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### **CAP HEALTH CHECK – PUBLIC CONSULTATION**

**Subject: Procedural issues and consultation of interested parties**

#### **1. INTRODUCTION**

Work on the impact assessment on the Health Check (HC) of the Common Agricultural Policy (CAP) was carried out by an Inter-Service Steering Group (ISG) of the European Commission set up for this purpose in October 2007. The Group was led by Directorate General for Agriculture and Rural Development (DG AGRI).

All Directorates-General (DGs) of the European Commission were invited to participate in the work of the Group, and the following DGs were actively involved in the exercise: the Secretariat-General (SG), DG BUDG, COMP, DEV, ECFIN, EMPL, ENTR, ENV, ESTAT, OLAF, REGIO, RTD, SANCO TREN and TRADE.

The impact assessment work was carried out in the period October 2007 to March 2008, during which time the ISG held several meetings. Firstly, the current situation of the CAP was analysed and the main problems of the CAP were assessed. Secondly, the group identified the objectives of the HC and alternative policy options to achieve those objectives. Sub-groups were created in order to discuss the three main topics of the HC (SPS; Market Measures; New Challenges). Finally, the impacts of the policy options were carefully evaluated within the group. During this process, the ideas formulated by different stakeholders were also taken into account.

The interaction with the stakeholders and other interested parties was established through four main ways of communication:

- Written contributions sent directly to the Commission,
- Two stakeholders' seminar,
- An on-line public consultation and an ongoing consultation process between the Commission's services,
- The stakeholders and the EU institutions that represent the civil society.

In addition to the above, Commission's representatives conducted several ad hoc consultation meetings.

## 2. CONSULTATION PROCESS AND EXPERTISE

The public consultation had already started before the publication of the Communication by the Commission [COM(2007) 722] on 20 November 2007 by receiving a considerable number of contributions mainly originated from national and international NGO's. The Commission analysed this first material of positions and took it into consideration in its effort to obtain a more comprehensive opinion on the stakeholders' positions.

Two external seminars were organized in order to let interested parties -stakeholders- be better informed about the specific issues that Commission services wished to address during the Health Check exercise and to ask for their contributions in a more formal way. The first seminar took place on 6 December 2007 in Brussels with the participation of around 133 experts (Table 1) representing a wide range of interests: farmers, traders, industry, workers, consumers, environmentalists and animal welfare. The three key topics of the Communication (Single Payment Scheme, Market Measures and New Challenges) were presented and an extensive debate followed between the stakeholders and the Commission's representatives on the different options considered in the Health Check and their possible economic, environmental and social impacts. The second seminar took place on the 11 January and analysed more in depth the policy changes in the dairy sector.

In order to facilitate the reception of contributions, a questionnaire<sup>1</sup> was distributed to the participants as a guideline to provide their comments and to propose possible orientations and measures by 15 of January 2008. An electronic mailbox was created to receive stakeholders' contributions along with a webpage<sup>2</sup> on the EUROPA site allowing stakeholders and the wider public to follow the relevant policy developments and to provide their answers to the questionnaire. In parallel a link referring to the Health Check in the Commissioner's blog<sup>3</sup> made it also possible for comments and views from the public.

In the light of the above, the stakeholder consultation has been carried out according to the Commission's general principles and minimum standards for consultation<sup>4</sup> of the interested parties. The consultation period lasted from 20 November 2007 until the 15 January 2008 nevertheless contributions arrived before and after this period were still taken into consideration. In determining the relevant parties for consultation, the Commission took into account a number of elements such as the need for specific experience, expertise and technical knowledge ensuring that all the sectors involved were properly represented. The results of the public consultation will be displayed on the EUROPA website and Commission services provided relevant feedback and clarifications in all the requested cases. For more information on the width of coverage see *2.1 Findings from the public consultation* and Annex A.

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<sup>1</sup> [http://ec.europa.eu/agriculture/healthcheck/consultation/questionnaire\\_en.pdf](http://ec.europa.eu/agriculture/healthcheck/consultation/questionnaire_en.pdf)

<sup>2</sup> [http://ec.europa.eu/agriculture/healthcheck/consultation/index\\_en.htm#0612](http://ec.europa.eu/agriculture/healthcheck/consultation/index_en.htm#0612)

<sup>3</sup> <http://blogs.ec.europa.eu/fischer-boel/the-cap-health-check-%e2%80%93-your-thoughts-please>

<sup>4</sup> COM(2002) 704 final

It should be noted that during the whole consultation period Commission services discussed the Health Check issues with stakeholders in the framework of DG AGRI advisory committees (e.g. environment, beef meat, cereals etc.).

In addition Commission's representatives participated in 3 COMAGRI and 2 environment committee meetings in the European Parliament in 5 working parties organised by the Committee of the Regions were discussions took place concerning the publication of an opinion on the Health Check and in 5 meetings organized by the European Economic and Social Committee in one of which the Commissioner presented the Communication to its members.

### *2.1. Findings from the public consultation.*

The impact assessment build upon Commission's determination to promote the public dialogue and therefore the contributions of the interested parties have been carefully taken into account in each of the topics examined (SPS, cross compliance, partially coupling etc.). An overall reflection of the stakeholders' opinions is implicitly taken into account in the impact assessment and can be easily traced throughout the different options considered and the impacts analysed. The range of opinions is summarised in Annex A.

From a total of 90 replies to the on-line consultation 84 derived from stakeholders and another 6 from EU citizens' personal positions. From those replies 19 were received from environmental organizations (23%), 18 from farmers' organizations and cooperatives (21.5%), 14 from processors of agricultural products (16.6%), 14 from local/regional authorities (16.6%), 5 from landowners and forestry related organizations (6%), 2 from animal welfare organizations (2.3%) and another 12 (14%) from other parties interested in the Health Check e.g. hunters' organizations. Regarding the geographical distribution, the replies were sent mainly by Sweden, Finland, Denmark and Germany with the large majority of the replies originating from the UK. A considerable number of answers came from Spain (5) and France (7) whereas contributions were also received from the new member states.

Regarding the content of the contributions, despite the wide range of opinions and views the main conclusion that can be drawn from the public consultation is that an overwhelming majority of responders fully agreed with the level of ambition and scope of the adjustments broadly outlined in the Communication. Almost all respondents supported the further policy simplification and expressed interest in addressing the issues related with new challenges, notably the concerns with climatic changes.

Set-aside and modulation were the two issues were most environmental organizations focused their attention whereas the industry sector called for further liberalization of the agricultural sector through the removal of those mechanisms that limit its competitiveness to the world market. Farmers disagreed with the introduction of further criteria to cross compliance supporting in their majority the maintenance of a safety net mechanism whereas young farmers focused their attention on the dairy quota and on the possible cost of their abolition. Finally, on the issue of decoupling the majority of the stakeholders took a positive stance with some proposing the use of Article 69 and of national envelopes as an alternative to coupled support to economically sensitive sectors.

### Table 1

Health Check Seminar Participants 6 December 2007

Sector		Seats	Registered experts	Observers
Producers and Cooperatives	CPE	8	8	
	COPA-CEC	40	40	5
	COGEC	8	8	4
Trade	IFOAM	1 exp + 1 obs	1	
	CELCA	11	11	
	EUROCOMMERCE	3	1	
Industry	other			
	CIA	11	11	1
Workers	other			
	EFFA	5	5	
Consumers	other			
	BEUC	5	2	
Environmentalists	EEB		7	
	WWF-EPO			
	BIRDLIF			
	FORUM FOR PASTORALISM AND NATURAL CONSERVATION	7		
	FAC			1
	LUPES (Pisano)			1
	Institute of environmental policy (D. Baldoek)			1
Animal Welfare	EUROGROUP FOR ANIMALS	2	2	
	other			
Institutions	EP			5
	CoR			3
	EESC			3
	Commission			25
	Court of Auditors			5
OTHER				
	EL	2 exp + 2 obs	2	1
	RED		1	
	CEMR			1
	EUROMONTANA		1	1
	CRPM			1
	<b>Σ</b>		<b>100</b>	<b>58</b>

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## 1. Farmers Unions & Organizations

<p><b>ASAJA</b></p>	<p><b>General comments:</b> nc</p> <p><b>SPS:</b> Total decoupling gives full freedom to farmer to plan his business and orientate towards market, it is less complicated and can help support entrepreneurial risk avoiding distortions between livestock and farming, and among MS. Improves calculation of total area for partial decoupling in part of their production. Also retaining rights in case of selling land complicates enormously transactions, should be abolished. Prohibiting to support olive trees should be abandoned. Change set aside rights into normal rights. Too short application time to allow appraisal of effectiveness, not enough elements to agree on regional system, rather start with European level, would be more justified and logical. More flat rate would lead to massive transfers of funds among farmers and areas, especially in specialised areas. Also between livestock intensive and extensive areas.</p> <p><b>Cross-compliance:</b> One of the great innovations of 2003 reform. Positive judgment but farmers see in it a nightmare of constraints and bureaucracy. Could become a source of distortions; simplify, avoid possible interpretations, from recipients as well as from inspection. Go towards greater subsidiary, agro-environmental conditions being different in EU.</p> <p><b>Decoupling/Coupling:</b> Supports full decoupling. Partially couple SPS has not achieved its aim of maintaining a minimum of activity, has provoked loss of funds for farmers, has bigger administrative and control costs, big delays in payments due to complicated administrative management. Flanking measures can be useful to help sector adapt and re-orientate, through A.69 or modulation, but do not underestimate direct payments, essential Pillar of CAP. A.69 could lead to distortions of competences among farmers and regions. No sector should receive partially coupled payment anymore.</p> <p><b>Upper and lower payment limitations:</b> Seems positive but disadvantages much more numerous; would threaten farms more efficient and employing many people. Bigger farmers could split their holdings, with administrative costs and reverse effect. Cutting lower payments would help simplify but would have a limited impact. Would not touch professional farmers.</p> <p><b>Cereal intervention:</b> Extending maize regime would have minimal consequences, more a political than economical aspect. Also true for wheat; why maintaining it? Is it more important than barley or maize? Or is it because it is mostly located in countries with a bigger political weight?</p> <p><b>Set-aside:</b> Supports abolition as would be a great step towards simplification and land management; would also eliminate important bureaucratic problems for non-food schemes on set aside areas.</p> <p><b>Milk Quotas:</b> Doing nothing would maintain high prices and the system would be prolonged once again. Progressive abolition would lead to increase of production, fall of prices. Reduce super-levy and increase quotas, will have uniform effect among producers with less interference of politics.</p> <p><b>CMO's:</b> Coupling could maintain activities in certain areas, but most worthy are farmers, not areas. If there is a regional problem of</p>
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	<p>abandonment, should be treated with non distorting measures.</p> <p><b>Risk management:</b> Dismantling traditional market organisations leaves farmers disorganised in front of other, well organised sectors like agro-industry and distribution. Such a strategic sector should have minimal guarantees. In Spain, tools exist but are not applied to all the sectors, especially as regards sanitary risks. The best way is using insurance policies cover climate and sanitary risks. Much communicate to articulate at EU level, eventual measures should not interfere with existing national schemes. Risk is increasing, have an integral view, do not diminish direct support nor market measures of CAP, stop continuous reforms, extend solidarity fund or create a special European Emergency Fund for agriculture, to cover more severe cases. Study prevailing system in USA and Canada and check WTO compatibility. Think of public-private partnership.</p> <p><b>Climate change/Bio-energy/Water management:</b> Regards society as a whole, agriculture is part of the solution RD should not be a source for any kind of solution or any kind of problems. These new challenges are to be covered through other policies (environment, energy etc.)</p> <p><b>Modulation:</b> RD should be an independent policy, with its own resources; modulation cannot be used to dismantle necessary market policies. New measures suppose new funds; priorities fixed are relevant, but can hardly be realised without transfers and from Pillar II. No to Pillar I transfers. Supplementary resources could go for bio-energy and water management, vital for the sector. RD should be simplified. LEADER must have priority for farmers.</p> <p><b>Others:</b> nc</p>
<p style="text-align: center;"><b>Asociación Española de Productores de Vacuno de Carne (ASOPROVAC)</b></p>	<p><b>General comments:</b> EU beef cattle production is decreasing yearly, demand steady or even increasing. Deficit always bigger.</p> <p><b>SPS:</b> Completely rejects payment following amount of land held. No change till 2013, any modification would be an example of the legal uncertainty faced by agriculture; impact not evaluated truly for land reference; In Spain (climate), calf fattening sub-sector usually has not a large land base, would reduce competitiveness (no extensification premium). Far reaching changes not reasonable after 2 years only.</p> <p><b>Cross-compliance:</b> Against addition of criteria, involves additional costs which reduce and even cancel competitiveness with 3<sup>rd</sup> countries. Fulfilment of CC requirements is essential whether or not direct aid is received. Ensure no unfair competition with 3<sup>rd</sup> countries. New criteria would lead to increased abandonment and an aggravated decrease in traditional production. Positive to be guided by WTO measures, with requirements equal for everybody.</p> <p><b>Decoupling/Coupling:</b> MS with decoupled premium for suckler cow have considerably reduced production; with a growing deficit, decoupling would worsen the situation. Enormous strategic importance: social and economic environment in certain production areas without other alternative, and importance for environment as a balancing element or "forestry agent" to preserve natural resources of ecosystems, besides guaranteeing sustainable development.</p> <p><b>Upper and lower payment limitations:</b> Against capping. New CAP must be market-oriented, profitability is required; so, many farmers had to merge holdings; their activity helps develop areas and regions. If it comes to pass, should only apply to recipients not demonstrating that they are crop or livestock farmers with proven economic activity.</p> <p><b>Cereal intervention:</b> Supports abolition. Sees contradiction between "safety net" through a minimum guaranteed price and global policy on bio-fuels through cereals, which causes high</p>

	<p>market prices. If maintained, together with the decision ("rather the lack of decisions") to authorise GM varieties, raw material for human and animal food will be high and detrimental to competitiveness. Lack of an effective stock of cereals has led to speculation. Essential to create strategic stocks replicating the objective achieved by intervention storage, to control speculation and provide for possible contingencies.</p> <p><b>Set-aside:</b> Supports abolition but without complementary actions to relieve tension on markets. To reduce the price of raw materials, more far-reaching measures required: 1st generation bio-fuels cause new problems in the food markets, have perverse environmental effects (no decrease of GHG), urgent demand of a moratorium for 5 years; speed up the authorisations of GMO maize and soya, or shortage and loss of livestock. "Any delay or inability to reach an agreement could cause high rises in beef prices"</p> <p><b>Milk Quotas:</b> nc</p> <p><b>CMO's:</b> nc</p> <p><b>Risk management:</b> nc</p> <p><b>Climate change/Bio-energy/Water management:</b> Urgency has not left time to consider the disadvantages and damages of possible solutions: search for alternative, more sustainable sources (bio-fuels) must be carried out through primary resources or sources not involving competition with food and feed. Particularly important to promote 2<sup>nd</sup> generation bio-fuels, should not only be supported by CAP, but also other EU policies. At no time should the material used compete with those used for food. Convinced that there are currently more viable, sustainable and less polluting alternative energies: wind, solar, as well as generation from by-products of livestock activity (manure).</p> <p><b>Modulation:</b> Further cuts in direct aid= a partial measure which cannot achieve the ambitious objectives set out in HC. Completely agrees with the need to increase the funds for RD, but transferring 7% will not deal with all the problems surrounding RD, particularly with MS need to co-finance. Continue existing levels; MS should make the choices through additional voluntary modulation, according to real needs. Additional modulation cannot be applied to subsidise the 2<sup>nd</sup> pillar. Many payments would go beyond purely agricultural activity. As an alternative, proposes that recipients of SPS who cannot show that they are farmers with a proven activity have the proposed percentages withdrawn.</p> <p><b>Others:</b> nc</p>
<b>COAG</b>	Please refer to No 7.
<b>COPA-COGECA</b>	<p><b>General comments:</b> nc</p> <p><b>SPS:</b> Fully support further technical simplification and reductions in red tape as will improve effectiveness and enable farmers to concentrate on adapting more rapidly to market changes and shifts in demand. Changes must be limited, need a period of stability; flatter rate to examine post-2013</p> <p><b>Cross-compliance:</b> Against addition of further criteria. Essential to make CAP much less bureaucratic and less complex. Farmers hindered more than helped to comply with the rules. Still no impact study of the implementation of GAEC. MS still in the process of implementing the necessary instruments.</p> <p><b>Decoupling/Coupling:</b> Decoupling could lead to the complete disappearance of production in certain regions or types of production, could also make the EU completely dependent upon import for certain products. Not convinced that revised A.69 is the more effective or adequate solution, except on a limited basis. Give</p>

	<p>MS flexibility to further decouple on a sector basis prior to 2013 if no loss of production or agro-environmental consequences to fear.</p> <p><b>Upper and Lower payments limitations:</b> Against capping. Opposite to simplification and modernisation through economies of scale. Will discourage further progress. Against minimum threshold. For very small payments reduce the administrative costs, not the payment, e.g. by making demands for payment valid for more than one year.</p> <p><b>Cereal intervention:</b> Supports maintenance. No need for adjustments now. Necessary to assess if these mechanisms are likely to remain effective and sufficient in the future, or should be adapted or replaced by more appropriate tools. Premature to abolish supply controls at this stage, given the market volatility and uncertainty.</p> <p><b>Set-aside:</b> Would be advantageous to simplify farm payments by converting set-aside entitlements into "ordinary" rights. Meets concern to reduce administrative complications.</p> <p><b>Milk Quotas:</b> 3 main long-term objectives in the milk sector = stability, predictability and regional balance; extremely important to introduce measures improving the competitive position of farmers till 2015.</p> <p><b>CMO's:</b> Supports maintenance of support until 2013, for rice, durum wheat, dried fodder, seeds, flax and hemp and nuts.</p> <p><b>Risk management:</b> Risk element increases strongly, hence bigger CAP role towards secure and stable supplies of food and energy, produced in a sustainable way. Not a question of rural development but of EU's strategy and security for food and energy. Necessary to carry out an assessment about existing, adapted or new instruments to achieve effectiveness.</p> <p><b>Climate change/Bio-energy/Water management:</b> Against conditioning the treatment of these new challenges to further cuts in decoupled payments. "These are challenges which face the EU as a whole and must be treated as such." Most urgent priority now is research to better mitigate climate change, also to develop second generation bio-fuels. MS should use 2010 interim review of RD programs to ensure that they give sufficient priority to the new challenges under Pillar II, in particular water scarcity and quality. "Under no circumstances can elements of the WFD be brought in under CC."</p> <p><b>Modulation:</b> Against increase. RD important, but not at the expense of Pillar I. Could mean further cuts for other producers, particularly under the historic system. Impossible to maintain competitive position and meet high EU standards if direct payments constantly cut. Necessary to offset decision on financial perspectives (2005), but "it is not up to farmers to compensate for cuts decided by the Council." Share the concern to bring an end to the distortion of competition amongst farmers due to voluntary modulation. "Totally unacceptable that the decision of 2 MS should lead to yet further payment cuts for all farmers". Not a pre-requisite for new challenges.</p> <p><b>Others:</b> nc</p>
<p><b>CONFAGRICOLTURA</b></p>	<p><b>General:</b> nc</p> <p><b>SPS:</b> 2003 reform not yet completely applied; not wishable to intervene, needs stability, just could try and limit notably partial coupling; another simplification could be the introduction of a minimum payment. Allowing MS some changes can only introduce further disparities. A uniform SPS would threaten economic viability and lead to abandon in many activities, penalizing dynamic holdings and leading to subsidise non-farm or hardly productive areas.</p> <p><b>Cross compliance:</b> Must be simplified to avoid that each MS has</p>

	<p>its own regulations and criteria for control. Absolutely consider reducing constraints introduced by MS/Regions, often very costly for holdings and with heavy bureaucratic burden.</p> <p><b>Decoupling/Coupling:</b> Supports total decoupling= more freedom of choice for farms, but can meanwhile introduce abandon of activities in sensible areas; where this happens, introduce incentives to direct choices towards production. Direct payments with provisional coupling allowing farm reorientation can be helpful. Must remain coupled support after 2020 to tobacco, durum wheat, protein-crops, rice, seeds, fruit in giusco.</p> <p><b>Upper and Lower payments limitations:</b> Against capping could have discouraging effects on production and employment. Would encourage splitting and farm concentration. Supports lower limit; would reduce administrative and control costs, should be fixed so as not to grand funds with little or inexistent effect of farms. Money should remain to MS.</p> <p><b>Cereal Intervention:</b> Supports maintenance. Maize model would be damaging for the breeding sector, strong demand for human consumption and bio-fuels, but feed stuff would reduce considerably. Supports wheat intervention but due to climate influence on wheat quality not opportune to dismantle for tender corn.</p> <p><b>Set-aside:</b> Supports abolition. RD and CC incentives are sufficient to guarantee the benefits for biodiversity.</p> <p><b>Milk Quota:</b> Supports maintenance. Progressive increases will lead to price reductions and losses to farms, especially in less adequate areas, with risk of abandons; would increase concurrence between EU producers. Flanking measure until 2015 could be an adequate safety net to support farms in case of market crisis.</p> <p><b>CMO's:</b> Against adding specific aids for rice, seeds, durum wheat as would reduce production. Abolishing bio-fuels premium would strongly oppose EU objectives. Current regulation for rice, seeds and durum wheat is sufficient to guarantee effectiveness of coupled payments.</p> <p><b>Risk management:</b> Existing instruments not sufficient. Voluntary insurance one of the tools to implement.</p> <p><b>Climate change/Bio-energy/Water management:</b> Existing instruments not sufficient.</p> <p><b>Modulation:</b> Against increase. Will draw money from farmers without helping achieving the objectives of RD. Funds must be strictly concentrated on farms and agro-alimentary holdings.</p> <p><b>Others:</b> nc</p>
<p style="text-align: center;"><b>CEJA</b></p>	<p><b>General:</b> Against changing the current system as allows for milk production from all farm seizes and milk producing regions.</p> <p><b>SPS:</b> nc</p> <p><b>Cross compliance:</b> nc</p> <p><b>Decoupling/Coupling:</b> nc</p> <p><b>Upper and Lower payments limitations:</b></p> <p><b>Cereal Intervention:</b></p> <p><b>Milk Quota:</b> Transitional period needed to guarantee a smooth landing. This should take the form of variation in quota and a reduction of the super levy until 2013. Proposes the "equal value-no cost" system for the after 2015 period. Its is based in 4 principles 1) common regulatory framework for milk production 2) self organization of producers 3) long-term positive signals to young farmers 4) disadvantaged areas instead of mountainous.</p> <p><b>CMO's:</b> nc</p> <p><b>Risk management:</b> nc</p> <p><b>Climate change/Bio-energy/Water management:</b></p> <p><b>Modulation:</b> nc</p> <p><b>Others:</b> nc</p>

