

ERDP Annual Report 2004



England Rural Development
Programme
Annual Report 2004

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Introduction

1. This is the fifth Annual Report to the European Commission on the England Rural Development Programme (ERDP). It covers the period 1 January to 31 December 2004 and is submitted in accordance with Article 48(2) of Council Regulation 1257/1999 and Article 61 of Commission Regulation 817/2004.
2. The report covers progress in implementing the Programme approved by European Commission Decision C(2000) 3003 on 11 October 2000, as modified in November 2001 and approved by Commission Decision C(2001) 4760; in January 2003 by Commission Decision C(2003) 91; in October 2003 by Commission Decision C(2004) 254 of 29 January 2004; and in April 2004 by Commission decision C(2005) 1342 of 25 April 2005.
3. 2004 has proven to be a pivotal year for the ERDP. Of the 10 schemes originally brought together under the collective banner of the ERDP, five of them were effectively closed to new applicants during the year in preparation for the introduction of two new schemes to replace them. The Countryside Stewardship, Environmentally Sensitive Areas and Organic Farming schemes were replaced by a single scheme called Environmental Stewardship in early 2005. The Woodland Grant Scheme and the Farm Woodland Premium Scheme will be replaced by the new English Woodland Grant Scheme to be managed by the Forestry Commission in Summer 2005.
4. 2004 has also seen farmers and farm businesses continue to respond to the 2003 reforms of the Common Agricultural Policy and undertake preparatory work in advance of the introduction of the new industry support mechanism in 2005 – the Single Payment Scheme. Consequently, interest in the ERDP's three rural economy schemes remains strong, particularly as they offer farmers opportunities to diversify their business, reconnect with their markets and acquire the skills they need to manage their business viably and competitively.
5. The ability to apply voluntary modulation in England has again proved crucial, allowing the agri-environment schemes to continue their planned expansion. During 2004, over £100 million was directed to more than 30,000 beneficiaries now managing over 1 million hectares of land under these schemes and securing a broad range of environmental objectives in exchange for support. Without this diversion of resources (or modulation) from the first pillar of the CAP, the positive impact these schemes are having on the rural environment would have been drastically reduced.
6. The policy context within which the ERDP operates has also continued to evolve during 2004. Defra's new 5-year strategy and the Rural Strategy 2004 were published during the year and both have a strong focus on supporting a sustainable farming and food industry, protecting natural resources, and developing sustainable rural communities. The Rural Strategy in particular will revolutionise rural delivery arrangements in England, reducing the number of available rural funding streams from over 100 separate schemes to three main funding programmes. It will also create a new land management agency before 2007, to be called Natural England, which will join together parts of the Countryside Agency, English Nature and the Rural Development Service and will improve the way in which the ERDP agri-environment schemes are delivered.

7. Alongside the Rural Strategy, Defra has begun to prepare for the successor to the ERDP which will operate from 2007-2013. A full public consultation on the proposed new European draft Rural Development Regulation was held over the Summer of 2004 after the first draft of the regulation was published in July 2004. The experience of operating rural development measures since 2000 and before will be used to inform decisions to be taken about the future structure and delivery arrangements for the ERDP from 2007 onwards.
8. **Table 1** below sets out the measures in Regulation 1257/1999 which are implemented through the ERDP. The Programme includes schemes introduced under earlier Regulations (e.g. 2078/1992, 2080/1992) and four schemes specifically developed for the ERDP – the Rural Enterprise Scheme, the Vocational Training Scheme, the Processing and Marketing Grant and the Energy Crops Scheme. In 2001, the Hill Farm Allowance was also introduced to replace the previous scheme for Less Favoured Area (LFA) support, the Hill Livestock Compensatory Allowance. (Please note that Table 1 also includes the ERDP scheme acronyms used throughout this report)
9. The structure of this report is guided by Article 61 of regulation 817/2004 and consists of four main sections:

Section A of this report provides a summary of changes to conditions, trends and policies, and in particular how these changes have affected agriculture, the rural environment and the rural economy and communities. It also includes details of key Defra policies operating in rural areas which have an effect, either directly or indirectly, on the delivery of the Programme.

Section B provides information on ERDP scheme uptake and the progress made towards achieving the output targets established at the start of the Programme in 2000. It draws upon the detailed output and indicator statistics provided in **Annex 2, 3A and 3B** of this report in order to quantify the impact the Programme has had to date. This section also includes a summary of the changes to the Programme which have been approved as part of the 2004 ERDP Modification.

Table 1

Measures (with reference to the Regulation 1257/99)	Schemes in England
Investment in agricultural holdings (Articles 4 -7)	Rural Enterprise Scheme (RES) Energy Crops Scheme (Miscanthus) (ECS)
Training (Article 9)	Vocational Training Scheme (VTS)
Less Favoured Areas (Articles 13-21)	Hill Livestock Compensatory Allowance (2000) Hill Farm Allowance (2001–2006) (HFA)
Agri-environment (Articles 22-24)	Environmental Stewardship Scheme (ESS) (from March 2005) Countryside Stewardship Scheme (CSS) Environmentally Sensitive Areas (ESA) Organic Farming Scheme (OFS)

Measures

(with reference to the Regulation 1257/99)

Schemes in England

Processing and marketing of agricultural products (Articles 25–28)

Processing and Marketing Grant **(PMG)**

Forestry

- Afforestation of agricultural land (Article 31)

English Woodland Grant Scheme **(EWGS)**
(from July 2005)

Farm Woodland Premium Scheme **(FWPS)**
Woodland Grant Scheme **(WGS)**

Energy Crops Scheme (Short Rotation Coppice (SRC))

- Other forestry measures (Article 30)

English Woodland Grant Scheme **(EWGS)**
(from July 2005)

Woodland Grant Scheme

Energy Crops Scheme (SRC and producer groups)

Article 33

- Setting-up of farm relief and farm management services
- Marketing of quality agricultural products
- Basic services for the rural economy and population
- Renovation and development of villages
- Diversification of agricultural activities etc
- Agricultural water resources management
- Development and improvement of infrastructure etc
- Encouragement for tourist and craft activities
- Protection of the environment in connection with agriculture

Rural Enterprise Scheme

Section C summarises the action taken during the year to ensure high quality and effective implementation. In particular, this includes any scheme or programme changes which were introduced to improve scheme uptake or simplify procedures. Additionally, some changes to improve the implementation of the ERDP have been introduced in response to feedback from agreement holders and stakeholder organisations or to help overcome operational difficulties.

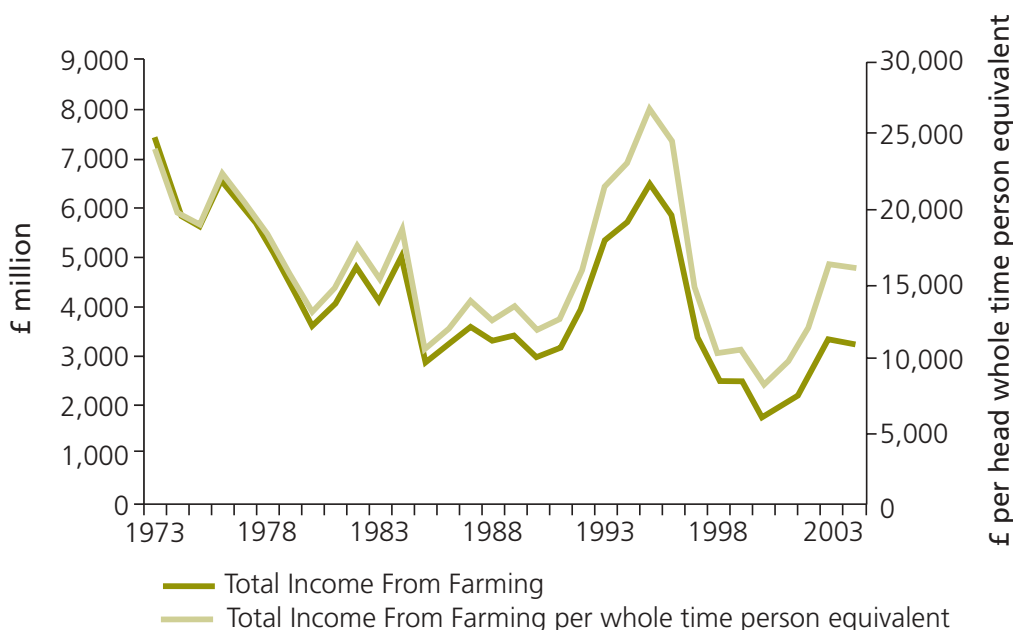
Section D outlines some of the measures taken to ensure compatibility with other Community policies. For example the European Structural Funds programme and Leader +.

10. Accompanying the four main sections of the report described above are a series of Annexes. **Annex 1** provides a regional (as opposed to scheme by scheme) focus on ERDP delivery by the Rural Development Service (RDS) and examines the main developments affecting the performance of the Programme in the eight English Government Office regions. It also highlights how the ERDP and the RDS is being linked up with other regional initiatives and partner organisations in order to better deliver outcomes on the ground. **Annexes 2, 3A and 3B** contain the detailed monitoring indicator and output tables which are described and analysed in **Section B** of the main report.

Agriculture

11. A provisional estimate for Total Income from Farming (TIFF) in the United Kingdom in 2004 was published on 27 January 2005. Total Income from Farming in the UK is estimated to have fallen in 2004 by 5.4 per cent in current prices, or by 8.1 per cent in real terms, to £3.01 billion. Total Income from Farming per full time person equivalent is estimated to have fallen by 4.7 per cent in current prices, or by 7.5 per cent in real terms to £14,800. This is the first time in four years that Total Income from Farming has not demonstrated a rise in farm incomes. In real terms Total Income from Farming is now at a level more in line with levels of the late eighties and early nineties; it is 67 per cent (in real terms) above the low point in 2000 and 54 per cent below the peak in 1995.
12. In 2004 the effect of stronger prices in the cereal and livestock sector in the first half of the year were more than offset by weaker prices and a lower quality harvest in the second half of the year resulting in a fall in real terms Total Income from Farming.

Chart 1: Agricultural Industry Income Trends in the UK (real terms at 2004 prices)



13. The UK level of Total Income from Farming per person was around 40 per cent higher than the EU15 average in the early 1990s, due mainly to the larger average UK farm size. The rise in the mid-90s clearly visible in the above chart took the UK to the top of the EU income league before the fall to the low point in 2000 which took the UK below the EU15 average.

Diversification

14. Results from the England Farm Business Survey 2003/04 provided an insight into the number of farms (of a size to occupy the farmer for at least half-time) undertaking non-agricultural activity of an entrepreneurial nature which uses farm resources. The survey found that:
- 48 per cent of farms have diversified activity;
 - although letting out buildings for non-agricultural use is the dominant enterprise, 19 per cent of farms have other kinds of diversified activity;
 - on 24 per cent of farms, the farmer or spouse have off-farm employment or self-employment; on these farms the average contribution from off-farm employment is nearly as high as that from farming;
 - however, on 23 per cent of farms, farming is the sole source of income for the farmer and spouse;
 - most diversified enterprises are small and their combined output is only five per cent of the output from farming;
 - the proportion of farms with diversified enterprises increases with size of farm but it is only the very large farms (\geq five Standard Labour Requirements) which have a notably higher proportion (65 per cent compared with national average of 48 per cent);
 - there are wide regional variations in the incidence of diversification: 68 per cent of farms in the South East have diversified enterprises compared with 37 per cent in the North of England.

Socio-economic change

15. Defra has been building its rural evidence base through a revitalised rural research programme, which included the establishment of a new Rural Evidence Research Centre. The evidence available so far reveals that rural areas are dynamic and that rural society is rapidly changing in ways that are reshaping communities and blurring urban/rural distinctions. Some of the key trends identified include:
- *population growth*: net migration of 60,000 people per year into wholly or predominantly rural districts between 1991 and 2002;
 - *an ageing population*: the number of people aged 65 or over in wholly or predominantly rural districts increased by 161,000 (12 per cent) between 1991 and 2002, whilst the number aged 16-29 decreased by 237,000 (18 per cent);
 - *relative prosperity especially in more accessible areas*: higher income per head than the national average – but with a disadvantaged minority amidst prevailing affluence;
 - *economic weakness, with associated social deprivation in a minority of lagging rural areas*: characteristically in areas adjusting to a decline in mining, agriculture and fishing, and tending to be in more peripheral areas;

- *convergence between the urban and rural economies*: though agriculture is still at the core of the rural economy and society, employment in agriculture has decreased by 30 per cent (151,000) in the last 20 years. Employees are now more likely to be in manufacturing (25 per cent, tourism (nine per cent), or retailing (seven per cent), than in agriculture (six per cent);
 - *pressures on the countryside – especially through demand for housing and transport*: rural areas remain a rich resource valued by residents and visitors for fine landscapes, biodiversity and open space, contributing to enjoyment, general well-being as well as to education and health;
 - *increased mobility through the car*: bringing benefits for many but reducing the customer base for public transport and thus creating difficulties for those without access to a car. Half a million (14 per cent) rural households do not have a car and many people in households which do have a car do not have access to it when they need to travel.
16. This report is one of many sources of evidence which Defra uses to help design policies which build on success while tackling the pockets of poor economic performance and accompanying social conditions which remain in some rural areas.

Rural Environment

Biodiversity

17. The England Biodiversity Group's annual stock take 2003-4 describes progress during the second year of implementation of England's biodiversity strategy, 'Working with the grain of nature' and reported that encouraging progress had been made during the year. The biodiversity strategy represents the bringing together of England's key contributions to achieving the EU Gothenburg target to halt the loss of biodiversity by 2010. Indicators for the populations of wild birds (H1) and the condition of Sites of Special Scientific Interest (H2) show some encouraging signs that Defra's policy integration work is resulting in improvements on the ground; after 20 years of progressive decline, wild bird populations appear to be stabilising.

Sites of Special Scientific Interest

18. Defra has a Public Service Agreement (PSA) target to bring into favourable condition by 2010, 95 per cent of all nationally important wildlife sites. This relates to areas of land which by reason of their flora, fauna or physical features have been notified as a Site of Special Scientific Interest (SSSI) under section 28 of the Wildlife and Countryside Act 1981. There are 4,112 SSSIs in England covering a total area in excess of one million hectares. The Countryside Stewardship and Environmentally Sensitive Areas schemes have an important role to play in helping to achieve this PSA target.
19. The latest figures from English Nature, who monitor Defra's performance against this target, indicate that as at 1 April 2005, 67 per cent of land in SSSIs has been assessed as meeting the PSA target in that the land is in either a 'favourable' or 'recovering' condition. This represents an increase over six per cent compared to the equivalent figures for last year.

Diffuse Water Pollution

20. The joint Defra – HM Treasury consultation ‘Developing Measures to Promote Catchment-Sensitive Farming’ sought views on the broad possible approaches and measures (including regulatory, voluntary and economic measures) to reduce diffuse water pollution from agriculture. The consultation, which closed on 9 September 2004, stressed the need for action to further improve water quality and to help meet the requirements of domestic and international targets including the Water Framework Directive. It also suggested that a package of different measures were likely to be needed. Respondents to the consultation expressed a variety of views across the range of possible measures. In brief: there was broad support for the concept of a package of measures; many respondents suggested a potential role for regulation as a means for targeting catchments that are particularly environmentally sensitive or where there is a particular problem from diffuse water pollution from agriculture; views were divided on the use of economic instruments; and voluntary and awareness-raising measures were generally strongly supported. The Government, having carefully considered all consultation responses, has decided to continue to work with stakeholders to promote voluntary action on the ground, to increase awareness and to evaluate the effectiveness of this approach, whilst continuing to refine the evidence base, for example to take into account the potential impacts of CAP reform. The Government will also continue to actively work with stakeholders in 2005 to develop an effective package of measures for tackling diffuse water pollution and will consult further on this in due course.

Changes to Defra policies

Defra’s 5-year strategy

21. In December 2004, Defra underlined its commitment to a sustainable future for farming when it published its 5-year strategy, ‘Delivering the Essentials of Life’. The strategy also established a stronger focus on environmental leadership and caring for rural England. Building on the Strategy for Sustainable Farming and Food, Defra’s 5-year strategy would have a positive impact on agriculture through a number of initiatives:

- introducing a new agri-environment scheme, Environmental Stewardship, which will be open to all farmers, encourage best practice across the country, and address some widespread problems such as the decline of farmland birds and diffuse water pollution (see Section C of this report);
- introducing radically simplified industry support through the Single Payment Scheme;
- ensuring farmers are free to respond to the market;
- creating a single gateway to Government for payments, information and compliance with regulations through the Whole Farm Approach;
- promoting access to regionally-based, clearly signposted advice and business support;
- managing the transition towards lifting the Over Thirty Months rule and its replacement with a system of robust testing of cattle for BSE;
- developing a new bovine tuberculosis strategy.

22. In exchange, farmers would be expected to deliver key public goods in terms of land management and biodiversity, things which many farmers have long regarded as core to their role.

Rural Strategy 2004

23. In July 2004, Defra published its Rural Strategy which set out a new devolved and targeted approach to rural policy and delivery and represented the Government's proposals in response to Lord Haskins' review of rural delivery commissioned after the Foot and Mouth Disease crisis. The Strategy set out how Defra plans to reform delivery to give a better deal for customers, the environment and the tax payer, identifying three key priorities for rural policy:
 1. **Economic and social regeneration** – supporting enterprise across rural England, but targeting greater resources at areas of greatest need.
 2. **Social justice for all** – tackling rural social exclusion wherever it occurs and providing fair access to services and opportunities for all rural people.
 3. **Enhancing the value of our countryside** – protecting the natural environment for current and future generations.
24. Alongside these three priorities, Defra announced radical reforms to the delivery of Government's rural policies which are aimed at providing services in a more streamlined, customer-focused way by a smaller number of organisations with devolved responsibility and clearer roles. A new, integrated land management agency to be called Natural England will bring together English Nature, parts of the Countryside Agency and most of the Rural Development Service into one organisation with the aim of conserving and enhancing England's landscape and wildlife, whilst encouraging people to enjoy and gain benefit from it. It will be formally established by January 2007, subject to Parliamentary agreement.
25. A key component of the Rural Strategy 2004 was a full review of rural funding streams in order to provide a clearer and simpler framework for applicants. The review found that the current rural funding framework is complex and confusing for Defra's customer – whether they be farmers, other rural businesses or voluntary organisations. Consequently, customers find it difficult to access funds, the application processes are perceived hard too, frustrating and time consuming, and sources of help and advice are unclear.
26. The new funding arrangements will have the following features:
 - Instead of the 100-plus existing rural funding schemes, a new simplified funding framework is currently being developed around three major funds linked to Defra strategic objectives: natural resource protection; sustainable food and farming; and sustainable rural communities;
 - Administrative procedures will be streamlined and simplified, with unnecessary rules and procedures swept away;
 - Better and more accessible advisory services for rural businessmen and women, providing advice that is more relevant to them and to the area in which they work and live. This will be achieved through an integrated Defra-family wide information service via a helpline and website, as well as an improved service for rural business via the Business Link network;

- Encouragement for the spread of good partnership working methods that already exist, to provide a quality 'first port of call' for rural businesses.

Fresh Start

27. In December 2004, Defra launched 'Fresh Start' a new initiative aimed at attracting new people into farming and to help others create opportunities for the next generation. 'Fresh Start' is an industry-led initiative in England supported by Defra aimed at securing a sustainable future for farming through bringing fresh, dynamic and innovative people into the industry, whilst prompting others to think about options for the future development of their businesses. It has five key elements:
1. signposting sources of help and support to new entrants;
 2. the development of a mentoring scheme;
 3. promotion of farming as an attractive, professional career option;
 4. development of a 'matching service' that will link potential new entrants to those wishing to leave the industry;
 5. encouraging farmers to consider how they might respond to CAP reform through, for example, expansion of their business, diversification into other activities, exploiting new market opportunities, or even retiring from the industry.
28. Whilst 'Fresh Start' is a nationwide initiative in England, there is a parallel initiative with the same name delivered in Cornwall by the Cornwall Agriculture Council. This will include key elements of the larger national initiative and it is hoped that lessons can be learnt from its implementation.

Rural Pathfinders

29. In October 2004, Defra announced the launch of seven rural pathfinder partnerships as part of its Rural Strategy. The pathfinders will test practical ways of improving local delivery by bringing together local authorities, regional development agencies, the voluntary sector, community councils and others, to develop better mechanisms for delivering what is needed where it is needed most. These pathfinders reflect Defra's commitment to enable those best placed to identify local priorities – local people themselves – to play an increased role in determining how those priorities are met. Each pathfinder, working closely with its Government Office, will develop a shared action plan to tackle local priorities and identify practical solutions to gaps, blockages or failures in service delivery to rural customers.

Section B: Progress on measures and priorities

30. This section reports on:

- progress against the output targets set out in Section 7 and Annex VII of the ERDP and progress against the European Commission's common monitoring indicators;
- scheme by scheme uptake of the measures implemented in the England Rural Development Programme;
- modifications that were made to the Programme in 2004.

Progress against ERDP targets and Common Monitoring Indicators

31. The updated tables illustrating ERDP scheme progress against the indicators and targets set out in Section 7 and Annex VII of the ERDP national programming document can be found in **Annex 2**. The tables containing data collected against the European Commission's common monitoring indicators are enclosed at **Annex 3A** and **3B**. The paragraphs below draw upon some of the key figures contained in these detailed tables to help provide a quantitative analysis of the ERDP's impact both since its launch in October 2000 but also in calendar year 2004.

ERDP scheme uptake and approvals in 2004

Rural Economy Schemes

32. The majority of applications under the three rural economy schemes (Processing and Marketing Grant (PMG), Rural Enterprise Scheme (RES) and Vocational Training Scheme (VTS)) are considered by Regional Appraisal Panels who assess the quality of applications by following a detailed technical assessment. Projects that are either national or cross-regional in scope are considered by an Inter-regional forum. Small-scale applications to the Vocational Training Scheme and the Rural Enterprise Scheme are considered under fast-track appraisal mechanisms to ensure the administration costs for managing such applications remain proportionate to the value of the projects.
33. **Table 2** below provides information about the total number of applications received and subsequently approved by regional appraisal panels for these three schemes since the start of the ERDP in October 2000 as well as during calendar year 2004 alone. The figures demonstrate that continued positive progress is being made in delivering the rural economy schemes. In particular, the percentage of applications receiving approval remained very high, providing further evidence that the continuing efforts being made to help guide potential applicants through the application procedure and to improve the quality of applications actually submitted are paying off. As well as helping to deliver a more robust set of social, economic and environmental outcomes, this pre-application work pays dividends in terms of grant administration cost efficiencies.

Table 2: Applications and decisions by Regional Appraisal Panels to the end of December 2004

	RES		PMG		VTS	
	Activity since October 2000	Activity during 2004 only	Activity since October 2000	Activity during 2004 only	Activity since October 2000	Activity during 2004 only
Number of eligible applications received	3513	960	314	66	685	206
Applications approved:						
Number	1663	596	176	53	398	156
Total grant (£)	85,936,065	29,705,108	33,851,354	6,702,539	13,365,202	2,769,408
Average grant (£)	51,675	49,841	192,337	126,463	33,581	17,752
Applications rejected:						
Number	971	296	56	12	84	29
Total grant (£)	94,466,033	25,813,651	17,486,686	2,977,928	6,434,683	2,882,471
Average grant (£)	97,287	87,208	312,262	248,161	76,603	99,396
Approvals as % of RAP decisions	63	67	76	80	83	84

Processing and Marketing Grant (PMG)

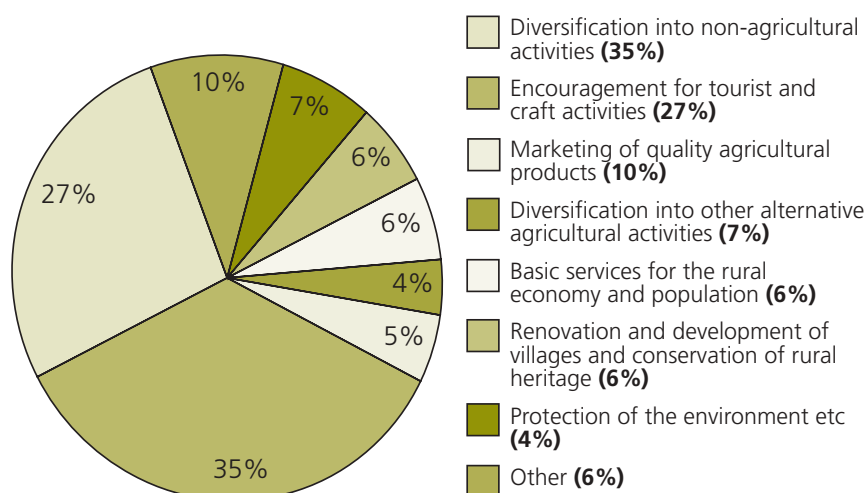
34. Of 66 eligible applications received in 2004, 53 were approved, representing a total grant commitment of £6.7 million. Of the £44 million total budget for this scheme over the seven-year period of the ERDP, £33.9 million had been committed to approved projects by the end of December 2004.
35. As the tables in **Annex 3A** indicate, the meat and fruit and vegetable sectors continue to be the source for the majority of PMG applications (almost 50 per cent of all applications approved in 2004 related to one of these). The two principle objectives for PMG projects approved during the year were to 'encourage the development of new outlets for agricultural products', and to 'improve or rationalise processing procedures.'
36. The Processing and Marketing Grant continues to deliver a broad range of economic benefits to rural areas. More than 5,500 jobs have now been created or safeguarded under the scheme; 85 projects have helped increase the amount of locally produced/sourced raw material purchased; 90 collaborative marketing ventures have now been supported; and 61 novel outlets have been created to help sell agriculture produce and exploit market opportunities.

Rural Enterprise Scheme (RES)

37. Compared to 2003, 2004 saw a fall in the overall number of applications received for Rural Enterprise Scheme funding but more applications were successful. Of nearly 1000 eligible applications received, 596 were approved representing a grant commitment of £29.7 million. The total budget for RES over the seven years of the ERDP is approximately £150 million, of which £86 million has so far been committed through signed agreements. It's clear from the table above that 2004 was a busy year for the scheme as over a third of all the applications that have been approved since 2000 were actually approved during 2004 alone. This is consistent with the original planned rising budget profile of the scheme but highlights the schemes continued popularity with customers.

38. **Chart 2** below shows the cumulative breakdown of the value of approved Rural Enterprise Scheme projects for each measure. The diversification measure of the Rural Enterprise Scheme remains the single most popular with applicants. A total of 223 projects under the measure were approved during 2004 and more than half of these projects supported the conversion of agricultural land and business to non-agricultural uses.

Chart 2: Rural Enterprise Scheme – Cumulative breakdown of agreements by value for each measure



Note: The three measures combined under 'Other' are: setting up farm relief and farm management services; development and improvement of infrastructures connected with the development of agriculture and agricultural water resources management.

