



## Memo

To **DG Agriculture**

From **Danish Agriculture & Food Council**

Date **19 January 2015**

### Simplification of the CAP

We are currently heading very quickly towards the first year of implementation of the new CAP reform and the greening measures. Danish Agriculture & Food Council has followed the implementation process very closely, and the initial experience is that the new rules, especially on greening, will be very complex and burdensome for farmers.

Therefore we have already at this early stage composed a range of suggestions for simplification of the CAP, which are presented in this memo.

Generally the first year of implementation is very critical. Therefore it is of vital importance that the European Commission has a pragmatic approach, both in the interpretation of the greening measures, and when evaluating farmers non-intentional breaches of the new rules.

It is important that the Commission introduces a **period of grace** on the interpretation of the delegated acts. New clarifications and interpretations can change the planned administration in the member states fundamentally and have a significant effect on the farmers' opportunities to fulfil the new rules. In the worst case this means that a farmer can get reductions in his greening payment entirely on the basis of clarifications from the European Commission, of which the farmer was not aware at the time when he decided how to manage his land in 2015.

The most recent example we are aware of relates to the nitrogen fixing crops (NFC). The Commission has clarified that NFC, which count as EFA, should be present on the field in the full period set in the member state as the inspection period for crop diversification (2 or 3 crop rule). In Denmark that period is set to include June and July. In practice this will mean, that it will be impossible to include e.g. peas which are harvested (while still green) used for canning or freezing as EFA, as they will most likely be harvested before the end of the inspection period set for crop diversification. As we see it, this will be a serious threat to the possibility to use NFC declared as EFA as a sales crop.

In addition it is essential, that the new requirements for controls, especially of the new greening measures do not obstruct timely payment to the farmers.

In addition we have the following concrete suggestions for simplification:



<b>Reduction and administrative penalties of the greening payment</b>		
<b>Suggestion</b>	<b>Justification</b>	<b>Regulation</b>
Increase proportionality by reducing reductions by at least 50% in the calculation of reduction and administrative penalties	The current system gives disproportionately large reductions for even minor cases of non-compliance. See attached figures.	640/2014, article 25-28
Introduce system of minor infringements/tolerance	There should be introduced a system of triviality limits for minor infringements, or larger tolerances, as in cross compliance. This system should also be applied in the <i>basic payment scheme</i>	640/2014, article 25-28
Introduce period of limitation of 3 years in case of repeated non-compliance.	Currently the 50% rebate on the calculation of reduction will be removed when the farmer has been found non-compliant for 3 years. There is no period of limitation. The 3 years period of limitation which is used for repeated non-compliance in the cross compliance system should be adopted.	640/2014 article 24(4) and 26(3)
<b>Control of greening</b>		
<b>Suggestion</b>	<b>Justification</b>	<b>Regulation</b>
Control all greening requirements during the same inspection	Will reduce the number of on-the-spot checks and the number of inspections for the single farmer. Currently a farmer can expect more than one inspection in order to control all greening measures.  Control should be made similar to the cross compliance on-the-spot checks, where everything that can possibly be controlled at the time of the inspection is controlled.	809/2014
Abolish the requirement for establishing catch crops as a seed mixture	It adds a disproportionately high burden of control, which will delay the payments of support to the farmers. Without the requirement for mixtures, it would be possible to control more with remote sensing and therefor reduce the number of on-the-spot checks.	639/2014, article 45 (9)
<b>Catch crops as environmental focus area (EFA)</b>		
<b>Suggestion</b>	<b>Justification</b>	<b>Regulation</b>
Abolish the requirement for establishing catch crops as a seed mixture	The condition that the catch crops should be established as a mixture of crop species is an unnecessary	639/2014, article 45 (9)



