



Department
for Environment
Food & Rural Affairs

Organic Entry Level Stewardship – possible outcomes under CAP reform

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New approach to land management schemes

What should intervention be based on?

- Well founded evidence
- Proven market failure
- Statutory obligations
- Government priorities
- Other?



New approach to land management schemes

Main principles could include:

- Fully compliant with EU rules
- Coherence of measures and more landscape approach
- Combination of: revenue, capital works and advice
- Deliver against multiple objectives (but prioritise?)
- Delivered within a national framework (but targeted?)
- Minimise change and disruption (but innovate?)
- Improved outcome focus



New approach to land management schemes

Other considerations:

- How to maximise vfm
- How to monitor and evaluate
- How to avoid disproportionate complexity
- How to improve ease of use, including IT



Impact of Greening – still unclear

State of Play:

- Greening is subject to intensive debate in Brussels
- No agreement reached

Key areas of controversy:

- Degree of MS flexibility
- ‘*Green-by-definition*’, or ‘*equivalent*’
- Voluntary -v- compulsory
- Administrative burden of greening



OELS Take-up since 2005/06...

Number of live OELS only and OELS+HLS agreements at the end of each Financial Year (cumulative)		
End of Financial Year	Number of live agreements (cumulative)	
	OELS only	OELS+HLS
2005/06	815	17
2006/07	1,717	112
2007/08	2,139	174
2008/09	2,279	267
2009/10	2,292	413
2010/11	2,020	586
2011/12	1,688	680
2012/13 (so far)	1,574	704

OELS Take-up since 2005/06...

Take-up of OELS only schemes since 2005:

- No. live OELS schemes increased between 1 Apr 05 and 31 Mar 07
- No. live OELS schemes increased at slower pace between 1 Apr 07 and 31 Mar 10
- Peak of 2,292 schemes end of the 2009/10 financial year.
- No. live OELS schemes fell to 2,020 by 31 Mar 11 and to 1,688 by 31 Mar 12.

Decline in OELS only schemes:

- Expiry of the five year agreements that began when OELS started in 2005.
- However, renewal rates were, on average, 65% for agreements expiring in 2010/11, 57% for agreements expiring in 2011/12, 49% average renewal rate for the 2012/13 financial year so far.

However:

- No. of live OELS/HLS schemes increased from 17 in 05/06 to 680 by 31 Mar 2012.



Basis for OELS and situation today

Support for organic farmers under OELS in 2005:

- Organic farming delivered greater environmental benefits than conventional farming
- Supported Defra's objectives of expansion of organic production to maximise environmental benefits.
- Price premium alone did not provide sufficient incentive for conversion

Situation today:

- Organic production has expanded since formation of OELS, both in terms of sales and of area
- However, market situation is worse with sales of most products continuing to decline from a peak in 2009.
- Area of land farmed organically is falling
- Studies suggest organic farmers have lower incomes than conventional farmers
- OELS take-up suggests that financial aid to farmers in England has not halted or reversed this trend

Research evidence continues to show:

- Delivery of environmental benefits – some increasing evidence of socio-economic benefits.



OELS post CAP reform

- Defra working with NE, RPA and stakeholders on new land management portfolio, including an offer for organic farmers
- Shape of any new programme, and the position of organic farming within it, to take account of the situation on Direct Payments, Greening, and the EU Budget
- Certified organic farmers automatically qualify for the Greening Payment under Pillar 1 of CAP
- Any new approach will focus on ensuring a significant improvement in the rural environment, unlocking rural economic growth and reducing dependence on subsidies.
- However, no decisions taken.
- Public consultation document planned for the spring.