39. Support for tourism and craft activities and marketing of quality agricultural products continue to be the other most popular measures but all the RES measures are promoted and publicised in order to secure the broad range of social, environmental and economic outcomes that the scheme offers. In particular, a leaflet promoting the two social and community measures was produced in 2004, leading to increased interest in these measures. The renovation and development of villages measure of RES has now supported 189 village initiatives since the scheme was launched in October 2000, resulting in a positive impact on over 100,000 beneficiaries.

40. Since October 2000, the range of benefits secured under the tourism measure of RES alone is impressive. Over 4,500 quality assured farm/rural bed places have now been created; 202 new rural craft practitioners have been created – helping to preserve rural heritage; 54 projects to facilitate public access to rural tourism sites have been supported; and over 1,500 full time equivalent jobs have either been created or safeguarded under approved projects. RES also has an environmental dimension, and during 2004 over 38,000 hectares was added to land under protection of the environment measure, and 12 projects created specifically to improve animal welfare have been funded.

Vocational Training Scheme

41. The number of eligible Vocational Training Scheme applications remained steady during 2004 and the quality of applications submitted remained high. A total of 206 applications were received of which 156 were approved, representing a grant commitment of £2.8 million. Nearly £13.4 million of the £22 million VTS total budget over the seven-year life of the Programme has now been committed through approved applications.
42. Approximately 60 per cent of all VTS applications approved during 2004 aimed to help farmers acquire the skills needed to enable them to manage an economically viable farm.

Land Based Schemes

Countryside Stewardship Scheme

43. The 2004 application round closed on 31 March (a month earlier than in previous years), marking the closure of the CSS to new applicants in preparation for the introduction of Environmental Stewardship in 2005. The majority of claims were processed by the end of September.
44. During 2004, 1,318 new agreements and 353 renewals were finalised. Since the introduction of the ERDP, new applications and renewals have added approximately 325,000 hectares of land to the scheme.

Environmentally Sensitive Areas scheme

45. The scheme closed to new applicants on 31 March 2004 in preparation for the introduction of Environmental Stewardship in 2005. During 2004, 658 new applications (including upgrades), covering 21,970 hectares, were received. In addition, 1,301 applications were received to renew agreements that concluded in 2004, representing an impressive renewal rate of 78 per cent. At a time when preparations were underway for closure of the ESA scheme to new applicants, these figures indicate the continued success of the scheme in encouraging farmers to adopt practices which deliver clear environmental benefits in these specially designated areas.

Organic Farming Scheme

46. Uptake under OFS throughout 2004 continued to be lower than anticipated – with just 211 conversion agreements (covering 5,522 hectares) and 81 agreements for maintenance aid (covering 4,728 hectares) entered into at a total cost of £2.1 million. The general trend shows a decreasing interest in conversion, although the disruption caused by Foot and Mouth Disease in 2001/2002 must be taken into account.
47. Although the organic market generally remains buoyant, there is an apparent lack of confidence amongst UK producers that the very significant changes to a farmer's business and management practice which organic conversion requires will result in a long-term gain to the farmer. In addition, many potential recruits to organic farming may have already taken advantage of the opportunity offered by high price premiums associated with organic produce and government support,

making the residual farming community less responsive to conversion regardless of public intervention. However, the introduction of the Single Payment Scheme, consequent on CAP reform and the introduction of Organic Entry Level Stewardship (OELS) under Environmental Stewardship in 2005 (at which time the OFS will close to new applications) may prompt renewed interest in organic conversion.

Energy Crops Scheme

48. Uptake under this scheme remained low, with only an additional 144 hectares of short rotation coppice and 520 hectares of miscanthus being planted in 2004. However, the scheme is expected to benefit in 2005 from a number of recent UK energy policy initiatives:
- in May 2004, the Royal Commission on Environmental Pollution published a report which concluded that energy crops had a significant role to play in reaching renewable energy targets;
 - on 15 October 2004, a new Biomass market-driven Task Force study was launched to help the Government and the industry develop biomass energy in support of renewable energy targets and sustainable farming and forestry. The challenge for the Task Force will be to work out how biomass can deliver in the context of the market emphasis on which energy policy is based;
 - the DTI announcement on the outcome of the consultation of the Renewables Obligation has increased interest in establishing energy crops for co-firing, resulting in an upturn in Energy Crops Scheme applications towards the end of 2004.
49. The announcement that the largest electricity power station in the UK at Drax in Yorkshire is to be co-fired with fuel from renewable energy sources will also impact upon the future success of the scheme. Farmers who had planted short rotation coppice intending to supply the now redundant plant at Eggborough have found an alternative nearby outlet for their crop. In addition, suppliers are being sought to plant and grow up to 10,000 hectares of miscanthus to supply Drax.

Farm Woodland Premium Scheme and the Woodland Grant Scheme

50. The Woodland Grant Scheme (WGS) closed to new applications on 28 June 2004. Since entry into the WGS is a condition of entry into the Farm Woodland Premium Scheme (FWPS) and the two schemes share a joint application process, this effectively meant that no new FWPS applications could be submitted after that date. However, all joint WGS/FWPS applications received by the Forestry Commission (FC) before that date continued to be processed in the normal way. During 2004, an additional 2,832 hectares of new woodland planting on agricultural land was approved under the FWPS.
51. Detailed proposals for a new English Woodland Grant Scheme (EWGS) were submitted to the Commission in April 2004 and received approval in Spring 2005. The EWGS will replace the Woodland Grant Scheme and the Farm Woodland Premium Scheme in England during 2005.

Hill Farm Allowance

52. A total of 9,806 holdings in England's Less Favoured Areas received support payments under the Hill Farm Allowance during 2004. Total expenditure under the scheme during the year was £34.8 million, of which £7.1 million came from the European Agricultural Guidance and Guarantee Fund. The area of land benefiting from support under this measure exceeds 1.2 million hectares, and more than 10 per cent of this relates to Natura 2000 designated sites.

Section C: Action taken to ensure high quality and effective implementation

53. This section begins with some specific examples of changes made to individual ERDP schemes in order to ensure high quality and effective implementation of the programme as a whole. It then provides a brief outline of the programme level governance arrangements and activities that influenced ERDP delivery throughout the year, including some of the problems encountered.

Agri-environment schemes

Environmental Stewardship

54. The single most significant action taken by the England authorities during 2004 to ensure high quality and effective implementation of the ERDP has been the preparatory work on a new agri-environment scheme called Environmental Stewardship (ES). The development of ES has involved considerable input from Defra's partners and members of the farming community. It builds on the vision for the future of agri-environment schemes set out by Sir Don Curry in the Policy Commission Report on the Future of Farming and Food (Defra 2002), and is a cornerstone of the Government's response to this report: the Strategy for Sustainable Farming and Food. The new scheme provides an opportunity for those responsible for managing land to be rewarded for the successful conservation and enhancement of the English countryside.
55. After securing European Commission approval for the scheme, it was launched nationally in England in March 2005. However, this launch was only made possible by the extensive work undertaken in 2004 to design and implement the new scheme, to provide the information and documentation required to secure EU approval for scheme, and to carry out the necessary work to close the existing schemes which between them have agreements with over 30,000 farmers and other land managers on well over one million hectares.
56. ES will build on the widely recognised success of the two schemes it has replaced in 2005: Environmentally Sensitive Areas and Countryside Stewardship. Indeed, the design of ES was predicated on the outcomes of a detailed formal review of agri-environment schemes in England, and consultation with the farming industry to ensure that the successful elements from the old schemes are retained. Additionally, this will ensure that any lessons learned from operating the old schemes are built into the new scheme in order to maximise the environmental benefits it will secure and to deliver administrative efficiencies.
57. The primary objectives of ES are to: conserve wildlife; maintain and enhance landscape quality and character; protect the historic environment; promote public access and understanding of the countryside; and protect natural resources. Environmental Stewardship has three elements:
- **Entry Level Stewardship (ELS):** is a whole farm scheme open to *all* farmers and land managers who farm their land conventionally. Acceptance into the scheme will be guaranteed providing farmers meet the scheme requirements. ELS provides a straightforward approach to supporting the good stewardship of the countryside.

- **Organic Entry Level Stewardship (OELS):** is a whole farm scheme similar to ELS, open to farmers who manage all or part of their land organically and who are not receiving aid under the Organic Aid or Organic Farming schemes.
- **Higher Level Stewardship (HLS):** will be combined with ELS or OELS options and aims to deliver significant environmental benefits in high priority situations and areas. HLS concentrates on the more complex types of environmental management where land managers require advice and support and where agreements will be tailored to meet local circumstances.

Countryside Stewardship Scheme (CSS) and Environmentally Sensitive Areas (ESA)

58. CSS closed to new applications from 31 March 2004. The application deadline was brought forward by 1 month to ensure that applications could be processed by Rural Development Service staff more promptly. The Stage I-III and Stage IV ESA scheme also closed to new applicants on the 31 March 2004. The application periods for ESA stages I-III and Stage IV were brought together so that processing could be completed early. These steps were taken so that RDS staff would be available for extra training for the new Environmental Stewardship Scheme and Genesis IT systems. For the ESA Scheme 80 per cent of renewals were finalised on target and 62 per cent of applications were finalised on target. 85 per cent of CSS applications were finalised by 30 September 2004.
59. The CSS 2004 annual claim round mailing to agreement holders commenced in early September 2004, around a month earlier than usual to ensure that agreement holders' claims could be submitted and paid more quickly than in previous years. The result was that by the end of December 2004, 97 per cent of claims received had been paid.
60. The Conservation Plan payment rates for ESA increased from 1 January 2004. This meant that claims, which had been submitted in 2003 and were entitled to receive the higher payment rates, were delayed until the higher payment rates were available. Up until April 2004 Conservation Plans were 100 per cent exchequer funded. New European regulations were issued in 2003 and ESA Conservation Plans became co-funded from April 2004. This change could not take place until the necessary amendments had been made to IT systems so that automatic calculation of the splits in funding could occur.
61. Regional RDS staff invited CSS and ESA agreement holders whose agreements were due to expire in 2005 to submit a 2004 Farm Environment Plan (FEP) application by the 31 October 2004. This initiative aimed to ensure that applicants were ready to proceed into Higher Level Stewardship (HLS) in 2005. RDS also offered training events to external agents on how to complete the FEP during the autumn of 2004.

Organic Farming Scheme (OFS)

62. No changes were made to the implementation of the Organic Farming Scheme in 2004, pending replacement of the scheme in 2005 by Organic Entry Level Stewardship. However, the new Organic Entry Level tier of stewardship has been designed by building on the lessons learnt from delivery of the Organic Farming Scheme since before the start of the ERDP.

63. In August 2004, a report was published providing an update on progress made under the Organic Action Plan to develop organic food and farming in England, originally launched in 2002. The report highlighted that there had been a significant rise in the amount of organic produce provided by UK farms from 30 per cent when the plan was written, to 44 per cent. The creation of the organic strand to the Environmental Stewardship scheme recognises the contribution organic farming can provide to the environment.

Hill Farm Allowance (HFA)

64. The Hill Farm Allowance is a compensatory allowance for beef and sheep farmers in the English Less Favoured Areas (LFA) in recognition of the difficulties they face and the vital role they play in maintaining the landscape and rural communities of the uplands. In July 2004, Defra announced an opportunity for farmers to make representations about the accuracy of the moorland line on their holding in order to ensure that calculations for the new CAP Single Payment Scheme are correct.

Forestry Schemes

English Woodland Grant Scheme

65. Another significant action taken by the managing authorities in England during 2004 to ensure high quality and effective implementation of the ERDP has been the preparatory work for the new English Woodland Grant Scheme (EWGS). EWGS will be launched in 2005 and is a comprehensive scheme designed to support the sustainable management and improvement of existing woodland, and the creation of well designed new woodlands. In response to public consultation, the Forestry Commission have designed the scheme to allow it to be developed in a flexible way in order to meet the emerging priorities in each English region. The Forestry Commission have worked closely with Defra in developing EWGS to ensure it is effectively integrated with the new Environmental Stewardship Scheme. It has also been built in the light of the experience gained operating the two forestry schemes it will replace: the Woodland Grant Scheme and the Farm Woodland Premium Scheme.

Farm Woodland Premium Scheme (FWPS) and the Woodland Grant Scheme (WGS)

66. In April 2004 the final structure and detail of the English Woodland Grant Scheme (which will replace FWPS and WGS from July 2005) was submitted to the European Commission as a programme modification and received formal approval in early 2005. Subsequently FWPS and WGS were closed to new applications in June.
67. The closure of the WGS in June 2004 was also prompted by exceptional demand for woodland grants. Targets for the creation and management of woodlands under the ERDP are running ahead of schedule, and this high demand coupled with existing commitments meant that the scheme had reached its funding limits for 2004/5 and could achieve its output targets without the need for further applications.

68. Measures have been taken to continue to actively manage and monitor existing FWPS agreements. For example, following the recommendations of an earlier audit, a new Declaration and Undertakings for applicants was produced who wish to succeed to existing agreements following land transfers etc. Additionally, efforts were made ensure that the payment system was made available to regions as early as possible in 2004 with the aim of increasing the number of claims paid by the target date of 31 October. The regions achieved an average of 88 per cent of claims received paid within target, representing a significant improvement on previous years.
69. In July 2004, Ministers agreed in principle to the transfer of the administration of FWPS from RDS to the Forestry Commission from April 2006. Since then there have been a number of meetings between Defra Policy Divisions, RDS, the Forestry Commission and RPA to examine the issues relating to this transitional work and to take it forward.

Energy Crops Scheme (ECS)

70. The Energy Crops Scheme is heavily reliant on the wider renewable energy industry which has played an important part in the promotion of the scheme along side the Defra promotional activities. There have been various promotional events run by RDS in various part of the country on a regional basis. In addition, industry partners have also provided good publicity for the Energy Crops Scheme.

Rural Economy Schemes

Vocational Training Scheme (VTS)

71. The fast-track appraisal process was introduced in 2004 following the successful pilot. There has been an significant increase in the numbers of individuals applying for funding as well as Trainee Application Co-ordinators applying on behalf of small groups of people.
72. To support the introduction of the fast-track process, a new shorter version of the Training Needs Analysis has been developed and made available on a website for online completion. This tool helps potential applicants identify what sort of skills they need to acquire or develop in order to help them frame and submit applications under the scheme.
73. Revised scheme literature was issued in June 2004 and is based on customer feedback and experience of operating the scheme. The new literature also takes account of developments in the scheme such as the fast-track procedures, changes to the eligibility of legislative training and the removal of the minimum number of training days.

Rural Enterprise Scheme (RES)

74. The Guidance Notes for Applicants for the Rural Enterprise Scheme (RES) were revised and published in a more user-friendly format and with greater detail provided under each of the measures. Revisions were also made to the RES application and claim form in light of customer feedback, to make them easier to use. The RES and VTS Project Manager's Guides, which offer advice and guidance

on how to successfully run RES and VTS projects, have been merged into one revised document. A new document 'The Rural Enterprise Scheme – A guide to preparing a Business Plan' was also published, offering additional advice and guidance to scheme applicants, with the aim of improving the quality of the plans that accompany RES applications.

75. The fast track process that was trialled in 2003 was rolled out nationally in 2004, with a few minor adjustments to build on experience gained under the pilot. The objective of the fast track process is to encourage more small-scale projects (those seeking £15,000 or less in grant). It does this by requiring a more proportionate business plan and reducing the time it takes to assess the applications and provide a funding decision. Initial indications are that the administrative efficiency of the scheme was improved by allowing a more proportionate approach to small projects like these, and turn-around times under the fast-track processes averaged close to one month, compared to an average of 3 months for higher value applications.
76. A further review of the fast track processes will be carried out in 2005, with a view to improving or streamlining the system further and taking on board lessons that have been learned in the first few months of the system being used nationally.
77. A new leaflet 'Funding opportunities for community projects under the Rural Enterprise Scheme' was published in Autumn 2004. This is aimed at encouraging applications from voluntary and community projects and increasing the take-up of the RES social measures 'renovation and development of villages and protection and conservation of the rural heritage' and 'Basic services for the rural economy and population'. A measure of the success this publication has had in attracting new applications under these social measures can be gained by comparing the total value of public expenditure committed. In 2003, approximately £3.5 million was committed to applications under these measures, whilst in 2004, this had increased to over £5 million.
78. A proposal for the use of Advance Payments (in line with the rules set out in the implementing regulation) for voluntary and community projects that would otherwise struggle to find the necessary cash-flow to run RES projects was presented to the Commission in July, and has now been approved. The proposal is expected to be rolled out during 2005.
79. The Defra-funded Planning Consultancy Advice (PCA) scheme is currently on hold. The scheme, which was wholly funded by Defra, provided farmers who were interested in pursuing viable Rural Enterprise Scheme diversification projects with the ability to claim back the costs of a planning feasibility study undertaken by a suitably qualified consultant. The scheme was not re-opened in 2004/05 due to budget constraints as a consequence of the additional resources required for implementation of the CAP Reform Package. The future of the scheme is being considered within the context of an independent evaluation of its benefits and the Department's wider rural funding review required as part of the Rural Strategy 2004. This review considered new delivery arrangements for all government rural funding schemes.

Processing and Marketing Grant (PMG)

80. No changes to the implementation of the Processing and Marketing Grant have been made in 2004 although, in the continuing process of drafting up the next Rural Development Programme, consideration has been given as to how to address the recommendations made in the Mid-Term Evaluation.

Programme level activities

ERDP Governance

81. During 2004, the ERDP continued to be governed by the Rural Funding Ministerial board which included all four Defra junior Ministers and met six-weekly. This regular contact allowed Ministers to take key decisions on ERDP policy and delivery developments, and reflected the importance of the ERDP as a key component across the four Ministerial portfolios.
82. Ministers and senior Defra officials continued to receive a series of quarterly reports during the year which provided a qualitative and quantitative analysis of ERDP performance. These updates helped inform decisions about the programme, as well as providing an opportunity to escalate issues or problems and prompt solutions and action.
83. In 2004 the Rural Development Service initiated a series of Programme Boards designed to review the delivery of the eight ERDP schemes which RDS are responsible for. This board convened six-weekly and provided the opportunity for issues to be raised directly with the Chief Executive of RDS in order to improve scheme delivery and customer service. In parallel to this forum, Defra's Rural Development 2007 Programme Board also received and considered regular updates on the ERDP. This particular board includes representatives from Treasury, English Nature, the Countryside Agency, the Environment Agency, the Rural Development Service, Government Office, the Rural Payments Agency, the Forestry Commission and the Regional Development Agencies. Although the principal focus of the board is the successor to the ERDP from 2007, this gathering of statutory partners and all the relevant ERDP delivery organisations has helped guide decisions taken about the current Programme.

Financial Controls: Cross-checks and Inspections

84. Automatic cross-checking of agri-environment agreements and claims against the IACS database continued during 2004. Between 2 January 2004 and 7 January 2005, 710 potential anomalies were identified and referred to the Rural Payments Agency for follow-up action. As at the end of December, approximately 90 per cent of these referrals had been resolved. The reduction in referrals reflected the success of the introduction of automatic cross-checking in 2002.
85. Rural Development Service staff also began to amend agri-environment agreements to bring them into line with Rural Land Register data as it became available on the Rural Payments Agency's IACS database.
86. During 2004, excellent progress was made in completing the on-the-spot inspections required by Commission regulations 796/2004 and 817/2004. By the end of the year all but a handful of the inspections required for the

agri-environment and forestry schemes had been completed. Procedures are in place to ensure that staff involved in compliance monitoring of projects should not have been involved in the assessment or approval of that project. Any follow-up action required after the completion of the inspection is recorded, monitored and used to inform potential changes or enhancements to the scheme rules and procedures.

Delivery Problems

87. The continued allocation of experienced staff to the development of the Genesis IT system (including the back-scanning of all case files), the RDS Change Programme and training in preparation for the launch of Environmental Stewardship increased the pressure on other staff and impacted on delivery of day-to-day work. Agency and casual staff were recruited to assist temporarily increased workloads due to the above exercises. The increased level of scheme uptake and number of new ERDP scheme applications approved during the year described earlier in this report provides testimony to the commitment of delivery staff to ensure effective delivery of the ERDP despite this increased workload.
88. Delays and problems encountered by RPA in developing and populating the Rural Land Register had an impact on the service RDS were able to offer customers. In particular, the need to update all agri-environment agreement land parcels to align them with the Rural Land Register caused difficulties from mid-2004. Problems with existing IT systems hindered work to pay Countryside Stewardship claims on time and to extract scheme uptake information. Uncertainty regarding the future of project-based schemes projects beyond October 2006 led some applicants to view the grants as not an option for long term projects.

ERDP promotional activity aimed at stimulating uptake

89. RDS regions organised and delivered a wide range of events designed to raise awareness of the opportunities available under ERDP schemes and to explain what participation in the schemes entails. These included:
 - Clinics to discuss project-based scheme applications, in particular the preparation of business plans. Their popularity meant that these clinics were invariably over-subscribed;
 - Farm Walks for potential applicants to demonstrate successful on-farm RES projects or the benefits being delivered through agri-environment schemes;
 - Events aimed at raising awareness of the new Environmental Stewardship Scheme;
 - Organic Farming Scheme clinics;
 - Training workshops on the project-based schemes for consultants, commercial agents and new Farm Business Advisers.
90. RDS also participated in numerous joint events with other partner organisations to deliver information to customers. These included:
 - Participation in meetings focusing on the preparation of Business Plans for farm diversification activities;

- A presentation to the National Convention of the Association of Market Towns on project-based schemes;
 - Attendance of project based Scheme advisers at a CLA organised event focussing on diversification into the equine industry to answer queries on potential PBS funding;
 - project-based schemes presentations to NFU branch AGMs;
 - Presentations at FWAG events, or involvement in farm walks or open days for farmers, focussing on agri-environment schemes.
91. Defra and RDS exhibited at a large number of national and regional agricultural shows and events to promote the ERDP schemes. At all events, RDS staff were on hand to provide information and one-to-one advice to potential applicants and existing agreement holders.
 92. RDS continued its association with the Government News Network to generate an increasing number of ERDP good news stories. These resulted in: numerous press and magazine articles raising awareness of ERDP-funded projects; and local and national television and radio coverage featuring RDS advisors and agreement holders discussing aspects of the ERDP schemes and publicising the environmental benefits gained under ERDP.
 93. A survey in the East of England region by the Government News Network for the second half of the year (July to December) identified a total coverage of 59 RDS inspired regional press articles/ broadcast items during the survey period. The promotional value of these items was assessed as: 34 (58 per cent) very good; 22 (37 per cent) good and only three (five per cent) poor; a very encouraging result.
 94. After starting in the South East region, RDS regions began issuing regular e-newsletters to regional partners and businesses covering many aspects of agriculture in the region with particular reference to ERDP schemes, business advice and information about new schemes and changes in subsidies and organisations.
 95. RDS East sponsored the 'Plough to Plate' category of the Norfolk Eastern Daily Press Food Awards. This gave RDS the opportunity to raise the profile of the work they deliver, to understand what people are doing to promote local farm produce and to reward these people as a good example to others. The 2004 winner of the category was David Barnard, who has set up a successful livestock business which sells through his on-farm butchers, farmers markets and restaurants. The business works strongly with local producers, catering colleges and businesses to raise the profile of quality Norfolk produce to the consumer and the restaurant trade.
 96. RDS West Midlands recruited a professional marketing adviser to significantly increase their marketing capability. The marketing team also produced a video featuring one of the farmers involved in the Environmental Stewardship pilot for use at ES events held later in the year. Further information concerning promotional activity in each of the eight English Regions can be found in Annex 1 to this report.

Reform of the Common Agricultural Policy

97. In response to the 2003 reforms of the Common Agricultural Policy, Defra provided details of the new Single Payment Scheme (SPS) for England in February 2004. The design of the new arrangements built upon the direction already set in the Government's Sustainable Farming and Food Strategy, but also emphasised the importance of both bringing the industry closer to the market and environmentally sensitive farming. The SPS will also result in greater simplicity, transparency, and minimal bureaucracy whilst enabling the transition to a system in which farmers are free to farm what the market requires, and where public money is spent delivering public goods. The new arrangements would mean that:
- England would decouple (break the link between subsidies and production) fully in 2005 and move towards a flat rate single farm payment;
 - Only farmers active in 2005 would qualify for payment;
 - There will be an eight-year transition period to a flat rate;
 - England would be split into three regions – moorland within the upland severely disadvantaged areas (SDA); the rest of the upland SDA, and all land outside the upland SDA.
 - There would be no use of national envelopes;
 - Payments would depend on farmers meeting cross compliance conditions to maintain land in good agricultural and environmental condition.
98. It was also decided that the ERDP's Hill Farm Allowance scheme would continue to operate in order to provide continued support to upland communities.

European Structural Funds: Objective 1

99. Progress made under the three Objective 1 programme areas during 2004 includes:
- *Cornwall and the Scilly Isles:* Government Office South West has so far invested approximately £50 million in the region since the start of the programme. They have currently committed to 104 projects and have a further 16 projects under appraisal. Following the mid-term review Government Office for the South West has received endorsement from the Commission on expanding the activities of the Programme. Support is now given to strategic investments to start up prime demonstration projects to encourage new forms of collaborative working and encourage innovation in line with Defra's Strategy for Sustainable Farming and Food. Support is also given to the development of novel crops and livestock in line with the ERDP and, additionally considers the provision of small loans to tenant and/or new entrant farmers with limited capital assets. A 'Fresh Start' project has also been launched aimed at assisting new entrants into, and farmers who wish to exit out of the industry by means of providing support, training and assistance with accommodation issues. (See Section A of this report for further information.)

- *Merseyside*: Government Office North West has approved 29 projects and has two projects undergoing appraisal. Total project cost is £7.3 with a total EAGGF grant of £2.7 million awarded. The 2004 decommitment target was successfully achieved. Following the mid-term review, Government Office for North West has revised the single Programming document to include training provision for farmers.
- *South Yorkshire*: Government Office Yorkshire and Humberside has invested approximately £10 million. The region currently has 13 projects approved to date. It also went through its mid-term evaluation and no changes were recommended.

Objective 2 Programmes

100. There are nine English Objective 2 programmes, one in each English region (including London), covering the period 2000-2006. They are aimed at supporting the economic and social conversion of industrial, rural, urban and fisheries areas facing structural difficulties. England has been allocated a total of £2.1 billion Objective 2 funding from the European Regional Development Fund and European Social Fund.
101. All nine Objective 2 programmes, known as Single Programming Documents (SPDs), received European Commission approval in March 2001 and are currently being implemented by regional partners. With the exception of the South East and London, all the English regions include rural areas in their Objective 2 coverage. However, the SPDs contain implementing provisions to ensure that measures supported by Objective 2 do not duplicate those funded by the ERDP.

Leader +

102. Twenty-five local action groups have been chosen to receive funding under the England Leader+ Programme following a competitive selection process. Leader+ and the ERDP share common objectives but take different approaches to achieving them. Leader+ focuses on community-led partnerships implementing innovative, sustainable development plans. One of the roles of the Leader+ Programme is to test innovative approaches to rural development and influence future mainstream development programmes such as the ERDP. The England Leader+ Programme – at Section 4 and Annex 3, Section B – details the relationship between Leader+ and the ERDP or other rural development funding streams. As part of their application for Leader+ funding, local action groups were required to demonstrate how their activities would complement other funding streams. Complementarity with ERDP (and other Programmes) is also covered in the application for individual Leader+ projects. Complementarity of Leader+ activities with other rural development programmes will continue to be monitored by the National and Regional Programme Monitoring Committees.

