

## Synthesis to Topic 2: the Single Farm Payment – how are single farm payments affected by tree cover?

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This report forms part of a synthesis of the responses to an e-mail-based conference held between 5 and 26 May 2006. The conference, supported by the Farm Woodland Forum ([www.agroforestry.ac.uk](http://www.agroforestry.ac.uk)), was initiated as Single Farm Payments were being introduced across the European Union, and before the national implementation of the new Rural Development Regulation (2007-2013), which includes an Article (44) allowing payments for establishment of new agroforestry systems. The conference also considered the opportunities for new agro-environment and forest-environment payments.

The conference covered three topics.

- Topic 1 considered Article 44 of the Rural Development Regulation (2007-2013) and asked if member states will use this opportunity to establish new areas of agroforestry.
- Topic 2 considered the Single Farm Payment and whether member states would exclude areas with scattered tree cover from payment?
- Topic 3 considered the links between agri-environment payments and the establishment of trees on farms.

This report synthesises the results for topic 2.

## Introduction

Between 8 and 26 May, an e-mail conference examined the relationship between trees on farms and the single farm payment. Areas with annual crops or permanent pasture are fully eligible for single farm payments, subject to some conditions, (Figure 1a) and areas of woodland, forests and intensively-managed orchards are ineligible (Figure 1d). What happens to systems between these two extremes? How are single farm payments affected by tree cover?