	<p>complication of the legislation, which goes beyond the original political intention of allowing catch crops and green cover to count as EFA. Furthermore, it significantly increases the risk for non-compliance for the farmer due to the rules of minimum presence of both species.</p> <p>In addition, it adds a disproportionately high burden of control, which will delay the payments of support to the farmers. Without the requirement for mixtures, it would be possible to control more with remote sensing and therefor reduce the number of on the spot checks.</p>	
Increase the conversion factor from 0.3 to 0.7	In order to reduce the number of conversion factors, the conversion factor for catch crops and short rotation coppice should be increased to the same level as for nitrogen fixing crops. This would also re-establish the original balance between the three measures.	639/2014. Annex II
It should be possible to report the intention of establishing EFA catch crops by submitting the number of hectares without indicating the exact location in the LPIS	<p>It will be much simpler for the farmer and for the administration, as over-declaration will be avoided.</p> <p>With the current rules the farmer can be punished if he establishes the catch crops in another field than the one declared in the application. The challenge for the farmer he will not know whether he will be able to establish the catch crop precisely on the field where intended in the spring, when he made the application for direct payments. This is due to weather conditions and time of harvesting.</p>	640/2014, article 5(2) (c)
<b>Crop diversification</b>		
<b>Suggestion</b>	<b>Justification</b>	<b>Regulation</b>
Exempt farms below average farm size in the member state from crop diversification	In Denmark crop diversification will mostly lead to structural development, as part time farmers (e.g. 35 ha of arable land) which	639/2014, article 40



	<p>have to establish one or two extra crops will choose to sell or lease out their land to a larger farmer.</p> <p>In order to avoid this effect on structural development, Danish Agriculture &amp; Food Council suggests that the Commission adds an exemption for smaller farms (below average farm size in the member state).</p> <p>The condition could e.g. be that small farms will also comply with the requirement of crop diversification if at least 25 % of the arable land which is not grassland or fallow land has been grown with a different crop the previous year.</p>	
More types of evidence should be possible	<p>Will significantly improve the legal certainty of the farmer.</p> <p>The types of evidence that are acceptable in order to show that the farmer complies with the crop diversification rule if the crop is not present at the time of the inspection should be more flexible.</p>	Guidance document
<b>Landscape features for EFA</b>		
<b>Suggestion</b>	<b>Justification</b>	<b>Regulation</b>
The very detailed conditions for landscape features should be simplified	<p>The very detailed conditions for hedges, trees and trees in line are very complicated, very expensive and very risky to administer.</p> <p>In real life hedges are very diverse, and it should be possible to handle them as EFA in a simple and administratively easy way.</p>	639/2014, article 45 (4)
Establishment of beetle banks, wildflower strips, lark spots etc. should be added as a possible EFA landscape feature	<p>These measures are very beneficial for biodiversity.</p> <p>Cannot be considered as stable landscape features, as their position will change from year to year. Therefore they cannot be required to be precisely mapped</p>	
<b>Permanent grassland</b>		
<b>Suggestion</b>	<b>Justification</b>	<b>Regulation</b>



It should be possible to give individual authorisation to convert areas of permanent grassland, also if the ratio of permanent grassland decreases beyond 5%.	<p>If this is not possible, many farmers will face serious problems, if the ratio of permanent grassland decreases beyond 5 %, and it will complicate agricultural production unnecessarily. This is due to the fact, that the farm structure will be completely locked. Permanent grassland cannot be moved to another location on the farm, and therefore long term rotation of grassland will not be possible. Long term rotation of grassland is a natural way of keeping grassland in many member states.</p> <p>In addition allowing giving individual authorization to convert permanent grassland will not be a risk to further reduction of the ratio of permanent grassland, if authorization can only be given when a corresponding area of permanent grassland is established.</p>	639/2014, article 44(2)
Revision of formula to calculate ratio of permanent grassland	To ensure that no member states will have an artificially high ratio of permanent grassland	636/2014, article 43
Label fallow land as arable land independent of plant cover	The current rules where fallow land covered by grass sometimes can be used for EFA and other times not adds significantly to complexity. Additionally it induces farmers to plough in order to be sure they can use the areas as EFA.	
<b>Rural development programme</b>		
<b>Suggestion</b>	<b>Justification</b>	<b>Regulation</b>
Abolish requirement to post signs and advertising on web pages if a farmer receives more than 10,000 EUR from RDP (avg. 2,000 EUR per year for area aid)	Will reduce the administrative burden for the farmer. The current rule increases the risk of error significantly. Especially since there is not no direct relation between the subsidy and the homepage.	808/2014, article 13
In case of reoccurrence of a non-compliance: Introduce period of limitation corresponding to the 5 year commitment period of the farmer	For reducing administrative costs and increasing legal certainty of the farmer, it should not be possible to go all the way back to 2007 when determining whether there is a case of reoccurrence.	640/2014, article 35 (3)