Annex 1: Regional Reports

This annex provides a summary of the main developments affecting ERDP delivery in the eight English regions:

- East Midlands
- East of England
- North East
- North West
- South East
- South West
- West Midlands
- Yorkshire and the Humber

It describes the main factors affecting conditions in each individual region and provides an overview of regional delivery of the ERDP by the Rural Development Service (RDS). This annex is designed to complement the more nationally focused information provided elsewhere in this report.

East Midlands

Changes to Conditions

Agriculture

The East Midlands region experienced a very difficult cereal harvest due to wet weather. The result of this was a decline in quality, variable yields, low cereal prices and high drying costs reducing the overall profitability in this sector. Vegetable growers in South Lincolnshire also came under real price pressure from multiple retailers who have been importing produce from elsewhere in Europe which resulted in lost crops and contracts. Prices for cattle and sheep remained buoyant but the dairy sector came under severe price pressure.

The sugar beet campaign concluded with high levels of sugar content from the crop despite the weather conditions. Sugar beet growers were offered an opportunity to sell quota back to British Sugar as an incentive to streamline the industry in the region. It would also appear that there has been a continued increase in contract farming which allowed farmers to sell off machinery and rationalise their business interests.

During the past year the following activities, events and issues have all impacted on the rural areas:

- With the lack of abattoir facilities and market closures in West Northamptonshire and Leicestershire, significant quantities of livestock are being transported to Wales and Cornwall via collection centres for slaughter and processing. In this part of the region, adding value to red meat is being lost. A group of enterprising farmers in East Northamptonshire, with help from the Rural Enterprise Scheme, are seeking to address red meat marketing and retailing.

- The wet weather at harvest caused significant seed-bed problems for autumn cereal drilling, leading to slug damage and patchy crops on the heavier soils;
- No irrigation is allowed from many of the rivers in Lincolnshire and Nottinghamshire due to the presence of brown rot. Rural Enterprise Scheme-funded winter water storage reservoirs have helped farmers cope with these restrictions. The Thorpe and Asgarby Estate reservoir (RES funded) was highlighted by the Environment Agency as an example of good practice in its publication 'green business is good business';
- In South Lincolnshire, issues around migrant workers are still a major cause of concern in relation to health, crime and social acceptability from local communities. South Holland District Council has had to take enforcement action against illegal housing for these workers in a community near Spalding;
- Demand for the England Rural Development Programme project-based schemes has remained steady across the region, with a total of 228 projects attracting support to date.
- Partnership meetings have taken place involving local authority planning officers to address planning issues which have been well received by the farming community. A meeting at Woodhall Spa in December organised by the Lincolnshire Forum for Agriculture and Horticulture attracted over a 100 farm businesses.

Rural Environment

Regional Delivery Plan For Sustainable Farming and Food – East Midlands Delivery Plan

The Delivery Plan 'Think Farming and Food' is a framework to achieve a sustainable future, for our farming and food industries in the East Midlands. The plan was prepared in partnership through the East Midlands Rural Affairs Forum (EMRAF). The Regional Delivery Plan objectives are to:

- Influence and take forward the East Midlands farming and food sector;
- Provide a framework to help make the industry grow and prosper;
- Achieve environmental benefits including sustainable land management;
- Encourage businesses to be innovative, market driven, forward looking and sustainable;
- Facilitate supply chain development and connection across the food chain from 'field to plate'.

Through partnership working, a number of projects are now gaining pace within the Region. In particular there has been close working with the RDS Farm Advice Unit to join up the demonstration activities in the Region and the projects within the Delivery Plan.

The following key outcomes have been achieved, which will help and inform future priorities for ERDP in the region:

- *Rural Skills and Enterprise:* A research project is underway to map the availability of business advice and skills training, the range of delivery activity, gaps in support and areas of duplication. Models of best practice will be identified, and recommendations made for a gateway of rural business support in the East Midlands. Additionally, a Project Co-ordinator has recently been recruited who, under the management of the SSFF Rural Skills and Enterprise Task Group, will facilitate and oversee the delivery of the skills and business development activities within the East Midlands SSFF Delivery Plan. These activities include developing a plan of action for a skills passport, facilitating and developing innovative pilot projects and activities, developing and delivering a communications strategy for raising the profile of the Industry and to developing with partners a robust formal partnership framework agreement for regional skills delivery.
- *Rural Business Champions:* The Champions project, which is being supported jointly by the FAU will be hosted by East Midlands Rural Business desk, linking with current rural business support, and will sit within the Business Links network. Its objectives are to champion the future development of the food and farming sector up and down the supply chain. A Project Coordinator has recently been engaged to recruit a number of business champions from across the Region, with varying specialisms, and develop opportunities including facilitation groups, tours, case studies and a range of marketing activities. A limited amount of funding is available to support the activities, which will be steered by the SSFF Rural Business Champions Group.
- *Co-operation and Collaboration:* This project is aiming to develop co-operation and collaboration in the farming and food sector in the East Midlands. Consultants have been engaged, English Farming and Food Ltd, to carry out mapping of activity, focusing on Farmer Controlled Businesses, collaborative activity down the food chain and collaborative action by smaller groups of farmers, particularly in labour and machinery and informal farmer groups and discussion groups.
- *Supporting Commodity Infrastructure:* This project, led by the NFU, will carry out a mapping exercise of the grain sector and cereal producers, including the status and condition of the infrastructure. It will also model potential changes in the sector over the next 10 years, including analysis of threats / opportunities and influences on farming strategies. The Delivery Partnership will produce an implementation plan and forward strategy based on the outcomes of the research.
- *Wood Energy Co-ordinator Post:* The Wood Energy Co-ordinator project will support the development of wood fuel as a major contributor to the emerging biomass and renewable energy sector in the East Midlands. It will identify and support the development and integration of wood fuel sources from existing woodlands, short rotational coppice, and sawmill co-product and waste streams. Advisers, consultants, installers and growers will be brought together, to develop a co-ordinated approach to the sector via the East Midlands Bio-Energy Group. The Forestry Commission will be managing the project and provide accommodation for the post holder.

- *Sustainable Public Sector Procurement of Food in the East Midlands*: A study will shortly make recommendations that will inform future delivery of the public sector sustainable procurement strategy, which aims to enable local/regional sourcing of good quality sustainable food products from regional suppliers to the public sector. The public sectors to be reviewed are NHS, Police, Prison Service, Local Authorities / Schools, and the MOD up and down the supply chain and across the Region. Additionally, a Food Business Development Manager has recently been recruited to manage a pot of funding for associated activities, with expenditure decisions being steered by the SSFF Public Sector Procurement Group. The objective is to encourage the public sector to purchase food in a manner that promotes sustainable procurement, and local community regeneration, and does not discriminate against local suppliers, and gives the customers a wider choice.

Changes in Trends

Agriculture

Non Agricultural Income and Diversified Enterprises from the Farm Business Survey published in January 2005 showed the following trends:

- Out of the estimated 7000 farm businesses in the Region, 58 per cent have diversified of which:
 - 94 per cent let buildings for non-farming use;
 - eight per cent are involved with processing and retailing farm produce;
 - four per cent have developed tourism activity;
 - five per cent have sport and recreational interests.
- Average output of all diversified enterprises in the region is £13,800;
- Farmers aged between 45 to 55 have the largest diversified enterprises;
- Cereal farms had the highest incidence of diversified activity reflecting the high proportion of buildings let for non-agricultural use;
- In contrast hill grazing livestock farms had the lowest proportion of diversification;
- The horticultural farms had food processing and retailing enterprises as a much higher proportion than for other farm types;
- Where off-farm employment is the form of diversification, this contributes to an average income of £14,200.

Leisure and Tourism

Rural tourism and leisure is still steadily growing in the region. The Lincolnshire Farm and Countryside Attraction Group project has been officially launched and new attractions funded by the Rural Enterprise Scheme are joining the group. New farm-based tourism activity is being successfully developed in multi-deprivation District Council Areas thus bringing new job opportunities. Visitor numbers from these projects exceed ERDP output targets and show an encouraging trend. Considerable interest has been shown in equine related activities across the region.

Other Sectors

Forestry

Markets for traditional timber products remain weak. However, the emerging wood fuel market continues to develop. Installed wood heat capacity is slowly growing, and activity within key clusters in Lincolnshire, Leicestershire and Nottinghamshire is expanding. There is renewed interest from farmers and landowners in the potential for planting short rotation coppice, forestry and other biomass crops. This in turn is expected to support renewed interest in positive management of some neglected farm woodlands as a potential source of wood energy materials. This progress has been further supported by the appointment of a Regional Wood Energy Co-ordinator, jointly funded by the Forestry Commission and the Regional Development Agency, who will work with all parts of the wood chain and end users to help the sector to grow.

Woodland creation continued, although planting levels had fallen slightly compared to recent averages. Activity in the National Forest remained buoyant, despite some uncertainty over details of future payments regimes.

Progress has been made on developing a Regional Forestry Framework for the East Midlands (Space 4 Trees). The Framework, developed through a comprehensive partnership process, was successfully consulted on and will be formally put in place early next year, along with a companion Action Plan. The Framework will become part of the Integrated Regional Strategy. Further information is available on the following websites:

- Discover the Spirit of Sherwood at <http://www.sherwoodforest.org.uk/>
- Trees, woods and people in the East Midlands <http://www.space4trees.org.uk/>

Regional Initiatives and Developments

Leader +

The three Local Action Groups (LAGs): Lincolnshire Fenland, Peak Dales and Moorlands and Rockingham Forest have all been making good progress following the late start to the programme. Staffing issues have affected delivery with some of the LAGs but these now appear to be resolved and a useful flow of projects have been developed. Level 4 monitoring of the groups has been undertaken and business clinic activities with the England Rural Development Programme delivery team have taken place with the Rockingham Forest Group. The Lincolnshire Fenland Group has been very successful at generating projects and is seeking further support from national funds.

East Midlands Development Agency (emda) Schemes

From April 2002, all emda's former regeneration funding programmes have been combined into the Single Programme and are being administered through the network of Strategic Sub-regional Partnerships (SSPs). SSP coverage across the Region was completed in 2003. Funding is allocated by SSPs according to an annual Business Plan agreed with emda which reflects the delivery of Regional Economic Strategy priorities in each sub-region. Rural Development is one of the 12 strands of activity outlined within the Regional Economic Strategy, and is therefore embedded within the SSP remit and Business Plans. Guidance on rural priorities is issued by emda and there is regular liaison

and opportunity to exchange good practice between SSPs, emda and other rural organisations. In most cases, SSPs continue to provide funding support for the re-use of redundant rural buildings for commercial purposes. Alternative approaches to support for small rural businesses and farm diversification, including through SSFF-related activity and greater linkages with ERDP, are also being actively explored in most areas.

East of England

Changes in Conditions

Agriculture

Poor weather has affected the cereal harvests across the East of England. Early dry and sunny weather was followed by storms and damp weather during August – in many parts of the region nearly twice the average rainfall was experienced. This resulted in much of the region's wheat harvests being left late in the field.

The wet summer helped the sugarbeet production. Eastern Region (in common with other beet growing areas) produced some very good beet yields with very high sugar yields per hectare.

Rural Economy

There has been an increase in interest in local and regional food. This has been demonstrated through the development of schemes such as Produced in Norfolk. Associated with this is the increased awareness of nutrition and food quality. An increased use of branding with regional or local associations, use of quality assurance schemes and increased awareness of the production quality of local foods have all been experienced.

54 per cent of farm businesses in the Eastern region have some form of diversification activity taking place on farm, compared to a national average of 48 per cent. The East of England also has the highest rate of off-farm employment for a farmer or their spouse, at 29 per cent of farmers in the region¹.

The occupancy rates for tourist accommodation businesses have remained static over 2004. However, Breckland has experienced a one per cent increase in bed occupancy rates, reaching 34 per cent bed occupancy. The Fenland area has continued to experience the highest occupancy rates².

Social Issues

The ethnic minority and non-English speaking populations are growing in the East of England Region. They have been concentrated in urban areas, but now groups including migrants and other farm workers, travellers and many diverse communities are moving out to form significant parts of rural communities³.

1 Diversification in Agriculture, January 2005, Defra

2 East of England Tourist Board, Sergi Jarques, April 2005

3 Government Office for the East of England, <http://www.goeast.gov.uk>

On average, people in the region's rural communities enjoy slightly better levels of health than those living in urban areas and those in other parts of rural England. The rural East of England also continues to have fewer incidences of a range of criminal offences compared to urban areas and indeed is one of the safest places in the country to live⁴.

Environmental Issues

At the end of 2004 approximately 77 per cent by area of SSSIs was meeting the PSA target on SSSI condition, with 66 per cent in favourable condition and 11 per cent recovering. Approximately 16 per cent was in unfavourable/declining condition. The proportion meeting the PSA target compares favourably with the figure of 66 per cent for the whole of England (45 per cent in favourable condition), but nationally the proportion of sites in unfavourable/declining condition was only 12 per cent⁵.

Out of 1,320 grassland, heathland and fen SSSIs, 103 were found to be in unfavourable condition as a result of undergrazing. The conflict between commercial grazing and conservation grazing objectives is an overriding barrier. There is a lack of more hardy stock breeds that thrive on poor swards and are better at eating down scrub and other invasive growth. Even when hardier breeds are available, they tend to have a poorer conversion rate, making them less attractive from a commercial perspective⁶.

Changes in Trends

Agriculture

The winter wheat acreage for 2004 was 513,000 hectares, which is over six per cent above the 2003 area. The barley acreage was down at 149,000 hectares in 2004 compared to 164,000 hectares in 2003. Yields were also reduced from 6.1 t/hectares to 5.7 t/hectares⁷. Malting barley quality aspects were generally satisfactory but the prices were very poor at only £6-8/t over feed. Sowings of winter barley in autumn 2004 are down 14 per cent on 2003-2004 levels. This is largely due to the low profitability of winter malting barley⁸.

The costs of production for egg producers have risen by over three per cent during the past year, for both cage and free range producers⁹. The latest egg figures show an increase in most major inputs during the past year, with feed costs up 3.5 per cent, bird depreciation up 3.3 per cent and labour up 4.1 per cent¹⁰.

The English pig herd has cut breeding pig numbers by almost six per cent to 457,000¹¹. This drop undermines the findings of the mid term June 2004 census that indicated a recovery in numbers, especially with regard to replacement gilts¹².

4 The State of the Countryside in the East of England 2004, Countryside Agency, December 2004

5 English Nature, www.English-nature.org.uk/Special/sssi

6 Grazing Management of isolated grassland sites in the East of England, Woolley and Co, 2005

7 HGCA, UK Area Yield Production

8 T Maufe, Malting Barley Confederation

9 NFU

10 Farmers Weekly Interactive, <http://www.fwi.co.uk/article.asp?con=16832&sec=107&hier=157>

11 2004 June Census, Defra

12 Farmers Weekly Interactive, <http://www.fwi.co.uk/article.asp?con=17619&sec=19&hier=19&style=>

The proportion of grazing livestock in the East of England has continued to decrease¹³. The finished beef price increased by eight per cent between 2003 and 2004. This was mainly due to fewer animals being slaughtered during the summer of 2003. The removal of direct support payments to farmers operating on grazing licenses has resulted in a great level of uncertainty in the livestock industry.

Rural Economy

Rural East of England is showing strong economic performance with high rates of economic activity and low levels of unemployment. Market towns continue to play a crucial role in the rural economy of the East of England. They support a diverse range of businesses and provide centres for essential services while adding to the distinctive character of the region¹⁴.

The value of diversified enterprises is greater in the East and South East than elsewhere, but this is largely due to the higher rental incomes from converted buildings in these areas.

The number of rural tourism diversification activities in the Eastern region exceeded the number of farm retail and food processing activities. However, retail and processing created an average additional income of £38,000 for farmers in the Eastern region, compared to just £4,500 from tourism¹⁵.

The number of farmers markets and other direct retail outlets has continued to increase. In 2003 there were 40 farmers markets, this has increased by over 100 per cent to 82 by the beginning of 2005¹⁶.

Social Issues

A key issue affecting communities in rural areas of the East of England is access to good quality affordable housing. House prices continued to rise during this year with the average house price in the East of England region at the end of 2003 being £156,774 compared to £175,522 at the end of 2004. The number of house sales decreased in 2004 compared to the previous year with the average number of sales in the final quarter of 2004 being 10,683 compared to 16,830 in 2003¹⁷. Local people, particularly young adults, are likely to find it increasingly difficult to afford to stay in their own communities, with a knock-on effect on local employment, including agriculture.

The East of England labour market continues to exhibit a notable degree of stability. The latest estimates from the Office for National Statistics suggests employment levels may be falling fractionally. However employment remains higher than it was 12 months ago¹⁸.

13 Report on farming in the Eastern Counties of England 2003/4, Ben Lang, University of Cambridge December 2004

14 The State of the Countryside in the East of England 2004, Countryside Agency, December 2004

15 Diversification in Agriculture, January 2005, Defra

16 Tastes of Anglia, http://www.tastesofanglia.com/regioninfo/farmers_markets.asp

17 HM Land Registry – www.landreg.gov.uk

18 EEDA, East of England Economy & Labour Market Background Paper, 2005

Environmental Issues

Water quality in the region's rivers has improved. A move from 21 per cent to 55 per cent in chemical quality and of 45 per cent to 81 per cent in biological quality has been recorded¹⁹.

Regional Initiatives and developments

Agriculture

A range of regional Demonstration Farm Events have been delivered by RDS East. The events have included:

- six regional undergrazing demonstration farm walks;
- one red meat marketing meeting;
- presentation training for 10 young farmers;
- six facilitated farmer meetings based in four different water catchments looking at farm water management;
- four CAP reform presentations, for which over 1,100 farmers attended;
- five resource protection events.

RDS East has also played a key role in delivering the Sustainable Farming and Food Strategy (SFFS) regional action plan:

- RDS East have secured funding and developed partnerships with other organisations to develop actions and implement them to support grazing, conservation and livestock in the East of England;
- RDS East is a key partner in the delivery of a regional agriculture water resource project led by Environment Agency.

British Sugar put in a planning application for a bio-ethanol production facility at British Sugar's Wissington site²⁰.

Rural Economy

There have been regional developments in farmer networks:

- The expansion of FoodFen to become FoodEast – a regional web-based networking and information service for the food industries;
- The expansion of support for collaborative activities through the appointment of a regional representative for English Food and Farming Partnerships;
- The Countryside Agency has developed and made freely available a Toolkit for starting up farmers markets;
- A partnership of the Countryside Agency, East of England Tourism Board and Tastes of Anglia are delivering a project funded through the SFFS regional action plan to create 'Food Trails';

19 The State of the Countryside in the East of England 2004, Countryside Agency, December 2004

20 British Sugar www.britishsugar.co.uk

- All major food-marketing organisations have joined together to develop a regional local food producer's directory.

Essex County Council devolved responsibility for procuring school meals back to individual primary schools, making local procurement possible. Some schools have developed innovative ideas with diversifying farmers. Hertfordshire County Council has developed a project to increase the volume of local food used by schools. Suffolk and Norfolk have also committed to examining ways of sourcing food locally²¹.

Social Issues

As part of the region's response to Defra's Rural Strategy 2004, a new initiative in the Fens has been set up which will give local partners greater freedom to test new ways of working together to help rural communities. The Fens Rural Pathfinder project extends across parts of Cambridgeshire, Norfolk and Peterborough and aims to give local councils more flexibility in how they work together with other service providers on a range of rural issues, e.g. improving access to services and generating greater benefits from the area's environmental resources. Led by Cambridgeshire and Norfolk County Councils, the Pathfinder will be as broad and inclusive as possible, encouraging a wide range of local partners and stakeholders to work together across county and district boundaries to try out ways of simplifying and targeting funding and services in rural areas²².

Environmental Issues

Within the region, RDS and EN started a joint project to identify SSSIs under agri-environment agreement which are not meeting the PSA target condition. The reasons for the unfavourable condition will be identified and, where possible, addressed through the existing CSS or ESA agreement.

The East of England Biodiversity Forum published a set of biodiversity targets for priority habitats in the East of England. Habitats covered included heathland, cereal field margins and fens and reedbeds²³. The Forum also commissioned the production of a map of the region showing priority areas for biodiversity conservation and areas with potential for enhancement. The purpose of the map is to inform the development strategies and plans in the region.

Within county Biodiversity Action Plan (BAP) partnerships, work continued on reviewing existing habitat and species action plans. The effectiveness of some of these partnerships has been hindered by the lack of county co-ordinators for all or part of the year. This is largely due to funding difficulties with these posts; the problem was raised with the national group looking at BAP issues.

Work continues on two large-scale habitat re-creation projects in Cambridgeshire; one is the expansion of the Wicken Fen nature reserve and the other is the Great Fen Project, which seeks to link two fenland national nature reserves with re-created wetlands.

21 Government Office for the East of England, <http://www.goeast.gov.uk>

22 East of England Regional Assembly

23 www.eastspace.net/biodiversity

North East

Changes in Conditions

Agriculture

There has been a noticeable change in attitude from traditional land managers who are now more inclined to look at alternative sources of income and changing the emphasis of their activities. While there is still a long way to go, this is encouraging for the future development of the rural North East and sustainability.

The region has approximately 5,500 agricultural holdings of which 56 per cent are owner occupied. There are a number of large estates in the region and they have continued to have significant influence over the development of the countryside and its people. LFA cattle and sheep is the most abundant type of farming and represents 29 per cent of all holdings. Arable farming is also significant with the region having some of the most productive land in the country. There remains a small but valuable enclave of potato growers in north Northumberland. The region has a lower than average number of organic farmers.

Rural Economy

Main change to conditions has been around changes to Agency involvement in the rural agenda.

The Regional Development Agency, One North East, has established a dedicated rural team to deliver a regional programme of £15m over the next three years. Key priorities are Food and Farming, Market Towns, Knowledge Economy, Investing in Environmental Assets and Energy/Environment.

One North East (ONE) has also taken over the development and implementation of the region's tourism strategy guided by the new North East Tourism Advisory Board. The Tourism Strategy is now in place and includes 'Rural and Coastal Areas' as its 'Assets and Challenges' section.

The Northern Way Growth Strategy led by the three Northern RDAs, with its 'City Region' focus, has caused concerns from rural interests in the region. Each City Region is producing a Development Programme through a partnership approach. There are also eight workstreams groups in operation. The Centre for Rural Economy at University of Newcastle have undertaken work, on behalf of ONE, to identify potential linkages to the rural agenda to influence these workstreams groups. Their report has been widely circulated and a consultation event held. The North East Environment Forum has been working on a proposal to ensure this development addresses environmental opportunities.

There are opportunities for joint working on the rural agenda between the three Northern regions that needs to be taken forward as part of the Regional Rural Delivery Framework.

Rural Strategies are being implemented by three of the four sub-regional partners in the North East, Northumberland, Durham and Tees Valley. These strategies are generally wide-ranging and cover economic, social and environmental aspects. Delivery mechanisms for the actions identified vary, but ERDP has a large part to play.

Rural Environment

Engagement of RDS/CA/EN in the development of the Regional Rural Delivery Framework, and also through the groups supporting the Joint Statement activity of partners, has resulted in increased closer working between the organisations. There are 22 Joint Projects in development. Over 100,000 ha of 'open access' land has become available.

Changes in Trends

Agriculture

Figures from the Farm Business Survey Report 'Farming in Northern England 2002/2003' show that net farm incomes (NFI) decreased on average by 32 per cent. The outbreak of Foot and Mouth in February 2001 has had a massive impact on all farms, and 43 per cent of the surveyed farms were directly affected with animals being culled. These averages include increases in NFI by the Lowland Arable (+50 per cent) and Hill Rearing (=53 per cent) groups, and reductions in NFI of from -1 per cent (Marginal DA Farms) to -98 per cent (upland Dairy). After an allowance for Farmer and Spouse labour the resulting Management and Investment Income for these groups increased by 141 per cent, 256 per cent and 100 per cent, Hill Rearing, Lowland Arable and DA Farms respectively, and decreased from between -54 per cent (Lowland Grazing) to -198 per cent (Upland Dairy). Output average was down by three per cent, variable costs increased by an average of seven per cent and fixed costs increased by one per cent.

The Rural Economy

The Countryside Agency's State of the Countryside 2004 report indicates that the age of the rural population in the North East is increasing, with figures higher than the rural England average for both over 45 and 75 year olds. The size of the rural population has remained fairly static, showing a very small growth of 1.4 per cent, which is in contrast to the national picture for rural areas which has seen an increase of 13.7 per cent. There is a wide disparity between different districts in the region in terms of population changes. A key factor affecting the trend has been the move of younger groups out of rural areas in the Region.

The rural North East has the highest proportion of people working in the agricultural/fishing sector of all English regions, although this is still a very small proportion of the regional workforce at 3.7 per cent. The majority of rural residents are employed in public administration, health and education (31.8 per cent). The proportion of benefit claimants in the rural North East fell from 4.2 per cent in 1998 to 2.6 per cent in 2004 representing a decline of 1.6 per cent over that period. The rural North East has a lower proportion of economically active people, 79.6 per cent compared to the national figure of 82.2 per cent. The relative affordability of houses in rural areas is also becoming a concern, given the potential impacts on workforce availability and location. House prices in the region's rural areas rose by 27 per cent between 2002 and 2003.

The North East has the lowest rate of business per 10,000 population (360) of all English Regions, both in the rural and the urban context. Micro-businesses dominate rural activity and only 15.3 per cent of new businesses in 2002 were rural businesses. Although this was an increase on the 2001 figure there are marked differences between Districts. 27.7 per cent of the new rural business stock are agricultural businesses whereas the rest of rural England is 14 per cent.

The greatest proportion of RES applications were Tourism related. Tourism is recognised as a vital part of the rural economy in the North East and is one which is heavily reliant on a number of different sectors to succeed. The North East has seen an increase in tourism activity over the year: visitor numbers have increased, as has visitor spend, along with accommodation occupancy rates. The development of the Hadrian's Wall Path National Trail and Alnwick Garden, in particular, have had a significant effect on tourism in the rural areas of the region and increased demand for accommodation.

The Rural Environment

Over 54 per cent of Sites of Special Scientific Interest (SSSIs) are classified as being in unfavourable or declining condition.

Approximately six per cent of the region is designated as green belt land, 13 per cent is designated as National Park and 18 per cent as Areas of Outstanding Natural Beauty (AONB). 122km of coastline is Heritage Coast, 10,370 km of Rights of Way and there are 251 SSSIs (13 per cent of the region). The North East has 15 countryside character areas.

The Region encompasses the Northern part of the Pennine Dales Environmentally Sensitive Area (ESA). Most of the effort in this area has been to secure agreement renewals, upgrades and habitat management and conservation plans, given that uptake of ESA agreements stands at over 80 per cent of total eligible holdings.

