



EFNCP Contribution to the Conclusions of the EU Sheep Meat Forum July 2016

SHEEP FARMING AND THE ENVIRONMENT

Compared with other agricultural sectors, sheep farming is of relatively small economic importance for the EU as a whole and in most Member States, even those with a large part of EU production, such as UK and Spain. Yet **sheep farming is a predominant land use over very large areas of land**, especially in the more marginal regions of the Atlantic and Mediterranean zones, where it plays a fundamental role in issues such as landscape, biodiversity, soil, wildfires and human presence. The great territorial importance of sheep farming in Europe is in marked contrast to its small economic significance.

As with most farming sectors, sheep production can have both negative and positive environmental effects. However, sheep farming systems stand out particularly for their potentially beneficial effects over these large areas of territory, on marginal farmland that is mostly composed of semi-natural vegetation and is environmentally fragile. **At its best, sheep farming can contribute to many important environmental targets**, such as:

- Environmentally positive **integration with low-intensity farm management** such as rainfed arable systems of Mediterranean regions (with associated dunging, stubble and fallow grazing) and small-scale mixed livestock farming in the more remote parts of the Atlantic region.
- **Low carbon footprint livestock production**, with limited external inputs and based on pasture resources with no other alternative use and that only livestock grazing can transform efficiently into food.
- **Maintenance of pasturelands composed of valued habitats**, ranging from marshes, steppe lands, coastal grasslands and heaths to moorlands and alpine grasslands; as well as managed farmland components including semi-natural grasslands, hay meadows and cultivated areas.
- Minimising shrub and tree encroachment in valued **open and diverse pastoral landscapes**, at a scale that is important for Europe's open-ground flora and fauna, including numerous endangered species.
- **Wildfire prevention**, especially (but not exclusively) in Mediterranean regions, and thus avoiding a cycle of fire and soil erosion that can lead to severe land degradation.

COMMON AGRICULTURAL POLICY SUPPORT TO SUSTAINABLE SHEEP FARMING

Despite all the environmental potential benefits, **the Common Agricultural Policy does not offer enough support for the sheep farms that provide most of these public goods**. Most remarkably, with the deployment of the new reform of the CAP in 2015, livestock farmers using pastures containing trees, shrubs or other landscape features are confronted with increased difficulties to receive the much needed EU support for their farming activities. Indeed, across most of Europe, the **eligibility of such woody pastures for direct payments has been reduced**, in some cases very drastically (e.g. Spain, with a 60% reduction), discouraging the continued sheep farming and increasing the risks of pervasive land abandonment.

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

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Some of the key problems in Pillar 1 (direct payments) can be corrected in part by Member States' implementation, if they have the political will and administrative resources to make use of all available exceptions and clauses in the current regulations. However, **it is equally necessary to release some of the pressure that European Commission auditors have been putting on national and regional authorities** in recent years in relation with the eligibility of pastures. Even if well intentioned to prevent fraud, it has eventually led to an unfair and over-restrictive implementation of European regulations, where sheep farms are possibly the most affected sector.

Overall, **Pillar 1 payments on permanent pastures vary hugely between countries**, with very low payments per hectare in some countries (e.g. Spain, applying minimal convergence), very high payments in some others (e.g. in Northern Ireland) and a range of payment levels in between. Coupled payments for livestock again show a wide range of payment levels between countries. In some cases there is positive targeting of these payments (e.g. Estonia, Scotland), while some make the payments available to all sheep farms, including intensive indoor systems, where no positive environmental outcomes or public goods can be argued. Some countries are not applying coupled payments at all, so **there is no level playing-field for sheep farming across the EU**.

Pillar 2 (rural development) offers many opportunities for Member States to take **positive action for permanent pastures and sheep farming**, by investing their own financial and administrative resources, for example in agri-environment-climate measures. However, as there is no obligation for them to do so, the support for sheep farming that provides public goods and environmental outcomes can be very low or inexistent.

There are several good examples of rural development measures supporting adequate management of semi-natural pastures within Natura 2000 (e.g., in Bulgaria, Estonia, France and UK). Unfortunately, **outwith the Natura 2000 network, or in other countries (e.g. Spain), there is far less positive support**, despite clear data held by the European Commission on the unfavourable condition of the majority of semi-natural grasslands in Annex 1 of the Habitats Directive.

In some member states, such as Sweden, agri-environment-climate measures are used to provide the support for woody pastures that cannot be provided through Pillar 1 due to the ill-conceived eligibility restrictions. But **in some other member states, pastures that are not eligible for Pillar 1 are also excluded from Pillar 2 support**. This is the case in Spain.

SPECIFIC POLICY PROPOSALS, extracted and adapted from EFNCP Wood Pastures Manifesto, with support from over 135 European organisations

- On farmland, trees and shrubs **should not be treated *a priori*** as non-productive elements. They should be seen as adding value to farmland, unless they clearly impede farming activity.
- In determining eligibility for CAP direct payments, the **actual use of the land should have priority over the type of vegetation**. As the European Court of Justice has ruled, the classification of land as

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“‘permanent pasture’ and, consequently, as ‘agricultural area’, depends on the actual use of the land in question. Thus, an area must be classified as agricultural where it is used as permanent pasture”.

- There should be **no unworkable rules**, such as the current requirement to distinguish in each field the trees and shrubs that are accessible for grazing “for their full area” (and can be counted as part of the eligible pasture), from those that are not and must be excluded. In many wood pasture systems, trees provide valuable forage from fruits and foliage, without the livestock needing to graze the whole tree. Such **basic farming facts must be recognised in the rules** and simplifying eligibility criteria for these pastures should be a prime target of efforts to reduce unnecessary CAP bureaucracy.
- CAP rules and DG AGRI experts and auditors should recognise the realities and values of actively farmed wood pastures as farmland and **should not push Member States** to implement eligibility rules that discriminate against them. The EU institutions should safeguard the **general principle that support is directed to actively farmed land**; what this means at a Member State and regional level should be a matter for subsidiarity.
- The coherence with wider CAP and environmental policy goals should be analysed, together with options for urgently improving the implementing regulations and Commission guidance to Member States, in order to ensure **equal treatment for all pasture types and farming systems** and to **maximise public benefits from direct payment**.
- Member states should make full use of **rural development programme** (RDP) measures for **supporting sheep farming** that provides highest levels of public goods and environmental outcomes.
- RDP grants for **afforestation of pastures must not be more attractive** (economically or in terms of their administrative simplicity) than the available incentives for the continued farming and conservation of pastures.

REFERENCES AND FURTHER INFORMATION

EFNCP Wood Pastures Manifesto:

<http://www.efncp.org/policy/wood-pastures-manifesto/>

The “Green” CAP and Permanent Pastures in six European countries:

<http://www.efncp.org/news/news20160127.php>

European Commission auditing consequences:

<http://www.efncp.org/news/news20150918.php>

European Parliament Wood Pastures Seminar:

<http://www.efncp.org/events/seminars-others/wood-pastures-brussels2015/>

Environmental aspects of sheep and goat farming:

http://ec.europa.eu/agriculture/eval/reports/sheep2007/index_en.htm

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