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COMMISSION STAFF WORKING DOCUMENT

Review of greening after one year

Annex 5

Synopsis report on stakeholder consultation

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LIST OF ACRONYMS

CAP	Common agricultural policy
CSWD	Commission Staff Working Document
EFA	Ecological Focus Area(s)
EP	European Parliament
EU	European Union
IACS	Integrated Administration and Control System
LPIS	Land Parcel Identification System
MEP	Member of the European Parliament
NFC	Nitrogen-fixing crops
NGO	Non-governmental organisation

1. INTRODUCTION

The stakeholder consultation for the targeted review of the greening legislation (Commission Delegated Regulation (EU) No 639/2014 ('delegated act') and Commission Implementing Regulation (EU) No 641/2014 ('implementing act')) began in early 2015 and continued to mid-April 2016.¹ It was carried out as part of the consultation activities on simplifying the common agricultural policy (CAP).

As highlighted in the Roadmap of the review,² the consultation approach involved collecting input from a wide range of stakeholders on three elements: (1) the administrative burden of implementing greening for farmers and national administrations, (2) potential overlaps and inconsistencies in the legal framework and (3) proposals to simplify existing rules without affecting the policy objectives of the greening scheme.

This document summarises the various contributions received and, based on the analysis of this input, identifies the areas that stakeholders regard as priorities for simplifying greening in the light of the experience gained in the first year of implementation. These areas will be used to inform the decision-making process, resulting in possible modifications of the above-mentioned delegated and implementing acts.

In the consultation process, stakeholders put forward a number of proposals to modify the basic greening legislation, i.e. Regulation (EU) No 1307/2013 ('basic act'). These are outside of the scope of the current review of greening and will be taken into consideration in future exercises addressing basic aspects of greening. The main messages, however, have been summarised in the relevant sections.

2. STAKEHOLDER GROUPS COVERED BY THE CONSULTATION ACTIVITIES

In line with the consultation strategy, input from a wide range of stakeholders was collected:

- Other EU institutions — the Council of the EU, the European Parliament (political groups and individual members), the Committee of the Regions and the European Economic and Social Committee
- Member State national and regional/local authorities involved in implementing greening, including ministries and paying agencies
- Farmers' organisations at EU and national/regional level
- Environmental and nature protection non-governmental organisations at EU and national/regional level
- Farmers
- Other interested groups such as academics/researchers, professional consultants, producers' organisations, trade unions and interested citizens.

All relevant stakeholders, particularly key stakeholders — Member State authorities, farmers, farmers' organisations and organisations covering environmental issues — provided relevant input for the review exercise, particularly on proposals for simplifying existing rules.

¹ The cut-off date is 15 April 2016. Stakeholder contributions received by the Commission after that date could not be taken into account in preparing this document.

² See http://ec.europa.eu/smart-regulation/roadmaps/docs/2016_agri_016-017_eco_focus_area_en.pdf.

3. CONSULTATION ACTIVITIES AND OTHER INFORMATION SOURCES

The consultation approach involved using available information from the CAP simplification exercise and existing discussion fora with relevant stakeholders on the one hand and activities specifically designed to fit the purpose of the targeted review of greening secondary legislation on the other.

An important source of information was a set of contributions prepared by other EU institutions and Member State administrations in the context of discussions on CAP simplification. This document draws on the following:

- AGRIFISH Council conclusions on simplification of the CAP (8485/15)
- Priority issues identified by the Latvian Presidency (8483/15) on the basis of Member State contributions (6300/15 and addendums)
- Contributions from a number of Members of the European Parliament (EP) and EP political groups on simplification of the CAP, submitted to the Commission by the Chairman of the EP Committee for Agriculture and Rural Development (Ref. IPOL-COM-AGRI D(2015)13570)
- Opinion of the European Economic and Social Committee on CAP simplification (NAT/672)
- Opinion of the Committee of the Regions on the simplification of the CAP (NAT-VI/006)
- Conclusions of the conference of Directors of Paying Agencies organised by the Latvian Presidency.³

Dedicated consultation activities included discussions in Expert Groups on Direct Payments⁴ (three meetings in the second half of 2015), a meeting of the Expert Group on Simplification (February 2016) and two meetings of the Civil Dialogue Group for Direct Payments and Greening⁵ (November 2015 and April 2016).

