



# Redistributing CAP support to favour HNV farming accross Europe

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NATURE CONSERVATION  
AND PASTORALISM



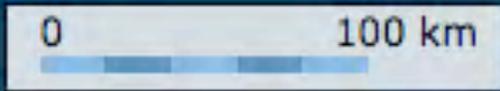
# Findings from Pays d'Auge





Pays d'Auge

Paris















# HNV and LNV farms in Pays d'Auge (after 2000 census)

- *HNV non professional farms*

- 10 ha (+ annual loan of land from third person) **1,750 € from CAP**
- 0.5 annual work unit (awu)
- Mixed farming: cattle, sheep, horses, apple trees (cider), hedges
- 0.7 LU/ha
- 50% of farms, 10% UAA

- *LNV crops professional farms*

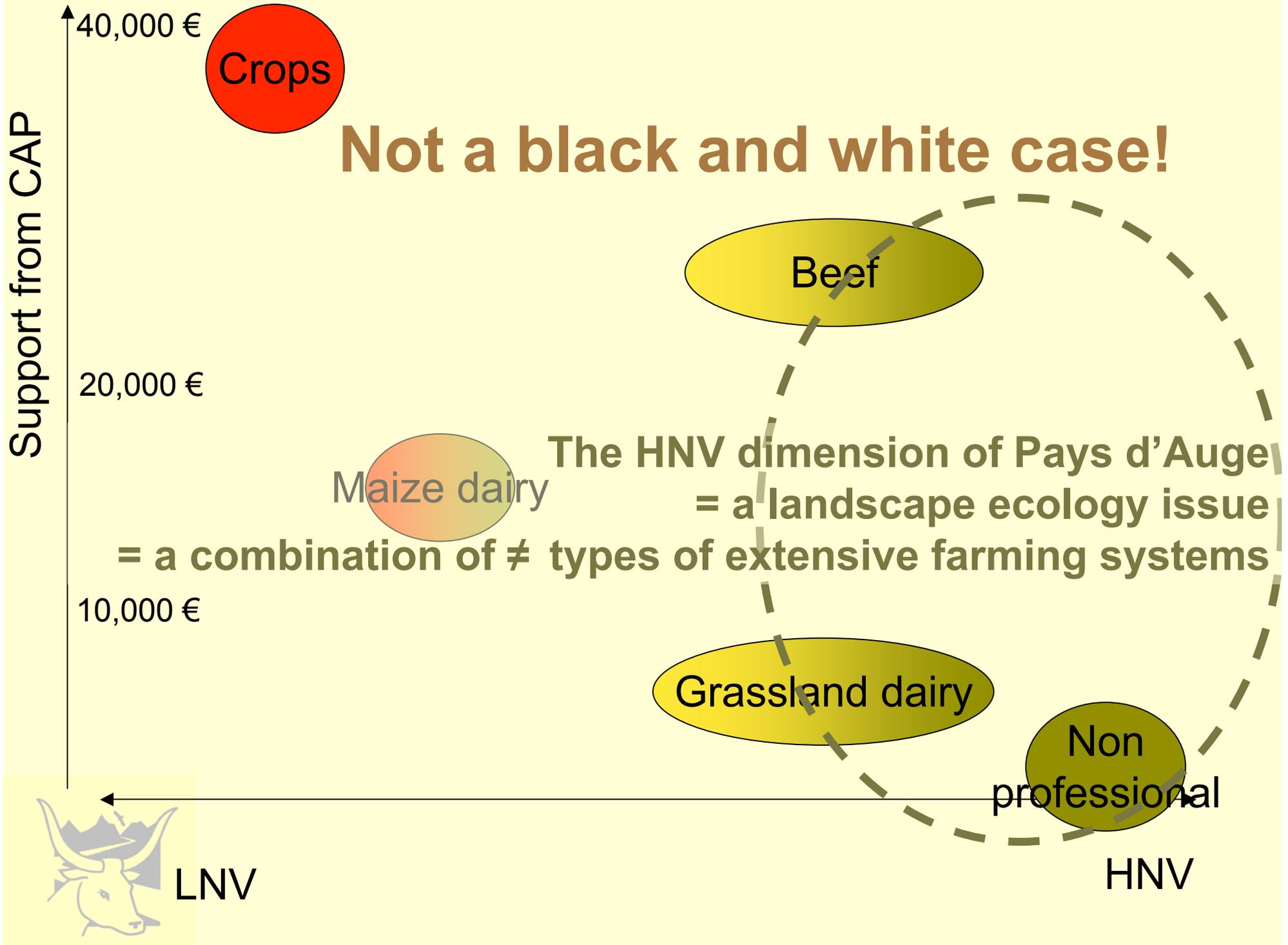
- 100 ha **40,000 € from CAP**
- 2 awu
- Specialised in crops
- 7 % of farms, 14% UAA



