systems would need to be environmentally sensitive and economically and socially sustainable. Where there are doubts about the viability of this option, other management solutions should be explored, such as the extensive grazing of large areas.

Appropriate balance of open landscapes, wildernesses, and forests

The extent of grasslands under threat in the CEEC, and difficulties over securing appropriate management, raises the question of whether it is reasonable or achievable to maintain them all. Strategic decisions will need to be taken on what can be brought into production over the coming decade, as a basis for developing positive options for the remainder. This suggests the need for a wide-ranging debate on the economic, social and biolog-

ical value of open landscapes versus 'wilderness' areas, and on what may be most appropriate for given situations.

Priorities for discussion at national and EU level

- Optimum balance of forest, wilderness and open landscapes as a basis for making strategic decisions on rural land-use across the CEEC
- National priorities for the management of abandoned land using HNV 'hot spots' and criteria-lead baseline data on abandonment
- Common approaches to the issue of abandonment across the CEEC
- Development of regionally appropriate definitions for 'abandoned land'
- Inclusion or otherwise of abandoned land in national figures for total ABA
- Use of all options under 1st and 2nd pillars of CAP to reinstate management by farmers or others involved.
- Use of extensive grazing strategies as an alternative measure to prevent the further decline in already abandoned areas
- Feasibility of creating new, large-scale pastoral landscapes, together with their associated tourist and sporting facilities
- Attention to the balance between pasture and mowing, if feasible, and where relevant in the given situations
- Support for locally distinctive farming systems



In the Romanian Carpathians, the agricultural landscape consists of a diverse mixture of small fields, meadows and orchards situated around villages, interspersed with forest and woodlands. Hay production takes place on extraordinarily steep slopes and these hay fields are very rich in plant and insect species.

- Farm-size threshold – eligibility for support.
- Rural infrastructure – capacity building and adaptation to future needs
- Health and hygiene regulations – greater impetus for start-up schemes and a realistic interpretation and application of 'rules and regulations' at national levels,
- Encourage the use of locally adapted crops (reg.1257/1999) and products (reg. 2081/1992)
- Examine the relationship between

ecosystem function and farm 'type' and develop relevant support strategies for functionally important threatened 'types' in HNV 'hot spots'.

Achieving a 'joined-up' solution:

- Use the three-year RDP in the countries acceding in 2004 as a test-bed for the 2006/07 revisions (in line with the strong encouragement from EC to CEE countries). This assumes that not all abandoned land can be brought back into management. Priority setting for agri-environmental programmes on non-abandoned land is even more urgent.
- Link continuing discussions on Structural Funds and Rural Development Regulations to achieve critical mass on the needs of HNV farms
- Examine the balance between agri-environment and direct support in dealing with HNV farms
- Develop a coherent conservation strategy for the protection and management of HNV 'hot spots'.

These priorities embrace a range of strategic and local issues; however, few are more pressing under the current new CAP options than those that can avoid irreversible changes, such as the definite exclusion of abandoned HNV land from the ABA, and thus from future support.

Colin Hindmarch & Davy McCracken

National grassland mapping projects in Central and Eastern European Countries

Summary of the projects

Starting in 1997, grassland mapping projects have been carried out in all the Accession States of central and eastern Europe plus Romania and Bulgaria, mostly with the support of the Dutch government's PIN-MATRA programme.

The projects in Poland, the Czech Republic and Hungary were to some extent different from those in other countries because habitat mapping was the main goals of these projects.

In the other countries GIS-databases on grassland vegetation data have been built up by teams of experts in the different states. Based on an identification of homogeneous grassland plots (so-called grassland polygons) the grassland vegetation was described by making releves (using the Tansley or Braun-Blanquet scale).

The result is that for every country a digital database is available which can be used for selection of, for instance, Natura 2000 sites, or for identification of important habitat sites for agri-environmental schemes. These habitats, all seriously declining, are important for biodiversity because a great number of species depend on them and because these grassland habitats reflect a long-term and stable management. On average about 40% of the Red Data List plant species are connected with these habitat types.

These landscapes are coming under severe stress of marginalisation and land abandonment. In some countries (Estonia, Bulgaria) up to 30% of the agricultural land is already abandoned. On semi-natural grassland this percentage may be even higher (in Estonia 60% of the semi-

natural grasslands are not currently managed).

On the other hand, there are also many areas where, by contrast, intensification is expected, which also means that the grasslands will lose their characteristic grassland biodiversity.

Interim-review of results

Analysis of the results for Estonia, Latvia, Hungary, Slovakia and Slovenia shows that about two-thirds of the mapped grasslands rely on a mowing management (796,000ha) and one-third on a grazing management (343,000ha). Looking only at steppe and alkaline grasslands, the ratio seems to be around 50:50, but this needs further assessment.

Meadow grasslands

The moist, moderately eutrophic Arrhenatherion grasslands are the most common grasslands and cover 34% of the mowed grasslands. These grasslands are moderately fertilised and are beneficial for hay production, with a potential production of 6-9 ton/ha.

The moist or wet Molinion grasslands

cover 34% of the mowed grasslands. These grasslands are typical of lower places in the landscape such as peat areas and flood-plain areas, with stagnating water over a short period. The productivity is dependent on abiotic and edaphic factors, such as the period of inundation in the winter period and the groundwater level in the spring and summer. They have a potential production of about 4-7 ton/ha.

The Festucion (incl. steppe and alkaline) grasslands are typical of the Pannonic and Steppic Biogeographical Zones in central and eastern Europe. Due to the stress factors of a high soil salinity and/or a low yearly precipitation rate, the biomass production is limited. The grasslands are used for traditional pasturing, for example in the Dobrogea region along the Black Sea, while on the Pannonic Plain the alkaline grasslands are used both for grazing and

hay production.

The other mowed grassland types Mesobromion, Scorzonion, Caricion fuscae and Magnocaricion cover only limited areas in the five reviewed countries or are specific for one Biogeographical Zone. For example, Mesobromion grasslands are typical of dry till, moist, loamy soils which are located mainly in Slovenia and Hungary. Scorzonion grasslands, on the other hand, are found only in the Mediterranean Biogeographical Zone and are restricted to Slovenia.

Caricion fuscae grasslands are associated with areas of groundwater seepage. The localities are mostly small and vulnerable to the impact of draining and groundwater pollution. Magnocaricion grasslands are present on places inundated with stagnating water over a longer period.

Pasture grasslands

Festucion grasslands are the most common grazed grasslands with a coverage of 44%. In second place are the Cynosurion grasslands, covering 33%. These are the traditional grazed grasslands of many areas of central and eastern Europe. However, due to land improvement and fertilisation, well developed Cynosurion grasslands are not common today.

The dry, sandy, acidic Sedo-Cerastion grasslands cover a further 18% of grazed grasslands and are located in hilly landscapes with poor sandy soils.

The Satureion grasslands are typical of the Mediterranean Biogeographical Zone in Slovenia and the Armerion grasslands are (meso-)halophytic grasslands along the Baltic Sea.

Peter Veen, Royal Dutch Society for Nature Conservation

The impact of cattle and sheep grazing on grasslands in protected landscape areas of the Czech Republic

For 50 years farming was more or less excluded from Czech nature conservation. The maintenance of biodiversity in grasslands was perceived to be incompatible with economic and social demands. Now things have changed completely and there is currently a great push to use extensive grazing as a cheap alternative management tool in all grassland communities.

General considerations

But what does 'extensive grazing' really mean? Characteristic local grassland associations and individual plant species may need different grazing animals and farming systems. Not all systems and animals are suitable for High Nature Value grasslands.

There are significant differences on a botanical level between, for example, cutting and grazing, or rotational grazing and continuous stocking. Ideally grazing should only be used for grassland types where it is necessary for their maintenance – that is, pastures. Some management regimes produce tall stands, some short, and the species present reflect that history.

CAP implementation

The Czech Republic was the first amongst the Accession States to try out agri-envi-

ronmental programmes under the SAPARD umbrella. Five pilot areas have been selected. One of them is the White Carpathians Protected Landscape Area – an extraordinarily rich biosphere reserve, which includes thousands of hectares of unique orchid meadows. These belong to the most species-rich biotopes of Europe, with up to 70 species of higher plants per square metre.

Because of its diverse grasslands, ranging from sub-Atlantic semi-dry calcareous grasslands to mat-grass swards, the whole area has served for the last decade as a model region for many researchers dealing with landscape management.

Structural changes and the incorporation of the free-market economy into agricultural policy since 1989, have led to a significant decline in the number of livestock, despite the total area of permanent grassland in the Czech Republic increasing by 14% during the same period.

What will be the impact of CAP implementation on the High Nature Value cattle systems? The Czech Republic received extremely low quotas of suckler cow and sheep premia (e.g. no. of sheep in 1989 – 220,000, EU quota – 67,000). However, with the shift to decoupled payments these figures are now academic and the overall intensity of aid and the rules attached to it

become more important.

