

**Conference**  
**The Future of the CAP, Ancona, Italy**  
**April 16 2010**

*Summary of the debate*

ARC / civil society involvement

What will be the effect of the ARC initiative on national governments?

Lorenzen: Member States usually approach it first of all from the budget perspective, what are the costs and benefits for them. MS also take different positions in the debate, some choose further liberalisation, others want to keep the CAP budget. It's first of all up to the regional groups to overcome this.

What is the relationship with the other DG's, for example Environment and Regional Policy?

Lorenzen: the objective of ARC is to develop a strong common voice that cannot be ignored by the European institutions. We want to have this message ready before DG Agri has its communication ready to be discussed with the other DG's, the so called Interservice negotiations.

Why focus exclusively on the Cap? The recent food pikes in 2007 and 2008 has taught us that the CAP cannot do everything.

Lorenzen: that is true of course. In the ARC process the key questions therefore are always: should this or that be part of the CAP? Should this or that be dealt with at the European level? When we look for example at the food supply chain, we are talking about competition policy which should be addressen not only by DG Agri and not only at the European level, but als at the local and international level.

How can civil society be involved in the debate?

Sotte: this time the context is different form the last reforms. Other topics are now prominent, the financial and economic crisis, climate change. There is therefore a greater need to motivate public expenditure towards the public.

Feret: first question should be, what is civil society? Are these NGO's networks, individual people? We need to create new forms of dialogue, between representatives of civil society, MS and the EU insitutions.

Buckwell: the big argument is that European spending on the CAP takes as little of 0.4 % of EU's GDP for providing food security and environmental security. This has to increase further, but agriculture has also to deliver better.

Sotte: the Health Check debate showed that this was still strongly an internal debate. Characteristically, during the Budget Review consultation, in which the CAP was indientified as one of the main problems, there was virtually no input form the agricultural lobby.

Van den Brand: other stakeholders are now into the debate. For example the PURPLE network, a group of some 15 peri/urban regions that take position and represent the urban demands.

### Rural Development

There are twenty Rural Development plans in operation in Italy. It will be interesting to see if in this framework a compromise can be found between agriculture and other sectors. A decrease in the budget for the First Pillar will lead to a decrease of farms especially in the Less Favoured Areas. Farms will become bigger and more concentrated in the flat lands and cause more pollution

Zahrnt: the first question is whether or not small farms are more environmentally friendly. This is not always the case. Instead of looking at the size of the farms, we should focus on delivery.

### Food supply chain

If we want a fairer distribution system in the food supply chain, what can different distribution systems, such as direct selling, contribute?

Feret: in France direct selling is slowly but steadily on the increase. There is also more political attention, but has proven difficult to translate this in specific policies. However the French government has created working groups to come up with policy proposals.

Van den Brand: especially in metropolitan areas there is increased attention for new supply chain models, also helped by Internet opportunities. In the USA it is now possible in public procurement procedures to source local products.

Which tools do we have to stabilise markets in globalised markets?

Sothe: new solutions are necessary. We need tools that are not always active, but that are always ready to be used as a safety net.

### Direct payments

The Single Farm Payment was developed as a compensation for the reduction of price support in the WTO negotiations. If we want to couple the SFP to public goods we have to realize that the demand and offer for these goods is not the same in the different MS. If the SFP should be reduced considerably, can MS compensate these reductions themselves?

Sothe: let's first look at the current situation. In Italy for example there are 2.6 million registered farms. Only 200,000 of them can be considered agricultural enterprises. The rest are small farms. Some 900,000 of them do not sell. They concern only land owners with no interest in agriculture, but who can claim SFP by only keeping the land suitable for agricultural production. Should we have the same policy for these different types? Who is to be considered a farmer and who not?

Feret: the diversity in farm structure and farm activities is characteristic for the whole of Europe. Restriction of subsidies to certain categories will create tensions with the diversity principle.

Boccaccio: what is the reason for the low level of income in agriculture? This question should not be addressed through subsidies, but through the functioning of the food supply chains. We should keep the CAP budget, but debate new CAP's objectives. Also, not only farmers, but all land managers should have access to public funds if they deliver the same goods and services.

How does the CAP reform relate to the new EU 2020 strategy of the Commission?

Feret: is it true that the EU2020 objectives should be integrated better in the CAP objectives. Given the fact that it all comes together on the farm level, we cannot maintain a separation between the First and the Second Pillar. We need a more integrated approach and a better coordination with the other relevant DG's. Bertrand Hervieu, the former director of INRA, developed the CEE's, contracts between government and farmers containing an integrated package of measures on the farm and a system of payments for these services.

Van den Brand: in his book 'An old man and the land', former French minister of Agriculture and founder of the Groupe de Bruges stated that agriculture in the 21<sup>st</sup> century has two tasks: to feed nine billion people by 2050 and to safeguard the environment. These two tasks should remain the main legitimation for public support.