In addition, from 15 December 2015 to 8 March 2016, an online survey⁶ sought stakeholders' views on the main themes of the Commission declaration of 2 April 2014 covering experiences from the first year of application of greening, especially the ecological focus areas (EFA), the impact on the level playing field and production potential, administrative burden and simplification ideas. The survey also sought respondents' preliminary views on the effects of greening. Given the scope and the level of detail of the review, the questionnaire particularly targeted stakeholders with in-depth knowledge and/or hands-on experience of greening.

A total of 3 304 responses were received (3 303 directly and one by mail), more than 80 per cent of which were from farmers (including a large number with farms above 100 ha and specialist cereals/field crop producers). The remainder represented several national and regional/local authorities, farmers' professional organisations, environmental organisations and other civil society organisations at EU, national or local level, academics and a number of private sector actors such as the agro-industry and agricultural advisors. The main strength of the consultation results lies in its wide coverage of respondents across different categories. Its

³http://www.lad.gov.lv/37thconference/files/37th_conference_of_the_directors_of_eu_paying_agencies_summary_of_conclusions_final.pdf

⁴ Participants are experts from Member State administrations.

⁵ Participants are representatives of non-governmental EU-level organisations. More information: http://ec.europa.eu/agriculture/civil-dialogue-groups/direct-payments-greening_en.htm .

⁶ 'Your voice in Europe' website: http://ec.europa.eu/yourvoice/index_en.htm .

main limitation is the unequal distribution of answers by Member States which hampers analysis, especially on EFA and level playing field aspects.⁷

Around 20 contributions submitted by e-mail are complementing the survey⁸. These contain additional explanations by the respondents of their online replies and/or comments on issues not covered by the questionnaire.

During the consultation process, almost 30 *ad hoc* contributions were sent outside the framework of the public consultation throughout the consultation period. These include contributions by Members of the European Parliament (MEPs), Member State authorities, farmers' organisations at EU and national/regional level, as well as a few contributions from organisations such as trade unions and producer organisations, and interested citizens.

When analysing and summarising the information, particular attention was given to input from stakeholders directly concerned by greening, i.e. national authorities and farmers, as well as farmers' and environmental organisations operating at EU level, as these organisations are assumed to represent a broader range of views compared with those at national level.

4. THE RESULTS OF STAKEHOLDER CONSULTATIONS

The first section of this chapter analyses the results by stakeholder group and highlights the main concerns raised on implementing greening measures, the most frequently mentioned areas for simplification and simplification proposals supported to some degree in a particular stakeholder group. Where there is a degree of consistency among the views of stakeholders and on issues of particular concern to certain groups, these have also been noted. The second section covers horizontal issues addressed mainly through the online public consultation, i.e. the impact of greening on the administrative burden, level playing field and production potential.

Although the review exercise is targeted at the delegated and implementing acts, for the sake of clarity and completeness the analysis includes main proposals concerning the basic act⁹ and/or Commission guidance documents.

4.1. Analysis of results per stakeholder group

4.1.1. *The Council of the EU, the Latvian Presidency and Member State national and regional authorities*¹⁰

Generally, while the majority of Member States support the policy purpose of greening and acknowledge that it is too early to objectively assess the environmental impact of the policy, there is some doubt as to whether greening in its current form is best designed in terms of cost-effectiveness. Most Member States consider greening rules too complex and costly for both farmers and administrations compared with their probable environmental effects, and many of them call for a more fundamental review of the policy in 2017 or in the next CAP reform.

⁷ Replies to the questionnaire will be published on the consultation webpage in line with the publication rules announced on the consultation website

⁸ See previous footnote

⁹ Regulation (EU) No 1307/ 2013

¹⁰ Although formally representing views of different institutions at EU and national/regional level, it was considered that opinions expressed by these institutions often reflect the positions of the EU Member States and are therefore presented under a common heading.

Both the main issues of concern and the associated simplification proposals fall into two categories — one linked to the greening direct payment legal framework and the other related to control and management issues such as the penalties system.¹¹

A large number of Member States appear to have common views on the legal framework for the greening direct payment:

- The hectare thresholds triggering crop diversification and the EFA requirements defined in the basic act should be harmonised and set at 15 ha. Several MSs argue that this would have a marginal effect on the environmental impact of the policy¹² but it would make it easier for farmers to understand the rules.
- The threshold of 30 ha of arable land defined in the basic act which limits the application of exemptions for crop diversification and EFA should be deleted. The rationale is similar to that for the previous proposal.
- On crop diversification, the requirement for Member States to set a crop diversification period, during which fulfilment of the measure has to be checked, needs simplification because of the constraints and burdens it puts on farmers and administrations.

