

CAP developments and possible upland implications

James Copeland

Environment & Land Use Adviser

NFU North East

(Yorkshire, County Durham and Northumberland)

The Future



The EU/UK Hokey-Cokey

- CAP reform agreement now reached
- **But.....political sign off pending**
- Officials started working on implementing regulations
- **Financial Discipline**
 - Commission can decide rate 30 November
 - RPA needs rate by mid November
- 95,000 beneficiaries paid on 1 day of Dec
 - RPA target = 93% by 31 Dec
- Modulation decision made by 31 Dec 2013
 - Defra Consultation – Nov 2013

Areas for Consultation

- Reductions or redistributive payment
 - minimum (5%) reductions to beneficiaries > €150k
 - no use of salary mitigation
- Cross compliance
- Transfers between pillars
- Shape and priorities of Rural Development Programme for England

Transfer P1 to P2

P1 to P2 transfer	Total for next RDP	Existing commitments	5% Leader	Headroom for new measures
(£bn)	(£bn)	(£bn)	(£bn)	(£bn)
15%	£3.874	£2.155	£0.155	£1.564
9%	£3.200	£2.155	£0.122	£0.923
1%	£2.302	£2.155	£0.078	£0.069

Defra has not yet decided on the allocation of Rural Development spend between different activities. It has highlighted four different scenarios

1. Balance as now: 83% on environmental outcomes, 5% on Leader and 13% on wider rural growth and farming and forestry competitiveness and skills.
2. Increased focus on environmental outcomes: 88% on environmental outcomes and shrink the farming and forestry competitiveness and other growth elements to about 8%.
3. Increased focus on rural growth: 78% on environmental outcomes, 15% on rural growth and 3% on farming and forestry competitiveness and skills.
4. Increased focus on farm and forestry competitiveness: 80% on environmental outcomes, 8% on rural growth and 8% on farming and forestry competitiveness and skills.

Issues **not** for consultation

- Small farmers scheme
- No voluntary coupled support
- Minimum area = 5ha
- No areas facing natural constraint top up
- Retain 3 regions in England
 - But will consult on “moving money up hill”

“Moving money up hill”

- “Defra should find a way to share the budgetary pressures in a fair and proportionate manner across all farmers.”
- “Given the vulnerability and disproportionate reliance that upland farmers have on CAP support it is clear that significant quantities of future CAP resource will need to continue to be targeted to active farmers in the uplands.”

(NFU evidence to Defra October 2013)

Thoughts before change

- 95% of upland farm business income comes from Pillar 1 & 2 payments
- Recognition of the constraints of hill farming and the pivotal role in land management are the first steps in securing a sustainable and thriving farmed landscapes
- Upland farmers need a long-term strategy that rewards farmers properly for the public benefits they deliver and through fair market returns for their agricultural products

Until these conditions can be met, substantial CAP support cannot be removed without serious damage to hill farming

Overview of action to date

- The NFU remains disappointed with this round of CAP reform and the lack of strategic vision
- The Efra select committee has concluded that
 - “the competitiveness of UK farmers will be reduced if they are exposed to higher modulation rates than their European counterparts. We therefore recommend that Defra does not set modulation rates higher than other Member States that receive similar single farm payment rates.”
- Any intention by the Secretary of State to gold plate the greening rules will mean that English farmers are put at a disadvantage to our competitors

Overview of action to date

- A combination of the new greening rules, cross compliance, pillar 2 measures and voluntary measures will together produce environmental benefits, and extinguish a need to transfer money from pillar 1 to pillar 2 for further environmental works
- Defra should find a way to share the CAP budget in a fair and proportionate manner across all farmers.
 - Given the vulnerability and disproportionate reliance that upland farmers have on CAP support it is clear that significant quantities of future CAP resource will need to continue to be targeted to active farmers in the uplands

Overview of action to date

All farmers want to avoid the problems of the previous CAP reform recurring and the stress and anxiety that was caused. Support and guidance to farmers will be required in all its forms and will be required from mid-2014 onwards to ensure that the industry is fully briefed ahead of the expected 2015 changeover of schemes.

Thank you

Any questions



The voice of British farming