<p style="text-align: center;"><b>CPE-COAG</b></p>	<p><b>General:</b> The introductory paragraphs are not really objective as they assume that the reader is already in favour of the proposed reform.</p> <p><b>SPS:</b> Replacement of the historic system as it becomes unjustified towards the smaller farmers and sectors. Supports a social model of agriculture that guarantees farmers' income. The payments per ha have the risk of increasing land values. Proposed capped payment per active workforce. Direct payments only to small farmers, income should come mostly from prices</p> <p><b>Cross compliance:</b> Current CC rules are too rigid causing administrative burden without really responding to problems such as water quality, biodiversity etc. Should have no link to products trading</p> <p><b>Decoupling/Coupling:</b> Against decoupling. Is not a synonym of better agricultural practices. Small and medium exploitations do not really benefit from the given support. Proposes re-coupling. Commission to present an evaluation of the effects of decoupling per MS.</p> <p><b>Upper and Lower payments limitations:</b> In favour of capping at a significant level as it will help decrease the payment inequalities among farmers. MS to set the ceilings. Against lower payment limitations.</p> <p><b>Cereal Intervention:</b> Maintain or establish a production control mechanism or market regulation. Develop protein-crops, keep minimum stocks.</p> <p><b>Set-aside:</b> In favour of abolition. It is necessary to make a long-term set-aside in high value areas for biodiversity.</p> <p><b>Milk Quota:</b> Prolong quotas beyond 2015 and maintain a balance between offer and demand, achieve a better distribution. Soft landing mostly aims at sinking milk prices aux reduce quota value for 2015.</p> <p><b>CMO's:</b> Against decoupling; sees danger of production abandonment between regions and outside Europe.</p> <p><b>Risk management:</b> Against risk management for climate and diseases under "voluntary insurance schemes" as it will favour big agricultural companies.</p> <p><b>Climate change/Bio-energy/Water management:</b> Must find new forms of energy, but biofuels is not the answer.</p> <p><b>Modulation:</b> Distinction between Pillar I and II rather artificial. Pillar II funds not to intensify production/investments, but favour agricultural employment, environment, rural development and local processing and trading of farm products. Mode support for good farm practices, less specialisation, less favoured areas, young farmers and sustainable production schemes</p> <p><b>Others:</b> nc</p>
<p style="text-align: center;"><b>Deutscher Raiffeisenverband</b></p>	<p><b>General comments:</b> HC should not be a new reform.</p> <p><b>SPS:</b> nc</p> <p><b>Cross compliance:</b> nc</p> <p><b>Decoupling/Coupling:</b> nc</p> <p><b>Upper and Lower payments limitations:</b> Against capping, would hit East-German cooperatives, which are "multi-family farms" (average: 41 members and 29 workers employed); behind them, great number of landowners, some very small. Would lead them to land abandonment, specially for cattle, important for association if plant and animal farming, desirable ecologically.</p> <p><b>Cereal intervention:</b> Supports suppression, but market measures must remain available as safety net in the case of crisis.</p> <p><b>Set-aside:</b> Supports abolition. Demand requires total use of arable land in EU.</p> <p><b>Milk Quotas:</b> Supports abolition in 2015 and decreasing super-levy; Have to concentrate on transition and accompanying measures. Prospect of special support for weaker regions has to be</p>

	<p>concretised.  <b>CMO's:</b> nc  <b>Risk management:</b> nc  <b>Climate change/Bio-energy/Water management:</b> Against premium for bio-fuel; let offer/supply play to decide for the use of production.  <b>Modulation:</b> Against increase in modulation and reduction of direct payments for rural development. Contrary to security of planification till 2013. Besides, only thinkable if aimed at increasing competitiveness.  <b>Others:</b> nc</p>
<p><b>European Initiative for Sustainable Development in Agriculture (EISA)</b></p>	<p><b>General:</b> nc  <b>SPS:</b> Supports reduction of bureaucracy.  <b>Cross compliance:</b> GAEC should be restricted to issues tackling land management eg: soil, use of fertilisers, animal welfare etc.  <b>Decoupling/Coupling:</b> Supports maintenance of supports for specific types of farming important for the environment and the rural development. Integrated Farming is the system which meets these requirements.  <b>Upper and Lower payments limitations:</b> Against capping. Discriminates larger/efficient farms, complicates SPS and might cause unnecessary bureaucracy.  <b>Cereal Intervention:</b> Supports abolition within an adequate timeframe depending on the sector concerned.  <b>Set-aside:</b> Supports abolition. However measures should be applied within Pillar II to compensate for agri-environmental benefits.  <b>Milk Quota:</b> nc  <b>CMO's:</b> nc  <b>Risk management:</b> nc  <b>Climate change/Bio-energy/Water management:</b> EU agriculture can only offer a limited contribution to solve problems in this area. Integrated Farming offers part of the solution to climate change.  <b>Modulation:</b> More funds need to be deployed to Pillar II but caution is needed when shifting funds within CAP budget.  <b>Others:</b> nc</p>
<p><b>Farmers' Union of Wales (FUW)</b></p>	<p><b>General comments:</b> Since 2003, significant falls in livestock numbers, particularly uplands, under-grazing a major concern, due to few market-returns.  <b>SPS:</b> nc  <b>Cross-compliance:</b> Rate of penalisation disproportionate, fine imposed under an outdated bureaucratic system assuming that almost all errors result of attempted fraud. Asks for presumption of innocence, welcomes the intention to simplify and examine the scope of CC. EU farmers should not be expected to compete with third countries that are not subject to such regulations.  <b>Decoupling/Coupling:</b> Supported an historical based SPS, flat payment might have resulted in a complete redistribution away from smaller, more fertile farms to larger upland farms, rendering many family farms unviable. Support moves to examine further ways to full decoupling. However there should remain a degree of flexibility, taking into account the importance of maintaining livestock numbers for environmental and other reasons, particularly in the uplands. Welsh SPS is paid on eligible forage area but no account of the quality of such forage areas; historical model goes towards correcting this anomaly, flat rate could take no account of diverse range of environments and soil types. Suggests that MS and their regions remain free to distribute payments in the most apt manner for their rural communities. International pressures focus mainly on aid per se, and intervention, not on the minutiae of how individual payments are calculated.  <b>Upper and Lower payments limitations:</b> Around 1,5% recipients</p>

	<p>are over the 100 000€ limit; high subsidy payments often blamed for high land prices, the possible impact on relatives, employees and the wider community to be taken into account. Likelihood that businesses would simply be broken up to avoid a cap. Suggests tapering payments in proportion of the number of hectares owned, of families or individuals supported by farms. Supports increase of minimum area to minimise clearly disproportionate administrative costs.</p> <p><b>Cereal intervention:</b> nc</p> <p><b>Set-aside:</b> Supports abolition, its continuation would constrain to meet growing market's needs and benefit from world market prices. Reacts to stepping up of CC: it could negate any positive effect of the removal. To counter perceived adverse impacts on the environment, suggest compensatory payments to those who wish to take/keep land out of production.</p> <p><b>Milk Quotas:</b> Supports maintenance, but in a rather more flexible framework.</p> <p><b>CMO's:</b> Any review of market intervention should consider the possible adverse impacts on rural incomes and not take place until adequate control in place to ensure that products from 3<sup>rd</sup> countries follow the standards required in the EU. For Wales, particularly relevant as to import quotas and tariffs for lamb and beef.</p> <p><b>Risk management:</b> nc</p> <p><b>Climate change/Bio-energy/Water management:</b> nc</p> <p><b>Modulation:</b> Operates a voluntary model, unless commitment to continue co-financing modulated receipts to make up the expected shortfall of at least 20%, the most efficient method of injecting monies into rural communities, Pillar I payments will be compromised. Increase of compulsory modulation could jeopardise the current level of funding available under Pillar II. Wales (80% LFA) receives a disproportionate EAFRD allocation, has had to make up the deficit by voluntary modulation on top of the compulsory, thus farmers disadvantaged to their European counterparts. Increased compulsory modulation will further disadvantage Welsh farmers.</p> <p><b>Others:</b> The impact of climate change and growing population on food supplies highlight the importance of continuing to support farming communities and the need for a CAP that can be quickly adapted to changing needs. CAP support hence should continue at least the current levels. Far too little attention is paid to the sustainability of agricultural incomes in all regions and sectors. Parallel measures such as legislation to ensure fair returns from the market place are needed to mitigate the possible impact of any change. Highlight particularly the misconception that market prices today are in such a good shape whereas rising grain prices affect adversely incomes in large areas with no other choice, due to environmental factors, but to rely on incomes primarily from the livestock and dairy sectors.</p>
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<p style="text-align: center;"><b>Fédération Nationale d'Agriculture Biologique de France (FNAB)</b></p>	<p><b>General comments:</b> Does not follow questionnaire. More a general statement than actual answers. CAP remains too much low cost agriculture, increasing concentration and specialisation. Agriculture based on massive imports and exports is neither ethic nor ecologic nor sustainable.</p> <p><b>SPS:</b> SPS must on term reach the same amount for all the ha of a same agro-climatic region, over 3/4 years. Introduce progressive amounts following environmental performance of farms, with a basic amount for CC and supplementary support to sustainable systems and organic. See Switzerland. Take better account of environment.</p> <p><b>Cross-compliance:</b> 2003 reform had the merit to introduce environment at the core of CAP through conditionality, remains shy and limited. Future reform must mobilise all the citizens around the definition of a new European agricultural project. CAP can no longer admit a double-face agriculture, highly polluting and labour extensive, exporting, opposed to a minority high quality social farming. First aim: re-conquer environmental quality; organic must have a central function in CAP.</p> <p><b>Decoupling/Coupling:</b> Historic model unfair: a "conventional" farm in 2000 receives 25% more than an organic. Grazing disfavoured and crofts over-financed. A.69 should be more flexible, higher percentage (15 or 20%), broader scope towards decoupled support, more eligible sectors.</p> <p><b>Upper and Lower payments limitations:</b> Limit excessive relation between size of farm and support; care for regressivity of Pillar I supports and payments in line with number of active under Pillar II. The minimum supports should be studied closer.</p> <p><b>Cereal intervention:</b> nc</p> <p><b>Set-aside:</b> Supports abolition; to be compensated by stricter CC conditions, wish a compulsory Ecologic Compensation Surface to be introduced, with a significant percentage (higher than 3% but less than previous set aside, 5 to 7% of total surface).</p> <p><b>Milk Quotas:</b> Supports maintenance, together with support to producers' unions, form can evolve.</p> <p><b>CMO's:</b> nc</p> <p><b>Risk management:</b> nc</p> <p><b>Climate change/Bio-energy/Water management:</b> Various allusions</p> <p><b>Modulation:</b> Pillar I in France 10 times bigger than II, completely archaic unless strong eco-conditionality on Pillar I. Funds available from transfers between I and II should go to shorter circuits, bringing consumers and farmers closer and restoring to agriculture its social and economic legitimacy.</p> <p><b>Others:</b> Not acceptable that EU supports bio-fuels, with a disastrous ecologic balance. To achieve objective of 6% organic surface in 2012, France must use possibility to supplement conversion subsidies and guarantee incomes after conversion.</p>
<p style="text-align: center;"><b>Federation of Swedish Farmers (LRF)</b></p>	<p><b>General comments:</b> nc</p> <p><b>SPS:</b> Supports simplification but do not see need to allow MS to adjust their SPS models at national or regional level. Support a broader reform after 2013.</p> <p><b>Cross-compliance:</b></p> <p><b>Decoupling/Coupling:</b> Specific analysis is required. As beef premium, potato starch and dried fodder of great importance for SE would be good to maintain the possibility for coupled support. Full decoupling shoul coincide with the further development of RDP.</p> <p><b>Upper and Lower payments limitations:</b> Capping would not be effective, nevertheless if it going to be applied this should be done</p>

	<p>in a progressive way. Could accept a lower threshold</p> <p><b>Cereal intervention:</b> Supports maintenance for bread-wheat and barley used for fodder.</p> <p><b>Set-aside:</b> Supports abolition. RD measures could maintain the environmental benefits.</p> <p><b>Milk Quotas:</b> Supports abolition as will allow producers to benefits from current market trends. Lower super-levy, borrowing quota among MS possible accompanying measures.</p> <p><b>CMO's:</b> see Decoupling/Coupling</p> <p><b>Risk management:</b> SPS is a kind of management risk system by providing income support, nevertheless additional measures related to climatic effects on harvest are needed. Against an EU-wide scheme. If it is going to be nationally financed should avoid distortion in competition.</p> <p><b>Climate change/Bio-energy/Water management:</b> Current instruments not sufficient. Need to evolve more on these policy areas.</p> <p><b>Modulation:</b> Would be better to achieve RD objectives through other policy areas and not via modulation. It should be up to the MS where to allocate the extra funds.</p> <p><b>Others:</b> nc</p>
<p style="text-align: center;"><b>National Farmers' Union of England and Wales (NFU)</b></p>	<p><b>General comments:</b> nc</p> <p><b>SPS:</b> Suggests removal of "use-it-or-lose-it", amounts not claimed should be recycled in general fund, simplification; removal of permanent pasture in cross-compliance (monitoring "an unjustifiable administrative burden"). Abolition set-aside would be a step forward in terms of simplification. Exchange rate: use the average of the month instead of last day (risks of volatility). Supports the opportunity to adjust nationally. A flatter rate significantly easier once a static system in place. Was imposed in England without reliable figures on land usage, hence unacceptable degree of redistribution. Difference = a zero sum game, great losers beef finishers and dairy sector, gainers potato and vegetable. Different systems lead to distortions of competition. Flat rate ultimately more logical, wish all regions in a similar model as soon as possible</p> <p><b>Cross compliance:</b> Against addition of criteria. Ensure consistent application of existing rules and inspections. Action is needed at EU scale rather than nationally or regionally. As a delivery mechanism, has very limited capacity to foster imaginative and locally relevant effectiveness. Supports, principle of one-in, one-out. OK for local variations in GAEC but MS should not use that to introduce through the back door Environmental Impact Assessment Directive. Commission should ensure annex IV is not used that way. For negative consequences of set aside abolition, use axis 2. A uniform 5% set aside would be untargeted, disproportionate and enormously bureaucratic.</p> <p><b>Decoupling/Coupling:</b> Supports full decoupling in all sectors immediately, market would be healthier; flanking measures would maintain uneconomic production et the expense of other, better suited areas. If partial decoupling remains should be only for environmental or social cases; all coupling must definitely end in 2012. A.69 should be limited to transitional measures to achieve end of partial decoupling. No sector to keep targeted, partially coupled support.</p> <p><b>Upper and Lower payments limitations:</b> SPS not an income or social payment, thus capping not a problem and not a solution: entitlements are transferable by sale or lease, would be simple (but not cost free) to avoid its effects. A progressive system is the worse policy. MS should have possibility to adopt a minimum: area or amount, on a regional basis if necessary. The sums saved to be</p>

	<p>recycled amongst the remaining claimants. Great majority under 5 ha do not rely on the SPS for a significant part of their income; many are not be farmers at all.</p> <p><b>Cereal intervention:</b> Should be available as a safety net for a range of cereals; against maize model, should be limited to wheat as it is "inadequate and potentially discriminatory".</p> <p><b>Set-aside:</b> see above comments under other headings</p> <p><b>Milk Quotas:</b> neither postponed nor accelerated. Smooth transition important. A gradual increase preferred. Reduction of super-levy might also play a complementary role (especially towards end of the period). No to quota transfers between MS; not convinced accompanying measures needed; if A.69 to be revived should be very tightly controlled to avoid any re-coupling of support.</p> <p><b>CMO's:</b> Supports decoupling, leads to a more market oriented and rational pattern of production. Energy crop aid particularly incoherent; with binding targets for renewable energy, the rationale for aid falls. No coupled support essential for regional or economic benefits.</p> <p><b>Risk management:</b> Abolition of supply control will help managing the risk of high prices, safety net intervention or aids to private storage can reduce the downside risk. Decoupled payments can also be used: gives the option to produce or not. Full decoupled SFP can be used to mitigate climate change risks. Not a priority to develop new instrument up to 2013; may be after, but carefully considered, would prefer a common framework (instruments today different between MS)</p> <p><b>Climate change/Bio-energy/Water management:</b> Potential demands great, resources always limited, targeted approach essential, Pillar II much better opportunity for more stable long-term framework. RDR sufficient scope to address these challenges (but in England, biodiversity "the lion's share")</p> <p><b>Modulation:</b> Increase in compulsory modulation should be linked to reduction in voluntary, no increase in funds. There is a case for new rural development measures addressing climate-change, bio-energy, water management, but funding in England "simply inadequate". Need a more objective and equitable base for Pillar II. Do not think extra funds available in the UK until 2013.</p> <p><b>Others:</b> nc</p>
<p style="text-align: center;"><b>National Farmers' Union of Scotland (NFUS)</b></p>	<p><b>General comments:</b> Level of penalties imposed for small administrative mistakes hugely disproportionate. Existing rate of entitlements should be rationalised and simplified, greater flexibility and standardisation of rules.</p> <p><b>SPS:</b> MS should be allowed to adjust their model but flat rate system would not be a viable basis; in Scotland no reason to change in the short-term. Flatter rates will cause problems of redistribution; if change to an area basis, there must be a clear link between the value of the payment and what it delivers.</p> <p><b>Cross-compliance:</b> "huge spectre that hangs over every SPS claimant and bedevils even the simplest agricultural operation or land transaction". Wide differences between MS: measures, number, method of compliance monitoring, leads to distortions and increasing complexity. Including WFD = a wide range of compulsory requirements, with site specific solutions rather than European or national verifiable standards. Adds costs and burdens to farmers, with livestock sector already experiencing severe financial difficulties. Strive for simplification, and minimum common standards.</p> <p><b>Decoupling/Coupling:</b> Full decoupling is already applied in Scotland. Gives more freedom to farms but in most disadvantaged hill and upland areas there is a high risk of many farmers going out</p>

	<p>of production. SFP should be linked to a minimum level of agricultural activity. Only direct support will keep them in business, but Beef Calf Scheme too skewed to small herds; A.69 or RD would mitigate; but would ideally supports a payment with a link to a minimum grazing requirement, targeted on sheep and beef producers in most disadvantaged hills and uplands.</p> <p><b>Upper and Lower payments limitations:</b> Against capping. Paying all farmers the same would not reflect the public benefits they deliver and would lead to artificial splitting. Payments linked to labour units, economic activity and the cost of public goods is a much preferable approach. No thresholds, even progressive, unless justified by factors such as economies of scale. Minimum level should exclude not "real" farmers rather than "small" farmers, a minimum area of 3ha, as required for LFA support, "would go some way to achieve this aim".</p> <p><b>Cereal intervention:</b> Supports maintenance; should be kept as a safety net; extension of maize model highly discriminatory if feed grains excluded from the intervention system.</p> <p><b>Set-aside:</b> Supports abolition. Set-aside entitlements should be converted to ordinary entitlements, retaining their existing value. Targeted agri-environmental measures under Pillar II will be much more effective.</p> <p><b>Milk Quotas:</b> Supports abolition. Should ensure soft landing in more volatile areas. Gradual increasing would be the most acceptable route to phasing out. Totally opposed to cross-border trading of quota.</p> <p><b>CMO's:</b> Must retain incentive payments for protein crops, particularly given the increase in GM protein crops in North and South America. SFP should be linked to a minimum level of agricultural activity.</p> <p><b>Risk management:</b> If prices collapse (as was recently for sheep and pig) intervention and private storage aids would not be sufficiently flexible or effective, there should be scope to take product off the market permanently at a price preventing a long-term oversupply. Current instruments not always easy to implement. An EU framework for price and production related risks should be made at MS or regional level so that localised problems can be addressed.</p> <p><b>Climate change/Bio-energy/Water management:</b> Existing RD instruments enough, no change required.</p> <p><b>Modulation:</b> If compulsory modulation is to be increased then a reduction of voluntary is needed. Does not believe there is any case to create extra funds; any further reduction of Pillar I support will severely undermine the viability of farm businesses.</p> <p><b>Others: nc</b></p>
<p style="text-align: center;"><b>Northern Ireland Agricultural Producers Organization (NIAPA)</b></p>	<p><b>General: nc</b></p> <p><b>SPS:</b> Would like more discussion regarding the potential impact of flatter rates.</p> <p><b>Cross compliance:</b> Against addition of further criteria. Number of inspection on farms should be reduced.</p> <p><b>Decoupling/Coupling:</b> Support should maintain in some regions in order to keep land in good agricultural and environmental conditions.</p> <p><b>Upper and Lower payments limitations:</b> Against the disproportionate support to few farmers but needs to examine the impacts of capping. Redistribution of support should stay within the region.</p> <p><b>Cereal Intervention: nc</b></p> <p><b>Set-aside:</b> Supports abolition.</p> <p><b>Milk Quota:</b> Need to ensure that after abolition we do not return to high supply and depressed prices.</p>

