



European Committee
of the Regions

Commission for
Natural Resources

Towards a CAP that is more fair, more sustainable and based on solidarity

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Table of contents:

1. Foreword	3
2. Presentation of the statistics for the European agricultural sector	4
2.1 European Agricultural Sector	4
2.2 European rural areas	5
3. Presentation of the opinion of the European Committee of the Regions on the future CAP after 2020	7
3.1 Fair prices for agricultural products in order to sustain the farming profession	7
3.2 Direct payments boosting employment and the transition to environment-, biodiversity- and climate-friendly production methods	8
3.3 More resources for rural development policy	8
3.4 A budget commensurate with the challenges ahead	9
4. Previous opinions of the European Committee of the Regions	10
4.1 Revitalisation of rural areas through Smart Villages	10
4.2 Regulating price volatility of agricultural products	10
4.3 Supporting young European farmers	10
4.4 The simplification of the Common Agricultural Policy	10
4.5 Innovation and modernisation of the rural economy	10
5. Contribution by the Committee on Agriculture and Rural Development in the European Parliament	11
5.1 What should be the strategy for the development of agriculture, food and rural areas in the long term?	11
5.2 Our agricultural policy needs to be completely overhauled	12
6. Contributions	13
6.1 Agricultural and Food Organisations	13
6.1.1 Committee of Professional Agricultural Organisations and et General Committee for Agricultural Cooperation in the European Union (COPA-COGECA)	13
6.1.2 The European Council of Young Farmers (CEJA)	15
6.1.3 European Coordination Via Campesina (ECVC)	16
6.1.4 FoodDrinkEurope	18
6.2 Other associations:	20
6.2.1 European environmental Bureau (EEB)	20
6.2.2 Friends of the Earth Europe (FoEE)	22
6.2.3 Attac	24
6.2.4 Oxfam	26

Europe is at a crossroads. Brexit and its budgetary consequences, the emergence of new challenges, and the rise in euroscepticism could lead to traditional policies being called into question. In this context, the common agricultural policy (CAP), one of the European Union's major policies, is at a turning point. For we must produce more and better, but with fewer resources and in more difficult conditions than ever before – adapting to the effects of globalisation, mitigating the impact of climate change, and tackling demographic challenges. Among the many challenges identified for the future common agricultural policy, a better territorial balance is, of course, a central concern for the Committee of the Regions.

We are concerned to note that:

- the Seventh report on economic, social and territorial cohesion still records a significant development lag between urban and rural areas;
- poverty is more pronounced in rural areas than in urban areas;
- the sense of abandonment in rural areas translates into growing euroscepticism in these areas.

Faced with these alarming findings, and in spite of the goal of territorial cohesion enshrined in the Treaty of Lisbon, we note that European support for rural areas is falling sharply and that the European Structural and Investment Funds (ESIF) could be used even more effectively to reduce these inequalities.

There is, therefore, an urgent need to make specific commitments to the development of rural areas in Europe. It is the belief of the Committee of the Regions that only by adopting an integrated approach to public policy will it be possible to tackle the economic, environmental and social challenges facing every part of Europe and rural areas in particular. While we are calling here for the second pillar of the CAP to be strengthened for the sake of rural development, we also believe that the needs of rural areas should be taken into account in all European policies, as mentioned in the declaration on rural development adopted in Cork.

More generally, as you will see in this brochure setting out the position of the Committee of the Regions, we are keen to give the CAP of the future an ambitious role in achieving all the Europe 2020 objectives in synergy with cohesion policy. This is a very stimulating endeavour and we are ready – on behalf of local and regional authorities, and together with all the stakeholders involved – to embark upon it.

1. Foreword



*Karl-Heinz Lambertz, President
of the European Committee of the
Regions*

2. Presentation of the statistics for the European agricultural sector

2.1 European Agricultural Sector

On 175 million ha land (roughly 40% of EU land cover) around 11 million farms¹ produce agricultural products. The most part is processed by about 300 000 enterprises in the food and drink industry. The food processors sell their products through the 2.8 million enterprises within the food distribution and food service industry, which deliver food to the EU's 500 million consumers.

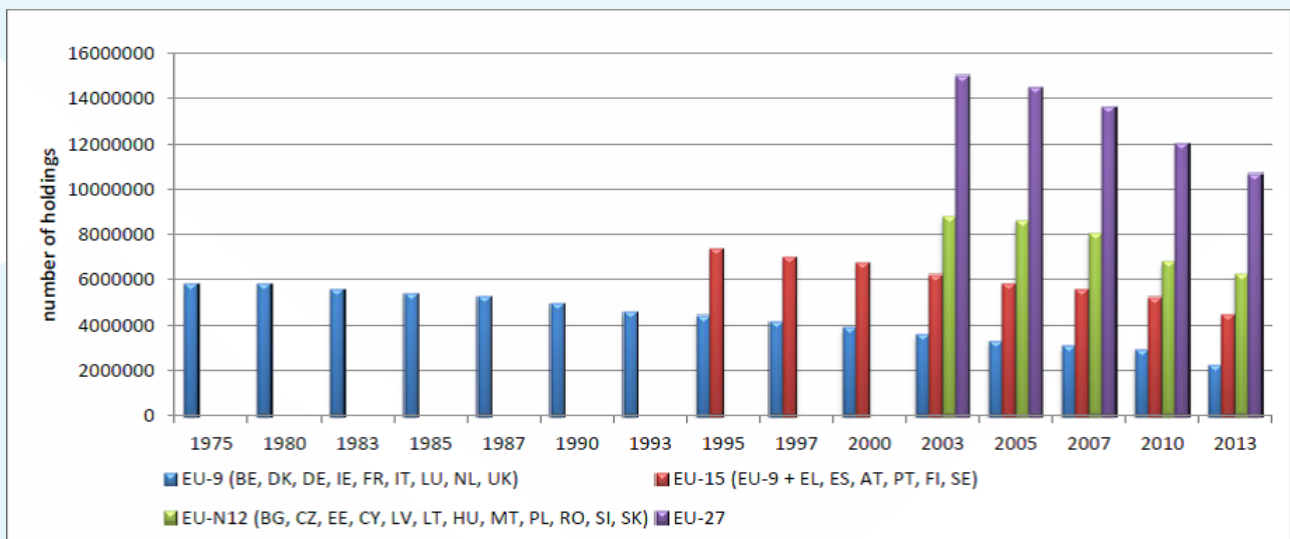
Over the last decade, the long-term downward trend in agricultural labour input continued. Since 2005, more than one out of four agricultural jobs disappeared (-25.4%).

