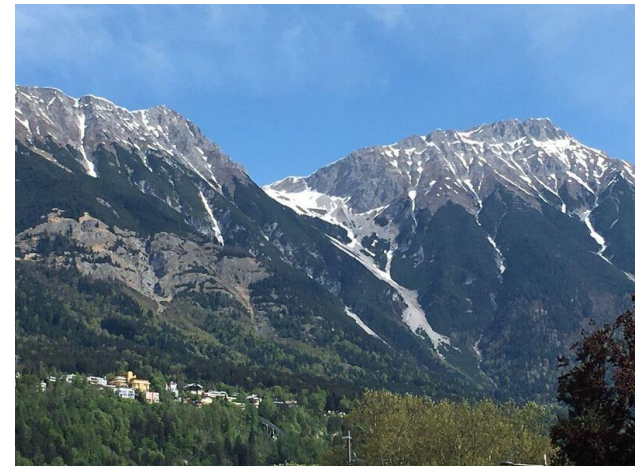


Workshop on areas facing natural and other specific constraints (ANCs)

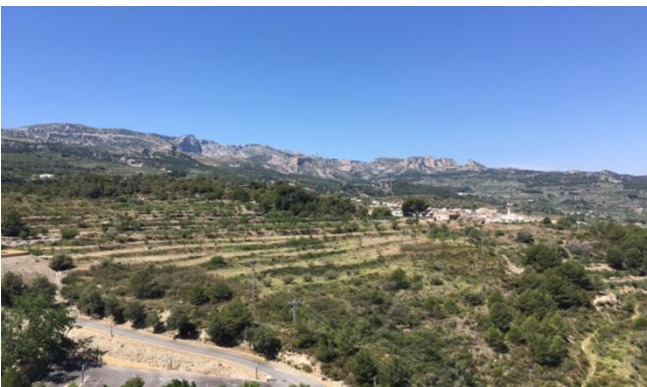
Fine-tuning

18 October 2016



Fine-tuning

- Member States shall carry out a fine-tuning exercise in order to exclude those areas where the recorded constraint has been overcome.
- Only for areas facing significant natural constraints (other than mountain) and other areas affected by specific constraints (combination of criteria).



Fine-tuning data

- Data used should respond to the question "Is the recorded biophysical constraint still affecting agriculture?"
- Data sources: EU (FADN, Eurostat) or national/regional statistical systems.
- Absence of data cannot lead to a situation where limited/no FT is carried out.
- Data should be updated at least once every 7 years.
- Freedom of MSs to choose the most appropriate approach.

Fine-tuning process

- The methodology used for FT and the result (total size of excluded area and number of LAU2 or equivalent local units) should be provided in the framework of the RDP.
- MS can use other methodologies and thresholds than the ones provided in the EC guidance document.
- In all cases, evidence needs to be provided that the FT method used is adequate, correct and complete (including economic indicators).

Overcoming natural constraints by investments

Natural constraints can be overcome by investments, which aim to offset the impact of the constraint.

- presence of **irrigation**,
- presence of **artificial drainage** and
- presence of **greenhouses**.



Overcoming natural constraints by investments Irrigation

- Eurostat's Farm Structure Survey (FSS) provides data on the number of farms with irrigation, areas irrigable and irrigated for different crops by size of irrigated area and region.
- In 2010 irrigation characteristics were moved from FSS to the survey on agricultural production methods (SAPM).
- The latest data on irrigation are thus representative at NUTS2 level.
- Member States may have information at lower regional level.

Overcoming natural constraints by investments Artificial drainage

- In many areas of Europe with natural drainage problems, soils have been artificially drained.
- Only those drainage systems which are < 30–35 years old could be taken into account.
- There is no source of data at EU level.
- MSs have a good record at national level.

Overcoming natural constraints by investments Greenhouses

- Greenhouses can help overcome the climate criteria by positively impacting photosynthesis through milder sheltered conditions in case of low temperature, and in case of dry areas, also by providing and regulating moisture.
- The simulations show that Member States have a good record at national level. The area under glass is also available in the FSS.

Overcoming natural constraints by economic activity

- The impact of recorded natural constraints affecting agriculture can be overcome by economic activity:
 - Standard Output (SO) or Gross Value Added (GVA)
 - Average yield of a dominant crop
 - Livestock density
 - Permanent crops/Tree density
 - Normal land productivity
 - Farming systems and Production methods

Overcoming natural constraints by economic activity

- Various natural constraints describing poor soil productivity can be overcome by different techniques or practices, such as fertilisation or choices of farming systems. For such situations, it is necessary to look at the **production results** in the area in order to see whether the natural constraint is still exerting a negative effect on the agricultural activity:
 - **Standard Outputs** (or formerly Standards Gross Margins).
 - Member States may choose to use another criterion taking into account costs of production, such as the **Gross Value Added (GVA)**, but without the subsidies. In these cases, the operating costs could be deducted from the market receipts.
- Proposed threshold: 80% of EU average or 80% of national average.

Overcoming natural constraints by economic activity

Average yield of a dominant crop

- Alternative to Standard Output, as average yield is, to a certain extent, reflected in the SO calculation. It could be used where comprehensive data on SO are missing.
- The values of this indicator are close to the physical productivity of an area and are not influenced by market trends.
- Data available from ESTAT's Crop Products statistics and national registers.
- Proposed threshold: 80% of national/regional average.

Overcoming natural constraints by economic activity

Livestock density

- Much of the constrained area will be grassland. However, even such areas may be at no risk of being abandoned if the livestock density is high.
- Data at NUTS2 level available from ESTAT's livestock survey and from FSS.
- Proposed thresholds: 1,4 LU/ha successfully used. OECD suggests that extensive management is at 0,5 LU/ha in the Mediterranean zone and 0,9 LU/ha in the Atlantic zone.



Overcoming natural constraints by economic activity Permanent crops/Tree density

- Used for orchards and olive tree groves. Above a certain density, no risk of land abandonment can be present.
- National data exist.
- Proposed threshold: 80% of national/regional average.



Overcoming natural constraints by economic activity

Normal land productivity

- Certain Member States have developed more complex agricultural qualification systems reflecting the average yield of the most common crops.
- These systems may be used in order to compare land productivity between constrained and non-constrained areas. However, in this case, these indicators must be regularly reviewed and up-dated, at least every 10 years.
- Proposed threshold: 80% of national/regional average.

Overcoming natural constraints by economic activity **Farming systems and production methods**

- While "farming system" refers to "what" the farms produce, the "production method" refers to "how" the agricultural products are produced.
- Data: to some extent, the Community typology for agricultural holdings. Some Member States have adequate statistical information at national level and therefore such data could be used.



Overcoming natural constraints by economic activity Farming systems

- Farming systems can refer to; for example “intensive” and “extensive” farming; or "crop" and "livestock".
- Exclude those areas where the predominant farming system does not suffer from the natural constraint following human intervention.
- Proposed threshold: If these farming systems or production methods make up at least 50 % of the agricultural area, the area could be excluded from the ANCs assistance.



Fine-Tuning approaches

Two approaches can be followed:

Fine-tuning included in the initial delimitation report together with the biophysical delimitation.

...OR...

Fine-tuning as a second step, after the biophysical delimitation is completed.

Problems encountered with fine-tuning

- Lack of data => additional data can be collected with the use of technical assistance.
- Detail of data => larger administrative units than LAU2 can be considered. Nevertheless, the final delimitation must be based on LAU2, as stipulated in the RD Regulation.

Thank you for your attention