# Eligible agricultural land and agricultural activities

#### 50 tree rule

The idea of the ongoing CAP reform is to give Member States more autonomy in defining eligible land and activities. According to the draft, the terms "agricultural activity" and "eligible hectare" remain to be defined by the Member State within the framework provided by the Regulation. Estonia has now the possibility to abolish the unjustified and harmful 50-tree rule, and needs to do it. As stated in the introduction to the draft Regulation on CAP strategic plans (5), "the framework definition of "agricultural land" should be set in a way that allows Member States to cover different production methods, including systems such as agroforestry and shrub and disabled land ... ".

#### Grazed and mowed land

EKO considers it essential that all land actually grazed and / or mowed (with the hay harvested) be fully eligible for direct payments. Of particular importance is the awarding of direct payments to managed semi-natural communities (meadows and pastures) over the entire area that is actually grazed or mowed. The current situation of land with trees and landscape elements being cut out of the eligible area constitutes direct discrimination against high nature value agriculture. The need to include semi-natural communities as eligible land was also emphasized in the European Commission's recommendations to Estonia.

#### Landscape elements

Landscape elements on agricultural land and areas of land temporarily out of use must also be considered fully eligible. Inter alia, patches on winter crops where crops have failed due to adverse conditions should not be cut off from the eligible area. Such spots are beneficial to biodiversity and the least that can be done at national level is to leave their over-sowing to the farmer's personal economic decision, rather than forcing him/her to do so at the threat of reduced payments. The European Commission also recommends that Estonia support the high-diversity features of the agricultural landscape.

#### Wet agricultural land and paludiculture

Wet agricultural land (including wetlands and paludiculture) should also be considered eligible if it is predominantly in actual agricultural use. Agricultural activities include the grazing of such land, the provision of fodder from it or the cultivation and harvest of industrial crops (including energy crops). If necessary, crops specific to paludiculture, such as reeds, cattails or energy forestry, should also be allowed to be harvested in winter and / or at multi-annual intervals.

#### Solar and wind power plants

Similarly, there is generally no reason to exclude from the eligible land areas where solar or wind power plants have been built if agricultural activities, such as grazing, continue there.

The exception is where such facilities run counter to the objectives of nature or landscape protection or soil protection.

#### Grass topping

On the other hand, <u>annual grass topping (also known as 'mulching') should be excluded from the supported activities</u>, which wastes resources without contributing to public good, and is in competition with productive agriculture. Exceptions could be made in areas where keeping them open contributes to a clear site-specific purpose and for which there is no possibility of productive use today, although in these cases too serious consideration must be given to whether topping/crushing is justified each year. One option is to define the actual / active farmer in such a way that the applicants whose only 'agricultural' activity is grass topping are excluded.

# Conditionality

GAEC 1 - maintaining the ratio of permanent grassland to agricultural area

Only grasslands that have not been plowed for a long time contribute to the objective of soil carbon stock and biodiversity conservation: if grassland is out of crop rotation but is regenerated by plowing, as is possible under the current approach, it does not meet the carbon sequestration or biodiversity conservation objective. Therefore, we need to define permanent grassland in a way that precludes plowing.

#### GAEC 2 - protection of wetland and peatland

First of all, it must be ensured that all wetlands under agricultural use and/or are part of agricultural landscape are eligible for support (see the previous subsection "Eligible agricultural land and agricultural activities"): there is no point in talking about protection of wetlands and peatlands if all such areas are considered ineligible by the paying agency if they are kept wet. Secondly, it must be ensured at least that wetlands and peatlands must be protected from any further drainage. Thirdly, this GAEC must be adopted for implementation immediately, not delayed until the deadline agreed at EU level. In addition, serious consideration needs to be given to whether this GAEC should also include the restoration of wetlands and the raising of water levels in peatlands. If this is found to be too burdensome for farmers, it must be ensured that measures for the restoration and construction of wetlands and for raising water levels (including paludiculture) are available under either eco-plans or environmental measures.

