AGRIGRID

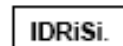Review of payment calculations in rural development measures in the EU

WP4
Measure specific grid development
Natura 2000

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Main issues

- Different approaches for calculation of the same economic aggregates

- Different terminology for similar items is used

- Difficult assignment of some items used in calculation to FADN categories

- Other issues

Different calculation approaches

- Different approaches for calculation of the same economic aggregate are used:

  - GM – not standardised process of GM calculation (GM x SGM)

  - Forest income (complicated in CZ x simple in LT)

  - Purchase fodder for animals (mean fodder production of pasture x livestock density)

Discrepancy between standard and national calculation approach

Crop production	
Czech formula for costs side of GM calculation	**FADN codes**
Seeds	SE285
Fertilizers	SE295
Crop protection	SE300
+ Other direct material:	
Energy	SE345
Water for irrigation	SE356
other direct material	SE305
+ Other direct costs and services:	
Fuels	SE345
External services for crop production	SE350
Repairs and maintenance (costs of own mechanisation usage)	SE340
Indemnification / Insurance of crops	SE356
other direct costs (rent for crops, feu duty...)	SE375
only in AEMS - minor cases (e.g. organic vegetable):	
Labour costs	*SE370*

Unification of terminology

- Forest income = value of wood (here is probably similar meaning as "Value of forest stands / Value of dry trees" to identify income loss)

- Income reduction = maintenance costs x output of forest (due to maintenance of deciduous forest, in DE)

- Orchards x fruits (what is the difference?)

Difficult assignment resulting to double-counting

- What do particular items cover?

  – Machinery costs contain probably maintenance of machines (SE340), fuel (SE345) and ....

  – Maintenance costs included under Specific forest costs (SE331) contain probably Wages paid (SE370)...

  – Depreciation?

Other issues 1/2

- ## What is the sufficient detail?

  - GM x GM for each item (meadows,...)

  - Position of items in cost-revenues sheet x sub-mask sheet (weights, special decreasing factor, table value of forest stand,.....)

  - Payment is based mainly on 3-years average...

- ## Eurostat categories (more detailed crop/animal breakdown mainly used for OF)

Other issues 2/2

- Different FADN categories or new items are used across RD measures for the same calculation approach

  - Natura 2000 x AEM

    - other direct material (split or new category?)

  - LFA x Natura 2000/AEM

    - gross grassland yield → output of grassland

Total output			Balance current subsidies & taxes
Output crops & crop products	Output livestock & livestock products	Other output	
Intermediate consumption		**Gross farm Income**	
Specific costs	Farming overheads		
	Depreciation	Farm net Value Added	Balance subsidies& taxes on investment
		External factors	Family farm income
		Wages / Rent / Interest	