Several Member States argue that the requirement for farmers to have crops on the ground during the crop diversification period, or have stubbles if the crop has already been harvested, results in reduced flexibility in the management of their farms. In addition, farmers could face increased on-the-spot checks because it may be necessary to make several visits to a farm to check eligibility criteria and crop diversification.

National administrations are concerned about the requirement to check the proportion of different crops within the crop diversification period. Several Member States feel that it is often not possible to check all other eligibility criteria during that period, which in practice means that several on-the-spot visits have to be made which is costly for the administration. Furthermore, the growing season is very short in northern Europe and much longer in the south. Several Member States argue that both situations present a challenge for planning checks on the crop diversification requirement.

To address these issues, several Member States propose that the requirement either be deleted altogether or that Member States be allowed to set at least two crop diversification periods. Some Member States also ask for more flexibility on the types of evidence acceptable as proof that the crop has been grown if it is not present in the field at the time of inspection.

- On the EFA, the criteria and requirements for the various EFA types set out in the delegated act are too detailed. Farmers have difficulty in understanding the rules and applying them correctly, while administrations face difficulties in managing EFAs due to control and mapping requirements. Member States agree that more flexibility is needed in areas where this will not lower the environmental performance of the policy.

However, Member States do not appear to have a common proposal as to how to achieve this — while one group proposes to give more subsidiarity to Member States by allowing them to set EFA criteria at national level, others propose solutions to

¹¹ The legal framework for these issues is included in Regulation (EU) No 1306/2013, Delegated Regulation (EU) No 640/2014 and Implementing Regulation (EU) No 809/2014. These regulations are outside of the scope of this exercise.

¹² No specific evidence is provided to underpin this claim.

make the current legal framework better fit to the needs of farmers and administrations. The most supported proposal is to accept as EFA elements exceeding the maximum dimensions up to the limit defined in the delegated act as EFA.¹³ Based on the online survey, there is no appetite for extending the list of EFA types. Some authorities are open to merging some EFA categories, since broadening or aligning the conditions would facilitate the request process. Other suggestions for specific EFA types supported by a number of Member States are as follows:

- Criteria linked to similar EFA types need to be aligned and streamlined. Specifically, dimensions and other requirements for field margins, buffer strips and strips along forest edges need to be harmonised. Also, weighting factors for similar EFA types should be similar. This particularly concerns nitrogen-fixing crops, catch crops and short rotation coppice.
 - Specifications for trees (minimum crown diameter and maximum distance between trees) should be deleted.
 - On catch crops, the requirement that they should be sown in mixtures should be deleted. Also, the end date for sowing catch crops should be postponed, e.g. to 20 October, or the mandatory deadline replaced by a period during which catch crops have to be on the field.
 - The requirement for nitrogen-fixing crops to be sown as pure species should be deleted. Mixtures of species should be allowed as long as nitrogen-fixing crops remain predominant.
- On maintenance of permanent grassland, strong concerns were raised on the ‘five-year rule’ defined in the basic act.¹⁴ Several Member States report that this has led to unintended effects that are detrimental to the environment, as farmers plough up their grasslands to avoid their classification as permanent grassland. The rule is also perceived as violating the right of farmers to make decisions on the production profile of their holdings and leads to a decrease in the value of land.

The following proposals were commonly made to address these concerns:

- Changing the definition in the basic act to allow arable land covered in grasses or herbaceous forage (temporary grassland) to remain classified, under certain conditions, as arable land even after five years.
 - Providing exemptions to the obligation to reconvert areas to permanent grassland and to the ban on conversion of permanent grassland where: a farmer changes the type of production away from grass production on a long-term basis; or sells or leases his land on a long-term basis to farmers whose production is not based on grasses.
- Due to the administrative burden of collecting data for notifications on greening¹⁵ which are due when paying agencies are busy processing payments, deadlines for

¹³ E.g. a pond of 0.2 ha would be accepted as EFA although it exceeds the 0.1 ha threshold defined in the legislation. However, the area that would be counted as EFA would be the maximum area set out in the legislation, i.e. 0.1 ha.

