

OPINIONS

COMMITTEE OF THE REGIONS

85th PLENARY SESSION HELD ON 9 AND 10 JUNE 2010

Opinion of the Committee of the Regions — The future of the CAP after 2013 (own-initiative opinion)

(2010/C 267/03)

THE COMMITTEE OF THE REGIONS

- considers that the agri-food sector is of strategic importance for Europe and that a coordinated food and agriculture policy in the European Union is more necessary than ever;
- considers it essential to maintain the Community preference in order to secure Europe's food independence and security;
- considers it necessary to develop effective tools that make it possible to stabilise prices and manage production, in order to ensure the stability of farmers' incomes;
- considers that an overhauled agricultural policy must abandon any unfair treatment in the arrangements for supporting different types of production and different regions;
- calls for historical references to be abandoned and proposes, beyond the minimum environmental requirements for obtaining the first level of aid (single payment by hectare), that those production systems and practices that do most to preserve the environment and natural resources be encouraged and promoted through specific additional support;
- considers it essential for European public subsidies to take into account employment on each farm;
- considers that a more integrated strategy at an appropriate level (for example, mountain ranges and islands) for regions with permanent natural handicaps is necessary if the potential of these territories is to be fully realised and the added value of European intervention is to be developed;
- also calls on the European Commission to define more precisely the relationship between rural development policy and regional and cohesion policy in order to ensure coherence of measures of the same nature carried out in the same area;
- considers that the involvement of the regional level is becoming essential, even though a European and national framework is still needed;
- considers that the Common Agricultural Policy must, for the period 2014-2020, be given a consolidated and reinforced budget that is up to the challenges and issues to be addressed.

Rapporteur: Mr René Souchon (FR/PES), President of the Auvergne Regional Council

POLICY RECOMMENDATIONS

THE COMMITTEE OF THE REGIONS,

Context and challenges

Whilst there is debate in many quarters on the future place and role of agriculture in Europe,

1. considers that drawing up an own-initiative opinion on the broad principles and key aims of the Common Agricultural Policy beyond 2013 is in line with its role and its priorities;

2. considers it necessary, before even beginning the discussion on the budget for this policy, to outline the principles and direction that are desirable;

3. notes that the world currently faces a highly diverse and significant set of challenges: population growth, scarcity of water resources, gradual depletion of fossil fuel resources, soil degradation and threats to biodiversity, and climate change;

4. notes that the challenges faced by arable and livestock farming today (volatility of markets, falling agricultural incomes, globalisation of trade, demographic pressure and competition from emerging markets, the increasing number of health crises, viability and modernisation of the smallest farms, soil impoverishment, the switch from fossil fuels to other energy sources and other environmental, economic and social issues connected with continuing farming activity, particularly in upland and other less-favoured areas, to name but a few) are not the same as the challenges of the past;

5. considers that an overhaul of the Common Agricultural Policy is essential to enable the European Union to adapt whilst helping to mitigate the current and future developments and their negative impact on Europe's people and on rural and peri-urban areas. There is a need to create smart, sustainable growth which ensures the production of safe food and the conservation of biodiversity and a rich landscape and cultural environment. This overhaul must be based on the following ten principles and broad aims;

A. *An agricultural policy that must remain a common policy*

6. notes that the primary purpose of European farming is to produce food for people in the Member States, taking account of the need for fair competition and environmental protection, and to ensure that it also meets the other required standards of food safety, quality and affordability;

7. points out that agriculture in the EU also brings European society a series of public benefits that are not rewarded by the market (land-use planning, landscape management, protection of the environment and natural resources, territorial cohesion, etc.) and that, in themselves, bring added value to the EU as a whole;

8. considers that the agri-food sector is of strategic importance for Europe and that a coordinated food and agriculture policy in the European Union is more necessary than ever;

9. considers that any temptation to renationalise the Common Agricultural Policy, even in part, must be resisted;

B. *A Common Agricultural Policy that must ensure that Europeans have a secure, independent food supply*

10. considers that the Union's food independence and security must continue to be fundamental aims of the Common Agricultural Policy;