# A bit more complicated story

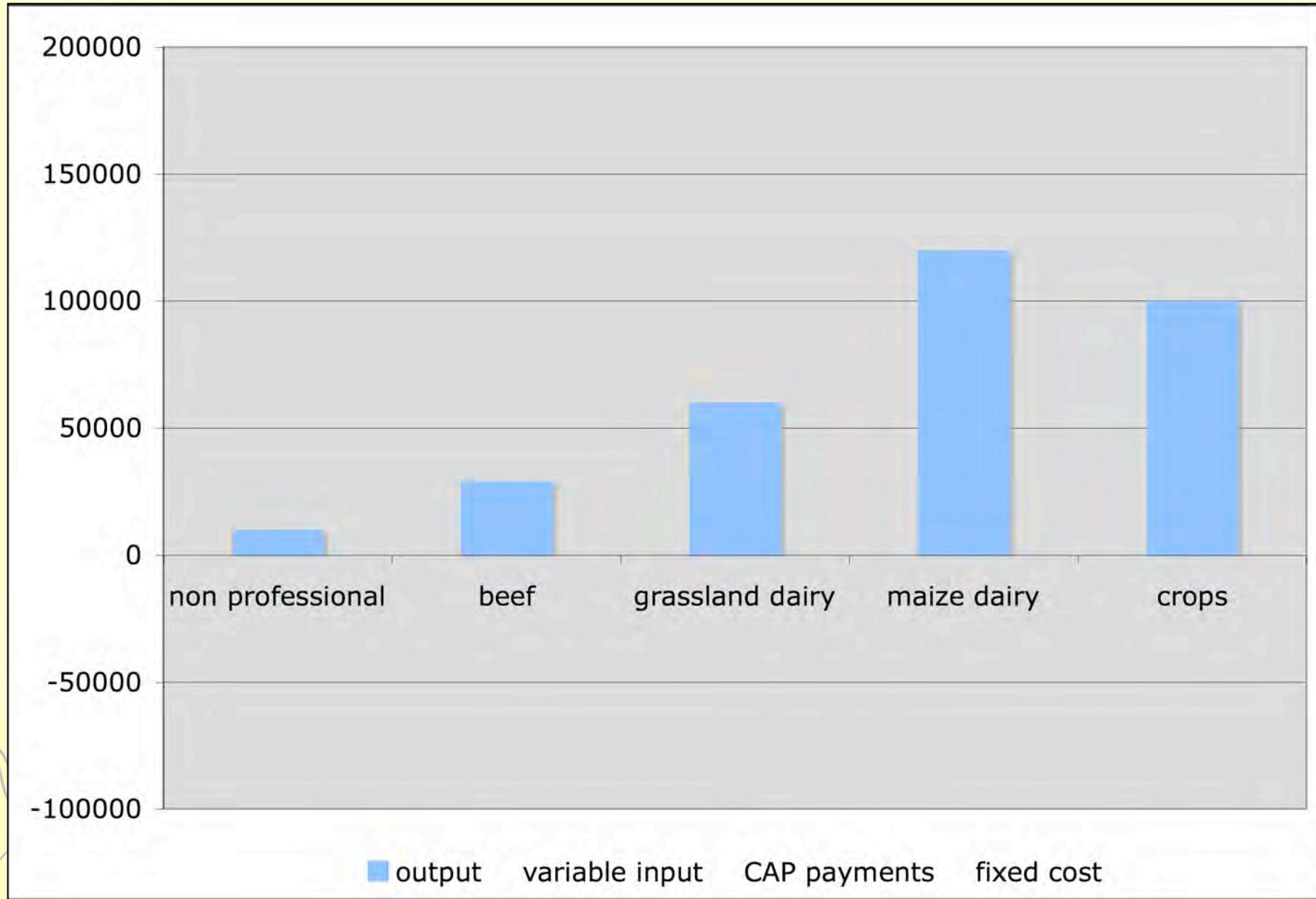
- *Beef / suckler cows systems*
  - 54 ha, 1.15 LU/ha — traditional orchard, hedges
  - 1.3 awu
  - 26,000 € from CAP
- *Grassland dairy*
  - 40 ha, 1.2 LU/ha — traditional orchard, hedges
  - 1.5 awu
  - 5,300 € from CAP
- *Maize dairy*
  - 70 ha, 1.6 LU/ha — (hedges, some extensive pastures for heifers)
  - 2 awu
  - 16,000 € from CAP