Figure 1: Evolution of agricultural labor input, EU-28



Farm numbers are continuously decreasing

Figure 2: EU farm numbers 1975-2013



The majority of farmers in the EU (56%) are older than 55 years, while only 6% are younger than 35 years in the EU-27 in 2013. The low

¹ 22 million people but only around 9 million full-time equivalent jobs: 4.4% of total employment

revenue generated from agricultural activities in comparison with other economic sectors is off-putting for young farmers. The concentration of land is also a big obstacle for setting up in agriculture. Only 2.7% of farms cultivate 50% of EU farm land.

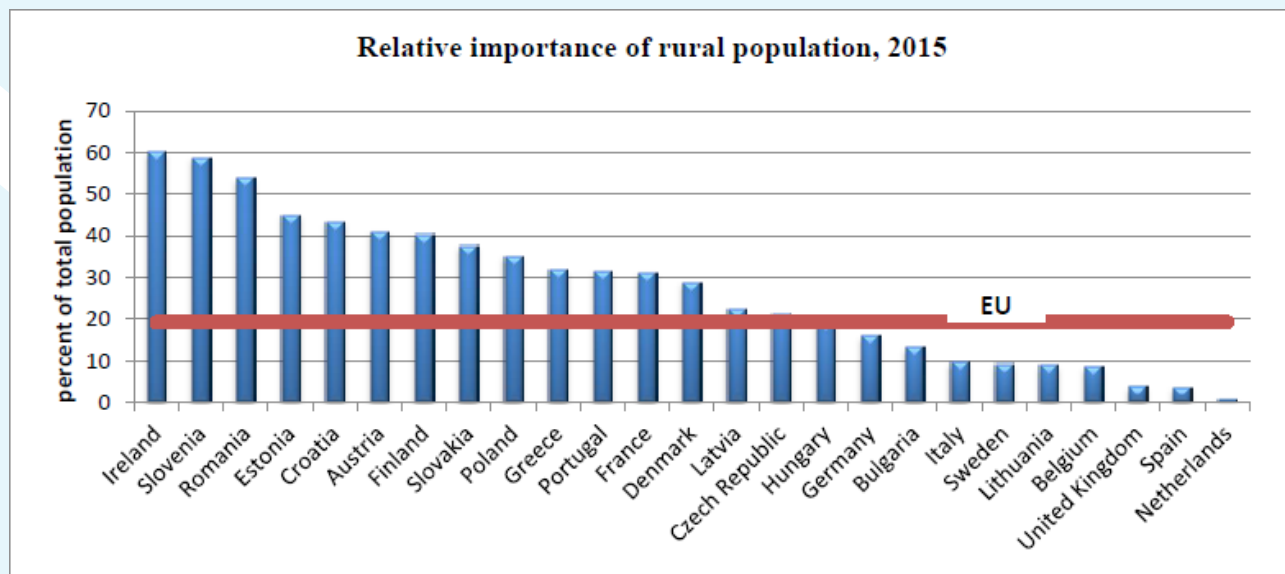


Figure 3: Relative importance of rural population, 2015 (Source: Eurostat)

2.2 European rural areas

Rural regions cover 44% of the EU territory, intermediate regions another 44%, while urban regions only represent 12% of the territory. Around 20% of the population lives in rural areas with big differences among Members States.

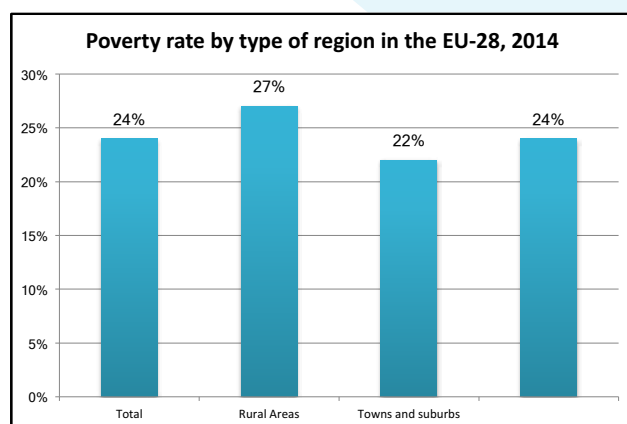
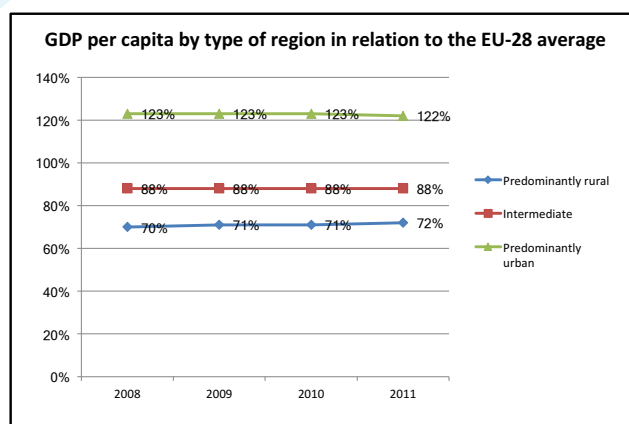


Figure 4 (left): GDP per capita by type of region in relation to the EU-28 average (Source: Eurostat)

Figure 5 (right): Poverty rate by type of region in the EU-28, 2014 (Source: Eurostat)

GDP per capita is lower in rural areas than in other areas – it stands at 73% of the overall EU average, compared with 88% in intermediate areas and 120% in urban areas and rural areas in the EU have higher poverty rates (27%) than cities (24%) or towns and suburbs (22%).