	<p><b>CMO's:</b> nc</p> <p><b>Risk management:</b> nc</p> <p><b>Climate change/Bio-energy/Water management:</b></p> <p><b>Modulation:</b> Against modulation in general. RD should have additional alternative support.</p> <p><b>Others:</b> nc</p>
<p><b>Ulster Farmers' Union (UFU)</b></p>	<p><b>General comments:</b> nc</p> <p><b>SPS:</b> Wants to keep their SPS model, based on historic and areas; agree that MS might adjust towards a flatter rate, national or regional, but would oppose for Northern Ireland: changing would entail enormous redistribution of funds, even to non-producing land owners while farmers are now in the process of adapting to the much more direct impact of market forces. Leave the system unchanged until 2013, overriding objective of HC "must be to maintain stability"</p> <p><b>Cross-compliance:</b> Against addition of criteria. Complexity and cost must be reduced, has constantly changed over the last three years, with new requirements added. Perceived primarily as a means of penalising farmers. Therefore should clarify the real purpose of CC, give more flexibility, educate farmers about these standards and give opportunity to rectify minor breaches. GAEC must become less complex. Interpretation of standards across regions and MS must be consistent.</p> <p><b>Decoupling/Coupling:</b> Should give flexibility to regions and MS to continue, change or remove partially coupled support. If no sufficient return from the market, agrees to alternative measures, possible extension of A.69 in particular. Supports alternative flanking measures. Open option to maintain partially decoupled support.</p> <p><b>Upper and lower payment limitations:</b> Against capping; larger farms have larger activities and greater labour units. Would encourage splitting. For small amounts the issue is not the size but rather active versus inactive farmers. Supports an increase in the level of minimum payment, flexibility should be made possible at regional level.</p> <p><b>Cereal intervention:</b> Supports maintenance, provides better market stability. Against maize model. Safety net should create minimum prices for the other products.</p> <p><b>Set-aside:</b> Supports abolition of compulsory set-aside, will greatly simplify SPS system. Environment benefits are more than offset by specifically targeted agri-environmental scheme under axis 2 of RDR.</p> <p><b>Milk Quotas:</b> The scope for volatility must be minimised until 2015, the transition must be properly managed, on an annual basis in accordance with the prevailing market conditions. Increase quota level or reduce super-levy rate. Possible use of A.69 as a transitional measure.</p> <p><b>CMO's:</b> Coupled support should only be kept for environmental or social reasons.</p> <p><b>Risk management:</b> Clear distinction to be made between price, disease and weather risks; for price, EU must provide a framework of support to ensure adequate protection. The others deserve further consideration on a longer term development. There should be a framework at EU level but flexibility to implement such measures at regional or MS level.</p> <p><b>Climate change/Bio-energy/Water management:</b> Existing instruments sufficient to address new challenges.</p> <p><b>Modulation:</b> Completely opposed to any form of modulation. Highlight that UK's share of Pillar II is completely inadequate, review must be done on a more objective basis. They already have additional voluntary modulation (9% in 2011) A further EU 5%</p>

	<p>compulsory modulation is also taken. Will not accept any further increase: if compulsory increased, then voluntary to be diminished. Avoid distortive situations from worsening: imperative that the €5000 limit is made optional for any new EU compulsory modulation agreed and that 100% of the additional funds is retained within the region or MS.</p> <p><b>Others:</b> nc</p>
<p style="text-align: center;"><b>Unión de Pequeños Agricultores y Ganaderos (UPA)</b></p>	<p><b>General comments:</b> nc</p> <p><b>SPS:</b> Level coupling/decoupling must not be the same following sectors and countries; maintain great degree of subsidiarity to allow MS decide on rate of decoupling; if they decide a higher rate, should be allowed, and method to reach it free. Simplify by aggregating set-aside rights to others. Also subsidiarity for flat-rate fixed payment by ha can only reflect total knowledge of Spanish land reality, impossible to agree to this proposal with yields from 1,2 ton/ha to more than 14. Unifying would lead to great conflicts in Spain.</p> <p><b>Cross-compliance:</b> Can help justify existence of a strong CAP with an adequate budget, but must not concentrate on agri-environmental measures to justify support. Commission must remind to citizens the strategic importance of agriculture as source of safe food and at reasonable price. Underlines European way of producing and enormous differences with third countries. Work on control norms so that they are clear and short, not allowing for double interpretation.</p> <p><b>Decoupling/Coupling:</b> MS should have the right to review the preferences for decoupling following efficiency. Commission should emphasize defence of food and livestock work reducing high quality and safety, with methods totally respectful of environment.</p> <p><b>Upper and Lower payments limitations:</b> Considers that establishing higher limits and progressive cuts must allow maintain obligatory modulation at 5%. If the choice is a non discriminated cut and capping farms receiving more, UPA claims for a mechanism taking into account jobs on farm and avoiding division of businesses. Considers decreasing in support should be reached through a progressive modulation, after a general picture of the situation to avoid splitting, and considering the participation of each physical partner through societies.</p> <p><b>Cereal intervention:</b> Supports maintenance. Today situation does not justify elimination, but strengthening it to have a safety net. Cereals markets likely to be more volatile. Maintain mechanisms and combat price increases; operators should have stocks and strategic reserves, like for oil.</p> <p><b>Set-aside:</b> Welcomes 0%. Good not to eliminate it definitely. Also a tool to manage markets, as such to be kept. In Spain, environmental impact; if a minimum level of land, agri-environmental measures should be introduced for it.</p> <p><b>Milk Quotas:</b> Supports maintenance after 2015. When abolished, producers will need financial support. Gradual increase indispensable in Spain. Commission follows the wrong way: increase of quotas should be proportionate to the deficit of each country. Unthinkable that countries in excess receive the same percentage. Against linear increase.</p> <p><b>CMO's:</b> Total decoupling should not be the current priority. Leave MS estimate themselves the risks of increasing percentage of decoupling.</p> <p><b>Risk management:</b> CAP needs to redefine tools to secure sound prices. Not a matter of rural development, but of alimentary and energy strategy. Needs to support a common policy talking into account the strategic importance of production and assuring it can</p>

	<p>answer society's expectations for a safe supply of goods produced on a sustainable way.</p> <p><b>Climate change/Bio-energy/Water management:</b> Proposal general and vague. Such measures need enough budgetary donation and under Pillar I, as a fundamental element of food and energy strategy.</p> <p><b>Modulation:</b> Against compulsory modulation, which will endanger small and medium scale farms, only aim is save money, not regarding important elements like employment, social function and territory</p> <p><b>Others:</b> nc</p>
<p style="text-align: center;"><b>The Danish Agricultural Council</b></p>	<p><b>General comments:</b> Supports simplification but not comprehensive reforms. National/regional deviations to be limited, common financing maintained.</p> <p><b>SPS:</b> Against an adjustment of the Danish hybrid model, (adopted only in 2005) for the current budgetary period until 2013.</p> <p><b>Cross compliance:</b> Supports deletion of unclear and less relevant rules). Stresses the need to implement thresholds for sanctions of minor infringements and simplification of the rules on controls.</p> <p><b>Decoupling/Coupling:</b> Supports maintenance of partially decoupled support until 2013 for male animals and sheep. After 2013 decoupling should be compulsory for all MS, and for all premiums in a given sector. Unacceptable if this leaves open the possibility to maintain partially couple support in certain regions.</p> <p><b>Upper and Lower payments limitations:</b> Against capping as effects on EU budget would be minimal. Opposed to different treatment between farmers other than the actual franchise of 5 000 €. A minimum level of annual payments acceptable if fixed at EU level.</p> <p><b>Cereal intervention:</b> Supports maintenance of the safety net. Further analyses must be carried out. Against extension of maize intervention; if an adjustment is still necessary, would prefer a limited reduction of the intervention price</p> <p><b>Set-aside:</b> Support its permanent abolition, from harvest 2009. Its environmental benefits can be preserved by strengthening the RD measures.</p> <p><b>Milk Quotas:</b> Supports abolition by 2015. Their gradual increase is the best way to ensure a soft landing. Against coupled aid in certain regions, including mountainous.</p> <p><b>CMO's:</b> Mainly interested in dried fodder and potato starch. Recommend abolition of supply control in both sectors, can accept a further decoupling for potato starch. Further decoupling to be made over a number of years, leave time to adapt.</p> <p><b>Risk management:</b> Against replacement of current stabilising measures by CAP support as effects would be limited. For diseases insurance should not weaken the combat programs nor their financing through Veterinary Fund and CMO's.</p> <p><b>Climate change/Bio-energy/Water management:</b> Supports their development through the strengthening of RD measures. Positive in abolishing the present scheme for energy crops (net effect limited).</p> <p><b>Modulation:</b> Supports increase (but size to be considered more carefully) of the RD funds through increased compulsory modulation, assuming that in DK the increased funds will be distributed between axis as agreed (30-60-10 %).</p> <p><b>Others:</b> no statement about financial discipline, could result in a considerable reduction of support before 2014</p>

## 2. Processors of agricultural products/ Industry

<p style="text-align: center;"><b>Association of the Chocolate, Biscuit and Confectionery Industries of the EU  (CAOBISCO)</b></p>	<p><b>General comments:</b> nc  <b>SPS:</b> nc  <b>Cross-compliance:</b> nc  <b>Decoupling/Coupling:</b> nc  <b>Upper and Lower payments limitations:</b> nc  <b>Cereal intervention:</b> nc  <b>Set-aside:</b> nc  <b>Milk Quotas:</b> <i>Raison d'être</i> has become redundant. Welcomes recognition of the vital need for quota increase urgently and review of the system itself. Fear that quotas will not be fully used, given the heavy penalties; enabling replenishment of stocks of butter and SMP to healthy levels would help mitigate seasonable imbalances and price volatility. Encourage relax the super levy or reduce its amount; penalties should be suspended or reduced, particularly when overall EU production below quota amount. Maintenance of production throughout EU remains essential.  Gradual increase together with relaxation of super levy enables appropriate adjustment of dairy farm economics and management of the quota value issue. Imports sometimes necessary to ensure security of supply and competitiveness. Important to monitor and favour a future trading system for SMP, butter and milk (cf grains futures in Matif, Paris)  <b>CMO's:</b> nc  <b>Risk management:</b> nc  <b>Climate change/Bio-energy/Water management:</b> nc  <b>Modulation:</b> nc  <b>Others:</b> nc</p>
<p style="text-align: center;"><b>Confederation of the Food and Drink Industries of the EU(CIAA)</b></p>	<p><b>General:</b> Primary role of agriculture should remain production of raw materials for food and feed. DG AGRI should create observatory to follow market developments. Pleads for coherence between European policy objectives (e.g. agriculture, environment, GMO's, food safety)  <b>SPS:</b> In favour of streamline of existing SPS models. A.69 should be made more flexible and be used in ensuring local supplies.  <b>Cross compliance:</b> Should be adapted for the new challenges. Issues of control burden should be assessed.  <b>Decoupling/Coupling:</b> In favour of decoupling but exceptions should be made in durum wheat, beef and potato starch.  <b>Upper and Lower payments limitations:</b> nc  <b>Cereal Intervention:</b> Supports elimination of the energy crop premium suggesting a) public support for private storage, b) creation of strategic stocks,  <b>Set-aside:</b> Supports abolition.  <b>Milk Quota:</b> nc  <b>CMO's:</b> Supports elimination of the energy crop premium. Proposes 1) public support for private storage 2) creation of EU strategic tools 3) public supports for vertical integration along the food chain through inter branch organizations.  <b>Risk management:</b> Supports EU but stay cautious to an EU-wide tool. Encourages the development of insurance systems or future markets.  <b>Climate change/Bio-energy/Water management:</b> Research and innovation should also be included in the new challenges.  <b>Modulation:</b> Agrees with compulsory modulation, should replace national one.</p>

	<b>Others:</b> nc
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<p style="text-align: center;"><b>COCERAL</b></p>	<p><b>General comments:</b> nc  <b>SPS:</b> nc  <b>Cross-compliance:</b> nc  <b>Decoupling/Coupling:</b> Supports full decoupling as will contribute to simplification and a more timely reaction to market signals. The demand, and not specific aid, should secure the necessary supply of goods. Special support should be avoided when a same crop used for different purposes therefore against the energy crop premium.  <b>Upper and Lower payments limitations:</b> Against capping would hit very effective, productive and sustainable farmers. Holding sizes would be reduced, with administrative costs.  <b>Cereal intervention:</b> Against maintenance. Should deeply review the existing cereals support schemes. Should include minimum safeguard measures, at least for wheat, and a sufficient transitional adaptation period.  <b>Set-aside:</b> Fully supports abolition. Additional production would allow to increase production of bio-ethanol while serving food and feed markets. Environmental measures have to be covered by CC.  <b>Milk Quotas:</b> nc  <b>CMO's:</b>  <b>Risk management:</b> Agrees with suggestion of the Commission; favours revenue insurance programs instead of programs for specific corps, which distort planting decisions. Questions suggestion to fund such measures with budgetary savings via modulation. New ways to manage risks have to be elaborated; contract farming could become an important tool to deal with increased volatility of production and prices.  <b>Climate change/Bio-energy/Water management:</b> nc  <b>Modulation:</b> nc  <b>Others:</b> nc</p>
<p style="text-align: center;"><b>Committee of the European Starch Potato Producers' Unions (CESPU)</b></p>	<p><b>General comments:</b> Supports simplification of SPS, alleviation of bureaucracy and controls, adjustment to new markets, desire to respond to new challenges. Nevertheless the specific production scheme of the sector (starch potato) and possible impact on the production regions will have to be considered in all proposals.  <b>SPS:</b> nc  <b>Cross-compliance:</b> nc  <b>Decoupling/Coupling:</b> Against further decoupling. An instantaneous decoupling would mean a thorough and profound changing of this converting sector. Concentrated in regions where soil and climate conditions inhibit agricultural alternatives with similar added value. The agricultural production in such regions retains its sustainability via the starch potato. Calls for the reliability of the political framework. However, CESPU is assessing an adaptation of the coupled payment scheme to make it more WTO compatible and lead to a considerable simplification.  <b>Upper and Lower payments limitations:</b> nc  <b>Cereal intervention:</b> nc  <b>Set-aside:</b> nc  <b>Milk Quotas:</b>  <b>CMO's:</b>  <b>Risk management:</b> nc  <b>Climate change/Bio-energy/Water management:</b> nc  <b>Modulation:</b> nc  <b>Others:</b> nc</p>

<p style="text-align: center;"><b>Dairy UK</b></p>	<p><b>General:</b> A transition period is required to allow distortions in the milk production between the MS and between EU and the world market to unwind.</p> <p><b>SPS:</b> Supports the move towards a more flat rate of payments, nevertheless this shift should remain entirely optional for the MS.</p> <p><b>Cross compliance:</b> Against the addition of new obligations unless this is matched by a re-evaluation of the value of the single farm payment.</p> <p><b>Decoupling/Coupling:</b> Supports the abolition of all remaining coupled payments.</p> <p><b>Upper and Lower payments limitations:</b> Strongly against the imposition of upper limits on the payments. As UK dairy farms are generally larger this would create competitive distortions. The public should be informed that the payments are made for the farm and not for the farmer and therefore large farms deserve larger payments. Rather positive on lower limits as significant savings could be achieved.</p> <p><b>Cereal Intervention:</b> nc</p> <p><b>Set-aside:</b> Supports abolition. EU could increase production to meet the demand for biofuels and reduce the price pressure on the feed market. RD provides measures to maintain the environmental benefits.</p> <p><b>Milk Quotas:</b> Supports abolition. Agrees with Commission’s proposal on the soft landing; could be achieved by using both the quotas and the demand management tools (refunds, intervention purchasing). The lifting of quotas should be done by uniform flat rate quota increases across the EU. Opposes cuts in the rate of the superlevy as the sole mechanism used to lift quotas= this would penalize expanding producers. Against transferability of quota, liberalization of the butterfat mechanism and balancing quotas at the EU level to determine countries superlevy liability.</p> <p><b>CMO's:</b> nc</p> <p><b>Risk management:</b> Supports retention of a safety net intervention system to deal with price and weather related risks. The current value of intervention should be retained unchanged. Any measures to manage these risks should be managed at EU level, if not this would lead to re-nationalization.</p> <p><b>Climate change/Bio-energy/Water management:</b> More research is needed at EU level on these issues. Dairy sector will be negatively affected from support to bio-fuels and the impact this will have on feed prices.</p> <p><b>Modulation:</b> Against increase in compulsory modulation. However if it is to be extended this should mean reductions in voluntary modulation rates.</p> <p><b>Others:</b> nc</p>
<p style="text-align: center;"><b>Euroflour</b></p>	<p><b>General:</b> nc</p> <p><b>SPS:</b> nc</p> <p><b>Cross compliance:</b> nc</p> <p><b>Decoupling/Coupling:</b> nc</p> <p><b>Upper and Lower payments limitations:</b> nc</p> <p><b>Cereal Intervention:</b> Supports abolition. If intervention is to be phased-out, it should occur to all cereals and not only to milling wheat. Existing risk management tools such as crop and wage insurance or futures' market may provide farmers a part of the safety that the intervention mechanism provided.</p> <p><b>Set-aside:</b> nc</p> <p><b>Milk Quota:</b> nc</p> <p><b>CMO's:</b> nc</p> <p><b>Risk management:</b></p> <p><b>Climate change/Bio-energy/Water management:</b> nc</p> <p><b>Modulation:</b> nc</p> <p><b>Others:</b> nc</p>

<p style="text-align: center;"><b>European Biodiesel Board (EBB)</b></p>	<p><b>General:</b> Biodiesel represents today the most appropriate answer that the EU industry and agricultural sector can provide in view of reducing GHG emissions from the transport sector.</p> <p><b>SPS:</b> nc</p> <p><b>Cross compliance:</b> Against addition of further criteria. Should ensure a harmonised approach of GAEC between the MS.</p> <p><b>Decoupling/Coupling:</b> nc</p> <p><b>Upper and Lower payments limitations:</b> nc</p> <p><b>Cereal Intervention:</b> nc</p> <p><b>Set-aside:</b> Against abolition. It would risk creating shortages in the availability of non-food oilseeds for the biodiesel production. Its suppression could only be partly compensated by a revision of the energy crop scheme. CC rules is the most appropriate tool to guarantee environmental benefits in the case of its abolition.</p> <p><b>Milk Quota:</b> nc</p> <p><b>CMO's:</b> nc</p> <p><b>Risk management:</b> nc</p> <p><b>Climate change/Bio-energy/Water management:</b> EU agriculture can contribute positively to the fight against climate change through the development of biofuels. The energy crop premium should be increased to 75 E/ha. Current technologies for biofuels should continue to be supported. EU support should not be diverted to second generation technologies.</p> <p><b>Modulation:</b> Supports transfer of funds from Pillar I to Pillar II. Increased modulation should be targeted at the further development of bioenergy. In rural areas biofuels production will contribute to fight declining farm employment.</p> <p><b>Others:</b> nc</p>
<p style="text-align: center;"><b>European Feed Manufactures federation (FEFAC)</b></p>	<p><b>General comments:</b> nc</p> <p><b>SPS:</b> Supports the objective of administrative simplification; no specific recommendation to give.</p> <p><b>Cross-compliance:</b> An essential element of consumers' demand, allow EU production to restore a level playing field with 3<sup>rd</sup> countries who are not obliged to meet all these standards. Clear illustration; absence of any restriction to the import of animal products from animals fed with non EU-authorized GMO's. Exporting our livestock production of animal products would have a detrimental effect on environment and animal welfare. Request to undertake a study to evaluate how much CC compliance costs to the EU livestock chain.</p> <p><b>Decoupling/Coupling:</b> Could support decoupling; however, certain types of production still require specific coupled support, as the veal sector, which had to invest heavily to implement increasing EU standards, must amortise and adapt to the structural changes. Calf slaughter premium essential.</p> <p><b>Upper and Lower payments limitations:</b> nc</p> <p><b>Cereal intervention:</b> Supports safety net only for wheat. Should also consider the customers of cereals as regards risk management: request, as largest customer, that present system be redesigned as food and feed security stocks management system in case the demand on the EU market could not be met by the free market. Should all grains no longer be eligible to intervention, livestock sector would face the challenge of scarcity, see shortage of cereals in the absence of any security stocks for feed cereals.</p> <p><b>Set-aside:</b> Supports abolition.</p> <p><b>Milk Quotas:</b> Supposes a higher EU production and, as quota elimination may not be sufficient, access to dairy feed materials on the world market with affordable import duties. Doing nothing can anticipate a reiteration of the 2007 scenario: shortage in feed materials, rice escalation, dramatic effects on veal farmers' income. Approve soft landing, completed by a mechanism to remove or suspend import duties for feed materials of dairy origin that can be activated quickly.</p>