#### SMR 1 and SMR 2 - Water Framework Directive and Nitrates Directive

SMR 1 and SMR 2 implement the provisions of the Water Framework Directive and the Nitrates Directive. The Nitrates Directive is already a part of cross-compliance today, the inclusion of the Water Framework Directive is novel. Both directives have been transposed into Estonian law by the Water Act, many provisions of which concern agriculture. Today, part of the compliance in Estonia is § 118 "Water protection zone of the shore or coast of a

water body", § 119 "Restriction of activities in a water protection zone", § 158 "Requirements for use and storage of fertilizers and requirements for use of plant protection products", § 159 "Requirements for the use of manure", paragraphs 1-4, § 160 "Fertilization in a sloping area", § 161 "Limits for nitrogen and phosphorus from fertilizers" (paragraphs 1, 7 and 11 concerning nitrogen only), § 164 "Requirements for storage of manure", § 165 "Storage of manure in a pit", § 166 "Composting of manure", § 168 "Restrictions on agricultural activities in nitrate sensitive areas", subsection 3, Government of the Republic regulation "Designation of nitrate sensitive areas and restrictions on agricultural activities in nitrate sensitive areas" and Minister of the Environment Regulation "Requirements for the Use and Storage of Fertilizers for the Protection of Ground and Surface Water and for the Prevention and Control of Pollution from Agricultural Production".

In the strategic plan, when furnishing SMR 1 and SMR 2, a number of relevant provisions related to the Water Framework Directive must be added to the above, including § 151 "Restriction of activities in water intake sanitary protection area", § 158 "Fertilizer use and storage requirements and plant protection product use requirements" in full, § 161 Limits on nitrogen and phosphorus applied by fertilizers "in addition to nitrogen, provisions concerning phosphorus, § 162" Liquid manure spreading plan and fertilization plan ", § 163" Livestock restrictions ", § 167" Requirements for storage and transport of fertilizer and silage "and § 187" Water permit obligation " of the Water Act.

#### GAEC 4 - construction of buffer strips along water courses

For water bodies where § 118 of the Water Act requires a water protection zone of 20 or 10 meters, it must be considered as a buffer strip where the activities listed in § 119 are prohibited. Ditches where § 118 requires a meter-wide water protection zone should have a buffer strip of 3 meters, in addition, a buffer requirement of at least one meter should be provided for ditches that do not have a water protection zone according to § 118 of the Water Act. The buffer strip between arable land and the water body must be part of the direct payments' eligible area (see previous sub-chapter "Eligible agricultural land and agricultural activities") and eco-schemes or agri-environmental measures must also provide greater support for wider buffer zones along water bodies.

#### GAEC 6 and GAEC 7 - soil protection

GAEC 6 deals with tillage methods that reduce soil degradation, GAEC 7 aims to avoid bare soil during sensitive periods. In today's cross-compliance this topic is addressed by a 30% winter vegetation requirement, mandatory only in the municipalities of the uplands of South-Eastern Estonia. It makes sense to establish at least the same 30% requirement throughout Estonia. As far as we know, many farmers are already doing the same.

#### GAEC 8 - crop rotation

Crop rotation is necessary for soil protection and at the same time it is a natural part of integrated pest management.

#### SMR 3 and SMR 4 - Birds' and Habitats' Directives

SMR 3 and SMR 4 are for compliance with the Birds and Habitats Directives respectively. Both directives are implemented by the Estonian Nature Conservation Act. During the current period, as part of cross-compliance, Estonia has applied only those sections of the Nature Conservation Act that concern protected areas and other area-based measures for habitats' protection (§ 12, § 14, § 30, § 31, § 33) in order to comply with the requirements of these directives. Unfortunately, however, § 32, which gives effect to Article 6 of the Habitats Directive in special conservation areas, has been omitted. In addition, the provisions of the Birds Directive, which aim to ensure the general protection of birds, incl. outside protected areas are currently not part of cross-compliance. Therefore, in the new period, in addition to today's requirements, a prohibition under § 55 (61) of the Nature Conservation Act to knowingly disturb nesting birds or damage their nests and a prohibition under Article 32 (2) of the Nature Conservation Act to destroy or damage habitats must be provided under SMR 3.