Currently, only 22% of total farmland is covered by permanent grasslands (the average for similar mountainous EU countries is 40%) and even then vast sub-montane grasslands are neglected. How will it be possible to keep farmers in Less Favoured Areas and encourage them to use forage from low-productivity biodiversity-rich grasslands? It seems to be essential to be able to accurately calculate the increase in the farmers' financial expenses and reduction in income (e.g. measuring of reduction of livestock growth) due to grazing swards of low nutrition level, and to evaluate the on-farm economic costs and benefits of adopting targeted grazing management systems for biodiversity in general.

The newly-prepared Horizontal Rural Development Plan (HRDP) give all farmers a chance to obtain financial support by signing up to agri-environment agreements. However, there is one paradox: farmers maintaining pastures and meadows in the core zones of National Parks and protected landscape areas, where there are many constraints resulting from Czech nature conservation legislation, will receive a reduced subsidy.

It is therefore crucial not only to identify the right policy instruments that should be implemented in law to enhance extensive grazing in High Nature Value grasslands in the future, but also to ensure that in their detail they reflect the reality of farming in Accession States and target the resources efficiently at the areas where they are most needed.

Jan Mladek, CSOP Bile Karpaty

The agricultural policy situation in Poland just prior to EU accession

On May 1st 2004 Poland, together with nine other countries, became a Member State of the European Union. Since then decisions taken in Brussels also apply to Poland. This of course includes agricultural policy.

The CAP has had a decisive influence on the accession negotiations between the EU and Poland. This is not surprising given that agriculture is of major social importance in Poland, accounting for approximately 20% of employment. In some of the rural areas this figure is higher than 40% and this must be seen in the context of an average unemployment rate of just under 20% (up to 40% in some rural areas!).

Despite a few Polish 'successes' during the accession negotiations (see below), the degree of rejection of EU accession was greater amongst the rural population than the national average and was especially high amongst those involved in the farming sector.

This was evident, among other indicators, from the analyses of voting patterns in the referendum. In the rural areas a smaller share of the electorate participated in the referendum (almost universally less than 50% of the population) and in many rural areas there were majorities, or clear majorities, against accession, while in urban areas, such as Warsaw, there was a 90% pro-accession vote. Indeed, the final overall pro-accession vote was unexpectedly clear.

Difficult accession negotiations

The governing coalition of the Social Democrats (SLD) and the Farmers' Party (PSL), under the influence of the radical farmers' and opposition leader Lepper and his Samoobrona party ('Self-defence'), manoeuvred itself into an awkward position in the accession negotiations.

One must remember that in the preliminary stages of the negotiations EU Agricultural Commissioner Fischler stated that the accession countries (CEEC) were not to receive any direct aid (compensatory payments) following accession. He gave two reasons: firstly, the farmers in these countries were never affected by the cuts in support prices (as part of the 1992 and 2000 reforms) and, secondly, the prices in the central and eastern European countries were then much lower than within the EU. Thus, if any compensatory payments were

to be given these should/could only be given at a much lower rate.

Commissioner Fischler later changed his position on this issue. It was decided that farmers in the accession countries would initially only be granted direct aid payments at a level of 25% of the aids payable in the existing Member States. This level is to increase progressively until it finally reaches 100% of the future EU levels.

But when it came to the first financial perspective for payments to the Acceding States, he made it clear that his focus would nevertheless be on the development of the Second Pillar (rural development).

While in the EU, the share of Second Pillar expenditure in total agricultural payments is on average only about 10%, but this is to be much higher in Poland. In the initial years much more than half of the expenditure will be provided under the Second Pillar. At €900 million per year the Polish farmers are to receive much greater funds from Brussels for Second Pillar programmes than, for example, are German farmers (€700 million).

It has to be noted, however, that the investment measures as part of the Second Pillar 'package' in Poland will be funded from the agricultural budget allocations, rather than from the Structural Funds, which further increases the Polish government's scope for the establishment of effective programmes.

Mr. Lepper, an outright opponent of accession, took Brussels' proposal of an initial level of 'only' 25% of the level of direct aids as evidence that the EU was not really keen on Poland's accession, also that Polish farmers were thought to be second-class farmers and that the EU did not really want them. It was this simple but very effective pattern of thought on which the euro-sceptic Lepper built his entire anti-EU argument. He chose to ignore the positive signals set by the EU with regard to the Second Pillar.

The SLD/PSL did not respond to these arguments with a counterproposal such as, for example, a rural development programme, but they tried to quash Lepper's criticism by entering into negotiations with Brussels on higher levels of direct aid. The result was a bad compromise: Poland was given the opportunity to transfer funds from the Second Pillar into the First Pillar and to use additional state

funds in the First Pillar.

It quickly became obvious in Poland that the existing, and quite sizeable, administrative structures will not actually be in a position to administer the direct payments from the EU. There is no functioning land parcel identification system and farmers rarely hold records on plot hectares and so on.

This situation prompted the EU to grant another derogation which was unexpectedly to turn Poland into a pioneer of Europe's new policy direction. Poland was allowed to put in place a so-called 'simplified implementation of the direct payment scheme' for a period of five years.

Farmers do not have to prove that they actually produce eligible crops (such as cereals, silage maize etc.) – they will receive the payments without this provision of proof in the form of a single area payment, with arable land receiving twice the entitlement of grassland.

Decoupling and the use of the new (Regionalisation) Article 58 of the June 2003 Luxembourg Agreement on agricultural policy had thus already been pre-empted in December 2002, albeit quite accidentally and not as a political strategy.

Neglect of the 'Second Pillar'

The Second Pillar of the CAP is, however, being given very little attention either by the government or the administration. They have decided to reallocate funds from the Second to the First Pillar and the amounts of funding drawn down in the context of the pre-accession programme SAPARD are depressingly low. This is the programme which will, after accession, be replaced by the Rural Development Programmes under the Second Pillar.

Although Poland has now had about ten years to assess the initiatives taken under the Second Pillar in other European countries (agri-environment programmes, rural development, LFA compensatory allowances etc.) little has happened.

In 2000 the EU commenced the SAPARD pre-accession programme which made more than €150 million per annum available to Poland. The programme was designed to prepare the politicians, the administration, and the farmers for the Second Pillar. The first payments under this programme were only drawn down after about two years!

It was only after Brussels exerted intense pressure that the government finally decided to develop model agri-environmental programmes in four Polish regions. These programmes, however, have still not been fully developed. The drafts that reached the public domain testify to an astonishing unfamiliarity of the programme developers with both the

real-life situations faced by Polish farmers and the ecological problems which in theory the agri-environmental programmes are designed to address.

For example, the Narew floodplain region in north-eastern Poland is one of the four regions where, theoretically, a model agri-environmental programme should be in place. The inclusion of the Narew region is probably not accidental as the European Nature Heritage Fund (EURONATUR) has for a number of years been implementing a renaturalisation and regional development project in the area. This work is seen as exemplary even in political circles (although in Poland, as in many other countries, this does not necessarily entail real political and administrative support).

The fundamental problem in this region is that farming is increasingly withdrawing from the wet grassland areas. At present in the Narew valley there are still cows that, unattended, leave their sheds in the morning, swim across the river in order to graze the small islands and swim home again in the evening. It would be an important objective of agri-environmental programmes to maintain such remarkably extensive forms of land use. But in the agri-environmental programme, it is a basic conditions that cattle must not be able to gain access to natural watercourses! The bureaucrats say that this is a requirement of the EU Nitrates Directive, which, of course, is not quite true.

This pattern seems to be repeated in other measures. The preliminary programme elements developed so far are much too strongly based in theory and some are so unattractive that no farmer will be taking them up. For example, for the planting of 100m of a one-row hedgerow, even a Polish farmer would be expecting a payment of more than just €20. The programmes seem to be designed in such a way that no-one will participate, which could then be taken as evidence that farmers are not interested in the Second Pillar.

The amount of funding drawn down under the SAPARD programme is disas-

trously low. This is a source of concern for the EU as there is nothing worse for a 'good' administrator than a budget which is not being used. That may also be why a blind eye might be turned were SAPARD funding being used to fund a road construction project.

If one asks Polish members of the government why they do not show more commitment to the Second Pillar, the answer often given is that the country cannot provide the necessary co-funding. It is interesting, however, that at the same time funds were immediately available in order to contribute towards direct payments under the First Pillar which had been reallocated from the Second Pillar.

Only a handful of winners ...

The true reasons for the neglect of the Second Pillar would appear to be that, on the one hand, there is a lack of ideas with regard to the effects rural development measures can actually have, and on the other, hard work is required in order to draw down funding for measures under the Second Pillar. Ideas are needed; programmes are needed (which have to be approved by the EU); people with initiative are needed; the programmes must be efficiently monitored and administered.