Regional Initiatives and Developments

The Regional Rural Delivery Framework/North East Rural Action Plan

The North East Rural Action Plan was compiled in 2001 to set out a future vision for rural areas of the Region. The Annual Report, The North East Rural Action Plan Two Years On, looks at achievements to date and future actions to carry forward the aspirations of the Plan. The report included a number of case studies but fell short on impact of achievements on customers. It has now been agreed that work should focus on production of the Regional Rural Delivery Framework and that the Rural Action Plan will be updated to incorporate actions flowing from the Framework.

RDS NE has been engaged in groups at both the working and strategic level of the development of the Regional Rural Delivery Framework. A draft document was circulated by GO-NE early in the process to which RDS responded. Project plans have been circulated since and a workshop event is planned for Summer 2005.

Modernising Rural Delivery – Local Delivery Pathfinder

West Durham Pathfinder was formed from three separate proposals. A Single Voice approach has been taken for the Regional Steering Group between RDS/CA/EN and RDS now providing that lead. One of the objectives is to improve communication between the Regional Agencies and Local Delivery along with a more integrated approach to join up local delivery across the Economic, Social and Environmental bodies. Steering Group has helped relationships and understanding between local and regional partners. Priorities are to influence ONE's Rural Programme and development of Natural England.

Outcomes

- Simpler, more effective service delivery
- Greater flexibility in rural delivery, funding and reporting
- Development of cross-cutting targets
- Strengthened local influence on spending by key agencies

Themes are as follows:

- Community capability building and developing social enterprise
- Skill and enterprise development in support of sustainable tourism
- Health and quality of life of our young people
- Development of the 'knowledge economy' in ways appropriate to West Durham

Co-ordinator to be appointed to drive the initiative forward in Summer 2005.

ERDP Project Based Schemes (PBS)

The number of PBS applications declined during 2004 with 89 projects considered by the RAP compared to 173 the previous year. However, the NE regional spend was a major success, with £3,134,000 being spent across the schemes. A particular success was exceeding the budget spend for financial year 2003/4. There were two major factors behind this. The region made good use of the integrated admin/technical working practices established within the PBS team, which enabled an 'all hands on deck' approach. In addition all live projects were actively managed to ensure the timely submission of claims, which involved regular contact with project managers.

Agri-Environment Schemes and Environmental Stewardship

CSS, ESA and FWPS were all delivered to targets. All agreements were sent out by the September deadline and the majority of claims were paid by the end of December.

The Barnard Castle area of the NE Region was chosen as the Upland pilot area for ELS. 74 agreements were issued, covering 62 per cent of the area, with the average agreement value being £2,377 per year. The most popular categories were field boundaries, trees and woodland, LFA land and historic and landscape features. The pilot has been very positive for the Region, giving the opportunity to raise awareness of the new schemes with staff and partners and to try out implementation techniques and learn from the experience.

HLS Targeting

Working with a wide range of partners and others with an interest in the development of the new scheme RDS held a series of meetings and workshops. Five regional workshops were held on a themed rather than geographical basis, i.e. Historic Environment, Wildlife, Access, Landscape and Resource Protection. These workshops involved statutory partners, members of the RAG, and other key players who hold relevant information.

The workshops were well attended, and well received, with attendees being satisfied with the process, confirming the regional priorities from their perspective were correct, and providing feedback on the draft JCAs. In addition RDS provided attendees with the chance to flag up future opportunities for HLS. These future opportunities will form the basis of an evidence-based document that will act as the baseline set of data from which outcome focussed feedback can be provided.

The NE region set up a dedicated Customer Support Unit in November to begin preparation and training for the launch in 2005 of ES.

Farm Advice

Regional priorities and delivery plans for the national contracts for ES Conservation, Environment Sensitive Farming, and Cross-Compliance, were established during 2004. The contracts will be managed by the Regional Farm Advice Co-ordinator at RDS NE. Delivery is planned to begin in early 2005.

Sustainable Farming and Food Strategy

RDS is a key member of the SFFS Steering Group and hosts the SFFS Co-ordinator post. Activity includes utilising existing regional groups to implement the action plan.

- Northumbria Larder, the Regional Food Group were given SFFS funding to produce a new business plan and increase/improve their capacity within the region
- Red Meat Action plan being finalised and a series of seminars for farmers
- Northern Organic Producers Group developed organic cutting room, an organic box distribution scheme, an organic cereals/feed business and a website to promote organics
- North East Land Links leading on procurement and nutrition elements including two seminars to promote Local Authority/Public Sector Food Initiatives, developing links to Regional Centre of Procurement Excellence, report produced on Local Food Procurement and a working group to develop this.

SFFS is also working on Renewable Energy with the Biomass improvement Group and North East Biofuels and the Environment Forum.

Relationship between Estates and rural settlements

RDS has been engaged in research led by Business Link exploring the role of estates in supporting local settlements. A pilot is being planned to develop this further.

Progress towards Biodiversity Action Plan (BAP) and Public Service Agreement (PSA) targets

There are 109,415 hectares of SSSI land in the region of which 46.42 per cent are now in 'favourable'/'unfavourable recovering condition', leaving 53.58 per cent in 'unfavourable', 'no change' and 'declining' condition. These figures represent a net increase of 9,114 hectares in the area of SSSI land in favourable condition over the last year. This has largely been achieved through the targeted use of the Countryside Stewardship, or Wildlife Enhancement Schemes.

The Region has seen an increase in the number of farmland birds which is in contrast to the national trend. The farmland birds group, led by RDS continues to help in the targeting of arable options under the Countryside Stewardship Scheme, which contributes to the farmland bird PSA target by enhancing conditions for species in the region such as tree sparrow, corn bunting and grey partridge.

The experience gained from the creation of an integrated multi-disciplinary RDS team in 2003 has enabled the region to put into practice the knowledge and skills gained from this process into managing the restructuring of staff into area rather than scheme-based teams. Integrated ERDP delivery has also been a feature in the NE region in 2004. A prime example of this is the Blanchland Estate which is within the North Pennines AONB. The Estate comprises hill farms, rural businesses, residential houses and a variety of European and National Designations. In 2003 RES funding was approved for a feasibility study to establish a Sustainable Business Plan to identify actions required for sustainable development within the area. Following on from this further RES funding was approved which saw the conversion during 2004 of the Old School in Blanchland into village tearooms. There are several CSS tenant farmer agreements in place on the Estate, with two of these having permissive access as part of the agreement, and one of the farms registered as Organic. RDS NE has worked very closely with the Estate's Agent to bring all of this together and realise the benefits of integrated ERDP delivery.

Rural Revival – Our Finest Countryside

This initiative is focused on identifying opportunities to take forward rural regeneration within the region's protected landscapes. It involves a range of key partners, including RDS, and its Statement of Intent centres around increased collaboration between key organisations and increasing the knowledge base regarding the role and contribution of these areas in the region. Consultants have produced a report that identified the economic benefit the region derived from the protected landscapes and this has been utilised to inform further work on enhancing the value that is derived.

Renewable Energy

On going work on renewable energy in the region has now been linked in with SSFF and includes The Biomass Implementation Group (BIG) and North East Biofuels. BIG has 78 members which consist of both public and private sector organisations. It acts as a forum for the biomass industry and has the task of implementing the Regional Biomass Action Plan. North East Biofuels is an industry-led cluster that is seeking to promote the use and manufacture of renewable biofuels in the North East.

Kielder Village, the UK's most remote village, has the country's first wood fuelled district heating system. The initiative uses woods that surround the community to heat and supply hot water to the Visitor Centre, a commercial unit of business workshops, the village school, a youth hostel and six new, three bedroom homes. There are Biomass developments in the region with SEMBCORP at Wilton Power Plant and by Alcan at Lynemouth.

Natural Commitment

The initial Natural Commitment report was launched in late 2003, with the first progress report issued in late 2004. This report detailed progress made over the year, and gave a series of examples where partnership working had helped to contribute towards meeting the PSA target for SSSIs.

North East State of the Environment Report (NESE)

ONE North East together with other members of the NE Environment Forum, which includes RDS produced the State of the Environment Report in early 2004. Consultants have now been employed to compile the Implementation Plan which sets out proposals for the implementation of the NESE report, and to make links with the wider Northern Way initiative.

North West

Changes to Conditions and Trends

Agriculture

Farm incomes rose in 2004 from their levels of the previous year although they were still significantly lower than in the mid 1990s²⁴. The Economic Review of Farming in the North West 2003/2004 reported that incomes rose in all of the main farming sectors. In the dairy sector incomes rose from their nine-year low in 2003. Furthermore, the average farm area increased by 20 per cent with the average dairy herd increasing by 34 per cent. This was accompanied by an 11 per cent increase in average milk yield per cow. Livestock farms saw an increase in incomes in 2004 but they were still 17 per cent lower in real terms than in 1995. The average size of a livestock farm increased by 12 per cent with average ewe and suckler cow numbers increasing by seven per cent. Finally, arable farms saw a rise in farm incomes in 2003/2004 due to the higher cereal and potato prices and, like other sectors, saw the average farm size rise, this time by 15 per cent to 138 hectares.

There are over 22,000 farm businesses across the North West region that in turn employ some 40,000 people. That said, the agriculture sector directly contributes less than one per cent of the region's Gross Domestic Product – although this figure does not include industries such as feed suppliers and food processors that are part of the food production chain. Agriculture's contribution to the local economy is much higher in Cumbria. In addition, the landscape and environment maintained by farming provides the basis for other economic activities within the rural economy.

The introduction of the Single Payment Scheme in 2005 has prompted more farms to review their current activities and to consider diversification into other activities. The ERDP project-based schemes continue to attract a growing number of applications, with diversification into tourism a particularly popular option. In the last twelve months there have been 93 successful RES applications worth £2,887,742 and nine PMG worth £1,831,036.

24 The Centre for Agriculture Food Resource Economics at the University of Manchester report – Economic Review of Farming in the North West 2003/2004

The CSS and ESA projects continue to be popular within the region, where the Lake District ESA has 1,685 current agreements. In the last year some 500 agreements have been renewed and a further 30 new successful applications lodged. In total, some 197,350 hectares of land are being managed through ESA agreements. There are 1,669 Countryside Stewardship Scheme agreements in the North West, covering 106,896 hectares. These are helping to protect and improve a diverse range of habitats throughout the region.

Rural Economy

The service sector is the biggest employer in rural areas, with over 310,000 people employed in this area. This sector is continuing to expand, particularly the communications, transport, hotels, catering and business services areas. The natural environment is a vital resource for rural tourism and leisure, which provides five per cent of the region's GDP and 40,000 rural jobs. Recreational use of the North West's countryside continues to grow, again providing more employment opportunities. Over half a million hectares of open country in the region has new rights of access under the provisions of the Countryside Rights of Way act and there are over 24,500 km of public rights of way and three National Trails.

The cost of rural housing is a continuing problem within the region. Many of the people working in the rural economy have below-average incomes for the region whereas the cost of housing in rural areas is on average 50 per cent higher than urban areas. The limited supply of housing, particularly affordable rental accommodation, in rural areas has driven low income or newly forming rural households to look elsewhere for homes.

Somewhat uniquely, Cumbria remains relatively dependant on agriculture, leisure, tourism and manufacturing. These areas are relatively low pay sectors and as a result the county struggles to attract and retain graduates.

Rural Environment

Some 29 per cent of the region is designated as either National Park or Area of Outstanding Natural Beauty (AONB). The Lake District is England's largest National Park and AONBs include all, or part of, North Pennines, Solway Coast, Arnside and Silverdale and the Forest of Bowland. The region has over 30 per cent of England's commons and 31 out of 37 UK Biodiversity Action Plan habitats. Over 80 per cent of the coastline is designated for its wildlife importance and also carries some major estuaries, ports and resorts. Hadrian's Wall is a World Heritage Site and the Lake District is seeking to secure similar status; there are two community forests, and extensive areas of urban fringe around large Victorian industrial towns.

The agri-environment schemes continue to deliver benefits to BAP habitats and wildlife, enhancing the landscape and conserving historic features. A particular area of success over the last year has been the work relating to improved bird habitats. RDS has worked closely with partner organisations (RSPB, EN and EA) along with agreement holders, to significantly improve bird habitats throughout the region. This has included projects to help lapwings in Cheshire and waders and grey partridge in Cumbria. RSPB themselves have actually benefited from a VTS grant to train farmers on how to manage their land to the benefit of birdlife.

Regional Initiatives and Developments

Sustainable Farming and Food Strategy

The SFFS management group is meeting quarterly. Progress on this initiative is gathering pace with some valuable linkages having been made through joined-up working. Government Office (GO) and RDS have worked closely on the development of a farm demonstration activity plan.

Project based schemes have been used to support SSFF. A number of VTS projects are helping to improve skills within the farming and food sector, integrating business planning and environmental advice. Such projects include training for retailing through farmers markets and farm shops, with a grant enabling 500 people to be trained at 50 courses. Three PMG projects are helping improve local and regional food supply as well as collaborative working within the food chain. The NW Food Group, supported by RES, aims to deliver food producers and processors in the North West with pro-active and supporting marketing.

RDS representatives sit on the 'Investing in the Future' and 'Managing the Environment' theme groups of the SFFS delivery plan and a core group of GO, NWDA and RDS has been set up to assist the management group drive forward the strategy on a practical level.

Rural Renaissance Programme (RRP)

The RRP covers Cheshire, Cumbria and Lancashire. RDS continues to work closely with NWDA, County Councils and other partners to deliver the RRP's objectives and ensure complementary with the suite of ERDP schemes. During the past year **Lancashire Rural Futures** has been extended to cover the whole county. LRF offer free business and environmental advice to farmers, rural producers and businesses, resulting in an increased number of ERDP applications, particularly for the Rural Enterprise Scheme. RDS have seconded an adviser to LRF for two days a week to work up the Lancashire Rural Recovery Action Plan capital fund. This is a grant scheme with a budget of over £1 million that can be awarded to fund projects that currently fall into recognised gaps between existing grant schemes.

Farming Connect Cumbria was launched in 2004 at the Westmorland Show. Funded by Rural Regeneration Cumbria and delivered by Cumbria Farm Link, it will provide business and environmental advice, and structural grant support to farmers. The grants will be for capital infrastructure items and will be considered by a panel. RDS have seconded an adviser to RRC for two days a week. An adviser is also seconded to Voluntary Action Cumbria for two days a week.

Cheshire Rural Enterprise Gateway encourages collaboration between businesses and offers support and assistance to groups of farmers with a common interest. RDS have also supported the Cheshire County Council initiative, 'Saddle up', that aims to improve and expand the bridle pathway network in Cheshire. An adviser is seconded to Cheshire Rural Recovery Team for one day a week.

The Watchtree Nature Reserve was officially opened in July 2004. This was one of the main sites used for carcass disposal during FMD, and RDS has worked with the Watchtree committee to regenerate this area as a nature reserve and memorial. A CSS agreement has been set up on part of the site.

The ERDP project based schemes have supported several community-based projects such as The Ribble Valley Rider, a community transport application to provide an accessible and affordable transport service for all members of the public in Clitheroe and the surrounding villages in the Ribble Valley. A RES grant was approved to fund the leasing of the buses and support the running along two scheduled routes to deliver a flexible transport service and address the issues of rural isolation and social exclusion.

South East

Changes to conditions

Agriculture

The impending changes in CAP support, current levels of farm income and the development of Environmental Stewardship encouraged many farmers to start to review their future business options in 2004. It is not yet possible to know what the full impact of these changes will be but there has been a substantial increase in the number of holdings of less than 20 hectares in the South East in recent years. The numbers of sheep, dairy cows and beef cattle in the region have also declined.

Rural economy

The South East is the second largest regional economy in the UK outside London, accounting for almost 16 per cent of the UK's GDP. Around 23 per cent of all South East's businesses are based in rural areas. These businesses form a very important element of the region's economy.

In 2004 environmental activities in the South East, including land based, conservation, environmental technologies and specialist professional services, contributed almost £8 billion to the region's economy and employed 230,000 people. This element of the region's economy appears to be increasing. Tourism is also a major industry in the South East, with rural-based tourism generating around 20 per cent of its income.

But the South East also has 271 of the 20 per cent most deprived Super Output Areas, according to the Index of Multiple Deprivation developed by the Office of the Deputy Prime Minister (ODPM). In the South East over 400,000 people live in these areas, and 222,000 children live in income deprived homes. Although the majority of these are in the seven indicator districts and major towns/cities in the South East, there are also pockets of deprivation in rural areas. Essential services are under pressure in rural areas, such as shops and post offices (and in some areas these are in decline). This can have a disproportionate impact on the most deprived members of the rural communities.

The availability of affordable housing is also a growing problem in rural areas of the South East, particularly for those involved in rural industries. This is having an impact on the availability and costs of staff for rural businesses.

Rural Environment

The Chiltern Hills Conservation Board was established in 2004. This is a public body with the purpose of conserving and enhancing the Chilterns Area of Outstanding Natural Beauty (AONB), first designated in 1965 and covering an area of 833 square kilometres, the majority of which falls with the South East region.

Changes in trends

Agriculture

2004 saw the continuing restructuring of the industry, although at a relatively low level. It is anticipated that the pace of change will increase from 2005 onwards as farmers review their business options under the new Single Payment Scheme.

Rural economy

The South East has a large and active economy and offers many diverse opportunities for rural businesses and communities. 68 per cent of farms (5,900 holdings) in the South East already have some form of non-farming income. This is higher than in any other region. These alternative sources of income are on average larger in the South East than in any other region. The most popular forms of diversification are letting buildings, processing and retailing farm produce and tourism. However it is apparent that farmers are not yet fully exploiting the opportunities that exist in the region. We therefore anticipate that farm diversification will continue to expand in the region, and could possibly be accelerated by the impact of the Single Payment Scheme.

It is also apparent that there are many major business opportunities in the region for collaboration amongst farmers. The English Farming and Food Partnership Ltd are already promoting wider understanding of these opportunities.

Rural environment

The rural environment is recognised as a major regional asset in terms of its biodiversity and landscape value, as well as its contribution to the economic and social well-being of the region. Approximately 30 per cent of the region is covered by Areas of Outstanding Natural Beauty (AONBs). It also has 37 National Nature Reserves (covering 8,139 hectares) and 702 Sites of Special Scientific Interest (SSSIs) covering 132,387 hectares.

In 2004 the area of SSSIs in favourable or recovering condition increased by 2,000 hectares, increasing the total to 67 per cent of SSSIs. An additional 231 Countryside Stewardship scheme agreements were also approved. This means that in the South East more than 25 per cent of holdings of greater than five hectares are now participating in an Agri-Environment Scheme.

The TourismSE regional tourism strategy identified that maintaining and developing the rural environment is one of the keys to developing tourism in the region.

Regional initiatives and developments

Farm environment plan training

In preparation for the promotion and delivery of Higher Level Stewardship (HLS), three training events were held in the South East for land agents and consultants on how to deliver Farm Environment Plans (FEPs). More than 100 people attended training.

Farm demonstration programme

Work was also undertaken on the regional dimension of nationally agreed Defra funded advice contracts on Environmentally Sensitive Farming (ADAS), Conservation (ADAS and FWAG) and Cross Compliance (Momenta). This new area of work for RDS included the following successful activities:

- Single Payment Scheme seminars;
- events to promote Countryside Stewardship access agreements, in collaboration with the Kent Downs AONB, Forestry Commission and other partners;
- a joint Landcare project with the Environment Agency aimed at reducing diffuse pollution in the Test and Itchen catchments; and
- the training of selected farmers in presentation skills to assist them with their promotion of the uptake of best practice in a number of topic areas including diversification, environmental management and performance management.

Sustainable Farming and Food Strategy

We continued to be actively involved in the delivery of the regional Strategy for Sustainable Farming and Food (SSFF) action plan in the South East, and during the year hosted a visit from Sir Don Curry and his team to two ERDP-funded farm businesses.

During the year we also undertook a number of significant activities that directly delivered into the SFFS including:

- the promotion to local communities of Countryside Stewardship (CSS) access arrangements. A range of access promotion information leaflets were produced, some covering the whole South East Region, some more locally based. These were used to promote access availability and opportunities to local communities. These generated numerous press releases and media placements;
- promoting a major uptake of agri-environment options that would reduce diffuse pollution and mitigate soil erosion. Particularly successful uptakes were made for grass margins and buffer strips adjacent to water courses and arable reversion to grassland options;
- working closely with landowners to promote proactive use of their access agreements;
- promoting new diversification opportunities. Most Vocational Training Scheme (VTS) and Processing and Marketing Grant (PMG) grant awards and a significant percentage (70 per cent+) of Rural Enterprise Scheme (RES) grants have contributed directly to SSFF action areas and priority tasks, in relation to Advice and Training, Adding Value to produce and Non Food Diversification.

Email newsletter

The email newsletter started in 2003 continued to be circulated to about 2,000 landowners, partners and other interested organisations during 2004. It is regarded as a very cost-effective and quick means of communication, appealing to a wide range of stakeholders and customers.

Challenge project

The South East region won Defra Challenge Fund support for a range of activities aimed at improving the targeting of project based schemes in the region. Outputs from this project have included:

- jointly preparing, with regional partners, a booklet to promote the benefits of training and the uptake of the Vocational Training Scheme. This was sent to 8,900 farmers;
- running a series of four workshops, in conjunction with local authorities, the Environment Agency and English Food and Farming Partnerships Ltd, to promote wider understanding of the green waste composting opportunities in the region;
- running a series of four workshops in conjunction with the South East Rural Community Council and the lottery fund to promote to rural communities the availability of a range of grant sources;
- collating and disseminating a large volume of evidence in a Geographic Information format;
- holding a number of meetings with regional partners to disseminate information and to agree regional priorities;
- evaluating the effectiveness of workshops for increasing entrepreneurial activities amongst two key groups – young people and women in rural communities; and
- preparing a booklet to promote greater uptake of diversification in the region.

Pathfinder

In July 2004, the Government published the Rural Strategy 2004, which proposed a number of ways of improving services to rural communities, including the proposal for rural pathfinders to pilot new ways of working. Eight Rural Pathfinders have been chosen across the country, with Hampshire being selected in the South East. The aims of the Rural Pathfinder Programme, as outlined in the prospectus from Defra, are to experiment with and test:

- Ways of achieving **more joined-up delivery of services** in rural areas, addressing economic, social and environmental issues;
- Where practicable, **innovation in rural development and delivery of services** in rural areas, building as appropriate on existing best practice; and
- **Better prioritisation of existing resources**, in line with local priorities, towards areas, communities and people with the greatest needs.

RDS South East is involved in the pathfinder programme in the region as a member of the steering group and in the delivery of individual projects. It is anticipated that this programme will identify and help to put in place new and better ways of delivering environmental and economic objectives.

Community projects

RDS South East has been working closely with the South Rural Community Council to promote the uptake of project based schemes amongst rural communities. This is a successful relationship that is generating good quality applications for grant aid.

Project Based Scheme (PBS) Clinics

For the promotion of PBS, and to help improve the quality of applications for grant aid, we continue to provide monthly clinics at four offices across the South East. In 2004 these were over-subscribed and our advisers met 300 potential applicants to discuss applying, eligibility, preparing business plans and where to obtain other sources of grant aid. We also ran clinics to help newly approved applicants manage their projects.

South West

Changes in Conditions

Agriculture

The key issues in 2004 have been driven by CAP changes and the associated development of rules surrounding the Single Payment Scheme and Cross-Compliance. As the link between farming decisions and receipt of subsidies is broken in 2005 the consequences to their businesses in support is delivered are yet to be fully appreciated by the majority of farmers. This has resulted in uncertainties for the industry and consequently markets in terms of land sales and herd dispersals have stagnated. The main land sales have been to new entrants to land ownership where income from agriculture is not the prime objective, but owning a piece of the English countryside and privacy are the key drivers.

Last year's poor harvest where quality suffered as a result of August rain, coupled with low prices was one of the primary reasons for the reduction in farm incomes compared to 2003. The Total Income from farming fell by 8.1 per cent in real terms. Many farm businesses continue to see diversification as an important means of supplementing incomes.

Reduced levels of income have been compounded by increased cost in fuels suggesting costlier transport of inputs and commodities on and off farms. The very high gas prices have meant that domestic ammonium nitrate is now (April 2005) trading in excess of £150/t. The price of phosphate fertilisers has also increased. In addition increases are likely on oil-dependent fungicides, glyphosate and some key insecticides.

Rural Economy

Tourism remains the South West's single biggest activity in the region employing eight per cent of the workforce, whereas agriculture is now less than 1.5 per cent. Approximately 22 million visitors come to the region each year balanced against an indigenous population of five million. ERDP project based funding is focused towards assisting businesses diversifying or growing into supporting the tourism sectors. This is not just in the accommodation sectors but also in the wide range of food and drink products produced across the region with the tourism industry as the end user. Project based schemes also support many projects aimed at providing alternative work locations in the highly valued rural environment.

Fuel price increases driven by escalating oil prices, particularly of red diesel, nearly doubly over a 12-month period will impact directly on cultivation, drying costs and any other fieldwork. Machinery contractors are likely to feel the direct impact on their cash flow.

Changes in Trends

Agriculture

The majority of farmers are preparing for the Single Farm Payment Scheme (SPS). The pace at which industry re-structuring will take place is dependent on how farmers view the decoupled payment. This radical change, increasing input costs and the price outlook of key commodities will dictate the future pace of re-structuring within the industry. As a result of the SPS, farmers will have to make some key judgements on the type of farming business and intensity they wish to operate.

Continuing pressure within the dairy sector has seen a fall in dairy holdings in the southwest since the beginning of January 2002. All sizes of dairy farmers are exiting the industry, small dairy units because of the low level of profitability and larger dairy units that may face significant investment issues. However during 2004, few farms or dairy herd dispersals have taken place in the region principally due to the uncertainty arising from the implementation of the single farm payment. Dairy cow prices remain good due to the few number of sales that are planned in the near future. Notable exceptions were dispersals in Gloucester and at Little Bredy, Dorset, the latter involving the sale of a high genetic herd. Decisions to remain in the industry will depend upon individual circumstances and whether profits can be produced in the absence of the SPS. Other factors will include investment in farm manure and slurry storage. Dairy farmers, particularly in the east of the region can exploit the value of their location by letting out former herdsman cottages etc.

Rural Economy

Faced with declining farmer spending, the supply and support industries continue to rationalise their operations, this is also true of a number of companies that supply inputs, consultancy and advice to the agricultural industry. Many of the agricultural supply co-operatives such as Countrywide Farmers and Mole Valley Farmers continue to get a greater proportion of their income from customers that are not directly involved in agriculture. Others such as North West Farmers seek to spread their costs by expansion and bought out JGW Thomas, an independent Devon cattle feed compounder. Land agency companies and partnerships such as Savills continue to grow their land agency business principally by takeovers of smaller businesses. For example they have taken control of the West Country firm Colville's, with offices in Exeter, Tavistock and Bodmin.

Relocation of Yoplait's yogurt making activities has resulted in the loss of several hundred jobs on Somerset. A significant number of auction marts in the region continue to operate with reduced livestock through put. The demise of Chippenham and Cirencester auction marts means that farmers are faced with significantly longer journeys to Bristol, Ross-on-Wye and Salisbury. Although a replacement for Cirencester is scheduled to open in late 2005. There also still appears to be excess slaughtering capacity in the southwest. Future rules concerned with many elements of slaughtering facilities will put continued pressure on small abattoirs in the region.

