



## Original Article

# Cross Compliance, Instrument of the Common Agricultural Policy

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### Abstract

This material is a summary of the study on cross compliance rules for direct payments to farmers in accordance with Common Agricultural Policy (CAP). This paper presents relevant aspects of the system of cross compliance, scope and definitions, specific, targeted areas and cross compliance rules, timetable for implementation, monitoring and enforcement of cross compliance, regulatory framework and conclusions. Also, the paper presents support schemes for which the cross compliance rules, integrated administration and control system (IACS), the tools and media to farmers on cross compliance.

**Keywords:** cross compliance, areas of cross compliance, regulation, standards, minimum requirements, noncompliance, specialized control bodies, PAC, GAEC, SMR, IACS.

### 1. Introduction

Cross compliance is an instrument of the common agricultural policy which determine the allocation of payments in agriculture (direct payments, rural development, market measures) the compliance with certain standards of environmental protection, public health, animal and plant health, animal welfare and maintaining land in good agricultural and environmental conditions. Cross compliance rules aimed at farmers and farming the land that it manages and applies to the entire agricultural area of the holding, including payment eligible land and those that are not used in production [2]. Any farmer who requires direct area payments, agri-environment payments, LFA support, payments for first afforestation of agricultural land, support for wine and other support schemes and measures from EU funds and national

budget must comply with cross compliance in accordance with the regulations [2, 4, 5]. 82

Breaking the rules of cross compliance by farmers seeking payments under support schemes and measures mentioned above, lead to the reduction or exclusion from payments in relation to the severity, persistence, repetition and deliberate nature of their failure [6].

For the purposes of common rules for direct support schemes for farmers under the common agricultural policy, in terms of cross compliance, the following definitions will be applied [3]:

„cross compliance” means the statutory management requirements and good agricultural and environmental conditions in accordance with art. 5 and 6 of Regulation (EC) No 73/2009 of the Council;

„areas of cross compliance” means different areas of statutory management requirements under art. 5 (1) of Regulation (EC) No 73/2009 of the Council, and the good agricultural and

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environmental conditions in accordance with art. 6 of the Regulation;

„act” means directive and regulations listed in Annex II to Regulation (EC) No 73/2009 of the Council;

„standards” means the standards defined by Member States in accordance with art. 6 of Regulation (EC) No 73/2009 of the Council and Annex III thereto, and the obligations on permanent pastures established in art. 4 of Regulation (EC) No 1122/2009 of the Commission;

„requirement” means, for the purposes of cross compliance, any legal requirement on individual management arising from any of the items listed in Annex II to Regulation (EC) No 73/2009 of the Council of a certain act, differing in substance from any other requirements of that act;

„noncompliance” means any non respecting of the requirements and standards;

„specialized control bodies” means the national authorities competent for carrying out checks referred to in art. 48 of this Regulation responsible, in accordance with art. 22 (2) first subparagraph of Regulation (EC) No 73/2009, to ensure compliance with the statutory management requirements and good agricultural and environmental conditions.

## 2. Material and Method

Identification of objectives, standards and specific requirements for each subject area of cross compliance was achieved by analyzing European regulations on direct support schemes for farmers under the common agricultural policy [2, 3].

Cross compliance rules compliance was assessed by analyzing how they have been defined standards and mandatory requirements for each area and their implementation procedures in relation to legislation, soil and climatic conditions, farm structures, the agriculture, land usage, agricultural practices, relevance and applicable [2 - 6].

Also, for the proper information and documentation on cross compliance rules for direct payments to farmers and other materials were used and methods of study, as follows:

- Query database integrated administration and control system (IACS), managed by APIA, in the application of direct payments (payment requests, payment entitlements, farmers identify, control eligibility - check claims, control surfaces, noncompliance, penalties etc.).

- Analysis of documents reporting to the EU Commission on the application of cross compliance rules for direct payments to farmers, according to reporting requirements (single area payment requests – SAPS, cross compliance control - control

sample, the control report, the noncompliance and penalties - reduction/exclusion payment etc.).

- Analyze the results of all audits carried out by the structures of the European Commission on the application area aid schemes (direct payments, LFA, agri-environment payments) and the application of cross compliance standards.