Direct payments, on the other hand, are 'money in the pocket'. And it is for this very reason that in Poland, as elsewhere, there is an influential (agricultural) lobby within the ruling party which, for reasons of personal gain, promotes elevated direct payments (and thus indirectly supports Lepper's position).

Despite the single area payment there will be only a small number of real beneficiaries from EU accession. These are the very large holdings which are relics of the old system in Poland. The area payments are not much of a help for the small farmers with their, on average, 7.5ha of land. These farmers must be given the opportunity to develop new additional forms of income generation. Effective rural development programmes could support this process.

...and the administration goes one better

The EU's influence on Polish agriculture goes way beyond the payments or non-payments under the First and Second Pillars. Again the administration plays a key role. Under the old system it was designed to transpose governmental power, i.e. not to provide a service to citizens or the detested small farmers. Not much has changed in this respect except that it is no longer the old socialist system to which one answers but new EU regulations which are interpreted in an exceedingly strict manner.

To give another example, a number of farmers wanted to establish small farm-house cheese-making operations in the same Narew region. The veterinary inspectors in charge gave them the 'thumbs down', citing EU hygiene regulations which would render such enterprises impossible. Unbelievable tenacity, including study trips to German small-cheese producers, were required before the Polish civil servants could be convinced that they could not prevent in Poland what is quite commonplace in the other EU Member States, at least not by giving 'Brussels does not allow this' as a reason.

Between 2004 and 2006 more than €7,000 million of Structural Fund money will flow into Poland in order to aid development in the regions. It is scary to recall the experience gained, for example, in eastern Germany where EU funds were used to build industrial estates which are still empty to this day; where over-large wastewater treatment plants with huge running costs were constructed, and where the few remaining craft-based processing structures were wiped out by the supported industrial competitors (e.g. large abattoirs).

There is a real danger that this pattern might be repeated in Poland – of the €7,000 million, about €1,000 million will flow into an investment project for agriculture and the food industry. Again we can look to the Narew region for an illustration. In this area there are still more than 30 small abattoirs and meat processors which urgently require some investment aid so that at least some of them will remain in business. But there is a clear danger that no attempt will be made to develop as many regional structures as possible, but that a single large-scale investor will get it all.

EURONATUR, supported by the German Federal Environment Ministry (BMU) and the Federal Agency for Nature Conservation (BfN), organised a visit to East Friesland in north Germany. The Director of the Veterinary Inspectorate in charge of the Narew region was astonished to see that the abattoir run by the local



Gwyn Jones

The Polish wetlands in the Narew valley are of international importance, but the traditional farming practices that sustain this high nature value are unlikely to survive EU accession.

butchers was approved by the EU, despite the fact that it did not have a tiled floor, and, visiting the local butcher, he could not get over his surprise at how many employees such a small enterprise can successfully maintain.

At best, it will take a very long time for the majority of the Polish politicians to realise that agricultural policy must mean more than just lining up funds for the big players. It will be a long time before the

administration will truly service the farming community and help them to develop future prospects in a world of regulations and ever tougher market conditions. And it will also take time to develop integrated rural development strategies which help farmers and the environment at the same time. The underlying structures which can help develop a sustainable agricultural sector in Poland are not yet in place.

The results of the accession negotiations

between Poland and the EU could, indeed, turn Poland into a pioneer of a new agricultural policy in Europe. However, politics and bureaucracy so far are unlikely to prevent such a development. Just as in the West, it is a race against time and a struggle against the powers that be.

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Cattle breeding in southern Poland and recent changes in Polish agriculture

The political and economic transformations which started at the beginning of the 1990s significantly changed the situation of the Polish countryside and Polish agriculture.

State Farms (situated mainly in western and northern part of the country) were liquidated and their land was, to a large extent, privatised. All farms were faced with competition from (often subsidised) goods imported from abroad. Agricultural production became less profitable.

In the last 13 years:

- The area of agriculture land decreased by 982,500ha (5.5%).
- There has been a polarisation of farm size, creating new and enlarging existing large farms, but also increasing the number of the smallest farms. The total number of farms decreased from 3.1 to 2.9 million, but the largest increase was in the class of 30-50ha in area.
- There has been a deintensification of agriculture production, with a reduction in labour-consuming cultivations in commercial farms and an increase in following on semi-subsistence units. At present 1.9 million ha of land lies fallow on private farms.
- There has been an overall increase in the share of cereals and a decrease in the area down to potatoes.
- Cattle breeding has begun to be subjected to changes similar to those experienced previously in existing EU countries. A concentration of breeding and an increase in productivity is taking place. Now only 42% of farms over 1ha in area own cows and produce milk – down from 62% in 1996.
- The number of cattle in Poland is now half that at the beginning of the transition period. However, studies by Gorzelak show that thanks to the

increase in productivity milk production is down by only 30%.

As a result of these changes three groups of farms evolved:

- large, often specialised farms, producing for the market;
- farms with 2-7ha that, with the help of the state, will be able to adjust to market rules;
- small farms producing only for their own needs, which will gradually disappear.

The Carpathians and their foothills in southern Poland play an important role in the country's ecological infrastructure. This area holds six out of Poland's 23 national parks and a dozen or so landscape parks. Most of the Wisla's headwaters rise here and it is one of the most attractive tourist regions of Poland.

Traditionally, livestock densities in the Carpathians were some of the highest in the country. Part of the reason was the support they got under the Mountain Act, which was repealed in 1990. Now, as in the rest of the country, the reduction in the number of herds continues. Many farms have given up on commercial milk and beef production.

The decline in both cultivation and animal breeding has led to rapid withdrawal of farmers from Less Favoured Areas (LFAs). Few farmers sell their products now, including milk.

The number of cattle, sheep and horses has reduced significantly in the communes of southern Poland. In 2002, in one third of communes in this area the number of cattle was less than 30% of that in 1986, and in over 60% of communes the number is less than half.

The largest changes occurred in suburban areas, where breeding was always on a small scale (the farms owned 1-2 cows

each). Now many farmers do not breed cattle at all (in the suburbs of Kraków, 70% of farmers now have no cattle).

Even greater changes took place in sheep breeding. Up to the mid-1980s it was the traditional region of breeding, with sheep playing an important part in the Carpathian highlanders' culture. Sheep have more or less disappeared from this area – in most communes the number of sheep is less than 10% of what it was 20 years ago.

Shift to native breeds

Ironically, these trends, when put together with subsidies from agri-environment programmes, may result in a shift in the overall herd breakdown towards Polish red cattle. Polish red cattle are an indigenous hardy race suited for the difficult living conditions of the mountain area, and are more immune to disease than the usual commercial breeds. They have relatively low milk productivity (about 3,000kg per annum), which does not put them in a favourable light amongst commercial milk producers.

In the 1960s, 27% of the cattle population were made up of Polish red cattle. By 1995, in the south of the country, only about 50,000 cows remained. Until quite recently this breed was in serious danger of extinction as the number of pure-bred cows decreased rapidly. Now farmers can expect up to €200 a head per year for maintaining a herd of no fewer than four cows of red race.

Conclusion

Livestock production will no doubt be subject to further declines, not least as subsidies shift towards area payments. The farmers have no choice but to look forward to CAP support in the hope that it will be targeted in such a way that it supports traditional agriculture. In many ways the signs are not good, but there seems a chance that environmental programmes can at least go some way towards promoting the maintenance of traditional farming, especially in the Carpathians.

Radosław Ulliszak

Cattle farming systems in the Biebrza wetlands: can we save grazing-dependent waders?

Central to the question of protecting biodiversity in Poland is addressing the issue of agricultural development, which will decide the fate of numerous wildlife-rich habitats and species.

At present, biodiversity in Poland is under threat both from the intensification of agriculture and the abandonment of marginal agricultural areas, such as wetlands in river valleys. Accession to the EU brings the risk of accelerating the negative trends, but also the possibility of applying some preventive measures.

In anticipation of Poland's entry into the EU, WWF and its partners have run a pilot study in the Biebrza Wetlands since 1999 to examine the prospects for preserving wildlife-rich habitats shaped by traditional agriculture within the framework of an agri-environment scheme.

Located in north-east Poland, the Biebrza river valley has one of the best-preserved wetland ecosystems in Europe. Typical of the area, as indeed of most of the medium sized and large river valleys in Poland, are vast open areas shaped by traditional, extensive agriculture: grazing and mowing for hay.

In the case of Biebrza, hay was traditionally cut on peat soils with sedge-dominated plant communities. The sedge meadows cover the majority of the valley. Grazing with cattle and horses took

place on a relatively narrow belt of soils with mineral components, along the river-banks and on the valley's margins.

In the Biebrza area (as in many other river valleys, especially in eastern Poland) the typical traditional grazing system was free-range – herds of cows, usually comprising animals belonging to several farmers, moving more or less at will within the valley. From the point of view of the functioning of the ecosystem, cattle play a very important role as a supplement to the grazing and browsing of wild large herbivores (Elk, Red Deer and Roe Deer).