Rural Environment

The quality of the environment in the South West is a key driver in the continued success of the regions tourism, recreation and leisure markets. The varied landscape types, large coastal fringes and marine habitats, landscape environmental value, and biodiversity provide something for every occupant or visitor to the region.

The two National Parks of Exmoor and Dartmoor continue to be highly attractive as recreational centres in the region. Pressure is growing in relation to the provision of local housing of an affordable nature in these and other high value areas of the region where prices are beyond the reach of most first time buyers. Many traditional small cottages are now used for weekend retreats or holiday letting.

Environmental Schemes within the ERDP continue to be attractive to land owners and managers and play a key role in maintaining and enhancing the natural environment.

Regional Initiatives and Developments

Strategy for Sustainable Farming and Food

RDS SW continue to be actively involved in the delivery of the regional action plan in the South West. The focus of ERDP funding on SFFS activities is fundamental to the delivery of the strategy objectives. RDS lead on the key Environmental and Farm Demonstration themes; in addition the programme plays a major role in contributing to the Knowledge, Human Health, Broadening the Economic Base and Food Chain themes.

Integrated working with regional partners

Rural Enterprise Gateway (REG) was launched in November by Business Links. It is part-supported by RDS through Vocational Training Scheme funding. This project aims to help rural businesses develop and adapt to change. It offers a region-wide business support package for the rural land-based sector and is integral with the South West's Sustainable Farming and Food Strategy. Over 65 groups (average size 10 participants) have been established to benefit from this support in the first 4 months.

Pathfinder As part of the Government's Rural Strategy, Dorset has been selected as one of the eight Rural Pathfinders to look at ways of achieving more joined-up delivery of services in rural areas across the country. RDS South West is involved in the Pathfinder programme as a member of the steering group and in the delivery of individual projects. We anticipate that this programme will identify and help to put in place new and better ways of delivering environmental and economic objectives.

West Midlands

Changes to Conditions and Trends

Agriculture

For the 'all farm types' (i.e. all farm types including horticulture) farm incomes rose in 2003/04 although beneath this general picture there was some variation between farm types. The sharpest increases in income were on cereals, general cropping and mixed farms with lower increases on dairy, lowland cattle and sheep, specialist pig and

horticulture farms. Incomes fell on specialist poultry and LFA cattle and sheep farms. Net farm income on dairy farms increased in 2003/04 due to higher milk prices compared with the previous year. Some of the increased output was offset by higher input costs, notably feed and labour.

There are a few key trends in the production of agricultural products in the West Midlands:

- Root crops: the area of both potatoes and sugar beet grown in the region has declined from 1990 to 2003.
- Maize: the area of maize grown has increased dramatically over the period 1990 to 2003 with the development of earlier maturing forage varieties.
- Livestock: the numbers of dairy cattle, ewes but in particular pigs has fallen from 1990 to 2003.
- Labour: the amount of total labour has fallen from 1990 to 2003.

There is now a longer growing season for potatoes, fruit and asparagus etc, so it is not limited to two to three months. Local people are unwilling to do manual labour at a low wage. Workers, for whom the wages are quite good, are therefore being brought in from Europe.

Rural Environment

Maintaining and improving the condition of habitats, species and ecosystems

The agri-environment schemes in the West Midlands region have contributed to the regional targets for many of the priority habitats and species. In the period 2002 to 2004 when we carried out detailed biodiversity recording, the agri-environment schemes in the West Midlands account for:

- 2000 hectares of maintained or restorable Lowland Hay Meadow. This equates to 80 per cent of the regional target.
- 226 hectares of species-rich Lowland Hay Meadow being created. This significantly exceeds the existing regional target.
- 576 hectares of maintained or restorable Lowland Dry Acid Grassland. This meets the 30 per cent regional target for the period to 2005.
- 274 hectares of maintained or restorable Floodplain Grazing Marsh and 190 hectares of habitat creation, the latter amount exceeding the existing regional target for this habitat.
- 229 hectares of maintained or restorable Lowland Heathland, which meets eight per cent of the regional target to be achieved by 2010.

The detailed biodiversity recording post 2002 revealed that the agri-environment schemes are contributing to the West Midlands regional targets associated with 16 priority habitats. Detailed biodiversity recording has also revealed that the agri-environment schemes are being managed for the benefit of biodiversity priority species. Species include Brown Hare, Water Vole, Tree Sparrow, Grey Partridge, Corn Bunting, Skylark, High Brown Fritillary Butterfly, Great Crested Newt and the Pink Wax Cap fungus.

Monitoring the Condition of habitats, species and ecosystems

Our detailed biodiversity recording of the agri-environment schemes in the West Midlands 2002-2004, gives a broad indication of habitat condition:

- Of the Lowland Hay Meadows that have come into agri-environment agreements in the period 2002-2004 in the West Midlands, 42 per cent are in a condition where management for 'maintenance' is being delivered. Considering the meadows that are being managed to 'restore' their quality, the figure is 58 per cent.
- A high percentage (79 per cent) of Lowland Heathland that has come into agri-environment agreements in the period 2002-2004 in the West Midlands is being managed to 'maintain' its condition. The figure for 'restoration' management is 21 per cent.
- The percentage of Lowland Acid Dry grassland that is being managed to 'maintain' its condition within agri-environment schemes in the West Midlands, is 59 per cent in the period 2002-2004. The figure for 'restoration' management is 41 per cent.
- Of the Floodplain Grazing Marsh habitat that has come into agri-environment agreement in the period 2002-2004 in the West Midlands, 70 per cent is being managed to 'maintain' condition. Management to 'restore' habitat quality applies to 30 per cent of this habitat within agri-environment agreements.

The area of SSSI land in favourable/recovering condition (i.e. meeting Public Service Agreement target) under ESA agreement in the region has increased from 34 per cent to 59 per cent. In the Shropshire Hills ESA, the increase is likely to have been due to a change in status of some SSSI units on the Long Mynd (from 'unfavourable declining/no change to 'unfavourable recovering').

The percentage area of SSSI land meeting the PSA target under CSS in the region has increased from 64 per cent to 73 per cent. The percentage area in North Mercia has increased from 69 per cent to 81 per cent.

Regional Initiatives and Developments

Expression of interest system for PBS applications: introduced in May 2003, RDS West Midlands have continued to develop this system and a revised proforma was introduced in July 2004 to make it more user friendly and to incorporate the previously separate guidance notes. It remains voluntary for customers although most choose to use it, welcoming the benefits of an early opinion on their idea/project. Following a best practice review in December 2004, RDS Regional Managers agreed to roll out the system across all regions and it is also proposed to develop the concept as a platform to engage with the Regional Development Agencies when the rural economy schemes transfer to them in 2007.

RDS Access advisers in Herefordshire, in conjunction with Hereford County Council, have produced **five Herefordshire Walks leaflets**, providing route guidance and information on permissive access agreements under CSS. These have been distributed through, for example, Tourist Board offices and have been very well received.

The **Wyecare diffuse pollution initiative** was launched on the River Wye/Lugg Natura 2000 area. This is an RDS Farm Advice Unit initiative comprising a series of six focused farmer meetings and targeted follow-up visits to promote resource protection measures aimed at reducing sedimentation and nutrient enrichment on this priority catchment. This project involves collaborative working with English Nature and the Environment Agency in the region.

Strategy for Sustainable Farming and Food: RDS continues to work closely with the regional SSFF team. In the second half of 2004, 44 RES projects were approved with a total grant awarded of £1,018,900, helping meet the SSFF objectives of: improving supply chains; developing infrastructure to support the farming, food and drink industry; promoting regional and local food; promoting sustainable waste management in the farming and food industry; and developing rural and farm based tourism and recreation. £90,110 was awarded under VTS (7 projects) and £909,978 under PMG (five projects).

Yorkshire and the Humber

Changes in Conditions

Agriculture

The autumn of 2004 was very wet in the region, with double the usual rainfall. Cereal producers struggled to harvest in wet conditions and, although nearly all crops were eventually won, grain quality suffered and drying costs were an additional burden. Similarly, main crop potato producers struggled with waterlogged soils at harvest as soils reached field capacity much earlier than normal.

The Askham Bryan College report *Farming in Yorkshire 2003/2004*, which describes the results of the Defra funded *Farm Business Survey* in the region, was published in December 2004. The survey describes the performance of farm businesses with a financial year typically ending on 31 March 2004. The average farm surveyed produced a Management and Investment Income of £14,031 over the year – a significant improvement on the £4,756 recorded in the previous year. The results show a positive return on capital invested in farming in the region compared to a negative return in recent years. Analysis of the information shows that gross income increased as a consequence of higher commodity prices. For example, by January 2004 wheat prices rose to £110/tonne, £50/tonne higher than the previous year, and potatoes were trading at twice the price of the previous year. However, the cereal price fell significantly by the time of the 2004 harvest and, coupled with disappointing yields, total output has fallen again. This means that the improvement in profitability seen in 2003/2004 will not be repeated in the 2004/05 financial year and a disappointing financial performance is anticipated.

The structure of farming in the region has continued to evolve in response to reduced incomes and many farm businesses have consolidated. For example, the number of dairy herds in the region has halved since 1990 as milk producers have faced up to the challenges brought by low prices and a need to reinvest in more labour efficient facilities that meet the increasing environmental demands placed on their business. There has also been an extensification of livestock production as the sheep population has fallen to about 80 per cent of the 1990 population and cattle to about 85 per cent. This has, needless to say, been accompanied by a fall in employment in agriculture.

The number of full time employees has declined to less than half of the 1990 levels. The total number of farmers is largely unchanged but more than half of the region's farmers now work only part time on the farm.

Rural Economy

The most recent Farm Business Survey attempted to quantify the scale of farm based diversification that is 'non-agricultural work of an entrepreneurial nature which utilises farm resources'. The amalgamated results for Yorkshire and the Humber and the North East indicate that 37 per cent of businesses have diversified activity on the farm, contributing an average of £9,300 to the business. Only 32 per cent of businesses rely entirely on farm income. However, this is only half the level of activity of farmers in the South East, suggesting that there are many untapped opportunities on farms in the region. Incidentally, by far the most common diversification is letting buildings for non-farming use, which occurs on 83 per cent of diversified farms in the region.

Access to broadband continues to be an issue for businesses located in the more remote rural areas of the region. Yorkshire Forward, the Regional Development Agency, have facilitated rural broadband provision by satellite for 198 rural businesses in the region to test the business demand and content implications and are looking at models to overcome market failure in the provision of ICT in remote rural areas.

Rural tourism has largely recovered from the impact of the 2001 foot and mouth disease outbreak. The impact was most severe in the Yorkshire Dales and North York Moors – the two most important rural areas for tourism in the region because of the high environmental value of the countryside. However, much of the tourist industry in the region, both rural and urban, is characterised by small scale and sometimes isolated initiatives. These businesses often provide lower quality and relatively poorly paid seasonal or part-time jobs. Like farming, many of these businesses are family run and can be dependent on a lifestyle culture that has not always prioritised entrepreneurial drive or service levels. Many businesses suffer from a limited season, because of the upland location and climate, leading to poor occupancy, starving the business of funds for re-investment. Nevertheless, the rural economy of significant areas of the region depends on tourism. The particular strength of the regional tourist industry is the diversity of the region, representing the very best of England, and strong inter-regional tourism – about a third of domestic tourists originate from within the region.

Changes in Trends

Rural Environment

Analysis of the Breeding Bird Survey has shown how the bird population of the Yorkshire and the Humber region is responding to the change in agricultural land use. There has been little or no significant change in the population index of farmland or woodland birds in the region over the last 10 years, which is welcome news. In addition, the population index of all native birds showed a significant increase over the 10 years in the region, mirroring the results for the wider north of England.

A total of 11 per cent of the region is classified as a Site of Special Scientific Interest, largely because of the extensive areas of upland in the Pennines and North York Moors designated for its national and international value. English Nature relaunched the Sheep and Wildlife Enhancement Scheme (SWES) in the region during 2004, targeted on the

South Pennine Moors, to actively encourage restructuring of sheep farming enterprises, support group shepherding and undertake essential capital works. During the year a decision was made to amalgamate the original Wildlife Enhancement Scheme (WES) with the new Environmental Stewardship (ES) scheme. In the meantime, RDS colleagues have worked closely with EN staff to proactively encourage SSSI managers in the region to apply for the new scheme.

Elsewhere in the region English Nature took over the management of Thorne and Hatfield Moors following a £17.3m buyout of the peat extraction rights. This is a major opportunity to provide significant benefits to nature conservation while sustainably developing the two sites for both economic and environmental purposes in the future.

The consultation draft of the regional strategy for trees, woodland and forestry in Yorkshire and the Humber, *Trees and Our Changing Region*, was published in July 2004. The strategy recognises the many social and environmental benefits are offered by trees and woodland, over and above the timber and other forest products that have traditionally underpinned the management of the regions woods and forests. The region has had a low level of woodland cover compared to the average for England as a whole (six per cent compared with 8.4 per cent). Woodland planting has largely been broadleaved species established in lowland areas in recent years – the regional forestry industry was previously concentrated on coniferous species grown in the uplands. Reform of the Common Agricultural Policy will bring increased opportunities for a more diverse land use, including woodland planting, across the region in the years to come.

The Yorkshire and the Humber region, along with the North East and South East of England, has been chosen to pilot the Forestry Harvesting, Processing and Marketing Grant Scheme. RDS will provide technical support to the administration of the scheme over the test period.

Rural Economy

The announcement that the largest electricity power station in the UK, at Drax, near Selby, is to be co-fired with fuel from renewable energy sources was very welcome. Farmers who had planted short rotation coppice intending to supply the now redundant plant at Eggborough have found an alternative nearby outlet for their crop. In addition, suppliers are being sought to plant and grow up to 10,000 hectares of miscanthus to supply Drax. After a faltering start, renewable energy in the region has been given a new lease of life and will provide a non-food alternative for those businesses considering options after the introduction of the Single Payment Scheme.

Yorkshire Forward continues to work with farmers and others in rural areas on a range of fronts. Business support has been provided through a number of initiatives:

- Growing Routes, a joint initiative between Yorkshire Forward and the Yorkshire Agricultural Society (www.growingroutes.co.uk), encourages young entrepreneurs (<45 years of age) in rural areas of the region with business advice, financial assistance and mentoring.
- The Rural Opportunities for the Self Employed (ROSE) project has worked with the Prince's Trust to provide advice to young people in five rural areas in the region (www.ruralopportunities.org).

- Yorkshire Forward has worked with the Yorkshire and Humber Chambers of Commerce Association to provide support for the rural business network (www.rural-networks.org) to encourage partnerships and collaborative working across the region.
- The importance of the decoupling of farm subsidies from production was acknowledged by Yorkshire Forward sponsoring a series of seminars for farmers across the region to raise awareness of just how big an impact this will have on their businesses in the future.

The Renaissance Market Towns Programme was developed to follow and learn the lessons learnt from the Market Towns Initiative. During 2004 the second round of rural towns across the region were identified and set upon the road of producing a strategy and delivery plan that will make a difference to those in and around each town (<http://www.yorkshire-forward.com/>).

Access to the wider countryside in the region increased over the year with the implementation of Open Access to mountain, moor, heath and downland in the lower North West Region, which includes part of West Yorkshire. Most of the Open Access anticipated in the region will be implemented in 2005 as the North East and East definitive maps are published. The Countryside Code, which has been revised for the first time in 20 years, was launched on 12 July 2004 as part of the preparation for increased access to the countryside.

Regional Initiatives and Developments

Strategy for Sustainable Farming and Food

RDS Yorkshire and the Humber seconded two staff to the Regional SSFF initiative. Connections were further developed, between regional ERDP delivery and its overarching regional SSFF strategy, by the development of the regional Joint Character Area (JCA) targeting strategy for Environmental Stewardship. This involved regional SSFF representatives, RDS and regional statutory partners.

On the project based scheme side, specific projects that have helped deliver the objectives of the regional SSFF delivery plan, include:

- Enabling the English Beef and Lamb Executive (EBLEX) to provide training for farmers in selection of beef animals for slaughter, helping ensure cattle reach buyer specifications in the most cost effective way.
- Funding the establishment of a Federation of Commoners and Moorland Graziers in Yorkshire. This body will help bring commoners to work more closely together, particularly in response to Defra and other land management initiatives.
- Enabling North Yorkshire County Council to raise awareness of foods produced in the region to local consumers, international trade mission delegates and overseas buyers.
- Funding The Plunkett Foundation to facilitate co-operation and collaboration between farmers and rural communities in the region.

Annex 2 – Progress against output targets

Table 1: INDICATIVE MEASURES AND INDICATORS (from Annex VII of the ERDP):

Measure	Key indicators	Targets	Achievements in 2004	Cumulative up to end of 2004
Investment in Agricultural Holdings:				
i) Energy Crops (Miscanthus)	<ul style="list-style-type: none"> area (hectares) under miscanthus tonnage of biomass produced carbon emissions saved (tC) energy derived from miscanthus (mGJ) 	5,000 64,000 9,980–43,920 1.0	524ha N/A N/A N/A	720ha N/A N/A N/A
ii) Rural Enterprise Scheme – Agricultural Diversification	<ul style="list-style-type: none"> Number of projects assisted Number of FTE jobs created 	500 400	41 103	539 512
Training				
	<ul style="list-style-type: none"> number of training days number of training courses/workshops number of qualifications obtained 	48,000 2,400 5,000	29,791 4,034 4,465	100,674 12,796 10,143
Less Favoured Areas:				
(i) Hill Livestock Compensatory Allowance 2000 Scheme	<ul style="list-style-type: none"> Relative position of Net Farm Incomes in the LFA and non-LFA 	Compensatory allowance not to exceed relative difference in incomes	N/A (scheme closed)	N/A

Measure	Key indicators	Targets	Achievements in 2004	Cumulative up to end of 2004
Less Favoured Areas: (ii) Hill Farm Allowance (2001–2006)	<ul style="list-style-type: none"> Relative position of Net Farm Incomes in the LFA and non-LFA 	Compensatory allowance not to exceed relative difference in incomes	The average net farm income (NFI) of LFA cattle and sheep farms in England was 53 per cent of the average NFI for all farm types in 2000/2001 and 59 per cent in 2001/2002.	N/A
	<ul style="list-style-type: none"> Area (hectares) attracting basic HFA payment 	No decrease in 1.4m hectares. normally declared, relative to decrease in non-LFA UAA	Total area claimed as LFA forage area for HFA in 2004 was 1.43 million hectares.	N/A
	<ul style="list-style-type: none"> Area (hectares) attracting enhanced payments for sustainable management 	Year-on-year increase in area attracting enhanced payments	The area which received enhanced payments in 2004 was 1.23 million hectares. This equates to 86.09 per cent of total claimed land.	N/A

Measure	Key indicators	Targets	Achievements in 2004	Cumulative up to end of 2004
Agri-Environment: (i) Countryside Stewardship Scheme	<ul style="list-style-type: none"> • area (hectares) and characteristics of land and features under agreement, in relation to nationally and regionally targeted landscapes and features, including: <ul style="list-style-type: none"> → meadows, pastures & rough grazings → moorland → lowland heath → coastal land & habitats → field boundaries & margins → arable land → historic landscapes & features 	<p>To increase the number of agreements and area under agreement annually.</p> <p>For each additional £1m: Additional 4,300 hectares. under agreements; Additional 700 hectares. arable field margins; Additional 350 km hedges, stone walls etc.</p> <p>Successful implementation of regional targeting strategies</p>		325,000 hectares
	Amount of new access provided			

Measure	Key indicators	Targets	Achievements in 2004	Cumulative up to end of 2004
Agri-Environment:				
(ii) Environmentally Sensitive Areas Scheme (22 Schemes)	<ul style="list-style-type: none"> area (hectares) and characteristics of land and features under agreement 	<p>To maintain at least the current area of land under agreement.</p> <p>To meet the environmental objectives and targets set for each ESA.</p> <p><i>(Each ESA has a set of environmental objectives which reflect the aims of each management tier. Each objective has a set of published uptake indicators and targets)</i></p>	N/A	132,000 hectares.
(iii) Organic Farming Scheme	<ul style="list-style-type: none"> area (hectares) converted and producing organic production per year number of beneficiaries (per year) 	45,000 650	9,193 hectares 342	126,939 hectares 1,756

Measure	Key indicators	Targets	Achievements in 2004	Cumulative up to end of 2004
Processing and Marketing	• number of jobs created and safeguarded	2,200	1,426	5,556
	• number of projects assisted	370	53	180
	• number of collaborative marketing ventures supported	100	16	90
	• number of novel outlets created	45	9	61
	• number of projects involving increase in amount of locally produced/sourced raw material purchased	288	34	85
	• number of projects resulting in reduced pollution emissions, energy and water use, and waste production	20	11	36
	• number of new products brought to market	70	28	95
	• number of collaborative marketing groups helped to merge or form federal structures, resulting in improved marketing	7-14	8	13
	• number of assurance schemes assisted	7-14	11	19

Measure	Key indicators	Targets	Achievements in 2004	Cumulative up to end of 2004
Forestry:				
(i) Woodland Grant Scheme	<ul style="list-style-type: none"> area of new woodland (hectares) planted with grant aid area of new woodland (hectares) under approved management schemes 	30,000 300,000	3,107 65,698	24,539 216,754
(ii) Farm Woodland Premium Scheme	<ul style="list-style-type: none"> area (hectares) of new woodland planted arable land area (per cent) improved grassland (per cent) broad leaf planted area (Ha.)/ conifer planted area (Ha.) 	21,000 40 per cent 50 per cent 4:1	2,832 (approved for planting) 45 per cent 41 per cent 34:1	19,714 (approved for planting) 50 per cent 41 per cent 14:1
(iii) Energy Crops – Short Rotation Coppice	<ul style="list-style-type: none"> area (hectares) under short rotation coppice tonnage of biomass produced carbon emissions saved (tC) energy derived from short rotation coppice (mGJ) 	16,700 215,000 33,420–147,040 3.3	144 N/A N/A N/A	1,019 N/A N/A N/A

Measure	Key indicators	Targets	Achievements in 2004	Cumulative up to end of 2004
Rural Enterprise Scheme:				
(iii) Setting up of farm relief and farm management services	• number of businesses benefiting	701	963	3,555
	• number of jobs created/sustained	277	728	835
	• rural area served by farm relief and other services (sq km)	202,714	5,895	32,878
(iv) Marketing of quality agricultural products	• number of businesses participating	2,037	501	8,159
	• number of jobs created/sustained	1,154	128	1,817
	• increase in annual value of marketed products (per cent or £)	5–10 per cent	£2 million	£24.5 million
	• number of quality products marketed	1,485	10	700
(v) Basic services for the rural economy and population	• number of collaborative projects	303	214	271
	• number and type of beneficiaries	126,857	17,947	35,114
	• number of services supported	127	64	129
	• type of services supported	13	N/A	N/A
	• number of ICT projects supported	92	6	10

Measure	Key indicators	Targets	Achievements in 2004	Cumulative up to end of 2004
Rural Enterprise Scheme:				
(vi) Renovation and development of villages and protection and conservation of the rural heritage	• number of beneficiaries	146,178	73,017	104,091
	• number of village initiatives	200	61	189
(vii) Diversification of agricultural activities and activities close to agriculture to provide multiple activities or alternative incomes	• number of new enterprises supported	1,247	296	657
	• number of jobs created/sustained	1,033	1,283	3,296
(viii) Agricultural water resources management	• number of businesses supported	176	13	145
	• area (Ha.) of land made irrigable	8,562	670	2,870
	• environmental impact: contribution to increased summer water levels in rivers or aquifers (i.e. volume of abstracted water replaced)	13	N/A	5
(ix) Development and improvement of infrastructure connected with the development of agriculture	• number of businesses benefiting	405	9	350
	• number of jobs created/sustained	303	7	143

Measure	Key indicators	Targets	Achievements in 2004	Cumulative up to end of 2004
Rural Enterprise Scheme:				
(x) Encouragement for tourist and craft activities	<ul style="list-style-type: none"> tourism/craft enterprises supported number of jobs created/sustained number of (quality assured)farm/rural bed places created/improved number of tourist day-visits per annum number of new rural craft practitioners created number of projects to facilitate public access number of visitor management plans 	<p>1,550</p> <p>1,044</p> <p>2,720</p> <p>680,014</p> <p>367</p> <p>338</p> <p>44</p>	<p>531</p> <p>504</p> <p>952</p> <p>640,819</p> <p>7</p> <p>15</p> <p>2</p>	<p>2,800</p> <p>1,572</p> <p>4,523</p> <p>1,975,056 (total)</p> <p>202</p> <p>54</p> <p>30</p>
(xi) Protection of the environment in connection with agriculture, forestry and landscape conservation as well as with the improvement of animal welfare	<ul style="list-style-type: none"> number of projects supported area (Ha.) of land protected number of projects benefiting animal welfare 	<p>373</p> <p>13,053</p> <p>91</p>	<p>24</p> <p>38,646</p> <p>5</p>	<p>65</p> <p>136,161</p> <p>12</p>

Table 2: Indicative Priority Level Impact Indicators and Targets (extracted from Section 7 of the ERDP)

PRIORITY A Rural Economy Creation of a productive and sustainable rural economy					
Objective	Impact indicators	Impact Targets	Achievements in 2004	Cumulative up to end of 2004	
<ul style="list-style-type: none"> To assist projects which contribute to: <ul style="list-style-type: none"> more diverse and competitive agricultural and forestry sectors the creation of new jobs in the countryside the creation of new products and market outlets encouraging collaborative marketing provision of targeted training 	Number of projects, businesses or initiatives assisted	<p>a) To increase farm revenues from diversified sources by 25 per cent on full time farms in England by end 2006.</p> <p>b) To assist 6,000–7,000 projects under the Rural Enterprise Scheme by 2007.</p> <p>c) To assist 370 businesses with Processing and Marketing Grants by 2007.</p> <p>d) To assist 200 village initiatives through the Rural Enterprise Scheme by 2007.</p> <p>e) To create 4,000–6,000 Full Time Equivalent jobs through the Rural Enterprise Scheme.</p> <p>f) To create 2,200 Full Time Equivalent jobs through Processing and Marketing Grants by 2007.</p> <p>g) To provide 48,000 full cost equivalent training days for people in farming and forestry by 2007 to support successful delivery of measures under this Programme.</p> <p>h) To increase by 21,000 Hectares the area of agricultural land planted with trees by 2007.</p>	Data not yet available	n/a	
			636 projects assisted	1,703 projects assisted	
			53 projects assisted	180 projects assisted	
			61	185 assisted	
		Number of FTE jobs created and sustained		2,881	5,566
				1,426	4,137
		Number of full-cost equivalent training days provided		29,791	100,674
		Number of hectares of agricultural land planted with trees		3,107 hectares (approved for planting)	24,539 hectares. (approved for planting)

PRIORITY B Rural Environment Conservation and enhancement of the rural environment

