

THE MACAULAY LAND USE RESEARCH INSTITUTE

Minutes for the second AGRIGRID meeting and workshop held from Monday 16 July to Wednesday 18 July 2007 in the State Veterinary Institute, Prague, Czech Republic

Present:

Gerald Schwarz (GS) (MLURI, Co-ordinator and Chair); Keith Matthews (KBM) (MLURI); Frank Offermann (FO) (FAL); Judith Hecht (JH) (FAL); Heike Kuhnert (HK) (FAL), George Vlahos (GV) (AUA); Ioannis Hadjigeorgiou (IH) (AUA); Andrea Hrabalova (AH) (Vuze); Pavla Wollmuthová (PW) (Vuze); Pavel Kapler (PK) (Vuze); Romualdas Zemeckis (RZ) (LAEI); Irena Krisciukaitiene (IK) (LAEI); Aiste Galnaityte (AG) (LAEI); Gediminas Kuliesis (GK) (LAEI); Jyrki Aakkula (JA) (MTT); Laura Kröger (LK) (MTT); Antti Miettinen (AM) (MTT); Luca Cesaro (LC) (INEA); Filippo Chiozzotto (FC) (INEA); Concha Salguero (CS) (IDRiSi); Michal Woch (MW) (Agrotec PL)

Partner numbers:

P1 – MLURI; P2 – FAL; P3 – AUA; P4 – Vuze; P5 – LAEI; P6 – MTT; P7 – INEA; SC1 – IDRiSi; SC2 – Agrotec-PI

Date	Description	Action
Monday (16 th)		
Monday (16 th) Afternoon	<p>Welcome and introductions</p> <ul style="list-style-type: none"> After welcoming all partners and subcontractors it was agreed to postpone discussions of administrative issues to Wednesday (18/07) to allow as much time as possible for the rehearsal and discussions of the presentations for the workshop with government representatives. <p>Rehearsal of presentations for “end user workshop”</p> <ul style="list-style-type: none"> It was agreed to run through the presentations in chronological order as planned for the workshop. However, as the arrival of the Greek team was delayed, it was decided to go through the presentation of WP2 at the end. <p>Outcome</p> <ul style="list-style-type: none"> All presentations were discussed and suggestions for revisions were made. Based on the group discussions, revisions were agreed for each presentation and implemented until the next day. 	<ul style="list-style-type: none"> All presenters
Tuesday (17 th) All day	<p>AGRIGRID workshop</p> <p>Programme</p> <p>Government representatives from 7 of the 9 project countries followed the invitation and attended the workshop. Overall, about 15 representatives (in addition to the project team) attended the workshop. The programme of the workshop was organised according to the structure of the project and review of payment calculation with a brief project introduction and an outline of the methodological framework for the review in the first session. This was followed by sessions on agri-environment, handicap payments, Natura 2000 payments, forestry measures and animal welfare and meeting standard measures. Each session had sufficient time allocated to discuss emerging questions and key issues. The discussions on the different presentations produced a number of key issues for future methods of payment calculations, some rather general and some rather measure-specific, which were summarised in the final conclusion session and are listed in the outcome section below.</p> <p>Outcome:</p> <p>The summary of key issues is divided into measure-specific issues, and general key issues both from the discussions and questionnaires. The following measure-specific key issues were identified in the discussions with the government representatives (abbreviations in brackets indicate the measure context):</p> <ul style="list-style-type: none"> Stakeholder interests influence payment design and calculation through consultation process (AEM) Fixed costs can not be considered in payment calculation (AEM) Payment calculations are constrained by Commission guidelines which are, at least in some cases, not effective (AEM, FM) 	