	<p><b>CMO's:</b> Supports Commission's statement that food and feed will remain primary violation of EU agriculture; the bio-fuel sector benefits from too numerous discriminative fiscal advantages via national supports; request therefore that CAP re-establishes a level playing field between all users of grain, by removing preferential access to cereals for bio-fuel, establishing sustainable criteria for eligibility of bio-fuel production systems to subsidies, eliminating the energy crop payment. Also stress aids for burning highly valuable protein sources to produce electricity: clearly a waste of precious resources. Fear that full decoupling would definitively affect dried fodder or protein crops, so important for the feed sector. Increase in the demand for bio-fuels creates a competition for land, not in favour of such productions.</p> <p><b>Risk management:</b> Are both in input and output price; risk is serious that the EU livestock sector is exported to third countries if no instrument to compensate for price variations, but also provide an equivalent income as other farming activities. Price volatility cannot properly be managed. Encourage the development of futures markets to cover financial risks with regard to increasing price volatility, both for grain and animal products. Considered elimination if export refunds, safety nets in the meat sector are essential to maintain and even develop. Suspend import duties on cereals = an illustration of good management, but temporary measure. HC should provide a more long term approach, would require the elimination of TRQs, typically a rigid tool (fixed volumes imported, needed or not). Very sensitive issue, to be considered in the wider perspective of international trade agreements on market access. Any future market should best be functioning EU-wide to ensure effective support to operators.</p> <p><b>Climate change/Bio-energy/Water management:</b> An efficient agriculture production is the only solution to meet the future challenges. In eligibility criteria for Pillar II, the ability to meet quantitatively the demand of consumers for agricultural food should be taken into account, in order to make the best use of the available resources, in particular land. Objectives of Pillar II should integrate new armler orientations, better productivity, more efficient use of natural resources while complying with environmental standards. Request decision makers to rehabilitate intensive, modern livestock production systems and to no longer discriminate them against so-called extensive systems under the rural development policy.</p> <p><b>Modulation:</b> No opinion about modulation. Pillar II should be reconsidered to help re-establish a balance between livestock production and arable crop production. Extra-funds should be reallocated to help livestock meet the EU standards, in particular animal welfare and environment protection: pig and poultry farmers are not by far the most important beneficiaries of the SPS.</p> <p><b>Others:</b> nc</p>
<p style="text-align: center;"><b>European Flour Milling Association (GAM)</b></p>	<p><b>General:</b> nc  <b>SPS:</b> nc  <b>Cross compliance:</b> nc  <b>Decoupling/Coupling:</b> nc  <b>Upper and Lower payments limitations:</b> nc  <b>Cereal Intervention:</b> Strongly supports abolition of intervention in bread-making wheat. Maintaining intervention for wheat undermines alternative market mechanisms such as futures' market. Agrees with Commission's suggestion on crop insurance and revenue insurance programmes instead of programmes for specific crops. Supports abolition of support to energy crops and strengthening of research for second generation biofuels.  <b>Set-aside:</b> Supports abolition.  <b>Milk Quota:</b> nc  <b>CMO's:</b> nc  <b>Risk management:</b> nc</p>

	<p><b>Climate change/Bio-energy/Water management:</b> nc  <b>Modulation:</b> Supports increase in modulation.  <b>Others:</b> nc</p>
<p><b>European Starch Industry Association (AAF)</b></p>	<p><b>General comments:</b> nc  <b>SPS:</b> Potato starch sector was given a perspective until 2013/14 with a sector specific direct payment scheme. Farmers need to anticipate their supply commitments at least 3 years in advance, long-term predictability needed. Farmer abandoning starch will not return. <b>Cross-compliance:</b> nc  <b>Decoupling/Coupling:</b> Supports coupled support for starch potatoes generally grown in disadvantaged areas; moving from production-linked payment to SPS could have a major impact on the regional economy. Asks for an adaptation of at least 2 years until 2010/11 prolonging the current scheme. Adaptation should be followed by a transition period until the next CAP reform to allow the industry to switch from a production-linked scheme to an areas payment scheme. Quotas could be maintained in form of a national envelope reserved for the sector. Envelopes to be redistributed up to a maximum reference amount on the factory level: the current quota-based number if contracts converted into ha. Excess hectares would get no support. In case of not reaching the reference allocation redistributed between the contracted ha. Would be a clear step towards more market orientation, half way towards the "green box", would no longer fall under amber box but rather in the blue one. Due to possible problems of overproduction and disequilibrium between different kinds of potatoes (ware, industrial and starch), should prolong quota until 2013.  <b>Upper and Lower payments limitations:</b> nc  <b>Cereal intervention:</b> nc  <b>Set-aside:</b> nc  <b>Milk Quotas:</b> nc  <b>CMO's:</b> Considering market, after quota has disappeared, minimum price could probably be abolished, having lost its signification as a safety net. Propose that the budget line foreseen for then industry transferred into a restructuring fund at MS level, thus keeping the money in the sector, for restructuring, research, valorisation if co-products, environmental measures, waste water treatment, energy efficiency  <b>Risk management:</b> nc  <b>Climate change/Bio-energy/Water management:</b> nc  <b>Modulation:</b> nc  <b>Others:</b> This shift to the area payment would be a considerable administrative simplification; farmers could only have one single application. The "barème féculier" no longer reference for EU payment.</p>
<p><b>Federation National Bovine (FBV)</b></p>	<p><b>General:</b> Many factors go towards a considerable structural increase of arable productions. Prices will remain high in future. Beef production, and livestock more generally, will suffer, especially with higher feed prices. Beef sector is thus in great danger: requires huge investment, important regulation. 25 to 30% total herd might disappear; dependence on imports could be even higher in next future with WTO.  <b>SPS:</b> nc  <b>Cross compliance:</b> Very often located in regions with no other possible production, beef sector guarantees maintenance of grassland, "carbon mine"; but EU market open to products not in line with CC, thus unfair concurrence. Level of expectations and rigidity of the scheme have become incompatible with the reality of farm business. Indispensable to simplify and soften  <b>Decoupling/Coupling:</b> With total decoupling, and in absence of targeted supports and further similar evolution, risk of disappearance of huge proportions of to-day herd. Market price does not allow to guarantee producers' incomes, as a difference to arable productions. Besides, pressure of world market prices. Demand urgently recoupling on the whole French territory: simple, controlled management with subsidy at</p>

	<p>250€/head. If not, grassland light be ploughed in some areas and land abandoned in other, poorer ones. Regional SPS would penalise beef sector. A special support scheme, based on grassland, complementary to historic SPS on farm, is urgently needed, from pillar 1, possibly under reviewed A69.</p> <p><b>Upper and Lower payments limitations:</b> nc  <b>Cereal Intervention:</b> nc  <b>Set-aside:</b> nc  <b>Milk Quota:</b> nc  <b>CMO's:</b> Recent actuality shows evidence of reviewing totally crisis management; need a sanitary solidarity fund, as one of the priorities in the CAP revision. Brussels must recognize profession's capacity to organise production and market regulation, while maintaining possible strong public action if needed. Too relax commitment on these measures is not acceptable; insufficient proposals and tool; unclear division of responsibilities between EU, MS, profession, other partners.</p> <p><b>Risk management:</b>  <b>Climate change/Bio-energy/Water management:</b> nc  <b>Modulation:</b> nc  <b>Others:</b> nc</p>
<p style="text-align: center;"><b>Food and Drink Federation (FDF)</b></p>	<p><b>General:</b> Further CAP reform is necessary in order to achieve greater market orientation and improve competitiveness vis a vis third countries.</p> <p><b>SPS:</b> No specific comment on how SPS could be simplified but supports that MS should be allowed to adjust their SPS models towards a flatter rate at national level.</p> <p><b>Cross compliance:</b> Rather against the addition of new rules since if EU standards are imposed far above those faced by international competitors then this could reduce the competitiveness of EU agriculture.</p> <p><b>Decoupling/Coupling:</b> Supports full decoupling in all sectors.</p> <p><b>Upper and Lower payments limitations:</b> Against capping for large farms as it could be easily circumvented by breaking up large farms into smaller units, causing loss of competitiveness. Against minimum threshold in small payments.</p> <p><b>Cereal Intervention:</b> Supports the phasing-out of the whole intervention system. Would prefer the greater use of privately funded risk insurance, physical delivery contracts for longer time periods and the use of future markets.</p> <p><b>Set-aside:</b> Supports abolition. Environmental benefits could be maintained through Pillar II.</p> <p><b>Milk Quota:</b> Supports abolition. If it is not done as soon as possible shortages in skimmed milk powder and other dairy products will continue to arise.</p> <p><b>CMO's:</b> Against EU energy crop scheme as it encourages market distortions in the supply of agricultural raw materials between food/feed and biofuels.</p> <p><b>Risk management:</b> Against the application of EU-wide measures to address production or price risks, particularly through Pillar I. Production and price risks should be limited through unsubsidised means.</p> <p><b>Climate change/Bio-energy/Water management:</b> Supports the idea of increasing incentives to farmers under Pillar II. Against a blanket approach to biofuels policy as there can be no presumption that all biofuels will mitigate against climate change.</p> <p><b>Modulation:</b> Supports increase in modulation to tackle the new challenges. Strengthening of Pillar II does not directly benefit second generation biofuels. Would rather support more funding for research and infrastructure to deliver the introduction of second generation biofuels on a commercial scale.</p> <p><b>Others:</b> nc</p>

<p style="text-align: center;"><b>Irish Dairy Industries association (IDIA)</b></p>	<p><b>General:</b> Welcomes Commission's proposal on soft landing recognising that careful management is required to avoid market imbalances.</p> <p><b>SPS:</b> nc</p> <p><b>Cross compliance:</b> nc</p> <p><b>Decoupling/Coupling:</b> nc</p> <p><b>Upper and Lower payments limitations:</b> nc</p> <p><b>Cereal Intervention:</b> nc</p> <p><b>Set-aside:</b> Supports abolition, given developments in bio-fuels, which are having a negative impact on the cost of feed. Environmental benefits can be maintained under the Rural Environment Protection scheme and other RD initiatives.</p> <p><b>Milk Quota:</b> Supports abolition. This will increase the production without incurring additional administrative costs. The gradual annual increase will provide for a soft landing towards 2015. Against cross-border trading as would be difficult to administer. Supports reducing super levy, however it could be used on an annual basis as an additional tool to gradual increase milk quota together with the abolition of fat correction.</p> <p><b>CMO's:</b> nc</p> <p><b>Risk management:</b> The existing schemes such as Private Storage Aid, Export Refunds, Internal Disposal Schemes and Processing Aids are sufficient tools to manage price risks.</p> <p><b>Climate change/Bio-energy/Water management:</b> nc</p> <p><b>Modulation:</b> nc</p> <p><b>Others:</b> nc</p>
<p style="text-align: center;"><b>UNISTOCK</b></p>	<p><b>General:</b> Volatility of prices, supply and climatic conditions need to be considered over a longer period of time than the two years of lower cereals production. Today is not the appropriate time to change the system.</p> <p><b>SPS:</b> nc</p> <p><b>Cross compliance:</b> nc</p> <p><b>Decoupling/Coupling:</b> nc</p> <p><b>Upper and Lower payments limitations:</b> nc</p> <p><b>Cereal Intervention:</b> Against removal of intervention mechanism. Because of its impact on feed and food production the intervention should not be limited to the milling wheat but should remain in its current form for the other cereals as well. It is used as a safety-net in case of need and must be kept in its current form for some years to come.</p> <p><b>Set-aside:</b> nc</p> <p><b>Milk Quota:</b> nc</p> <p><b>CMO's:</b> nc</p> <p><b>Risk management:</b> nc</p> <p><b>Climate change/Bio-energy/Water management:</b> nc</p> <p><b>Modulation:</b> nc</p> <p><b>Others:</b> nc</p>

### 3. Environmental Organizations

<p style="text-align: center;"><b>BirdLife</b></p>	<p><b>General comments:</b> Their contribution has been the base for RSPB response analysed under nr 3. The only small differences are quoted hereafter.</p> <p><b>SPS:</b> Draws the attention to the fact that incentives to declare wooded pastures or old orchards as agricultural land could lead to their damage due to GAEC obligations. Flat rate payments might make it more expensive to secure land or habitat and ecosystem restoration, e.g. authorities might risk to compensate the value of subsidies when using agricultural land for food-plain and coastal restoration, important climate change measures much more common in future.</p> <p><b>Cross-compliance:</b> see No 44</p> <p><b>Decoupling/Coupling:</b> Very few countries have applied A.69 due to restrictive conditions. In Scotland e.g., highlights the need to refine and improve provisions if they are to deliver for the environment. Loss of beef cattle in North and West a concern, conserving grazing and mixed livestock essential in maintaining habitat for certain species. An envelope for higher payments to the first 10 calves, to target support towards smaller farmers but provisions too restrictive to target at all sub-sectors geographically, or specifically to achieve environmental objectives.</p> <p><b>Upper and Lower payments limitations:</b> see No 44</p> <p><b>Cereal intervention:</b> see No 44</p> <p><b>Set-aside:</b> Has reduced pollution from pesticides and fertilisers, and in England 88% of it is located in areas already at risk of failing water quality objectives, underline the benefits of a more diverse riparian vegetation structure for aquatic biodiversity, given the increased input of organic matter, terrestrial insects etc to the water environment.</p> <p><b>Milk Quotas:</b> see No 44</p> <p><b>CMO's:</b> see No 44</p> <p><b>Risk management:</b> see No 44</p> <p><b>Climate change/Bio-energy/Water management:</b> see No 44</p> <p><b>Others:</b> nc</p>
<p style="text-align: center;"><b>Campaign to Protect Rural England (CPRE)</b></p>	<p><b>General:</b> nc</p> <p><b>SPS:</b> Supports move to flat rate. MS should be allowed adjust their model.</p> <p><b>Cross compliance:</b> Supports extension of GAEC to include criteria that cover: tree line, veteran trees; ponds; traditional orchards etc.</p> <p><b>Decoupling/Coupling:</b> Supports full decoupling. Sectors providing environmental benefits but facing economic difficulties could receive support from Pillar II or under the introduction of national envelopes under A.69.</p> <p><b>Upper and Lower payments limitations:</b> Against both. This mechanism will penalize large and small farmers who deliver environmental benefits.</p> <p><b>Cereal Intervention:</b> Intervention mechanisms for arable crops need to be considered in the wider context of the changes in dietary patterns in S. Asia.</p> <p><b>Set-aside:</b> Against abolition of permanent and rotational set-aside as both deliver specific environmental benefits. It must not be abolished without any replacement of a new mandatory mechanism. A CC measure could be created until a new mandatory EU-wide requirement is introduced.</p> <p><b>Milk Quota:</b> Supports abolition, nevertheless in the case of dairy some dairy producers should continue receiving support from other policy mechanisms such as RD measures or national envelopes.</p> <p><b>CMO's:</b> Threatening farming sectors should be supported by national envelopes or Pillar II measures, including those across the 3 axes</p>

	<p>contained within the EAFRD.</p> <p><b>Risk management:</b> EU policy instruments and funding should be developed to prevent the collapse of particular farming sectors from disease outbreaks and weather related events.</p> <p><b>Climate change/Bio-energy/Water management:</b> Existing funding under Pillar II is inadequate. Agrees with financial support for infrastructure biomass or biogas plants but is against the support for the production of specific crops for biofuels. Must draw together the measures across the 3 axes of the EAFRD to protect landscape character.</p> <p><b>Modulation:</b> Strongly supports increase in compulsory modulation by 13%. Nevertheless would like UK to maintain the flexibility to modulate at a higher rate. A rate of 20% across the EU would be desirable. Funds should go to axis II measures.</p> <p><b>Others:</b> nc</p>
<p style="text-align: center;"><b>Central and East European Working Group for the Enhancement of Biodiversity (CEEweb)</b></p>	<p><b>General:</b> nc</p> <p><b>SPS:</b> nc</p> <p><b>Cross compliance:</b> Supports addition of SMRs in CEE countries (e.g. Poland, Romania and Hungary) especially for habitat and species protection and in GAEC in relation to small landscapes. More flexible requirements for implementation of cultivation measures, mowing methods, presence of trees and shrubs etc.</p> <p><b>Decoupling/Coupling:</b> Supports decoupling with the exception of some special, unfavourable sector e.g. animal husbandry in mountainous areas.</p> <p><b>Upper and Lower payments limitations:</b> Against lower threshold.</p> <p><b>Cereal Intervention:</b> nc</p> <p><b>Set-aside:</b> Supports maintenance because set-aside fields 1) are important for invertebrates, birds and small mammals and 2) would be promising biodiversity 'reservoirs'.</p> <p><b>Milk Quota:</b> nc</p> <p><b>CMO's:</b> nc</p> <p><b>Risk management:</b> nc</p> <p><b>Climate change/Bio-energy/Water management:</b> nc</p> <p><b>Modulation:</b> Supports increase up to 20%. The proposed 2% is relatively small. Extra funds should be allocated to Natura 2000.</p> <p><b>Others:</b> nc</p>
<p style="text-align: center;"><b>Coalition Clean Baltic (CCB)</b></p>	<p><b>General:</b> nc</p> <p><b>SPS:</b> Supports the move to flatter rates. SPS should depend on environmental criteria.</p> <p><b>Cross compliance:</b> Proposes to sustain the standards which would be difficult to fulfil by farmers from the new MS, with a special time delay with an obligation that will start from 2009.</p> <p><b>Decoupling/Coupling:</b> Supports full decoupling as this will lead to less administrative costs for running two systems, more flexibility for producers, more money for Pillar II.</p> <p><b>Upper and Lower payments limitations:</b> Supports capping of large payments.</p> <p><b>Cereal Intervention:</b> nc</p> <p><b>Set-aside:</b> nc</p> <p><b>Milk Quota:</b> nc</p> <p><b>CMO's:</b> nc</p> <p><b>Risk management:</b> nc</p> <p><b>Climate change/Bio-energy/Water management:</b> Existing instruments not enough. Against subsidization of biofuels especially in the Baltic Sea, instead supports other sources of renewable energy.</p> <p><b>Modulation:</b> Supports increase in compulsory modulation of at least 20%. New MS must be encouraged to implement compulsory modulation before 2013. Proposes to introduce possibilities for EU MS to be able to modulate funds in RDP without national co-financing.</p> <p><b>Others:</b> nc</p>

<p style="text-align: center;"><b>Euromontana</b></p>	<p><b>General:</b> nc</p> <p><b>SPS:</b> nc</p> <p><b>Cross compliance:</b> A minimum level of GAEC is necessary however farmers should not have to support the burden of too high standards. Environmental requirements should be rewarded through agro-environmental measures.</p> <p><b>Decoupling/Coupling:</b> Against full decoupling. Coupled animal premiums should be kept in mountainous areas, in order to maintain incentives for farmers to continue their activities. Alternatives to the current coupled animal premiums could be: 1) "grass payments" (a support to animal production based on pastures and meadows) per hectare with a minimal number of animals per hectare 2) increase of LFA payments.</p> <p><b>Upper and Lower payments limitations:</b> Against lower threshold. If a minimum level of production is adopted it should be low enough to include as many small scale farmers as possible.</p> <p><b>Cereal Intervention:</b> nc</p> <p><b>Set-aside:</b> nc</p> <p><b>Milk Quota:</b> Against abolition. In the case of abolition special support measures should be set up; these can take the form of a direct payment for milk production and for milk collect in mountain areas. Tools reducing price volatility should be also envisaged.</p> <p><b>CMO's:</b> nc</p> <p><b>Risk management:</b> In the case of the quota abolition tools against prices volatility should be set up.</p> <p><b>Climate change/Bio-energy/Water management:</b> Concerning biodiversity and water management organic farming could have a positive role. Proposes: new agro-environmental measures aiming to recognise the role of agriculture in fire/avalanche prevention, AE grass payment to better support extensive production, revalue of LFA payments.</p> <p><b>Modulation:</b> Favours increase in modulation. Extra funds should be allocated as a reward to farmers who have best environmental practices.</p> <p><b>Others:</b> nc</p>
<p style="text-align: center;"><b>European Environmental Bureau (EEB)</b></p>	<p><b>General:</b> The stakeholders' seminar was limited to those representing basically producer groups and the time provided to the consultation period was not enough.</p> <p><b>SPS:</b> In principal supports that MS should be allowed to move towards a flat rate support. The historic model provided too little incentives for farmers to be more environmentally friendly. To increase the possibility of introducing a flat rate, MS should maintain the money and redistribute it to Pillar II activities.</p> <p><b>Cross compliance:</b> The administrative impacts of CC to farmers are marginal. GAEC measures should be extended to address the challenges of climate change/biodiversity loss. WFD should be included to the list of SMR. Efforts should be made to ensure consistent application of CC within MS.</p> <p><b>Decoupling/Coupling:</b> Supports full decoupling. The transition moving to full decoupling needs to be managed to prevent environmental or financial damage. Sufficient funding should be available to maintain certain farming systems that bring environmental benefits e.g. extensive grazing. A.69 should be revised so as to increase the national envelope by 30% and funds should be possible to be redistributed from one sector to another.</p> <p><b>Upper and Lower payments limitations:</b> Supports capping nevertheless what really matters is whether the funding is proportionate to the environmental benefits farmers deliver. Given that environmental benefits are often associated with small farmers it is worthwhile to continue small payments.</p> <p><b>Cereal Intervention:</b> Against intervention system= aims to control prices.</p>