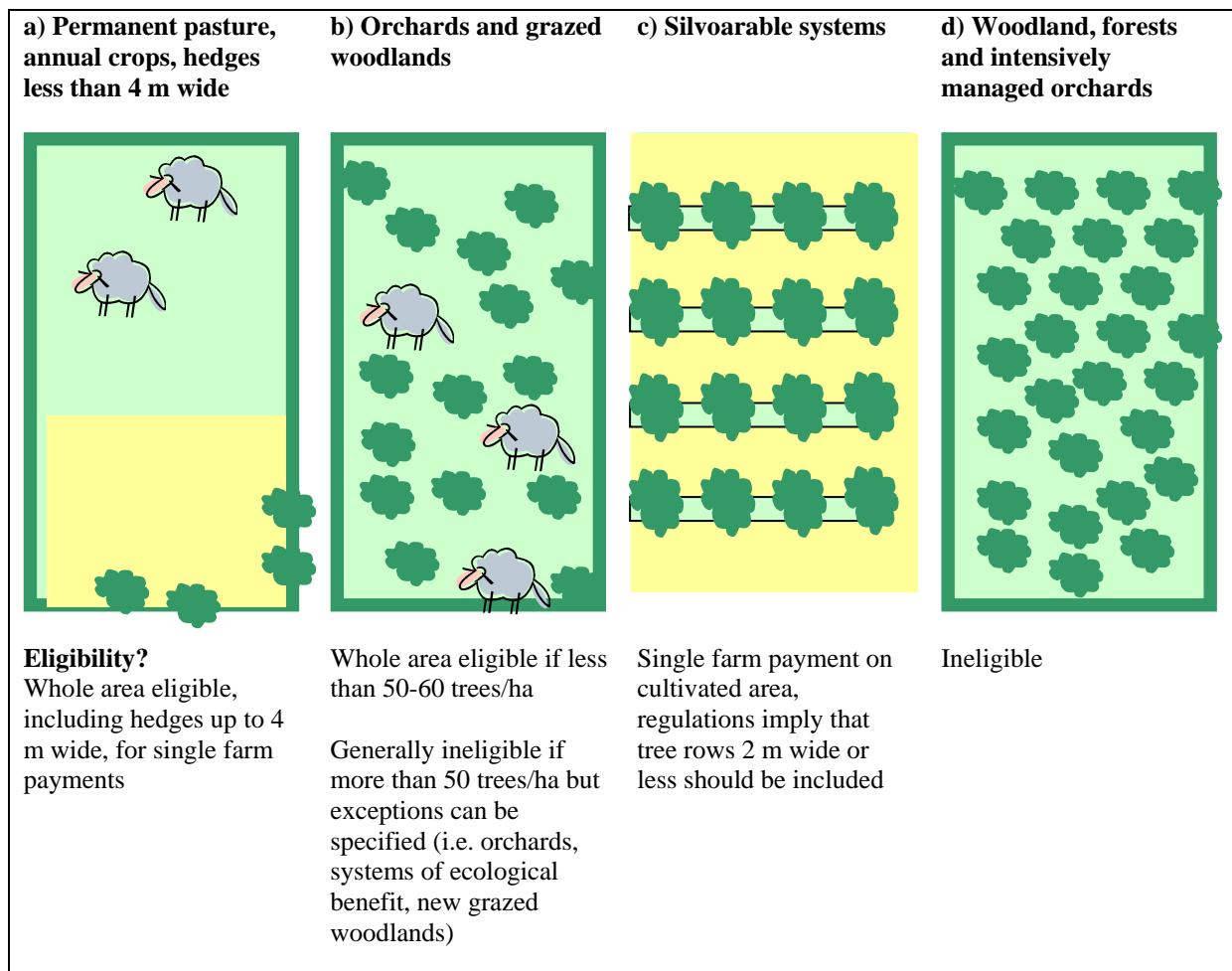


Figure 1 *Schematic diagram showing the effect of different levels of tree cover on eligibility for single farm payments.*

**a) Eligibility of areas of arable land, permanent pasture and hedges**

In June 2003, EU farm ministers adopted a reform of the Common Agricultural Policy. A key element of the reform was the introduction of the Single Farm Payment, given to farmers independent of production, with some exceptions to prevent abandonment of production. The nature of the single farm payment varies with country. In some countries, e.g. France, farmers' payments still depend, in part, on the area of cereals and the forage area or number of livestock. In some countries, e.g. the UK and Germany, the payment is currently made on the basis of historic payments, moving to a flat-rate payment per hectare by 2013. Article 44 of Council Regulation No 1782/2003 states that an "eligible hectare" shall mean any agricultural area of the holding taken up by arable land and permanent pasture except areas under permanent crops, forests or used for non agricultural activities (European Commission, 2003).

All farmers receiving the single farm payment are subject to compulsory cross-compliance (Council regulations 1782/2003 and 796/2004) (European Commission, 2006). Hence the payments are conditional on adherence to Statutory Management Requirements (SMRs), related to environmental, food safety, animal welfare standards as detailed in 19 EU directives and regulations and the need to keep all farmland in Good Agricultural and Environmental Condition (GAEC) (Defra, 2006a).

Article 30 of regulation 796/2004 states "regions where certain features, in particular **hedges**, ditches and walls, are traditionally part of good agricultural cropping or utilisation, the Members States may decide that the corresponding area is to be considered part of the fully utilised area on condition that it does not exceed a total width to be determined by the member states" (European Commission 2004b). Working document AGRI/60363 (European Commission, 2005) states that "features of up to 4 m wide (walls, ditches, hedges)...may be considered as being included". Therefore it is anticipated that trees that form parts of hedges up to 4 m wide are eligible to be included in single farm payments. **Planting trees within hedges up to 4 m wide is one way to increase tree planting on farms without losing your single farm payment.**

**b) Ineligibility if the area forms a wood, forest or intensively-managed orchard**

Generally woods and forests are excluded from single farm payments. Article 44 of Council Regulation No 1782/2003 states that an "eligible hectare" shall mean any agricultural area of the holding taken up by arable land and permanent pasture **except areas under permanent crops, forests** or used for non agricultural activities (European Commission, 2003). Article 43 of Regulation 1782/2003 states that the "forage area.....shall not include buildings, **woods**, ponds and paths". There is no definition of woods or forests in Regulation 1782/2003. However working document AGRI/60363 of the European Commission (2005) takes the view that a wood "should be interpreted as meaning areas within an agricultural parcel with tree-cover (including bushes etc.) preventing growth of vegetative under-storey suitable for grazing". **This implies that if there is vegetative growth suitable for grazing then the area may not be a wood and hence it may be eligible for a single farm payment.**

