



Views on the Common Agricultural Policy Proposals for 2014-2020

Ymddiriedolaeth Genedlaethol
National Trust - Cymru

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As an organisation with a direct interest in 200,000 ha of farmland across Wales¹, England and Northern Ireland, the National Trust is concerned that the CAP proposals could fail to balance food security with environmental security, and risk jeopardising funding that directly supports the conservation of wildlife, natural resources and cultural heritage across the farmed landscape.

The proposal clearly states that: *“the future CAP will be [...] a policy of strategic importance for food security, the environment and territorial balance ... Therein lies the EU added value of a truly common policy that makes the most efficient use of limited budgetary resources in maintaining sustainable agriculture throughout the EU, addressing important cross-border issues such as climate change and reinforcing solidarity among Member States, while also allowing flexibility in implementation to cater for local needs”* (Explanatory Memorandum, p.3, Direct Payments Regulation).

The Trust welcomes this statement of intent, but the proposals, as written, appear to significantly over-estimate their ability in making this a reality. We welcome the European Commission’s ambition to ‘green’ the CAP but believe the proposals fall short of achieving this aim, not least because they are not significantly forward thinking, fail to recognise the need to better integrate the environmental objectives of both Pillars 1 and 2 and do not go far enough to make the first Pillar deliver for the wider public good. We were hoping to see proposals that delivered much more for natural resources underpinning the farmed environment, preparing us for an uncertain future of climate and food insecurity.

Our initial views on the proposals can be summarised as follows:

- **Greening measures:** Whilst the principle is broadly welcomed, the proposed package of measures to legitimize direct payments is unlikely to achieve significant environmental benefits and could, in their present form, undermine more advanced, multi-annual farm conservation efforts under rural development programmes. Both Pillars 1 and 2 need to be much more complementary in their design if future public support is to be maintained. Efforts to ‘green’ farmers direct payments must therefore deliver or ‘buy’ genuine outcomes for the environment and not undermine ‘added-value’ agri-environment schemes that encourage farmers to manage their land in environmentally beneficial ways. We therefore believe that the greening measures as proposed need to be revised but the overall approach should evolve into a more sophisticated system in due course. On this basis, it should be a requirement that all farms meet the provisions of these measures from the outset, including organic agriculture and small holdings, to avoid being disadvantaged by any future system.
- **Active farmer:** We support proposals to ensure that direct payments are targeted at businesses genuinely involved in farming activity, however the proposals as written will have serious unintended consequences and capture charities and other organisations like the

¹ Trust owns 50,000 hectares of land in Wales and one fifth of the coastline (140km) which we manage for the benefit of the nation. The majority of this land is farmed, either by the Trust or by one of our 200+ tenants

National Trust who have at the heart of their constitutional purpose the conservation of wildlife and the protection of the countryside for the wider public good. We realise it is not the intention of the proposals to penalise such types of organisations and hope this can be resolved. More fundamentally, the proposal to re-define eligible applicants through a new clause requiring a minimum of 5% direct payment income of the total receipts obtained from all non-agricultural activities will lead to significant bureaucracy involving submission of trading accounts for every applicant with diversified businesses claiming over €5,000.

- **Capping:** We recognise that this measure has been designed to ensure any income support to an individual farming business is not excessive. However, the way in which the proposals have been written will have unintended consequences for organisations like the National Trust which has over 350 subsidiary agricultural sites covering some 20,000 hectares but which under EU law is recognised as a single claimant. We will be discussing this with the European Commission to resolve the unintended consequences of this proposal.

Specific recommendations based on the current proposals include:

Permanent grassland – We have a number of concerns around this measure. Firstly, the baseline year should be set based on current or previous agricultural land use designations to discourage pre-emptive cultivation. Secondly, there is no distinction between permanent pasture of high environmental value and improved grassland that has been established for over 5 years. If 5% of a farm's permanent pasture is to be allowed to be cultivated annually, a measure is required to identify and protect high nature value grassland for example by strengthening current environmental impact assessment legislation. Thirdly, consideration should be given to a derogation permitting cultivation of improved permanent grassland of low nature conservation value to re-establish rotational farming systems that deliver a net environmental gain; this could be achieved by satisfying an environmental impact assessment or via an appropriate agri-environment scheme.

Ecological focus areas – On the issues of additionality and overlap with Good Agricultural and Environmental Condition (GAEC) Standards and Glastir, it is not clear how such a measure will impact on future cross compliance requirements and Glastir commitments that run into the next programming period and the design and uptake of the All-Wales Element. Further clarity is required here.

Crop diversification – We foresee difficulties with demanding mixed cropping on very small areas and would recommend raising the minimum area from 3.0 ha to a more practical threshold, for example 50ha. In marginal areas of Wales with mixed farming systems, farms with say 4ha of spring oats or barley will be discouraged to sow home grown crops by this measure, an unintentional result with implications of flora and birdlife.

- **Flexibility between pillars:** There should be no flexibility to move funds from Pillar 2 to Pillar 1 and the ability to shift up to 10% of Pillar 1 to Pillar 2 should not only be retained but increased significantly to compensate for a reduced rural development budget and increased competition for resources that would otherwise compromise the objectives and existing commitments of Glastir and other schemes across Wales, the UK and Europe.
- **Less Favoured Area:** Upland farms, of all sizes, can deliver a range of environmental goods such as storage of carbon within soils, clean drinking water, an ability to help control flooding, access for recreation, conservation of important habitats and wildlife, and some of our finest landscapes. Future investment in the LFA – as with all CAP payments - should be based on the premise of rewarding positive management. Remuneration packages will need to be well thought through (including both area and capital incentives) to be successful in delivering the types of management required. The Trust believes future support should be clearly linked to the delivery of public benefits, with payments rewarding the uplands for the vital services they provide for society, rather than compensating them for agricultural production to which they are not well suited.

- **Simplification of cross compliance:** New measures to encourage soil organic matter and protect wetlands and carbon rich grasslands are to be welcomed, but moves to simplify standards and requirements should be exercised in a way that does not weaken the baseline for good agricultural and environmental practice. It is essential that we retain a robust environmental baseline that farmers have to meet in order to receive their farm payments. It should therefore not be the case that small farmers or any other group face less stringent requirements.
- **Rural development:** We are broadly happy with the proposals for Pillar 2, not least the intention to retain a minimum spend for agri-environment schemes and that the role of such schemes has been duly recognised by way of two of the six policy priorities. We are also supportive of the principle to introduce greater flexibility, joint contracts and increased training and information for farmers in relation to such schemes. The Trust believes that rural development programmes will be fundamental in achieving the sustainable management of natural resources and supporting the shift towards a low carbon economy, two key policy priorities of the reform proposals.
- **Funding:** The overall EU budget for Pillar 2 rural development should be protected from cuts and a fair deal secured for the UK, especially a good Pillar 2 allocation based on an objective assessment of need and current spending commitment. The EU should recognise and reward the progressive nature of sustainable farming and land management in countries such as the UK, where up to 80% of our Pillar 2 allocation is currently spent on agri-environment schemes.

Notes:

The National Trust was founded in 1895 to care for places of historic interest or natural beauty. In Wales it cares for over 50,000 hectares of countryside, 196 miles of coastline as well as some of the finest castles and gardens. The Trust is the largest conservation organisation in Europe, supported by 4 million members, over 100,000 of whom live in Wales. As a charity it relies on membership subscriptions, gifts and other voluntary support to meet its £148 m annual conservation and maintenance costs. The Trust's properties have unique legal protection "inalienability" – they cannot ever be sold or mortgaged without permission of Parliament