	<p><b>Set-aside:</b> Against abolition without its replacement by a compulsory instrument which will ensure the current environmental benefits.</p> <p><b>Milk Quota:</b> In principle supports abolition. Nevertheless possible problems such as the increase of emissions of methane and ammonia should be addressed. Land abandonment could be dealt through A.69 and a revision of the LFA scheme.</p> <p><b>CMO's:</b> Supports full decoupling and redistribution of financial support to public and other societal goods.</p> <p><b>Risk management:</b> Against price insurance mechanism as will lead to effects witnessed by CAP in the 70's/80's (stock accumulation, overproduction, etc). Insurance mechanisms only in the case of extreme weather conditions.</p> <p><b>Climate change/Bio-energy/Water management:</b> Current instruments insufficient. Second generation bio-fuels more relevant than the ones of first generation. Meat consumption/production and dependence on fossil fuels must be reduced.</p> <p><b>Modulation:</b> Supports increase in modulation by 20% by 2009, preferably by 30%. Money modulated to Pillar II should be ring-fenced for the second axis of the EARDF.</p> <p><b>Others:</b> nc</p>
<p style="text-align: center;"><b>European Forum on Nature Conservation &amp; Pastoralism (EFNCP)</b></p>	<p><b>General:</b> CAP should be directed to deliver non-market public goods including the conservation of nature. Must retain public support and re-target it to HNV goals and overall land use at EU scale.</p> <p><b>SPS:</b> Supports move to flat rate as this would benefit marginal areas, nevertheless sees some problems to this model as well.</p> <p><b>Cross compliance:</b> It is not a suitable mechanism for maintaining marginal farming systems, such as HNV farming. Scrub encroachment requirement within GAEC is difficult to monitor and it is a far greater burden on the marginal livestock farmer.</p> <p><b>Decoupling/Coupling:</b> Partially decoupling should be replaced by targeted support. A.69 should be used to support minimal agricultural activity. It is a suitable complement to LFA support, belongs to Pillar II and therefore should be eligible for receipt of modulated support (it should remain in principle 100% EU-funded CAP instrument).</p> <p><b>Upper and Lower payments limitations:</b> Against lower threshold. Disagrees with the term "pseudo-farmers" as this reflects Commission's attitude to the traditional –often part-time- farming systems of HNV areas.</p> <p><b>Cereal Intervention:</b> nc</p> <p><b>Set-aside:</b> It is risky to count on farmers to volunteer set-aside areas while cereal prices are increasing notably due to biofuels strategy.</p> <p><b>Milk Quota:</b> HNV dairy systems in the Alpine zone and in the new MS are vulnerable to changes in the quota regime. Maintenance of quota could be a possible strategy while improving it through a set of criteria allowing environmental benefits. A.69 type measures are essential.</p> <p><b>CMO's:</b> nc</p> <p><b>Risk management:</b> No detailed comment on it, except to point out that CAP budget is struggling to deliver the present objectives in marginal areas without adding other burdens onto it.</p> <p><b>Climate change/Bio-energy/Water management:</b> Axis 2 measures are appropriate to address them. Pillar I should be the source for funding. Biofuels should be re-evaluated with regard to their potential risks.</p> <p><b>Modulation:</b> Increase should be at a higher level. Axis 2 objective of maintaining HNV farming needs to be made more explicit.</p> <p><b>Others:</b> nc</p>
<p style="text-align: center;"><b>Finnish Association for Nature Conservation</b></p>	<p><b>General:</b> Longer consultation period was necessary.</p> <p><b>SPS:</b> Could accept a more flat rate if payments were targeted to those farmers who want to produce more ecosystem services.</p> <p><b>Cross compliance:</b> Supports addition of criteria that will contribute to the proper implementation of the WFD, the Soil Strategy directive etc.</p> <p><b>Decoupling/Coupling:</b> If full decoupling is implemented stronger CC</p>

	<p>and special national envelopes would be needed in order to achieve proper environmental targets.</p> <p><b>Upper and Lower payments limitations:</b> EU payments should be targeted to those farmers that provide ecosystem services.</p> <p><b>Cereal Intervention:</b> nc</p> <p><b>Set-aside:</b> Against abolition. The system should be obligatory.</p> <p><b>Milk Quota:</b> Against abolition as this may reduce production in marginal areas such a Finland.</p> <p><b>CMO's:</b> No specific remarks for now.</p> <p><b>Risk management:</b> Against a price insurance system.</p> <p><b>Climate change/Bio-energy/Water management:</b> Supports more mandatory measures for environmental purposes.</p> <p><b>Modulation:</b> Support transfer of money form Pillar I to Pillar II.</p> <p><b>Others:</b> nc</p>
<p><b>Northern Ireland Environment (LINK)</b></p>	<p><b>General:</b> nc</p> <p><b>SPS:</b> Do not really support to allow MS to choose their SPS model. Prefers a more proactive encouragement towards a flat rate model to ensure a level playing field across Europe.</p> <p><b>Cross compliance:</b> Against any deletion of standards. Would like to see expansion of the GAEG requirements to include protection of ancient woodland, veteran trees etc. Supports amendment of Regulation 1782/2003.</p> <p><b>Decoupling/Coupling:</b> Supports the use of national envelops. HC should assess under what conditions they could be used to support farming sectors that play an essential role in maintaining landscape character and wildlife habitats.</p> <p><b>Upper and Lower payments limitations:</b> nc</p> <p><b>Cereal Intervention:</b> nc</p> <p><b>Set-aside:</b> It must not be abolished without any replacement of a new mandatory mechanism. A CC measure could be created until a new mandatory EU-wide requirement is introduced.</p> <p><b>Milk Quota:</b> nc</p> <p><b>CMO's:</b> nc</p> <p><b>Risk management:</b> nc</p> <p><b>Climate change/Bio-energy/Water management:</b> Existing measures not adequate. Both Pillars should introduce measures to address climate change. Against support in biofuels as they have limited contribution in reducing global warming.</p> <p><b>Modulation:</b> Supports increase in compulsory modulation. Extra funds should be deployed within Axis II of the EAFARD for agri-environmental reasons.</p> <p><b>Others:</b> nc</p>
<p><b>PLANTA EUROPA</b></p>	<p><b>General comments:</b> nc</p> <p><b>SPS:</b> nc</p> <p><b>Cross-compliance:</b> Against weakening of standards, strongly recommends new GAEC measures that further benefit biodiversity, provide additional resource protection as a means of mitigating climate change and the loss of set aside. None of the requirements to be deleted; add greater protection for permanent grassland, field boundaries, combat fragmentation of natural habitats by connecting and enlarging areas, especially for grassland.</p> <p><b>Decoupling/Coupling:</b> nc</p> <p><b>Upper and Lower payments limitations:</b> nc</p> <p><b>Cereal intervention:</b> nc</p> <p><b>Set-aside:</b> Supports abolition without replacement mechanism; supports a mandatory mechanism under CC with a percentage of land to be managed for the interest of biodiversity: creation or restoration or maintenance of semi-natural habitat or provision of fallow land (as formerly with rotational set aside)</p> <p><b>Milk Quotas:</b> nc</p> <p><b>CMO's:</b> nc</p>

	<p><b>Risk management:</b> <i>nc</i></p> <p><b>Climate change/Bio-energy/Water management:</b> Existing measures are inadequate. Allow to adapt farmland (semi-natural habitat, core sites and corridors) increasing plant population resilience and landscape permeability. In line with Natura 2000 network and priorities. Sufficient funds must remain for biodiversity protection and enhancement. Bio-fuel production could become unsustainable both in terms of global gas emissions and land use. Payments should preferably cease or at least should be more strictly allocated to sustainable production methods.</p> <p><b>Modulation:</b> Fully supports increase of compulsory modulation, MS should be encouraged to impose additional voluntary modulation at a higher rate to fund RD. Extra funds to support the maintenance of biodiversity in agricultural habitats, prevent climate change and support sustainable forestry development, particularly in biodiversity rich forests.</p> <p><b>Others:</b> <i>nc</i></p>
<p style="text-align: center;"><b>PLANTLIFE INTERNATIONAL</b></p>	<p><b>General comments:</b> Nearly same answer as No 47</p> <p><b>SPS:</b> <i>nc</i></p> <p><b>Cross-compliance:</b> Supports addition of criteria. Strongly recommends their reinforcement for a better protection of permanent grasslands: further loss inevitable in the UK unless measures in GAEC 5 strengthened. In particular, threat to small parcels under 2 ha, currently unprotected. New measures for all types of field boundaries, ancient woodland.</p> <p><b>Decoupling/Coupling:</b> <i>nc</i></p> <p><b>Upper and Lower payments limitations:</b> <i>nc</i></p> <p><b>Cereal intervention:</b> <i>nc</i></p> <p><b>Set-aside:</b> 0% rate would have serious implication, prominently through the ploughing of permanent set-aside and return to production. Its value is the length of time: takes 10 to 15 years for a semi-natural habitat. No abolishment without replacement: a new mandatory under CC or SPS, including creation or maintenance of semi-natural habitats or provision of fallow land. The 3790 000 ha in the UK could be concentrated onto a significantly smaller area, but of high value, with assessment of the amount of land needed per farm to replicate and enhance the environmental benefits.</p> <p><b>Milk Quotas:</b> <i>nc</i></p> <p><b>CMO's:</b> <i>nc</i></p> <p><b>Risk management:</b> <i>nc</i></p> <p><b>Climate change/Bio-energy/Water managem:</b> Climate change measures should be introduced in CC including the provision and protection of large areas of semi-natural habitat. Against support in bio-fuels as they could become unsustainable both for global gas emissions and land use. HC should result in more funding for RD, particularly agro-environment schemes. Develop a Single European Sustainable Land Management Policy.</p> <p><b>Modulation:</b> Fully supports increase of compulsory modulation. Funds should go to Pillar II for the new challenges, and to traditional farming systems that manage and enhance botanical diversity on HNV farmland.</p> <p><b>Others:</b> <i>nc</i></p>
<p style="text-align: center;"><b>Royal Society for the Protection of Birds (RSPB)</b></p>	<p><b>General comments:</b> All public payments should be inked to the delivery of specific public goods. Pillar I not a viable solution in the long term, should correct its worst distortions within the current budget period.</p> <p><b>SPS:</b> For many years advocated it, but always argued against the historical basis. Small farm and HNV areas have been penalised. Direct payments should follow national or regional flat rate as are much easier to administer. Such a system will lead to payments clearly linked to land stewardship.</p> <p><b>Cross compliance:</b> Increases legitimacy of SPS. Must be improved addressing biodiversity loss, water management, climate change.</p>

	<p>Marginal burden, control levels so low. Proposes workable, less bureaucratic greener CAP: strictly protect truly permanent grassland et farm level, protect landscape features, remove unnecessary permanent requirements, biodiversity a key objective to GAEC, binding guidelines for the implementation of the Birds and habitats Directive, clear guidance needed, create a mechanism for monitoring the implementation of prescriptions, introduce programming approach, improve control (risk-based) with more effective penalties, evaluation and continual improvement</p> <p><b>Decoupling/Coupling:</b> Coupled and partial decoupled payments inefficient. Supports decoupling but with a consolidation of cross compliance. Proposes revision of A.69 for HNV (up to 30% of Pillar II, restrict to the new CAP environmental challenges, target national envelopes at specific challenges, more robust vis-à-vis WTO.</p> <p><b>Upper and Lower payments limitations:</b> Against capping. Many already dividing farms. Rather than eliminating small payments, launch a strategy to support the maintenance of small, part-time and semi-subsistence HVN farmers.</p> <p><b>Cereal Intervention:</b> nc.</p> <p><b>Set-aside:</b> Against abolition = significant negative impacts on biodiversity (important feeding and nesting resources, reduced use of pesticides and fertilisers, combat soil erosion). Call for "Environmental Priority Areas" with 10% (to be adjusted) of the land for environmental management, as a stand-alone instrument or one of GAEC requirements. RD measures would not adequately retain the benefits of set-aside.</p> <p><b>Milk Quota:</b> Supports abolition. However market dairy farming is likely to disappear from some areas (HVN, mountains, boreal). The HNV concept and a reformed A.69 could provide a solution.</p> <p><b>CMO's:</b> Against coupled support. Environmental benefits of preventing abandonment of certain farming types by targeted support at HVN systems.</p> <p><b>Risk managements:</b> Should not become a new way of providing hidden production support, will inevitably lead to grow more water-demanding crops in arid regions, limit to the most extreme freak weather events, more ordinary should be foreseen and built into cropping choices. Price insurance even more damaging.</p> <p><b>Climate change/Bio-energy/Water management:</b> Current cross-compliance and RD rules insufficient (40% less farmland birds in 25 years), increasing water stress, soil erosion, agriculture = 9% of GHG. A much stronger RD needed, voluntary measures insufficient, relying on both pillars. GAEC must be extended to WFD and reducing GHG emissions, rules rolled out uniformly across MS, leaving space for regional "fine-tuning" as management and re-wetting of peat, nutrient management plans, water meters for irrigation, proof of licensed origin, safeguard traditional irrigation systems, buffer strips Bio-energy a new challenge, but not an end to itself, most bio-fuels offer marginal GHG savings, "an unacceptable waste of public funds", support only with minimum sustainability standards</p> <p><b>Modulation:</b> 5% clearly insufficient to meet commitments; requests rate of 20% from 2009 onwards RD funding to schemes clearly targeting environmental objectives. Start a serious debate about long-term use of public money for sustainable agriculture; if not CAP highly vulnerable to budget cuts. Significant increase in modulation = a strong argument for its retention beyond 2013.</p> <p><b>Others:</b> nc</p>
<p><b>Scottish Environment (LINK)</b></p>	<p><b>General:</b> Commission's proposals may present some opportunities for distributing CAP funding in Scotland in ways that encourage increased delivery of environmental goods.</p> <p><b>SPS:</b> Supports move towards flat rates of support as they are more transparent and justifiable to the public. In the long term supports an entirely move from the SPS to a support system based wholly on the</p>

	<p>delivery of public goods.</p> <p><b>Cross compliance:</b> Against any deletion. GAEC should include a list of landscape features, requirements to protect permanent pasture should be strengthened, SMR's should be expanded to include the Water Framework Directive.</p> <p><b>Decoupling/Coupling:</b> Supports full decoupling but a more flexible A.69 could be used to support types of agriculture which provide environmental benefits.</p> <p><b>Upper and Lower payments limitations:</b> Does not really supports capping. If it is to be applied it should be done so as to discourage the splitting of land holdings. Against lower limits.</p> <p><b>Cereal Intervention:</b> nc</p> <p><b>Set-aside:</b> Supports abolition. Environmental benefits could be delivered through voluntary RD measures in arable areas. "Environmental Priority Areas" and national envelopes possible solution.</p> <p><b>Milk Quota:</b> nc</p> <p><b>CMO's:</b> nc</p> <p><b>Risk management:</b> Should be strictly limited to risks that cannot be foreseen. Should not become a way of providing production support and should not be paid at the expense of RD programmes.</p> <p><b>Climate change/Bio-energy/Water management:</b> Existing instruments not sufficient. Against support in biofuels. In the long term advocates the development of a Single Sustainable Land Management Policy to support those delivering sustainable land management.</p> <p><b>Modulation:</b> Supports increase in compulsory modulation, preferably by 20%. Voluntary modulation must be maintained. Extra funds should be deployed within axis II of the EAFRD.</p> <p><b>Others:</b> nc</p>
<p><b>The Danish Society for Nature Conservation</b></p>	<p><b>General comments:</b> nc</p> <p><b>SPS:</b> nc</p> <p><b>Cross-compliance:</b> Would support addition of criteria. Proposes, besides WFD, 10% of farm area in zone of ecologic regulation (hedges, grass buffer zones, ecologic corridors), no burning of crop left-over, use of most resistant varieties of a given crop, soil covered with crops or catch crops, mechanical weeding, no fulmigrants or other soil treatment with chemicals, pesticide use only on the basis of indicators, excluded (fertilizers also) within 10m to water courses, all landscape features respected.</p> <p><b>Decoupling/Coupling:</b> nc</p> <p><b>Upper and Lower payments limitations:</b> Applaud the idea for large land owners; extra sums available for MS on environmental protection; large farms achieve certain benefits from their size, a necessary price to pay for environmental protection.</p> <p><b>Cereal intervention:</b> Supports abolition.</p> <p><b>Set-aside:</b> Strongly opposes abolition without immediate other compulsory environmental measures. RDR not competitive enough to maintain benefits. Propose at least 10% of the farm land added to the area consisting of permanent pastures.</p> <p><b>Milk Quotas:</b> nc</p> <p><b>CMO's:</b> nc</p> <p><b>Risk management:</b> Farming systems with crop rotations, cover crops, organic manure, maintenance of landscape features etc. provide natural risk management. These measures should be propagated via CAP to a much greater extent.</p> <p><b>Climate change/Bio-energy/Water management:</b> Bio-energy, if properly developed, can help meet environmental challenges, should be tied to stringent sustainability criteria. CAP instruments completely insufficient, RDP dangerously underfunded.</p> <p><b>Modulation:</b> Supports increase of at least of 20%. Extra funds must be mainly allocated to axis 2.</p> <p><b>Others:</b> nc</p>

<p style="text-align: center;"><b>Wildlife and Countryside UK (LINK)</b></p>	<p><b>General comments:</b> nc  <b>SPS:</b> nc  <b>Cross-compliance:</b> Against deletion of CC conditions. Would like a wider range of environmental features involved, extend to new legislative standards for animal welfare, e.g. broiler and laying hens. There is scope to add historic environment features, permanent grassland and amend annex IV of Council Regulation 1782/2003.  <b>Decoupling/Coupling:</b> supports the use of national envelopes; HC should assess where and how to use them to support specific farming sectors facing difficulties but essential in maintaining landscape character and wildlife habitats.  <b>Upper and Lower payments limitations:</b> nc  <b>Cereal intervention:</b> nc  <b>Set-aside:</b> Disappointed with 0% set-aside. A new CC measure should be introduced, until a new mandatory EU wide requirement is introduced. Urgent need for an assessment of the amount of land on each holding to replicate and enhance the environmental benefits provided by considerable public investment in set aside since its introduction. Additional transfer or ring-fenced funding from Pillar I to II must accompany.  <b>Milk Quotas:</b> nc  <b>CMO's:</b> nc  <b>Risk management:</b> nc  <b>Climate change/Bio-energy/Water management:</b> Existing measures inadequate, others to introduce into both pillars. Wants public support for bio-fuel production abolished, could encourage increased intensification of production. Essential that more funding available for RD, move beyond the current two pillars mechanism, develop a single European sustainable land Management Policy which would support land management activities; in future payments would be targeted at a wide range of positive actions for sustainable land management and public goods like wildlife protection, historic environment, landscape, woodlands, sustainable use of water and soil, help mitigate and adapt to climate change, ensure animal welfare respect in production.  <b>Modulation:</b> Strongly supports increase. Extra funds to be deployed within axis 2 of EAFRD, particularly traditional farming systems. Adapting farming practices can reduce emissions of GHG and protect soil and water resources.  <b>Others:</b> nc</p>
<p style="text-align: center;"><b>WWF Adena /Spain</b></p>	<p><b>General comments:</b> Wants to achieve compatibility between agricultural activity and conservation of the environment.  <b>SPS:</b> Support flat-rate, must allow elimination of support difference between intensive farms and extensive, especially in dry areas. In Spain has not achieved that. Olive areas receive 10 to 20 times more when irrigated than traditional ones. Recommends an impact analysis; plan flanking measures (A.69 more flexible) or agro-environmental measures. Leave time enough to farmers to adapt to the new scheme.  <b>Cross-compliance:</b> Agrees to simplify and harmonize its publication, GAEC should include water effluents management and protection of biodiversity, as well as legal use of soil and water, avoiding that illegal users are eligible to EU money. Orientate towards more adapted irrigation schemes. Protect margin vegetation in fields and between, minimal percentage of land for biodiversity, especially with set side abandoned; careful study of the use of phyto-sanitary products. Increase sensitization and formation of farmers to conditionality, extend its scope to all CAP beneficiaries, including those of Art. 1 and 4 of regulation 16978/2005. Suggest a new conditionality system with a certification scheme for agro-industry and forest managers, great beneficiaries of RD support and up to now subject to no prerequisites.</p>

	<p><b>Decoupling/Coupling:</b> Asks for an extensive analysis of the effects of total decoupling before generalising it. Mind to dry areas and extensive breeding, risks of irreversible impacts on environment if farming abandoned there. A69 or RD priority to these areas (axis 2) Prefer additional payment by ha from A69, allowing redistribution from Pillar I for environment. No to partial decoupling, only in exceptional cases: distortions and complexity.</p> <p><b>Upper and Lower payments limitations:</b> Supports proposed reduction, even an absolute maximum per farm, subject to previous appraisal of possible effects, and progressively. No to a minimum payment, small farms better adapted to their environment and to maintain the values of Natura 2000.</p> <p><b>Cereal intervention:</b> nc</p> <p><b>Set-aside:</b> Supports abolition but with a set of measures to guarantee its environmental impact, strengthen CC, include GAEC and launch an "environmental fallow". Support optional CC + A.69. Positive impact on water, soils, birds, avoid more water consumption on recultivated land. But only thinkable with increased budget for RD. Problem in Spain with Comunidades</p> <p><b>Milk Quotas:</b> nc</p> <p><b>CMO's:</b> nc</p> <p><b>Risk management:</b> nc</p> <p><b>Climate change/Bio-energy/Water management:</b> Proposes to block new funds for irrigation schemes and concentrate on modernising ancient ones. Review rights and dotations in water of modernised areas. RD too much on axis 1 to the detriment of 2 and 3. Bio-fuels should not be financed via RD.</p> <p><b>Modulation:</b> Supports 4% increase per year to 21% in 2013. Axis 2 of LEADER should be at least 50%. Capping and maximum per farm = more resources.</p> <p><b>Others:</b> nc</p>
<p><b>WWF France</b></p>	<p><b>General comments:</b> Welcomes consultation. For CAP to become really legitimate and accepted by citizens, tax payers' money should sustain practices not destroying environment, even improving it. Proposals and critics roughly the same as No 63, 65, 71. Small differences quoted hereafter.</p> <p><b>SPS:</b> No difference</p> <p><b>Cross-compliance:</b> Besides same proposals, quote examples of simple rules for CC: respect legislation (water, soils, legal use of land and water), basic agronomic principles (rotation for arable farming), biodiversity (environmental fallow, hedges, permanent grassland) in percentage of cereal and protein-crops area of the holding), input management (minerals, effective reduction of pesticides), prohibition of irrigation for summer cereal cultures (maize), buffers strips along water courses)</p> <p><b>Decoupling/Coupling:</b> see 65</p> <p><b>Upper and lower payment limitations:</b> see 65</p> <p><b>Cereal intervention:</b> see 65</p> <p><b>Set-aside:</b> see 65</p> <p><b>Milk Quotas:</b> Just add a conclusion to 65: quotas should be maintained, no progressive increase without mid-term survey or market evolutions</p> <p><b>CMO's:</b> see 65</p> <p><b>Risk management:</b> see 65</p> <p><b>Climate change/Bio-energy/Water management:</b> see 65</p> <p><b>Modulation:</b> Just add a final comment, saying that increase rate of 4% can be envisaged, to reach 21% compulsory modulation by 2013. A notable part of this increase should go to agri-environmental measures.</p> <p><b>Others:</b> nc</p>

