

Cabinet Secretary for Rural Economy and Connectivity

**EU OMNIBUS REGULATION, MANDATORY AND OPTIONAL CHANGES AFFECTING CAP PILLAR 1 AND PILLAR 2**

**Purpose**

1. To inform you of the changes that the recently published EU Omnibus Regulation require, or allow; and, seek your agreement on the changes to be introduced for 2018. You will wish to be aware of this in advance of the NFUS AGM.

**Priority**

2. Routine

**Background**

3. Proposals for CAP simplification were discussed in the EU throughout 2017. Through the Omnibus Regulation the European Commission (EC) has now published a range of mandatory and optional changes to the Regulation establishing rules for direct payment to farmers and the Scottish Rural Development Programme. In making these changes the EC are aiming at further simplifying the policy with a view to easing the burden on and making life easier for both farmers and national authorities. However the EU is yet to provide any further detailed information around the changes in the form of updated Implementing Regulations.

**The changes that the Omnibus regulation brings.**

4. The changes fall into four categories:
- a) Mandatory
  - b) Optional and immediately deliverable/desirable
  - c) Optional but require more consideration
  - d) Not applicable to Scotland

5. The tables below give the (a) mandatory and (b) optional and immediately desirable changes. With regards to the mandatory changes that are relevant to Scotland these shall be implemented with as little burden or change to the farmer as possible.

[Redacted text]	[Redacted text]	[Redacted text]
[Redacted text]	[Redacted text]	[Redacted text]
[Redacted text]	[Redacted text]	[Redacted text]
Greening changes - Crop Diversification	Exemption changes to include leguminous crops and remove the 30 ha arable limit	Limited impact it is estimated that less than 20 businesses will be exempt from Crop Diversification and EFA requirements. <b>Mandatory change, already</b>

		<b>implemented</b>
EFA Nitrogen fixing crops	Weighting increased from 0.7 to 1.0	Limited impact as uptake of NFC likely to be limited by previous changes. <b>Mandatory change, already implemented</b>
Crop diversification	Triticum spelta to be a distinct crop (new)	Only 1 known producer in Scotland <b>Mandatory change, already implemented</b>

<b>[Redacted text]</b>	<b>[Redacted text]</b>	<b>[Redacted text]</b>
[Redacted text]	[Redacted text]	[Redacted text]
[Redacted text]	[Redacted text]	[Redacted text]
[Redacted text]	[Redacted text]	[Redacted text]

[Redacted text]

**SSI/Guidance changes**

6. Ministers will wish to note that an amending SSI is being prepared to enforce the agreed changes from 2018. RPID will prepare guidance and appropriate communications take place to ensure the reason and impact of the changes that will take place from 2018 are clear.

**[Redacted text]Recommendation**

7. It is recommended that
- I. the recommended changes in tables at paragraph 5 are implemented in 2018.
  - II. [Redacted text]the optional changes in Annex 1 are further considered, in consultation with stakeholders, with a view to implementing any further beneficial and deliverable changes in 2019. A further submission on these will be prepared in due course.

**[Redacted text]**

Agriculture and Rural Development

[Redacted text]

Copy List:	For Action	For Comments	For Information		
			Portfolio Interest	Constit Interest	General Awareness
Cabinet Secretary for Environment, Climate Change and Land Reform	«text»	«text»	X	«text»	«text»

[Redacted text] [Redacted text]
------------------------------------

«text»

## ANNEX 1 – Further optional changes that require more consideration

As noted above, the changes below may be desirable but it is not clear how the change will impact on farmers, as the amendments to the implementing acts are not yet published, or the delivery implications need to be scoped out. Further advice on these options will follow.

c) Optional but require more consideration	Overview of change	What the change means to Scotland
[Redacted text]	[Redacted text]	[Redacted text]
[Redacted text]	[Redacted text]	[Redacted text]
[Redacted text]	[Redacted text]	[Redacted text]
[Redacted text]	[Redacted text]	[Redacted text]
Greening.... EFA Miscanthus	New option (weighting 0.7)	The introduction of the proposal EFA fallow option (3) may prove attractive to both claimants and Environmental stakeholders although depending on the detail of the management of the land.
EFA Silphium perfoliatum	New option (weighting 0.7)	
EFA land lying fallow for melliferous plants (pollen & nectar rich species)	New option (weighting 1.5)	