Rural areas are slowing down compared with urban areas. The 7th report on economic, social and territorial cohesion, published in October 2017, confirmed this gap.

Table 1.5: Real GDP per head, productivity and employment per head growth by urban-rural typology, 2001-2008, and 2009-2014

Average annual change %	GDP per head (PPS) index EU-28 = 100		
EU-15	2000	2008	2014
Urban	132	125	122
Intermediate	106	100	98
Rural	93	88	88
Total	117	111	109
EU-13			
Urban	73	102	113
Intermediate	41	53	59
Rural	33	43	48
Total	45	60	67
EU-28			
Urban	125	123	121
Intermediate	88	88	88
Rural	69	71	73
Total	100	100	100

Green bars indicate positive changes, red bars indicate negative changes. Source: EUROSTAT, DG REGIO calculations

Source: https://ec.europa.eu/agriculture/statistics/facts-and-figures_en



As part of the reflections on the CAP after 2020, which have been in progress since the start of the year, the European Commission asked the European Committee of the Regions (CoR) to make recommendations on the future of the CAP.

This opinion, for which I am the rapporteur, was adopted by a large majority in the EU Assembly of Regional and Local Representatives on 12 July 2017. It is the result of a substantial period of consultation involving numerous stakeholders (associations, trade unions, elected representatives, citizens, etc.).

The opinion describes key areas of progress, following on from the results of the European Commission's public consultation on the future of the CAP.

The major challenges before us (agricultural and climate crisis, in particular) mean that we need to rethink the CAP and turn it into a policy that is FAIR, SUSTAINABLE AND BASED ON SOLIDARITY for the benefit of small farmers, regions, consumers and members of the public. The CAP needs economic, social and environmental legitimacy, without which it will be at risk and prevent the EU from meeting these challenges.

Now, today we observe the following:

- a large proportion of farmers sell their products at a loss and have an income that is not commensurate with their work,
- the number of farms fell by 20% between 2007 and 2013. Significant inequalities in the distribution of direct payments have accelerated concentration of production in the most intensively farmed areas. Biodiversity, climate, the environment and public health are paying too heavily for agricultural production methods,
- too many rural areas are losing their economic substance, while the agri-food sector is becoming concentrated in certain regions,
- the development gap between rural and urban areas is widening despite the territorial cohesion objective enshrined in the Treaty on European Union,
- some of our agricultural products continue to be exported at prices below production costs, to the detriment of farmers from third countries.

In view of these observations, in this opinion the European Committee of the Regions makes recommendations aimed at preserving quality, sustainable agriculture, at the right price, which provides properly remunerated jobs throughout the European Union in line with the territorial cohesion objective enshrined in the Treaties. These recommendations also seek to bring the CAP further into line with the public's expectations and thus legitimise its budget.

A few of the report's key points are outlined below:

3.1 Fair prices for agricultural products in order to sustain the farming profession

Faced with the high volatility of agricultural prices, which undermines farms' resilience, we consider that market regulation is more effective and less costly than the retroactive triggering of crisis measures.

3. Presentation of the opinion of the European Committee of the Regions on the CAP after 2020



Guillaume Cros,
rapporteur, (FR/PES/GREEN)
Vice President of the Regional Council
of Occitanie

Without fair agricultural prices, without financial recognition, young people turn away from the profession.

We recommend fair distribution of the added value and profit margins in sectors, with all stakeholders around the table, including public authorities and consumers, amending competition law if necessary.

We call on the European Union to use its influence as the world's largest food importer and exporter to change the international agricultural trade rules introduced in 1994 so as to encourage greater fairness and solidarity in trade relations. The EU must refocus its agricultural trade policy on exporting products with high added value, thereby enhancing regions.

3.2 Direct payments boosting employment and the transition to environment-, biodiversity- and climate-friendly production methods

We recommend that direct payments per hectare be capped and modulated per agricultural worker, in order to legitimise public funding and develop agricultural holdings on a human scale that provide employment. Numerous young farmers setting up in rural areas which are alive are better than large industrialised farms that are difficult to pass on.

We recommend greening that supports farmers in the transition to environment-, biodiversity- and climate-friendly farming methods, such as crop rotation, maintaining permanent grassland and ecological focus areas where the use of chemical products is prohibited.

3.3 More resources for rural development policy

With market regulation providing fairer and more stable prices, and with a cap on direct payments, we will make savings in the first pillar and we will be able to rebalance the CAP budget to the benefit of the second, to promote sustainable and inclusive development of our rural areas, which are home to 55% of European citizens.

Of the priorities that we recommend in the second pillar, I would highlight:

- support for short supply chains,
- support for technical and social innovation with a view to sustainable production and processing methods,
- support for caters being supplied with organic and local products,

With a view to non-agricultural rural development and support for diversified economies in rural areas, we call for:

- a strong political commitment to the development of rural areas through the adoption of a rural agenda, which is necessary to achieve the EU's territorial cohesion objective,
- rebalancing of the Structural Funds budget, increasing the European Union's overall contribution to rural areas, which has fallen sharply, along with greater synergy and simplification of the resources of the various European funds.

3.4 A budget commensurate with the challenges ahead

The CAP budget must be kept at a level sufficient to support a genuine European common policy which is of strategic importance for food security and capable of ensuring a future for European agriculture, which employs 22 million people, uses 48% of European Union land and feeds 500 million consumers.

We reject here the idea of co-financing for the first pillar of the CAP, which would amount to re-nationalising it, be a drain on regions' budgets and place the poorest EU Member States at a disadvantage.

The future of the CAP is closely linked to our aim for Europe. The European Committee of the Regions calls strongly for a CAP that is fair, sustainable and based on solidarity.