¹⁴ The rule stipulates that all arable land covered by grass and not included in the crop rotation of the holding for more than five years becomes classified as permanent grassland and as such might fall under the re-conversion obligation if the national ratio of permanent grassland decreases below the allowed percentage.

¹⁵ Notifications on monitoring indicators and data on environmentally sensitive permanent grassland

notifications should be postponed at least to the end of January (currently 15 December).

With regards to rules and requirements stemming from the horizontal legislation on the Integrated Administration and Control System¹⁶ and the guidance on the Land Parcel Identification System (LPIS) and EFA layer, Member States have consistently called for:

- a more proportional system of reductions and penalties for greening;
- a reduction in the number of controls for greening (and other schemes) for both farmers and administrations;
- a reduction in mapping requirements for the EFA layer, specifically the removal of the requirement to map elements that are not truly stable such as land lying fallow;
- simplification of the declaration of EFA by the farmer;
- allowing Member States to set a minimum size for EFA areas that can be declared.

Finally, several Member States have asked for a simplification of the requirements linked to avoiding double funding between Pillar 1 and Pillar 2 measures, as well as for better articulation of the rules between the two pillars.

Views expressed by Member State authorities in the public consultation largely correspond to the above.

4.1.2. Members of the European Parliament and national parliaments¹⁷

The views of these stakeholders largely correspond to the concerns and proposals of Member States. These apply to:

- Crop diversification (issues with the crop diversification period and checks, requests to delete the crop diversification period or allow Member States to set two periods, requests to accept a wider range of evidence),
- EFA (rules are too detailed, Member States should set criteria for EFA types, features exceeding the maximum dimensions should be accepted, the specification for trees should be deleted, requirements for similar elements should be streamlined, the requirement to sow catch crops as mixtures should be deleted, nitrogen-fixing crops (NFC) should be acceptable as EFA if sown in mixtures, weighting factors for catch crops/NFC/short rotation coppices should be uniform, EFA that are not truly stable, such as land lying fallow, should not be mapped in the EFA layer),
- Permanent grassland (issues linked to the five-year rule, the possibility for temporary grassland to stay arable land after five years under certain conditions)
- Other general issues (the need to align the threshold for crop diversification and EFA, deletion of the 30 ha threshold for exemptions in crop diversification and EFA, reductions in the control requirements, concerns on double funding and interactions of Pillar 1 and Pillar 2 measures).

¹⁶ Regulation (EU) No 1306/2013, Commission Delegated Regulation (EU) No 640/2014 and Commission Implementing Regulation (EU) No 809/2014. These acts are outside of the scope of this exercise.

¹⁷ The European Parliament has not adopted a specific resolution on simplifying the post-2013 CAP. Consequently, input for the simplification exercise comes from political groups and individual MEPs. The French senate was the only national parliament to submit an ad hoc contribution.

In addition, concerns have been raised as to the effect that Member State's EFA choices might have on the environmental outcome of the policy. This refers specifically to the limited number of EFA options — particularly the landscape features, chosen by some national administration. One political group proposes to address the issue by defining a list of mandatory EFA, e.g. hedges or wooded strips, isolated trees and trees in a line, which all Member States would have to offer to farmers.

Some MEPs also propose expanding the list of equivalent practices set out in Annex IX of Regulation (EU) No 1306/2013, arguing that the scope of the existing ones is too narrow. This would give national and regional authorities more flexibility to tailor equivalent action to the environmental needs of specific agricultural areas. It has also been argued that a shift from a measure-based approach to an objective-oriented one is needed.

4.1.3. *Farmers and farmers' organisations*

Views of farmers and farmers' organisations coincide largely with those expressed by Member States and Members of the European Parliament and national parliaments on rules for crop diversification, EFA, permanent grassland and other general issues.¹⁸

The issue of the impact of greening measures on farmers' economic performance, in view of the generally low profitability of farming and increased competition at EU and global level, was raised more frequently in the contributions from farmers' organisations than those from other stakeholders. Examples of adverse effects of greening that are frequently mentioned are: a decrease in areas used for production; increased costs related to the need to grow additional crops to fulfil crop diversification; and payment delays compared with the previous period.