	<ul style="list-style-type: none"> • Difficulties in payment calculations hinder innovation in application of new measures (AEM) • Definition and calculation of baseline requirements (AEM, LFA, AWM) • Different implementations and payment calculations are driven by different objectives between the member countries (LFA) • Changes in the policy and economic environment, e.g. market developments, are not considered in payment calculations (LFA) • Uncertainty in relation to transaction costs (AEM, AWM) <p>Some aspects came up with respect to the majority of the different measures and are grouped below as a list of general key issues for payment calculations:</p> <ul style="list-style-type: none"> • Lack of suitable and detailed data • Transparency of calculations • Complexity of calculations versus keep it simple: <ul style="list-style-type: none"> • Balance (and often conflicts) between scientific approaches and political acceptability and necessity • Political targets determine payment levels • Developing the suitable incentives at farm level • Differentiate issues in relation to implementation and justification of payments and measure • Rigidity of the WTO framework does not allow to consider payments for environmental benefits and differences between intensive and extensive farming <p>In addition, a set of general key issues could be identified from the questionnaires, which to some extent also reflect the point raised in the discussion:</p> <ul style="list-style-type: none"> • Uncertainties with respect to costs <ul style="list-style-type: none"> • Considerable uncertainties of specific parameter values used for calculations • Calculations are based on data collected before program implementation and are presumed to be appropriate up to the end of programming periods • For some premiums different calculation approaches can be used and respective payment levels depend on the chosen approach <p>-> these problems are aggravated by the fact that adjustments of payment levels are hardly ever made once the program is in place due to high administration costs</p> • Payment levels are not only determined by “calculations”, but to a large extent by a) financial considerations (budgets), b) policy objectives, c) interest groups and d) by payment levels of previous programmes (“path dependency”) • Issues in relation to payment differentiation <ul style="list-style-type: none"> • Flat-rate payments do not reflect farm-level heterogeneity • Involved authorities prefer flat-rate payments due to administrative simplicity <ul style="list-style-type: none"> • Calculation of differentiated payment levels (high requirements on data quality and quantity) <p>-> increasing administration costs</p> <ul style="list-style-type: none"> • Implementation of differentiated payment levels <p>-> increasing administration costs</p> <ul style="list-style-type: none"> • Approval system of EU Commission is seen as rather complex <p>Finally, the conclusion session asked the question which key issues would government representatives and the Commission see as most important for consideration in future payment calculations:</p> <ul style="list-style-type: none"> • From the Commission’s point of view: <ul style="list-style-type: none"> • While methods for payment calculations need to keep in mind administration costs, it is important that calculations consider sufficient details and can be applied under a range of different circumstances • From the point of view of policy administration: <ul style="list-style-type: none"> • Keep it workable 	
Wednesday (18 th) Morning	<p>Feedback on workshop and summary review reports</p> <p>Feedback</p> <p>The morning session started with a reflection of yesterday’s workshop and a list of</p>	

	<p>issues to be taken into account for future workshops has been put together. This was followed by a brief discussion of outstanding tasks for the review, other than writing the report.</p> <p><u>Outcome</u> List of suggestions for future workshops:</p> <ul style="list-style-type: none"> • Continuity regarding the involvement of government representatives • Stronger or more detailed guidance (questions) for discussion • Send background material before workshop • Break-out groups, interactive sessions • Divide workshop into two half days • Presentations from Commission • Round-table discussion on a person by person basis • Facilitator, if appropriate • Questionnaires for government representatives to give background information, • On the other hand, to be careful not to overload government representatives with tasks • <p>Outstanding tasks for the review:</p> <ul style="list-style-type: none"> • Each partner needs to check, if all main approaches for payment calculations in AEMs are covered in the review • Comparison of different approaches of payment calculations across measures will be done in the deliverable report D2 • Update on changes in rural development plans and measures in partner countries will be in October <p>Summary review reports In the second part of the morning session the summary review reports for each RD measure have been discussed. Following an update from each responsible partner on the status quo of the report writing, guidelines for summary reports have been discussed, abbreviations for the different countries and regions standardised and a final timetable for the review reports and D2 agreed.</p> <p><u>Outcome:</u> Status quo of report writing:</p> <ul style="list-style-type: none"> • First drafts have been delivered for WP3 and WP6 before the workshop, while the other reports are “work in progress” <p>Report guidelines:</p> <ul style="list-style-type: none"> • A set of guidelines for the reports has been discussed and it was agreed that all review reports should follow these guidelines; the guidelines include: <ul style="list-style-type: none"> • Keep it short, appr. 15 pages • Follow general structure proposed by Vuze • Reports should provide a synthesis of questionnaires comparing common aspects and differences in payment calculations across countries • Collection of tables from questionnaires should be placed in annex to improve readability of reports • Ideally, the contents of the reports should follow: <ul style="list-style-type: none"> • The list of key questions provided for the presentations, and • Presentations from workshop • Key issues from workshop will be included in conclusion section of the review report (D2). <p>Country and region abbreviations:</p> <ul style="list-style-type: none"> • Countries: • CZ, DE, ES, FI, GR, IT, LT, PL, SCO <ul style="list-style-type: none"> • Mecklenburg West-Pomerania (Germany) - DE_{MWP} • North Rhine Westphalia (Germany) – DE_{NRW} 	<ul style="list-style-type: none"> • All • P4 • All • P1, P3, P4, P5, P6 • P4
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<p>Wednesday (18th) Morning</p>	<p>WP7 Case study analysis</p> <p>The discussions in this session focussed on two presentations by JH/FO and KBM. JH and FO outlined the framework for the case study analysis in WP7, including objectives, approaches, key output and workplan of the case study analysis, and presented first results of the literature review and preliminary analysis of FADN data in Germany. Following the FAL presentation, it was then discussed how to proceed with the literature review for the case study analysis. In this context, it was noted that the available literature might be rather limited. Finally, it was agreed that guidelines for the literature review in the different partner countries will be provided by the FAL team and then, in the following step, each partner provides a short summary of available literature to the FAL team.</p> <p>The discussion then focussed on the present preliminary results from the German case study. It was emphasised that the regional differentiation shown in the presentation was only used as an example and other types of differentiations, e.g. production systems, will also be analysed. Moreover, while the presentation focussed on aspects in relation to overcompensation, the point was raised to equally analyse undercompensation issues. In this context, it was suggested to look into the question what payment level would be required to achieve an uptake of X number of farms. At the end of the discussion, it was agreed that a selection of measures and countries for the case study analysis will be made in October with P2 providing a first suggestion including data requirements.</p> <p>In the second presentation KBM explained the structure and application of the Land Allocation Decision Support System (LADSS) for policy analysis. He outlined the different components of the system and summarised examples for past applications. Finally, the presentation suggested applications for LADSS in the case study analysis of payment calculations using a number of farm case studies in Scotland and Italy. Potential applications include to use LADSS in back-casting mode to see what the farm system would have to look like for the payment to be proportionate and to explore some of the key assumptions in the payment calculations and to see in which circumstances they are valid. Moreover, the presentation emphasised the benefits of involving farmers and other stakeholders through workshops and testing the acceptability to the calculation methods.</p> <p>The discussion on the case study analysis with LADSS focussed on data requirements for additional farm case studies, the option of running workshops with farmers and the linkages between FADN/REGIO data based analysis and LADSS in this WP. Given the large data requirements of LADSS it was suggested to limit the farm case studies to the already available data in Scotland and Italy, as outlined in the original DoW. In addition, the intention was pointed out to run a workshop with farmers and stakeholders in Scotland and to explore the feasibility of holding a</p>	

