



Ministry of Environment  
and Food of Denmark  
The Danish  
Agricultural Agency

# First reflections on Pillar I vs. Pillar II – the case of **organic** area payments

Bruxelles  
4 December 2019  
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# Organic farming – a likely intervention in the Danish CAP-plan

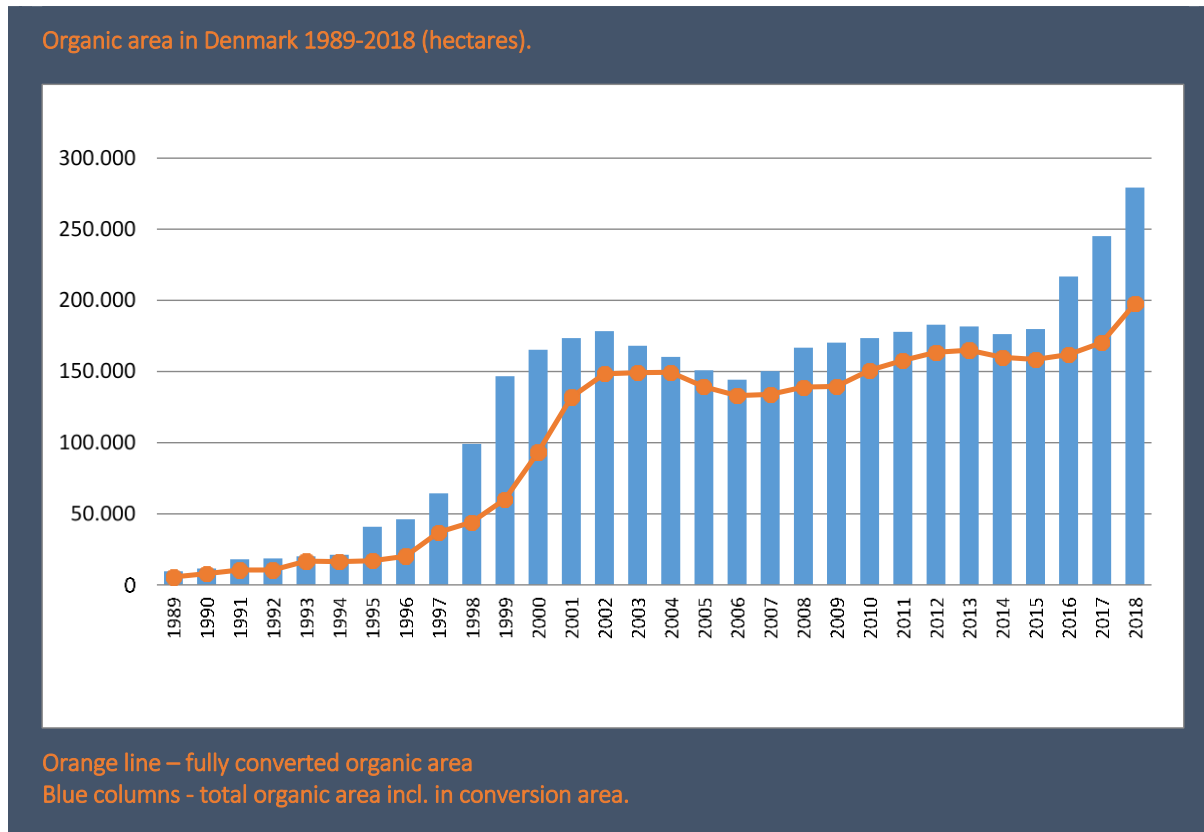
- Organic area payments was at an early stage identified as a likely intervention in the future Danish CAP-plan, because:
  - ❖ Organic farming is a multifunctional intervention that delivers on many elements in Article 6 and in the Danish needs assessment, such as protection of water and biodiversity.
  - ❖ The Danish government wishes to double the organic area in Denmark by 2030.
- Organic area payments became a case-study used to explore the possibilities of the new CAP in a constructive dialogue with the GEO-HUB.



# The starting point

## The organic area payment scheme today

- ❖ 5 year commitments as part of the Rural Development Programme.
- ❖ A success looking at the increase in the organic area.
- ❖ Difficult looking at the administration due to the amount of changes in the fields under commitment.