#### GAEC 9 - non - productive areas and landscape elements

GAEC 9 addresses the conservation of non-productive areas and landscape features, the ban on cutting trees and hedges during the nesting period of birds, and, as an additional option, measures to control invasive alien species. The conservation of non-productive areas and landscape features should, in principle, serve the same purpose. Treating them separately seems to have a "historical" background, namely that in the current period "ecological focus areas" are part of greening and landscape elements are in cross-compliance. We are proposing to combine these two requirements, because from an environmental point of view, it is important to abandon pesticides, synthetic mineral fertilizers and dangerous disturbances on at least part of the agricultural land. In particular, it would be appropriate to protect existing landscape features and to require articulation with species-rich permanent grassland or trees and shrubs on all arable land and intensively used grassland with less than 10% land cover. The use of pesticide, tillage and fertilisation must be banned in these 'non-productive' areas, but there is no reason to ban grazing. However, fallow land, catch crops and legumes that are considered "ecological focus areas" today should rather be part of GAEC 8. The ban on cutting trees and hedges during the breeding season is undoubtedly appropriate, and is also closely linked to the idea of SMR 3. The possibility of implementing control of invasive alien species in the same way as today, but somewhat more ambitiously, should certainly be used: it would be appropriate to oblige the producer to implement measures to control giant hog-weeds in cooperation with the Environment Agency.

# GAEC 10 - Ban of plowing and conversion of permanent grassland identified as environmentally sensitive in Natura 2000 sites

The issue of identifying environmentally sensitive permanent grasslands is becoming central. Certainly, this definition must cover all semi-natural communities and permanent grassland on peat soils. An in-depth discussion is needed as to which other grasslands should be protected by GAEC 10. The concept of 'modification' must also be clearly defined, which in sensitive permanent grassland should certainly include drainage and the use of mineral

<u>fertilizers and pesticides</u>. Exceptions to the latter prohibition are conceivable only for the control of invasive alien species.

#### SMR 12 and 13 - pesticides

SMR 12 and 13 address the issue of pesticides, under Regulation 1107/2009 on the placing on the market and Directive 2009/128 on sustainable use. EKO draws attention to the need for more effective control of compliance with the restrictions established on the basis of the Nature Conservation Act or the Water Act in the protected areas referred to in Article 12 of Directive 2009/128. We also consider it necessary to emphasize that controls on the use of pesticides must be based primarily on real risks, not on the convenience of carrying out the inspections, and must ensure that the requirements of integrated pest management are complied with.

#### SMR 14, 15 and 16 - animal protection

SMR 14, 15 and 16 concern animal protection in accordance with the provisions of Directives 2008/119, 2008/120 and 98/58. On behalf of EKO, we note that this is an important topic that is also of growing interest to consumers: public money must not support animal-abuse. On the other hand, it is important that the requirements are based on the real needs of the animals and not on the convenience of control or other bureaucratic considerations, and should not be a means of de facto extinction of smaller and/or more extensive producers.

### Eco-schemes and agri-environmental measures

Although eco-schemes and agri-environmental measures are based on different articles of the CAP Strategic Plan Regulation (28 and 65 respectively) and funded under different CAP pillars, the comments and proposals are considered together below, as goals for both are environmental and the main practical difference is the duration of the commitment.

It is quite clear that the current conditionality alone is far from sufficient to address environmental challenges of modern agriculture, so a sufficiently comprehensive package of eco-schemes and agri-environmental measures is essential to allow farmers to voluntarily choose the right solutions to meet their environmental objectives and receive decent compensation to ensure green production.

#### Organic farming

As organic farming has a positive impact on biodiversity, the aquatic and soil environment and carbon sequestration, we will deal with it here and no longer address under individual environmental issues. We believe that Estonia should use the relatively high share of organic land as a competitive advantage and try to achieve a share of 25% as soon as possible and continue to support the growth of organic production even after achieving this. We agree with the proposed approach that organic production will be supported primarily as an eco-scheme and the transition to organic production as an agri-environmental measure, which also requires a multi-annual commitment. It is essential that the budget provides

sufficient funding to give organic producers confidence in the future and a fair competitive position in the common market, and to ensure that the share of organic production continues to grow. We also note that adequate funding for organic production should also be ensured during the transition years, including COVID-19 recovery funds, as the halt in the growth of organic production last year is extremely worrying. Undoubtedly, the development of organic farming needs a holistic view, incl. taking into account, in addition to its direct support, the impact of other measures on organic production.