In England, in line with Article 44 in Regulation 1782/2003, the Department for Environment, Food and Rural Affairs (Defra) (2005b) notes that "land used for permanent crops (probably defined as non-rotation crops other than permanent pasture that occupy the land for five years or longer and yield repeated harvests, with some exceptions), forests, and non-agricultural activities" are not eligible for single farm payments. In England working on the above definition **intensively-managed orchards** are ineligible for single farm payments. However in line with Working Document AGRI/60363, Defra (2005a), confirmed by the European Commission, reports that **exceptions are allowed for environmental reasons**. Defra has therefore developed criteria that define orchards of particular environmental value which allow them to be eligible for single-farm payments (Table 1).

Table 1. Single payment scheme guidelines related to orchards in England and Wales (Defra, 2006b).

<b>England</b>	<b>Wales</b>
<p>C11 Generally, intensively managed orchards are not eligible under the Single Payment Scheme (SPS). Herbicide-treated or mechanically-created strips beneath tree canopies or bushes will normally be taken as evidence that the orchard is ineligible. This is the case even if the land is temporarily revegetated.</p>	<p>A3.20 The ground beneath the canopies of trees and bushes in an intensively managed orchard is normally kept free of vegetation by regular use of herbicides, and sometimes by mechanical weeding, in contrast to orchards managed in a low intensity way. Even if temporarily re-vegetated, evidence of such strips will normally be taken as indicating that the orchard is of a non-traditional type and the land will not be eligible to support claims for the SPS.</p> <p>A3.18 Certain orchards that are ecologically important and are, or have been, in dual use (for example traditional grazed orchards) will be regarded as eligible land for the SPS. The following paragraph shows the type of ecologically important dual use of orchards that may be considered eligible.</p>
<p>C12. Orchards managed using low-intensity methods may be eligible, provided they also meet at least <b>one of the following</b> criteria:</p> <ul style="list-style-type: none"> <li>• They are within an orchard maintenance or regeneration option of the Countryside Stewardship Scheme, the ESA scheme or the Higher Level element of Environmental Stewardship.</li> <li>• There are <b>fewer than 150 original tree stations per hectare</b>. This means that trees should be spaced approximately 10 m apart at least.</li> <li>• The first major fork or main-frame branches of the trees are at least 1.5 m above ground level.</li> <li>• Where there is no single straight trunk and the height cannot be measured, tree trunks are 1 m or more in circumference at ground level.</li> <li>• Livestock (normally sheep) graze throughout the orchards, and have access to and utilise vegetation growing on the floor of the whole orchard, apart from within tree-guards around individual trees.</li> <li>• 90% of the foliage or buds on established trees are at least 1.5 m above ground level (i.e. above the reach of sheep).</li> </ul>	<p>A3.19 Orchards managed using low-intensity methods, may be eligible to support payments on SPS entitlements provided they also meet <b>the following criteria</b> at the discretion of the Welsh Assembly Government:</p> <ul style="list-style-type: none"> <li>○ are subject to orchard maintenance or regeneration in an agri-environment scheme</li> <li>○ have <b>fewer than 150 original tree stations per hectare</b>. The maximum tree density of 150 trees per hectare means that trees should be spaced at least 10 metres apart</li> <li>○ have the first major fork or the main frame branches of the trees at least 1.5 metres above ground level</li> <li>○ have trunks 1 metre or more in circumference at ground level (for trees where there is no single straight trunk to measure the height as required in the previous bullet point)</li> <li>○ have livestock (normally sheep) grazing throughout the orchard. Livestock must have access to vegetation growing on the floor throughout the whole orchard, apart from within tree guards around individual trees</li> <li>○ 90% of foliage/buds on established trees should be above 1.5 metres from the ground. There may be an occasional branch that has snapped or snagged, but most branches with their leaves or buds should be above the reach of sheep.</li> </ul>
<p>C13 These criteria are illustrative only. In some cases, an orchard might appear to be eligible but in fact still be ineligible. The Rural Payments Agency will examine each case individually.</p>	
<p>C14 The Permanent Pasture Code (and not forestry codes) should be used for this land.</p>	

