

## Current situation in Denmark

- Physical blocks.
- More than one farmer in a number of RP.
- Reference parcels is a one layer system.
- RP can contain a mixture of arable land and permanent pasture.
- In addition separate layers for:
  - GAEC-Landscape features
  - Commitments under RDP
- Many reference parcels have a registered MEA smaller than the polygon area. Mainly those with a permanent pasture and commitments under RDP.

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## Decision for the CAP-Reform

- Use of geospatial application from 2015
- Use of pro-rata with 4 categories  
100%, 80%, 60% and 0%

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## Principles for pro-rata

- To keep the GEO-spatial-application simple without a large number digitizations (deduction of small areas).
- Reduce administrative burdens during OTSC and update of LPIS.
- Reduce the number of errors after OTSC.
- Make it possible to apply pro-rata to Pillar II commitments
- Absorb minor changes from year to year.
- Temporarily and permanently ineligible features less than 1.000 m<sup>2</sup> should not be digitized but be part of the pro rata percentage.

### Important criteria

- It should be possible to update RP's by use of orthophotos only.
- During OTSC's of agricultural parcels the inspector will focus on control of the agricultural activity.
- A full measurement of all eligible areas is needed when the pro-rata threshold is exceeded.

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## What to avoid?

- Increased burdens for the farmers by forcing them to digitize different layers for rural development (RDP) and direct payment (DP).
- Continuous recovery of amounts because of small discrepancies at field-level, especially on RDP, after OTSC or update of LPIS.
- Continuous update of RP's as a result of small changes in tree-cover and size of e.g. small lakes.
- Over time to create Swiss-cheese reference parcels, when some parts with RDP commitments are no longer fulfilling the requirements.

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## GEO-spatial benefits and challenges

The geo-spatial application will solve a number of problems, but will also create new ones.

### Benefits:

- Large reduction in cross-control related errors.
- Better control of overlapping areas.

### Challenges:

- Lack of flexibility without pro-rata
- RDP commitment polygons do not have geo-spatial precision
- OTSC will result in many deductions and increased error-rates (percentage of applications with errors)

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## Commission position (draft guidelines)

### LPIS-guidelines

"Ineligible features and trees with a size above 100 m<sup>2</sup> which are inaccessible for grazing animals (i.e. there is no obvious access to animals) should be delineated in the LPIS reference layer and deducted from the MEA of the RP beforehand and they should be excluded when applying the pro-rata system. Therefore they do not enter in the so-called "10% bonus" of the pro-rata system."

Challenges related to wet areas which changes over time remains.

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## The pro-rata model in DK

RP with pro-rata >90% (100% payment)

- Scattered temporary and permanent features up to 1000 m<sup>2</sup> is accepted – not more than 10% of the area.

RP with pro-rata 70-90% (80% payment)

- Scattered temporary and permanent features up to 1.000 m<sup>2</sup> is accepted - maximum 30% of the RP area.

RP with pro-rata 50-70% (60% payment)

- Scattered temporary and permanent features up to 1.000 m<sup>2</sup> is accepted – maximum 50% of the RP area.

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## Pro-rata and agricultural activity



RP: 5,00 ha  
Tree tops with grass below: 12%  
Non-eligible plant cover 8% (0,40 ha)  
Pro-rata rate: 100%

The farmer claims the entire RP, and will be paid for 5,00 ha x 1,0 = 5,00 ha.

OTSC shows that the 0,40 ha with scattered "Non-eligible plant cover" are not mowed. Agricultural activity has been carried out on 4,60 ha.

The farmer has fulfilled his obligation in respect of the agricultural activity on the supported area.

Minimum activity in DK:  
cutting/mowing once a year or grazing.

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## Pro-rata and agricultural activity



### Commission position:

According to the Commission the agricultural activity should be carried out on the entire area.

The farmer has therefore NOT fulfilled his obligation in respect of the agricultural activity on the supported area.

This means there should be applied a reduction/sanction.

Determined area:  $5 - 0.40 \text{ ha} = 4.60 \text{ ha}$ .  
Aid should be paid for  $4.60 \text{ ha} \times 1,00 = 4.60 \text{ ha}$ .

