

SIXTH FRAMEWORK PROGRAMME
SPECIFIC TARGETED RESEARCH PROJECT n° SSPE-CT-2006-044403



AGRIGRID

**Methodological grids for payment calculations in rural development
measures in the EU**

Questionnaire for forestry measures (WP5)

Final version 04/04/2007

MLURI team

(Contact: g.schwarz@macaulay.ac.uk)

Forestry measures (including measures 221, 222, 223, 225 and 226)

Structure:

- I. Basic data about the forestry measures as a whole
- II. Information about the methodologies used for payment calculation
- III. Information about data sources,
- IV. Contextual information.

I. Basic data

From this part we would like to obtain basic information about the whole structure of the forestry measures such as the uptake of the measures, the level of the payments in the different measures and schemes, the existence of payment differentiation and changes with respect to the last programming period.

1. Fill in following table “**Overview of the current RD measure**“ according to the instructions below (**however, please adjust the table according to the specific implementation of the forestry measures and schemes in your country!**):

A) RDR measure code

B) Name of scheme or payment

C) Differentiation of the payment (*e.g.: type or number of trees, size of woodlands, forestry systems, land category and quality, agricultural production systems, etc.*); in this column write NO or YES according to existence of differentiated payments (also write their payment levels or intervals in the column c));

D) Level of payment according to RDP (presumption is €/ha, please indicate, if different unit is used). Please add the applied exchange rate, if EUR is not the national currency: *1.5 EUR = 1£*.

E) The percentage level of confirmed payment compared with calculated payment

(presumption of the level is 100%; the lower means calculated payment is not paid in total / the higher means that the particular schemes are preferred). This includes:

- Payments based on additional costs and income foregone for forest-environment management as well as agricultural land conversion. If the level is differing from 100% write the reasons below the table.
- Standard cost based payments for woodland establishment. If payable standard cost rate differs from RDR requirements, explain why below the table.

F) Targeting of payments – indicate if forestry measures are horizontal or targeted to specific regions/areas

G) Existence of forestry measures (sub-measures or schemes) before the year 2007 and change of its payment level in the new RDP. The existence of forestry measures is investigated in scope of the earlier RDP for programming period 2000/2004-2006. Please fill in column f) using the following marks: 0 measure didn't exist, ↑ increase of payment, ↓ decrease of payment, = same payment. Specify also in percentage terms, how much the payment amount has decreased or increased compared to the new level. Specify reasons for increase or decrease in footnotes below Table 1.

Table Q1: Overview of the current forestry measures

A RDR code	B Name of forestry scheme or payment	C Is payment somehow differentiated? Yes/No	D Level of payments		F Targeting	G Previous existence of measure***
			EUR/ha	% in calculated level of payment*,**		
221	Scottish Forestry Grant Scheme: Small woodlands	No	3750	70	Horizontal	0
221	SFGS: Other woodlands	Yes	Establishment: 945 – 2362 Maintenance: 525 - 1207	70	Horizontal	↑↓
221	SFGS: Farmland Premium	Yes	90 - 450	100	Horizontal	=
223	SFGS: Other woodlands	Yes	Establishment: 945 – 2362 Maintenance: 525 - 1207	70	Horizontal	↑↓
225	SFGS: Forest Environment Payment	No	42	To be added	Horizontal	0

* If the level is differing from 100%, write reasons here below the table:

To be added

** If payable standard cost rate differs from RDR requirements, explain why:

70% is applied nation-wide with the same rate for handicap areas

*** If some changes in payment rates exist in comparison within previous RDP, write reasons here below the table:

The comparison of payment levels between the previous and the new plan is strongly dependent on the applied standard cost rates. In the previous plan standard cost rates were 60% or 90% with the higher rate being only applicable in situations where the benefits of afforestation are almost entirely public benefits. In cases where the 60% rate has previously been applied, payments have generally increased, while on the other hand, payments have decreased in comparison to the 90% rate. However, exact comparisons are difficult due to changes in the payment categories/differentiation from 8 tree species to six woodland types.

2. Have differentiated payments been implemented for specific measures or schemes (column C in Table 1)?

YES

NO

If yes, please explain in more detail the type of differentiation, including the rationale to do so.

(e.g.: type or number of trees, size of woodlands, forestry systems, land category and quality, agricultural production systems, etc.)?