## 3. Results and Discussions

### Areas of cross compliance - specific objectives

- Protection of soil quality:
  - soil erosion - soil protection through appropriate agro-technical measures;
  - maintain soil organic matter levels through appropriate measures;
  - maintaining soil structure through appropriate agricultural practices.
- Maintaining the land in good agricultural and environmental conditions:
  - ensure a minimum level of maintenance of agricultural land;
  - avoid deterioration of habitats;
  - preserving landscape features.
- Protection and water management:
  - protection of waters against pollution;
  - water management (irrigation water use authorization).
- Maintain permanent grasslands.
- Environment:
  - conservation of wild birds, protecting natural habitats, wild fauna and flora;
  - protection of groundwater against pollution caused by hazardous substances;
  - environmental protection and in particular of the soil, when sewage sludge is used in agriculture;
  - protection of waters against pollution caused by nitrates from agricultural sources;
- Public health, animal and plant health:
  - the marketing and use of plant protection products;
  - identification and registration of animals - traceability;
  - use of substances having hormonal or thyrostatic, beta-agonists;
  - food safety (hygiene and food quality);
  - prevention, control and eradication of transmissible spongiform encephalopathies forms;
  - notification of animal diseases (foot and mouth disease, swine vesicular disease, bluetongue).
- Animal welfare - farm animal protection.

### Rules of cross compliance

Allocation of direct payments to farmers under support schemes is subject to compliance with a set of standards and requirements, called "cross compliance rules" as follows [2]:

- Good agricultural and environmental condition (GAEC), including the obligation to maintain permanent grassland area (table 1) [4].
- Statutory Management Requirements (SMR)

on the environment, public health, animal and plant health and animal welfare (table 2) [5].

Application of cross compliance under the support schemes for farmers are gradual, based on an implementation schedule set by EU legislation (tables 3, 4) [2].

Table 1. Good agricultural and environmental condition (GAEC)

| Object  | Standards   |
|---|---|
| I. Standards to prevent soil erosion  | GAEC 1. In winter, arable land must be covered with winter crops and / or remain uncultivated after harvest at least 20% of the total arable farm.<br>GAEC 2. Soil tillage on arable land with a slope greater than 12% crop weeding is carried out along the level curves.<br>GAEC 3. Existing terraces are maintained on agricultural land on January 1, 2007.  |
| II. Standards for maintaining optimum organic matter content soil                 | GAEC 4. Sunflowers are grown on the same site no more than 2 consecutive years.<br>GAEC 5. Stubble burning is not allowed and crop residues on arable land.   |
| III. Standards for maintaining soil structure                                     | GAEC 6. It is not allowed to show such work under excessive soil moisture.  |
| IV. Standards for maintaining a minimum level of maintenance of agricultural land | GAEC 7. Maintenance of permanent grassland by ensuring a minimum level of grazing of 0.3 LU/ha* and/or their mowing at least once a year, recorded in the register of permanent grasslands activities completed to date.<br>GAEC 8. It is not allowed burning of the permanent grassland vegetation.<br>GAEC 9. It is not allowed cutting of the solitary and/or groups of trees on agricultural land.<br>GAEC 10. Avoid installing unwanted vegetation on agricultural land, including land not used for production. |
| V. Standards for protection and water management                                  | GAEC 11. Legal compliance of irrigation water use in agriculture.<br>GAEC 12. Fertilizer application is not permitted by any land surfaces that constitute protective strips near surface waters, whose minimum width is 1 m on land located in physical block average slope of 12% and 3 m on land located in physical blocks with an average slope greater than 12%.  |
| VI. Maintaining permanent grassland area [1, art. 6 (2)]                          | <ul style="list-style-type: none"> <li>• Maintain permanent grassland area at national level existing on January 1, 2007. The obligation to maintain permanent grassland area at national level is met by keeping the ratio of land under permanent grassland area and total agricultural area declared by farmers in 2007, called the report reference.</li> <li>•</li> </ul>  |

\* LU/ha - Livestock units per hectare. Source: [2, 7]