11. stresses the importance of ensuring sufficient diversity, quality and security of production at EU level whilst taking care as far as possible to maintain optimal distribution amongst the Member States and the various regions, in line with their individual characteristics;

12. also considers that the aim of food self-sufficiency means having to look at the areas where there is currently a significant shortfall in agricultural production, particularly with regard to plant proteins;

13. believes that European agricultural production is unlikely to be able to compete with production from anywhere in the world if the only point of reference is the end cost, given the differences in production costs, legislation and development;

14. therefore considers it essential to maintain the Community preference;

15. furthermore strongly supports the European Parliament's Declaration (0088/2007) for an investigation of the impact of the concentration of supermarket power and for any subsequent proposals for appropriate resultant measures;

16. urges that uniform and essential phytosanitary, veterinary and environmental standards be applied to food products for consumption in the EU, whether EU-produced or from third countries;

C. *A Common Agricultural Policy that must ensure income stability*

17. notes that the sustainability of supply in Europe must be ensured;

18. considers it essential that producers should be able to make a proper living from their produce;
19. believes that maintaining jobs in farming and the agri-food sector must be a priority;
20. therefore considers it necessary to develop effective tools that make it possible to stabilise prices, and tools for managing production, thus ensuring the stability of farmers' incomes; however, great care should be taken when they are used;
21. considers that the purpose of tools for managing production is to limit excessive discrepancies between supply and demand, which in turn contribute to price collapses;
22. considers that the purpose of price stabilisation tools (withdrawal interventions, stockpiling, guarantees for unforeseen climate and health events ...) is to limit the impact of market volatility;
23. takes the view that, on condition that there is an overall agreement in the WTO negotiations, export refunds and all other forms of trade-distorting export subsidies should be abolished;
24. considers that stability of farm prices over farming time-scales is fundamental to keeping up the will to produce and maintaining production factors over the long-term;
25. therefore calls on the European Commission to make operational proposals as soon as possible with regard to tools for managing production and stabilising prices;
26. considers that competition rules should allow farmers, their producer organisations and inter-professional associations to manage the process of obtaining fair remuneration for their activities;
- D. *A Common Agricultural Policy that must benefit all farms, encourage changes in agricultural practices, and promote jobs and sustainable land use*
27. notes, despite the progress made during the most recent reforms, that the Common Agricultural Policy is still characterised by major inequalities in support between types of productions and, ultimately, between farms and between regions;
28. considers that an overhauled agricultural policy must abandon any objectively unwarranted unfair treatment in the arrangements for supporting different types of production, different types and sizes of enterprise and different regions;
29. also notes that the Common Agricultural Policy has supported production methods that have insufficient regard for the environment and for natural resources, despite the depletion of fossil fuels and mineral resources, the accumulation of phytosanitary products, the pollution of watercourses, the risk of diminishing soil fertility, and the increase in health risks;
30. considers that the agricultural production systems of the future must be more sparing in their use of water and fossil fuels, use less fertiliser and phytosanitary products, be more diversified, and be wiser in making the most of synergies between arable and livestock farming;
31. believes that the Common Agricultural Policy after 2013 should prioritise support for those making their living mainly from farming;
32. considers that the post-2013 Common Agricultural Policy must support these changes and help farmers to progress;
33. also notes that the Common Agricultural Policy has for a number of years been providing greater support for investment than for jobs;
34. considers that agriculture could continue to be a substantial source of jobs in the future;
35. finally, notes that CAP reform has had territorial effects that run counter to maintaining agriculture-related economic activities in the most vulnerable areas;
36. considers that the Common Agricultural Policy after 2013 must rebalance its support in favour of employment and of maintaining an agricultural presence in vulnerable areas, including peri-urban territories;
37. proposes, in order to put these key aims into practice, that historical references be abandoned gradually right across Europe after 2013 in favour of a single payment per hectare which takes into account the regional context with regard to production and access costs, the types of farms, as well as the production of public goods;
38. proposes, *inter alia*, that single payments per hectare and other aid be, on the one hand, conditional on the actual performance of agricultural activity, and, on the other, more, and more effectively conditional on the implementation of production systems that respect the environment and conserve natural resources;
39. proposes that European public subsidies take into account employment on each farm and urges the Commission to reflect on the relevance of a ceiling on the amount of funding per farm;
- E. *A Common Agricultural Policy that must favour those production systems that best preserve the environment and natural resources*
40. considers that preservation of the environment and natural resources is self-evidently one of the key aims of the overhaul of the Common Agricultural Policy after 2013;
41. also considers that farmers should be encouraged and helped to acquire production systems that perform best in this area;