**b) Eligibility if tree density is less than 50-60 trees per hectare**

There seems to be clear guidelines that single farm payments can be received for the whole area if the tree density is less than 50-60 trees per hectare. A value of 50 trees per hectare is specified in England (Table 2) and France (Table 3) and 60 trees per hectare (Portugal) (Table 4) are considered eligible part of the single farm payment area. The situation is least specific in Greece (Table 5).

Table 2. *Effect of a tree density of less than 50 trees per hectare on eligibility for single farm payments in England.*

The Single Payment Scheme Handbook for England 2006 (Defra, 2006b) states under item C15 that parcels of grazed woodland with less than 50 trees per hectare are eligible under SPS.

Table 3. *Effect of a tree density of less than 50 trees per hectare on eligibility for single farm payments in France.*

In France, Circulaire DPEI/SPM/SDCPV/C2006-4038 from 9 May 2006 specifies that agroforestry schemes are eligible for single farm payments **for the whole area** if:

1. Intercrops must be managed in normal conditions
2. There are less than 50 trees per hectare

Table 4. *Effect of trees on eligibility for single farm payments in Portugal.*

Joao Palma reports that in Portugal, silvoarable and silvopastoral systems are eligible for SFP with tree densities **up to 60 trees per hectare**. Article 4 in the most recent document concerning the SFP "Portaria nr 424/2006" (which is an update and re-publication of the "Portaria nr 1202/2004") (Portugal Government, 2006) mentions "specific conditions regarding agricultural parcels", where trees are present. Items 2 in article 4, states:

- 2 - Under the article 8 of the Regulation (CE) 796/2004, and without prejudice of the eligibility of olive orchards parcels, the agricultural parcels with disperse trees are eligible under the SFP regarding the following areas under the following conditions:
  - a) The **totality of the parcel area**, in all arboreal tree species or in mixed populations, if the density is **not greater than 60 trees per ha**.
  - b) The totality of the parcel area, in the case of permanent pastures with Quercus spp, Chestnut and mixed populations of those species with other arboreal species, if the density of the latter is not greater than 60 trees per ha.
  - c) The totality of the parcel area, independently of the tree number, in the case of parcels reconverted to extensive livestock system under the specific reserve created by the Regulation (CE) 1017/94, during the managing period compromise assumed by the farmer.
  - d) The totality of the parcel area of permanent pasture, under "baldios", independently of the number and tree species.

Table 5. *Details of the effect of trees on the single farm payment in Greece.*

Vasilios P. Papanastasis (Aristotle University, Thessaloniki) indicated that in Greece, the regulation for the Single Farm Payment (SFP) was implemented at the beginning of 2006. The government guidelines indicate that when scattered trees are present in the farm, their canopy cover is removed from the area eligible for payment. However in practice this is ignored when there are few trees or when they are grown on boundaries. They are only taken into consideration when they are "many", but "many" is not defined and it is left to the discretion of local evaluators, who are usually not strict about removing the tree canopy cover from the eligible area. In terms of cross-compliance, Greek farmers are not allowed to cut their farm trees (both on boundaries and in hedges) because they will be punished by a reduction of their payment.