Table 2. Statutory management requirements (SMR)

| Specify field                                     | Specification SMR*  |
|---|---|
| I. Environment                                    | SMR 1. Conservation of wild birds.<br>SMR 2. Protection of groundwater against pollution caused by dangerous substances.<br>SMR 3. Environment, in particular the soil, when sewage sludge is used in agriculture.<br>SMR 4. Protection of waters against pollution caused by nitrates from agricultural sources.<br>SMR 5. Conservation of natural habitats and of wild fauna and flora.   |
| II. Public health, animal health and plant health | SMR 6. Identification and registration of pigs.<br>SMR 7. Identification and registration of cattle animals.<br>SMR 8. Identification and registration of sheep and goats animals.  |
|   | SMR 9. Placing of plant protection products.<br>SMR 10. Prohibiting the use of certain substances having a hormonal or thyrostatic action and of beta-agonists.<br>SMR 11. Establish principles and requirements of food law, establishing EFSA** and establishing procedures in matters of food safety.<br>SMR 12. Prevention, control and eradication of certain transmissible spongiform encephalopathies.<br>SMR 13. Establish community measures against FMD***.<br>SMR 14. Community measures for the control of certain animal diseases and specific measures against swine vesicular disease.<br>SMR 15. Establish specific provisions for the control and eradication of bluetongue. |
| III: Animal welfare                               | SMR 16. Establishing minimum standards for the protection of calves.<br>SMR 17. Establishing minimum standards for the protection of pigs.<br>SMR 18. Establishing minimum standards for the protection of farm animals.  |

\* For each SMR are set mandatory requirements for farmers in accordance with applicable law (directives / regulations and national legislation transposing EU) [2, 5].\*\* EFSA - European Food Safety Authority.\*\*\* FMD - Foot-and-mouth disease

Table 3. Timetable for implementing of cross compliance rules in Romania

| Date of implementation | Cross compliance rules (standards / requirements)  |
|------------------------|--|
| January 1, 2007        | – good agricultural and environmental condition (GAEC) and maintaining permanent grassland area.   |
| January 1, 2012        | – good agricultural and environmental condition (GAEC and maintaining permanent grassland area;<br>– the statutory management requirements (SMR):<br>~ part A (medium and identification/registration of animals).   |
| January 1, 2014        | – good agricultural and environmental condition (GAEC) and maintaining permanent grassland area;<br>– the statutory management requirements (SMR):<br>~ part A (medium and identification/registration of animals);<br>~ part B (public health, animal and plant). |
| January 1, 2016        | – good agricultural and environmental condition (GAEC) and maintaining permanent grassland area;<br>– the statutory management requirements (SMR):<br>~ part A (medium and identification/registration of animals);<br>~ part B (public health, animal and plant); |

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~ part C (animal welfare).

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Source: [2]

Table 4. Direct support schemes that apply to cross compliance

| Main source of funding | Form of support  | Standards / requirements  |
|------------------------|--|---|
| Pillar I (EAGF)*       | <ul style="list-style-type: none"> <li>• Single area payment scheme (SAPS).</li> <li>• Complementary national direct payments (PNDC): <ul style="list-style-type: none"> <li>– PNDC 1 "arable land crops"</li> <li>– PNDC 2 "in fiber"</li> <li>– PNDC 3 "hemp for fiber"</li> <li>– PNDC 4 "tobacco"</li> <li>– PNDC 5 "hops"</li> <li>– PNDC 6 "beet sugar "</li> </ul> </li> <li>• Separate sugar payment scheme.</li> <li>• Support scheme for rice in disadvantaged areas, other than mountain.</li> <li>• Specific support aid granted to producers of milk and beef in disadvantaged areas.</li> <li>• Specific support for improving product quality in organic farming sector.</li> </ul> | <ul style="list-style-type: none"> <li>- good agricultural and environmental conditions;</li> <li>- the statutory management requirements.</li> </ul> |

\* EAGF - European Agricultural Guarantee Fund

**Farm Advisory System (FAS) - informing farmers**

Currently informing farmers about cross compliance rules are made by the Agency for Payments and Intervention in Agriculture (PIAA), Directions for Agriculture County and Agricultural Chambers Country.

PIAA provides farmers, among others, through the media, the list of good agricultural and environmental condition (GAEC) and Statutory management requirements (SMR) to be met. For this purpose are used for information and promotional materials (guides, flyers, brochures, posters), audio-video, website etc.

Information activities, training and advice to farmers on obligations under cross compliance will be achieved through the Chambers of Agriculture, Forestry and Rural Development undergoing formation once they become operational. To this end may be involved and other specialized structures under the Ministry of Agriculture and Rural Development on the following requirements:

- FAS is primarily addressed to eligible farmers and the minimum cross compliance under the support schemes for farmers;
- FAS should contribute to greater awareness of farmers on environmental standards, public health, food safety, plant health and animal welfare.

