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Five years of achievement: developments in the CAP since 2004

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[President, Honourable Members],

As always, it's a pleasure to address this Committee, and as I sit here, I'm still very much getting the feeling that "business is being done" – even though, of course, we're now very close to this year's elections to the European Parliament.

President, thank you for inviting me to say a few words about the "legacy" of achievement which will be left behind after the end of the current respective terms of the Commission and the Parliament.

I can say without apology: When I look at what we've achieved together over the last few years, I'm proud. No-one who knows anything about the CAP could possibly deny that the progress made has been enormous. In agricultural and rural policy, we certainly haven't been simply rearranging the furniture: we've been carrying out very ambitious construction work – and we've done it successfully!

All of this work was underpinned by a very clear philosophy.

The reforms of 2003 had been a kind of revolution, and they had given us an excellent starting-point for the years ahead. But we had to keep steering the CAP to keep it facing

squarely towards unfolding challenges – like the need to sharpen our farm sector's competitive edge, to make environmental care a central plank of policy, and to respond to the international food crisis.

And really: what a long way we've come together since the end of 2004!

In general terms:

We've kept the Common Agricultural Policy moving forwards to stay relevant for new situations and new challenges.

At the same time, we've cleaned out the stables in terms of day-to-day management of the CAP – making it simpler, sounder, stronger, and more visible to the public.

And we've applied the principles of the reformed CAP to the international context, looking for ways of underpinning trade and food security around the world.

If we only look at the sectoral reforms carried out since the end of 2004, we have a score to be proud of. The sugar sector was "the sector which time forgot" – but we brought it into the 21st century. We did the same for the wine sector. Then there were the reforms of the fruit and vegetable, banana and spirit drinks sectors - so five sectoral reforms in all!

Then of course there was the CAP Health Check.

When we were discussing this, some people were beginning to worry that the CAP was no longer "about" food – at a time when food security had shot straight up the international agenda.

We proved them wrong. After the Health Check even more than before it, the CAP is very much about food security – and in a market-friendly way. More than ever, the CAP gives farmers the right kind of safety net – one which will help them through genuine crises but will allow them to respond energetically to market signals. I firmly believe that this balanced approach is the right one for the European Union in the 21st century.

But in the Health Check, we had to cast our eyes beyond this issue. It was essential that we got up out of our chair to do something more about "new" challenges like climate change.

If we look beyond the business of reform to more day-to-day tasks, here also the score over the last few years has been excellent.

Management of the CAP has been tight.

For example, between January 2005 and January 2009, we cut the European Union's public stocks of cereals from 10 million tonnes to under 700 thousand. The trend in most other sectors has been the same.

And there has been a completely new level of transparency in management, thanks to the publication of details about individual CAP payments.

It's not just at home in Europe that we've been hard at work, but also on the international stage.

It's extremely frustrating that we still haven't brought the Doha Round of world trade talks to a close. But it's very significant that, for the first time in a WTO round, the European Union has been seen as a deal-maker rather than a deal-breaker. This marks a huge change and it gives hope for the future. Once some of our trade partners sort out their individual problems, we can still make a success of the Doha Round.

This was only one way in which we took our responsibilities seriously with regard to the rest of the world. For example, I should mention the "food facility" of € 1 billion which will help to stimulate agricultural production in poorer developing countries. In the end, this moved beyond the portfolio of "agricultural" policy, but that's where the project had its birth – and I look forward to seeing the results.

Today I would particularly like to mention work carried out to simplify policy – especially because, as you know, the Commission published a report on this issue two weeks ago.

The group chaired by Edmund Stoiber agrees that we are well on track to hit our goal of lightening the administrative burden of the CAP by 25 per cent by the year 2012. If we look at all of the policy areas of the European Union, it's clear that "agriculture" has been one of the leaders.

Before I finish, I'd like to say a few words about a hot topic in the headlines: the weakness of the dairy market.

Certainly, I recognise the pain that many farmers are going through with milk prices where they are at the moment.

Our policy response must be neither an over-reaction nor an under-reaction.

It would be an over-reaction to delay the planned increase in milk quotas, as some have asked us to do.

If we want the dairy sector to restructure in the right way before the quota system ends in 2015, we must send out consistent signals about this. If in one month we agree an expansion of quotas, then go into reverse gear on this just a few months later, dairy farmers won't know where they are, and they may start to see all policy decisions as "provisional". This would be a disaster. Good policy is clear policy.

But I don't think we're under-reacting in our response to current problems. There's actually a great deal being done to help the sector.

First, we must never forget that reforms to the dairy sector have created direct payments worth €5 billion a year - €5 billion which dairy farmers receive whatever the weather.

Secondly, we've been providing export refunds and aid for private storage since January.

Thirdly, intervention is in full swing – and I've indicated that we'll hold regular purchasing tenders until the end of August, which will take stocks above the basic ceilings.

Fourthly, the economic recovery package will provide extra money to help the dairy sector to restructure.

Finally, Member States have various other tools available to them – such as Article 68 measures, export credit guarantees and state aids.

There are signs that dairy prices are already stabilising. And I believe that our current policy response will be strong enough to cushion farmers against the worst of the market crisis – but not so strong that we insulate them from market signals and harm their long-term interests.

Dear friends, as I say all these things, of course I'm aware that I'll be seeing many of you again after the elections, and that others of you I won't be seeing – at least, not in the Parliament.

So let me take this opportunity to thank all of you for working with me constructively over the last few years.

We've had our differences of opinion from time to time (what would democracy be without those?). Occasionally, some of you have choked on your coffee when you heard my ideas. I particularly recall one Member of this Committee referring to my draft wine sector reform as "Jesuitical"!

But all our fiery debates have taken place in the right spirit, and above all – they've produced results!

When this Committee dissolves, it will leave behind a CAP which is a common policy, a strong policy, an effective policy – a valuable policy! With a legacy like this, the next Committee will in no way be "picking up the pieces": it will be building on successes.

To those who will be leaving the Parliament, I wish the very best. As for the rest of you: I look forward to seeing you in the autumn!

Thank you.