	<p>second workshop in Italy. Linkages between the two different approaches will be further discussed in the context of the selection process of measures and countries for the case study analysis.</p> <p>Outcome</p> <ul style="list-style-type: none"> • Literature review guidelines, including expected usage, will be provided in the first half of August. • Short summaries of available literature will be produced for each partner country by the end of September • Selection of measures and countries for the case study analysis will be made in October • Further tasks and timetable will be suggested and agreed after measures and countries have been selected in October • Linkages between FADN/REGIO based analysis and LADSS will be discussed by responsible partners in October • Option of a second workshop in Italy will be explored 	<ul style="list-style-type: none"> • P2 • All • P2 • P2 • P1 and P2 • P1
<p>Wednesday (18th) Afternoon</p>	<p>WP8 Framework for grid development</p> <p>In the afternoon session the work in WP8 was discussed. LC explained the outline for WP8 and outlined the different phases in the analysis and grid development. Furthermore, a first example was presented for the grid development including cost and revenue sheets and baselines assessments. The presented example was used to discuss some of the key issues surrounding the grid development.</p> <p>The discussion after the presentation focussed on issue concerning data requirements and data provision, standardisation of cost and revenue sheets in the grids and the baseline assessment. It was questioned, if we should provide a data bank with the developed grids, but the general understanding and agreement was that this would be beyond the scope of this project. Hence, it was agreed to proceed as outlined in the DoW and only to provide a few examples for the application of the developed grids. A standardisation of the cost and revenue sheets was discussed and it was agreed to use the standard or framework of FADN for this purpose. Moreover, it was emphasised that these cost and revenue sheets should be filled according to relevance and data availability. Finally, the next steps in WP8 have been discussed and a timetable was agreed.</p> <p>Outcome</p> <ul style="list-style-type: none"> • It was agreed to standardise the cost and revenue sheets using FADN • It was agreed that no separate baseline assessment will be conducted at this stage. Instead, the baseline assessment will be part of the development of the national grids (see below). • It was agreed that no data bank would be developed and provided with the methodological grids. Instead, as outlined in the DoW, just some examples of the grid applications will be provided. • A timetable for the next steps was agreed: <ul style="list-style-type: none"> • General structure of grids will be sent to partners by the end of October • General structure of grids will be adapted to measures by the responsible partner by the end of November • Measure-specific grids will be adapted at national/regional level and filled with data bank by each partner by the end of January • National/regional grids will be presented at the mid-term workshop in February 	<ul style="list-style-type: none"> • P7 • P1, P3, P4, P5, P6 • All • All
<p>Wednesday (18th) Afternoon</p>	<p>Next meeting</p> <ul style="list-style-type: none"> • All agreed to hold the next meeting (mid-term workshop) in Padua from 18/02/2008 to 20/02/2008, with the programme starting after lunch on 18/02 and finishing at the end of 20/02. • In addition, it was agreed to hold another workshop with government representatives at the end of March to present first grids. The option to hold this workshop in Vilnius, an integrated with a conference organised by LAEI, will be explored. <p>Presentations</p> <ul style="list-style-type: none"> • All presentations and minutes will be made available on the project website. 	<ul style="list-style-type: none"> • P1