<p style="text-align: center;"><b>WWF Northern Ireland</b></p>	<p><b>General comments:</b> Hopes that HC will result in a significant reduction of pressure on freshwater and even offer greater opportunities to restore and enhance them. Fine tuning the CAP could and should encourage a more sustainable system of food production, also encouraging non-marketable agricultural goods.</p> <p><b>SPS:</b> Supports move to flatter rates as would enable farmers to farm in the most appropriate way for long term sustainability, can be better justified to tax-payers and WTO, must be applied universally across MS.</p> <p><b>Cross-compliance:</b> Against deletion of criteria. Has brought significant benefits to the farmed environment; thus tax-payers understand the benefit and need for farm support; no weakening, improve the efficiency and impact. GAEC can be of considerable benefit, should be assessed, no reason for major changes.</p> <p><b>Decoupling/Coupling:</b> Supports full decoupling in all sectors, can envisage situations where flanking measures against negative impacts, using national envelopes to support specific farming sectors facing difficulties and maintaining landscape character and wildlife habitats. Well managed mixed grazing e.g. in upland habitats. Use partial support to underpin its mainstay, sustainable agriculture depends on it.</p> <p><b>Upper and Lower payments limitations:</b> nc</p> <p><b>Cereal intervention:</b> nc</p> <p><b>Set-aside:</b> Asks for a mechanism with the same effect (wildlife habitat, buffering water courses, extending semi-natural habitat, protecting archaeology, enhancing landscape and rotational set aside, food source for bird populations). Should be presented honestly and openly for the purpose it serves (meeting the Gothenburg target and WFD), associated with the larger arable farms to derive maximum effect. Pillar I funds to be used. Alternatively payments under Pillar II but ring fenced for this and kept outside voluntary agri-environmental schemes.</p> <p><b>Milk Quotas:</b> nc</p> <p><b>CMO's:</b> nc</p> <p><b>Risk management:</b> nc</p> <p><b>Climate change/Bio-energy/Water management:</b> Existing instruments sufficient; however largely left to MS to allocate funding, EU needs to be more prescriptive as to actual allocation and how instruments are interpreted and used. Particular concern about support for bio-fuels from crops, counterproductive, urges review of the risks for bio-diversity and contribution to global warming gases. Water management measures also need to be addressed, with changes to land use, including storage of flood water and coastal realignment. Welcomes proposal to increase funding to Pillar II. But allowing MS to draw down additional voluntary modulation counterproductive, significant impact on the competitive ability of farmers. Pillar II depends on farmers being in a sufficiently robust financial position to access schemes and measures.</p> <p><b>Modulation:</b> Strongly supports additional funding, vital for the new challenges. To be used within axis 2, to help address the shortfall in funding for RD after EU financial perspectives decision of 2005. Particularly important to target agri-environment schemes at traditional farming systems and making farming practices more sustainable (soil, water, GHG).</p> <p><b>Others:</b> nc</p>
<p style="text-align: center;"><b>WWF Sweden</b></p>	<p><b>General comments:</b> Any support given to agriculture must not harm environment and disturb trade, e.g. must be Green Box compatible.</p> <p><b>SPS:</b> HC should introduce a more transparent and equitable system, with all payments flat-rate at regional or national level Supports payments to farmers for environmental goods, services and for sustainable rural development. Funding should be increased to help.</p>

	<p><b>Cross-compliance:</b> Supports the link between payments and environment; introduced more systematic controls, raised farmers' awareness. Emphasises on soils and better water management. Buffer strips; irrigation and over-abstraction of water should also to be addressed.</p> <p><b>Decoupling/Coupling:</b> Supports full decoupling. Larger farms are receiving large levels of unnecessary "income support" from the taxpayer. Fully decoupled support: income will shift from more intensive to more extensive farms and from arable to grassland areas. MS must undertake regulatory impact assessment and consider possible flanking measures. Partially coupled support may help certain environmentally important farming systems (e.g. extensive beef), but a revised A.69 is preferable, as would result a redistribution of Pillar I funding, with payments targeted at farms and areas of greatest environmental value.</p> <p><b>Upper and Lower payments limitations:</b> Supports capping and redistribution of a much greater part to environmental goals under a revised A.69. Any lower limit should not exclude small, semi-subsistence farmers or part-time farmers managing sensitive land.</p> <p><b>Cereal intervention:</b> nc</p> <p><b>Set-aside:</b> Supports abolition. A revised A.69 can pay for environmental set aside". Measures could be operated as a package, additional voluntary options, requirements but compulsory buffer strips or field margins along watercourses; would lend support to higher rates of modulation for funding.</p> <p><b>Milk Quotas:</b> Supports gradual phasing out but not before a full assessment of the likely environmental impacts; flanking measures through revised A69 from Pillar I budget.</p> <p><b>CMO's:</b> nc</p> <p><b>Risk management:</b> nc</p> <p><b>Climate change/Bio-energy/Water management:</b> EAFRD already contains "a wealth of measures" which, if applied in the right way and adequately funded, can make a real contribution; axis 2 particularly important. Key issues: balance axes/measures and overall level of funding for EAFRD. MS give emphasis to axis 1. EAFRD funding needs to increase substantially to fund appropriate flanking measures.</p> <p><b>Modulation:</b> Supports higher rate at least 4% annually, and 21% by 2013. Advocates a much more fundamental reform of the CAP with a substantially greater shift to Pillar II support; payments should only be given for the provision of public goods, and Pillar I phased out, to establish a new "Common Rural and Environmental Policy". Commission could also consider increasing the minimum percentage of EAFRD for axis 2 to 40% from now 25%.</p> <p><b>Others:</b> nc</p>
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#### 4. Animal Welfare

<p><b>Eurogroup for Animals</b></p>	<p><b>General comments:</b> nc</p> <p><b>SPS:</b> Should not be based on past levels of production; proposes for livestock link to the land, in relation to its carrying capacity, completely agrees with relation to the number of active people. If no link to area payments would not change very much current unequal distribution.</p> <p><b>Cross-compliance:</b> Supports addition of criteria; laying hens directive and broilers should be added to the list of SMR; keeping this list as it is would miss an opportunity to make CAP more acceptable to citizens and to fulfil its objective of improving animal welfare. Additional SMR have</p>
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	<p>minimal impact on administrative costs.</p> <p><b>Decoupling/Coupling:</b> Supports full extension but with special measures to support farming methods with high environmental records and animal welfare standards.</p> <p><b>Upper and Lower payments limitations:</b> Needs a mechanism for preventing the highly unbalanced repartition of subsidies; do not think progressively reducing payments the right solution: distribution according to land area and active people will be fairer.</p> <p><b>Cereal intervention:</b> nc</p> <p><b>Set-aside:</b> nc</p> <p><b>Milk Quotas:</b> Supports abolition with a soft landing. If not, more extensive farmers could be forced out of business. Good EU welfare standards should be a priority and a pre-requisite to the removal of quotas. Target rural development support to encourage quality schemes and welfare friendly methods. Safeguard mechanisms needed to avoid drastic negative changes.</p> <p><b>CMO's:</b> nc</p> <p><b>Risk management:</b> It is not the role of RD to address these risks, budget much smaller than planned. Must tackle price and production risks through prevention rather than compensatory payments, rural development primarily to improve environment and animal welfare</p> <p><b>Climate change/Bio-energy/Water management:</b> A few additional measures under RD is not the solution. Should put in place a mechanism to assess that any CAP payment has no detrimental effect on the environment or on animal welfare.</p> <p><b>Modulation:</b> Supports increase but 2% not enough. Proposes a 20% increase by 2013. If MS want to introduce new measures to tackle new problems, additional funding (on top of modulation) will be needed. A given amount should be devoted to animal welfare, making it obligatory for MS to include it in their RDP.</p> <p><b>Others:</b> nc</p>
<p><b>Compassion in World Farming</b></p>	<p><b>General comments:</b> nc</p> <p><b>SPS:</b> nc</p> <p><b>Cross-compliance:</b> Strongly against any weakening of CC, maintain and gradually lead it to compliance with Community legislation on animal welfare, poor in many MS;</p> <p><b>Decoupling/Coupling:</b> Supports decoupling in all sectors; quote calf slaughter premium, encouraging export of calves from UK, eliminate market distortions which promote long distance transport of animals.</p> <p><b>Upper and Lower payments limitations:</b> nc</p> <p><b>Cereal intervention:</b> nc</p> <p><b>Set-aside:</b> nc</p> <p><b>Milk Quotas:</b> nc</p> <p><b>CMO's:</b> nc</p> <p><b>Risk management:</b> nc</p> <p><b>Climate change/Bio-energy/Water management:</b> Existing instruments not adequate. Animal production a major contributor to GHG emissions; health concerns lead to reduce meat consumption. Both pillars should encourage a reduction in meat and dairy consumption/production.</p> <p><b>Modulation:</b> A proportion of extra funds should be allocated to RDR measures improving animal welfare, should be made mandatory.</p> <p><b>Others:</b> Improve welfare should be seen as linked to combating changing climate: if fewer animals reared, but to higher welfare standards, consumption of fruit, vegetable, cereals increase, and they produce less GHG.</p>

## 5. Landowners/Tenants/Forestry

<p style="text-align: center;"><b>Central Union of Agricultural Producers and Forest Owners (MTK)</b></p>	<p><b>General comments:</b> nc</p> <p><b>SPS:</b> Supports move to flatter rates but necessary to continue the coupled payments in certain sectors. Have already adjusted their model towards more flat rate; there has been redistribution of the CAP money.</p> <p><b>Cross-compliance:</b> Against addition of criteria. Simplification at the farm level is needed.</p> <p><b>Decoupling/Coupling:</b> Coupled support still needed in the future. If some MS want to go further decoupling, not against if they accept that we still continue to have couple support in certain sectors. Milk producers should be helped in disadvantaged areas: dairy cow premium or another effective measure needed. Enlarging the scope of A.69, but have to cur the flat-rate payments. Resources from savings in market management measures must be targeted at national envelopes for disadvantage areas in order to mitigate possible dairy quota abolition.</p> <p><b>Upper and Lower payments limitations:</b> Might not be very effective, but could be a signal: very big beneficiaries have a comparative advantage, less need for the support compared to smaller units. Progressive system more complicated, but more fair for the big beneficiaries. Supports minimum level in payments, but depending on its definition.</p> <p><b>Cereal intervention:</b> Against abolition. Intervention should stay in barley and wheat. Different cereals should not be targeted differently. There should also be measures for oats market.</p> <p><b>Set-aside:</b> The mechanism should be maintained until long term convincing facts that not important.</p> <p><b>Milk Quotas:</b> Supports maintenance. If to be abandoned, then soft landing preferable starting from 2015. Producers prefer payments per litre milk. 2nd option = dairy cow premium in the disadvantaged areas. Would like a prolongation of the system, a temporary reduction of the super-levy if market allows more milk.</p> <p><b>CMO's:</b> Supports partially coupled support at least for potato starch.</p> <p><b>Risk management:</b> Market mechanisms are the basis of risk management, should be maintained; any additional tools welcome. For the weather, maybe the most efficient is national systems, which have to take into account the regional conditions. Diseases risk is reduced by prevention; if outbreak, there has to be full compensation for producer, but only partially co-financed from EU-budget.</p> <p><b>Climate change/Bio-energy/Water management:</b> New challenges too big to solve only through agriculture and RD.</p> <p><b>Modulation:</b> Against increase as weakens the direct payments. Already the lowest in Finland among EU-15. Only if the modulated money can be used for farmers this reduction might be partly compensated.</p> <p><b>Others:</b> nc</p>
<p style="text-align: center;"><b>Country Land and Business Association (CLA)</b></p>	<p><b>General:</b> Accepts that the HC should bring simplification and streamlining but not fundamental reform.</p> <p><b>SPS:</b> Supports that MS should be the allowed to adjust their SPS model towards a more flat rate at national or regional level. Farms with house, yard-fed beef enterprises and dairy cattle and farms which produce only supported crops will be affected negatively. Extensive farms with much low-intensity grazing land and with much land devote to less supported crops will be benefited.</p> <p><b>Cross compliance:</b> Constant change in CC rules should be avoided it. Against addition of new rules. If the standards are to be raised and if the corresponding conditions are not imposed on international competitors the result will be a decrease in domestic production in favour of low cost, less environmentally secure products.</p> <p><b>Decoupling/Coupling:</b> Supports full decoupling in all sectors. Product-specific coupled payments lead to unfair competition. The real motives for coupled payments in 'certain regions' are environmental and social</p>

	<p>and therefore should be dealt by agri-environment and LFA payments.</p> <p><b>Upper and Lower payments limitations:</b> Strongly against capping. Supports lower limit of payments which must be set by the MS.</p> <p><b>Cereal Intervention:</b> nc</p> <p><b>Set-aside:</b> Supports abolition</p> <p><b>Milk Quota:</b> Supports abolition. Against accompanying measures as they will delay market adjustments. Any possible environmental or other problems in certain regions should be dealt with agri-environment or RD measures.</p> <p><b>CMO's:</b> Supports full decoupling. Enables businesses to focus more on market demand.</p> <p><b>Risk management:</b> Current instruments are not adequate. Very worried if price and production stabilization measures are operated at MS or regional level. Suggests that discussion on the field should be continued.</p> <p><b>Climate change/Bio-energy/Water management:</b> Not clear what specific role the CAP should have in these. Too soon to pronounce on the correct adaptation of the CAP.</p> <p><b>Modulation:</b> Any extra funds should be deployed to existing RD measures. Still not clear on the extent and rate. Supports the use of a more flexible A.69 to redeployed funds within Pillar I.</p> <p><b>Others:</b> nc</p>
<p style="text-align: center;"><b>European Landowners' Organization (ELO)</b></p>	<p><b>General comments:</b> Should have given more time; HC cannot introduce new reforms, need for stability, bring simplification and streamlining.</p> <p><b>SPS:</b> Supports an optional move to flat rate. Redistribution within MS, not between. Support close relationship between payments and land, to ensure GAEC. Flat-rate SAPS can more convincingly be related to GAEC, payments further divorced from history of supporting particular productions, and more clearly linked to GAEC. More extensive farms will win, only argument to persuade losers is that the overall scheme is more explainable to the public.</p> <p><b>Cross-compliance:</b> Land management is a complex long-term business, constant change should be avoided. Rules should remain proportional. Controls should treat petty and minor infringements sensibly, no disproportionate penalties. Tougher EU standards e.g. for water management provide further justification for SPS. Simplification may lighten the administrative burden but should not undermine the effectiveness in delivering high standards. Part of the justification is that European citizens demand environmental and animal welfare standards not required of producers in competing countries; water and soils processes are going further in the future. If higher costs of production and no way to ask consumers to pay for this, without payments results a systematic rundown of domestic EU production in favour of products with lower costs, less environmentally secure.</p> <p><b>Decoupling/Coupling:</b> Supports decoupling in all products and regions. Unconvinced we need new flanking measures: problem is between Pillars I and II, not through new product-related subsidies. No targeted support desirable, a contradiction of the whole reform logic.</p> <p><b>Upper and Lower payments limitations:</b> Against capping. The disparities between MS result from the complex CAP story, not touched at all by the progressive payments limitation mentioned, explicitly suggests that no redistribution between MS. An absolute cap would be the most brutal, little or no impact in redistribution, little or no money saved; employment impact would be dire, progressive cuts less dramatic, but no motive offered. If progressed to the next stage, then at the very least should be left as option for individual MS. Minimum level makes a great deal of sense, especially in the move to RAPs, lower limit should be left to MS.</p> <p><b>Cereal intervention:</b> Supports maintenance only as a measure of last resort in extreme conditions; do not use current high prices to remove the legislative basis of intervention. Markets can collapse therefore should have tools.</p>

	<p><b>Set-aside:</b> Supports abolition as will mean further simplification; however voluntary set aside should be possible for MS who wish. Any justified measure should be EU-wide, voluntary, paid for and arranged by amending Pillar II agri-environmental schemes.</p> <p><b>Milk Quotas:</b> Supports abolition. Marginal regions (e.g. mountainous) best dealt with by agri-environment or RD measures, no need to introduce more milk-related accompanying ones.</p> <p><b>CMO's:</b> nc</p> <p><b>Risk management:</b> Help farmers use financial instruments such as commodity markets, options and futures markets and derivatives trading will be part of the package to answer this; more discussions needed about development of crop and revenue insurance. For climate, current arrangements not adequate; particular concern about the porosity of EU borders. Also a large debate on responsibilities in animal disease control and appropriate sharing of costs. Would be very worried if stabilisation measures operated at MS or regional level, would all-too-easily distort the markets.</p> <p><b>Climate change/Bio-energy/Water management:</b> Not clear what specific role CAP should play. Far from clear which measures needed, and in which pillar; challenge of the changing relative prices of food and environment must be addressed by adjustments in pillar 2 RDS. Too soon to pronounce on the sound adaptation, not too soon to start debating how CAP to adapt to strong changes in market conditions.</p> <p><b>Modulation:</b> May be necessary to shift more CAP resources to ensure the appropriate delivery of the public goods and services, whether in Pillar I (e.g. a suitably amended A.69 or in Pillar II: many MS find the co-financing impossible). Any extra fund for RD must be deployed to existing measures for existing challenges. Deal with known existing challenges (higher environmental standards, maintain the attractiveness or agri-environmental schemes, livestock sector in difficulty, especially in disadvantaged areas). Start reflecting for future adaptations of Pillar II during the next two years, this is the right direction.</p> <p><b>Others:</b> nc</p>
<p style="text-align: center;"><b>Scottish Rural Property and Business Association (SRPBA)</b></p>	<p><b>General:</b> nc</p> <p><b>SPS:</b> The introduction of a flatter rate will inevitably create winners and losers. Attention should be given so as new land previously not under the SPS to receive funding.</p> <p><b>Cross compliance:</b> Supports simplification of CC. Against addition of new criteria as this will place additional costs leading to a decline in the EU production which will be replaced by products produced using lower standards. Concerned with differences in its application between the MS.</p> <p><b>Decoupling/Coupling:</b> Coupled support could be provided to the grazing, sheep and beef sector through the use of A.69 and RD measures.</p> <p><b>Upper and Lower payments limitations:</b> Against capping 1) will restrict farmers' ability to comply with CC criteria 2) as large farms employ higher number of staff capping may cause economic damage. Agrees with a minimum level of payment.</p> <p><b>Cereal Intervention:</b> nc</p> <p><b>Set-aside:</b> Supports abolition. Environmental benefits should be dealt within Pillar II.</p> <p><b>Milk Quota:</b> Supports abolition.</p> <p><b>CMO's:</b> Supports full decoupling.</p> <p><b>Risk management:</b> Neither Pillar I nor Pillar II are adequate or flexible enough to address the risks. Risks should be address at an EU level and not be left at the hand of the MS.</p> <p><b>Climate change/Bio-energy/Water management:</b> Existing instruments not enough. It is still unclear what role the CAP will play in this area therefore more thought should be put on the issue.</p> <p><b>Modulation:</b> Recognises that there is a need to shift money from Pillar I to Pillar II, nevertheless any increase in compulsory modulation must be</p>

<p style="text-align: center;"><b>The Tenants Farmers Association on Scotland Limited</b></p>	<p>offset by a reduction in voluntary modulation.</p> <p><b>Others:</b> nc</p> <p><b>General comments:</b> Unique in EU, about 1/3 of Scotland tenanted, much in the fragile highlands and islands. HC should encourage agricultural activity in these areas through rural development measures and the use of national envelopes. Proposed capping not on an arbitrary basis but linked to public benefits.</p> <p><b>SPS:</b> Against flat rate due to unique situation; a flatter area based system would cause huge disruption. If any move towards area based scheme, value of SFP must take into account economic benefits delivered and be linked to agricultural activity.</p> <p><b>Cross-compliance:</b> Against addition of criteria. Greater regulation will become more complex and penalties more punitive. The addition of legal requirements will place a greater burden both financially and in terms of increased bureaucracy.</p> <p><b>Decoupling/Coupling:</b> Supports decoupling but proposes support for sheep and cattle, e.g. through national envelopes; payment should be conditional on agricultural activity. Stock production in highlands and islands will always be marginal. Sheep and cattle should attract targeted partial decoupled support to offset the recent trend to cease production in LFA's</p> <p><b>Upper and Lower payments limitations:</b> Will not address the uneven distribution of payments, consequence of historically based SPS. Measures should be put in place to prevent the establishment of separate businesses. Upper thresholds should be introduced progressively based on national criteria according to average national payments. Would save administrative costs, must not disadvantage smallholdings such as crofts, be linked to agricultural activity to exclude, non-farming buyers.</p> <p><b>Cereal intervention:</b> Supports its maintenance as a fallback. Limit to wheat would exclude Scotland from the benefit of intervention for cereals.</p> <p><b>Set-aside:</b> Supports abolition; there are adequate measures through RDP to deliver environmental benefits.</p> <p><b>Milk Quotas:</b> Supports abolition. Gradual increase should lead to a smooth transition, but be geared to accommodate the proposed increase in production.</p> <p><b>CMO's:</b> Partially coupling should remain where production unviable; particularly important for protein crops which face competition from outside. Evident that hill livestock farmers cannot survive without direct support.</p> <p><b>Risk management:</b> There should be a mechanism such as long term storage in glut situations resulting from a market collapse. Flexible and rapid contingency measures needed to provide emergency aid on area basis according to the nature of the problem. Most price and production related risks best addressed by a regional solution within the wider framework of the EU policy.</p> <p><b>Climate change/Bio-energy/Water management:</b> A central plank of both pillars; ample suitable measures available but many of the schemes are competitive and may be difficult to access.</p> <p><b>Modulation:</b> Any increase in compulsory modulation must be matched by a corresponding decrease in voluntary so that Scotland is not disadvantaged. There are adequate measures to address new challenges in the SRDP without further depleting the support payments in Pillar I on which viable agriculture depends.</p> <p><b>Others:</b> nc</p>

