

1. Introduction

Since the Commission adopted its proposals on CAP reform, numerous, constructive and fruitful discussions have been held on many of the elements of the proposals. In particular the topics of greening and simplification have been subject to extensive debates.

A wide support for a stronger greening dimension of direct payments has emerged. At the same time, it has become clear that certain elements of the proposal deserve further consideration. Whilst the objective of achieving a genuine and tangible green CAP remains unchanged, reflections on how to simplify the CAP and possibly further enhance its delivery of environmental and climate benefits have led to the suggestions below.

2. Role of AECM/certification

The strength of the three proposed greening measures lies in the fact that they are compulsory for almost all farmers¹, apply to the entire relevant area of their holding, and ensure a level-playing field in the Union. In addition, the greening measures go beyond cross-compliance obligations and raise the baseline, thereby increasing the environmental ambition for more targeted Rural Development measures.

With a view to simplification and recognising the environmental contributions farmers may make by taking up Pillar II agri-environment-climate commitments or in the context of an environmental certification scheme, it is proposed:

- to foresee, under certain conditions, that a beneficiary of a Pillar II agri-environment-climate measure can be considered as fulfilling one (or several) of the greening measures;
- to foresee, under certain conditions, that a farmer, subject to an environmental certification scheme can be considered as fulfilling one or several of the greening measures.

The conditions which the agri-environment-climate commitments or the environmental certification scheme would have to comply with concern:

- the coverage of the whole farm (in line with the greening objective that almost all agricultural area is subject to greening requirements),
- an environmental ambition level that goes beyond the ambition level of greening and

¹ Exemption Small Farmers Scheme

- a type of agri-environment-climate commitment or certification scheme requirement that corresponds to the nature of the greening measures (e.g. crop rotation requirements corresponding to the greening requirement of crop diversification).

Moreover, only certification schemes that ensure equivalence in environmental ambition, are effective, with a sound quality control system, impartial and operate in a fully transparent manner may be taken into consideration.

This adjustment could bring simplification to those farmers who already generate significant benefits for the environment and the climate. It would also encourage other farmers to join the schemes and programmes in question thus increasing the overall environmental and climate benefit of the CAP.

3. Permanent grassland

The proposed definition of "permanent grassland" extends the current definition but it may not include some areas with extensive traditional pastoral/agricultural systems which play a key role for biodiversity and prevent soil erosion and carbon release. This could subsequently lead to land abandonment with major problems for both the farmer and the landscape.

In order to recognise the ecological and agricultural value of these areas and to avoid their abandonment, it is proposed to accept surfaces where non-herbaceous species are predominant. For example, this could be done by considering as eligible areas where non-herbaceous species are predominant but still suitable for grazing that form part of traditional agricultural systems.

In order to avoid that in a given MS too many such areas enter and dilute disproportionately the amount of direct payments per hectares and also for simplification purpose, provisions could be made to allow MS to apply a reduction coefficient for the calculation of such hectares into eligible hectares.

This approach would introduce a further element of flexibility whilst allowing rewarding areas that are valuable from an environmental and agricultural point of view.

Moreover, it emerged that the obligation to maintain at parcels level permanent grassland defined as land out of crop rotation for at least 5 years would constitute a heavy constraint on farms' production choice as e.g. many livestock farmers are having long-term rotation in their production system, cultivating forage instead of grass one year out of 8 years or even longer. This would not be possible with the proposed greening obligation. In order to adapt to farming realities it could be envisaged to make the definition of "permanent grassland" closer to agronomic reality and to focus on real permanent grassland i.e. those that are out of any crop rotation.

This approach would grant more flexibility to farmers, render the administration of the scheme simpler while still achieving the climate and environmental objectives of the greening obligation by ensuring the maintenance of the most important carbon sinks.

4. Crop diversification

The main objective of the crop diversification measure is to make farms with monocultures more environmentally friendly and sustainable. During the discussions it has become apparent that the 3 ha exemption threshold could impose a costly adjustment for some specific type of small farms, especially mixed farms.

In order to address the concerns of smaller farms and to achieve major simplification in the implementation of the measure for both farmers and administrations, it is proposed to increase the exemption threshold. Such an increase would still allow achieving the goal of the measure, as first estimates indicate that, whilst exempting a large number of smaller farms, such a change would only lead to a marginal decrease in the area targeted by the measure.

Acknowledging the environmental performance of farms with an important part of the holding area covered by grassland and their more limited capacity for diversification within their production systems, it is also proposed to exempt such farms from the diversification obligation. First estimates indicate that exempting farms with a high share of grass on their area would affect a significant number of farms, while only slightly decreasing the area targeted by the measure.

In order to accommodate farmers who grow more than 3 crops, a modification of the proposal is foreseen to address this issue.