The majority of the Biebrza river valley is protected as a National Park, covering approximately 60,000ha. One of the Park's major conservation goals is to protect wetland birds – one of the most threatened groups of birds in Poland. Many wetland species depend on the openness of the landscape for their breeding and foraging habitats. Among them are species of special conservation concern – great snipe, spotted eagle and aquatic warbler – which favour the peat zone once used for hay collecting. Other wader species, such as black-tailed godwit, lapwing, redshank, ruff and dunlin, prefer areas used as pastures.

Following a trend prevalent over the whole country, the harvesting of marsh hay virtually disappeared in the Biebrza

Wetlands in the 1980s. Grazing also decreased markedly, although it still survives sufficiently in some areas large enough to continue to maintain substantial wader populations (c. 600 breeding pairs of black-tailed godwit and 240 pairs of redshank).

One such area, located on the Biebrza floodplain near Brzostowo village, was the subject of a more detailed study. At Brzostowo, ten farmers altogether keep about 150 dairy cows. Every morning, from the beginning of May through to October, the cows swim across the Biebrza, where they graze freely on the floodplain for the whole day. In the evening, the cows return by themselves to the village, each family group finding the way to their own byre.

Grazing as a habitat management tool is a new issue in nature conservation practice in Poland. It was felt that the rich experience developed in this field in Western Europe, especially in the UK and in the Netherlands (e.g. recommendations concerning cow densities and the timing of grazing), needed to be adopted to the free-range grazing situation, such as the one at Brzostowo pasture.

The key questions to answer were ecology and economy-based:

- Are the present numbers of cows, and the timing of grazing, optimal from the perspective of the conservation of waders?
- Is grazing alone enough to maintain viable wader populations?
- Is it possible to secure financial self-sustainability for the Brzostowo free-range grazing system by combining



The presence of cattle is essential for the maintenance of the Biebrza wetlands.

Gwyn Jones

Cattle sometimes swim the River Biebrza at crossings such as this to graze the rich grasslands in the floodplain.



the profits from milk production and agri-environment payments?

Research on the relationship between grazing and the waders' breeding success, carried out on the Brzostowo pastures for the last three seasons, demonstrated that cattle-grazing in its present form (the timing of grazing, the herd's size and its dynamics) seems to be the optimal one.

Grazing by the cows provided suitable habitat structure for nesting, and contributed very little to nest losses – only 3% of nesting attempts failed due to trampling (183 waders' nests in total, predominantly of lapwing, redshank and black-tailed godwit). However, the total breeding losses were alarmingly high, on a level of 70-87%, depending on the species. The majority of the nest losses (minimum 50%, perhaps up to 90%) were caused by mammalian predators, most likely by an alien species – American mink. This level of loss is much too high to secure a long-term stable population size. Although there is no need to modify either the cow numbers or the timing of grazing, efficient measures to reduce American mink predation are urgently required.

At present, the economy of Brzostowo village is based primarily on milk production. Bearing in mind that the average number of cows per farmer is about 15

animals and that a cow produces on average about 10 litres of milk per day, there is little hope that in the long term this unique grazing system can be financially self-sustainable.

Agri-environment payments could help towards maintaining Brzostowo free-range cattle grazing. However, the major obstacle to this is land ownership. The farmers who own the 150 cows, own only 3% of the herd's home range, estimated to be around 300ha. The Brzostowo pasture is an example of a traditional grazing system where, despite the fact that the ground legally belongs to many owners, is considered by the village's inhabitants as common property. The grazing Brzostowo cows use land belonging to about 200 owners, who at present are scattered from Poland to North America.

Thus, the agri-environmental payments, if calculated on the basis of the area actually owned by those farmers who at present use the whole of the Brzostowo pasture, would generate insignificant input to the village's economy. The only solution would be to find a way of integrating traditional common pastures into the Polish agri-environmental scheme. The payments could be calculated on the basis of estimated optimal numbers of animals, regardless of the area of pasture owned by

the actual producer.

An additional way of supporting particularly valuable grazing systems is to use payments directed at protecting indigenous farm animal breeds. Rare Polish red lowland cows could replace the Brzostowo herd of Friesian-type cows over time. However, this financial tool has limited use as a large-scale solution for halting cessation of traditional grazing systems.

It may be concluded that the efficient protection of declining, grazing-dependent wader species in Poland (especially in the eastern part of the country) will require:

finding formal solutions for the free-range grazing on land actually being a mosaic of ownership, but traditionally considered to be the village's common property for inclusion into the agri-environmental scheme

developing efficient ways of controlling American mink populations (perhaps also some other mammal species) in areas especially important for breeding waders.

Without fulfilling these conditions, the future of many local wader populations in Poland looks rather bleak.

Przemysław Nawrocki, WWF Poland

Beef-cattle breeding and grazing activities on agricultural habitats with high conservation value in Estonia

Estonia's HNV farmland

Estonia is known for having many natural areas. However, the preservation of several habitat types can be assured only with extensive and ecologically sound agricultural management.

These habitats include wooded meadows, wooded pastures, forest pastures, alvar (dry limestone) grasslands, alluvial meadows and coastal meadows. Several of these habitats are not only considered important and valuable in Estonia, but are both rare and endangered on a European scale. In fact, some of the most valuable traditional rural biotopes in Europe are found in Estonia.

These habitats are called semi-natural because they need low-intensity mowing or grazing for their preservation. Such extensive management has created very high species-richness and serves as a key factor for sustaining populations of many rare and threatened species.

The preservation of many communities listed in the EU Habitats Directive (92/43/EEC) is directly dependent on management by grazing. Among these are several priority habitat types, e.g. boreal-Baltic coastal meadows, semi-natural dry grasslands and scrubland communities on calcareous substrates which are important orchid sites, Fennoscandian lowland species-rich dry to mesic grasslands, Nordic alvar and precambrian calcareous flatrocks and Fennoscandian wooded meadows. In addition, preservation of semi-natural hayfields (HC 6210, 6410, 6430, 6450, 6510, 6530) depends on mowing activities.

The same areas serve as habitats for several species listed in Annex II of the same directive and in Annex I of the EU Birds Directive (79/409/EEC), such as the avocet *Recurvirostra avosetta*, dunlin *Calidris alpina schinzii* and ruff *Philomachus pugnax*, as well as several regular migratory waterfowl species.

Agricultural change

As a result of drastic changes in agricultural activity in the decade since the dissolution of the Soviet Union, stock-raising has dropped dramatically. There were 614,000 cattle ten years ago, but just 260,000 by the end of 2003. The strong rationalisation of agriculture during the

Soviet epoch, with the development of large-scale production and strict specialisation, encouraged the use of fertilisers and chemicals, creating serious environmental problems that mainly affected the Baltic Sea.

Grazing of Estonia's grasslands

Estonia has approximately 50,000ha of valuable semi-natural grasslands. Approximately half of these depend directly on grazing; another half is adapted to management by mowing.

The grazing pressure that best maintains the value of those habitats, ranges between 0.3 and 1.5 livestock units (LU) per hectare. In order to maintain them in good condition – one of the priority objectives of the national programme 'Natura 2000 in Estonia 2000-2007' – the number of animals grazing on these areas alone should amount to at least 16,700 LU.

Given the current total number of livestock in Estonia and the grazing habits of different species, these animals would best serve nature conservation if the ratio between species was: cattle 14,200 LU, horses 1,000 LU, sheep & goats 1,500 LU.

If these semi-natural habitats are to be well managed for conservation, intensive agricultural practices are not an acceptable option and artificial fertilisers and reseed-ing are certainly not desirable. Unfortunately the keeping of cattle in these semi-natural grasslands is not as economically profitable as the farming of intensively managed grasslands. Milk production in particular is much lower. It is for this reason and considering the more selective grazing habit of dairy cattle, that these habitats should be used for suckler beef in combination with sheep and goats and horses.

Changing attitudes

The last decades of the 20th century saw considerable changes in attitudes with regard to the role of economic activities (such as farming) in the conservation of natural value areas. Earlier conservation efforts were mainly aimed at the preservation of biodiversity through avoiding human impact. Consequently, grazing and mowing activities seriously declined, and this lack of management has already endangered the species-rich plant commu-

nities characteristic of Estonia, as well as bird breeding and migratory sites of European importance.

At the same time, interest in beef-cattle breeding is rising. There are 9,000 beef cattle (including beef crosses) in Estonia today, which is only just over 3% of the total cattle. However, only a few years ago beef cattle formed just 0.2% of the total herd. Hereford, Limousin and Aberdeen-Angus are the most common breeds.

Accession agreement

Estonian environmental organisations have drawn attention to the urgent need to increase suckler cattle and sheep numbers on the Estonian coast. Unless this is done quickly, rare habitats of European importance will be lost. Estonia will be unable to meet its obligations under the Habitats and Species Directives unless it can restore the numbers of traditional extensively-grazing livestock to its pre-independence level.

