

15 January 2008

Tassos Haniotis
Head of Unit
Agricultural Policy Analysis and Perspectives
Directorate-General for Agriculture and Rural Development
European Commission
Rue de la Loi 130 7/157
1049 Brussels, BELGIUM

AGRI-G1-HC-IA@ec.europa.eu

Cc: joe.o'reilly@dardni.gov.uk

Dear Mr Haniotis,

Common Agricultural Policy (CAP) Health Check Proposals

Northern Ireland Environment Link is the networking and forum body for non-statutory organisations concerned with the environment of Northern Ireland. Its 49 Full Members represent over 90,000 individuals, 255 subsidiary groups, have an annual turnover of £44 million and manage over 230,000 acres of land. Members are involved in environmental issues of all types and at all levels from the local community to the global environment.

These comments are agreed by Members, but some members may be providing independent comments as well.

1.1 Simplifying the Single Payment Scheme

- *Do you agree that Member States should be allowed to adjust their SPS model towards a more flat rate of support, at national or regional level?*

NIEL believes that the continued use of the historic model within the payment structure is, and will become increasingly, inappropriate. The transition from historic payments to flat rate payments entails a redistribution of subsidies. In most cases this redistribution would be away from intensive farmers that tend to be more environmentally harmful, toward smaller and less competitive farmers that certainly have more need for support and that in many cases also deliver substantial and often unrewarded, public goods. Rather than 'allowing' Member States to choose their model of SPS there should be more proactive encouragement towards a flat rate model to ensure a level playing field across Europe.

1.2 Cross Compliance

- *What would be the potential outcome of maintaining the cross-compliance at its existing standards?*

Cross-compliance conditions serve to reinforce existing legislation, and to ensure that farmers manage their land in a way that delivers a basic level of environmental protection/improvement. NIEL believes that cross compliance has brought significant benefits to the farmed environment across Europe and is helping European taxpayers to understand the importance of farm support. There should not be any weakening of current cross compliance conditions and efforts should be made to improve its efficiency and impact in all Member States, in fact we believe that the cross-compliance requirements need to be enhanced in order to further improve the environmental outcomes. The Single Payment Scheme guarantees that farmers

deliver a minimum level of environmental public goods through the need for farmers to follow Statutory Management Requirements and GAEC standards. NIEL would like to see the scope of cross compliance encompass a wider range of environmental features on farmed land.

- *What impacts do you see emerging with the possible addition/deletion of certain legal requirements or GAEC standards?*

NIEL would have serious concerns should any of the environmental Statutory Management Requirements or GAEC standards be deleted. In addition to ensuring diffuse pollution issues are covered under cross compliance, NIEL believes there is scope to add some further GAEC standards to cross compliance, for example, to include protection for all types of field boundaries, ancient woodland, veteran trees, traditional orchards and historic environment features. Cross compliance should be extended to ensure that a baseline level of protection is provided for these features.

Permanent grassland is one of the most important farmed habitats in the EU (particularly important in Northern Ireland) for biodiversity, and it is also a significant carbon sink¹. NIEL believes that cross compliance should be strengthened to ensure permanent grassland is protected where there are benefits for biodiversity, historic environment features and landscape.

NIEL believes that there is also scope to amend Council Regulation 1782/2003 to ensure resilience, avoid the deterioration of habitats and landscape character and to assist in the expansion and connection of habitats. NIEL would support the following amendments to Article IV.

ANNEX IV

Issue	Standards
Soil erosion: Protect soil through appropriate measures	— Minimum soil cover — Minimum land management reflecting site-specific conditions — Retain terraces
Soil organic matter: Maintain soil organic matter levels through appropriate practices	— Standards for crop rotations where applicable — Arable stubble management
Soil structure: Maintain soil structure through appropriate measures	— Appropriate machinery use
Minimum level of maintenance: Ensure a minimum level of maintenance by improving resilience and avoiding the deterioration of habitats'	— Minimum livestock stocking rates or/and appropriate regimes — Protection of permanent pasture — Retention of landscape, habitat and wildlife features — Expand and ecologically connect habitats

¹ JRC & EEA (2006). *Proceedings of the expert consultation "Sustainable bioenergy cropping systems for the Mediterranean"*. Madrid, 9-10 February 2006.