42. proposes, beyond the minimum requirements to obtain the first level of aid (single payment by hectare) that those production systems and practices that do most to preserve the environment and natural resources (organic farming, limiting inputs, reductions in greenhouse gas emissions, protection of water resources, preservation of biodiversity, protecting the landscape, etc.) be encouraged and promoted through specific additional incentives (e.g. land-use plans);

43. also proposes that, in especially environmentally sensitive areas, the level of aid provided under the Common Agricultural Policy be adjusted and made heavily conditional on even tougher environmental requirements, while avoiding disproportionate red tape;

44. renews, in the light of the issues and impact on the regions, its request to be involved in the formulation at EU level of measures on coexistence between conventional and genetically modified crops;

F. *A Common Agricultural Policy that must take into account natural and geographical handicaps (mountains, islands, sparsely-populated areas, outermost regions)*

45. notes that upland, island and very sparsely populated areas, as well as other areas recognised as less favoured, face specific conditions of production due to permanent handicaps (gradient, altitude, climate, isolation, soil poverty) and their specific socio-economic circumstances;

46. notes that these make farming difficult (low economic returns) and yet indispensable to environmental balance (combating natural risks, protecting biodiversity, and providing open, diverse landscapes) and to the development of these rural areas;

47. also notes that, whilst the agricultural production of these regions with natural handicaps are focused towards quality, the low yields and the permanent costs require special attention and treatment;

48. proposes that such arrangements take the form of a specific additional payment to support the maintenance of agricultural production and the provision of public goods using an approach based on localism, high environmental quality and territorial, social and cultural cohesion;

49. notes that if there are many different tools and public policies, the large number of actors hinders truly joined-up action, which is essential to keeping farmers in mountain, island or Nordic regions;

50. considers that a more integrated strategy at an appropriate level (for example, mountain ranges and islands) for regions with permanent natural handicaps is necessary if the potential of these territories is to be fully realised and the added value of European intervention is to be developed, and accordingly, in the 2014-2020 programming period, calls for Article 174 TFEU to be made fully effective;

G. *A Common Agricultural Policy that must focus on agriculture and food*

51. considers that the Common Agricultural Policy must first and foremost focus on agriculture and food, and that it must strengthen agriculture in every region of the European Union;

52. notes that, within the second pillar, there can sometimes be confusion or competition between agricultural development measures and non-agricultural development measures; therefore considers it necessary to distinguish better between these two categories of measure; calls on the European Commission more generally to define rural development policy more precisely; also calls on the European Commission to define more precisely the relationship between rural development policy and regional and cohesion policy in order to ensure coherence of measures of the same nature carried out in the same area;

53. emphasises, in a general manner, the importance of supporting rural areas in order to contribute to the objective of territorial cohesion;

H. *A Common Agricultural Policy that must bring about progress in certain implementing arrangements*

54. considers that, if effective support is to be given to production systems that do most to preserve the environment and natural resources, and natural and geographical handicaps are to be taken into account, well as extra attention paid to the quality of life in rural areas and local initiatives, the tools and instruments need to be adapted at regional level;

55. considers it essential to take account both of regional specifics and regional policy priorities, as these can vary significantly from one region to another;

56. believes that changes are needed to the way the Common Agricultural Policy is implemented and managed. It is no longer good enough for these to involve only the European and national levels, as is still the case in most Member States;

57. considers that the involvement of the regional level is becoming essential, even though a European and national framework is still needed;

58. in addition, invites the European Commission to reflect on the relevance and appropriateness of the current delimitation under the first and second pillars of the Common Agricultural Policy;