#### Protection of the aquatic environment

#### Plant nutrient balance and nutrient use efficiency

It is not possible to meet the objectives of reducing nitrogen (N) and phosphorus (P) run-off reduction and protecting groundwater and surface water without reducing pressure from agricultural land. The agricultural load accounts for 60% of the nitrogen reaching water bodies. Due to the law of mass conservation run-off of N and P over a longer period of time is possible only if the balance of these nutrients is positive, i.e. with a surplus, and thus reducing this surplus is a precondition for reducing the run-off. It also means that improving the balance is essential to protect our groundwater and improve the state of our inland waters and the marine environment. The need to improve the efficiency of the use of plant nutrients has also been recognized in the Agriculture and Fisheries Development Plan (the target level of the measure of the efficiency of the use of N is set at at least 70%, the initial level is 57%). The farm-to-fork strategy also foresees a 20% and 50% reduction in fertilizer use and plant nutrient losses, respectively. Increasing the efficiency of fertilization was also supported by Estonia in its views on the strategy. The European Commission's recommendations to Estonia in connection with the CAP Strategic Plan also recall the need for more efficient use of plant nutrients.

It is up to the ministry to decide whether to design the measure as an annual or multiannual, or as support for reducing the balance or increasing the efficiency of plant nutrients, but the current situation, where the measure is simply not in the strategic plan, is not acceptable. This measure is so important that allegations that it is difficult to control cannot be taken as a serious justification for non-implementation. Although the use of FAST as a tool for the sustainable use of plant nutrients is mentioned in two of the agri-environmental measures, it is completely inadequate both because FAST alone does not improve the situation, but is only a precondition for improvement, and because such an approach creates an unjustified restriction to who could use such a measure. EKO once again proposes to develop a result-based measure that for improving the nutrient balance and/or nutrient use efficiency.

#### Winter vegetation cover (incl. Catch crops)

A significant part of N and P run-off is due to winter losses from non-vegetated arable land. Therefore, measures are definitely needed to increase the share of winter vegetation. As of today, the one of the agri-environmental measure proposals includes 30% winter vegetation and the possibility to receive higher support for 50% winter vegetation. We suggest to seriously consider making the 30% winter cover requirement part of conditionality. It would certainly be necessary to be able to support a higher proportion of winter vegetation with a higher rate, such as keeping 70% of arable land under winter vegetation. Winter vegetation

cover (including catch crops of the relevant mixtures) should also be presented as a separate eco-scheme, which could be applied for by all producers. Cover crops need to remain in the field until spring tillage, they are important in preventing early spring erosion and as a spring food for birds.

#### Increasing the share of grassland

The main requirement for the groundwater protection support in the intervention form of the soil and water protection support is to keep the supported field as a grassland during the commitment period. This is an important measure for the protection of groundwater, but it would also contribute to the protection of surface water. Therefore, the condition that the supported field must be located in an area with at least 50% unprotected groundwater or in a significant spring and karst area, or have a spring or karst in the field, must be considered too restrictive. This support should also be available for fields bordering water bodies. The general requirement of soil and water protection support, which links it to other agri-environmental measures, is also too restrictive. We propose to open this measure to all farmers.

#### Water protection zones

The proposed surface water intervention sheet is essentially a 50 m wide buffer in unsatisfactory (poor, poor or very poor) condition along water bodies (by law 30 m is added to a 20 m wide water protection zone and 40 m wide). This is a necessary measure, but far from sufficient. Agricultural run-off flows downstream in the aquatic environment, so the area of influence is much wider than just the water body directly neighbouring the field. All of Estonia is located in the Baltic Sea basin and shares responsibility for the state of our sea. Therefore, EKO proposes, firstly, not to limit the implementation of the measure to water bodies in an unsatisfactory condition and, secondly, to allow the application of a 6 m wide buffer zone to small ditches where a water protection zone of 1 m has been established by law or does not exist at all. The general requirement of soil and water protection support, that links it to other agri-environmental measures, is also too restrictive. We are proposing to open it up to all farmers.

#### Controlled drainage

In the shorter time scale, nutrient loss tends to depend primarily on water runoff from arable land. Therefore, the use of controlled drainage should be supported. As a large part of plant nutrient losses take place in warm winters, it would be quite natural to raise the water level in the fields in winter, especially in fields without vegetation, because then it would not interfere with plant growth or agricultural work and at the same time give a better result to the environment. We propose to include in the strategic plan a measure to raise water levels in a regulated manner through setting drainage.