# Two ways ahead

## Organic Area Payments as

- ❖ A 5-year commitment scheme in Pillar II (Art. 65 includes roughly the same possibilities as the current Art. 29)

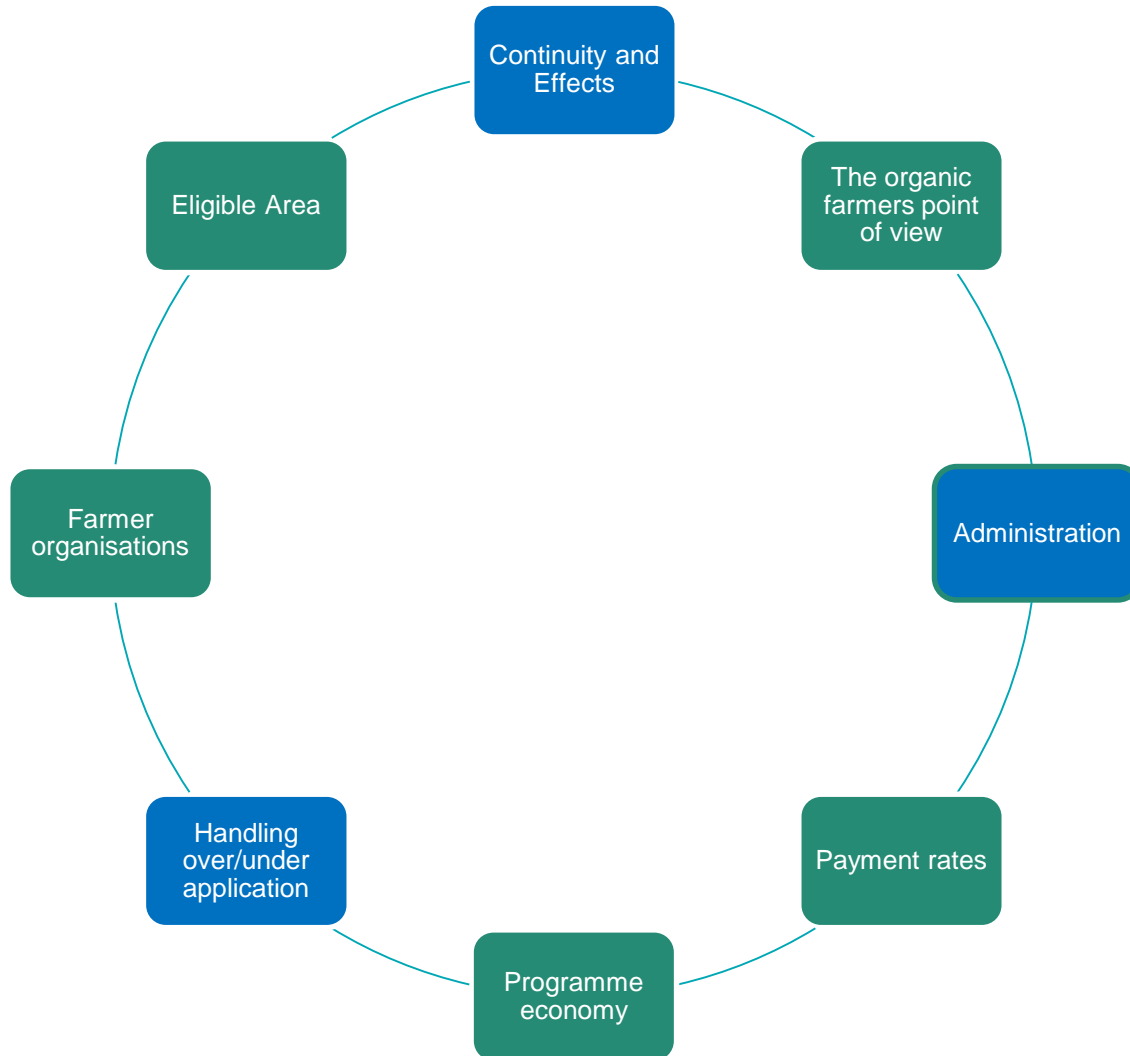
OR

- ❖ A yearly payment eco-scheme in Pillar I (Art. 28 with new possibilities)