59. considers that specific farm sector measures for the outermost regions, under the POSEI programmes, must be maintained and strengthened in order to reflect the specific nature of agriculture in these regions, which face special difficulties arising from additional production and marketing costs, and the lack of opportunities to diversify their farm products;

60. calls for multi-regional and supra-regional measures to be developed alongside regional measures, designed to complement the measures implemented by the regions;

61. reaffirms the subsidiarity principle in its practical meaning of administration which is as close as possible to the citizen;

62. believes that the Common Agricultural Policy after 2013 should ensure simplicity in its operation for farms whilst ensuring it remains transparent and comprehensible to European citizens;

I. A Common Agricultural Policy that must update its governance arrangements

63. considers that regions and rural communities can no longer be content with their status as mere co-funders without being actively involved in the choice of certain guidelines and implementing and management arrangements;

64. therefore believes that a successful overhaul of the Common Agricultural Policy requires across-the-board involvement of the regional level or the local level in certain cases;

65. considers that the regional, or in some cases local, level is now the only one that can:

- put in place more effective, responsive governance;
- target aid in accordance with the agricultural, environmental and territorial specifics of each region;
- effectively redirect the Common Agricultural Policy towards production systems that respect the environment and conserve natural resources;
- provide support for types of agricultural production (market gardening, arboriculture and viticulture) and production systems (organic farming) that have hitherto benefited too little from the Common Agricultural Policy;
- adapt policies for helping new farmers set up to the regional, or in some cases local, context;
- strengthen the link between farming and agribusiness;
- support the development of short production-consumption loops for agricultural products;
- improve coherence between the Common Agricultural Policy and regional and cohesion policy;

- ensure more balanced, sustainable spatial planning in Europe;

66. considers that setting up a multi-level (European, national, regional) governance framework is an essential requirement for a successful overhaul of the Common Agricultural Policy after 2013;

J. A Common Agricultural Policy that must have a budget that is up to the challenges and issues to be addressed

67. considers that an overhaul of the Common Agricultural Policy after 2013 is essential to enable the European Union to face up to the numerous challenges and issues in this area of activity, which has very significant human, social, economic, environmental and territorial consequences, as well as contribute more effectively to the priorities set out in the Europe 2020 strategy document (smart growth, sustainable growth, inclusive growth), in which the European agri-food sector should have a higher profile, in view of its strategic role for the EU in connection with these priorities;

68. believes that this overhaul, which must translate into such practical measures as priority public support for production systems that respect the environment and conserve natural resources, will need considerable efforts towards the adaptation or indeed redeployment of farmers and agricultural production in all of Europe's regions; in this connection, it remains extremely important to involve the universities very closely in ongoing agricultural developments and to step up the incorporation of the scientific contribution to framing and implementing the CAP and the related actions-measures-controls it entails. Knowledge institutions make it possible to translate the many plans for renewal of the agricultural sector into genuine and workable solutions. These must be properly tied into innovation programmes and funds;

69. considers that the European Union must equip itself with the means to make such an overhaul a success;

70. considers that, to achieve this, the Common Agricultural Policy must, for the period 2014-2020, be given a consolidated and reinforced budget that is up to the challenges and issues to be addressed;

Conclusion

71. wishes to remind the European Commission, the European Parliament and the Council of the European Union that the added value of the future Common Agricultural Policy will, like its contribution to achieving the priority objectives of the EU 2020 strategy, be judged on the basis of its ability to:

- ensure Europe's food independence and security through healthy, diversified, high-quality farm production;

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- provide stable, sufficient incomes to farmers and farms so as to support the retention and creation of sustainable jobs;
 - contribute to the fight against climate change and to preserving biodiversity by rolling out eco-conditionality across the board and supporting production methods that do most to conserve the environment and natural resources;
 - promote territorial cohesion within the European Union by ensuring that farming activities and thriving rural communities continue in every region of Europe;
72. considers that only an overhauled Common Agricultural Policy based on clear guidelines with a long-term dimension and provided with the necessary financial resources can give the European Union a chance to address the major challenges it faces.

Brussels, 9 June 2010.

*The President
of the Committee of the Regions*
Mercedes BRESSO