Objective	Impact indicators	Impact Targets	Achievements in 2004	Cumulative up to end of 2004
<p>To increase significantly the area covered by the schemes operated under the agri-environment measure;</p> <p>To maintain the sustainable management of an appropriate area of the Less Favoured Area</p>	<p>Number of Biodiversity Action Plan Targets Achieved</p> <p>Number of hectares achieved/converted</p> <p>Number of hectares maintained</p> <p>Percentage increase in proportion of land in higher ESA tiers</p>	a) To deliver by 2007 the 5-year 2010 Biodiversity Action Plan targets for creation of field margins through the Countryside Stewardship Scheme.	N/A	N/A
		b) To achieve an additional 525,000 hectares of land under Countryside Stewardship agreements by 2007.	N/A	325,000 hectares
		c) 430,000 hectares of land converted or converting to organic farming by 2007.	9,193 hectares	126,939 hectares
		d) To maintain at least the current areas of land under ESA agreements.	24,303 hectares	103,489 hectares
		e) To maintain extensive grazing on 1.4m hectares in the Less Favoured Areas.	Total area claimed as LFA forage for HFA 2004 was 1.43m hectares.	N/A
		f) To increase by 10 per cent the proportion of land in higher ESA tiers by 2004.	N/A	N/A

Annex 3A: (Guarantee funding): Common indicator tables for monitoring rural development programming 2000–2006

Conventions used

a. Colour conventions

To be filled in



Automatically calculated/filled



Not to be filled in



b. Coding conventions

Not applicable NP

Applicable, but not implemented (yet) NI

Figure is not available NA

c. Country codes

AUSTRIA	AT
BELGIUM	BE
CYPRUS	CY
CZECH REPUBLIC	CZ
DENMARK	DK
ESTONIA	EE
FINLAND	FI
FRANCE	FR
GERMANY	DE
GREECE	GR
HUNGARY	HU
ITALY	IT
IRELAND	IE
LATVIA	LV
LITHUANIA	LT
LUXEMBOURG	LU
MALTA	MT
NETHERLANDS	NL
POLAND	PL
PORTUGAL	PT
SLOVAKIA	SK
SLOVENIA	SI
SPAIN	ES
SWEDEN	SE
UNITED KINGDOM	GB

d. Programme types

Rural Development Programme (Guarantee)	RDP
RDP with modulation (tracked separately)	RDPmod
RD measures included in Obj 1 programme (Guidance)	Obj1
RD measures included in Obj 2 programme (Guarantee)	Obj2

e. Region codes

See explanatory guidelines

Rural development monitoring indicator tables

code General tables

- T.0.1 Background information
- T.0.2 Programmed measures
- T.1 Characteristics of the programme area
- T.2 Land use programme area
- T.3 Profile of agricultural holdings programme area
- T.4 Forecasts
- T.5 Geographic breakdown of support measures
- T.5.1 According to Objective 1 areas, Objective 2 areas and areas outside Objectives 1 and 2
- T.5.2 According to the areas defined by Articles 16 to 20 of Reg. (CE) n°1257/1999
- T.6 Financial monitoring

Measure tables

- a Investment in agricultural holdings (Ch. I, art. 4-7)
 - a.1 Breakdown by type of production
 - a.2 Breakdown by type of investment
- b Setting-up of young farmers (Ch. II, art. 8)
 - b.1 Setting-up aids by type of production
 - b.2 Applications by age category
- c Training (Ch. III, art. 9)
- d Early retirement (Ch. IV, art. 10-12)
 - d.1 Beneficiary type
 - d.2 New applications by age category
- e Less-favoured areas and areas with environmental restrictions (Ch. V, art. 13-20)
 - e.1 Less Favoured Areas (holdings receiving compensatory allowances by pre-dominant LFA type)
 - e.2 Areas with environmental restrictions (holdings receiving art. 16 payments)
- f Agri-environment (Ch. VI, art. 22-24)
- g Improving processing and marketing of agricultural products (Ch. VII, art. 25-28)
 - g.1 Breakdown by sector
 - g.2 Breakdown by investment objective
- h Afforestation of agricultural land (Ch. VIII, Art. 29-31)
- i Other forestry measures (Ch. VIII, Art. 30-32)
 - i.1 Other afforestation (art. 30, 1st indent)
 - i.2 (art. 30, other indents; art. 32)
- j to v Promoting the adaptation and development of rural areas (Ch. IX, art. 33)
- j Land improvement
- k Reparcelling
- l Setting-up of farm relief and farm management services, setting-up and provision of advisory services and extension services
- m Marketing of quality agricultural products, including setting-up quality schemes
- n Basic services for the rural economy and population
- o Renovation and development of villages and protection and conservation of the rural heritage
- p Diversification of agricultural activities and activities close to agriculture to provide multiple activities or alternative incomes

- q Agricultural water resources management
- r Development and improvement of infrastructure connected with the development of agriculture
- s Encouragement for tourist and craft activities
- t Protection of the environment in connection with agriculture, forestry and landscape conservation as well as the improvement of animal welfare
- u Restoring agricultural production potential damaged by natural disasters and introducing appropriate prevention instruments
- v Financial engineering
- w Management of integrated rural development strategies by local partners
- x Implementing demanding standards (Ch. Va. art. 21a-c and Reg. 740/2004 Art. 1(2))
- x.1 Implementing demanding standards (Ch. Va. art. 21 a-c)
- x.2 Implementing demanding standards (Reg. 740/2004 Art. 1(2))
- y Use of farm advisory services (Ch. Va. art. 21d)
- z Participation in food quality schemes (Ch. VIa. art. 24)
- aa. Promotion of quality products (Ch. VIa. art. 24)
- ab. Semi-subsistence farm undergoing restructuring (Ch. IXa. art. 33b)
- ac. Producer groups (Ch. IXa, art. 33d)
- ad LEADER+ type measure (Art. 33f)

Mixed table

- T.7 Agricultural area under agri-environment contracts and Natura 2000: share UAA receiving agri-environmental or compensatory allowance payments

T.0.1 Background information

Programme type: RDP
Country: GB
Region: ENG
Reporting year: 2004
programme id: GBENG

Contact person:

name Michael Rowe
organisation Department for Environment, Food and Rural Affairs
e-mail Michael.Rowe@defra.gsi.gov.uk
phone 020 7238 1102

T.0.2 Programmed measures

	Tables	Status
a. Investment in agricultural holdings (Ch. I, art. 4-7).	a.1 & a.2	X
b. Setting-up of young farmers (Ch. II, art. 8).	b.1 & b.2	NP
c. Training (Ch. III, art. 9).	c	X
d. Early retirement (Ch. IV, art. 10-12).	d.1 & d.2	NP
e.1 Less-favoured areas (Ch. V, art. 13-20).	e.1	X
e.2 Areas with environmental restrictions (Ch. V, art. 16).	e.2	NP
f. Agri-environment (Ch. VI, art. 22-24).	f	X
g. Improving processing and marketing of agricultural products (Ch. VII, art. 25-28).	g.1 & g.2	X
h. Afforestation of agricultural land and (Ch. VII, art. 31) and i.1 Other afforestation (Ch. VIII, art. 1st indent, 30).	h & i.1	X
i.2 Other forestry measures (Ch. VIII, art. 30, other indents and art. 32).	i.2	X
j. Land improvement and k. Reparcelling (Ch. IX, art. 33).	j & k	NP
l. Setting-up of farm relief services and farm management services, setting-up and provision of advisory services and extension services (Ch. IX, art. 33).	l & m	X
m. Marketing of quality agricultural products including the setting-up of quality schemes (Ch. IX, art. 33).	l & m	X
n. Basic services for the rural economy and population (Ch. IX, art. 33).	n & o	X
o. Renovation and development of villages and protection and conservation of the rural heritage (Ch. IX, art. 33).	n & o	X
p. Diversification of agricultural activities and activities close to agriculture to provide multiple activities or alternative income (Ch. IX, art. 33).	p & q	X
q. Agricultural water resources management (Ch. IX, art. 33).	p & q	X
r. Development and improvement of infrastructure connected with the development of agriculture (Ch. IX, art. 33).	r & s	X
s. Encouragement for tourist and craft activities (Ch. IX, art. 33).	r & s	X
t. Protection of the environment in connection with agriculture, forestry and landscape conservation as well as the improvement of animal welfare (Ch. IX, art. 33).	t & u & v	X
u. Restoring agricultural production potential damaged by natural disasters and introducing appropriate prevention instruments (Ch. IX, art. 33).	t & u & v	NP
v. Financial engineering (Ch. IX, art. 33).	t & u & v	NP
w. Management of integrated rural development strategies by local partners (Ch. IX, art. 33).	w	NP
x.1 Implementing demanding standards (Ch. Va, art. 21 a-c)	x.1 & x.2	NP
x.2 Implementing demanding standards (Reg. 740/2004 Art. 1 (2))	x.1 & x.2	NP
y. Use of farm advisory services (Ch. Va, art. 21d)	y	NP
z. Participation in food quality schemes (Ch. VIa, art. 24)	z	NP
aa. Promotion of quality products (Ch. VIa, art. 24)	aa	NP
ab. Semi-subsistence farms undergoing restructuring (Ch. IXa, art. 33b)	ab	NP
ac. Producer groups (Ch. IXa, art. 33d)	ac	NP
ad. LEADER+ type measure (Art. 33f)	ad	

T1. Characteristics of the programme area

	Indicator	Year of reference
GDP per capita (EUR)	16339	2003
GDP (in % of the national average)	102.2%	2003
Share of agriculture in the GDP (%)	0.8%	2004
Per capita average income (EUR)	28008	2004
urban population	30415	2004
rural population	16000	2004
agricultural population	28474	2004
overall		
Population density (inhabitant/km ²)	378	2001
Migratory balance (net result, in 000 people)	+150.9	2003
overall programme area	-33	2001
rural areas		
Population (000 inhabitant)	39632	2001
urban	9507	2001
rural	224	2004
total	126	2004
of which farmers	49139	2001
total		
of which part-time farmers		
Active population (000 people)	18750	2003
urban	5865	2003
rural	368	2004
total	24615	2003
of which farmers		
Unemployment rate (%)	5.2%	2003
urban	3.5%	2003
rural	4.8%	2003
total		
Employment rate women (in % active population)	94.9%	2003
Employment rate men (in % active population)	94.3%	2003
Employment rate young people < 25 (in % active population)	87.9%	2003

T2. Land use programme area

Year of reference: 2004

	000 ha	% of UAA	% of total
Arable land	5039	58%	55%
Permanent crops	43	0%	0%
Permanent grassland and pastures	3654	42%	40%
UAA total	8736	100%	95%
Forests and other woodland	274		3%
Other uses	156		2%
TOTAL	9166		100%

T3. Profile of agricultural holdings programme area

Main type of production	Number of holdings ('000)	Utilized agricultural area ('000 ha)	Livestock units ('000)	Number of farmers ('000)				Year of reference: 2003
				farmers < 40		farmers ≥ 55		
				Total	%	Total	%	
Field crops	36	4136	36	1	3%	20	56%	
Horticulture	4	21	4	0	0%	2	50%	
Vineyards	0	1	0	0	0%	0	0%	
Fruit cultivation	3	31	3	0	0%	2	67%	
Olive cultivation	0	0	0	0	0%	0	0%	
Other holdings (including mixed holdings)	11	996	NA	0	0%	6	60%	
Dairying	14	1172	2050	1	8%	6	46%	
Cattle-rearing and fattening	18	626	856	1	6%	11	61%	
Pigs	2	23	490	0	0%	1	50%	
Poultry	6	47	1321	0	0%	3	60%	
Other types of livestock-farming	69	1671	NA	2	3%	43	61%	
Others (non-classifiable)	29	1	0	0	0%	16	73%	
TOTAL	192	8725	4717	184	3%	110	60%	

T.4 Forecasts table

Measure	Table	Information requested	2000	2001	2002	2003	2004	2005	2006
Investment in agricultural holdings (Ch. I, art. 4-7)	a.1	Number of applications approved						187	194
		Total eligible cost ('000 EUR)						14759	16985
Setting-up of young farmers (Ch. II, art. 8)	b.1	Amount of public expenditure committed ('000 EUR)						5900	6794
		Total of which EAGGF						2950	3393
Training (Ch. III, art. 9)	c	Number of applications approved						NP	NP
		Total eligible cost ('000 EUR)						8728	8728
Early retirement (Ch. IV, art. 10-12)	d.1	Amount of public expenditure committed ('000 EUR)						8467	8467
		Total of which EAGGF						6350	6350
Less-favoured areas and areas with environmental restrictions (Ch. V, art. 13-21)	e.1	Number of new agreements						NP	NP
		Number of hectares released ('000 ha)						NP	NP
Agri-environment and Animal Welfare (Ch. VI, art. 22-24)	f	Amount of public expenditure committed ('000 EUR)						NP	NP
		Total of which EAGGF						NP	NP
Improving processing and marketing of agricultural products (Ch. VII, art. 25-28)	g.1	Number of holdings supported						12000	12000
		Number of hectares supported ('000 ha.)						1400	1400
	e.2	Amount of public expenditure committed ('000 EUR)						43171	43171
		Total of which EAGGF						11263	11263
		number of holdings						NP	NP
		number of hectares supported ('000 ha)						NP	NP
		Amount of public expenditure committed ('000 EUR)						NP	NP
		Total of which EAGGF						NP	NP
		Number of new contracts						947	652
		Number of hectares supported						56704	39063
		Amount of public expenditure committed ('000 EUR)						42781	16564
		Total of which EAGGF						21818	8448
		Number of applications approved						192	96
		Total eligible cost ('000 EUR)						42380	52850
		Amount of public expenditure committed ('000 EUR)						12700	15870
		Total of which EAGGF						6350	7940

T.4 Forecasts table – continued

Measure	Table	Information requested	2000	2001	2002	2003	2004	2005	2006
Afforestation of agricultural land (Ch. VIII, art. 31); other afforestation (Ch. VIII, art. 30, 1st indent)	h & l.1	Number of applications approved area supported ('000 ha)						3420	18
		Total eligible cost ('000 EUR)						5	0
		Amount of public expenditure committed ('000 EUR)						22485	20780
		Total of which EAGGF						15395	13750
								7894	7071
Other forestry (Ch. VIII, indents 2-5)	i.2	Number of applications approved						1602	1602
		Total eligible cost ('000 EUR)						9070	8954
		Amount of public expenditure committed ('000 EUR)						5871	5813
		Total of which EAGGF						2935	2906
Other forestry (Ch. VIII, art. 32)	i.2	Number of applications approved area supported ('000 ha)						NP	NP
		Total eligible cost ('000 EUR)						NP	NP
		Amount of public expenditure committed ('000 EUR)						NP	NP
		Total of which EAGGF						NP	NP
Land improvement (Ch. IX, art. 33)	j & k	Number of applications approved						NP	NP
		Total eligible cost ('000 EUR)						NP	NP
		Amount of public expenditure committed ('000 EUR)						NP	NP
		Total of which EAGGF						NP	NP
Reparcelling (Ch. IX, art. 33)	j & k	Number of applications approved						NP	NP
		Total eligible cost ('000 EUR)						NP	NP
		Amount of public expenditure committed ('000 EUR)						NP	NP
		Total of which EAGGF						NP	NP
Setting-up of farm relief and farm management services, setting-up and provision of advisory services and extension services (Ch. IX, art. 33)	l & m	Number of applications approved						180	280
		Total eligible cost ('000 EUR)						5720	7090
		Amount of public expenditure committed ('000 EUR)						2290	2840
		Total of which EAGGF						1150	1420
Marketing of quality agricultural products including setting-up of quality schemes (Ch. IX, art. 33)	l & m	Number of applications approved						374	512
		Total eligible cost ('000 EUR)						26720	33520
		Amount of public expenditure committed ('000 EUR)						10690	13410
		Total of which EAGGF						5340	670
Basic services for the rural economy and population (Ch. IX, art. 33)	n & o	Number of applications approved						40	50
		Total eligible cost ('000 EUR)						3090	3890
		Amount of public expenditure committed ('000 EUR)						2470	3110
		Total of which EAGGF						1240	1560

T.4 Forecasts table – continued

Measure	Table	Information requested	2000	2001	2002	2003	2004	2005	2006
Financial engineering (Ch. IX, art. 33)	t & u & v	Number of applications approved Total eligible cost ('000 EUR) Amount of public expenditure committed ('000 EUR)							
		Total of which EAGGF							
Management of integrated rural development strategies by local partners (Ch. IX, art. 33)	w	Number of applications approved (new) Total eligible cost ('000 EUR) Amount of public expenditure committed ('000 EUR)							
		Total of which EAGGF							
Implementing demanding standards (Ch. Va, art. 21a-c)	x.1	Number of applications approved Amount of public expenditure committed ('000 EUR)							
		Total of which EAGGF							
Implementing demanding standards (Reg. 740/2004 Art. 1(2))	x.2	Number of applications approved Amount of public expenditure committed ('000 EUR)							
		Total of which EAGGF							
Use of farm advisory services (Ch. Va, art. 21d)	y	Number of applications approved Amount of public expenditure committed ('000 EUR)							
		Total of which EAGGF							
Participation in food quality schemes (Ch. VIa, art. 24)	z	Number of applications approved (new) Amount of public expenditure committed ('000 EUR)							
		Total of which EAGGF							
Promotion of quality products (Ch. VIa, art. 24)	aa	Number of applications approved Amount of public expenditure committed ('000 EUR)							
		Total of which EAGGF							
Semi-subsistence farms undergoing restructuring (Ch. IXa, art. 33b)	ab	Number of applications approved (new) Amount of public expenditure committed ('000 EUR)							
		Total of which EAGGF							
Producer groups (Ch. IXa, art. 33d)	ac	Number of applications approved (new) Amount of public expenditure committed ('000 EUR)							
		Total of which EAGGF							
Total of all measures		Amount of public expenditure committed ('000 EUR)	0	0	0	0	0	184858	174802
		Total of which EAGGF	0	0	0	0	0	82730	71421

T.5 Geographic breakdown of support

T.5.1 According to Objective 1 areas, Objective 2 areas and areas outside Objectives 1 and 2

Measures (between brackets, reference articles of Reg. (CE) 1257/1999)		Objective 1 area		Objective 2 area		Outside Objectives 1 and 2		TOTAL
	a	% b=a/g	c	% d=c/g	e	% f=e/g	g=a+c+e	
Total number of agricultural holdings		0%		0%		0%		0
a. Investment in agricultural holdings (art. 4-7)	Number of applications approved Public expenditure committed ('000 EUR)		15 753	19% 23%	64 2578	81% 77%	79 331	
b. Setting-up of young farmers (art.8)	Number of applications approved Public expenditure committed ('000 EUR)		NP NP	0% 0%	NP NP	0% 0%	0 0	
c. Training (art. 9)	Number of applications approved Public expenditure committed ('000 EUR)		39 1959	25% 34%	117 3759	75% 66%	156 5718	
d. Early retirement (art. 10-12)	Number of agreements Public expenditure committed ('000 EUR)		NP NP	0% 0%	NP NP	0% 0%	0 0	
e.1 Less-favoured areas (art. 13-20)	Number of holdings supported Public expenditure committed ('000 EUR)		535 1700	5% 3%	6887 39850	70% 78%	2373 9635	9795 51185
e.2 Areas with environmental restrictions (art. 13-21)	Number of holdings supported Public expenditure committed ('000 EUR)		0 0	0% 0%	0 0	0% 0%	0 0	0 0
f. Agri-environment and Animal Welfare (art. 22-24)	Number of contracts Public expenditure committed ('000 EUR)		0 0	0% 0%	0 0	100% 100%	1 1	1 1
g. Improving processing and marketing of agricultural products (art. 25-28)	Number of applications approved Public expenditure committed ('000 EUR)		12 2493	23% 20%	41 9909	77% 80%	53 12401	
h. Afforestation of agricultural land (art. 31) (establishment costs)	Number of applications approved Public expenditure committed ('000 EUR)		39 332	3% 3%	841 8140	71% 75%	1189 1096	
i. Other forestry measures (art. 30, 32) (i.1 & i.2)	Number of applications approved Public expenditure committed ('000 EUR)		57 341	28% 21%	145 1272	72% 79%	202 1613	
j. to w. Promoting the adaptation and development of rural areas (art.33)	Number of applications approved Public expenditure committed ('000 EUR)		193 13257	33% 28%	396 33607	67% 72%	589 46865	
x.1 Implementing demanding standards (Ch. Va, art. 21 a-c)	Number of applications approved Public expenditure committed ('000 EUR)		NP NP	0% 0%	NP NP	0% 0%	0 0	0 0

T.5 Geographic breakdown of support – continued

T.5.1 According to Objective 1 areas, Objective 2 areas and areas outside Objectives 1 and 2

Measures (between brackets, reference articles of Reg. (CE) 1257/1999)	Objective 1 area		Objective 2 area		Outside Objectives 1 and 2		TOTAL
	a	b=a/g %	c	d=c/g %	e	f=e/g %	
x.2 Implementing demanding standards (Reg. 740/2004 Art. 1 (2))		0% 0%	NP NP	0% 0%	NP NP	0% 0%	0 0
y. Use of farm advisory services (Ch. Va, art. 21d)		0% 0%	NP NP	0% 0%	NP NP	0% 0%	0 0
z. Participation in food quality schemes (Ch. Via, art. 24)		0% 0%	NP NP	0% 0%	NP NP	0% 0%	0 0
aa. Promotion of quality food products (Ch. Via, art. 24)		0% 0%	NP NP	0% 0%	NP NP	0% 0%	0 0
ab. Semi-subsistence farms undergoing restructuring (Ch. IXa, art. 33b)		0% 0%	NP NP	0% 0%	NP NP	0% 0%	0 0
ac. Producer groups (Ch. IXa, art. 33d)		0% 0%	NP NP	0% 0%	NP NP	0% 0%	0 0
Total of public expenditure committed	2032	2%	61087	46%	68901	52%	132021

T.5 Geographic breakdown of support

T.5.2 According to the areas defined by Articles 16 to 20 of the Reg. (CE) n°1257/1999

Measures	Normal area		Mountain areas		Less-favoured areas				Total for LFA			
	a	% b=a/k	c	% d=c/k	e	% f=e/k	g	% h=g/k	i	% j=i/k	k=a+i	
Total number of agricultural holdings		0%		0%		0%		0%	0	0%	0	
a. Investment in agricultural holdings (art. 4-7)	76 3235	96% 97%	0 0	0% 0%	3 96	4% 3%	0 0	0% 0%	3 96	4% 3%	79 3331	
b. Setting-up of young farmers (art.8)	NP NP	0% 0%	NP NP	0% 0%	NP NP	0% 0%	NP NP	0% 0%	0 0	0% 0%	0 0	
c. Training (art. 9)	137 5257	88% 92%	0 0	0% 0%	19 459	12% 8%	0 0	0% 0%	19 459	12% 8%	156 5716	
d. Early retirement (art. 10-12)	NP NP	0% 0%	NP NP	0% 0%	NP NP	0% 0%	NP NP	0% 0%	0 0	0% 0%	0 0	
e.1 Less-favoured areas (art. 13-21)			0 0	0% 0%	9795 51185	100% 100%	0 0	0% 0%	9795 51185	100% 100%	9795 51185	
e.2 Areas with environmental restrictions (art. 13-20)	0 0	0% 0%	0 0	0% 0%	0 0	0% 0%	0 0	0% 0%	0 0	0% 0%	0 0	
f. Agri-environment and Animal Welfare (art. 22-24)	1 1	100% 100%	0 0	0% 0%	0 0	0% 0%	0 0	0% 0%	0 0	0% 0%	1 1	
g. Improving processing and marketing of agricultural products (art. 25-28)	49 12078	92% 97%	0 0	0% 0%	4 324	8% 3%	0 0	0% 0%	4 324	8% 3%	53 12401	
h. Afforestation of agricultural land (art. 31) (establishment costs)	1058 9666	89% 89%	0 0	0% 0%	131 1240	11% 11%	0 0	0% 0%	131 1240	11% 11%	1189 10906	
i. Other forestry measures (art. 30, 32) (i.1 & i.2)	166 1401	82% 87%	0 0	0% 0%	36 212	18% 3%	0 0	0% 0%	36 212	18% 13%	202 1613	

T.5 Geographic breakdown of support – continued

T.5.2 According to the areas defined by Articles 16 to 20 of the Reg. (CE) n°1257/1999

Measures	Normal area		Mountain areas		Less-favoured areas				Total for LFA		
	a	% b=a/k	c	% d=c/k	e	% f=e/k	g	% h=g/k	i	% j=i/k	k=a+i
j. to v. Promoting the adaptation and development of rural areas (art.33)	471 41397	80% 88%	0 0	0% 0%	118 5468	20% 12%	0 0	0% 0%	118 5468	20% 12%	589 46865
x.1 Implementing demanding standards (Ch. Va, art. 21 a-c)	NP NP	0% 0%	NP NP	0% 0%	NP NP	0% 0%	NP NP	0% 0%	0 0	0% 0%	0 0
x.2 Implementing demanding standards (Reg. 740/2004 Art. 1(2))	NP NP	0% 0%	NP NP	0% 0%	NP NP	0% 0%	NP NP	0% 0%	0 0	0% 0%	0 0
y. Use of farm advisory services (Ch. Va, art. 21d)	NP NP	0% 0%	NP NP	0% 0%	NP NP	0% 0%	NP NP	0% 0%	0 0	0% 0%	0 0
z. Participation in food quality schemes (Ch. VIa, art. 24)	NP NP	0% 0%	NP NP	0% 0%	NP NP	0% 0%	NP NP	0% 0%	0 0	0% 0%	0 0
aa. Promotion of quality products (Ch. VIa, art. 24)	NP NP	0% 0%	NP NP	0% 0%	NP NP	0% 0%	NP NP	0% 0%	0 0	0% 0%	0 0
ab. Semi-subsistence farms undergoing restructuring (Ch. IXa, art. 33b)	NP NP	0% 0%	NP NP	0% 0%	NP NP	0% 0%	NP NP	0% 0%	0 0	0% 0%	0 0
ac. Products groups (Ch. IXa, art. 33d)	NP NP	0% 0%	NP NP	0% 0%	NP NP	0% 0%	NP NP	0% 0%	0 0	0% 0%	0 0
Total of public expenditure committed	73037	55%	0	0%	58982	45%	0	0%	58982	45%	132019