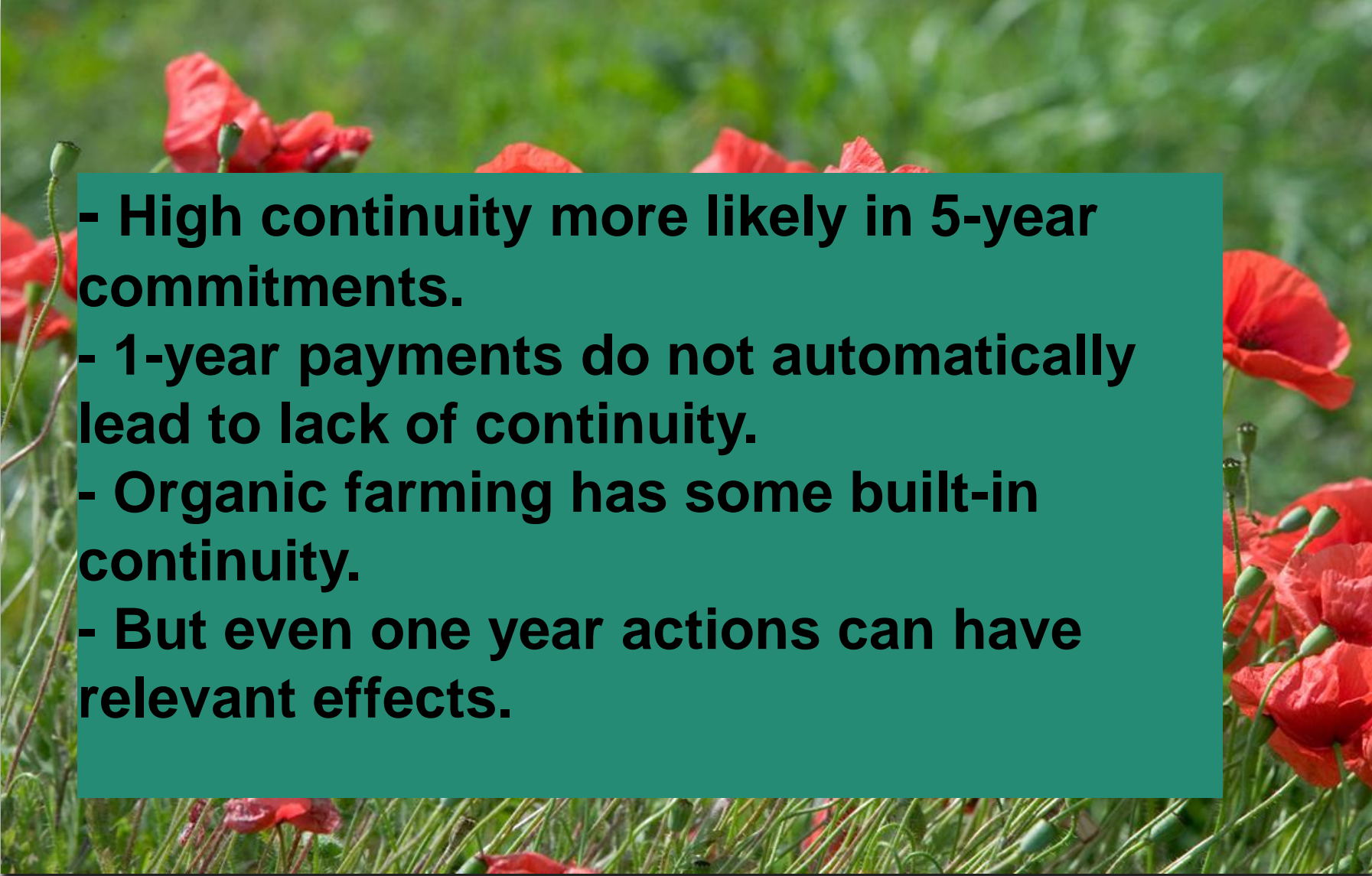
# What to consider?

## Pilar I versus Pilar II





# Continuity: 1-year payments vs. 5-year commitments

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- A photograph of a field of red poppies with green foliage in the background. A teal-colored rectangular box is overlaid on the center of the image, containing four bullet points in black text.
- High continuity more likely in 5-year commitments.
  - 1-year payments do not automatically lead to lack of continuity.
  - Organic farming has some built-in continuity.
  - But even one year actions can have relevant effects.

# Handling over- or under-application (part I)

**Pillar II has shown flexibility between years and schemes.**

**But flexibility could be reduced with less funds and more needs to be met in the future CAP.**

# Handling over- or under-application (part II)

**Pillar I seems less flexible, but the possibility to adjust the payment levels according to uptake might be interesting:**

- Are we able to communicate adjustable payment rates to the applicants (requirements must be met before rate is known)?**
- Are we able to find the balance between being careful and performance?**
- Are the final regulations going to include more flexibility in Pillar I?**



# Administration (part I)

1-year payments in Pillar I	5-year commitments in Pillar II
One yearly application	Commitment applied for in year 0 and payments in year 1-5
No comparison between commitment and yearly payment	Only payment to area in commitment: Both reduced area and increased area needs handling
No transfer of commitments	Transfer of commitments

# Administration (part II)

- If organic area payments become an eco-scheme there will be 2 parallel interventions for 4 years while the old commitments still run.
- However the same is probably the case if staying in Pillar II due to adjustment of the scheme to new CAP, new payment rates, etc. at the same time as the old commitments run.

## Current status

Eco-schemes have some interesting advantages, that will increase if more flexibility to handle over-/under-application is landed.

Eco-schemes could provide a simpler administration attractive for large-scale interventions with many applicants and hectares.

Nothing is decided yet.....





**Thank you for  
listening**