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## Example

### Present situation:

Reference parcel area: 12.03 ha  
MEA: 10.82 ha  
Claimed area: 10.82 ha

Application sketch-map: 12.03 ha

(~ a kind of individual pro-rata for each parcel)



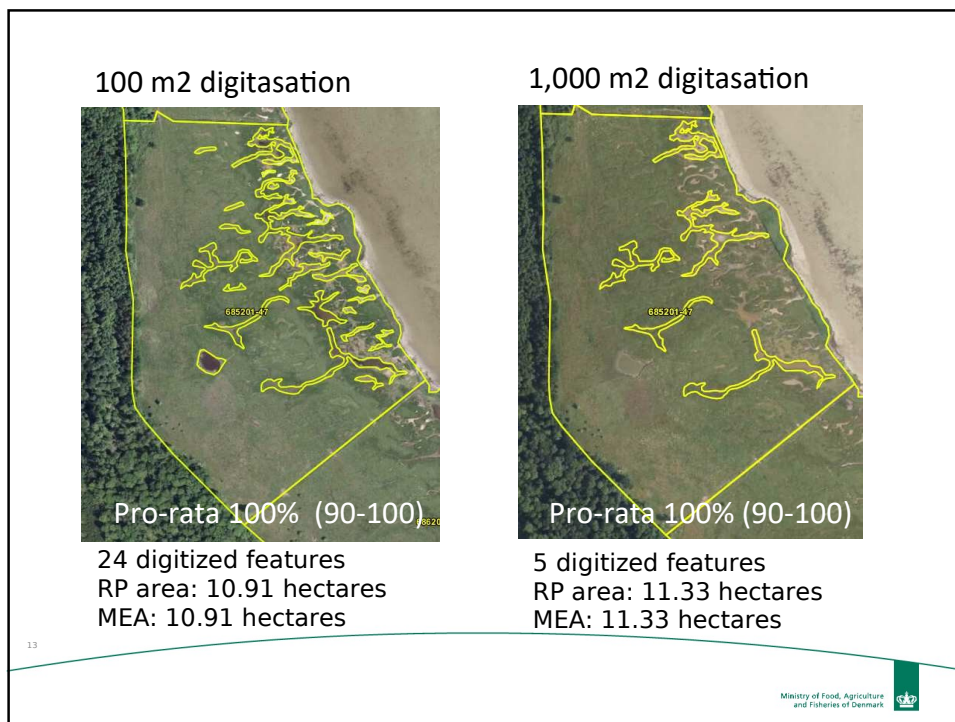
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## Agricultural activity - OTSC



Permanently ineligible wetland 1000 m<sup>2</sup> +  
500 m<sup>2</sup>  
- no access for grazing animals

Temporarily ineligible wetland 400 m<sup>2</sup> +  
900 m<sup>2</sup>

Results from OTSC  
< 10% No reductions in payment





## Wet areas – what is temporary?



How much of these wet areas should be excluded?  
 How many orthophotos should be used?  
 How many RFV should be made to make an "audit-proof" decision?

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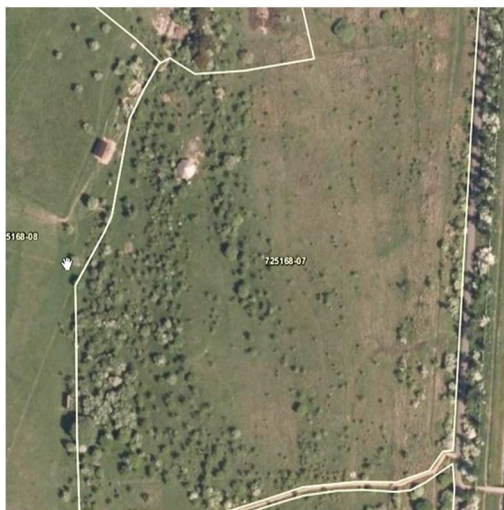
## Wet areas – what is temporary?

6 different photos of the same areas. By using the first 3 photos the areas will be eligible and by using the other 3 photos the area will be ineligible.



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## "Scatteredness"



In this example the trees are clearly not evenly scattered with more trees in the eastern part. Nevertheless, all trees are clearly penetrable for cattle.

Therefore nothing can be deducted, and a pro-rata rate has to be applied.

No clear definition of "scatteredness" is needed. Should be up to MS to decide/define.

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## Conclusions

### Pro-rata key issues

- Agricultural activity has to be fulfilled for the whole parcel, where possible
- The sum of scattered permanent, temporary and other ineligible elements within the RP should be less than the maximum ineligible area for the pro-rata RP
- During OTSC elements larger than 1000 m<sup>2</sup> should be deducted from the claimed area
- Time of year determines the result in many cases.
  - Permanently ineligible features > 3 years
- RFV will only be used in rare cases.

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## Conclusions

### **Pro-rata should be made available for new RDP-commitments**

- Agricultural activity and other basic eligibility criteria are similar for pillar I and pillar II.

### **General benefits**

- Reduced complexity for farmers – less digitization of small ineligible areas.
- Less changes from year to year      stable RP
- Less errors during OTSC

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Thank you for your attention!

Questions?

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