The NGOs were thus very concerned about the size of the stock quotas proposed as of September 2002 (391 suckler cows to Estonia!). Such low quotas would not allow the development of stock-raising or the protection of traditional semi-natural habitats.

At the very last moment (with the help of environmental NGOs) Estonia was allocated a bigger SCP quota: 13,416. However, it has since been decided in the light of the MTR reform of the CAP that these quotas will not be directly linked to livestock production, but will instead be used (along with SAP quotas, AAPS base areas etc.) to set the reference value for the total CAP First Pillar support to be given to the Accessing States. It is not therefore clear whether the apparent gains made will be translated into benefits on HNV farmland or for HNV farmers.

Environmental organisations see that grazing not only secures the protection of valuable natural habitats and species, but also contributes to the development of sustainable, organic agricultural practices and to the maintenance of rural communities, which are crucial for securing a sustainable future for Europe.

Despite the high conservation value of beef cattle breeding, the final product of the production process – the beef itself – has a very low market value and there is poor demand for local, quality cattle in Estonia. This in turn reduces the readiness of producers to turn to beef production, rendering achievement of balanced, conservation-orientated area management and development in local rural communities very difficult. Similar problems arise with the introduction of potentially HNV sheep-systems.

Part of the solution is in practical educa-

tion. By increasing capacity and awareness among local stakeholders, the probability of self-sustained agriculture and thus long-term maintenance of natural values is increased. Practical demonstration or model pastures/meadows can show solu-

tions on site. Training in marketing is especially important if sustainable production chains are to be created.

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The gaps and challenges for integrating the agri-environmental policies for HNV in the candidate countries

The proportion of semi-natural grassland in central and eastern Europe is high relative to most EU countries, and the total area far exceeds that in the EU (pre-accession). Some central and eastern European countries have a relatively high proportion of semi-natural grassland, for instance in Slovenia it amounts to more than half of the agricultural land.

Large areas of semi-natural ecosystems in candidate countries, that are the result of management by farmers over thousands of years, represent very valuable habitats, contribute significantly to Europe's biodiversity and contain a high number of threatened and endemic species.

Strengths and weaknesses in CEEC agri-environmental policies

The question is how the situation will change for Accessing States after joining the EU. The predictions indicate a significant number of agricultural holdings in the CEEC will not be able to remain economically viable post-accession. It may therefore be that even more land will be abandoned if the allocation of CAP financial resources is not revised.

Moreover, the implementation of the CAP is likely to increase agricultural production, and therefore the use of fertilisers and pesticides, in the long term, contributing to simplification and rationalisation.

Given the huge decline in livestock in CEEC, the introduction of direct payments to the cattle sector could potentially support extensive grazing in HNV areas if accompanied by other measures. According to expert estimations, the EU payments which will be provided for livestock in CEEC are rather low, if the aim is the maintenance of existing grasslands and landscape protection. To achieve these aims they felt that subsidies should be implemented through a combination of headage

payments and payments made on area.

Also, the impact of extensification incentives, such as extensive premiums introduced in Sweden, which have the effect of reducing production per hectare on farmland where specific and significant and environmental gains can be attained, should be assessed.

Currently, the targeted policy instrument being implemented in CCs which has the greatest potential to prevent large-scale abandonment of valuable habitats, and at the same time the use of fertilisers and pesticides at a feasible level, is agri-environment. Similar results could be expected from the implementation of Habitats and Bird Directives, but these regulations are not framed in such a way as to offer protection of relatively large areas of HNV agricultural land.

In addition, the compensation mechanism for the management of Natura 2000 sites is yet to be developed in the majority

of CEEC; limited financial resources have been allocated from environmental funds, and negotiations with landowners are expected to be complicated.

Apart from the agri-environmental measures, there are various national programmes introduced to support the management and preservation of HNV areas and landscapes, such as the support of non-productive functions of agriculture contributing to the landscape protection in the Czech Republic, and grassland support schemes in Hungary or Estonia.

These programmes partially slow down the negative trends, but it has not prevented land abandonment completely (a recent estimate is that approx. 5% of agricultural land in the Czech Republic falls into this category). This is partly due to the lack of financial resources and a low level of awareness about agri-environmental problems in Accessing States in general.

The implementation of other measures, such as organic farming support, grassland management, arable land conversion to grassland (as in Slovakia and the Czech Republic) might be beneficiary to HNV areas. However, with the exception of organic farming these policy tools were not well-targeted or evaluated until 2000. Additionally, the proper information and advisory services for farmers providing information on agri-environmental issues

Potato-growing, such as shown here, in the Rodope mountains of southern Bulgaria developed as a result of deliberate government policy. The Rural Development Regulation gives the Accessing States new opportunities to support High Nature Value farming.



Eric Bignal

Low input farming in Bulgaria. Social and technological change is inevitable in the CEEC. The challenge is to develop modern HNV systems supporting small farms and traditional methods.



is lacking, as indeed is consideration of the multi-functionality of agriculture and relations between agriculture and environment in wider agricultural education.

Obstacles to agri-environment

The main obstacles to establishing agri-environmental measures in Accession States are:

- lack of data about the actual state of the environment, at least in spatial and ecological detail
- problems in defining the farming practices necessary to achieve nature protection objectives (for example, lack of knowledge about the effects of farming practices on biodiversity in habitat) and in calculating the payments
- almost no experience in public participation and negotiation with stakeholders
- lack of administration structure, professional experience and financial resources
- lack of communication between Ministries of Agriculture and Environment.

The first evaluation of Agri-environmental schemes through pilot programmes

in Slovak and Czech Republics indicates a very demanding administration process, a large call on the financial resources of farmers, and limited access to information.

All these factors tend to eliminate small farms and family farms, which play an important role in managing grasslands in mountain and remote areas. In fact, the main beneficiaries prove to be large-scale farms that can cover the expenses incurred in implementing agri-environmental schemes and of course the consultant who prepares the application.

There are also significant gaps in the designing and targeting of measures. For example, in Slovakia, the measure on maintaining non-woodland vegetation, originally aimed at improving ecological conditions on farmland – providing habitats for birds and preventing wind erosion on arable land, for example – is in fact applied on abandoned grasslands threatened by extensive invasion of weeds, shrubs and invasive plants.

The challenge ahead

The adoption of European legislation could bring positive changes for the management of valuable farming habitats

and enhance the process of establishment of agri-environmental policy instruments. However, so far the candidate countries have not used this opportunity as much as they might have.

Governments still underestimate agri-environmental problems and have not allocated enough financial resources for environmental measures. This is well illustrated by the pre-accession aid aimed at agriculture and rural development – the SAPARD programme – from whose budget CEEC on average allocated only 3% for agri-environmental schemes.

The currently widespread low input and extensive agriculture in CEEC provides a window of opportunity for the development of environmentally sustainable agriculture. The EU enlargement is likely in the medium term, to result in more intensive agriculture. Therefore, continued support is needed to integrate the environment into the agricultural sector, and to further develop policies which are adapted to promoting a more harmonious coexistence of farming with biodiversity, such as agri-environmental measures.

Miroslava Cierna, WWF consultant

An insecure future for transhumance in Romania

Romania's history is inextricably linked with pastoralism and shepherding is embedded in the country's culture. Many Romanians are able to recite *Miorita*, a poem about shepherds that, as a representation of national identity, is argued to be equivalent to *Beowulf* and the *Iliad*. This poem and the numerous other references to shepherding in literature and songs are vibrant symbols: shepherds are still commonly seen herding their flocks in the Carpathian Mountains during the summer. A more unusual sight is that of transhumant shepherds, who also spend the summer months in the mountains and then herd their flocks great distances to rented winter pastures on arable plains in the south-east and north-west of the country.

The term transhumance has subtly different interpretations throughout Europe. In Romania, transhumance is currently used to refer to the long-distance (2-300km) seasonal movements of sheep (see box on page 28 for a description of a typical transhumance flock). However, for the political and geographical reasons explained in the next section, the proportion of transhumant shepherds to non-transhumant shepherds has always been low. There is also a more nomadic form of flock movement whereby sheep spend the winter continuously on the move (transhumance flocks stay in one rented area). It is our impression that nomadism is very uncommon and only practised by people who have more sheep than they can provide hay for but who do not have enough money to pay for the rent of a winter pasture in the lowlands. The predominant type of sheep movements, undertaken by 60% of the national flock, is relatively short-distance and is known as 'pendulation' (Draganescu 2001). During pendulation, sheep (sometimes also cattle, goats and horses) spend the winter in their owner's small wooden barns and are then herded communally by hired professional shepherds throughout the summer, on pastures owned by the community in the surrounding mountain areas. Each household generally owns enough hay meadow to make sufficient fodder to feed 5-10 sheep and a few cows throughout the winter.