4. Previous opinions of the European Committee of the Regions



4.2 Regulating price volatility of agricultural products

Rapporteur: **Jacques Blanc** (FR/EPP), Mayor of La Canourge

Mechanisms to safeguard farmers' incomes need to be strengthened significantly to reduce the negative impact of the high volatility of prices of agricultural products and inputs, in order to make European agri-food sectors more competitive, maintain agriculture throughout the EU, encourage modernisation and innovation, and preserve vibrant rural communities.

4.1 Revitalisation of rural areas through Smart Villages

Rapporteur: **Enda Stenson** (IE/EA), Leitrim County Council

The revival of rural areas must serve to address the long-term challenge of depopulation via actions to encourage and support sustainability, generation renewal, and the ability of rural areas to attract newcomers.



4.3 Supporting young European farmers

Rapporteur **Arnold HATCH** (UK/ECR), Member of Craigavon Borough Council

The shortage of young people pursuing careers in farming is jeopardising the economic and social sustainability of rural areas. Supporting young farmers is a prerequisite for preserving agriculture across the EU and for keeping rural areas alive, in order to meet the territorial cohesion objective enshrined in the Treaty of Lisbon.



4.4 The simplification of the Common Agricultural Policy

Rapporteur: **Anthony Gerard Buchanan**, Councillor East Renfrewshire Council (UK/EA)

Greater consistency is most needed between the Rural Development and the rest of European Structural and Investment (ESI) Funds jointly delivering a Common Strategic Framework based on the broad policy objectives of the Europe 2020 Strategy



4.5 Innovation and modernisation of the rural economy

Rapporteur: **Randel Länts** (EE/PES), Member of Viljandi City Council

Only through an integrated approach to public policy will it be possible to tackle the economic, environmental and social challenges facing rural areas. It is therefore a matter of urgency to step up EU financial support for rural development, diversify entry points and mainstream rural issues into all EU policies and to continue to harmonise the Structural Fund operating rules.



5.1 What should be the strategy for the development of agriculture, food and rural areas in the long term?

The dynamics of change in the modern world, due to the great progress, especially in the field of digital technology, but also high dependence on globalization processes and the systematic development of the world market, determine the conditions for the development of agriculture in Europe. The functioning of this global trade is also possible thanks to the development of transport and multi-processing techniques, which allows for fast transport of food over long distances. Globally, quality standards for food safety are also becoming more harmonized. It would seem then, that the possibilities of securing food supplies for our citizens are very extensive and we do not necessarily have to strive to meet our demand with our own supply. However, securing access to food is one of the dimensions of security. Hence, we need to secure a substantial amount of food based on our own production. This creates a market and gives stability for our farmers, and also provides consumers with traditional food that is both tasty and of high quality.

At the same time, the need to maintain food self-sufficiency at a safe level does not contradict the growing popularity of «world cuisine» and the availability of food from other regions of the globe. Access to various «cuisines» is, after all, a result of a certain civilizational development. These different patterns of nutrition result from different traditions, cultural and regional circumstances, etc., and create the local colour and diversity of the regions. In Europe alone, we see the diversity of agriculture, but also different diets, to mention at least the Mediterranean diet, or regional products, geographical indications, etc.

The processes of concentration and scale-up of production lead to a systematic increase in the size of farms in Europe, and thus to a systematic decrease in the number of farms. This leads to a situation in which farmers and their families are a minority in rural areas. Rural development is increasingly more linked to the non-agricultural functions of rural areas, but this does not mean that well-run agriculture cannot be an important development tool, as well as increase the attractiveness of these areas.

We are proud of the Common Agricultural Policy, which already has over 55 years and has managed great achievements. European regions are important contributors to the development, promotion and sustainability of agriculture as well as making sure it has a certain position. Local and regional authorities are closest to farmers and know their problems best. Local governments have a special role to play in creating local markets, shortening the supply chain, promoting local food and developing agritourism.

In this context, we need to realize that it is not enough to make changes and introduce further reforms of the CAP, which are usually evolutionary, as this is the philosophy of agriculture, but we have to think together, starting from local governments, through regional authorities, member states and the European Union - What should be the strategy for the development of agriculture, food and rural areas in the long term? In this context, it is important to take into account the very important external factors of agriculture related to globalization and the world market, which has already been mentioned.

Understanding the pace and dynamics of change in the world cannot just adapt the CAP to the changes that are happening, but it should also create these changes through the CAP and other solutions at various levels, from local to European and global.

5. European Parliament: Contribution by the Committee on Agriculture and Rural Development



Czesław Siekierski,
member of the European Parliament
and Chairman of the Committee on
Agriculture and Rural

5.2 Our agricultural policy needs to be completely overhauled



Eric Andrieu, (FR/S and D),
member of the European Parliament,
Rapporteur for the "Report on how the
CAP can improve job creation in rural
areas", Spokesman for the European
Social Democrats on agriculture and
rural development

The Common Agricultural Policy (CAP) is failing to meet the expectations of farmers, environmental organisations and taxpayers alike. Like the European venture, the CAP can and must be reformed. It needs to be given a good tune-up and a long-term outlook. Quite rightly, Europeans are calling for the CAP to focus more on food, human health, the fight against climate change, environmental protection, regional economies and jobs. It is up to us to heed this call and to give farmers a voice in this reform so that they can take back their rightful place in society and the European venture.

The various reforms since 1992 have favoured intensive farming models geared towards export markets practising low global prices, at the expense of more resilient, job-rich family farms. We must put an end to the current liberal approach which is having a devastating effect on farmers, jobs and regional economies and poses a threat to our food security. The market cannot regulate everything by itself.

First and foremost, the future CAP must be able to tackle price volatility in order to give farmers a stable income and enable them to live decently on what they earn. In order to do this, added value in the food chain must be channelled more towards farmers, competition policy must be tailored to the specific needs of agriculture, risk management tools must be made more consistent and public tools must be brought back into play to balance supply and demand.

