



# HNV grasslands – securing the ecosystem services of EU farming post 2013

***Discussion paper on CAP support  
for HNV farming***

*Sibiu 7<sup>th</sup>-9<sup>th</sup> September 2010*

*Guy Beaufoy, EFNCP*



EUROPEAN FORUM ON  
NATURE CONSERVATION  
AND PASTORALISM



# Supporting HNV farming - need for a new approach

- *Income issue is central, as shown already ...*
- *CAP income support is not targeted on farms in most need, or of most public-goods value*
- *Agri-environment, LFA, Art 68 - all can help and are used for HNV in **some** regions.*
- *But not consistent across EU, **very big gaps in coverage**. And rules not suitable anyway.*



# Opportunity for change

- *CAP is at a cross roads*
- *Urgent need for public expenditure to be either genuinely justified, or cut*
- *Income support especially ineffective*
- *New Commissioner, open to idea of supporting HNV farming?*
- *DG Agri preparing reform proposals now, for presentation in November-December*



# Aims of an HNV support scheme under Pillar 1

- *Shift income support to help viability of low-intensity farming*
- *Target broad farming types because of inherent public-goods value*
- *Not an exact science, but should aim for efficiency in supporting economic viability*
- *Not paying for detailed management requirements – that's agri-environment*



# Benefits of using Pillar 1 for HNV support

- *Consistent and coherent pan-EU coverage*
- *100% EU funding*
- *Simplicity for farmer and administration, compared with agri-environment*
- *By supporting economic sustainability of HNV farming, allows agri-environment to focus on specific conservation objectives*



# Criteria

- *Aim to keep as simple as possible*
- *Where possible use criteria currently on IACS-LPIS*
- *Only add extra requirements when needed to ensure reasonable targeting for public goods*
- *Criteria will vary for livestock, arable and permanent crops*



# HNV Livestock

- *Livestock using permanent pasture and hay meadow is most widespread HNV type*
- *Arguably most threatened type due to income problem, especially when small-scale*
- *Low intensity criterion is captured relatively easily by LU per forage hectare*



Livestock numbers are recorded at farm level across EU. Density per ha of forage gives a good idea of whether the forage is mainly semi-natural or not.



A threshold of LU/ha at farm level should be definable to exclude farms that are based on more intensive forage



Are more criteria needed?

Small field size?

Presence of biodiversity features e.g. thick hedges?



**Lowland  
small-scale  
landscape in  
Devon, UK**

## Livestock – criteria for HNV support payment

<b>Payment for ha of permanent pasture and meadow on LPIS</b>		<b>Payment for biodiversity features (higher payment?)</b>
<b><i>Criteria on IACS – LPIS</i></b>	<b><i>Management requirements</i></b>	
<p><b>Livestock density below regional limit LU/ha of forage at farm level</b></p> <p><b>Include off-farm grazing and scrub - wood pasture.</b></p> <p><b>Others?</b></p> 	<p><b>Minimum use of pastures - LU/ha or grazing days</b></p> <p><b>Other requirements:</b></p> <ul style="list-style-type: none"> <li>-mowing dates for meadows?</li> <li>-input use? E.g. N, herbicides</li> </ul> <p><b>Remember, this is not agri-environment!</b></p>	<p><b>Register on LPIS at the time of application:</b></p> <ul style="list-style-type: none"> <li>-Linear and point features such as hedges, dry-stone walls, terraces</li> <li>-Farmland habitats of regional, national or EU importance, e.g. species-rich grassland</li> </ul>

# HNV Arable

- *Only in certain areas of EU, in extreme south, east, north and west*
- *Characteristics vary – e.g. fallow in Iberia, small field size in Poland*
- *Features such as semi-natural field boundaries and patches are very important*
- *Not trying to capture intensive systems (Type 3 HNV, mainly for birds) – agri-environment*



# Small field size, semi-natural field boundaries, diversity of crop types - Poland



Large proportion of fallow (2-3 years), semi-natural pasture - Spain



But this is also Spain...



## Arable – criteria for HNV support payment

Payment for ha of arable and arable fallow on LPIS		Payment for biodiversity features (higher payment?)
<i>Criteria on IACS – LPIS</i>	<i>Management requirements</i>	
<p>Fallow &gt; 10% of arable area</p> <p>No irrigation</p> <p>Field size &lt; X (regional)</p> <p>Others?</p> 	<p>North - overwinter stubble, sowing in Spring</p> <p>South - non-tillage of fallows</p> <p>Input use e.g.</p> <ul style="list-style-type: none"> <li>-N</li> <li>-Herbicides</li> </ul> <p><b>Not agri-environment!</b></p>	<p>Register on LPIS at the time of application:</p> <ul style="list-style-type: none"> <li>-Linear and point features such as hedges, dry-stone walls, terraces</li> <li>-Farmland habitats of regional, national or EU importance, e.g. species-rich grassland</li> </ul>

## HNV tree crops: fruits, nuts, olives

- large trees + semi-natural understorey



**Orchard in Romania**



**Olive grove in Córdoba,  
Spain**

## Permanent crops – criteria for HNV support payment

Payment for ha of permanent crops on LPIS		Payment for biodiversity features (higher payment?)
<i>Criteria on IACS – LPIS</i>	<i>Management requirements</i>	
<p><b>Tree density / ha &lt; X</b></p> <p><b>No irrigation</b></p> <p><b>Field size &lt; X (regional)</b></p>	<p><b>Standard/semi-standard trees (not dwarf varieties)</b></p> <p><b>Spontaneous under-storey during autumn-spring (dates to be set regionally)</b></p> <p><b>Input use e.g.</b></p> <ul style="list-style-type: none"> <li>-N</li> <li>-Herbicides</li> </ul> <p><b>Not agri-environment!</b></p>	<p><b>Register on LPIS at the time of application:</b></p> <ul style="list-style-type: none"> <li>-Linear and point features such as hedges, dry-stone walls, terraces</li> <li>-Farmland habitats of regional, national or EU importance, e.g. species-rich grassland</li> </ul>