#### Ammonia emissions

Ammonia emissions are a major environmental problem, directly affecting air and indirectly water quality. The Agriculture and Fisheries Development Plan stipulates that ammonia emissions from agriculture must be reduced. This is also required by Estonia's international

obligations. Therefore, <u>EKO considers it necessary to include the measure(s) reducing ammonia emissions in the strategic plan</u>. To date, no such measures have been proposed.

#### Climate change

#### Nitrous oxide

Nitrous oxide (N2O) is an important greenhouse gas associated with agricultural production, the reduction of which is necessary to control the climate impact of agriculture. At present, no measures are planned in the strategic plan to control this GHG emissions. It should be noted here that the measure proposed by EKO to improve the nitrogen balance and/or efficiency would also help to reduce N2O emissions from agricultural soils. As an alternative, a measure to limit the use of mineral nitrogen could be considered.

#### Peat soils

Peat soils contain significant amounts of organic matter, which, when drained, causes CO2 emissions in oxidations. The main requirement of the soil proposed protection support is to keep the field as a grassland during the commitment period. Although necessary, a measure in this form is clearly insufficient to halt soil carbon losses. The condition of the measure that it is limited to beneficiaries of selected agri-environmental measures is too restrictive. It is incomprehensible, for example, why cereal growers who apply for only the CAP direct payments are not encouraged to incentivize the conversion of sensitive land to grassland, even though this would be necessary to protect the peat soils. The condition that soil protection support may be applied for in a field of at least 0.3 ha, where 70-90% of the arable land has peat soils and/or at least 70% of eroded and deluvial soils, also raises questions. In the case of large fields, the situation may arise that the soil remains unprotected over a fairly large area, if, for example, 8% of a 400 ha field has peat soil. EKO proposes to allow all farmers managing peat soils to implement this measure.

There is still no support for raising the water level among the measures, although it is known that simply turning an area into grassland is not enough to protect peat soils and stop carbon emissions from it (although this helps a little). Agriculture and Fishery Development Plan provides for the maintenance and restoration of organic carbon stocks in agricultural soils. The minimum solution here would be to support the use of the aforementioned controlled drainage in a way that keeps the water level high enough to prevent further decomposition of the peat. Paludiculture (agricultural or forestry use of wet or rewetted peatlands) is an important and recognized measure to reduce emissions from agriculture and land use. The trilogues of the CAP reform package have also recognized the importance of paludiculture, and the European Commission also recommends that Estonia implement carbon-farming and raising water levels in the CAP strategy plan. We are aware that this area needs long-term research to assess the carbon sequestration and sequestration potential of soils, the greenhouse gas balance and yields, the use of crops, the specification of cultivation methods and the design of support measures accordingly. However, various scientific data show that restoring water levels in peat soils helps to reduce the intensive decomposition of peat associated with drainage and the resulting CO2 emissions. According to the data of 2020, 0.6 million tons of CO2 were emitted from drained arable lands (approximately 28,000 ha) and 0.1 million tons of CO2 from grasslands (approximately 12,000 ha). Based on the analysis performed by ELF, it was found that the share of drained peat soils may be about 77,000 ha, which means that the emissions may be even higher than reported. EKO proposes to develop measures for research and support at least at the level of pilot projects.

#### **Biodiversity**

#### Semi-natural communities and biodiversity of other grasslands

Semi-natural communities (also heritage communities) are a central pillar of agricultural biodiversity and high nature value agriculture, providing a wide range of agricultural benefits from healthy pastures to pollination of neighboring fields. Without their conservation and restoration, sustainable agriculture and the implementation of biodiversity and farm-to-fork strategies will not be possible. It is very welcome that today their maintenance has become an important agri-environmental measure in Estonia and is also planned in the CAP strategic plan. However, some important issues remain open and need to be addressed.

Firstly, it must be reiterated that grazed/mowed heritage communities should also be fully eligible for area-based direct payments and should be granted basic protection under conditionality (GAEC 10). Secondly, the work done to date on further developing this measure is generally welcome and appropriate. Thirdly, the strategy plan must set a sufficiently ambitious target and ensure adequate funding. For such a goal, which is also realistic, it would be reasonable to set a target of at least 50 000 ha of maintained semi-natural communities by 2027, which is in line with the national action plan for heritage meadows. It must be taken into account that in the long run this area is not sufficient for the sustainable protection of biodiversity and, if possible, an attempt should be made to achieve a larger area to be maintained. The budget must be designed in such a way that it does not become an obstacle to area growth.