**Integrated Administration and Control System (IACS)**

The integrated system shall apply to administration support schemes for farmers and

eligibility control, cross compliance and modulation payments.

Elements integrated administration and control system [2]:

- electronic database;
- identification system for agricultural parcels;
- system identification and registration of payment entitlements;
- aid application;
- integrated control system;
- the identity of each farmer applying for aid.

**Control on cross compliance**

Control system for cross compliance must guarantee an effective control on cross compliance. This system ensures particularly following [3]:

- submitting to specialized control bodies necessary information on farmers applying for direct payments from the paying agency or through coordinating authority;
- methods to be applied for the selection of control samples;
- indication of the type and extent of the checks to be carried out;
- control reports indicating, in particular, any lack of conformity and an assessment of its severity, extent, permanence and repetition;
- transfer of control reports from the specialized control bodies or the paying agency or coordinating authority;
- application of the reductions and exclusions by the paying agency.

Monitoring compliance by farmers cross compliance rules (administrative control and field control) is performed by the Agency for Payments and Intervention in Agriculture (PIAA), the National Sanitary Veterinary and Food Safety Authority (ANSVSA) and Environmental Guard (GNM) - specialized control bodies. Control activity is coordinated and managed by PIAA Integrated Administration and Control System (IACS).

Sample (farmers list) to control cross compliance is at least 1% of all applications submitted by farmers under support schemes and each sampled control eligibility. Control sample selection is done by risk analysis and random, according to the procedures manual prepared by PIAA.

Control efficiency and reducing administrative costs is recommended to increase the control sample for cross over 3% and consideration of control indicators of existing monitoring systems in the areas of cross compliance (environmental, animal and plant health, animal welfare etc.).

### Sanctions

Failure by farmers to cross compliance rules lead to reduction or exclusion from payments in relation to the severity, persistence, repetition and deliberate nature of the breach of duty for one or more schemes / measures and support for one or more years, except in cases of force majeure or exceptional circumstances, as required by law.

Finding nonconformities, determining and applying sanctions is based on procedures developed by PIAA under law. Audits in the field, recommends increasing penalties (reduction/elimination of payment) than the minimum laid down in Regulation (EC) No 73/2009 of the Council (1%), which, at present, the Romanian authorities applied excessively [1-10].

### Report

How defined standards and requirements for cross compliance and control results on the application and respect of the support schemes for farmers are reporting and notifying the Commission, in accordance with regulations.

### Working tools

In order to implement cross compliance rules in the support schemes for farmers, are developed and used the following working tools:

- Operating procedures (implementation, monitoring, penalties and notification).
- Information materials/promotion (guides, flyers, brochures, posters and so on).

- Protocols for collaboration between authorities and institutions responsible for regulation and control in the areas covered by cross compliance (environmental, animal identification and registration, public health, animal and plant health, animal welfare).

- Document control and verification (inspection report, checklist, inspection sheet).

- Reporting and notification documents.

### 4. Conclusions

Mechanisms that ensure the promotion of sustainable agriculture in the European Union rests on two pillars of the CAP (Pillar 1 - market policy and Pillar 2 - policy structures (pillar base budget increasingly higher).

By 2005, payments under the CAP were related to agricultural production mechanism led to distorted markets and the environment. CAP reform has considered solving these problems, mainly by eliminating the link between payments and production "decoupling" and the introduction of cross compliance.

Cross compliance is a key element of the CAP that provides link between payments allocated to agriculture and environmental compliance, public health, animal and plant health, animal welfare and the maintenance of agricultural land (especially when they not used for production) in good agricultural and environmental conditions.

Application of the cross compliance can lead to the achievement of at least two important goals on the future CAP:

- sustainable agricultural development - apply standards in major areas: environment (soil, water, biodiversity), public health, animal and plant health, food safety, animal welfare;

- CAP credibility in the expectations of society in general - directs payments to farmers who, through their work, provide public goods (social, cultural and environmental).

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- [5] Order MARD No 187/2011 approving the statutory management requirements (SMR) environmental and animal identification and registration schemes and measures for farmers in Romania.
- [6] Order MARD No 161/2012 on approval of sanctions to support measures LFA and agri-environment support measure for RDP 2007-2013, and for any failure to cross compliance in the direct area payments in Pillar I.
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