## Scottish croft – 0.35 AWU 50 sheep, 5 suckler cows

	Area hectares	Calculation of HNV payment	Current income situation	Proposed income situation
Farm size	75			
UAA	75			
LU/ha	0.19			
HNV farmland	73	7375		
<i>Permanent grassland</i>	73			
Total biodiversity features area	0			
Net income from production			-2056	-2056
Current Pillar 1 approx €32/ha			2400	
Pillar 1 flat-rate @ €100/ha				7500
Proposed Pillar 1 HNV payment				7375
Farm business income			344	12819
Hours worked by family			680	680
From investing in family labour €15/hour			0.50	18.85
			-9856	2619



## English lowland livestock farm part-time

	Area hectares	Calculation of HNV payment	Current income situation	Proposed income situation
Farm size	50			
UAA	46			
LU/ha	1			
HNV farmland	35	5300		
<i>Permanent grassland</i>	35			
Biodiversity features	7	2200		
<i>Species-rich grassland</i>	4			
<i>Orchards</i>	2			
<i>Hedges</i>	1			
Net income from production			-1765	-1765
Current Pillar 1 approx €200 / ha			10059	
Pillar 1 flat-rate @ €100/ha				4600
Proposed Pillar 1 HNV payment				7500
Farm business income			8294	10335
Hours worked by family			N/A	N/A



# Romania cattle farm

## 7 cows, 1 family worker full-time

	Area hectares	Calculation of HNV payment	Current income situation	Proposed income situation
Farm size	8			
UAA	8			
Off-farm grazing	24			
LU/ha	0.31			
Total HNV farmland area	32	5000		
<i>Permanent grassland</i>	30			
<i>Arable</i>	2			

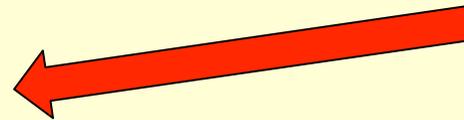


Production net income			4408	4408
Current Pillar 1 (8ha x €71/ha)			568	
Pillar 1 flat-rate @ €100/ha (including commons)				3200
Proposed Pillar 1 HNV payment				5000
Farm business income			4976	12608
Hours worked by family			1920	1920
Income per hour family labour in €			2.59	6.57
Available to reinvest if family labour paid at €800/month			-9424	-1792
Currently agri-environment payments on 6 ha - €124 + €58. Latter compatible with HNV scheme			1092	300

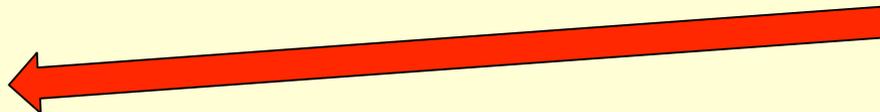


# LPIS example – olive grove surrounded by woodland

Olives – basis  
for SPS



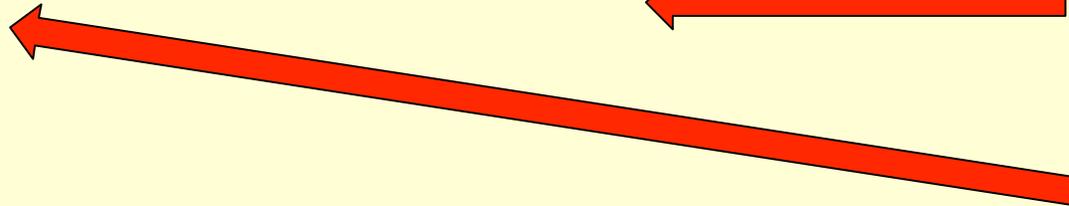
Semi-natural  
boundary not  
eligible for SPS



“Pasture with  
trees” on LPIS



Forest +  
Natura 2000



# Payment options

- *Biodiversity features – extra payment? In some cases the only payment?*
- *Recognise gradient of natural value and intensity from LNV to HNV:*
  - Points system?
  - Tiers system?
- *Degression essential to achieve results*



# Some questions re Pillar 1 scheme

- *Include crop systems, or just livestock?*
- *Are basic IACS-LPIS criteria enough?*
- *Add management requirements?*
- *Relationship to agri-environment and to LFA?*
- *How to prevent degressive payments from causing “farm splitting”?*



# Local project approach

- *Importance of pro-active local projects explained by Alvaro and Gwyn*
- *Need to make this a mainstream approach, funded under RDPs*
- *Not just advisory services, not just LEADER*
- *Could be a special type of LEADER for HNV farmers, in priority areas?*



# Can it be done?

- *Working models exist, e.g.*
  - Grassland Premium scheme in France
  - Local projects ADEPT, BurrenLife, Plan 42
- *Maintaining and developing LPIS-IACS is essential for efficient CAP*
  - For targeting support e.g. to HNV farming
  - For cross-compliance re. semi-natural features
- *Member States need to clarify their HNV farming systems and priority areas if they intend to support them*



# Budget envelopes will be needed

- *Pillar 1 HNV farming support scheme*
  - 60-80 million hectares of HNV farmland?
  - 8-16 billion euros, @ average of 100-200 / ha?
  - Current Pillar 1 is over 40 billion euros
- *Local HNV farming projects*
  - Member States should identify priority areas and allocate budgets accordingly within RDPs
  - Minimum percentage based on HNV area?