Today, the maintenance of very wet meadows continues to be problematic, as here farmers do not risk taking on a 5-year commitment. We propose to implement the corresponding 1-year support measure in the strategic plan (for example, the eco-scheme).

In addition, the organization of the maintenance of heritage communities located outside protected areas needs to be solved in one way or another.

More attention must also be paid to preserving the biodiversity of permanent grasslands that were once cultivated but have not been renewed for a long time and have meanwhile become species-rich.

During the preparation of the strategic plan, a support measure for valuable permanent grasslands has been proposed to address both of the above-mentioned problems (heritage communities outside protected areas and other species-rich permanent grasslands). This is an important measure that we definitely need to include in the plan.

EKO supports all measures aimed at supporting animal grazing (support for grazed permanent grassland and support for animal welfare), but they do not replace the measure for the conservation of valuable permanent grassland.

# Preservation of mosaic agricultural land and diversification of intensive arable land

In addition to heritage communities, high nature value agriculture also includes mosaic farmland. The first steps in protecting mosaic agricultural land are to ensure their full eligibility (see Chapter 3 on eligibility) and to ensure the protection of landscape elements under conditionality (GAEC 9).

However, additional measures are needed both to protect existing high nature value mosaic agricultural land and to support increasing the landscape diversity of large fields on depleted landscapes (which is also needed to reduce goose damage to the crops). The need to preserve and restore high nature value agricultural land is also stated by the Agriculture and Fisheries Development Plan. In the previous rural development plans, the theme of mosaic agricultural land was somewhat weakly represented, but there was still support for traditional stone walls. However, in the current work of the CAP Strategic Plan, support for the stone walls has not been proposed, which is somewhat worrying.

During the preparation of the strategic plan, measures for support for the conservation of eco-areas and ecosystem services have been partly developed. They need to be fully developed, including supporting activities for the maintenance or restoration of stone walls and other traditional field boundaries and edge communities. We certainly support the principle of the ecological areas' eco-scheme, according to which measures to protect the biodiversity associated with the mosaic of agricultural land must exclude the use of pesticides in the assisted areas. However, there is no reason to ban grazing there, as is unfortunately still the case in the proposal. Grazing in these areas is rather beneficial for biodiversity and does not conflict with any legislation.

We certainly need measures that are adequately funded in the CAP strategic plan, both to preserve today's mosaic agricultural land and to fragment the monotonous agricultural land and restore its biodiversity. In addition to the public benefit, it would also have direct benefits for farmers through improved pollination, biological pest control and reduction of goose damage.

#### Protection of pollinators

Additional measures would be needed to protect natural pollinators. The proposed pollinator support measure is too narrowly targeted to protect honeybees, although its ban on the use of pesticides is certainly welcome and will also help natural pollinators. We believe that the measure should be implemented either nationwide or favored in those areas where pollinators lack a food base.

#### Protection of birds

The measures proposed for the protection of birds have unfortunately disappeared during the preparation of the strategic plan. Without targeted measures, the target level of the poultry index indicator provided in the Agriculture and Fisheries Development Plan is not possible. EKO considers it necessary to introduce at least the eco-scheme(s) for late mowing in accordance with the previously submitted proposals. The late mowing measure could have two levels (1) late mowing of all grassland from 1 August; (2) late mowing of a part of grassland (0.5-1 ha for 2-5 ha of grassland; at least 2 ha for grassland over 5 ha) from 1 August. The implementation of an eco-scheme for unsown spots should also be

seriously considered. EKO agrees with the paying agency's statement that it is currently not possible to check the presence of unsown patches by remote sensing, but reducing all controls to remote sensing is fundamentally at odds with the result-based CAP. In addition, the implementation of these measures can be easily monitored by means of a drone.

#### **Pesticides**

As the downturn in the growth trend of marketed pesticides has proved to be temporary, it should be noted that additional measures to control pesticide use are necessary to meet the objective agreed in the preparation of the Agriculture and Fisheries Development Plan not to increase the amount of plant protection products used on agricultural land. It is therefore unfortunate that all proposals for measures to control pesticide use have been rejected as 'uncontrollable'. We propose to develop appropriate measures for the strategic plan. From EKO's point of view, the simplest and in fact controllable measure is an eco-scheme for pesticide-free agricultural land.