The next CAP must also help farmers move towards a sustainable model which protects biodiversity and natural resources. It must promote a form of agriculture which contributes to the COP22 objectives and is a key player in the fight against climate change. The Common Agricultural Policy must also renew its ties with the regions. Farming is still a key activity in the regions and must be valued accordingly.

Lastly, European trade policy must be in line with the CAP if we want to preserve our agricultural model and our regions. We therefore need to stop unfair social and economic practices by banning imports of foodstuffs which are not held to the same health, social and environmental standards, and to ensure that strategic industries are not included in trade negotiations.

We must take a bold, innovative approach to European agriculture. Our agricultural policy needs to be completely overhauled right now, rather than keeping to the status quo until 2025 for the sake of a handful of interested parties.

6.1 Agricultural and Food Organisations

6.1.1 Committee of Professional Agricultural Organisations and et General Committee for Agricultural Cooperation in the European Union (COPA-COGECA)

Agriculture is, and must continue to be, at the core of the European Union as a strong, common and adequately financed policy. Farmers, play a vital role in providing food as well as delivering territorial, environmental and social objectives. Therefore, Copa and Cogeca call for a common, strong, simpler and more sustainable CAP. A policy with a long-term vision that supports farmers delivering food security in the EU and providing safe, quality, nutritious food produced in a sustainable manner.

#FutureofCAP must be:

COMMON

Common rules and common financing are fundamental to secure a well-functioning EU Single Market and prevent distortion of competition whilst taking into account the diversity of European agriculture. The future CAP must deliver to all EU citizens and farmers and therefore any renationalisation of the CAP is unacceptable.

STRONG

Farmers are the first producers of food. The CAP therefore must ensure a strong, economically viable and competitive agriculture all across the EU, for the benefit of consumers and farmers. It is important to maintain two strong pillars of the CAP, and not to favour transfers between the pillars (mainly from first to second), in particular if there is not corresponding national co-financing. Since the share of farmers' income from the market has been declining as result of the difficult market situation in the past years a strong CAP support is even more relevant. In this context, it is necessary to improve and further develop market safety nets in order to curb the impact on farmers' income of market volatility.

SIMPLE

The future CAP must be more efficient, simpler and easier to use for all beneficiaries. It also needs to assure simpler and more effective ways to positively communicate on why, how and for whom the CAP budget is and will be spent, as well as on how important it is to keep rural areas viable and the need for competitive farming system in EU. Simplifying the CAP must go beyond the current simplification exercise and it must deliver policy measures that are simple, effective, and easily implementable by farmers

SUSTAINABLE

The agricultural sector needs long-term stability of its policy framework in order to deliver an economically viable and sustainable farming sector. For farmers, forest holders and agri-cooperatives sustainability is the most important element for the entire CAP. Economic, environmental and social sustainability are at the core of any farm and agri-cooperative business, these are interdependent aspects that mutually strengthen one another. Therefore, the future CAP must ensure a balanced and comprehensive approach addressing all three dimensions. Some of

6. Contributions



*Joachim Rukwied,
president of Copa*



*Thomas Magnusson,
president of Cogeca*

the main elements the future CAP needs to tackle in order to assure a sustainable agriculture long-term are:

- Climate change and Sustainable Development Goals (SDGs)
- Improving market resilience and risk management
- Strengthen farmers' position in the food supply chain, supporting agri-cooperatives & producer organizations (POs)
- Rural development and Cork 2.0
- Investment support and improving infrastructures (European Fund for Strategic Investment - EFSI)
- Generation renewal including access to land



6.1.2 The European Council of Young Farmers (CEJA)

Future food production in the EU lies in the hands of young farmers. CEJA's main aim is to promote a younger and more innovative agricultural sector. A future CAP that is young-farmer-friendly and includes, for example, a clear definition of an "active farmer" and the young farmer top-up, is crucial to agriculture's continuation.

Ensuring that young farmers' needs are met and their voices heard is significant not only in encouraging a dynamic farm sector, but also to the well-being of European society as a whole. Making a profession in agriculture attractive to young people and guaranteeing that those already involved in it remain so is of the utmost importance.

The results of a recent report that CEJA collaborated on, "European Young Farmers: Building a Sustainable Sector", show that 61.76% of EU young farmers consider their future in the agricultural sector to be viable only under certain circumstances, with only 20.86% answering that their future as farmers was very likely. In light of this information, more must be done to make generational renewal in farming a certainty rather than a mere possibility.

Young farmers recognise their responsibility in ensuring a sustainable agricultural sector. They are conscious that contributing to sustainability through farming practices has benefits including maintaining biodiversity, protecting natural resources and improving efficiency. Indeed, an overwhelming majority (89.78%) of those who participated in the above-mentioned survey answered that they felt responsible for ensuring a sustainable agricultural sector. Keeping young farmers in agriculture is therefore pivotal in preserving the environment as well.

Young farmers need to implement a range of measures in order to develop an economically sustainable activity. The future CAP's budget must meet its ambitions and provide financial support in the form of investment and start-up aid, the establishment of cooperatives and producers' organisations, and a combination of results- and management- based schemes.

The CAP post-2020 must also be made simpler. If young farmers have to deal with hefty administrative burdens, they may not have enough time to dedicate to getting their business up and running. There must be a focus on effective policy, knowledge transfer and the establishment of advisory services in order to ensure smooth entry or transition for those wanting to become involved in agriculture. Risk management measures and the availability of accurate and timely data are also key to attracting and retaining young farmers in agriculture.

Farmers in vulnerable sectors should be provided with a combination of hectare-based, activity-based and coupled support. One of the major hurdles to young people becoming farmers is access to land. Land sealing must be prevented and land made available through mobility schemes.

Young farmers face an uphill struggle, whether it is in terms of developing an economically viable activity, gaining access to land, or procuring the necessary funding to start a farm in the first place. The CAP post-2020 must adopt generational renewal as one of its major focal points because without young farmers in the fields of Europe the future of food production and open landscapes would be compromised.