Very little information is available on the number of shepherds and sheep that go on long-distance transhumance in Romania and it is difficult to ascertain whether this type of livestock production



A head shepherd with a late arrival at a summer camp.

is being abandoned and, if so, at what rate. In 1997, it was estimated that 4.5% (less than 500,000 sheep) of the national flock were transhumant and the current number is probably much lower (Draganescu 2001 – see also the article on pastoralism in Romania in *La Cañada* 15). Discussions with people working with pastoralists in Romania's mountain areas indicate that shepherding is becoming less and less acceptable as a livelihood because incomes have declined since the loss of communist support for products such as wool and because the inherent hardships that a life as a shepherd entails (e.g. sleeping outside in all weathers, limited diet, rarely spending time with family, no pension, no health insurance, etc) remain the same.

On this basis, transhumance shepherds have greater reason than most to abandon their livelihoods because, unlike shepherds in pendulation systems, they sleep outside all year round, even in freezing winter conditions, and have fewer opportunities to see their families. In the last ten years or so they have also had to contend with the problematic consequences of land reforms which have involved the restitution of state-owned land to former owners and their descendants.

In Romania there are no set drovers

roads so transhumance shepherds have to find routes where they can. Making informal arrangements with landowners to cross and graze their land has become more difficult as patterns of land ownership have fragmented.

In the summer of 2003, a small research grant from the British Academy enabled us to meet with shepherds from the three main transhumance centres in the Carpathian Mountains (located in the counties of Brasov, Sibiu and Covasna). This pilot study aimed to evaluate the degree to which social factors might be contributing to the abandonment of transhumance and to ask the shepherds themselves how they think their livelihoods could be made more secure. This pilot study also began the process of collecting information on the current state of transhumance and to assess whether this livelihood really is in decline and, if so, by how much.

Long history of pastoralism and transhumance in Romania

Pastoralism has existed in Romania for much longer than in many other areas of Europe. One of the three main routes of the movement of pastoralism into Europe, from the centres of animal domestication in the Middle East, may have been northwards along the valley of the Danube. This suggests that livestock have been grazing in Romania for possibly as long as 8-9,000 years compared to only 6,000 years in north-west Europe. Some of the first accounts of transhumance in Romania date back to before the first millennium. Aristotle (384-322 BC) wrote that in Istria (a Greek colony near the mouth of the Danube) and in Scythia (the region between the Carpathians and the River Don) large numbers of sheep were taken on transhumance between the mountains and the plains. As might be expected, the majority of detailed information on transhumance is only available from documents dating from the 18th century onwards.

Transhumance in the 18th and 19th centuries

The transhumance in existence in Romania today has developed through a combination of quirks of past political circumstances and physical geography. The three main transhumance centres are located in Transylvania on the former border of the Austro-Hungarian Empire and Wallachia (the Romanian Kingdom, Tara Romaneasca, south of the Carpathians which was part of the Ottoman Empire). The Austro-Hungarian landowning classes were unable to overrule and govern these remote mountain areas and many villages remained 'free'

Characteristics of transhumance in Romania

There is a complex diversity in the ownership and management of transhumance sheep flocks and so this description is a generalisation of the most common characteristics. A typical transhumant flock is usually composed of between 700 and 1,200 sheep and these are either the Tigaie or Turcana breed, or a cross breed of both. At present, the predominant product is milk, which is used to make cheese. In general, one person (henceforth referred to as the shepherd camp organiser) owns all, or the majority, of these sheep and is responsible for their management and for employing shepherds to look after them. Four to six shepherds are employed for the journey and donkeys carry their food. The flock is also accompanied by a number of livestock guarding dogs.

The flocks leave for the winter pasture during October and this journey takes between 1.5 and 3 months. The shepherd camp organiser arranges the hire of the winter pasture. This is a long time considering the distance travelled which is between 2-300 km. On the journey to the winter pastures the flocks do not head straight towards their final destination. Instead, they find a place where they can stop along the route for one or two weeks and in this way, they save money by renting the winter pastures for less time than they would otherwise need to.

The shepherd camp organiser does not usually accompany the shepherds and the flock during the journey. Instead, he maintains contact with the shepherds by mobile phone and will meet up with them every 7 to 10 days to supply them with food and to check everything is ok. Once the flock arrives at the winter pasture the shepherd camp organiser visits the shepherds from time to time to make sure the animals are in good shape. Sometimes there is shelter for the shepherds but otherwise the shepherds only have their sheepskin capes to protect them against the cold. Lambing usually occurs between February and late March and each ewe produces one lamb. From the beginning of the lambing season the shepherd camp organiser stays permanently with the flock. An ancient Romanian saying 'the eye of the animal owner grows the sheep' reveals the belief that the animals are in the best health and shape when their owner directly takes care of them. Most of the lambing occurs on the winter pasture, however, some lambs are also born on the way back and at the summer pastures.

The journey back from the winter pastures to the mountains is usually much faster than the autumn trip. This is due, first of all, to the fact that in spring crops on the arable lands are already growing and pastures have to recover for the summer and so flocks are not tolerated on these lands. Secondly, the flocks remain at the winter pasture until the end, or thereabouts, of lambing but then have to reach the mountains by Easter, which is the main domestic market for lamb meat. If the flock is still on the journey at Easter this means a heavy financial loss for the shepherd camp owners and other sheep owners because they cannot sell their lambs. Wool is also sold but for amounts that often do not cover the cost of shearing. It is washed by hand in rivers and, in the Sibiu area, some of it is sold to Turkish dealers.



Sally Hubbard

In the Romanian Carpathians, a professional shepherd will combine the sheep from a number of owners into the one flock and take these to graze in the mountains in spring. While at the high pastures, the shepherds milk the sheep twice per day and make cheese, some of which they return to the owners of the sheep and some of which they retain in part-payment for their services.

from serfdom and some were even granted gifts of land in return for accommodating garrisons of soldiers. Numbers of sheep in these mountain villages were too high to be sustained by hay during the harsh winter months and transhumance to the lowlands of Transylvania, Wallachia and Moldavia and further afield to places such as the Crimea, the Caucasus and Bohemia met forage deficits and, in some cases, enabled shepherds to access new markets.

In 1839, there were 41 transhumance trails crossing the Carpathians from Transylvania southwards into Wallachia. Later in the same century, border controls were tightened to prevent the escape of people and from this time onwards shepherds were only allowed to cross at 18 places. Here sheep numbers were counted and shepherds were taxed accordingly, but to ensure that extortion by border controls was limited, a commission was established to protect shepherd's rights. Records of such counts suggest that between 1 and 2.5 million sheep per year passed through these few border points during the middle of the 19th century. But just as things seemed to be going well for transhumant

shepherds a new law was introduced forcing them to sign a contract that stipulated the exact date by when they had to leave the winter pastures in the spring. This and further agrarian reforms greatly disadvantaged shepherds and the numbers of transhumance flocks decreased steadily towards the end of the 19th century.

The impacts of communism on transhumance

Scant information is available on transhumance in the 20th century but it is very probable that the numbers of flocks continued to decrease. By the 1920s, Romania's borders (previously incorporating Wallachia and Moldavia only) had expanded to incorporate Transylvania and Bessarabia. This enlarged border was strictly enforced and shepherds became limited to finding winter grazings within the new state. At the time the new border was first enforced, the flocks of some Romanian shepherds returning from transhumance to Bulgaria and the former Soviet Union were impounded and were denied re-entry into Romania. Instead of abandoning their sheep – their livelihood –

the shepherds summoned their families from Transylvania to join them to start a new life away from their home country.

Transhumance continued during communism largely because the remote mountain communities that specialised in this type of sheep production are surrounded by land of limited agricultural potential that was deemed unsuitable for collectivisation. Based on the experiences of the older shepherds that we spoke to, communism had mixed impacts on transhumance livelihoods. Some found it easier to find routes to the winter grazings (and to secure winter grazings) because many people working on collectivised farms did not care if large flocks crossed and grazed the land. Indeed, they often benefited from 'gifts' of sheep in return for turning a blind eye to the shepherds. Other shepherds recounted having their flocks impounded when unsympathetic managers of collective and state farms or the police caught them. They overcame this problem by giving the police false identities and 'stole' back their sheep during the night.

Their relative freedom and mobility

A sheep dog guards a transhumance flock of sheep high on the summer pastures of the Ciucas Mountains.



Sally Hubbard

allowed them to evade many state controls. The anthropologist Michael Stewart describes how transhumant shepherds in the village of Jina, near Sibiu, met state quotas by supplying poor quality wool from the legs of their sheep, sometimes smoothing transactions with 'gifts' of sheep. The communist government did not allow world goods into Romania so there was a high demand for fresh produce on the open but controlled markets. The great wealth that some transhumance shepherds accrued gave them leverage to negotiate with those in power (Stewart 1998). It is common to hear shepherds recount a tale of a particularly wealthy member of their profession who approached Ceausescu to ask permission to buy a helicopter to assist with his work.