#### Genetic resources (indigenous breeds and varieties)

This is an important part of agricultural biodiversity, which is why EKO welcomes the development of appropriate measures for the strategic plan. We welcome the fact that, in the new period, additional support for active breeding animals is planned. At the same time, we find it somewhat questionable to link some subsidies to performance testing, because the aim of this measure is primarily to preserve genetic diversity. Thus, the additional payments should, in particular, contribute to ensuring that the effective size of the population is large enough and that the gene pool is maintained.

# Natura 2000 grants

Natura 2000 support for forest land is undoubtedly important, but we consider it necessary to target it more precisely: <u>support levels should depend on the severity of the restrictions in the area</u>, and the replacement of support for semi-natural habitats with Natura 2000 forest support should be ruled out.

We are also asking why Natura 2000 support for agricultural land is not being implemented in the strategic plan. At least it is not possible to find the corresponding measure sheet on the website of the ministry. We agree that, as it stands, this support is not very precisely targeted, but it nevertheless represents a necessary leveling off for farmers operating under Natura 2000 conditions.

#### Investments

**Investment in agricultural infrastructure.** At present, it is not possible to find a requirement in the measure sheet that the condition of the waters must not deteriorate as a result of the supported activities. It is also a cause for concern that reconstruction or renewal of drainage systems is allowed if the proportion of peat soils does not exceed 50%, which is a fairly high threshold. We consider it necessary to make a clear statement not to worsen the

state of the environment, in particular to rule out negative effects on Natura 2000 sites, water bodies and soil carbon. In addition, we propose to list the restoration of the water regime to natural conditions or the restoration on peat soils as an eligible investment under this measure.

**Environmental facilities on drainage systems.** EKO certainly supports this measure and we consider it very important that it be adequately funded.

**Drainage investments in forestry.** It is welcome that the measure requires that Natura 2000 sites must not be adversely affected. At the same time, the possibility to use the measure in bog or transitional mire habitat types (up to 30%) is in direct conflict with water and climate policy objectives. EKO considers it necessary not to allow the use of the funds of this measure in the habitats of bogs or transitional mires or elsewhere in forests with peat soils.

The measure "Increasing the carbon sequestration capacity of forests and climate change mitigation" is by its nature a conventional forestry investment measure, and thus the name is misleading by linking it to climate objectives. EKO considers it necessary to rename this measure (for example, "investments in support of private forestry") and to remove from its objectives and indicators those related to climate and environmental policy, or to redesign it so as to make a real contribution to carbon sequestration.

## Coupled direct payments

EKO continues to be of opinion that direct payments linked to production must be used to serve environmental objectives. Once again, we are proposing to pay production-related subsidies for all organic production, both livestock and crop production.

With regard to the proposed coupled payments, we reiterate our concern about the volume "ceilings" currently found in publicly available intervention sheets: for suckler cows and ewes and goats, "ceilings" (25 and 100 animals respectively) are too low, while the proposed 400 dairy cows is probably too high. EKO considers that the "ceilings" discussed in the working group are much more appropriate.

# Distribution of payments between farmers of different sizes

The Estonian agricultural sector is one of the most concentrated in the European Union, due to which the distribution of support among beneficiaries is also one of the most unequal. In other words, we have relatively more large producers, who also have a large share of subsidies. As the latest survey on agriculture, fisheries and the food industry shows, agriculture continues to be concentrated in larger and larger units. The European Commission recommends that Estonia pay more attention to supporting small and medium-sized enterprises. This recommendation certainly also makes sense from an environmental point of view, as excessive concentration of production undoubtedly carries greater risks of air and water pollution and the closure of smaller producers jeopardizes the sustainability of high nature value agricultural land. We consider it necessary to ensure that direct payments, both decoupled and coupled, ensure the viability of small and medium-sized enterprises. In the case of direct payments, only eco-schemes can be

exempted from the above principle, as they are equally necessary for smaller and larger producers. EKO also supports the measure for the development of small farmers and considers it necessary to plan an adequate budget for it.