T.6 Financial monitoring

Measure	Total costs borne by the beneficiaries ('000 EUR)				Total eligible cost ('000 EUR)				Amount of public expenditure committed ('000 EUR)				
	Obj. 1		Obj. 2		Obj. 1		Obj. 2		Obj. 1		Obj. 2		Total
	Outs.	Total	Outs.	Total	Outs.	Total	Outs.	Total	Outs.	Total	Outs.	Total	
a. Investment in agricultural holdings (Article 4-7)	1307	3515	4822	8224	2076	6147	753	2578	3331	376	1290	1666	
b. Setting-up of young farmers (Article 8)							NP	NP	0	NP	NP	0	
c. Training (Article 9)	678	1372	2050	7768	2637	5131	1959	3759	5718	979	1879	2859	
d. Early retirement (Articles 10-12)							NP	NP	0	NP	NP	0	
e.1 Less-favoured areas (Articles 13-20)							1700	39850	51185	1975	349	8182	
e.2 Areas with environmental restrictions (Articles 13-20)							0	0	0	0	0	0	
f. Agri-environment and Animal Welfare (Articles 22-24)							0	0	1	0	0	1	
g. Improving processing and marketing of agricultural products (Articles 25-28)	5816	25268	31084	43484	8309	35175	2493	9909	12401	1247	4954	6201	
h. Afforestation of agricultural land (Article 31) (establishment costs)	213	1497	5132	17749	534	3743	332	2434	10906	166	1168	5453	
i. Other forestry measures (Articles 30 and 32) (i.1 & i.2)	219	660	879	2199	549	1650	341	1272	1613	171	637	807	
j. Land improvement (Article 33)	NP	NP	0	0	NP	NP	NP	NP	0	NP	NP	0	
k. Reparcelling (Article 33)	NP	NP	0	0	NP	NP	NP	NP	0	NP	NP	0	
l. Setting-up of farm relief and farm management services, setting-up and provision of advisory services and extension services (Article 33)	99	138	237	1269	393	876	294	738	1032	147	369	516	
m. Marketing of quality agricultural products, including setting-up of quality schemes (Article 33)	953	2868	3821	7063	1937	5126	984	2259	3243	493	1129	1622	

T.6 Financial monitoring – continued

Measure	Total costs borne by the beneficiaries ('000 EUR)				Total eligible cost ('000 EUR)				Amount of public expenditure committed ('000 EUR)							
	Obj. 1		Obj. 2		Obj. 1		Obj. 2		Obj. 1		Obj. 2					
	Obj. 1	Obj. 2	Outs. Obj. 1 & 2	Total	Obj. 1	Obj. 2	Outs. Obj. 1 & 2	Total	Obj. 1	Obj. 2	Outs. Obj. 1 & 2	Total				
n. Basic services for the rural economy and population (Article 33)		343	2596	2938		1537	6046	7582		1194	3450	4644		597	1725	2322
o. Renovation and development of villages and protection and conservation of the rural heritage (Article 33)		721	859	1579		1637	3063	4700		916	2204	3121		459	1103	1562
p. Diversification of agricultural activities and activities close to agriculture to provide multiple activities or alternative incomes (Article 33)		5712	23122	28834		9316	38019	47335		3604	14897	18501		1803	7449	9251
q. Agricultural water resources management (Article 33)		0	956	956		0	1656	1656		0	700	700		0	350	350
r. Development and improvement of infrastructure connected with the development of agriculture (Article. 33)		191	326	518		350	559	909		159	232	391		79	116	196
s. Encouragement for tourist and craft activities (Article 33)		7599	10274	17872		12944	17987	30931		5346	7713	12059		2674	3857	6531
t. Protection of the environment in connection with agriculture, forestry and landscape conservation, as well as the improvement of animal welfare (Article. 33)		276	1812	2088		1035	3225	4260		759	1413	2172		379	707	1087
u. Restoring agricultural production potential damaged by natural disasters and introducing appropriate prevention instruments (Article. 33)		NP	NP	0		NP	NP	0		NP	NP	0		NP	NP	0
v. Financial engineering (Article. 33)		NP	NP	0		NP	NP	0		NP	NP	0		NP	NP	0

a. Investment in agricultural holdings (Ch. I, art. 4-7).

a.1 Breakdown by type of production

Main type of production	Number of applications approved	% of total eligible cost allocated to "green investments"	average aid intensity in % eligible cost	Total costs borne by the beneficiaries ('000 EUR)	Total eligible cost ('000 EUR)	Amount of public expenditure committed ('000 EUR)	Total	
							of which EAGGF	
Fields crops	12	N/A	33%	1147	1710	563	281	
Horticulture	5	N/A	31%	578	832	254	126	
Vineyards	0	N/A	0%	0	0	0	0	
Fruit cultivation	4	N/A	38%	122	196	74	37	
Olive cultivation	0	N/A	0%	0	0	0	0	
Other holdings (including mixed holdings)	2	N/A	38%	147	235	88	44	
Dairying	9	N/A	36%	726	1166	422	212	
Cattle-rearing and fattening	3	N/A	38%	212	340	128	65	
Pigs	1	N/A	40%	31	51	21	10	
Poultry	1	N/A	40%	62	103	41	21	
Other types of livestock-farming	3	N/A	36%	162	254	93	47	
Others (non-classifiable)	39	N/A	49%	1635	3335	1647	824	
TOTAL	79	0%	41%	4822	8224	3331	1666	
of which young farmers	N/A	N/A	0%	N/A	N/A	N/A	N/A	
Forecast (for total)	175				13821	5528	2768	

a. Investment in agricultural holdings (Ch. I, art. 4-7).

a.2 Breakdown by type of investment

Type of investment	Number of applications approved	% of total eligible cost allocated to "green investments"	average aid intensity in % eligible cost	Total costs borne by the beneficiaries ('000 EUR)	Total eligible cost ('000 EUR)	Amount of public expenditure committed ('000 EUR)
					Total	of which EAGGF
Buildings	0	N/A	0%	0	0	0
of which: Livestock housing (Cattle)	0	N/A	0%	0	0	0
Pighouses	0	N/A	0%	0	0	0
Other livestock buildings	0	N/A	0%	0	0	0
Greenhouses and related equipment	0	N/A	0%	0	0	0
Other farm buildings	0	N/A	0%	0	0	0
Plant and mobile equipment	0	N/A	0%	0	0	0
Purchase of livestock	0	N/A	0%	0	0	0
Land improvement	0	N/A	0%	0	0	0
Agricultural plantations	32	N/A	100%	0	585	293
Facilities for manufacture and direct sale of farm products	35	N/A	37%	2179	3590	671
Facilities for the diversification of activities on the holding	12	N/A	35%	2644	4049	703
Other		N/A	0%			
TOTAL	79	-	41%	4824	8224	1666

b. Setting-up of young farmers (Ch. II, art. 8).

b.1 Setting-up aids by type of production

Main type of production	Number of applications approved	Average amount of support (EUR)	Amount of public expenditure committed			of which EAGGF ('000 EUR)
			Single premium ('000 EUR)	Interest subsidy ('000 EUR)	Total ('000 EUR)	
Fields crops	N/P	0	N/P	N/P	0	N/P
Horticulture	N/P	0	N/P	N/P	0	N/P
Vineyards	N/P	0	N/P	N/P	0	N/P
Fruit cultivation	N/P	0	N/P	N/P	0	N/P
Olive cultivation	N/P	0	N/P	N/P	0	N/P
Other holdings (including mixed holdings)	N/P	0	N/P	N/P	0	N/P
Dairying	N/P	0	N/P	N/P	0	N/P
Cattle-rearing and fattening	N/P	0	N/P	N/P	0	N/P
Pigs	N/P	0	N/P	N/P	0	N/P
Poultry	N/P	0	N/P	N/P	0	N/P
Other types of livestock-farming	N/P	0	N/P	N/P	0	N/P
Others (non-classifiable)	N/P	0	N/P	N/P	0	N/P
TOTAL	0	0	0	0	0	0
Forecast	N/P				N/P	N/P

b.2 Applications by age category

	... < 25 years old	25 ≤... < 30 years old	30 ≤... < 35 years old	35 ≤... < 40 years old	total
Number of applications approved	N/P	N/P	N/P	N/P	0

c. Training (Ch. III, art. 9)

Objective	Number of applications approved	Number of participants	Average number of training days per participant	Total costs borne by the beneficiaries ('000 EUR)		Total eligible cost ('000 EUR)	Amount of public expenditure committed ('000 EUR)
				Participant	Organiser		
Preparation for qualitative reorientation of production	28	N/A	N/A	16	187	778	575
Preparation for the application of production practices compatible with the maintenance and enhancement of the landscape, the protection of the environment, hygiene standards and animal welfare	26	N/A	N/A	18	341	1431	1072
Acquisition of the skills needed to enable to manage an economically viable farm	93	N/A	N/A	24	1416	5362	3922
Preparation for the application of forest management practices to improve the economic, ecological or social functions of the forests	9	N/A	N/A	7	43	199	149
TOTAL	156	0	0	65	1987	7769	5718
Forecast	8728					8467	6350

d. Early retirement (Ch. IV, art. 10-12)

d.1 Beneficiary type

Beneficiary of support	Number of agreements	of which new applications	reassigned to agricultural uses	of which new	Number of ha released		total	of which new	Average amount of support (EUR)	Amount of public expenditure committed ('000 EUR)	
					reassigned to non agricultural uses	of which new				Total	of which EAGGF
Farmers						0	0	0	0		
Farm workers									0		
TOTAL	0	0								0	0
Forecast											
Old commitments 2079/92											

d. Early retirement (Ch. IV, art. 10-12)

d.2 New applications by age category

Beneficiary of support	Number of new applications approved			TOTAL
	55 ≤... ≤ 60 years old	60 <... ≤ 65 years old	> 65 years old	
Farmers				0
Farm workers				0
TOTAL	0	0	0	0

e. Less-favoured areas and areas with environmental restrictions (Ch. V, art. 13-21)

e.1 Less Favoured Areas (holdings receiving compensatory allowances by pre-dominant LFA type)

Area type	Number of holdings supported	Number of hectares receiving compensatory allowances ('000 ha)	Average amount of payments (EUR)		Amount of public expenditure committed ('000 EUR)	
			per holding	per ha	Total	of which EAGGF
Mountain areas	0	0	0	0	0	0
Other less-favoured areas	9795	1239	5226	41	51185	10506
Areas affected by specific handicaps	0	0	0	0	0	0
Total	9795	1239	5226	41	51185	10506
of which Natura 2000 areas	798	158	7298	37	5824	1194
<i>Forecast (total)</i>	1200	1400			55314	11263

e. Less-favoured areas and areas with environmental restrictions (Ch. V, art. 13-21)

e.2 Areas with environmental restrictions (holdings receiving art. 16 payments)

Area type	Number of holdings supported	Number of hectares receiving art. 16 payments ('000 ha)	Average amount of payments (EUR)		Amount of public expenditure committed ('000 EUR)	
			per holding	per ha	Total	of which EAGGF
LFA Mountain areas	0	0	0	0	0	0
Other less-favoured areas	0	0	0	0	0	0
Areas affected by specific handicaps	0	0	0	0	0	0
non LFA	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0
of which Natura 2000 areas	0	0	0	0	0	0
<i>Forecast (total)</i>	0	0			0	0

f. Agri-environment and Animal Welfare (Ch. VI, art. 22-24)

Action	Number of contracts	of which new contracts	Number of hectares		Average premium per ha (EUR)	Amount of public expenditure committed ('000 EUR)	
			under contract	of which new		Total	of which EAGGF
organic farming	annual crops	3	0	19	77	1	1
	specialised perennial crops	0	0	0	0	0	0
	other	2	0	29	76	2	1
	Total	5	0	48	77	4	2
other input reduction (incl. integrated production)	annual crops	0	0	0	0	0	0
	specialised perennial crops	0	0	0	0	0	0
	other	0	0	0	0	0	0
	Total	0	0	0	0	0	0
crop rotation	0	0	0	0	0	0	0
extensification	0	0	0	0	0	0	0
landscape/nature (conservation, restoration, creation)	annual crops	9	0	348	131	46	22
	specialised perennial crops	218	1	8402	133	1115	563
	other	117	0	10819	55	593	297
	Total	344	1	19569	90	1753	882
plant varieties under threat of genetic erosion	annual crops	0	0	0	0	0	0
	specialised perennial crops	0	0	0	0	0	0
	other	0	0	0	0	0	0
	Total	0	0	0	0	0	0
other actions	annual crops	0	0	0	0	0	0
	specialised perennial crops	0	0	0	0	0	0
	other	0	0	0	0	0	0
	Total	0	0	0	0	0	0
TOTAL	349	1	19617	90	1757	884	
Forecast							

f. Agri-environment and Animal Welfare (Ch. VI, art. 22-24) – continued

Old commitments (2078/92)

	Number of contracts	Number of hectares/livestock units	Average premium per ha/lu (EUR)	Amount of public expenditure committed ('000 EUR)	
				Total	of which EAGGF
crops/other	9128	238175	164	39060	19544
of which organic farming	277	17743	78	1388	707
endangered breeds	0	0	0	0	0
Total	9128			39060	19544

g. Improving processing and marketing of agricultural products (Ch. VII, art. 25-28)

g.1 Breakdown by sector

Main sector	Number of applications approved	% of the eligible costs allocated to "green investments"	average aid intensity in % eligible cost	Total costs borne by the beneficiaries ('000 EUR)	Total eligible cost ('000 EUR)	Amount of public expenditure committed ('000 EUR) Total	of which EAGGF
Meat	12	NA	30%	3910	5587	1676	838
Milk and dairy products	5	NA	29%	6926	9731	2804	1403
Eggs and poultry	5	NA	23%	2404	3115	710	356
Other livestock products	0	NA	0%	0	0	0	0
Cereals	1	NA	30%	297	424	126	63
Sugar	0	NA	0%	0	0	0	0
Oilseeds	0	NA	0%	0	0	0	0
Protein seeds	0	NA	0%	0	0	0	0
Wines and alcohols	1	NA	24%	94	126	31	16
Fruit and vegetables	14	NA	30%	8019	11457	3437	1719
Flowers and plants	2	NA	30%	525	751	226	113
Seeds	0	NA	0%	0	0	0	0
Potato	3	NA	30%	3335	4765	1429	715
Other crop products	1	NA	30%	409	585	176	88
Polyvalent products	0	NA	0%	0	0	0	0
Other products	9	NA	26%	5157	6943	1785	893
TOTAL	53	0%	29%	31078	43484	12403	6204
of which for organic products			0%				
Forecast (total)	288				42380	12700	6350

g. Improving processing and marketing of agricultural products (Ch. VII, art. 25-28)

g.2 Breakdown by investment objective

Main objective	Number of applications approved	% of the eligible costs allocated to "green investments"	average aid intensity in % eligible cost	Total costs borne by the beneficiaries ('000 EUR)	Amount of public expenditure committed ('000 EUR)	
					Total eligible cost ('000 EUR)	Total of which EAGGF
Guide production in line with foreseeable market trends	7	NA	25%	4754	6365	1610
Encourage the development of new outlets for agricultural products	13	NA	27%	9398	12943	3544
Improve or rationalise marketing channels	3	NA	29%	645	915	266
Improve or rationalise processing procedures	14	NA	44%	8321	8085	3568
Improve the presentation and preparation of products	1	NA	30%	83	121	37
Encourage the better use or elimination of by-products or waste	3	NA	30%	1276	1824	547
Apply new technologies	9	NA	44%	5744	5579	2463
Favour innovative investments	0	NA	0%	0	0	0
Improve and monitor quality	2	NA	30%	502	719	216
Improve and monitor health conditions	0	NA	0%	0	0	0
Protect the environment	1	NA	30%	355	506	151
TOTAL	53	0%	33%	31079	37054	12403
						6213

h. Afforestation of agricultural land (ch. VIII, art. 31) and i.1 Other afforestation (Ch. VIII, art. 30, 1st indent)

h. Afforestation of agricultural land (art. 31)

Types of support	Number of agreements		of which new	Area supported ('000 ha)	of which new	Average amount of support per ha (EUR)	Amount of public expenditure committed ('000 EUR)	
	4477	380					20	4
Maintenance costs	4477	380	4	20	4	22	432	216
Income loss	3814	458	3	14	3	25	347	104
Total							779	321
Old commitments 2080/92	2914			13			1454	728

Establishment costs by tree type	Number of applications approved		Area supported ('000 ha)		Average amount of support per ha (EUR)		Total costs borne by the beneficiaries ('000 EUR)		Total eligible cost ('000 EUR)		Amount of public expenditure committed ('000 EUR)	
	Private	Public	Private	Public	Private	Public	Private	Public	Private	Public	Total	of which EAGGF
Conifers	0	0	0	0	0	0	0	0	0	0	0	0
Broadleaves	351	0	4	0	0	2532	6843	0	6843	10126	16969	5132
Mixed plantations (> 25% in a 2nd species)	0	0	0	0	0	0	0	0	0	0	0	0
Rapid growth plantations	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	351	0	4	0	4	0	6843	0	6843	10126	16969	5132

i.1 Other afforestation (art. 30, 1st indent)

Establishment costs by tree type	Number of applications approved		Area supported ('000 ha)		Average amount of support per ha (EUR)		Total costs borne by the beneficiaries ('000 EUR)		Total eligible cost ('000 EUR)		Amount of public expenditure committed ('000 EUR)	
	Private	Public	Private	Public	Private	Public	Private	Public	Private	Public	Private	Public
	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total
Conifers	0	0	0	0	0	0	0	0	0	0	0	0
Broadleaves	29	0	29	0	0	0	456	0	456	684	1140	684
Mixed plantations (> 25% in a 2nd species)	0	0	0	0	0	0	0	0	0	0	0	0
Rapid growth plantations	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	29	0	29	0	0	0	456	0	456	684	1140	684
Total afforestation (h + i; planting costs)			380			2703			7299		18109	10810
Forecast (total afforestation)			3419		5						19706	13540
												5475
												6929

i.2 Other forestry measures continued (Ch. VIII, art. 30 other indents and art. 32)

i.2 (art. 30, other indents; art. 32)

Art. 30 (indents 2-5)	Number of applications approved	Total costs borne by the beneficiaries ('000 EUR)	Total eligible cost ('000 EUR)	Amount of public expenditure committed ('000 EUR) Total	Amount of public expenditure committed ('000 EUR) of which EAGGF	Area supported ('000 ha)
Investments in economic, ecological or social value of forests	171	424	1059	635	318	2
Investments in harvesting, processing and marketing of forestry products	0	0	0	0	0	
Promotion new outlets forestry products	0	0	0	0	0	
Establishment associations of forest holders	1	315	609	294	147	
Restoring forestry production potential	0	0	0	0	0	0
Forest fire prevention	0	0	0	0	0	
Total	172	738	1668	929	465	2
Forecast	1602		8656	5604	2801	

Art. 32	Number of applications approved	Total costs borne by the beneficiaries ('000 EUR)	Total eligible cost ('000 EUR)	Amount of public expenditure committed ('000 EUR) Total	Amount of public expenditure committed ('000 EUR) of which EAGGF	Area supported ('000 ha)
Maintain and improve the ecological stability of forests for public interest	NP	NP	NP	NP	NP	Np
Maintain fire-breaks through agricultural measures (ha equivalent)	NP	NP	NP	NP	NP	NP
Total	0	0	0	0	0	0
Forecast	NP		NP	NP	NP	NP
Total (Art. 30 indents 2-5 + Art. 32)	201	1194	2807	1613	807	

j. to w. Promoting the adaptation and development of rural areas (Ch. IX, art. 33)

j. Land improvement

Action	Number of applications approved	Number of hectares	Total costs borne by the beneficiaries ('000 EUR)	Total eligible cost ('000 EUR)	Amount of public expenditure committed ('000 EUR) of which EAGGF
Land improvement	N/P	N/P	N/P	N/P	N/P
Forecast	N/P			N/P	N/P
Total					

k. Reparcelling

Action	Number of applications approved	Number of hectares	Total costs borne by the beneficiaries ('000 EUR)	Total eligible cost ('000 EUR)	Amount of public expenditure committed ('000 EUR) of which EAGGF
Reparcelling	N/P	N/P	N/P	N/P	N/P
Forecast	N/P			N/P	N/P
Total					

l rev. Setting-up of farm relief and farm management services, setting-up and provision of advisory and extension services* (Ch. IX, art. 33)

Action	Number of applications approved	Total costs borne by the beneficiaries ('000 EUR)	Total eligible cost ('000 EUR)	Amount of public expenditure committed ('000 EUR) of which EAGGF
Farm relief services	2	90	168	78
Farm management services	12	147	1101	954
Farm advisory services and extension services	0	0	0	0
Total	14	237	1269	1032
Forecast	120		5300	2130
Total				518
Forecast				1070

*In addition for 10 MS: the provision of farm advisory and extension services should be included

j. to w. Promoting the adaptation and development of rural areas (Ch. IX, art. 33) – continued

m rev. Marketing of quality agricultural products, including the setting-up of quality schemes (Ch. IX, art. 33)

Action	Number of applications approved	Total costs borne by the beneficiaries ('000 EUR)	Total eligible cost ('000 EUR)	Amount of public expenditure committed ('000 EUR)	
				Total	of which EAGGF
Marketing of quality agricultural products	47	3821	7063	3243	1622
– of which the setting-up of quality schemes	0	0	0	0	0
Total	47	3821	7063	3243	1622
Forecast	336		24970	9990	4990

n. Basic services for the rural economy and population

Action	Number of applications approved	Total costs borne by the beneficiaries ('000 EUR)	Total eligible cost ('000 EUR)	Amount of public expenditure committed ('000 EUR)	
				Total	of which EAGGF
Total	46	2938	7548	4644	2322
of which (3 main categories):					
Assistance with ICT and other infrastructure	5	66	225	159	79
Local community schemes	37	2406	6256	3850	1925
Project development	4	466	1103	635	318
Other	0	0	0	0	0
Forecast (total)	30		2800	2240	1120

j. to w. Promoting the adaptation and development of rural areas (Ch. IX, art. 33) – continued

o. Renovation and development of villages and protection and conservation of the rural heritage

Action	Number of applications	Total costs borne by the beneficiaries ('000 EUR)	Total eligible cost ('000 EUR)	Amount of public expenditure committed ('000 EUR)	
				Total	of which EAGGF
Renovation/development of villages	44	1497	4453	2956	1478
Protection/conservation of rural heritage	4	81	246	165	82
Total	48	1578	4699	3132	1560
<i>Forecast (total)</i>	70		4800	3840	1920

p. Diversification of agricultural activities and activities close to agriculture to provide multiple activities or alternative incomes

Action	Number of applications approved	Total costs borne by the beneficiaries ('000 EUR)	Total eligible cost ('000 EUR)	Amount of public expenditure committed ('000 EUR)	
				Total	of which EAGGF
Total	223	28835	47334	18501	9251
of which (3 main categories):					
agri-tourism	30	2351	3738	1387	694
Conversion of agric land and buildings	127	20997	34438	13441	6721
Project development	42	4187	7138	2953	1476
Other	24	1300	2019	721	360
<i>Forecast (total)</i>	287		23800	9520	4760

j. to w. Promoting the adaptation and development of rural areas (Ch. IX, art. 33) – continued

q. Agricultural water resources management

Action	Number of applications approved	Total costs borne by the beneficiaries ('000 EUR)	Total eligible cost ('000 EUR)	Total	Amount of public expenditure committed ('000 EUR) of which EAGGF
Total	11	956	1656	700	350
of which (3 main categories):					
irrigation	11	956	1656	700	350
Other	0	0	0	0	0
<i>Forecast (total)</i>	<i>36</i>		<i>5820</i>	<i>2330</i>	<i>1160</i>

r. Development and improvement of infrastructure connected with the development of agriculture

Action	Number of applications approved	Total costs borne by the beneficiaries ('000 EUR)	Total eligible cost ('000 EUR)	Total	Amount of public expenditure committed ('000 EUR) of which EAGGF
Total	7	518	909	391	197
of which (3 main categories):					
Access roads and bridges	5	499	871	372	187
Energy and ICT infrastructure	1	15	31	15	7
Project Development	1	4	7	4	3
Other	0	0	0	0	0
<i>Forecast (total)</i>	<i>75</i>		<i>5200</i>	<i>2600</i>	<i>1300</i>

j. to w. Promoting the adaptation and development of rural areas (Ch. IX, art. 33) – continued

s. Encouragement for tourist and craft activities

Action	Number of applications approved	Total costs borne by the beneficiaries ('000 EUR)	Total eligible cost ('000 EUR)	Amount of public expenditure committed ('000 EUR)	
				Total	of which EAGGF
Tourism activities	149	16953	29454	12501	6251
Craft activities	18	918	1476	557	279
Total	167	17871	30931	13059	6531
<i>Forecast (total)</i>	540		25820	10330	5160

t. Protection of the environment in connection with agriculture, forestry and landscape conservation as well as the improvement of animal welfare

Action	Number of applications approved	Number of hectares	Total costs borne by the beneficiaries ('000 EUR)	Total eligible cost ('000 EUR)	Amount of public expenditure committed ('000 EUR)	
					Total	of which EAGGF
Protection of the environment	22	N/A	2032	4047	2015	1007
Improvement of animal welfare	4		56	212	156	85
Total	26		2088	4259	2171	1093
<i>Forecast (total)</i>	75			7300	5310	2660

j. to w. Promoting the adaptation and development of rural areas (Ch. IX, art. 33) – continued

u. Restoring agricultural production potential damaged by natural disasters and introducing appropriate prevention instruments

Action	Number of applications approved	Number of hectares	Total costs borne by the beneficiaries ('000 EUR)	Total eligible cost ('000 EUR)	Amount of public expenditure committed ('000 EUR)	
					Total	of which EAGGF
Restoring agricultural production potential	N/P	N/P	N/P	N/P	N/P	N/P
introducing prevention instruments	N/P			N/P	N/P	N/P
Total	0		0	0	0	0
<i>Forecast (total)</i>	N/P			N/P	N/P	N/P

v. Financial engineering

Action	Number of applications approved	Total costs borne by the beneficiaries ('000 EUR)	Total eligible cost ('000 EUR)	Amount of public expenditure committed ('000 EUR)	
				Total	of which EAGGF
Total	N/P	N/P	N/P	N/P	N/P
<i>Forecast</i>	N/P		N/P	N/P	N/P

j. to w. Promoting the adaptation and development of rural areas (Ch. IX, art. 33) – continued

w. Management of integrated rural development strategies by local partners

Action	Number of applications approved	Total costs borne by the beneficiaries ('000 EUR)	Total eligible cost ('000 EUR)	Amount of public expenditure committed ('000 EUR)	
				Total	of which EAGGF
Management of integrated rural development strategies by local partners	N/P	N/P	N/P	N/P	N/P
Total	0	0	0	0	0
Forecast (total)	N/P	N/P	N/P	N/P	N/P

x. Implementing demanding standards (Ch. Va, art. 21 a-c and Reg. 740/2004 art. 1 (2))

x1. Implementing demanding standards (Ch. Va, art. 21 a-c)

Non-investment type of support	Number of applications approved	of which new applications	Amount of public expenditure committed ('000 EUR)	
			Total	of which EAGGF
Environment	N/P	N/P	N/P	N/P
of which Nitrate Directive	N/P	N/P	N/P	N/P
Public health	N/P	N/P	N/P	N/P
Animal health	N/P	N/P	N/P	N/P
Plant health	N/P	N/P	N/P	N/P
Animal welfare	N/P	N/P	N/P	N/P
Occupational safety	N/P	N/P	N/P	N/P
Total	0	0	0	0
<i>Forecast (total)</i>	N/P	N/P	N/P	NP

x. Implementing demanding standards (Ch. Va, art. 21 a-c and Reg. 740/2004 art. 1 (2)) – continued

x2. Implementing demanding standards (Reg. 740/2004 art. 1 (2))

