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INDEPENDENT EVALUATION OF THE REGIONAL RURAL DEVELOPMENT PROGRAM 2014-2020 OF THE LIGURIA REGION

CIG: 7070449F14

SYNTHESIS OF THE THEMATIC REPORT

ADMISSION TO SUB-MEASURE 10.1.A - ADHESION TO THE PRINCIPLES OF INTEGRATED AGRICULTURE

Rome, September 2020





Introduction

At the invitation of the Managing Authority, and in the context of the services related to thematic indepth analyzes, the RDP Evaluator has developed some in-depth analyzes aimed at better understanding the factors that may have determined the significant decrease, in terms of number of beneficiaries, hectares of surface subject to commitment and economic resources used relating to sub-measure 10.1.A - Adherence to the principles of integrated agriculture - of the Rural Development Program (RDP) 2014-2020, compared to the data recorded in the previous programming period (RDP 2007-2013) in the implementation of the corresponding agrienvironmental action (measure 2.1.4.B - Introduction or maintenance of integrated farming methods).

Activities carried out and main evaluation results

This analysis involved the following activities:

- Desk analysis of the statistical and context data in which potential beneficiaries of the support operate, examination of the physical and financial monitoring data on the state of implementation of the actions and reading of the reference programming/implementation documents;
- benchmarking analysis comparing the data of the 2019 evaluation reports of the Liguria Region with those of the Marche, Umbria, Campania and Puglia Regions to verify whether the problem linked to the poor adhesion of companies to the sub-measure concerning integrated agriculture is also common to other regions;
- identification of the companies benefiting from measure 2.1.4.B that in the current programming period have not renewed the agro-environmental commitments envisaged by operation 10.1.A and analysis of the characteristics of the beneficiaries to verify which of these are correlated with the decision of the producer not to participate in the commitments in the new programming;
- carrying out a direct survey on a representative sample of companies that had participated in measure 2.1.4.B in the 2007-2013 programming period and which do not participate in action 10.1.A of the current programming period, in order to understand the reasons behind this choice and to identify the elements that could favor their participation again;
- implementation of an evaluation technique, Nominal Group Techinque (NGT), with a *panel* of privileged witnesses, aimed at analyzing the strengths and weaknesses related to the problem under study and ordering priorities by separating what is urgent from what can be postponed in time.

In the 2007-2013 programming, the hectares under commitment under measure 2.1.4.B were 5,800, while in the current programming the hectares under commitment on sub-measure 10.1.A are 1,433. There was therefore a contraction of the surface carried out with integrated agriculture techniques under commitment of about 75%.

Part of the non-renewals can be attributed to the cessation of company activity: 9% of the companies benefiting from measure 2.1.4.B ceased activity compared to a reduction in the number of farms, recorded in Liguria in the period 2008-2016, equal to 21,7%. Even raising the access threshold from



150 to 300 euros from the possibility of participating in sub-measure 10.1.A may have excluded 14,7% of the companies participating in the measure 2.1.4.B.

The analysis of the characteristics of the beneficiaries of measure 2.1.4.B and their correlation with the producer's decision not to participate in the commitments in the 2014-2020 programming has shown that the factors that have the greatest influence are:

- the age group of the tenant, with a percentage of continuation of commitments among those over 65 equal to 11%;
- the size of the company and the value of the average amount received, with just 12% of companies less than 1 hectare in size and 8% of companies receiving a premium of less than 300 euros/year renewing their commitments;
- the technical and economic orientation of the companies, with a very substantial reduction for livestock companies and companies specialized in arable crops, while the farms specialized in viticulture, other permanent crops and fruit and vegetables, show much more contained reductions, indicating that the most significant decreases occur for the guidelines that receive the lowest premium per hectare.

The benchmarking analysis shows that in all the other regions considered there is a significantly higher incidence of the surfaces of farms adhering to the integrated agriculture sub-measure on the total regional employed land compared to 3,7% recorded in Liguria. The reasons for these differences can be found in the structure of the Ligurian agricultural sector which shows a smaller average company size than the other regions used for comparison. This small size may have made it unattractive to join the integrated agriculture sub-measure.