These opinions were also reflected in the replies to the online survey submitted by individual farmers. Besides some technical difficulties arising from certain rules which they see as being at odds with standard agronomic practices and/or climatic or soil conditions, or a more general feeling of regulation curtailing their freedom of choice, understanding of what exactly is required under some measures appears to be a problem. This in turn is linked to concerns about being penalised with payment reductions for minor and unintentional infractions.

On amendments to greening secondary legislation, this group particularly called for:

- more flexibility and choice for farmers, e.g. greater choice of equivalence schemes or greening measures by, for example, allowing crop rotation instead of crop diversification;
- streamlining and combining different EFA elements, e.g. different 'strips' or elements containing trees;
- greater tolerance of variations in EFA dimension limits and adaptation of deadlines, and retention periods to the natural growing cycles and weather conditions;
- removing the obligation of mixtures in catch crops and allowing them in nitrogen-fixing crop so as to align requirements with standard agronomic practices and avoid additional costs;
- extending the categories of crops for crop diversification purposes.

Both groups included views advocating better recognition of areas, crops and methods of production beneficial for pollinators. Both groups included proposals for the inclusion of energy crops (*miscanthus*), extensively grown crops (hemp), certain elements of agricultural

¹⁸ See points A and B.

landscape (e.g. wetlands, woodlands), elements of conservation agriculture (no/low tillage, direct sowing, etc.) and permanent grasslands as EFA. However, based on the views expressed online, farmers' organisations appear more open to the idea of extending the EFA list than individual farmers.

4.1.4. Environmental and nature protection organisations

The input from environmental organisations is comparatively less detailed than from other key stakeholders. Contributions were mostly received through the online survey. A few key messages can however be identified.

Firstly, greening is felt in general as having very limited potential to deliver on environmental goals, given its low level of ambition and implementation flexibilities which environmental organisations see as having the effect of further decreasing the policy's environmental ambition. A more fundamental review of greening measures is therefore necessary. Proposals to take into account are: introducing crop rotation; applying EFA to permanent crops; increasing the EFA percentage; and restricting EFA to non-productive elements which are more beneficial for the environment. The definition of permanent grassland should also be amended to distinguish between high and low value biodiversity grasslands or pasture.

Secondly, even based on the current framework, greening measures could optimise practices beneficial for the environment, in particular by:

- banning chemical inputs on EFA areas;
- addressing complexities in the system that prevent farmers from adopting more environmentally beneficial choices;
- justifying any possible additions to the EFA list on the basis of scientific analysis of ecological benefits, including measures addressing the issue of pollinators and the protection of endangered species in agricultural areas;
- grouping EFA on the basis of a division between permanent and non-permanent features, as these are likely to have different ecological values.

Thirdly, based on the online survey, these organisations were more critical than other categories of respondents of the availability of information on greening and its environmental purpose. This was also echoed in assertions that the ecological benefits of greening measures need to be better explained. This, they argue, would help farmers understand the rationale of these environmentally-driven requirements in farming.

4.1.5. Other stakeholders

The Committee of the Regions, in its opinion of CAP simplification, echoes many of the concerns raised by Member States and MEPs (excessive complexity and inflexibility in greening implementation, in particular equivalence, more subsidiarity for local and regional authorities in initiating and managing targeted environmental measures, the need for more proportionality for inspection and compliance rules, the simplification of declarations for farmers). The Committee adds that simplification of greening cannot be used as an excuse to weaken its environmental goals. Delivery on biodiversity and climate objectives is also crucial for the credibility of the CAP.

The European Economic and Social Committee calls for the need to take account of unexpected factors such as weather or conditions or fluctuations in market prices, and for temporary grassland to keep its status of arable land regardless of how long it is used as

grassland. It also draws attention to the need to minimise regulations linked to rules laid down to respect judgments by the Court of Justice of the EU.

Views provided via the online survey by stakeholders other than the main groups are fairly difficult to summarise given their diversity (academics, citizens, other EU and national level representative organisations and networks, private sector companies, etc.) and relatively low participation rate. In many instances however, the views and proposals were similar to those expressed by other categories of stakeholders, both on the policy in general and on its implementation aspects. On the latter, some academics and members of industry advocated adding energy crops (*miscanthus*) and extensively produced crops (hemp) as well as other elements of conservation agriculture (no/low tillage, direct sowing). On the other hand, there were also proposals to limit EFA crops to those beneficial to pollinators or to merge some EFAs to simplify inspection requirements, as well as ideas on e.g. compensation in between the standard greening obligations by means of equivalence.