## 6. Local Authorities

<p><b>Aberdeenshire Council Transport and Infrastructure</b></p>	<p><b>General:</b> nc  <b>SPS:</b> Supports move to flat rate. MS should be allowed to adjust their models.  <b>Cross compliance:</b> Should continue to review GAEC standards to ensure that relevant standards are retained while deleting inappropriate.  <b>Decoupling/Coupling:</b> In favour of decoupling. Nevertheless there might be cases (suckler cow/ sheep) in the less favoured areas of Scotland that support through environmental measures is recommended.  <b>Upper and Lower payments limitations:</b> Supports capping. A progressive approach should be adopted. Savings should stay within the MS. If a minimum threshold is applied this should be financially based and not area based.  <b>Cereal Intervention:</b> Intervention system should be maintained.  <b>Set-aside:</b> It is appropriate to abolish it only if provision is made to ensure environmental benefits. Suggests set-aside entitlements to split with recipients retaining for e.g. 50% while the other 50% is transferred to Pillar II.  <b>Milk Quota:</b> Supports abolition.  <b>CMO's:</b> nc  <b>Risk management:</b> Supports measures at MS leve.  <b>Climate change/Bio-energy/Water management:</b> Should be addressed under Pillar II together with energy crops.  <b>Modulation:</b> Supports 2% increase of compulsory modulation on the base of a reduction to the voluntary one.  <b>Others:</b> nc</p>
<p><b>Austrian Chamber of Agriculture (Lk)</b></p>	<p><b>General comments:</b> Communication aims at exposing farmers to free concurrence. HC is a new reform. Reforming every 3 years not the best way to help European agriculture.  <b>SPS:</b> Against changing to regional system (to be noted: remind us that they were opposed to historical model in 2003). Publicity of direct payments has worsened the situation, more bureaucracy through changes. Considering only Pillar I, important aspects forgotten, ao environment. A.69 not in use in Austria, nor voluntary modulation, if so, repartition would have changed notably. Balance of the model only makes sense in 2013. Simplification should not lead to reduction in direct payments.  <b>Cross-compliance:</b> Supports simplification of controls. Set up a system of indicators so as to reduce points to check; abolish tripling of fines when repeated, increase minimum amount where fines not to be paid (100) harmonise national systems to reduce distortions. Do not impose new fields of control, opposed to simplification. Extending CC to climate and water not wise.  <b>Decoupling/Coupling:</b> Supports maintaining coupling for suckler cow, whatever the future model, especially in view of quota soft landing. Essential that the whole territory remains considered one single zone. Status quo for starch potato which is regionally important.  <b>Upper and Lower payments limitations:</b> Against capping. SPS justified by cost CC respect for all the farms, not by their surface. Can lead to farm splitting, costly and useless, do not divide between "big" and "small" farmers.  <b>Cereal intervention:</b> Today crisis less predictable and difficult to combat (negative reactions of consumers, diseases and not overproduction) no further tool could lead to underestimated risks for farmers and their products. For milk strongly necessary to keep existing possibilities. For cereals, private stocking can afford for everything, expected production increase could make intervention desirable. Need a <u>public safety net</u>.</p>

	<p><b>Set-aside:</b> Supports abolition. Environmental aspects of set aside to be taken into account under Pillar II.</p> <p><b>Milk Quotas:</b> Supports maintenance. 2% increases would threaten market balance. Supports soft landing in any case necessary as sharp/quick increase would be fatale to mountainous areas. Others possibilities ao adaptation: reducing fat content coefficient, flexibility in national quotas, more flexible management and further reallocations, adapt national quota and reserve, tradability also to implement. Against use of A.69 as would interfere in adaptation freedom, and not realisable within the next two years without new resources.</p> <p><b>CMO's:</b> Needs to take into account yields fluctuation for further SPS towards theses productions, important in some regions. Equivalent instruments needed.</p> <p><b>Risk management:</b> More important with evolution towards higher yields crofts with high investment, besides climate change, market instability, diseases etc. Fruit-vegetable solution very positive, group offer and reinforce producers' position. Don't agree that modulation the only solution to lack of financial resources.</p> <p><b>Climate change/Bio-energy/Water management:</b> CAP was not created to tackle them, nevertheless measures already exist in RD. 2<sup>nd</sup> generation bio-fuels to be financed from other sources (7<sup>th</sup> research program), do not help agricultural interests.</p> <p><b>Modulation:</b> Against increase, would damage more Pillar I. However, essential function: improves competitiveness, compensates agro-environmental measures, improves rural world infrastructure; must be an accepted, sustainable tool, allows regional adaptation and differentiation.</p> <p><b>Others:</b> Against renationalization of CAP, EU measures and finance indispensable to improve competitiveness, deepen single market, face liberalisation of agricultural markets.</p>
<p style="text-align: center;"><b>AGORA</b> <b>Working Group</b> <b>for Sustainable</b> <b>Development</b> <b>(Rumania)</b></p>	<p><b>General comments:</b> HC consultation process in Rumania very weak: documents only in English, excluding the majority of farmers.</p> <p><b>SPS:</b> nc</p> <p><b>Cross-compliance:</b> Strengthen the agri-environmental programs through the minimum 60% level from axis 2 budget and compulsory zone agri-environmental programs in all MS (HVN areas). Supplement GAEC with the conservation of small landscape elements, interdiction of pesticides and other chemicals in HNV areas and environmentally sensitive areas, maintaining and strengthening CC system for Pillar I and some Pillar II payments.</p> <p><b>Decoupling/Coupling:</b> Supports small farmers instead of industrial farms in EU12, they maintain important HNV farmland areas, mainly grassland. Maintain animal husbandry with special incentives in mountainous areas.</p> <p><b>Upper and Lower payments limitations:</b> nc</p> <p><b>Cereal intervention:</b> nc</p> <p><b>Set-aside:</b> Supports maintenance particularly in areas of intensive production</p> <p><b>Milk Quotas:</b> nc</p> <p><b>CMO's:</b></p> <p><b>Risk management:</b> nc</p> <p><b>Climate change/Bio-energy/Water management:</b> Central and Eastern Europe faces new challenges related to climate change, such a rapid land degradation and floods. RDP of the CAP thus increasingly important, with its environmental components.</p> <p><b>Modulation:</b> Supports an increase of at least 20% to 2010, if possible even more.</p> <p><b>Others:</b> CAP should support an integrated approach of the rural areas (adding value to local products, landscapes, traditional agricultural systems)</p>

<p><b>Dutch Provisional Cooperation (IPO)</b></p>	<p><b>General comments:</b> Seeks ways and means to implement global changes into regional policy. Connect it to the global issues of sustainability (production, incl. bio-energy, trade), food security, knowledge and innovation, landscape quality, fresh water, sustainable energy, climate changes, preservation of soil diversity.;</p> <p><b>SPS:</b> Supports phasing out of direct payments gradually and simultaneously, replace historical base by performance base, support development, marketing, reduce administrative burdens, create flexibility and simplify.</p> <p><b>Cross-compliance:</b> nc</p> <p><b>Decoupling/Coupling:</b> nc</p> <p><b>Upper and Lower payments limitations:</b> nc</p> <p><b>Cereal intervention:</b> nc</p> <p><b>Set-aside:</b> nc</p> <p><b>Milk Quotas:</b> nc</p> <p><b>CMO's:</b> nc</p> <p><b>Risk management:</b> nc</p> <p><b>Climate change/Bio-energy/Water management:</b> Specific agricultural areas are of the utmost importance for preserving and respecting biodiversity and nature values, these public interests represent a financial value, eligible for payments.</p> <p><b>Modulation:</b> A slight increase of the obligatory modulation necessary for 2007-2013.</p> <p><b>Others:</b> Document written end of October 2007. More a general comment around CAP, WTO, evolution of world markets, regional importance of agriculture and CAP than an actual answer to the HC.</p>
<p><b>Dossiers et Debats pour le Developpement Durable (4D)</b></p>	<p>Please report to No 65 for the contribution.</p>
<p><b>East of Scotland European Consortium (ESEC)</b></p>	<p><b>General comments:</b> nc</p> <p><b>SPS:</b> Supports a phased approach to move from historic model to flatter rates. Implementation of SPS should continued to be made at regional level.</p> <p><b>Cross-compliance:</b> Should continue to review GAEC standards to ensure that relevant standards are retained while deleting inappropriate.</p> <p><b>Decoupling/Coupling:</b> In favour of decoupling. Nevertheless there might be cases (suckler cow/ sheep) in the less favoured areas of Scotland that support through environmental measures is recommended.</p> <p><b>Upper and Lower payments limitations:</b> Supports capping. A progressive approach should be adopted. Savings should stay within the MS. If a minimum threshold is applied this should be financially based and not area based.</p> <p><b>Cereal intervention:</b> nc</p> <p><b>Set-aside:</b> Supports abolition.</p> <p><b>Milk Quotas:</b> Supports abolition.</p> <p><b>CMO's:</b> nc</p> <p><b>Risk management:</b> Agrees with Commission that cannot be a one-size fit all approach; Supports RD tools so as to provide MS with the flexibility to come up with specific solutions.</p> <p><b>Climate change/Bio-energy/Water management:</b> Should be addressed through Pillar II as well as supports for energy crop. Climate change and water management could be part of CC. Research and developments of key importance.</p> <p><b>Modulation:</b> Supports increase in compulsory modulation. Proposes to combine programmes for agriculture e.g.: LEADER+EAGFF.</p> <p><b>Others:</b> nc</p>

**Fédération  
Nationale des  
Centres d'Initiatives  
pour Valoriser  
l'Agriculture et le  
Milieu Rural  
(FNCIVAM)**

**General comments:** nc

**SPS:** Organic and grazing systems severely penalised, great disparities. Should not only abandon historic payments but oblige to come to a mutualised contract payment in 2013 with progressive change of calculation meanwhile, on a simple model.

**Cross-compliance:** Fundamental to keep a link between SPS and respect of CC, conceived as a sanction and not an eligibility criteria. Propose simplified proceedings to evaluate, e.g. capitalisation of sustainability diagnosis. On term, to simplify, take into account simultaneously the 3 pillars of sustainable development (economic, social efficiency, environment respect) in eligibility criteria for pillar 1. Appraisal and controls should be simplified.

**Decoupling/Coupling:** 1<sup>st</sup> time Commission recognizes that decoupling adapted to arable land but not to livestock. Justify French choice for re-coupling suckler cow. Important to keep different treatment for breeding via re-coupling, e.g. extensive ewes, beef in LFA's, fragile sectors hardly competitive but to be supported on a long term vision of energy scarcity, besides landscape concerns.

**Upper and lower payment limitations:** Capping not new, previous Commissioner already tried, at 300 000€. Missed political consensus. Easy to combat by splitting. Support by active on farm more relevant and efficient

**Cereal intervention:** Supports maintenance of safety-net for strategic reasons public and private storage. Modalities to be reviewed, only when prices low on cereals. Stop export refunds, maize increases protein dependence of EU, work towards auto-supply here, besides, numerous agronomic and environmental advantages.

**Set-aside:** Supports abolition a step further to more market-orientation, and more simplification, due to complexity of SPS set aside. Think of environmental fallow (in all its forms: stripes, bee territories, plant diversity, wildlife). Regional approach would be wise: situations so different for arable land and grassland!

**Milk Quotas:** Gradual increase of quotas only thinkable with intermediary review of market situation. Abolishment could lead to great environmental problems in LFA'S and mountains and environmental problems in intensified others (effluents). Milk does not cost so much to CAP for 20% of farm jobs. A.69 is not enough. Market organisation also to maintain/develop. Breeding needs further sort of protection.

**CMO's:** Should introduce an ambitious initiative as regards protein-crops dependence. Production in 3 countries, with high environmental damages, besides GMO problem. Could lead to huge falls in EU meat production. Couple support to protein-rich plants could be envisaged.

**Risk management:** Identify risks to be covered, do not compensate market deregulations; CAP budget has not to take into account climate risks, another credit line has to be introduced.

**Climate change/Bio-energy/Water management:** Integrate into CC rather than RD, more coherent, and into GAEC. Not thinkable to support bio-fuels, food should remain the first objective and subsidy, with ceiling reached in 2007, be abolished, no longer justified. CAP must not finance EU energy policy. Maximising yields goes against saving energy and respecting environment.

**Modulation:** too modest proposal (remember original aim of 20%); necessary increase of pillar 2; redefine eligible actions and improve jointly pillar 1 attribution conditions. Foresee complementary means to develop agri-environmental measures, "artificialised" agriculture with massive inputs is not sustainable. Do not neglect the human and social side of farming, feed men but not at irreversible end unacceptable costs for society.

**Others:** nc

<p style="text-align: center;"><b>Lancashire County Council</b></p>	<p><b>General:</b> nc  <b>SPS:</b> nc  <b>Cross compliance:</b> nc  <b>Decoupling/Coupling:</b> nc  <b>Upper and Lower payments limitations:</b> nc  <b>Cereal Intervention:</b>  <b>Set-aside:</b> nc  <b>Milk Quota:</b> nc  <b>CMO's:</b> nc  <b>Risk management:</b>  <b>Climate change/Bio-energy/Water management:</b> Strengthening of RD is the most appropriate way to tackle these issues. Local organizations should work in partnership with regional, local and international organizations in order to develop strategies to tackle them. Commission should address climate change in a joined-up way across directorates and services.  <b>Modulation:</b> Supports increase in modulation. Increased modulation is the best way to achieve sustainable communities.  <b>Others:</b> nc</p>
<p style="text-align: center;"><b>Northern Ireland Region National Sheep Association (N.I. NSA)</b></p>	<p><b>General:</b> nc  <b>SPS:</b> Supports that MS should have the option to adjust their SPS towards a more flat rate system.  <b>Cross compliance:</b> Current standards are enough. The addition of any more will only be accepted if others are removed.  <b>Decoupling/Coupling:</b> Supports full decoupling as this will create a more equal market place.  <b>Upper and Lower payments limitations:</b> Against capping and lower threshold in payments.  <b>Cereal Intervention:</b> Against removal of intervention system  <b>Set-aside:</b> Supports abolition. Countryside Management Schemes are more focused to encourage environmental benefits.  <b>Milk Quota:</b> Against removal of quotas. Their removal would put pressure on environmentally friendly methods of dairy farming driving producers into more intensive systems.  <b>CMO's:</b> Supports full decoupling.  <b>Risk management:</b> Sees no reason to change current policy and thinks that the situation could be better addressed nearer to 2013.  <b>Climate change/Bio-energy/Water management:</b> The existing instruments are adequate.  <b>Modulation:</b> Against increase. The 5000 E franchise should be made optional and allow MS to decide if it should be applied.  <b>Others:</b> nc</p>
<p style="text-align: center;"><b>ÖBV-Via Campesina Austria</b></p>	<p><b>General comments:</b> nc  <b>SPS:</b> Present SPS model based on historic references considerably disadvantaged farms having rented their surface during reference period, or cultivated non assisted productions. To avoid this demands compulsory introduction of regional model, no national extension. Grassland would no longer be disadvantaged. It is no longer justified to base subsidies on 2000-2002 production.  <b>Cross-compliance:</b> A tool for an environment-friendly, animal respecting and sustainable agriculture. Partly too bureaucratic and limit decisions on farm for the time now. Small and medium farms subject to disproportionate conditions. Introduction of biodiversity, water management, climate protection necessary. Want to introduce maintenance of genetic diversity: a way to forbid GMO's  <b>Decoupling/Coupling:</b> Coupled payments are necessary in certain sensible sectors: suckler cow premium. Total decoupling would lead to heavy problems.  <b>Upper and lower payment limitations:</b> Supports capping. Also consider number of work-forces, impact on environment and quality. Would be welcome for tax-payers, citizens and other farmers. Totally opposes lower levels, suggests a fixed amount for small farms, coupled</p>

	<p>to job forces.</p> <p><b>Cereal intervention:</b> nc</p> <p><b>Set-aside:</b> Supports abolition. Mind environmental aspects; increasing money for nature protection measures from Pillar II can soften.</p> <p><b>Milk Quotas:</b> Supports maintenance. Abolition would sink prices, endanger production in poorer areas, likely to be compensated through high subsidies. Compensations should come neither from A.69 nor from RD. Prices to consumers should increase. Strictly opposed to super-levy or fat content coefficient. Prolong till 2015, till a new decision over the future of milk production is taken.</p> <p><b>CMO's:</b> nc</p> <p><b>Risk management:</b> Rejects any privatisation of risks (insurances). EU should foresee reserves to cope with such situations.</p> <p><b>Climate change/Bio-energy/Water management:</b> nc</p> <p><b>Modulation:</b> Supports proposed modulation.</p> <p><b>Others:</b> nc</p>
<p><b>Peri Urban Regions Platform (PURPLE)</b></p>	<p><b>General comments:</b> Calls to fully recognise the importance of peri-urban regions as interfaces between the urban and rural world; agriculture still plays there a major part, important to preserve and reinforce the multi-functional qualities of the countryside, its agriculture and the vitality of its rural communities.</p> <p><b>SPS:</b> Should not be only based on historic entitlements but also on output criteria related to societal legitimacy, sustainability, environment, the preservation of vulnerable agri-ecosystems and valuable landscapes, water management, improving innovation, high quality food.</p> <p><b>Cross-compliance:</b> Biodiversity should be valued more strongly, developing integrated rural development strategies in peri-urban areas. Payments should no longer be based on compensating land owners for productive losses, but on real market prices.</p> <p><b>Decoupling/Coupling:</b> nc</p> <p><b>Upper and Lower payments limitations:</b> nc</p> <p><b>Cereal intervention:</b> nc</p> <p><b>Set-aside:</b> nc</p> <p><b>Milk Quotas:</b> nc</p> <p><b>CMO's:</b> nc</p> <p><b>Risk management:</b> nc</p> <p><b>Climate change/Bio-energy/Water management:</b> Large-scale production of bio-energy crops is not a valid option in peri-urban regions (higher land prices). Maintaining open spaces and agricultural use, reforestation, bio mass, quality production, they contribute to combat climate change.</p> <p><b>Modulation:</b> Strongly urges to enlarge Pillar II and to promote innovation.</p> <p><b>Others:</b> More emphasis in the LEADER approach on a wider scale. Should pay more attention on installation of young farmers, key for the future of agriculture and transition towards a more sustainable, multifunctional and competitive agriculture.</p>
<p><b>Randstad Region</b></p>	<p><b>General comments:</b> Not an answer to the questionnaire, more position paper (from a seminar held in October 2007) about the position of peri-urban areas in the CAP (they are members of PURPLE, see nr 14).</p> <p><b>SPS:</b> More affective steering mechanism over Pillar I funds, bind its future to social objectives. In the period after 2013, it is expected that reduced funding will be available to the CAP. No need for a new (bureaucratic) subsidy system for production support, causing new butter mountains and milk lakes in due course. The same applies to stimulating "innovative" production for bio-fuels. Give priority to allocating a budget for stimulating innovation (axis 1 of Pillar II) and to increase the competitive power in the farming sector. Pillar I does not encourage innovation and entrepreneurship and offers fewer opportunities to young farmers.</p> <p><b>Cross-compliance:</b> Decide upon the extent to which greening and/or</p>