*Jannes Maes,
president of CEJA*



Jose Miguel Pacheco Gonçalves,
ECVC Coordination Committee

6.1.3 European Coordination Via Campesina (ECVC): We want agriculture for Life!

We want Agriculture and Food Policy serving the needs of the people!

The Common Agricultural Policy was designed in the early 1960s to ensure the food security of European populations by providing farmers with decent prices and income, while maintaining reasonable prices for consumers, through mechanisms of intervention on the markets of agricultural commodities.

Through the reforms, the CAP has abandoned its feeding function to fit - and promote economic globalization. It will come down to an inequitable distribution of grants related to areas to offset prices disconnected from production costs. Many farms have disappeared. Environmental measures fail to reduce pesticide use and biodiversity is eroding.

Meanwhile, industrial food has developed with a lot of health problems, the consumer often does not have the choice of his*her food anymore, and millions of poor people do not have access to healthy and sufficient food in Europe today.

We need a different CAP based on human rights and addressing the needs of people today and for generations to come.

13 key points to change the CAP:

- The primary objective of the CAP is to provide food security and sovereignty of the European peoples, developing food sovereignty across the territories.
- Numerous farmers in all European territories will ensure food production in quantity and quality.
- All producers must and have the opportunity to engage in steps to a healthier and environmentally friendly production and public support should enable the transition for all.
- To secure their business sustainably, producers are entitled to a decent income, based primarily on fair prices (which allow living without assistance for a majority of farms, outside of investment and transition needs).
- Public regulation instruments of the market and productions, such as quotas or other, must be used pragmatically to adjust supply and demand.
- The treaties of so-called "free trade" (FTAs) that have already been signed should be reviewed, and those FTAs on the process of being ratified or negotiated should be suspended.
- Promote the development of strong local and regional markets, open to all producers, and the adoption of appropriate standards for small volumes and reduced staffing. Promote local procurement for public canteens and catering.
- Mutual insurance tools for all producers should be able to cover climate or health risks.
- Public support should be dedicated to public goods: employment, maintenance of family farming in disadvantaged areas, installation

of new farmers, food quality, biodiversity protection, water, climate.

- The EU should develop an active policy of installing farmers and breeders for generational renewal and vitality of rural areas.
- Public support is required to respect human rights, the environment and the welfare of animals. The social conditionality of aid must be based on the respect of the labour and social rights of rural wage workers, decent incomes and the non-discrimination of migrant seasonal workers and their families. No support should be given to industrial agriculture.
- Increase the role of citizens in agricultural and food policies, on local (in the form of local food councils), national and European level.
- Innovation should be comprehended and guided as a key process in the preservation of small-scale and family agriculture, and to build a model of agricultural and food production that is socially just, sustainable and healthy. The research funds should be, therefore, directed towards these innovation models for small-scale and family agriculture.





*Mella Frewen,
Director General of FoodDrinkEurope*

6.1.4 FoodDrinkEurope priorities for modernising and simplifying the CAP²

The EU food and drink industry is the leading manufacturing sector, with 4.2 million employees and a €1,098 billion turnover, as well as the world's largest exporter of food and drink products. It is inextricably intertwined in Europe's social, cultural and economic fabric.

With a central role in the chain, to stay competitive, food and drink companies count on:

- **A truly common agricultural policy**, which underpins a strong and well-functioning Single Market with fair competition conditions for farmers across Member States. FoodDrinkEurope invites the Commission to scrutinise the implementation of the voluntary provisions opted for by the Member States under Pillar 1 and to prevent a renationalisation of the CAP in the upcoming review.
- **A CAP that promotes market-orientation in agriculture**, as the most efficient approach to improve the competitiveness of EU farmers and to deliver agricultural raw materials that are in line with the quality and quantity needs of the industry and of consumers. This includes letting farmers react to market signals and facilitating dialogue and cooperation between farmers, the industry and the consumer. The existing safety-nets included in the Common Market Organisation (CMO) should continue to be available when difficult/exceptional market situations persist.
- **A CAP that strengthens EU agriculture** via - incentives to foster farmer entrepreneurship and business development; - measures to improve the synergy between productivity and sustainability; - measures to stabilise farmers' income in face of extreme price volatility without distorting competition on the market; - market-oriented measures that increase farmers' resilience in the face of different types of risks and dissemination of knowledge on different risk management strategies.
- **A more environmentally sustainable agriculture.** Measures and payments for environment/climate purposes need to be target-oriented (i.e. linked to specific objectives), win-win for food production and the environment/climate, and adequately enforced. The CAP should also acknowledge the voluntary initiatives of the private sector to develop and implement sustainable practices, build on them to achieve policy objectives and facilitate sharing of good practices.
- **The development of rural areas** with investments in infrastructure and services via the European structural and investment funds, **and measures targeted to young new entrants in agriculture** in order to promote growth and jobs in rural areas and address the issue of an ageing farming population.

These objectives should not be seen as competing with each other; rather, they should be pursued in a coherent way. Investment in Research and Innovation, knowledge transfer and collaboration among all stakeholders (including the industry) should form the cornerstone to achieve them.

² FoodDrinkEurope full position on the CAP is available here <https://goo.gl/n6upDy>.

Finally, a truly **common** and ambitious agricultural policy will require a common budget with an adequate funding also after 2020.

Creating new and innovative products, contributing to healthy and nutritious diets, and driving environmental improvements are all offering more value to consumers: in the EU, between 2008 and 2014, the value added generated by the food supply chain has increased by 10.5%, reaching €711 billion³. All economic operators across the chain - farmers, food and drink manufacturers and wholesalers/retailers - have benefitted from this growth, which is depicted in their stable shares of total value added over this period.

This is why the industry's ongoing ambition to generate a value added growth of 2.5-3.5% per year by 2025⁴ matters for all stakeholders in the food supply chain, including farmers. While the food and drink industry continues to operate responsibly, it will succeed with its ambition only if it is supported by an enabling policy framework, the CAP being one of the key policies impacting the growth of the industry.