Vellinga, V; A. van den Pol-van Dasselaar and P.J. Kuikman (2005). *The impact of grassland ploughing on CO₂ and N₂O emissions in the Netherlands*. Nutrient Cycling in Agroecosystems 70: 33 – 45.

Freibauer, A; M.D.A. Rounsevell, P. Smith, A. Verhagen, *Carbon sequestration in European agricultural soils*, Soil Science Review, 2004

The impact of these amendments, or other measures which could enact them, at the Member State level would be to enable them to make strong statements within their national definitions of GAEC, for example:

- Explicit protection of ancient, veteran, hedgerow, traditional orchard and boundary trees
- Protection of ancient woodland, wood pasture and parkland and semi-natural habitats including hedges
- Inclusion of 2m buffers around all ancient and semi-natural habitats
- Prevent overgrazing in woodland and wood-pasture and relaxation of undergrazing where environmentally beneficial to do so- i.e. allowing scrub to develop adjacent to woodland
- A percentage of all land holdings to be designated for management for biodiversity and other environmental public benefits (see response below on set-aside)

1.3 Partially coupled support

NIEL supports the use of National Envelopes and believes the Health Check should take the opportunity to assess where and under what conditions they could be used to support specific farming sectors that are facing difficulties in terms of economic viability but which play an essential role in maintaining landscape character and wildlife habitats: perhaps the farmers in the struggling Northern Ireland red meat sector who are utilising a high nature value farming system and thus contributing to the continued delivery of a public good in the form of real environmental benefits should receive specific support to assist their economic sustainability.

2.2 Cereals and set-aside

- *Do you consider that abolition of set-aside in the current context of market and policy developments is appropriate?*

NIEL understands the desire to move away from the set-aside policy, however, we believe that before the policy is removed alternative mechanisms should be introduced: after an environmental evaluation of these alternative mechanisms is conducted. Set-aside has helped deliver significant environmental benefits (for example, permanent set aside is currently creating areas of important wildlife habitat, buffering water courses, extending semi-natural habitats, protecting archaeology and enhancing landscapes, and rotational set-aside is providing an important food source for farmland bird populations), consequently, there could be implications if it is removed. Set-aside plays an important role in meeting the EU Gothenburg target of halting biodiversity decline by 2010, as well as Water Framework Directive targets for achieving good ecological status in water bodies. NIEL is concerned about the potential for continued loss of the environmental benefits of set aside and believes it must not be abolished without any replacement mechanism. If the set-aside policy is abandoned the replacement policy must deliver the environmental outcomes achieved under set-aside and have the aim of delivering further environmental benefits.

- *What measures do you consider appropriate in order to maintain environmental benefits associated with set-aside?*

NIEL believes that before set-aside is abolished a new mandatory mechanism should be introduced that requires each farm holding receiving the Single Farm Payment to

demonstrate how a percentage of their land is managed for environmental measures to protect water bodies from diffuse pollution, retain important wildlife habitat and add to the diversity of the farmed landscape. This could be accomplished by creating a new cross compliance measure until a new mandatory EU wide requirement is introduced. There is an urgent need for an assessment to be made of the amount of land that would be needed on each holding to replicate and enhance the environmental benefits that the considerable public investment in set aside policy has provided since its introduction. Flexibility in terms of defining eligible land use at the MS and regional level should be provided for, but clear environmental benefit must be demonstrated. Farmers would in most instances be free to choose how to reach the minimum requirement with special environmental features continuing to receive protection through legislation and support via agri-environment schemes.

The extent of the land management activity required for the benefits that set-aside has provided for biodiversity, in particular for farmland birds² and bumblebees³, means that there may be a need for these management activities to be incorporated into existing or new agri-environment measures. Such measures must be accompanied by an additional transfer of ring-fenced funding from Pillar I to Pillar II to ensure that adequate resources are provided without placing more pressure on existing budgets for agri-environment schemes.