	<p>modulation of Pillar I will take place and at what pace, before 2010. Manage and stimulate sustainability by allocating funds from the CAP.</p> <p><b>Decoupling/Coupling:</b> Flat rate and historical payments inflexible, poor in terms of manageability, do not sufficiently contribute to social objectives and lack social justifications. Income support is expected to be needed less in the years to come, due to recovering market prices.</p> <p><b>Upper and Lower payments limitations:</b> Broadening the scheme for relatively small-scale government aid, which does not require European approval (de minimis) will simplify the CAP and help cut back income support via Pillar I.</p> <p><b>Cereal intervention:</b> nc</p> <p><b>Set-aside:</b> nc</p> <p><b>Milk Quotas:</b> nc</p> <p><b>CMO's:</b> nc</p> <p><b>Risk management:</b> nc</p> <p><b>Climate change/Bio-energy/Water management:</b> nc</p> <p><b>Modulation:</b> Supports increase in modulation. Pillar II provides greater opportunities for more effective steering and tailor-made approach at areas level. More can be achieved by a more powerful link between Pillar I/II. Utilise efficiently the nationally available space for voluntary modulation (more than 5%) before 2010. Greater financial room is needed for broader range of rural functions, for payment possibilities for green and blue services and environmental and climate objectives at a competitive market level. Propose a phased increase from 5% to 20%.</p> <p><b>Others:</b> The CAP involves too much legislation and red tape and must be simplified. In the event of increasing spatial pressure and continuing liberalisation, Dutch food security is likely to decline, less agricultural land, more cattle breeding and less arable farming.</p>
<p><b>Réseau Agriculture Durable</b></p>	<p>Please report to nr 65</p>
<p><b>The Highland Council</b></p>	<p><b>General:</b></p> <p><b>SPS:</b> Supports the move towards a flat rate system in the period up to 2013 using a hybrid model. A.69 can develop a mechanism of support that will achieve the maintenance of the livestock sector in the more fragile areas and support the High Nature Value Farming (HNVF).</p> <p><b>Cross compliance:</b> Against the introduction of additional rules that will limit the scope of funding measures under Pillar II.</p> <p><b>Decoupling/Coupling:</b> Finds unclear if the HC will allow MS to revisit original decisions on decoupling. Needs more clarity on whether a move to full decoupling is an option.</p> <p><b>Upper and Lower payments limitations:</b> Favours capping of largest payments. Very large payments to individual farm businesses attract much criticism.</p> <p><b>Cereal intervention:</b> nc</p> <p><b>Set-aside:</b> nc</p> <p><b>Milk Quotas:</b> nc</p> <p><b>CMO's:</b> nc</p> <p><b>Risk management:</b> nc</p> <p><b>Climate change/Bio-energy/Water management:</b> nc</p> <p><b>Modulation:</b> Favours progressive modulation of largest payments, with the funds generated to stay within the regions in which they accrue.</p> <p><b>Others:</b> nc</p>

## 7. Others

<p style="text-align: center;"><b>Deutscher Städte und Gemeindebund</b></p>	<p><b>General comments:</b> Welcomes the consultation. The credibility of EU depends on the way it can take advice from those touched by its decisions, e.g. local authorities for rural development.</p> <p><b>SPS:</b> Questionnaire too much orientated towards Pillar I, should answer the question of strengthening Pillar II (Germany, 2007-2013, -12%)</p> <p><b>Cross compliance:</b> nc</p> <p><b>Decoupling/Coupling:</b> nc</p> <p><b>Upper and Lower payments limitations:</b> SPS too much linked to farm dimension, small enterprises create more jobs and receive much less. Money spared should go to A.69, fears political weakening of rural development priority.</p> <p><b>Cereal intervention:</b> nc</p> <p><b>Set-aside:</b> nc</p> <p><b>Milk Quotas:</b> nc</p> <p><b>CMO's:</b> nc</p> <p><b>Risk management:</b> Money from modulation not aimed at maintaining existing structures, proposes linear increase of RD funds for axis 3.</p> <p><b>Climate change/Bio-energy/Water management:</b> nc</p> <p><b>Modulation:</b> Welcomes proposal, astonished that only 3 priorities mentioned, proposes to also finance improvement of life conditions in rural areas, so that they remain attractive. Less populated areas cost, harder to administrate.</p> <p><b>Others:</b> nc</p>
<p style="text-align: center;"><b>European Union of National Associations of Water Suppliers and Waste Water Services (EUREAU)</b></p>	<p><b>General:</b> nc</p> <p><b>SPS:</b> nc</p> <p><b>Cross compliance:</b> Supports addition of criteria related to WFD. There should a common basis of CC criteria should be across the EU.</p> <p><b>Decoupling/Coupling:</b> nc</p> <p><b>Upper and Lower payments limitations:</b> nc</p> <p><b>Cereal Intervention:</b> nc</p> <p><b>Set-aside:</b> Concerned on the impacts of the abolition of set-aside without a substitute measure to secure the quality of drinking water supplies.</p> <p><b>Milk Quota:</b> Quota abolition and subsequent expansion in production may result additional costs for water treatment. Commission should couple the changes to the quota system with environmental management on dairy farms.</p> <p><b>CMO's:</b> nc</p> <p><b>Risk management:</b> Existing tools not adequate. Supports creation of complementary mechanism to cover production risks.</p> <p><b>Climate change/Bio-energy/Water management:</b> Fully supports bio-energy.</p> <p><b>Modulation:</b> Current funds not sufficient. Although some RDP have been agreed a review clause could be added to take WFD under A.38.</p> <p><b>Others:</b> nc</p>
<p style="text-align: center;"><b>Fédération Nationale des Chasseurs de France</b></p>	<p><b>General comments:</b> Landscape, biotops and territories are an environmental production of agriculture, should be recognised as such and valued, also economically. Stop specialisation and avoid that it also applies in new member countries.</p> <p><b>SPS:</b> Supports regional model more flexible, allows maintaining certain production, and diversify, also encourage specific productions, favourable to wildlife, among others protein crops, needs partially coupled aid to be maintained.</p> <p><b>Cross-compliance:</b> For the time now, only applies to food safety, animal welfare and environment through water preservation. Biodiversity rejected to Pillar II, which is only voluntary hence inefficient. Ordinary biodiversity should dispose a special scheme within Pillar II and be compulsory on the whole agricultural land as a specific GAEC. Suggest a "bonus" system where farmers going beyond minimum requirements under SPS for biodiversity would get positive points, which they could use to compensate eventual penalties on</p>

	<p>conditionality. A.69 should not be used to support dairy production in regions threatened after quotas have disappeared.</p> <p><b>Decoupling/Coupling:</b> nc</p> <p><b>Upper and lower payment limitations:</b> Against minimum threshold as abolishing aid to smaller farms would lead to unacceptable desertification.</p> <p><b>Cereal intervention:</b> Supports maintenance to allow stability, security.</p> <p><b>Set-aside:</b> Was the only scheme for biodiversity; estimates that only 50% of set aside land will be farmed; remaining surface, less rentable and in sensitive areas, could lead to a special SPS biodiversity, open to farms using 5% of their surface for biodiversity, taking into account hedges, boundaries, trees, slopes, ponds. Would be compulsory and prior to standard SPS.</p> <p><b>Milk Quotas:</b> nc</p> <p><b>CMO's:</b> nc</p> <p><b>Risk management:</b> Regarding wildlife/damages to cultures/ consumption of products etc. calls for a voluntary policy and innovative measures for prevention. Also encourages research.</p> <p><b>Climate change/Bio-energy/Water management:</b></p> <p><b>Modulation:</b> Supports increase of transfer from Pillar I to II: measures should be more attractive and not only compensatory and make them accessible to all rural actors likely to interfere in land management: forest owners, hunters, managers, owners etc.</p> <p><b>Others:</b> nc</p>
<p><b>Game and Wildlife Conservation Trust</b></p>	<p><b>General:</b> nc</p> <p><b>SPS:</b> nc</p> <p><b>Cross compliance:</b> nc</p> <p><b>Decoupling/Coupling:</b> nc</p> <p><b>Upper and Lower payments limitations:</b> nc</p> <p><b>Cereal Intervention:</b> nc</p> <p><b>Set-aside:</b> Supports abolition provided that new voluntary measures will be put in place to help conserve the animals and plants that have benefited from it. Proposes that a minimum of 1% of the farm cropping area should be managed under one of the 3 open-fields conservation regimes: rotational fallow, meadow, wildlife crop.</p> <p><b>Milk Quota:</b> nc</p> <p><b>CMO's:</b> nc</p> <p><b>Risk management:</b></p> <p><b>Climate change/Bio-energy/Water management:</b> nc</p> <p><b>Modulation:</b> Supports increase in modulation.</p> <p><b>Others:</b> nc</p>
<p><b>Groupe de Recherches et d'echanges Technologiques (GRET)</b></p>	<p>Please report to nr 65.</p>
<p><b>Grün/Bundestagsfraktion</b></p>	<p><b>General comments:</b> Series of statements not responding directly to the questionnaire, thus difficult to integrate in the answer analysis.</p> <p><b>SPS:</b> Pillar I payments have to be re-justified. Increase CC = a step in the right way. Increased modulation follows the right move of conditioning payments to environmental conditions. Increasing demand of European consumers for organic products must be reflected in farm support policy. Expects a better coherence of support with international agreements (Kyoto, WTO, EB, etc.). Check payments following an estimate of climate, ecological, economical and social consequences. Continuation of payments conditional to social performances. All Pillar I and II payments with negative effect on climate change to be stopped immediately</p>

	<p><b>Cross-compliance:</b> Supports addition of criteria. Pillar I payments to be justified and reduced to a basic help bonified for especially salient performances, organic, with a "climate bonus" and social standards (health and security ao). Offers for green measures and organic to be notably increased under Pillar II. Create compulsory programs for nature protection and biodiversity guarantee, as well as support to GMO-free regions. Greater support for the use of renewable energy sources, e.g. heath systems. An efficient soil protection and pesticides directive to be adopted.</p> <p><b>Decoupling/Coupling:</b> nc</p> <p><b>Upper and Lower payments limitations:</b> Binding payment reductions to jobs opens a debate on sound justice in distribution of money.</p> <p><b>Cereal intervention:</b></p> <p><b>Set-aside:</b> Create a compensatory ecological system to cope with abolition</p> <p><b>Milk Quotas:</b> nc</p> <p><b>CMO's:</b> nc</p> <p><b>Risk management:</b> nc</p> <p><b>Climate change/Bio-energy/Water management:</b> Expect more actions.</p> <p><b>Modulation:</b> nc</p> <p><b>Others:</b> Every export subsidy forging concurrence to be crossed latest 2013, not regarding evolution, in WTO negotiations. Improve promotion of systems to guarantee quality, controls, certification and traceability for food and livestock under Pillar II.</p>
<p><b>Land Use Policy Group (LUPG)</b></p>	<p><b>General comments:</b> CC, set aside and modulation the most pressing issues requiring incremental adjustments in HC. Existing Pillar I direct payments not geared to sustainable land management and development, "represent poor value for public money". Need of a large-scale transfer of funds from income support to rural development, including the purchase of environmental goods and services otherwise not provided. Important to do as much as possible "to ameliorate the lack of clear propose inherent in the direct payment system"</p> <p><b>SPS:</b> Moving to one single type= a significant simplification, however, retaining a link to the historical allocation of set-aside entitlements might be useful when designing environmental measures to replace set aside. Revising A.69 rules for national envelopes could be simplified to reduce the need for funds to be recycled within the same sector, and allow some complementarity with RD measures. Support in principle more flexible approach; flat rate or a banded, regionalised model would be an improvement on a purely historical system; however, not satisfactory: only a weak link to environmental goods. More resources should go to RD; need to ensure in the transitional phase that Pillar I payments are more closely related to environmental objectives. By standardising direct payments in all the 27MS, move to flatter rate = part of a progressing towards a clear objective if public good delivery. Flatter rate fairer to farmers that reduced previously their activity; ensure that farms with large areas and very low intensity do not receive unreasonable large payments: needs to be geared to the agricultural value of the land; subsidy becomes payable on parcels of land otherwise without payment; if these effects are managed accordingly, should not preclude a move towards flatter system.</p> <p><b>Cross-compliance:</b> CC does not seem to have encouraged greater adherence to environmental legislation. Taxpayers will surely question the justification of the existing payment regime as time passes. CC should be used in conjunction with agri-environmental schemes to retain the environmental benefits of set aside. Current GAEC can have some perverse impacts. Loss of set aside will have substantial negative impacts on farmland bird populations and wildlife; scope of CC should be increased by simpler controls; MS should have the opportunity to add existing national legal standards. Extending the scope should</p>

improve compliance; however, relative costs and benefits to be examined, taking into account issues of clarity, enforceability and the net regulatory burden.

**Decoupling/Coupling:** Supports decoupling, however, alone it only makes support less trade distorting and less bureaucratic, does not guarantee the delivery of public goods; eliminating the remaining coupled subsidies = one of the necessary steps. Application not uniform, difficult to assess precisely its general impact over-stock within the uplands reduced but now risks of under-grazing (ewes, suckling cows), could have disastrous consequences in remote areas and mountains or LFA's. Upraise the situation to ensure that a damage is avoided and that appropriate flanking measures can be launched. National envelopes to protect particularly vulnerable sectors. Supports additional payments for producers prepared to use cattle to achieve environmentally beneficial outcomes and a national envelope for raising the standards of nutrient management and water pollution from agriculture.

**Upper and Lower payments limitations:** Risk of division of holdings; for environment, only a secondary consideration, unless funds can be diverted to RD, modulation would provide a better long-term alternative method of limiting. Smaller payments may help to retain agricultural systems within marginal areas; leave MS the option of increasing the threshold, but environmental and social benefits should be secured then through RD, agri-environmental measures, LFA or axis 3.

**Cereal intervention:** nc

**Set-aside:** Supports abolition but must not result in net environmental damage. A package of measures required, combining a mandatory approach using extension of CC. Voluntary set-aside only risks not being taken up in most productive areas. CC was established on the basis of set aside, now a new GAEC standard required to keep a percentage of arable land within environmental management.

**Milk Quotas:** Supports post 2015. Proposes use of A69 to provide support in HVN areas, important to weigh carefully impact.

**CMO's:** Supply control measures are outdated, lift unnecessary restrictions, but with impact assessment report.

**Risk management:** "it is not the business of the CAP to manage price risks" past measures had the unintended consequence of stimulating production, causing thus environmental damage. CAP could appear to underpin the taking of unnecessary risks (particular crops in areas not appropriate without excess of water consumption), only case for CAP resources= land management measures relating to the restoration of peatland and natural flood plains, to help reduce the risks of flooding in urban areas, as well as biodiversity and reduction of GHG.

**Climate change/Bio-energy/Water management:** Existing instruments under either pillar of CAP not sufficient to response to these challenges, Pillar II has considerable potential, but dwarfed by Pillar I, even with national contributions from modulation. Requires a strengthening of CC conditions underpinning Pillar I and a significant further expansion of Pillar II. Safe and good quality food remains a crucial objective, but rural areas also to be seen as more important for their ecosystem services. CAP could have a particular role in long-term safeguarding biodiversity by helping wild plants and animals to adapt to climate change. Should also have a role in responding to the challenge of bio-energy, but not convinced that this should include incentives for bio-energy crops. Perhaps use CC to apply social and environmental sustainability criteria to bio-energy crops. **Modulation:** Supports increased modulation. Without further rebalancing both Pillars will be unable to accommodate the significant new challenges of HC. Would like a budget focused on the purchase of environmental public goods and a fairer allocation of RD. Vital that every MS benefits a net increase in RD, under 2%/year not possible to phase out voluntary modulation without seriously damaging RD programmes. "Would find unacceptable

	<p>any proposal to scale back existing rates of voluntary modulation". Voluntary modulation can allow MS to adjust the scale of their RDP to suit their needs.</p> <p><b>Others:</b> nc</p>
<p><b>Research Group in Agroecology. University of Helsinki</b></p>	<p><b>General comments:</b> nc</p> <p><b>SPS:</b> Supports flat rate payments allowing MS to adjust it on a national or regional level. Collapse of some farming types might happen unless; removal of quotas and SPS could deteriorate Finnish farmland as habitat for species dependant on grassland and grazing.</p> <p><b>Cross-compliance:</b> Increases the legitimacy of public direct payments. Permanent grassland should be better protected at farm level. Landscape features to be included (only 4 MS use it). Management of non-cropped fields outside the breeding season for birds. An evaluation system to be set up. Setting aside a fraction of land for farmland diversity should be included as a replacement to former set aside.</p> <p><b>Decoupling/Coupling:</b> If full decoupling applied, some farming types producing public benefits should be supported (eg Finnish dairies). Maintaining grazing is a critical issue also in other parts of Europe.</p> <p><b>Upper and Lower payments limitations:</b> Should prevent large recipients from splitting legally into smaller units. In no way exclude small, often semi-subsistence farmers: create considerable public goods (landscape, culture and biodiversity)</p> <p><b>Cereal intervention:</b> nc</p> <p><b>Set-aside:</b> Supports abolition. Environmental set-aside should become part of CC, obligatory to all farmers enjoying SPS. Benefits for biodiversity must be retained but should not be left only under RDP.</p> <p><b>Milk Quotas:</b> Removal will lead to the deterioration of Finnish farmland, alternative support could include agri-environmental payments to grazing animals; abolition of historic based SPS will also benefit small farmers.</p> <p><b>Risk management:</b> Guaranteed risk support could over-rely the system and lessen adaptation research; farmers might start taking unnecessary risks, with negative impacts (e.g. crops poorly adapted to local conditions); support through RDP a better strategy. Insurance against crop failure from weather should be limited to the most extreme cases.</p> <p><b>Climate change/Bio-energy/Water management:</b> Many projects do not reach their objectives as they are too relaxed and unspecific. Traditional biotopes continue to decline, needs increasing spending through CC, RDP, stricter rules. In Finnish conditions, bio-energy should not be supported unless positive carbon budget is proved.</p> <p><b>Modulation:</b> Supports increase but proposed rates unlikely to be sufficient after recent budget cuts for rural development. In Finland so far support has been given for water protection but not for biodiversity.</p> <p><b>Others:</b> nc</p>
<p><b>Royal Institution of Chartered Surveyors Northern Ireland (RICSNI)</b></p>	<p><b>General:</b> nc</p> <p><b>SPS:</b> Supports move towards flatter rate scheme for 2008-2013.</p> <p><b>Cross compliance:</b> Sees further confusion arising if the new Soil Directive is enacted.</p> <p><b>Decoupling/Coupling:</b> nc</p> <p><b>Upper and Lower payments limitations:</b> Supports reducing payments as long as this is made from the outset and the levels of reduction/support are transparent.</p> <p><b>Cereal Intervention:</b> Supports the proposal to review cereal intervention.</p> <p><b>Set-aside:</b> Supports abolition.</p> <p><b>Milk Quota:</b> nc</p> <p><b>CMO's:</b> nc</p> <p><b>Risk management:</b> nc</p> <p><b>Climate change/Bio-energy/Water management:</b> More must be done to recognise the potential contribution of bioenergy.</p> <p><b>Modulation:</b> It is difficult to farmers and businesses to access RDP.</p>

	<p><b>Others:</b> nc</p>
<p><b>The National Trust</b></p>	<p><b>General:</b> Under 1782/2003 the Trust is treated as a single farmer facing disproportionate level of penalties.  <b>SPS:</b> Propose an amendment into the definition of a "farmer" in order to give MS the discretion in limited circumstances to allow approved charitable organizations a derogation from the current definition so they can be treated as multiple farmers of predefined holding within their single organization  <b>Cross compliance:</b> nc  <b>Decoupling/Coupling:</b> nc  <b>Upper and Lower payments limitations:</b>  <b>Cereal Intervention:</b> nc  <b>Milk Quota:</b> nc  <b>CMO's:</b> nc  <b>Risk management:</b> nc  <b>Climate change/Bio-energy/Water management: Modulation:</b>  <b>Others:</b> nc</p>
<p><b>Ulster Wildlife Trust</b></p>	<p><b>General comments:</b> Welcomes HC for the opportunities it offers to develop a constructive debate about sustainable agriculture and payment for public goods derived from management of agricultural land.  <b>SPS:</b> Should be clearly linked to the delivery of public goods, including flood protection, maintaining biodiversity, production of food; the model should not penalise farmers in HNV. Attempts to define "real" farmers could have negative impacts in peripheral regions, including island communities.  <b>Cross-compliance:</b> Supports improvement of the biodiversity aspects of CC. The re-targeted payments should be linked to the environmental value of the land management.  <b>Decoupling/Coupling:</b> nc  <b>Upper and Lower payments limitations:</b> nc  <b>Cereal intervention:</b> nc  <b>Set-aside:</b> Change should be consistent with the general goals of the EU, particularly biodiversity target.  <b>Milk Quotas:</b> cn  <b>CMO's:</b> nc  <b>Risk management:</b> nc  <b>Climate change/Bio-energy/Water management:</b> CAP should reinforce biodiversity maintenance at the landscape level (habitat connectivity) and thus contribute to Northern Ireland's ability to adapt to climate change.  <b>Modulation:</b> nc  <b>Others:</b> nc</p>
<p><b>Woodland Trust</b></p>	<p><b>General comments:</b> nc  <b>SPS:</b> Supports measures towards a flatter rate system.  <b>Cross compliance:</b> Supports addition of criteria. Strengthen and add to the minimum standards required to qualify for SFP. Wish additions and alterations to GAEC, enabling better maintenance, protection and enhancement of habitats: adding resilience, removing the 4<sup>th</sup> standard (encroachment of unwanted vegetation on agricultural land), adding a new standard to expand and connect habitats to better cope with climate change and avoid deterioration. (protection of hedgerows, ancient orchards and boundary trees, ancient woodland, 2m buffers around ancient habitats, prevent overgrazing in woodland, designate a percentage of all land for biodiversity and other environmental public benefits  <b>Decoupling/Coupling:</b> nc.  <b>Upper and Lower payments limitations:</b> nc  <b>Cereal Intervention:</b> nc.  <b>Set-aside:</b> Supports its abolition but not without any replacement, suggests a new mandatory mechanism with each farm designating a % of land to be managed for biodiversity etc.), thus preventing the loss of</p>

	<p>environmental benefits.</p> <p><b>Milk Quota:</b> nc.</p> <p><b>CMO's:</b> nc.</p> <p><b>Risk management:</b> nc</p> <p><b>Climate change/Bio-energy/Water management:</b> The 2 Pillars system is not adequate; must sweep away and replace it with an integrated European Sustainable Land Management Policy. Must reduce intensity of land use. Supports abolition of subsidies to bio-fuel crop; buffering water courses and pollution sources with trees and woodland should have a higher priority.</p> <p><b>Modulation:</b> Supports increase in compulsory modulation and would ideally like to see an even greater one to fund agri-environment measures, targeted also to semi-natural habitats, make farm practices more sustainable.</p> <p><b>Others:</b> nc</p>
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