SFGS: Other woodlands:

The payment for the creation of other (i.e. bigger than 1 ha) woodland consists of fencing, establishment, and maintenance payment rates. The establishment and maintenance standard costs and payment rates are differentiated by 6 tariff planting models which are supposed to recognise the different operations and cost associated with each woodland type. The woodland types and associated standard costs and payment rates are summarised in Table Q2.1.

Table Q2.1 Woodland Types and their Standard Costs and Payment Rates

Woodland Type	Standard costs EUR/ha			% Payable	Payment rates (EUR/ha)		
	Fencing	Establishment	Maintenance		Fencing	Establishment	Maintenance
Productive conifer (low cost)	Stock fence EUR 6.3/m	1800	1200	70	Stock fence EUR 4.41/m	1260	840
Productive conifer (high cost)		2100	1425	70		1470	997
Productive broadleaves	Stock fence (enhancement) EUR 3/m	3375	1825	70	Stock fence (enhancement) EUR 2.1/m	2362	1277
Native / Riparian (planting)		1875	1750	70		1312	1225
Native / Riparian (natural regeneration)	Deer fence EUR 10.5/m	1350	750	70	Deer fence EUR 7.35/m	945	525
Mixed Woodland		3150	1750	70		2205	1225

Data source: Forestry Commission (2006)

SFGS: Farmland Premium:

The SFGS: Farmland Premium provides annual payments for 10 or 15 years for the conversion of agricultural land to woodland and payments are determined by type of trees and not the overall number of trees. Farmers will receive payments for 15 years, if at least 60% of the area of the woodland is broadleaves and the woodlands contain more than 50% of broadleaves throughout the period. Payments will be made only for 10 years, if less than 60% of the woodland area is planted with broadleaves. However, payment rates differ depending on the land category. Table Q2.2 summarises payment rates for different land categories.

Table Q2.2 Payment rates of the SFGS: Farmland Premium

Land category	EUR/hectare/year
Non-LFA (arable and improved land)	450
LFA (arable and improved land)	
- disadvantaged areas of LFAs	345
- severely disadvantaged areas of LFAs	240
Unimproved land	90

If none, please provide brief explanation why:

SFGS: Small woodlands: Due to small size of application, an uniform payment per hectare has been implemented. **More to be added**

SFGS: Forestry environment payment:

In principle, Forest environment payments are provided for three different categories of areas including:

- Areas designated, and agreed, for positive management under low impact silvicultural systems
- Areas of native woodland consisting of woodland types which are recognised Habitat Action Plan priorities
- Woodland areas subject to a high level of recreational use and where sufficient evidence of additional costs can be provided.

However, at this stage it is envisaged that all three types of areas will receive the same amount of EUR 42 per hectare. **More to be added**

3. Have differentiated approaches been implemented in past but not in subsequent programme?

- YES
 NO

If YES, write which and why do not continue?

.....

4. Have differentiated approaches been discussed in-house but not been implemented?

- YES
 NO

If YES, write which and why have not been implemented?

.....

II. Methodology of the payment calculation

In the second part of the questionnaire we would like to obtain information about the methodology of payment calculation in the forestry measures. We are mainly interested in the approaches used for the calculation of income foregone, additional costs and possible savings. Following the project aims limits of payments, problems with payment calculation and their potential solutions are also investigated.

In order to investigate the methods used for payment calculations in forestry measures, it is important to clearly define the baseline or reference situation for such payments. The baseline includes all commitments which are defined by national or European laws and regulations (e.g. UK forestry standards in Scotland) and are not eligible for payments in forestry measures. The aim is to establish and compare a list of all relevant baseline requirements for forestry measures.

5. Identification of commitments entering into the payment calculation of RD measure and detail description of payment calculation process:

According to EU regulation forestry payments should compensate additional costs and income foregone connected with access/uptake of the forestry measures:

- additional costs (e.g.: establishment cost including planting costs, plantation material and other activities directly linked to and necessary for the plantation such as fencing costs, maintenance cost, and costs to fulfil additional environmental commitments);
- foregone income / losses (e.g.: loss of farming income due to afforestation of agricultural land, loss of income due to additional environmental commitments);

Provide the following information for **each of the selected schemes or payments** in the forestry measures (!):

- A) write name of particular scheme or payment
- B) determination of **eligible criteria** (fill if the forestry measure or scheme is limited for some specific areas or other specific criteria must be fulfilled to enter into the scheme/measure. In case of many conditions, describe **only** such eligible criteria which can or have impacts on payment calculations, e.g. restrictions on the size or type of woodland plantations which are eligible for payments)
- C) describe **relevant commitments and contractual obligations/activities** of particular forestry measures or schemes
- D) describe necessary **land use/management changes and forest maintenance (agronomic and silvo-cultural assumptions)** resulting from these commitments and identify those which have to be considered in the payment calculation (for those which are not entering into the payments write reasons)
- E) finally **describe the process of payment calculation** for chosen forestry measures or schemes (preferably into the Table 2 below and in principle following the level of detail as shown in

the examples in the general framework document). The aim is to identify particular items of payment and how these have been calculated, their data source and used reference period.

