

Further consultation on European Parliament reports – July 2012 to October 2012 CAP2 5 – National Beef Association

Dear Sir/Madam,

Further to your Environment and Sustainability's Common Agricultural Policy (CAP) Task and Finish Group summary of amendments, I am pleased to attach feedback on behalf of the National Beef Association. NBA greatly welcomes the opportunity to input to this important policy development. In answer to the specific questions in your documentation, our thoughts are summarised below.

1. Direct Payments Distribution

NBA support that the Welsh Assembly should continue to call for greater flexibility at Member State level. Any significant shift in SFP will likely have a negative effect on suckler herds.

Re: **Amendment 56**, NBA believe the Welsh Assembly should support this measure, to ensure that in 2019 no farm's entitlements are reduced by more than 30% compared to 2014..

2. Entitlements

Amendments 50 and 51. NBA agree that stretching the reference years is important to ensure that those who have invested labour and money onto agriculture are rewarded and to avoid resumption of land by land owners, however this is with the critical caveat that new entrants are given adequate provision.

Amendment 59. NBA agree that use of the national reserve for new entrants is correct.

NBA agree that measures must be implemented in order to minimise land banking and distortions of land availability and rental values.

3. Greening

Amendment 69 and **Amendment 72.** NBA support that existing agri-environment schemes (and other beneficial projects) should qualify for greening and believes there needs to be general basic approvals on their merits rather than imposing mandatory measures to 'go beyond greening'.

NBA strongly agrees that the Welsh Assembly should seek further amendment to give each Member State greater flexibility in defining greening requirements.

4. Small Farmers Scheme

Amendments 18 and 102. NBA agree that the scheme should be voluntary and that available payments should be increased to 1500 Euros. While this is likely to affect a relatively small number of businesses, the system should be simple and not overburden small farmers .

5. Young Farmer

Amendment 86 and 87. NBA agree that all new entrants irrespective of age should - at the Member States discretion - be considered for funding support, and that certain criteria would encourage best practise and provide best value for money.

6. Active Farmer Test

Amendment 29. NBA strongly agrees that being able to provide evidence of current, active farming is vital for direct support payment eligibility and credibility. NBA agrees that the removal of certain business types and activities may eliminate some non-farming recipients and welcomes the removal of requirements that require complex administration (see additional comment below).

Amendment 31. NBA agrees for a list of positive activities (e.g. grazing, cropping) to be adopted in conjunction with negative list above would help improve the distribution of payments but that new entrants must be protected to align this amendment with Amendments 86 and 87 above. The reference date is considered to be superfluous, as the entitlement eligibility issue has been addressed under a separate item, then it is the current activity that is important.

7. Movement between Pillars?

Amendment 39, Amendment 40, Amendment 43, Amendment 41. NBA is generally opposed to the transfer of Pillar 1 funds to Pillar 2 and considers that these require protection for food production to ensure stability of the farming sector. NBA acknowledges that Pillar 2 funding can be none-the-less highly constructive and encourage innovation and important development.

8. Rural Development Spending

NBA would be very concerned to see a greater proportion rural development funding ring-fenced for forestry due to the 'agricultural' origin of rural development funds and would disagree where this prejudices support for the development of agriculture. NBA would welcome transparency in the spending of the last rural development programme in order to more fully assess this. Forestry appears to have significantly greater market volatility than agriculture which gives greater question to the investment of public funds.

Amendments 24 and 27. NBA welcome the use of proportional retirement packages where this encourages new entrants and young farmers to the industry.

Amendment 28. NBA fully agrees with the facility to enable young farmers to access long-term leases. This is a vital step in regenerating our farming structures.

Agri-environment

Amendments 41 and 42. NBA agrees that a distinction between P1 and P2 support is extremely important in order to protect Pillar 1 payments however would wish to see sufficient flexibility in

both greening and agri-environment measures to environmental gains produced by livestock farming are no overlooked. We would welcome further discussion on this.

Amendment 66 and Amendment 68. NBA supports the principle of environmental sustainability of agriculture and the need for economic sustainability requiring a balance of funding across axes. NBA does not support the mandatory increase in co-financing rates for agri-env-climate measures but supports a voluntary option at Member State level. Where co-financing is fixed this could lead to a loss of Member State driven targeted action based on priorities.

Areas of Natural Constraint. NBA agrees that a longer lead in time to more fully assess the criteria is sensible to avoid significant redistribution and support needs.

kind regards
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