Investment type of support	Number of applications approved	Amount of public expenditure committed ('000 EUR) of which EAGGF	
		Total	
Environment	N/P	N/P	N/P
of which Nitrate Directive	N/P	N/P	N/P
Public health	N/P	N/P	N/P
Animal health	N/P	N/P	N/P
Plant health	N/P	N/P	N/P
Animal welfare	N/P	N/P	N/P
Occupational safety	N/P	N/P	N/P
Total	0	0	0
<i>Forecast (total)</i>	N/P	N/P	N/P

y. Use of farm advisory services (Ch. Va, art. 21d)

Action	Number of applications approved	Amount of public expenditure committed ('000 EUR) of which EAGGF	
		Total	
Use of farm advisory services	N/P	N/P	N/P
Total	0	0	0
<i>Forecast (total)</i>	N/P	N/P	N/P

z. Participation in food quality schemes (Ch. VIa, art. 24)

z. Participation in food quality schemes (Ch. VIa, art. 24)

Food quality schemes	Number of applications approved	of which new applications	Amount of public expenditure committed ('000 EUR)	
			Total	of which EAGGF
A. Community schemes	0	0	0	0
Council Regulation (EEC) No 2081/92 on geographical indications and designations of origin	N/P	N/P	N/P	N/P
Council Regulation (EEC) No 2082/92 on certificates of specific character	N/P	N/P	N/P	N/P
Council Regulation (EEC) No 2092/91 on organic production	N/P	N/P	N/P	N/P
Title VI on quality wine Council Regulation (EEC) No 1493/99	N/P	N/P	N/P	N/P
B. National schemes	0	0	0	0
Total	0	0	0	0
<i>Forecast (total)</i>	N/P	N/P	N/P	NP

aa. Promotion of quality products (Ch. VIa, art. 24)

Action	Number of applications approved	of which EAGGF	Amount of public expenditure committed ('000 EUR)	
			Total	of which EAGGF
Promotion of quality products	N/P	N/P	N/P	N/P
Total	0	0	0	0
<i>Forecast (total)</i>	N/P	N/P	N/P	N/P

ab. Semi-subsistence farms undergoing restructuring (Ch. IXa, art. 33b)

ab. Semi-subsistence farms undergoing restructuring (Ch. IXa, art. 33b)

Food quality schemes	Number of applications approved	of which new applications	Amount of public expenditure committed ('000 EUR)	
			Total	of which EAGGF
Size of holding (ha)				
< 5	N/P	N/P	N/P	N/P
5–10	N/P	N/P	N/P	N/P
> 10	N/P	N/P	N/P	N/P
Total	0	0	0	0
<i>Forecast (total)</i>	N/P	N/P	N/P	NP

ac. Producer groups (Ch. IXa, art. 33d)

Producer groups by sector of production	Number of applications approved	of which new applications	Amount of public expenditure committed ('000 EUR)	
			Total	of which EAGGF
Milk and dairy products	N/P	N/P	N/P	N/P
Meat	N/P	N/P	N/P	N/P
Fruits*, vegetables* and potatoes	N/P	N/P	N/P	N/P
Forestry products	N/P	N/P	N/P	N/P
Fishery products	N/P	N/P	N/P	N/P
Cereals	N/P	N/P	N/P	N/P
Oleaginous plants	N/P	N/P	N/P	N/P
Other	N/P	N/P	N/P	N/P
Total	0	0	0	0
<i>Forecast (total)</i>	N/P	N/P	N/P	NP

*to include in the table only if financed under rural development

T.7 Agricultural area under agri-environment contracts and Natura 2000: share UAA receiving agri-environmental or compensatory allowance payments

	UAA under agri-environment contracts (000 ha)		of which receiving LFA payments		of which receiving art. 16 payments		of which receiving agri-environmental payments	
	Total	UAA classified as Natura 2000 (000 ha) (1)	in % of (1)	Amount of public expenditure committed ('000 EUR)	in % of (1)	Amount of public expenditure committed ('000 EUR)	in % of (1)	Amount of public expenditure committed ('000 EUR)
Total UAA (000 ha)	1257/99	2078/92						
8736	1470	238	0%	5824	0%	0	N/A	N/A

Classification of farms according to the type of production

Main type of production	Type of farming classification
Fields crops	1: specialist field crops
Horticulture	2: specialist horticulture
Vineyards	31: specialist vineyards
Fruit cultivation	32: specialist fruit and citrus
Olive cultivation	33: specialised olive
Other holdings (including mixed holdings)	34: various permanent crops combined
	6: mixed-crops
	8: mixed crops – livestock
Dairying	41: specialist dairying
Cattle-rearing and fattening	42: specialised cattle – dairying and fattening
Pigs	501: specialised pigs
Poultry	502: specialised poultry
Other types of livestock-farming	43: cattle – dairying, rearing and fattening combined
	44: sheep, goats and other grazing livestock
	503: various granivores combined
	7: mixed livestock holdings
Others	9: non classifiable holdings

Comments

Exchange rate used = 1€ : £0.68

Table 3 – figures collected for number of farmers shows the number and percentage of farmers less than 35 years old.

Figures in T.7 also include agri-environments funded from modulation.

Annex 3B: (Modulation funding): Common Indicator tables for monitoring rural development programming 2000–2006

Conventions used

a. Colour conventions

To be filled in



Automatically calculated/filled



Not to be filled in



b. Coding conventions

Not applicable NP

Applicable, but not implemented (yet) NI

Figure is not available NA

c. Country codes

AUSTRIA	AT
BELGIUM	BE
CYPRUS	CY
CZECH REPUBLIC	CZ
DENMARK	DK
ESTONIA	EE
FINLAND	FI
FRANCE	FR
GERMANY	DE
GREECE	GR
HUNGARY	HU
ITALY	IT
IRELAND	IE
LATVIA	LV
LITHUANIA	LT
LUXEMBOURG	LU
MALTA	MT
NETHERLANDS	NL
POLAND	PL
PORTUGAL	PT
SLOVAKIA	SK
SLOVENIA	SI
SPAIN	ES
SWEDEN	SE
UNITED KINGDOM	GB

d. Programme types

Rural Development Programme (Guarantee)	RDP
RDP with modulation (tracked separately)	RDPmod
RD measures included in Obj 1 programme (Guidance)	Obj1
RD measures included in Obj 2 programme (Guarantee)	Obj2

e. Region codes

See explanatory guidelines

Rural development monitoring indicator tables

code General tables

- T.0.1 Background information
- T.0.2 Programmed measures
- T.1 Characteristics of the programme area
- T.2 Land use programme area
- T.3 Profile of agricultural holdings programme area
- T.4 Forecasts
- T.5 Geographic breakdown of support measures
- T.5.1 According to Objective 1 areas, Objective 2 areas and areas outside Objectives 1 and 2
- T.5.2 According to the areas defined by Articles 16 to 20 of Reg. (CE) n°1257/1999
- T.6 Financial monitoring

Measure tables

- a Investment in agricultural holdings (Ch. I, art. 4-7)
 - a.1 Breakdown by type of production
 - a.2 Breakdown by type of investment
- b Setting-up of young farmers (Ch. II, art. 8)
 - b.1 Setting-up aids by type of production
 - b.2 Applications by age category
- c Training (Ch. III, art. 9)
- d Early retirement (Ch. IV, art. 10-12)
 - d.1 Beneficiary type
 - d.2 New applications by age category
- e Less-favoured areas and areas with environmental restrictions (Ch. V, art. 13-21)
 - e.1 Less Favoured Areas (holdings receiving compensatory allowances by pre-dominant LFA type)
 - e.2 Areas with environmental restrictions (holdings receiving art. 16 payments)
- f Agri-environment (Ch. VI, art. 22-24)
- g Improving processing and marketing of agricultural products (Ch. VII, art. 25-28)
 - g.1 Breakdown by sector
 - g.2 Breakdown by investment objective
- h Afforestation of agricultural land (Ch. VIII, Art. 29-32)
- l Other forestry measures (Ch. VIII, Art. 29-32)
 - l.1 Other afforestation (art. 30, 1st indent)
 - l.2 (art. 30, other indents; art. 32)
- j to v Promoting the adaptation and development of rural areas (Ch. IX, art. 33)
 - j Land improvement
 - k Reparcelling
 - l Setting-up of farm relief and farm management services
 - m Marketing of quality agricultural products
 - n Basic services for the rural economy and population
 - o Renovation and development of villages and protection and conservation of the rural heritage
 - p Diversification of agricultural activities and activities close to agriculture to provide multiple activities or alternative incomes
 - q Agricultural water resources management

- r Development and improvement of infrastructure connected with the development of agriculture
- s Encouragement for tourist and craft activities
- t Protection of the environment in connection with agriculture, forestry and landscape conservation as well as the improvement of animal welfare
- u Restoring agricultural production potential damaged by natural disasters and introducing appropriate prevention instruments
- v Financial engineering

Mixed table

- T.7 Agricultural area under agri-environment contracts and Natura 2000: share UAA receiving agri-environmental or compensatory allowance payments

T.0.1 Background information

Programme type: RDPmod
Country: GB
Region: ENG
Reporting year: 2004
programme id: GBENG

Contact person:

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T.0.2 Programmed measures

	Tables	Status
a. Investment in agricultural holdings (Ch. I, art. 4-7).	a.1 & a.2	
b. Setting-up of young farmers (Ch. II, art. 8).	b.1 & b.2	
c. Training (Ch. III, art. 9).	c	
d. Early retirement (Ch. IV, art. 10-12).	d.1 & d.2	NP
e.1 Less-favoured areas (Ch. V, art. 13-21).	e.1	NP
e.2 Areas with environmental restrictions (Ch. V, art. 16).	e.2	NP
f. Agri-environment (Ch. VI, art. 22-24).	f	X
g. Improving processing and marketing of agricultural products (Ch. VII, art. 25-28).	g.1 & g.2	
h. Afforestation of agricultural land (Ch. VIII, art. 31).	h	X
i. Other forestry measures (Ch. VIII, art. 30, 32).	l rest	
j. Land improvement and k. Reparcelling (Ch. IX, art. 33).	j & k	
l. Setting-up of farm relief and farm management services (Ch. IX, art. 33).	l & m	
m. Marketing of quality agricultural products (Ch. IX, art. 33).	l & m	
n. Basic services for the rural economy and population (Ch. IX, art. 33).	n & o	
o. Renovation and development of villages and protection and conservation of the rural heritage (Ch. IX, art. 33).	n & o	
p. Diversification of agricultural activities and activities close to agriculture to provide multiple activities or alternative income (Ch. IX, art. 33).	p & q	
q. Agricultural water resources management (Ch. IX, art. 33).	p & q	
r. Development and improvement of infrastructure connected with the development of agriculture (Ch. IX, art. 33).	r & s	
s. Encouragement for tourist and craft activities (Ch. IX, art. 33).	r & s	
t. Protection of the environment in connection with agriculture, forestry and landscape conservation as well as the improvement of animal welfare (Ch. IX, art. 33).	t & u & v	
u. Restoring agricultural production potential damaged by natural disasters and introducing appropriate prevention instruments (Ch. IX, art. 33).	t & u & v	
v. Financial engineering (Ch. IX, art. 33).	t & u & v	

T.4 Forecasts table

Measure	Table	Information requested	2000	2001	2002	2003	2004	2005	2006
Investment in agricultural holdings (Ch. I, art. 4-7)	a.1	Number of applications approved							
		Total eligible cost ('000 EUR) Amount of public expenditure committed ('000 EUR) Total of which EAGGF							
Setting-up of young farmers (Ch. II, art. 8)	b.1	Number of applications approved							
		Amount of public expenditure committed ('000 EUR) Total of which EAGGF							
Training (Ch. III, art. 9)	c	Number of applications approved							
		Total eligible cost ('000 EUR) Amount of public expenditure committed ('000 EUR) Total of which EAGGF							
Early retirement (Ch. IV, art. 10-12)	d.1	Number of new agreements							
		Number of hectares released ('000 ha) Amount of public expenditure committed ('000 EUR) Total of which EAGGF							
Less-favoured areas and areas with environmental restrictions (Ch. V, art. 13-21)	e.1	Number of holdings supported							
		Number of hectares supported ('000 ha.) Amount of public expenditure committed ('000 EUR) Total of which EAGGF							
	e.2	number of holdings							
		number of hectares supported ('000 ha) Amount of public expenditure committed ('000 EUR) Total of which EAGGF							
Agri-environment (Ch. VI, art. 22-24)	f	Number of new contracts							
		Number of hectares supported Amount of public expenditure committed ('000 EUR) Total of which EAGGF							
Improving processing and marketing of agricultural products (Ch. VII, art. 25-28)	g.1	Number of applications approved							
		Total eligible cost ('000 EUR) Amount of public expenditure committed ('000 EUR) Total of which EAGGF							

T.4 Forecasts table – continued

Measure	Table	Information requested	2000	2001	2002	2003	2004	2005	2006
Afforestation of agricultural land (Ch. VIII, art. 31)	h & l.1	Number of applications approved area supported ('000 ha) Total eligible cost ('000 EUR) Amount of public expenditure committed ('000 EUR)						232 2 14698 7349 3675	218 2 15441 8515 4258
Other forestry (Ch. VIII, art. 30, indent 2-5)	i rest	Number of applications approved Total eligible cost ('000 EUR) Amount of public expenditure committed ('000 EUR)							
Other forestry (Ch. VIII, art. 32)	i rest	Number of applications approved area supported ('000 ha) Total eligible cost ('000 EUR) Amount of public expenditure committed ('000 EUR)							
Land improvement (Ch. IX, art. 33)	j & k	Number of applications approved Total eligible cost ('000 EUR) Amount of public expenditure committed ('000 EUR)							
Reparcelling (Ch. IX, art. 33)	j & k	Number of applications approved Total eligible cost ('000 EUR) Amount of public expenditure committed ('000 EUR)							
Setting up of farm relief and farm management services (Ch. IX, art. 33)	l & m	Number of applications approved Total eligible cost ('000 EUR) Amount of public expenditure committed ('000 EUR)							
Marketing of quality agricultural products (Ch. IX, art. 33)	l & m	Number of applications approved Total eligible cost ('000 EUR) Amount of public expenditure committed ('000 EUR)							

T.4 Forecasts table – continued

Measure	Table	Information requested	2000	2001	2002	2003	2004	2005	2006
Basic services for the rural economy and population (Ch. IX, art. 33)	n & o	Number of applications approved Total eligible cost ('000 EUR) Amount of public expenditure committed ('000 EUR) Total of which EAGGF							
Renovation and development of villages and protection and conservation of the rural heritage (Ch. IX, art. 33)	n & o	Number of applications approved Total eligible cost ('000 EUR) Amount of public expenditure committed ('000 EUR) Total of which EAGGF							
Diversification of agricultural activities and activities close to agriculture to provide multiple activities or alternative incomes (Ch. IX, art. 33)	p & q	Number of applications approved Total eligible cost ('000 EUR) Amount of public expenditure committed ('000 EUR) Total of which EAGGF							
Agricultural water resources management (Ch. IX, art. 33)	p & q	Number of applications approved Total eligible cost ('000 EUR) Amount of public expenditure committed ('000 EUR) Total of which EAGGF							
Development and improvement of infrastructure connected with the development of agriculture (Ch. IX, art. 33)	r & s	Number of applications approved Total eligible cost ('000 EUR) Amount of public expenditure committed ('000 EUR) Total of which EAGGF							
Encouragement for tourist and craft activities (Ch. IX, art. 33)	r & s	Number of applications approved Total eligible cost ('000 EUR) Amount of public expenditure committed ('000 EUR) Total of which EAGGF							
Protection of the environment in connection with agriculture, forestry and landscape conservation, as well as the improvement of animal welfare (Ch. IX, art. 33)	t & u & v	Number of applications approved Total eligible cost ('000 EUR) Amount of public expenditure committed ('000 EUR) Total of which EAGGF							
Restoring agricultural production potential damaged by natural disasters and introducing appropriate prevention instruments (Ch. IX, art. 33)	t & u & v	Number of applications approved Total eligible cost ('000 EUR) Amount of public expenditure committed ('000 EUR) Total of which EAGGF							

T.4 Forecasts table – continued

Measure	Table	Information requested	2000	2001	2002	2003	2004	2005	2006
Financial engineering (Ch. IX, art. 33) t & u & v		Number of applications approved							
		Total eligible cost ('000 EUR)							
Total of all measures		Amount of public expenditure committed ('000 EUR)	0	0	0	0	0	192814	120291
		Total of public expenditure committed ('000 EUR)	0	0	0	0	0	96408	60146

T.5 Geographic breakdown of support

T.5.1 According to Objective 1 areas, Objective 2 areas and areas outside Objectives 1 and 2

Measures (between brackets, reference articles of Reg. (CE) 1257/1999)		Objective 1 area			Objective 2 area			Outside Objectives 1 and 2			TOTAL
		a	b =a/g %	c	d = c/g %	e	f = e/g %	g =a+c+e			
Total number of agricultural holdings											
a.	Investment in agricultural holdings (art. 4-7)	Number of applications approved Public expenditure committed ('000 EUR)	NP	0%	NP	0%	NP	0%	NP	0%	0
b.	Setting-up of young farmers (art.8)	Number of applications approved Public expenditure committed ('000 EUR)	NP	0%	NP	0%	NP	0%	NP	0%	0
c.	Training (art. 9)	Number of applications approved Public expenditure committed ('000 EUR)	0	0%	0	0%	0	0%	0	0%	0
d.	Early retirement (art. 10-12)	Number of agreements Public expenditure committed ('000 EUR)	0	0%	0	0%	0	0%	0	0%	0
e.1	Less-favoured areas (art. 13-21)	Number of holdings supported Public expenditure committed ('000 EUR)	0	0%	0	0%	0	0%	0	0%	0
e.2	Areas with environmental restrictions (art. 13-21)	Number of holdings supported Public expenditure committed ('000 EUR)	0	0%	0	0%	0	0%	0	0%	0
f.	Agri-environment (art. 22-24)	Number of contracts Public expenditure committed ('000 EUR)	917 6650	4% 4%	6796 58694	33% 32%	13002 118844	63% 65%	20715 184188		
g.	Improving processing and marketing of agricultural products (art. 25-28)	Number of applications approved Public expenditure committed ('000 EUR)	0	0%	0	0%	0	0%	0	0%	0
h.	Afforestation of agricultural land (art. 31) (planting costs)	Number of applications approved Public expenditure committed ('000 EUR)	0	0%	0	0%	0	0%	0	0%	0
i.	Other forestry measures (art. 30, 32)	Number of applications approved Public expenditure committed ('000 EUR)	0	0%	0	0%	0	0%	0	0%	0
j.	to v. Promoting the adaptation and development of rural areas (art.33)	Number of applications approved Public expenditure committed ('000 EUR)	0	0%	0	0%	0	0%	0	0%	0
Total of public expenditure committed			6650	4%	58694	32%	119071	65%	184415		

T.5 Geographic breakdown of support

T.5.2 According to the areas defined by Articles 16 to 20 of the Reg. (CE) n°1257/1999

Measures		Normal area		Mountain areas		Less-favoured areas				Total for LFA	TOTAL		
		a	b=a/m	c	d=c/m	e	f=e/m	g	h=g/m			i	j=i/m
Total number of agricultural holdings													
a.	Investment in agricultural holdings (art. 4-7)	Number of applications approved											
		Public expenditure committed ('000 EUR)											
b.	Setting-up of young farmers (art.8)	Number of applications approved											
		Public expenditure committed ('000 EUR)											
c.	Training (art. 9)	Number of applications approved											
		Public expenditure committed ('000 EUR)											
d.	Early retirement (art. 10-12)	Number of agreements	N/P	0%	N/P	0%	N/P	0%	N/P	0%	N/P	0	
		Public expenditure committed ('000 EUR)	N/P	0%	N/P	0%	N/P	0%	N/P	0%	N/P	0	
e.1	Less-favoured areas	Number of holdings supported											
		Public expenditure committed ('000 EUR)											
e.2	Areas with environmental restrictions (art. 13-21)	Number of holdings supported	N/P	0%	N/P	0%	N/P	0%	N/P	0%	N/P	0	
		Public expenditure committed ('000 EUR)	N/P	0%	N/P	0%	N/P	0%	N/P	0%	N/P	0	
f.	Agri-environment (art. 22-24)	Number of contracts	15256	74%	0	0%	5459	26%	0	0%	5459	26%	
		Public expenditure committed ('000 EUR)	139279	76%	0	0%	44909	24%	0	0%	44909	24%	
g. Improving processing and marketing of agricultural products (art. 25-28)													
		Number of applications approved											
		Public expenditure committed ('000 EUR)											
h.	Afforestation of agricultural land (art. 31) (planting costs)	Number of applications approved	13	100%	0	0%	0	0%	0	0%	0	13	
		Public expenditure committed ('000 EUR)	226	100%	0	0%	0	0%	0	0%	0	226	
i. Other forestry measures (art. 30, 32)													
		Number of applications approved											
		Public expenditure committed ('000 EUR)											
j. to v. Promoting the adaptation and development of rural areas (art.33)													
		Number of applications approved											
		Public expenditure committed ('000 EUR)											
Total of public expenditure committed			139506	76%	0	0%	44909	24%	0	0%	44909	24%	184415

T.6 Financial monitoring – continued

Measure	Total costs borne by the beneficiaries ('000 EUR)						Total eligible cost ('000 EUR)						Amount of public expenditure committed ('000 EUR)						
	Obj. 1		Obj. 2		Total		Obj. 1		Obj. 2		Total		Obj. 1		Obj. 2		Total		
	Outs.	1 & 2	Outs.	1 & 2	Outs.	1 & 2	Outs.	1 & 2	Outs.	1 & 2	Outs.	1 & 2	Outs.	1 & 2	Outs.	1 & 2	Outs.	1 & 2	
p. Diversification of agricultural activities and activities close to agriculture to provide multiple activities or alternative incomes (Article 33)																			
q. Agricultural water resources management (Article 33)																			
r. Development and improvement of infrastructure connected with the development of agriculture (Article. 33)																			
s. Encouragement for tourist and craft activities (Article 33)																			
t. Protection of the environment in connection with agriculture, forestry and landscape conservation, as well as the improvement of animal welfare (Article. 33)																			
u. Restoring agricultural production potential damaged by natural disasters and introducing appropriate prevention instruments (Article. 33)																			
v. Financial engineering (Article. 33)																			
TOTAL	0	0	0	0	0	0	0	0	0	226	226	6650	58694	119071	184415	4988	29347	59535	93871
<i>Forecast (total)</i>																			

e. Less-favoured areas and areas with environmental restrictions (Ch. V, art. 13-21)

e.1 Less Favoured Areas (holdings receiving compensatory allowances by pre-dominant LFA type)

Area type	Number of holdings supported	Number of hectares receiving compensatory allowances ('000 ha)	Average amount of payments (EUR)		Amount of public expenditure committed ('000 EUR)
			per holding	per ha	
Mountain areas	0	0	0	0	0
Other less-favoured areas	0	0	0	0	0
Areas affected by specific handicaps	0	0	0	0	0
Total	0	0	0	0	0
of which Natura 2000 areas	0	0	0	0	0
Forecast (total)	0	0			0

e. Less-favoured areas and areas with environmental restrictions (Ch. V, art. 13-21)

e.2 Areas with environmental restrictions (holdings receiving art. 16 payments)

Area type	Number of holdings supported	Number of hectares receiving art. 16 payments ('000 ha)	Average amount of payments (EUR)		Amount of public expenditure committed ('000 EUR)
			per holding	per ha	
LFA Mountain areas	0	0	0	0	0
Other less-favoured areas	0	0	0	0	0
Areas affected by specific handicaps	0	0	0	0	0
non LFA	0	0	0	0	0
TOTAL	0	0	0	0	0
of which Natura 2000 areas	0	0	0	0	0
Forecast (total)	0	0			0

f. Agri-environment (Ch. VI, art. 22-24)

Action	Number of contracts		of which new contracts		Number of hectares		Average premium per ha	Amount of public expenditure committed ('000 EUR)	
	contracts		contracts		under contract	of which new		Total	of which EAGGF
organic farming	annual crops	751	59	53726	4252	77	4149	2099	
	specialised perennial crops	40	2	376	4	141	53	26	
	other	705	71	56434	5067	37	2107	1074	
	Total	1496	132	110536	9323	57	6309	3199	
other input reduction (incl. integrated production)	annual crops	0	0	0	0	0	0	0	
	specialised perennial crops	0	0	0	0	0	0	0	
	other	0	0	0	0	0	0	0	
	Total	0	0	0	0	0	0	0	
crop rotation	0	0	0	0	0	0	0	0	
extensification	0	0	0	0	0	0	0	0	
landscape/nature (conservation, restoration, creation)	annual crops	1159	185	20994	4619	764	16031	8113	
	specialised perennial crops	11292	2036	498075	107165	223	110951	56243	
	other	6768	1098	582022	95458	87	50897	26203	
	Total	19219	3319	1101091	207242	162	177879	90559	
plant varieties under threat of genetic erosion	annual crops	0	0	0	0	0	0	0	
	specialised perennial crops	0	0	0	0	0	0	0	
	other	0	0	0	0	0	0	0	
	Total	0	0	0	0	0	0	0	
other actions	annual crops	0	0	0	0	0	0	0	
	specialised perennial crops	0	0	0	0	0	0	0	
	other	0	0	0	0	0	0	0	
	Total	0	0	0	0	0	0	0	
TOTAL	20715	3451	1211627	216565	152	184188	93757		
Forecast		0					0	0	

f. Agri-environment (Ch. VI, art. 22-24) – continued

Action	Number of contracts	of which new contracts	Number of livestock units under contract	of which new	Average premium per lu	Amount of public expenditure committed ('000 EUR)	
						Total	of which EAGGF
Breeds in danger of being lost to farming	0	0	0	0	0	0	0
cattle	0	0	0	0	0	0	0
sheep	0	0	0	0	0	0	0
goats	0	0	0	0	0	0	0
equidae	0	0	0	0	0	0	0
pigs	0	0	0	0	0	0	0
avian	0	0	0	0	0	0	0
mixed	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0
TOTAL agri-environment	20715	3451				184188	93757
<i>Forecast (total)</i>		0				0	0

h. Afforestation of agricultural land and i. Other forestry measures (Ch. VIII, Art. 29-32)

h. Afforestation of agricultural land (art. 31)

Types of support	Number of which		Area supported		Average amount		Amount of public	
	agreements	of which new	(‘000 ha)	of which new	of support per ha (EUR)	Total	of which EAGGF	
Maintenance costs	0	0	0	0	0	0	0	0
Income loss	0	0	0	0	0	0	0	0
Total							0	0

Planting costs by tree type	Number of applications approved			Area supported			Average amount			Total costs borne by the beneficiaries			Total eligible cost			of which EAGGF		
	Private	Public	Total	Private	Public	Total	Private	Public	Total	Private	Public	Total	Private	Public	Total	Total	of which EAGGF	
Conifers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Broadleaves	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Mixed plantations (> 25% in a 2nd species)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Rapid growth plantations	13	0	13	n/a	0	0	0	0	0	0	0	0	0	0	0	226	113	
TOTAL	13	0	13	0	0	0	0	0	0	0	0	0	0	0	0	226	113	
Forecast			232			2										14698	7349	3675

Comments

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