³ Source: Eurostat, FoodDrinkEurope calculations.

⁴ For more information, please read 'A competitive EU Food and Drink Industry for Growth and Jobs' available here <https://goo.gl/nzP9iX>.





Faustine Bas-Defossez,
*Responsible for «Agriculture and
bioenergy» at EEB*

6.2 Other associations:

6.2.1 European environmental Bureau (EEB) position on the future of the CAP

Healthy natural resources are a pre-requisite for food security, yet are constantly losing fertile soils. Excess nutrient loads from agriculture are one of the biggest threats to the EU's waters, and biodiversity – our precious nature and wildlife – is disappearing before our very eyes. In parallel, crises are hitting the farming sector every few months, population decline in rural areas continues unabated, and the effects of climate change are becoming increasingly dramatic.

The Common Agricultural Policy (CAP) has failed to offer solutions to these current challenges.

When it was introduced in 1962, the CAP was instrumental in feeding Europeans in battered post-war Europe. But the policy quickly drove the mechanisation of the farming sector. Today, around 59 billion euros of taxpayers' money is spent on a policy that supports a socially, economically, and environmentally harmful food and farming model.

With recent attempts to reform the policy and make it more sustainable having failed, political leaders must now recognise that a radical CAP overhaul is essential and a true transition is vital for the farming sector.

The two-pillar structure has had its day; Pillar 1 payments are no longer justifiable. In its place the European Environmental Bureau suggests developing four new instruments.

The first instrument should focus on the protection and enhancement of biodiversity and ecosystems with the help of results-based payments, and the second should focus on sustainable rural development, it should be better framed around actual problems of rural areas such as rural exodus. The third instrument must bring food into the policy's focus by increasing coherence between production policy and actual consumption patterns. Finally, we need an instrument on the transition to sustainable farming to help farmers make their farms and businesses more resource efficient, low carbon, ecologically sound, sustainable, and resilient.

To make the EU's future agriculture, land and food policy more fit for purpose the polluter pays principle must be respected. We need an approach where respecting the law is the baseline from which to start payments (with strict limitations on the use of exceptions to nature or water legislation, which should always remain case-by-case).

The new policy also needs a new governance structure that will allow all societal interests affected by the policy to be properly involved in the decision making process. The huge number of citizens that took part in the Commission's public consultation on the future of the CAP shows that the CAP is of wide interest. There should be joint political ownership of the next policy, from the EU level (involving several European Parliament committees, EU Council formations and Commission DG services) to the national and regional levels, where the policy is finally tailored and implemented.

The policy must also be coherent with the EU's social, environmental and development goals by: integrating all EU environmental, climate,

animal welfare, and health objectives; the EU precautionary principle; and, above all, being in line with the Sustainable Development Goals.

It's time for a policy that writes a new contract between farmers and society, one which pays farmers for farming practices that work in harmony with nature and that secure the healthy state of our precious natural resources.

Given the alarming state of nature on farms in Europe we can't afford another hollow CAP reform.





**Friends of
the Earth
Europe**



*Stanka Becheva,
Food & Agriculture Campaigner at
Friends of the Earth Europe*

6.2.2 Friends of the Earth Europe (FoEE) view on the reforms of European Agricultural Policies

This statement has been signed by other 180 civil society organisations. See here: http://www.foeeurope.org/sites/default/files/agriculture/2017/csos_common_statement_on_european_agricultural_policies.pdf

Friends of the Earth Europe believe that the European food and farming system is broken. It mainly works for the interests of a few to the detriment of the majority of people, farmers, and the planet. It contributes directly to a wasteful use of finite global resources and damages the environment by contributing to climate change, biodiversity loss, depletion of fisheries, deforestation, soil erosion, water scarcity, as well as water and air pollution. Factory-style farming – largely dependent on imports and a major contributor to antimicrobial resistance – has been promoted at the expense of viable incomes for farmers and jobs in rural areas in Europe, as well as human rights, decent work, and livelihoods in developing countries. Farmers are facing a flawed choice between bankruptcy and further intensification. Farmers practising credible alternatives like organic and agro-ecological agriculture remain on the fringes in favour of business as usual. At the same time, high levels of undernourishment, the rapid rise in obesity and unhealthy diets are among the main causes of death and disease both in Europe and worldwide.

The EU's Common Agricultural Policy (CAP) has contributed to this broken food and farming system through the promotion of agro-industrial farming methods and global commodity chains. Therefore the EU must carry out a radical reform of the CAP and related policies. A fairer, more sustainable and resilient system is urgently needed. This system implies:

- **Fair and diverse food and farming economies:** ensure a fair income and decent work conditions for farmers and farm workers; facilitate access to farmland for sustainable peasant farming; encourage short supply chains and sustainable public procurement policies; grant fair access to high quality products for all consumers; prevent negative impacts on people's right to food and on the livelihoods of smallholder farmers in the global south.
- **Healthy environment and a food and farming system that respects animal welfare:** ensure the end of harmful subsidies; reward and incentivise the delivery of positive environmental and social outcomes; restore and prevent further loss of biodiversity; encourage conservation and active use of genetic diversity; ensure agricultural production is free from synthetic chemical pesticides and mineral fertilisers that harm the environment; prevent and minimise food waste throughout the food chain; halt food and feed imports linked to deforestation; ensure that animal health and welfare are effectively respected; replace the current industrial livestock system with extensive alternatives where animals are not treated as mere commodities and the balance between livestock and land capacity is ensured, while the overuse of antibiotics prevented; radically reduce emissions from farming and ensure a transition towards a resilient food and farming system.

- **Support for citizens' health and well-being:** ensure our food and farming system fosters healthy, nutritious, seasonal, local, culturally appropriate and affordable diets; encourage lower levels of animal product consumption; raise citizens' awareness of the impacts of consumption on their own health, on farmers, animals and the environment; prevent negative impacts of agricultural methods on the health of farmers, farm workers and rural populations.
- **A publicly accountable food system with participatory governance, citizens' empowerment and democracy:** involve citizens in transparent decision making processes; prevent corporate capture of decision making; empower local communities to lead the transformation.