4.2. Horizontal issues

4.2.1. Impact of greening on the administrative burden

In their contributions, the various stakeholders consistently point to the significant administrative burden linked to the implementation of greening, particularly EFA.¹⁹

- For Member State administrations this seems to be mainly linked to the increased cost of complying with control requirements and mapping EFA elements in a dedicated LPIS layer.
- For farmers this appears to be linked to the correct declaration of EFA (length of declaration, location and dimension accuracy) and increased farm inspections.

In the online survey, the majority of farmers (who declare being subject to greening) indicate that completing the aid application in the first year of greening (2015) took them more time than in the previous year. While less than half of farmer respondents expect this to stay the same in the future, almost 40 per cent expect a further increase. More than half of respondents indicated they needed professional help to complete the greening part of the declaration. Factors contributing to the perceived increase in administrative tasks for farmers include the complexity of the rules, which require additional diligence in the light of the risk of incurring reductions for even minor infractions, the lengthy and not always timely guidance, and additional controls. Some noted that these administrative aspects are the only consequence of greening for those farmers whose production methods were and would be in line with greening even in the absence of the legislation.

¹⁹ Information provided by stakeholders on the administrative burden was almost entirely qualitative. The few quantitative data have not been included as they appear to be country-specific.

4.2.2. *Impact of greening on the level playing field*²⁰

The impact of greening on the level playing field does not appear to raise much concern among stakeholders as exemplified by very few remarks in ad-hoc contributions and discussions on greening. Where it was the case, Member States mention the pressure from farmers to select as many EFA types as possible arguing that a level playing field is not ensured if the choice of EFAs is limited.

A similar conclusion can be drawn from the results of the online survey, which contained a number of specific questions on the subject. The results also revealed a degree of misunderstanding among some respondents as to which concrete rules result from implementation flexibilities available to Member States under greening and which result from cross-compliance or rural development rules. This, together with an unequal distribution of replies across Member States, hampers the analysis of results. Against this background:

- In terms of general concepts, flexibility in deciding on EFA requirements (types, species, conditions) was more often favoured by public authorities and farmers' organisations and disputed by environmental NGOs, which would also pair harmonisation with stricter environmental requirements. On the other hand, farmers' views were almost equally divided between greater flexibility and harmonisation, although this group also comprised a relatively high proportion of those expressing 'strong' disagreement with flexibility. Around a quarter of responding farmers suggest to harmonise the EFA additional conditions (i.e. including production methods) for catch crops and nitrogen-fixing crops. Around half of respondents felt that equivalence has some effect on the level playing field. This view was commonly held by academics and felt 'most strongly' by environmental NGOs — reflecting their generally sceptical view of implementation flexibilities — and farmers' organisations who also advocated broader availability of certain equivalence solutions.
- In terms of examples of 'best practices' or 'challenges' resulting from differences in implementation, some respondents pointed to the unequal distribution of options or restrictions for farmers between neighbouring countries or regions (within Member States). This concerns in particular the EFA forest exemption, differences in crop selection or additional requirements for some EFAs, differences in the understanding of what constitutes 'agricultural production' and options available for particular types of agricultural producers (crop diversification equivalence). A few criticised certain implementation differences within the same MS and some also pointed to differences in requirements affecting cross-border farms. Some underlined the differences in the severity/accuracy of checks across Member States.

4.2.3. *Impact of greening on production potential*

As already mentioned, concerns about the impact of greening on economic performance were raised by farmers' organisations in their contributions.

Through the online survey many respondents expressed the view that greening has some negative effects on production potential, with some farmers' organisations and farmers denoting this as 'very negative'. A smaller group of respondents indicated no or a neutral impact — this was the most common view among environmental NGOs. Nonetheless, a

²⁰ The possibility of managing farms on an equal footing with farmers in other EU countries.

smaller group considered the effects positive. The impact in the long term is generally seen as slightly more positive (or less negative) than in the short term.

The negative effects are generally attributed to taking productive areas for greening-related purposes or preventing farmers from growing the most productive crops. Among the three greening measures, crop diversification appears to trigger most concerns.