**c) Eligibility if tree density is greater than 50-60 trees per hectare**

Working Document AGRI/60363 (European Commission, 2005) provides guidance on regulation 796/2004. It indicates that the “forage areas of trees – particularly trees with a potential use only for wood production – inside an agricultural parcel with density of **more than 50 trees/ha** should, as a general rule, **be considered ineligible**”. However “**exceptions may be envisaged for tree classes of mixed-cropping such as for orchards and for ecological/environmental reasons**” and that “possible exceptions must be defined beforehand by the Member states”. **It would have been good if agroforestry was included here as a word.**

**The eligibility of agroforestry systems with more than 50-60 trees per hectare for single farm payments is supported by two documents which imply single farm payments should be made provided there is vegetative growth suitable for grazing or that production can be carried out in a similar way to the situation with no trees. :**

- Page 5 of Working Document AGRI/60363 of the European Commission (2005) which in its consideration of forage area defines a wood as meaning “areas within an agricultural parcel with tree-cover (including bushes etc.) preventing growth of vegetative under-storey suitable for grazing”. This implies that if there is vegetative growth suitable for grazing below trees, the area is not a wood and hence it should be eligible for single farm payments.
- The application of the single payment scheme and cross compliance is described in Council regulations 795/2004 and 796/2004 respectively (European Commission, 2004a, 2004b). Article 8 in Council Regulation 796/2004 states that “a parcel than contains trees shall be considered an agricultural parcel for the purposes of the area-related schemes provided that agricultural activities referred to in Article 51 of Regulation (EC) No 1782/2003, or, where applicable, the production envisaged can be carried out in a similar way as on parcels without trees in the same area” (European Commission, 2004b).

*Grazed pasture*

In England and Wales, existing grazed woodlands with more than 50 trees per hectare can be considered as eligible for single farm payments, but farmers must demonstrate a history of acceptable grazing practice and an absence of ecological damage (Table 6). In this condition, the area occupied by the trees is deducted from the single farm payment (Table 6).

In England, there is also the possibility that **new grazed woodlands may be fully eligible provided the trees are protected (item C17)** (Table 6). Interestingly in France there is a possibility that new silvopastoral parcels with more than 50 trees could be fully eligible for the single farm payment (Table 7). The above observations would tie in with the observation by Alan Sibbald in Scotland who reports on an area of silvopastoral agroforestry on an upland research farm. The farm is run, so far as research commitments allow, as an economic unit and the farm manager claims payments from the Scottish Executive Environment and Rural Affairs Department (SEERAD) as would a normal farmer. He notes that the small area of silvopastoral agroforestry, about 10 ha planted with a variety of tree species at densities of 100 and 400 trees per ha and grazed for up to seven months per year by sheep, has been claimed, without question from the relevant authority, under the Integrated Administration and Control System (IACS) as forage area without any reduction in level of payment. Likewise in Northern Ireland, Jim McAdam reports that the complete silvopastoral system has been considered as eligible "as long as the primary use of the land remains agriculture". **The implication of the above is that silvopastoral agroforestry offers one potential method of planting more than 50 trees per hectare without forfeiting your single farm payment.**

*Low intensity orchards*

Receiving a full single farm payment on the whole area with a tree density of greater than 50-60 trees per hectare is also possible in England and Wales if the trees are classified as a low intensity orchard (Table 1). In Wales, the tree density must be less than 150 trees per hectare to be eligible for the full single farm payments. In England, the orchard must satisfy at least one of a range of

criteria of which one is a density less than 150 trees per hectare (i.e. it implies that if the density was greater than 150 trees/ha and at least one of the other criteria was met, then the full area would be eligible) (Table 1).

#### *Silvoarable systems*

Minimal response was received in the conference on silvoarable systems. One farmer in England reported that he was claiming single farm payment on only the cultivated area of his system. In France, if the tree density is above 50 trees per hectare then only the intercropped area is eligible for single farm payments (Table 6).