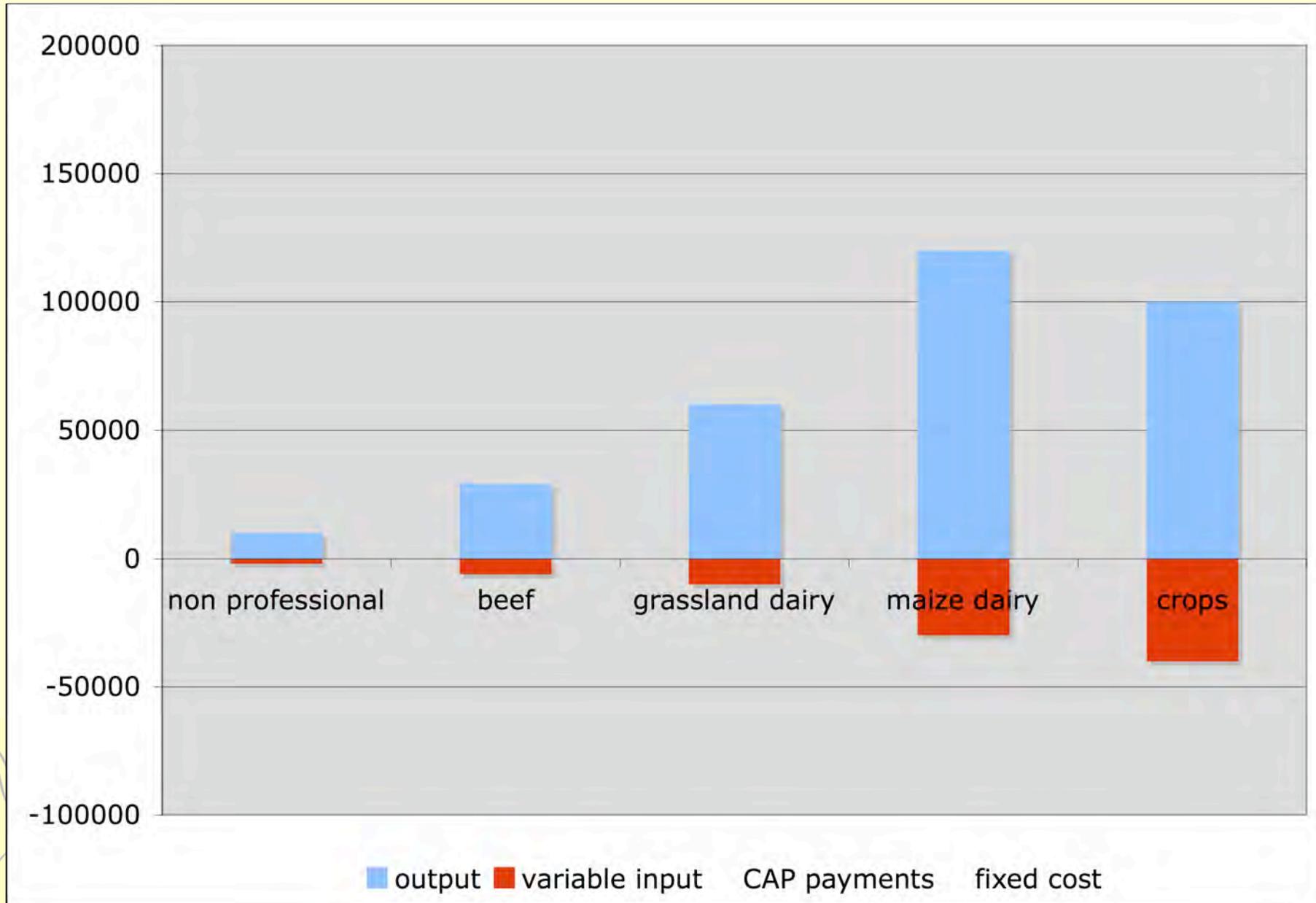




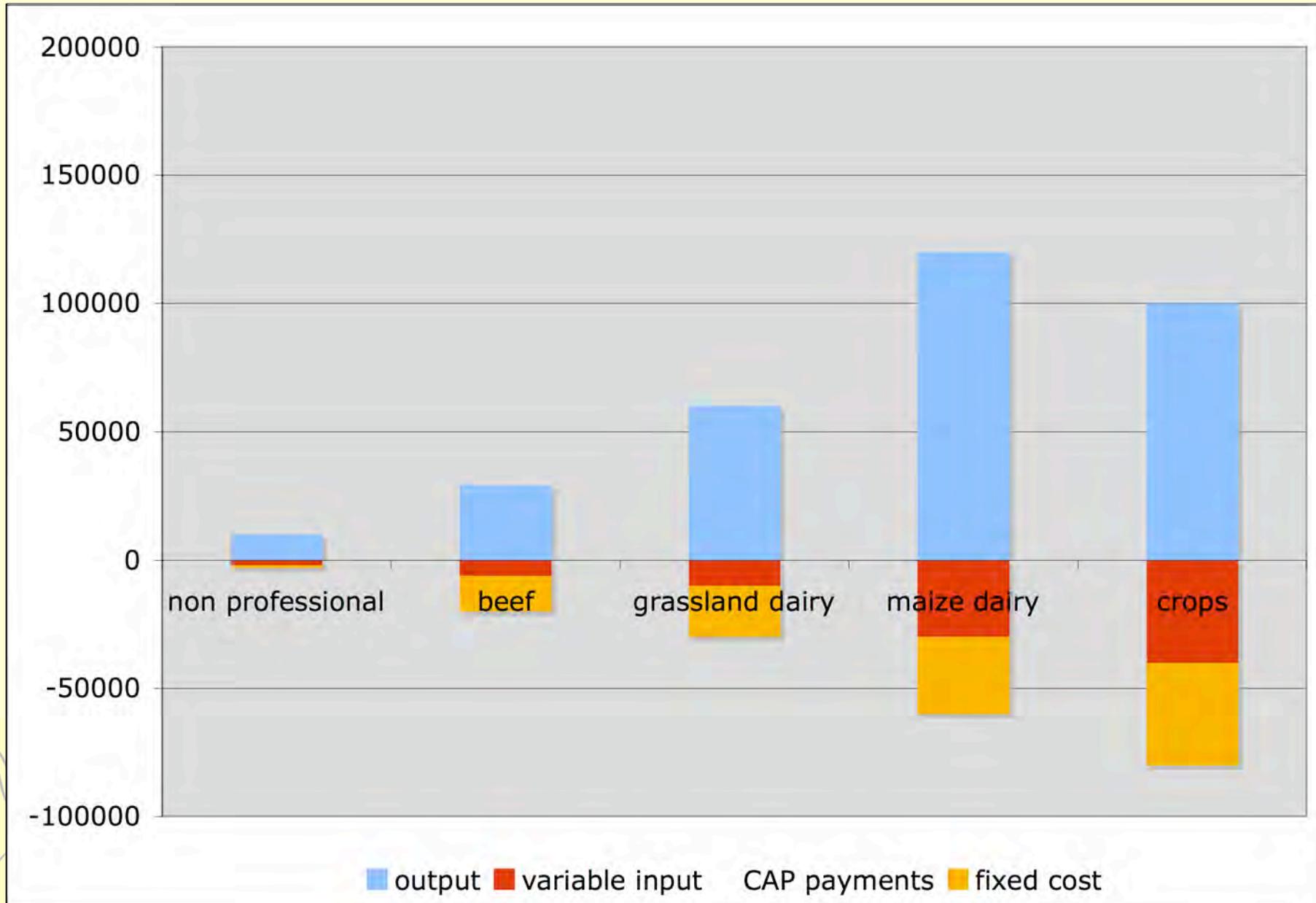