Carla Weinzierl,
Attac Austria

6.2.3 Attac :Towards a solidary, democratic and coherent food policy

The structure of the CAP favours agribusiness and industrial agriculture as opposed to small-holder production. 80 per cent of the direct payments go to only 20 per cent of the largest producers in the EU. The 10 per cent of farms with the lowest income receive only 0.5 per cent of the funds, while the 10 per cent with the highest income receive 55 per cent. Effectively, the CAP tells peasants: "Get big or get out!". In the last decade, one third of the small farms in the EU closed down.

These displacement processes are also taking place in the global South, where European surplus production is dumped via free-trade agreements, ultimately destroying local production systems. The loss of livelihoods leads to poverty, urbanization and slum formation. Dependence on food imports increases with disastrous consequences: hunger crises become more frequent and more devastating as globalized markets are subject to strong price fluctuations and speculation.

The continued industrialization of agriculture devalues peasant-based knowledge, so seeds and production methods that are adapted to climate and cultural conditions are lost. This increases climate change vulnerability and the unsustainable 'Westernization' of food consumption patterns. This policy orientation furthermore entails despising and hazardous working conditions for agricultural workers.

Fossil fuel based agriculture, monocultures of genetically modified crops, and the connected dependence on the agro-chemical industry not only threaten the health of humans and animals in the Global North as well as in the South: this industrialized model of agriculture causes severe ecosystem damage, soil and water erosion, loss of biodiversity and climate change.

As part of the Nyéléni Movement for Food Sovereignty⁵, Attac calls for a radical change. The movement demands a coherent and democratic food policy⁶ instead of an agricultural policy decoupled from trade, social and environmental policy. Socially just, ecologically sustainable and culturally adapted food production for the local population must take precedence over export orientation: food for people over profits for the agribusiness.

A coherent and democratic food policy means funds are only to be paid to farmers that meet far-reaching social and ecological criteria. Subsidies must be capped as farm size increases and their progression has to be linked to working time rather than farm size. In the longer run, the tax payers' money should only be devoted to farms in especially disadvantaged areas, which provide socially desirable services such as the preservation of biodiversity and recreation areas. Clearly then, farmers have to receive prices for their products, which guarantee a stable and life-sustaining income. To this end, the food market needs to be regulated and the power of agribusiness, including retail traders, dismantled⁷.

Public procurement needs to favour regionalized cyclical economies. Food Councils are to be welcomed to democratize food systems,

⁵ <http://www.nyelenieurope.net>

⁶ <https://www.peoplesfoodpolicy.org>

⁷ <https://www.stopcorporateimpunity.org>

and civil-society based innovations such as Community Supported Agriculture, food-cooperatives and democratic supermarkets should receive public support.

The sale of commercial fertilizers and the use of antibiotics in animal husbandry must be limited. Feed and agrifuel imports into the EU, responsible for land grabbing and destruction of rainforest, must be reduced while EU export refunds must be abolished immediately to curb EU dumping.

Making food sovereignty a reality in Europe and beyond requires thus a reorientation of the economic system along human needs, rather than the dominant profit and growth logic. Trade policy must be reoriented⁸ along the principles of subsidiarity, complementarity and solidarity so that trade does not destroy local food production in the EU or elsewhere.

8 <http://www.s2bnetwork.org/trade-time-new-vision/>





6.2.4 Oxfam :the EU needs a comprehensive food policy, far beyond the current agricultural policy.

This policy needs to be based on the principles of the respect of the planetary boundaries and a fair access and distribution to natural resources, of social justice, decent work and the realisation of human rights, of the integration of risk mitigation and adaptation, of policy coherence for development based on equity and solidarity with developing countries.

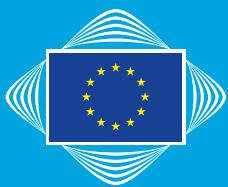
Over time, the CAP has been reformed to be more market-oriented and internationally competitive, by aligning internal agricultural prices to international market levels. This has led to phasing out export subsidies, but replacing them by decoupled direct payments with similar dumping effects on farmers in developing countries, hindering the structural development of their agri-food sector. The strong emphasis by the European Commission on export-led agricultural growth relies strongly on unfair trade rules: gaining market shares on international markets by competing unfairly, and unfairly protecting its internal market. This is impacting food systems worldwide, mainly at the expense of small-scale food producers both in the EU and in third countries, as seen in the recurrent crises in the dairy sector. Exports are not an appropriate reply to the unfair situation of small EU milk farmers. At the same time, searching for cheap inputs, the European agri-food sector becomes also dependant on the massive imports of unsustainably-produced commodities such as the feed for our livestock and biofuels as renewable energy. The CAP has thus contributed to consolidate inequality, power concentration, unfair trading practices inside the EU and within global value chains.

Any future policy on food and farming should look to support the needs of the present and future generations by addressing a few key questions as a minimum: how to manage sustainably our ecosystems; how to mitigate and adapt to climate change; how to provide citizens with healthy and quality products; and, how to make sure we have rural areas that are alive and thriving; how to ensure its coherence for development? A new EU Food and Agricultural policy needs to be revised and framed by taking into account the Sustainable Development Goals, Climate Change engagements, Human Rights obligations, fair sharing of natural resources, public health issues and fair trade rules. This renewed framework will need to be turned into a transformative agenda taking climate seriously. This needs to involve both ensuring that the agricultural sector is reducing its overall emissions and adaptation, including building resilient agro-ecological systems. The policy needs to move from outmoded and non-targeted instruments like the 'decoupled payments' to modern 'incentives' to deliver benefits for wider society, address market failures, ensure fair incomes and equitable access to land, while changing unfair trade regulations. This ambitious mission requires a robust food governance that is inclusive, coherent, accountable, fair and sustainable rather than one largely determined by those who have vested interests in what is still today an unsustainable and unfair CAP.



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