Transhumance in the 21st century

Since the revolution in 1989, transhumance shepherds have had to cope with the loss of subsidies and the introduction of imports into Romania. At the same time, the restitution of land from the State to former owners or their descendants has made it more difficult for them to find routes between summer and winter pastures. One shepherd that we spoke to has actually had to begin going on transhumance since the privatisation of land because he can no longer rent large enough winter pastures in nearby plains. Land tenure in lowland areas is now highly fragmented with many plots of between 10ha and 50ha. Few landowners now want large flocks of sheep crossing their small plots and causing damage through grazing, trampling and dunging, whereas previously, larger landowners (and even

collective and state farm managers on occasion) welcomed shepherds and asked them to graze their sheep on poor quality crops and to fertilise fallow land. Part of the problem seems to be that the shepherds delay the autumn journey to the winter pastures because they graze the land along the way for free and then need to rent the winter pastures for less time. Some shepherds mentioned that, prior to communism, there used to be strips of grass by the side of roads along which they could herd and graze their flocks. These no longer exist and even if they did the present level of road traffic in Romania would make this a risky option.

A common theme running through the discussions with transhumance shepherds is that they always feel that they are on the wrong side of the law: that they have no rights and no power because they do not own land. In disputes regarding damage to crops and forests by flocks, police and local authorities find in favour of the landowner or foresters, and the shepherds say that they often have to pay more than a fair amount in compensation. Several shepherds described shocking accounts of the violence they had suffered during encounters with hostile landowners and foresters. All said that they had to give 'gifts' of sheep so that they could pass through land and many resort to moving their flocks by night or along 'no-mans' land such as railway lines and river banks to avoid conflict with landowners.

These factors, the increasing amount of traffic on roads, the intensification of farming in some areas of the lowlands (e.g. the switch from spring sown to autumn sown wheat) and new opportunities to earn a living in less arduous occupations than

shepherding are making it difficult for the organisers of transhumance flocks (sometimes shepherds and sometimes just owners of sheep) to employ shepherds. Some feared that soon there would be few shepherds with the necessary skills to take the flocks on a transhumance journey. We asked them whether they would consider taking their sheep to the winter pastures by lorry but all replied that they would not want to do this. The main reason given for their reluctance was that transhumance sheep have fewer parasites than more sedentary animals (though fuel is also too expensive at present and they would have to pay more to rent the winter pastures for longer). The shepherds also dismissed the idea of forming an association that could lobby for and protect their rights. Their opinions on associations indicated a deep-seated mistrust of collective action and many said that they would only join once the benefits had been clearly demonstrated and not before. This attitude is a legacy of the enforced cooperation that Romanians endured during communism, which 'created people who were of necessity self-centred, distrustful, and apathetic to the very core of their beings' (Kideckel 1993).

Conclusion

Transhumance continues in Romania today despite the challenges shepherds have faced in the past few centuries and in more recent times. We have not yet established the number of shepherds and flocks or the extent of abandonment of this livelihood, but it is clear that social factors, particularly the increased hardships shepherds endure with the fragmentation of land ownership, will play a critical role in deciding whether transhumance is still

practised ten years from now. Romania is scheduled to join the European Union (EU) in 2007 and experiences from within the EU indicate that the restructuring of the country's agricultural sector in accordance with the Common Agricultural Policy (which generally favours sedentary and industrial livestock production) will also greatly influence the future of transhumance and may well prove to be a challenge too far. Without substantial investments in infrastructure, it is highly unlikely that transhumance shepherds will be able to meet the European Commission's (EC) rigorous hygiene and welfare regulations.

In the immediate future, there is a clear need to address the social factors that are causing shepherds to leave transhumance livelihoods. The provision of better accommodation (learning from similar initiatives in France and Spain) could also provide more incentive for people to stay in, and join, the profession. One man said that he would seek an alternative livelihood if the opportunity arose but the majority expressed a strong wish to stay in their profession. They do not want special advantages from the government but just want to be allowed to continue with their livelihoods. They suggested that in cases of

damage to crops, independent arbitrators could be employed to assess a fair level of compensation. Also, certain areas or 'corridors' could be established through which flocks have the right to pass. Though they acknowledged that the effective implementation of this strategy would be very difficult to achieve in terms of designating enough land, enforcing this designation and fairly compensating the people whose land is grazed. However difficult it is to achieve, shepherd's livelihoods must be made more secure: they have the right to choose to continue with their profession without the risk of violence and extortion.

Acknowledgements

We would like to thank the British Academy who funded this pilot study through their Small Research Grant Scheme and to Lesley Roberts and David Turnock who helped us secure the grant. We also extend our thanks to our Romanian colleague Vasile Boronia.

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A ram from a Romanian transhumance flock. Tigaie and Turcana sheep breeds are taken on transhumance.

Sally Huband

Noticeboard

La Cañada

Observant readers will have noticed that this edition of La Cañada is not only late but rather thicker than usual. We apologise for the tardiness of delivery, which was due to a lack of core funding in 2003 (see elsewhere).

However we were informed late in 2003 that we had been awarded funding for two seminars by DG Agriculture; this inflated edition is mostly devoted to talks given at those meetings and linked articles and comment.

Our general comments of previous years regarding the lack of articles for publication remains as true as ever, however, and particularly from non-English-speaking countries. We are as always more than willing to edit the spelling, grammar etc. of submissions. We are also more than happy to print articles in other languages as long as they are accompanied by an English summary.

EFNCP constitution and funding

Those of you familiar with the legal structure of EFNCP will know that it is exceedingly complex. The Directors have come to the conclusion that a simpler and more transparent structure is desirable.

While discussions are continuing on the exact form they will take, it is likely that the changes will involve two main aspects of the Forum's organisation.

Firstly, the Board of Directors will become more independent of the Executive Committee. Secondly, formal membership of the Forum will be clarified and extended.

A third question which will be considered, and about which the Board is at present open-minded, is whether the current situation by which the Forum is legally incorporated in England (only) is holding back development outwith the UK and whether separate 'branches' should be set up in other countries (or possibly wider regions).

Alongside these legal changes, it is likely that we will also institute a separate administration and finance function, possibly employing a part-time member of staff.

These changes are intimately linked to funding. The Board is aware that they will have a net cost, particularly at the start, but we are also aware that lack of reform is both stifling our ability to do what we do cost-efficiently and hampering our fund-raising

efforts.

Since its inception, EFNCP has always been fortunate enough to receive core funding (i.e. funding for its basic ongoing work, as opposed to projects) from a variety of sources.

These include DG Environment, WWF UK, the UK Joint Nature Conservation Committee and English Nature. For a long period these accounted for the vast majority of the Forum's income.

As DG Environment funding in particular fell away, we have increasingly come to depend on income from project work, with all concerned giving some voluntary time to Forum work.

This arrangement is workable for a short time, but soon becomes untenable, especially if project work and core functions (which include items such as the production of La Cañada and attendance of EC Advisory Groups) are carried out by different individuals for any length of time.

Alongside our projected reforms we therefore urgently need to re-establish a degree of core funding. We are aware that there is a distinct UK bias to our funding in the past. Can this change? Only with your help!

DG Agri Advisory Groups

EFNCP has for some years now been represented on DG Agriculture's Advisory Committees, alongside other environmental NGOs (BirdLife, WWF and the European Environment Bureau - EEB) and representatives of farming groups, farm workers, agri-industry, consumers and so on.

Recently the Commission has implemented a reform of the advisory structure. Advisory Committees and Working Groups have now all become Advisory Groups.

While EFNCP is able to feed in to the work of all the groups, we are directly represented on the following six:

- Arable - Rafael Caballero, Spain
- Sheepmeat & goatmeat - Patrick Fabre, France
- Olives - Guy Beaufoy, Spain
- Rural development - Xavier Poux, France
- Agriculture & environment - Gwyn Jones, UK

We wish to extend our thanks to all these individuals, whose time is being given freely in this period of financial difficulties.