# Estimated structure of farms economy



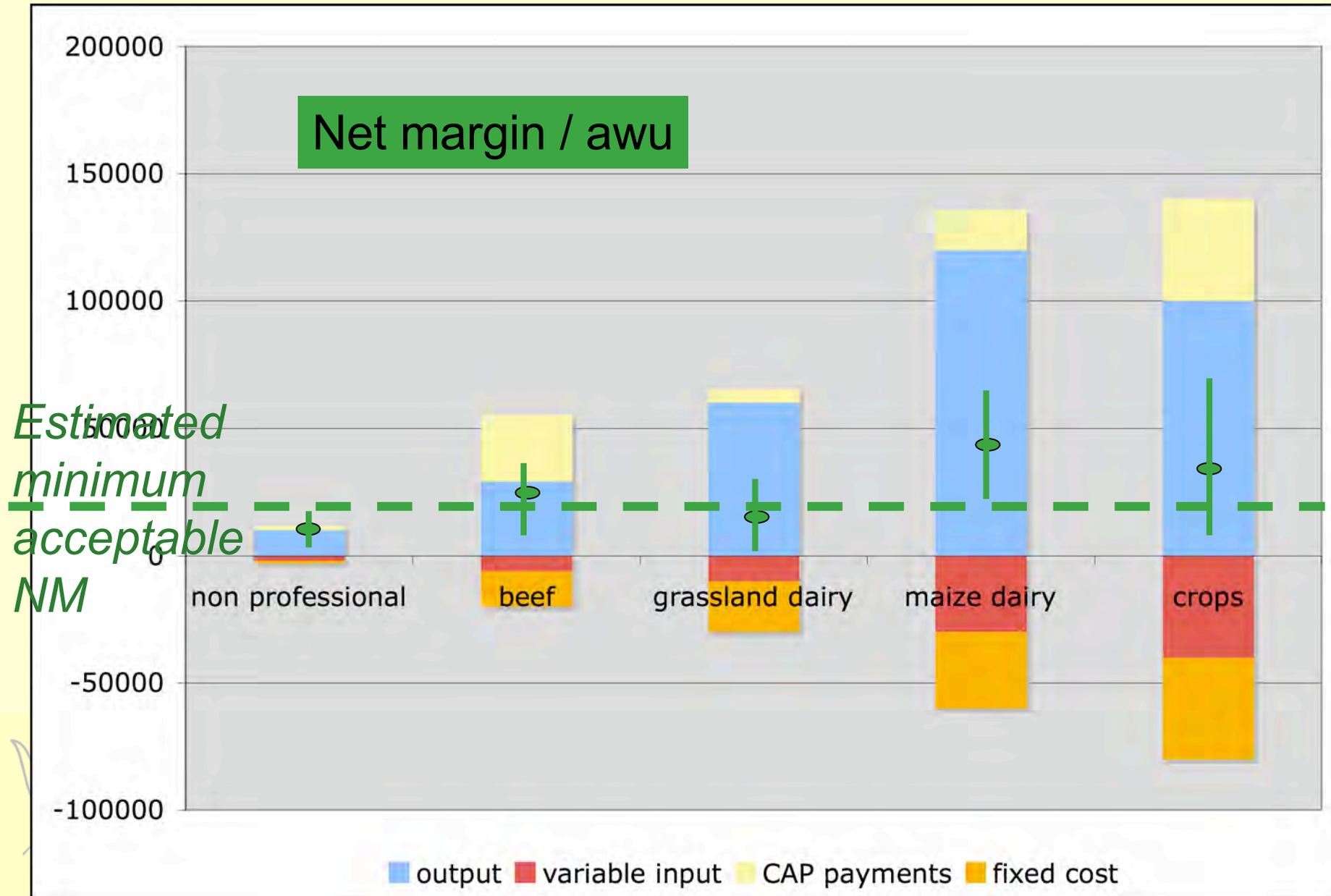
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# Economic issues and trends