3.1 Climate change, bio-energy, water management and biodiversity

- *Do you consider that existing instruments under both pillars of the CAP are sufficient to respond to these challenges?*

Existing measures are inadequate. NIEL considers it essential that measures to address climate change are introduced into both pillars of the CAP. However, it is important to recognise that there will be a substantial additional cost for implementing measures needed to adapt farmed land to address the effects of climate change on biodiversity and it is crucial that adequate funding is provided to deliver these measures.

NIEL would like to see public support payments for biofuel production reviewed. Recent evidence suggests that the contribution of biofuel crops in reducing global warming is limited. NIEL is also concerned that support for biofuels could encourage increased intensification of production of biofuel crops making biofuels unsustainable both in terms of global warming gases and land use.

Water management measures will similarly need to address both existing challenges on water quality, reinforcing those being addressed by the Water Framework Directive, and changes to land use to manage water to deal with the challenges that arise from climate change, including storage of flood water and coastal realignment.

- *If you consider that strengthening Rural Development instruments is needed, what would be your proposal in better addressing these new challenges?*

NIEL welcomes the proposal to increase funding to Pillar II through the increase in compulsory modulation across all Member States. It is essential that the Health Check results in more funding becoming available for rural development. In the

² Bracken & Bolger (2006) Effects of set-aside management on birds breeding in lowland Ireland. *Agriculture, Ecosystems & Environment*. **117**, pp. 178-184

³ Pywell *et al.* (2004) Providing foraging resources for bumblebees in intensively farmed landscapes. *Biological Conservation*. **121 (4)** pp. 479-494

longer term we believe the CAP must evolve to support sustainable land management and to address the environmental challenges we are facing and in the short term an increase in rural development funding is crucial to achieve this.

We seek a radical re-orientation of land management policies to:

- protect and restore our wildlife and habitats;
- protect and enhance our historic environment, landscapes and woodlands;
- ensure the sustainable use of our limited water and soil resources;
- help mitigate and adapt to the challenges arising from climate change;
- promote sustainable local food production; and
- ensure the secure and sustainable production of animal welfare friendly food and other commodities.

In order to deliver this re-orientation of land management we propose the realignment of the current two pillar mechanism of the CAP, split between a decoupled farm payment and support for rural development, and instead develop a European Sustainable Land Management Policy pillar which incorporates the existing SFP and agri-environment elements with a second pillar for programmes which support local community initiatives to deliver sustainability projects. The revised first Pillar would be used to support positive land management activities that deliver sustainable land management and could in turn underpin profitable farm businesses and prosperous rural communities. Rather than most of the money in the CAP being paid in the form of decoupled production payments, attached to legal compliance, in future payments would be targeted to those undertaking a wide range of positive actions that deliver sustainable land management and the public goods identified above.

3.3 Strengthening rural development

- *Do you think the proposed increase in modulation will help in achieving RD objectives, especially those linked to new challenges?*

NIEL strongly supports the Commission's proposals to increase the rate of compulsory modulation and believes that the additional funding will be vital in addressing the new challenges that have been identified. However, NIEL believes that any changes to the rates of compulsory modulation should not impinge upon the option for some Member States to voluntarily modulate at a higher rate in order to fund farmer's agri-environment measures.

- *How do you think the extra funds should be allocated to better respond to those new challenges?*

NIEL would like to see the extra funds raised from increased compulsory modulation deployed within Axis II of the EAFRD for agri-environment measures. This would help to address the shortfall in funding for rural development as a consequence of the EU Financial Perspectives decision of 2005. Given both the current and new challenges facing Europe's environment, a substantial increase in funding of agri-environment schemes is needed to deliver the changes to land management that are required. It will be particularly important to target agri-environment schemes at traditional farming systems that manage and enhance Europe's high quality landscapes and which maintain important wildlife habitats and historic environment assets, not least to ensure that such farming systems remain economically viable.

Additionally, adapting farming practices to make them more sustainable will also be important so that agriculture across each Member State can reduce its emissions of greenhouse gases and protect soil and water resources.

We thank you for the opportunity to make these comments. We hope that you find them helpful and that they will be incorporated in future policy. If you would like to discuss them further please do contact us.

Yours sincerely

A handwritten signature in black ink that reads "Sue Christie". The signature is written in a cursive, flowing style.

Prof Sue Christie
Director