The survey carried out on a sample of farms that had participated in measure 2.1.4.B in the 2007-2013 programming period and that do not participate in sub-measure 10.1.A of the current programming period, found that:

- as regards the reasons that in the past programming had led the farmer to participate in measure 2.1.4.B, the most important reason was the continuation of a commitment already in place. Above the average value there are also the takeover of a commitment already in place and the suggestion to participate by the technicians of the associations. The motivation linked to income integration is slightly below average. Even the reasons linked to the market prospects for branded products from integrated agriculture do not seem to have had a decisive influence;
- as regards the reasons that in the 2014-2020 programming period led the farmer not to adhere to sub-measure 10.1.A, the main obstacle to the confirmation of the agrienvironmental commitments is represented by the excessive technical and bureaucratic load in the presentation of applications linked to inadequacy of the premiums and the excessive cost of the application. This obstacle grows in importance for companies belonging to the lower premium class. On the contrary, in the premium class over € 1.000, the main problem is linked to the uncertain times for disbursement of aid gains;
- the information actions implemented by the Liguria Region and the trade associations relating to the dissemination of the methods of accessing the measure are deemed adequate;
- among the elements that could favor the participation of farms in agri-environmental measures in the future, the most important concerns the administrative and procedural simplification and the certainty of the timing of payment of the contribution. The reduction of the minimum access threshold, the establishment of discussion tables between the Region



and technicians and the training and consultancy activities are considered quite relevant. The compulsory adherence to the National Integrated Production Quality System is of little relevance.

The thematic study included moments of confrontation between "privileged stakeholders". A Nominal Group Techinque (NGT) was created which involved a working group consisting of: 1 farmer, 4 representatives of trade associations; 3 regional managers (as auditors). The NGT was aimed at analyzing the strengths and weaknesses related to the problem under study and to hierarchize these elements according to an order of importance. And the actions to be undertaken to facilitate the future participation of farmers in the integrated agriculture measure were also ordered according to importance and urgency.

The table agreed on the relevance of the strengths and weaknesses identified.

Table 1 - Strengths and Weaknesses

Strengths	Weaknesses
 Income motivation for higher sales prices Environmental motivation: I produce with less pressure on the territory Cost reduction and income integration thanks to the premium 	 Low brand recognition of integrated agriculture products Administrative complexity and high access costs Reduced company size and advanced age of tenants Low capacity of the Ligurian agricultural sector to " create a system " Minimum access parameters too high Making long-term commitments

The hierarchy of the strengths has shown that among the reasons that push farmers to participate in sub-measure 10.1.A, the most important is the integration of business income and the reduction of production costs due to a lower use of inputs. In second place, there is the environmental reason because, thanks to compliance with the integrated production regulations, the pressure on the environment is reduced and, finally, the less important reason linked to the recognition of a higher selling price.

As regards the weaknesses capable of influencing the participation of farmers in sub-measure 10.1.A, the table identified administrative complexity and high access costs as the most important. In second place there is the scarce recognition of the brand which does not allow the payment of a higher selling price for the productions made with integrated farming techniques. The small company size and advanced age of the Ligurian tenants and the excessively high minimum access parameters are placed on an equal footing. Finally, the last two weaknesses in order of importance concern the assumption of long-term commitments and the low ability of the Ligurian agricultural sector to create a "system."

The table discussed the actions to be taken to facilitate the future participation of farmers in the integrated agriculture measure and these actions were classified by urgency and importance. It emerged that:



- the most urgent and important actions that should be implemented immediately are: the increase of the premium per hectare and the possibility of differentiating it for quality productions, the establishment of discussion tables between the Region and technicians, the simplification of production, administrative simplification and the certainty of the timing of the disbursement of funds;
- among the actions that are still important but which may be deferred over time, there are the
 activities concerning the increase in information and communication regarding the methods
 of participation in the sub-measure, the strengthening of training and consultancy activities
 on the commitments envisaged by the measure and the actions to be taken to comply with
 these commitments;
- the less important actions, and in any case deferrable over time, are the actions related to the reduction of the minimum access threshold which, in the opinion of the respondents, would open the measure to farms with such a small size that the costs necessary for submitting the application would not be repaid by the fund received.