- F)** For better understanding please provide an **explanation of the process of payment calculation in more detail** and explain how the different values/numbers in Table 2 have been calculated or determined. Since this part of the questionnaire is at the core of the AGRIGRID project, it is necessary to provide as much detail as possible.

Continuation Question 5

Measure 221

A) Name of scheme or payment:

SFGS: Small woodlands

B) Eligible criteria including specification of eligible area:

This payment targets the creation of small woodlands on agricultural land and is part of Tier 2 of the Land Management Contracts. Individual woodlands of 0.1 ha to 1 ha are eligible, subject to an upper limit of 2 ha per application per year. Eligible tree species are restricted to native species. A standard payment of EUR 3750 (£2500) per ha will be paid on completion of the planting. Applicants have to maintain these woodlands to ensure satisfactory establishment of the woodland.

C) Relevant commitments – contractual obligations

For the payment in support of the establishment of small woodlands there is no requirement for prior approval other than in certain designated areas. Commitments and contractual obligations for the creation of small woodlands include operations such as:

- *Ground preparation*
- *Tree planting*
- *Weeding*
- *Fertilizing*
- *Tree/woodland protection*
- *Supervision and maintenance of woodland until fully established*

D) Land use /management practice changes (agronomic and silvo-cultural assumptions)

- *Costs for ground preparation*
- *Planting costs*
- *Costs for vegetation management such as weeding*
- *Fertilising costs*
- *Costs for woodland protection such as fencing*

E) Table Q2.1 Process of payment calculation (Example for cost categories, cost types and figures for the new period/Plan to be added during data collation, either from documents and interviews)

Components*	EUR/ha**	Data source	Reference period
Establishment			
Additional costs			
Total additional costs			
Maintenance			
Additional costs			
Total additional costs			
Protecting/Fencing			
Additional costs			
Total additional costs			
Proposed amount of payment based on standard costs	3750		

* Depending on the forestry measure under review, only additional costs, income foregone or a combination of both might occur.

** Please add the applied exchange rate, if EUR is not the national currency:.....

F) Explain calculation of values/numbers provided in Table 2 (E)

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

Continuation Question 5

Measure 221

A) Name of scheme or payment:

SFGS: Other woodlands (agricultural land)

B) Eligible criteria including specification of eligible area:

C) Relevant commitments – contractual obligations

D) Land use /management practice changes (agronomic and silvo-cultural assumptions)

E) Table Q2.2 Process of payment calculation (one or two examples for different woodland types, or combinations of those, will be chosen)

Components*	EUR/ha**	Data source	Reference period
Establishment			
Additional costs			
Total additional costs			
Maintenance			
Additional costs			
Total additional costs			
Protecting/Fencing			
Additional costs			
Total additional costs			
Proposed amount of payment based on standard costs			

* Depending on the forestry measure under review, only additional costs, income foregone or a combination of both might occur.
 ** Please add the applied exchange rate, if EUR is not the national currency:.....

F) Explain calculation of values/numbers provided in Table 2 (E)

.....

.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....

Continuation Question 5

Measure 221

A) Name of scheme or payment:

SFGS: Farmland premium

B) Eligible criteria including specification of eligible area:

C) Relevant commitments – contractual obligations

D) Land use /management practice changes (agronomic and silvo-cultural assumptions)

E) Table Q2.3 Process of payment calculation

Components*	EUR/ha**	Data source	Reference period
Income foregone			
Total income foregone			
Proposed amount of payment			

* Depending on the forestry measure under review, only additional costs, income foregone or a combination of both might occur.

