

Meeting Report – Article for the IFMA Website.

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Simplification of the administration of the Common Agricultural Policy – A challenge for all.

- Experiences from a EU workshop where two IFMA Member representatives participated

Can a simpler CAP be achieved through administrative changes or does it require political changes? Is the wish for millimetre democracy the largest stumbling block for low administrative costs?

Intro

The Commissioner for Agriculture and Rural Development, Mariann Fischer Boel wants to make the Common Agricultural policy simpler. In a Workshop on 3-4th October 2006 the commission had invited agricultural experts including two IFMA Members to give their contribution to this process.

In the introduction it was said that the Single Payment Scheme (SPS) is not immediately known for simplicity, but it is a challenge in the future also to make European Agriculture competitive. The Commissioner said that simplification is the ultimate sophistication, but that it is not about abolishing the CAP or abolishing all controls. It is about reaching the same goals using fewer resources on the administrative side for both the public administration and the farmer. It is a matter of removing administration where it is disproportionate to the gains. The commission is aware that administrative improvements do not create headlines, whereas administrative problems do.

This requires an effort looking at both the technical procedures (short term) and political decisions (long term changes). The commission has put forward an action plan consisting of 20 items to simplify the CAP. A single CMO (Common Market Organisation) was pointed out as a good concept where the same procedures for selling and buying products would create simplifications. The action plan will be followed by a Health check of the Single Payment Scheme in 2008. This will probably also start discussions regarding the CAP after 2013 where new ideas and policies could be introduced. This could lead to a flat rate payment for all land and the abolishment of compulsory set aside. Also the issue of cross compliance will be reviewed in 2007. The general position was that cross compliance is here to stay; however, improvements on how it is implemented can be made.

There are issues of “passing the bucket” where member states argue that it is due to the commission that the rules are inflexible etc., whereas the commission says that it is not the directives themselves, but how they have been implemented. It was clear from the workshop that policies are implemented differently in the various countries. It is also clear that if any changes will have an effect, they will have to reach all the way to the farmer. Perhaps more focus would be placed on analyses of the administrative costs of different systems prior to the implementation. This could lead to a better comparison of costs and procedures between countries.

Following the general introduction three workshops were held where the reports from two are included.

Workshop on administrative costs

Looking at the administrative procedures some EU-countries have set targets (e.g. 25%) on how much they would like to reduce the administrative costs for the user. The Standard Cost Methods (SCM) are used, however, a comparison between countries also show significant differences in the implementation procedure and related costs. The disadvantage of SCM is that only the user costs (farmer and advisor), but not the public costs are included. There is a clear need for further development of methodology so that the costs per for example ha or farmer can be compared and so that all costs (public and private) are included. Several participants stated that the fact that the Simple Payment Scheme (SPS) is not simple has increased the use of advisors.

The purpose of one EU project is to compare the administrative costs related to different regulation. So far the findings suggest that it is almost the same regulations that cause the most administrative costs in selected member states. These regulations are: SPS, livestock movements, nitrate directive and animal welfare. Although many might be dissatisfied they are not all dissatisfied with the same things in the different countries. One comment was that the administrative tasks are better placed in the winter where farmers are less busy than in spring. It was clear from several participants that although the current system in their country is not good, the price of changing to another system is also high. Often users get used to a specific type of system, which makes it more difficult to make changes, although it probably would be for the better.

In the Danish presentation it was highlighted that electronic applications have eased the use, as the initial applications are not accepted unless the standard checks (sums etc.) are accepted. Another point was that information should only be given once to a public office. In DK the SPS covered 1/3 of the total annual administrative cost for the farmer of 135 million €. Also export licenses are being delivered electronically now. Experiences from for example England on SPS were less positive (delays in payment and uncertainty with respect to area), whereas the Irish system seemed to work better.

Workshop on simplification of the CAP: Stakeholders' views

During this workshop there were 6 presentations representing the farmers, the traders, the national administrators and the financial controllers' views. Finally Klaus-Dieter Borchard from the Cabinet of Mrs Fischer Boel concluded on the workshop. One of the biggest issues was the cross complying system. The farmers feel too much control, and in many cases unnecessary controls without common sense.

On this issue the workshop reached a part of an agreement that the cross-complying system is necessary to gain acceptance from the EU-citizens to the budget for the single payment system on long terms. There are no longer any excuses for breaking the rules as these should have been implemented several years ago.

One of the other important issues was the great difference in the implementation in the various member states. There were several examples which show that the member states make their own implementation very complicated due to the range of exceptions. In some cases you cannot recognise that it is the same Single Payment Scheme that is being implemented. Ireland was highlighted as one of the member states where the implementation of the SPS was very simple.

The administrative burden of the farmers was another issue. Many farmers in EU spend so much time on paper work, or they spend a great cost on advisory services. Electronic Internet passed applications reduce this administrative burden, and it could be developed and distributed from the same platform at EU-level.

In the closing session several participants stressed the problems in relation to agriculture and income in their country, but in the final remark that Commissioner Mariann Fischer Boel made she repeated the need for administrative simplifications both at the European and national level.

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