- Some stakeholders argue that crop diversification forces farmers to cultivate additional crops. This is unprofitable either because of the limited size of areas under these crops and/or a lack of expertise in their cultivation, which in turn increases production costs and affects competitiveness. Some emphasise that the rule affects smaller or niche/specialised farmers more than larger ones whose crops are normally more diverse.
- Some of those who pointed to the decrease in productive areas suggested that this should be linked to smaller farms choosing fallow as the least costly way of complying with crop diversification and to farmers selecting fallow as a ‘safer’ EFA option, given the complexities and compliance risks linked to other EFA types.
- Some mentioned that maintaining permanent grassland restricted the livestock sector’s forage autonomy and generally limited livestock farmers’ options to change their production profile to a more profitable one.
- Another view, expressed by stakeholders dedicated to environmental protection, was that the policy does not properly address the environmental problems in agricultural areas (soil erosion, availability and quality of water, and deterioration of biodiversity), which in the long term would adversely affect production potential.
- Another perspective was that a reduction in production volumes would lead producers to refocus business strategy towards better quality of production.

Where stakeholders saw neutral/no effects, this was exemplified by the following:

- Some farmers noted that greening either does not change the practices they had already applied and/or would apply even in its absence, e.g. having a greater variety of crops or caring about elements of agricultural landscape or that the changes are only marginal.
- Some argued that reducing areas under greening affects only the least productive land which, together with the availability of productive EFAs, reduces or offsets the negative impact on productive capacity and/or that reducing areas under greening is offset by intensification of production on the remaining land.
- Some stakeholders dedicated to environmental protection commented that much depends on how greening measures are implemented across Member States (with some effects being slightly negative and some neutral) and on the baselines selected for comparison, with some highlighting limited change beyond what was already compulsory under cross-compliance.
- In the view of some farmers’ organisations, maintaining permanent grassland should not reduce the production potential of farms over the long term (on the assumption of a stable ratio).

Some stakeholders mentioned positive effects, especially in the longer term, on productivity coming from:

- The maintenance/improvement of soil quality parameters (fertility, structure, organic matter) and better resistance to weeds and pests resulting from crop diversification (in areas previously under monoculture), temporarily taking land out of production and the contribution of green cover and nitrogen-fixing crops.
- The encouragement to grow nitrogen-fixing crops could have a positive impact on the value of production as it would reduce input (fertilisers) costs (although some farmers signalled difficulties arising from low market demand for protein crops).
- Landscape protection which some felt had a positive knock-on effect on other parts of the rural economy such as tourism.

5. CONCLUSION

Most stakeholders do not challenge the greening concept as such and recognise its relevance, as borne out by the public consultation results. Some stakeholders however, particularly environmental organisations, challenge the effectiveness of the policy in terms of providing environmental outputs and call for a major overhaul of the policy based on a comprehensive evaluation.

The consultations also show that implementing greening has been a challenge for those directly affected by the policy. This appears to be due to the complexities of the rules, and the constraints they place on farmers and administrations.

Farmers report that the policy has some negative impact on production potential. These views have to be considered in the light of specific regional and local conditions. This point is addressed in Annex 4 to the Commission Staff Working Document which gives an assessment at EU level of the impact of greening on potential production. The level playing field does not appear to raise many concerns among stakeholders although there is some acknowledgment that there are differences in implementation which have an impact in this respect.

Stakeholders have also called for amendments to the secondary legislation. In a nutshell, stakeholders consider it necessary to: simplify requirements on the crop diversification period; simplify or harmonise additional criteria/requirements for EFA and/or provide more flexibility to Member States to define them; and to address issues linked to the rule on classifying temporary grassland as permanent after five years. These points are seen as having the potential to decrease the administrative burden and constraints linked to implementing and/or increasing the environmental outputs of the policy.

The results of stakeholder consultations will inform the decision-making process leading to possible amendments to the delegated and implementing acts on greening, i.e. Regulation (EU) No 639/2014 and Regulation (EU) No 641/2014. The majority of proposals on EFA could be considered for amendments to the above-mentioned secondary legislation. On permanent grassland, this possibility is substantially hampered by legal provisions in the basic act and a ruling of the Court of Justice of the EU. Finally, proposals on the crop diversification period cannot be taken on board as these would raise serious control concerns.

Proposals on the basic act are outside of the scope of the current review of greening and will be taken into consideration in future exercises addressing basic aspects of the policy.