** Please add the applied exchange rate, if EUR is not the national currency:.....

F) Explain calculation of values/numbers provided in Table 2 (E)

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

Continuation Question 5

Measure 223

A) Name of scheme or payment:

SFGS: Other woodlands (non-agricultural land)

B) Eligible criteria including specification of eligible area:

C) Relevant commitments – contractual obligations

D) Land use /management practice changes (agronomic and silvo-cultural assumptions)

E) Table Q2.4 Process of payment calculation (one or two examples for different woodland types, or combinations of those, will be chosen)

Components*	EUR/ha**	Data source	Reference period
Establishment			
Additional costs			
Total additional costs			
Maintenance			
Additional costs			
Total additional costs			
Protecting/Fencing			
Additional costs			
Total additional costs			
Proposed amount of payment based on standard costs			

* Depending on the forestry measure under review, only additional costs, income foregone or a combination of both might occur.

** Please add the applied exchange rate, if EUR is not the national currency:.....

F) Explain calculation of values/numbers provided in Table 2 (E)

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....

Continuation Question 5

Measure 225

A) Name of scheme or payment:

SFGS: Forest environment payments (225)

B) Eligible criteria including specification of eligible area:

C) Relevant commitments – contractual obligations

D) Land use /management practice changes (agronomic and silvo-cultural assumptions)

E) Table Q2.5 Process of payment calculation

Components*	EUR/ha**	Data source	Reference period
Additional costs			
Total additional costs			
Income foregone			
Total income foregone			
Proposed amount of payment			

* Depending on the forestry measure under review, only additional costs, income foregone or a combination of both might occur.

** Please add the applied exchange rate, if EUR is not the national currency:.....

F) Explain calculation of values/numbers provided in Table 2 (E)

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....

6. If it is not possible to describe the process of payment calculation for the forestry scheme or payment in your country by using the procedure suggested in question 5., please explain used methodologies of calculation below in as much detail as possible:

(It is expected to provide here something like "instruction manual".

In addition other alternatives to standard costs methods for payment calculations (e.g. tenders) could be outlined here as well.)

.....
.....
.....
.....

7. Please describe commitments defined in the baseline requirements which have impact on payment calculations:

a) describe relevant Good Agricultural and Environmental Conditions (GAEC) requirements defining the reference level for payment calculations in forestry measures (e.g. agro-forestry systems)

.....
.....

b) describe any other relevant baseline requirements resulting from the national law or Cross-Compliance (e.g. in Scotland: UK Forestry Standards) which can not be paid out in forestry payments:

.....
.....

8. Are there any payments within the forestry measures which exceed the maximum limits stated in the EC Regulation nr. 1698/2005 (eventually any national limits)?

- YES
- NO

If YES, describe them and write reasons:

.....

9. Are there any payment ceilings or other maximum/minimum criteria applied which impact on the payment levels in the forestry measures?

(minimum or maximum size of woodland plantations, maximum or minimum payments per farm, any form of payment depression with lower rates beyond a certain amount of hectare).

- YES
- NO

If YES, describe the limits, particular sub-measures / schemes by which are used and reasons for setting these limits:

.....

10. Are there any mechanisms in place which limit possible combinations of forestry measures with other RD measures?

(e.g.: RDR requirements exclude the option to combine early retirement support with afforestation of agricultural land; in addition, the combination with some agri-environment sub-measures or LFA payments might not be allowed either to avoid overcompensation or conflicts between certain commitments/prescriptions)

.....
.....

11. Is there any level of integration, linkages or interdependencies between forestry measures and other RD measures, which affect the payment level in forestry measures?

If, yes, please explain the integration or linkage and describe the impact on payment levels in the forestry measure (e.g. does payment level in forest-environment payments or Natura 2000 payment change, if certain agri-environment support measures are taken up on the same farm?)

.....
.....

12. What problems did you encounter during the payment calculations? (What problems have been encountered?)

(e.g.: economic data availability for forestry enterprises, etc.)

.....
.....

13. What solutions did you derive for these problems? (What solutions have been derived for these problems?)

.....
.....

14. Which issues remain unsolved and why?

.....
.....

15. Is potential over- and under-compensation an issue when designing new forestry measures and schemes and, if yes, how have these been considered in the payment calculations?

III. Data sources

This part aims at data, which are used for payment calculations in forestry measures. The objective is to compare availability of data and to found out which data sources are used and for which purposes.

16. Fill in following table according to the instructions below:

- a) specify **data sources** used for calculation of particular forestry measures or schemes (try to provide whole list);
- b) write **organisation responsible** for data source;
- c) **periodicity** (it means how frequently are they up-dated, published);
- d) **spatial aggregation level** (it means how data are used within payment calculation, not in which form exist);
- e) **purpose of the source usage** (write briefly the main range of usage within payment calculation);
- f) **estimated extent of particular data sources usage** (it is expected to provide an expert estimate and sum should be 100%; the fulfilment of this column is only voluntary).