Conference 2003 Montpellier

Du 13 au 17 septembre 2003 s'est tenue à Montpellier la 8ème conférence du Forum Européen pour la Conservation de la Nature et le Pastoralisme EFNCP, organisée avec le Service

Interchambres Montagne Elevage Languedoc Roussillon et du EFNCP. Quelques 80 personnes de 14 pays européens se sont rencontrés. Le but était de permettre les échanges d'idées entre les agriculteurs, les décideurs, les chercheurs et les milieux de la conservation de la nature. Les thèmes suivants étaient à l'ordre du jour:

Raisons pour les changements survenus dans les pratiques agricoles en matière d'élevage

Fonctionnement des systèmes d'élevage et part du pastoralisme

Lien entre le pastoralisme et la valeur patrimoniale et biologique de la région (analyse historique et prospective)

Influence des plans de développement rural (P.D.R.) sur la réalisation des objectifs de développement rural durable et de diversité biologique des régions et adéquation avec la réforme en cours de la politique agricole commune et de l'Organisation Commune des Marchés (O.C.M.) : régime de paiement unique et écoconditionnalités, renforcement du 2ème pilier de la PAC dont l'agroenvironnement

Conditions d'application des mesures agroenvironnementales dans les systèmes d'élevage

Evolution de la pratique de la transhumance entre les plaines du midi méditerranéen (Languedoc et Basse Provence) et les zones de montagne limitrophes (Cévennes, Causses, Alpes, Pyrénées)

La première journée était consacrée à la visite de six exploitations pastorales sur les causses méridionaux. Ces visites permirent d'une part des discussions sur les problèmes liés à la politique agricole de la France et de l'UE, d'autres part aux échanges d'idées entre exploitants caussenards et du reste de l'Europe. Au milieu de la journée, l'Association de Causse Méridionaux ACM a présenté son travail au service de la sauvegarde et de la mise en valeur des milieux caussenards, du développement concerté et de la promotion des Causses Méridionaux.

Les deux journées suivantes étaient consacrées aux présentations, discussions et tables rondes en salle, au Mas de Saporta.

La conférence montra une fois de plus que les problèmes liés aux systèmes pastoraux extensifs qui sont à la base de milieux d'une grande valeur pour la nature sont semblables dans une grande partie de l'Europe: Ils sont une préoccupation mineure de la politique agricole, les aides y sont minimes, et les cela a pour conséquence l'abandon de ce type d'agriculture par les jeunes exploitants qui n'y voient plus d'avenir. Le résultat positif de la

conférence est que les exploitants et les conservateurs ont eu la possibilité de s'exprimer en présence de décideurs aussi bien locaux que nationaux et européens et de discuter de leurs problèmes avec ceux-ci. Further information on the discussions at Montpellier are to be found on the EFNCP website.

EFNCP/WWF workshop on agriculture and the environment

What do conservationists want from agriculture in one of the EU's marginal areas? That was the question posed in a seminar held in the Western Isles of Scotland late last year. Using funding from Scottish Natural Heritage secured by WWF Scotland, EFNCP was able to get together a small group of experts to tease out environmental priorities in the various landscape units which make up the Outer Hebrides. A short report along with a map showing these landscape units is to be found on the website.

Research on MTR effects in Ireland

The lack of analysis on the potential effects of the Mid Term Review of the CAP on HNV farmland has been a major concern for the Forum. In Ireland we now have a chance to contribute positively to the debate thanks to a contract from the Heritage Council. Working in conjunction with an economist, Brendan Kearney, and a landscape character expert, Tomas O'Leary, we will work at grass roots level in HNV areas, using reference farms to examine both the economic and non-economic drivers which will influence farmers' response to the reform.

Conference 2005 Bulgaria

The Executive Committee have decided, after consideration of the policy issues which will or should be under consideration at the time, that our 2005 conference will be held in Bulgaria.

While funding is not yet in place, we have pencilled in the 15th-17th May inclusive as the probable dates and the mountain resort of Pamporovo as the probable venue.

At present we have two partners in Bulgaria – the Sofia office of WWF's Danube Carpathian Project and the Ministry of Agriculture and Forests.

The topic of the conference will be keeping High Nature Value farming socially and economically viable in Europe's marginal areas. We therefore

hope that alongside the usual discussions of policy and science we will have substantial inputs from rural economists and sociologists.

Details will go on the web site as they become available. This will include a link on which you can express an interest in attending. Ideas for speakers (and funders!!) should be sent directly to: aoportree@ed.sac.ac.uk

Global Pastoral Programme Formulation Workshop 19-23 April 2004

The Global Pastoral Programme (GPP) is connected to the United Nations Convention to Combat Desertification (UNCCD); it is being coordinated by the United Nations Development Programme (UNDP). The programme aims at building a momentum for greater recognition of the need for sustainable pastoral development and the custodianship of drylands.

UNDP hosted a formulation workshop for the Global Pastoral Programme from 19-23 April 2004 in Nairobi, Kenya. The workshop brought together 62 participants from around the world, including: representatives from pilot and network countries, experts on pastoral issues, UNCCD focal points, individuals from the donor community, regional institutions and other relevant stakeholders.

The EFNCP was represented at the workshop by Jean-Pierre Biber. Our experience with tools, arguments and strategies used to convince policy makers in Europe would be of much use to the Global Pastoral Programme because developing countries are influenced by European donors. It is hoped, that the EFNCP will collaborate with the GPP.

Nature-rich farmland areas need greater support to prevent species loss

A press release by the European Environment Agency and the United Nations Environment Programme

High nature value farmland – usually characterised by low-intensity agriculture that allows wildlife to flourish – is recognised as having a crucial role to play if the 2010 goal of stopping the loss of biodiversity is to be met. Environment ministers from across Europe agreed last year to identify all high nature value farmland by 2006. They also committed themselves to support its economic and ecological viability by covering a substantial proportion with rural development measures by 2008.

A joint EEA/UNEP report to support the process estimates that high nature value farmland covers 15-25 % of the EU countryside, with the largest areas being found in eastern and southern Europe and northern Britain. The situation outside the EU is not known as data are not easy to obtain.

The report warns that high nature value farmland is under severe pressure from two contrasting trends: increasing intensity of agriculture in some areas and abandonment of farming in others.

With nature protection sites accounting for less than one third of EU high nature value farmland, its conservation depends largely on the rural development measures that can be taken under the EU common agricultural policy.

The most relevant of these are payments to support farmers in less favoured areas – such as hilly or mountainous terrain – and special environmental measures

known as agri-environment schemes.

However, although less favoured areas and high nature value farmland areas cover much of the same territory, actual spending on less favoured areas bears no relation to how much high nature value farmland a country has, the study finds.

Nor do agri-environment schemes appear to be well targeted: agri-environment expenditure in countries with a high share of high nature value farmland, especially in southern Europe, is relatively low.

Prof. Jacqueline McGlade, EEA Executive Director, said: 'Current policy measures appear insufficient to prevent further decline in high nature value farmland areas and reach the 2010 biodiversity target. Consideration needs to be given to improving the geographical targeting of agricultural subsidies, especially of less favoured area support and agri-environment schemes.'

'At the same time, a major effort is needed to fill gaps in data on the targeting and effectiveness of support measures as well as on the distribution of habitats and species.'

Frits Schlingemann, Director of UNEP's regional office for Europe, added: 'Over recent decades biodiversity on farmland across Europe has declined seriously. Large scale rationalisation and intensification of agricultural production has taken its toll.'

'With the common agricultural policy increasingly focused on non-trade concerns, and sustainability now a guiding principle, we hope this report will spur the policy debate and encourage countries and institutions to refine the high nature value farmland concept and further focus their conservation efforts.'

High nature value farmland areas include habitats such as semi-natural grasslands, dehesas, montados, steppe areas, grazed uplands and alpine pastures and meadows. Little precise information exists on how well these areas are conserved, but overall the population of bird species found on them, such as the great bustard, black grouse and corncrake, is declining.

Prof McGlade and Mr Schlingemann launched the report, or 'joint message', at a Dublin conference on the role of environmental information co-organised by the Irish government and the EEA.

The report, High nature value farmland: characteristics, trends and policy challenges, is available at http://reports.eea.eu.int/report_2004_1.

Website developments

The EFNCP website has not received the attention it should have in the last few years. We are now addressing this in two stages.

First, we are updating the content, at least to reflect some of the Forum's latest activities. You will now find reports/papers from our 3 most recent Brussels seminars (on the forestry measures, on decoupling and on cattle systems in Central and Eastern Europe), on our joint seminar with WWF and SNM and on an expert seminar we organised in the Western Isles of Scotland for WWF with SNH support.

Second, we will then turn our attention to the general presentational quality of the site which we realise leaves a lot to be desired at present.

The European Forum on Nature Conservation and Pastoralism brings together ecologists, nature conservationists, farmers and policy-makers. This non-profit-making network exists to increase understanding of the high nature-conservation and cultural value of certain farming systems and to inform work on their maintenance. www.efnecp.org

Edited and published by the European Forum on Nature Conservation and Pastoralism. This issue was supported by the Joint Nature Conservation Committee and European Commission DG Agriculture (information actions and the CAP). The European Commission is not responsible for any use that may be made of the information contained herein.

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The editors would like to thank the following: Sue Bignal, Anna Barnett, Xavier Poux, Trevor Donnellan, Peter Cook, Jean-Pierre Biber, Guy

Beaufoy, Peter Eden, Colin Hindmarch, Davy McCracken, Peter Veen, Dorota Metera, Radoslaw Uliszk, Przemyslaw Nawrocki, Kaia Lepik, Marek Sammul, Mirosława Cierna, Sally Huband, Annette Mertens.

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