- *Mixed HNV non professional farms*
  - not viable under “pure” economic rules
- *Beef farms*
  - Low input but relatively high fixed costs (buildings, cattle)
  - Need of CAP payments to sustain
  - Limited intensification to maximise return on fixed costs
  - Current schemes not to prevent this intensification (PHAE = 1.4 LU/ha)
- *Grassland dairy farms*
  - Medium input and fixed costs
  - A fragile balance
- *Maize dairy farms and crops*
  - High input / high output
  - CAP payments to cover investment costs



# Wider issues

- *CAP payments are not everything: a farmer earns more with 1.4 LU/ha than 1 LU/ha for a given building*
- *Regardless of decoupling, present CAP payments favour investments which are to be paid back with more production*
  - ⇒ Decreasing and volatile prices which affects small and medium size farms
  - ⇒ Larger farms tend to simplify production patterns (better to milk 30 cows \* 10,000 kg than 60 cows \* 5,000 kg)
- *At the scale of Pays d'Auge, the issue goes beyond a AE scheme approach*
  - A landscape ecology issue
  - Not an income foregone issue
  - Not adapted to non professional farms
  - The magnitude of present budgets (P1 / P2) is irrelevant



# Which CAP support for HNV farming?



# Principles for HNV farming payments: targeted and progressive

- *Income support for HNV systems*
    - Keep the low input characteristic
    - => Payments should not favour further intensification
  - *Need of targeted payments attached to actual HNV features*
    - The beef payment scheme and PHAE are still too vague and does not prevent a certain intensification
  - *Avoid strict black/white criteria*
    - Where to draw the line? Who is to do it? Not relevant
    - Politically poorly accepted
- => *A progressive approach is preferable*
- E.g. payments should be inversely proportional to stocking density and proportional to % of SNV



# Principles for HNV farming payments: strong and incentive

- *HNV payments should make a difference in terms of income % to present situation*
  - Pays d'Auge non professional farmers should receive 10,000 €/year
  - Beef breeders should not be encouraged to intensify = public money should cover the difference of net product between 1 and 1.4 LU/ha ( $\pm$  400 €/ha)
- *Preferable to cap the payments per labour unit*
  - Limit the risk of large farms, with heavy capital
  - More efficient from a budgetary point of view





HNV scheme : 1000  
€/ha  
on the 1st 10 ha,  
...



HNV scheme : 500 €/ha  
on the 1st 10 ha,

...

# Important complementary thoughts

- *HNV income scheme does not prevent from a stronger implementation of environmental regulation for all the EU farms*
- *Need to have complementary tools (AEM, N2000,...)*



**Proposal for a new EU Common  
Agricultural Policy**



# Is it feasible?

- *From a budgetary point of view: a lot of money could be taken from inefficient CAP payments*
  - Quick calculation in Basse-Normandie shows that shifting from present scheme to targeted, progressive and capped scheme would cost from 400 to 280 M€/year
  - Possible zoned approach for more efficiency
- *From an administrative point of view: use of LIPS and IACS*
  - PHAE 2 sets relevant criteria (“biodiversity elements” + stocking density) [though used too vaguely]
- *The need for a transition period*



# Is it “too green”?

- *Biodiversity and diversified landscapes are the main public goods produced by agriculture — they are irreplaceable at EU level*
  - No other policy proposal centrally addresses this issue
- *SNV efficient in dealing with climate change: carbon storage and prevention of risks at landscape level*
- *Shift towards low input farming reduces overall output, limits variable and fixed costs and thus addresses most farmers' income crisis*