Table Q3: The list of the data sources necessary for payment calculation and their usage

a	b	c	d	e	f
Data source	Organisation responsible	Periodicity	Spatial aggregation level	Purpose of usage	Extent of usage (%)
					Sum = 100%

Data source:

17. Which additional would have been required for a more detailed payment calculation and to what extent did the availability of data restrict the methods applied to calculate payments? Could you specify?

.....

IV. Contextual information

The final part of the questionnaire covers subsidiary information which make possible to provide statistical comparison between forestry measures and countries. In addition, payment administration aspects are added where we would like to do investigate administrative complexity of the payment calculation (i.e. how many institutions are involved into the calculation).

18. Statistical comparison – indicators of “uptake”

Based on data in tables below, we can compare following indicators:

- Area covered by forestry measures (in ha, UAA (%) and FOWL (%))
- Number of farms/holdings in measures (in number and % of total farms/holdings);
- RDP expenditure by measure (in EUR and % of total expenditure).

Table Q4a Area covered by forestry measures

Indicator	2004			2005			2006		
Total UAA									
Total FOWL									
	ha	% of total UAA*	% of total FOWL	ha	% of total UAA*	% of total FOWL	ha	% of total UAA*	% of total FOWL
Number of ha of afforested land (221)									
Number of ha of afforested land (223)									
Supported forest area in measure 226									

Only important for measures 221.

Data source:

Table Q4b Number of farms/holdings in measures

Indicator	2004		2005		2006	
Total number of holdings / farms						
	number	% of total number	number	% of total number	number	% of total number
Number of farms/holdings in measure 221						
Number of farms/holdings in measure 223						
Number of farms/holdings in measure 226						

Data source:

Table Q4c RDP expenditure by measure

Indicator	2004		2005		2006	
Total RDP expenditure (EUR)						
	EUR	% of total expenditure	EUR	% of total expenditure	EUR	% of total expenditure
Expenditure for measure 221						
Expenditure for measure 223						
Expenditure for measure 226						

Data source:

19. Describe the administration complexity of reviewed payment calculation

a) How many institutions are involved into payment calculation:

- 1
- 2 – 3
- more than 3

Write their names:

b) How many institutions are involved in making observations / controlling / testing of payments:

- 1
- 2 – 3
- more than 3

Write their names:

20. Write down state rules and national as well as regional regulations which define the forestry measures:

.....

21. List all the interviewees and their positions and affiliations

Table Q5 List of interviewees

Name	Position	Affiliation

If you have any additional comments on the questionnaire, please use this box:

(It is expected to add here: remarks and comments of the interviewee that cannot be included in the questionnaire, own observations and reflections on the interview, etc...)

V. Additional information

22. Add here any relevant additional information (texts, graphics, pictures, maps etc.) which supplements the above material on forestry measures and their payment level calculations.

Annex 1 – Baseline requirements

Issue	GAEC-standards ¹⁾	yes (x)	Description of national GAEC-standards	voluntary obligation ²⁾ yes (x)	Description of national voluntary obligation (AE, Natura2000, forestry, LFA... obligations)
Soil erosion	Minimum soil coverage				
	Minimum land management reflecting site-specific conditions				
	Retain terraces				
	Other standards?				
Soil organic matter	Standards for crop rotations where applicable				
	Arable stubble management				
	Other standards?				
Soil structure	Appropriate machinery use				
	Other standards?				
Minimum level of maintenance	Minimum livestock stocking rates or/and appropriate regimes				
	Protection of permanent pasture				
	Retention of landscape features				
	Avoiding the encroachment of unwanted vegetation on agricultural land				
	Other standards?				
Other standards?					

1) According Council Regulation (EC) No 1782/2003, Article 5, Annex IV.

2) Is there any obligation similar as GAEC-standard for which it is possible to get for example agri-environment payment?

For example: GAEC-standard = min. 5% of arable land is covered during winter.

AE-obligation = min. 15% of arable land is covered during winter; the payment is calculated in relation to 10% of winter coverage which is going over GAEC standards.

Or:

GAEC-standard for protection of permanent pasture is missing.

While AE-obligations for protection of permanent pastures exist there (for example the maximum level for nitrate fertilizers usage is set)