Article 8 in Council Regulation 796/2004 states that “a parcel than contains trees shall be considered an agricultural parcel for the purposes of the area-related schemes provided that agricultural activities referred to in Article 51 of Regulation (EC) No 1782/2003, or, where applicable, the production envisaged can be carried out in a similar way as on parcels without trees in the same area” (European Commission, 2004b). Article 51 refers to any agricultural activity except for permanent crops and selected products referred to Article 1(2) of Council Regulation 2200/96 (European Commission, 2003). Working document AGRI/60363 (European Commission, 2005) states that “internal features” of a field which are “traditionally part of good agricultural practice” can be “accepted as forming part of the agricultural parcel where their width is less than or equal to 2 m”. **This implies that silvoarable systems with 2 m tree rows may have the potential to be considered as fully eligible for single farm payments.** Where the tree rows are greater than 3 m, it is possible that only the cultivated arable area is included in the assessment of the single farm payment.

#### **Acknowledgement**

We are thankful to Alec Dauncey for identifying some of the documents related to this issue in England.

Table 6. *Effect of a tree density of greater than 50 trees per hectare in grazed woodlands on eligibility for single farm payments in England (Defra, 2006b).*

<b>England</b>	<b>Wales</b>
C15 Parcels of grazed woodland with less than 50 trees per hectare are eligible under SPS.	A3.21 Where grazing contributes to the ecological and environmental value of woodlands as landscape features, parcels of land with densities of trees above 50 per hectare may be considered eligible to support claims for the SPS. Farmers must be able to demonstrate a history of acceptable grazing practice (for instance through previous IACS area aid applications, or presence of trees with features caused by browsing such as basal swelling). Farmers must also show that grazing is not damaging the ecological value of the site (for example by significantly reducing the number of existing tree seedlings and saplings or by reducing the occurrence of grazing-sensitive plants such as bramble).
C16 Parcels of grazed woodland with more than 50 trees per hectare may also be considered eligible if you can demonstrate that: <ul style="list-style-type: none"> <li>○ there has been a history of acceptable grazing practice (for examples through previous scheme applications, or the presence of trees with features caused by browsing – such as basal swelling); and</li> <li>○ grazing is not damaging the ecological value of the site, for example by significantly reducing the number of existing tree seedlings and saplings or by reducing the occurrence of grazing-sensitive plants such as bramble.</li> </ul>	
C17 New woodland that is grazed may also be eligible, provided that the trees are adequately protected from grazing.	
C18. When claiming for grazed woodland under the Single Payment Scheme, you should make appropriate allowances for the area taken up by the trees. C19 In all cases deductions must be made in respect of areas within an agricultural parcel where trees or bushes are preventing the growth of vegetation suitable for grazing.	A3.22 Farmers should deduct any areas of land where tree cover (including bushes and shrubs) prevents growth of vegetation suitable for grazing before declaring the actual area in support of SPS on the SAF (see Annex 1 of this booklet).
C20 All relevant cross compliance standards – including those relating to over-grazing and supplementary feeding – also apply to these areas of woodland. C21 Code PP1 (and not forestry codes) should be used for this land on your application.	A3.23 The following paragraphs relating to orchards and grazed woodland are subject to review by the European Commission. Any changes will be published in Gwlad, but in the meantime farmers should use this guidance to determine whether any areas on their holding are eligible for the SPS. A3.24 Farmers should note that traditional orchards and grazed woodland will be subject to cross compliance requirements

Table 7. *Effect of trees on eligibility for single farm payments in France.*

Christian Dupraz (INRA Montpellier) and Fabien Liagre, (Agrof Development) indicated that news on 9 May 2006 indicated that silvoarable and silvopastoral plots were considered by the Single Payment Scheme in France. The regulation is entitled Circulaire DPEI/SPM/SDCPV/C2006-4038. To be eligible for the Single Payment Scheme, agroforestry schemes must meet the following criteria:

1. Intercrops must be managed in normal conditions
2. Up to 50 trees per hectare, the parcel is totally eligible under the SPS.
3. Above 50 trees per hectare, only the intercropped area is eligible (annual crop, fodder crop or fallow). The cropped alley should be at least 10 m wide (except for environmental fallows where the minimum width is 5 m).
4. New silvopastoral parcels with more than 50 trees could also be fully eligible. This would require a regional regulation backed by environmental motives, and defining a different tree density threshold.

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