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**‘I want a CAP that is strong, efficient
and well-balanced’**

Check Against Delivery
Seul le texte prononcé fait foi
Es gilt das gesprochene Wort

Conference on public debate entitled ‘The CAP after 2013’

Brussels, 20 July 2010

Ladies and Gentlemen,

We now come to the end of this conference. The public debate launched back in April draws to a close. My staff and I will now start on our work of analysis and developing concrete ideas.

Obviously, I am not going to lock myself in my office, close the windows and shutters and disconnect the phone. The discussions will start up again. Those who know me have been able to see the importance I attach to meeting people, exchanging ideas and going places.

These months of public debate and these two days in conference will enable me to come back to appear before you again with a communication on the future of the CAP. A communication that is strong on your views and ideas and that reflects my departments' analytical capabilities.

I-During the public debate and the last two days, a number of doors have been opened

- 1) A common vision of the major challenges facing tomorrow's CAP has emerged.

There are different ideas about the tools we need for the future. We shall be discussing this in the communication.

During the debate, we spoke a great deal about food safety, the environment, climate change, employment and market volatility.

One issue came out more forcefully than in the past: the importance of agriculture to rural areas or rather the importance of European agriculture.

The CAP must enable us to strike a balance in the way we use our rural areas and to preserve the link between rural areas and production.

Given these challenges, there is a clear convergence of views on the need for the CAP to evolve and to be reformed.

This conference, the public debate and the discussions in the European Parliament and the Council have revealed a shared vision on the major challenges to which agriculture must respond.

We do not agree on everything, of course. Some people put the economic challenges first; others are more concerned about environmental issues.

- 2- For my part, I shall make sure I do not play one view off against another. I want to get the right balance.

European agriculture needs to be genuinely green. But Green Europe must be ambitious as far as agriculture is concerned.

We must respect the balance of nature but, within this framework, we must also aim for economic performance.

II The lessons of the public debate for the future of the CAP

- 1) Public support will enable us to reconcile the economic, the environmental and the social and land-related considerations.

The public debate has shown that Europeans fully understand the need for a public policy on agriculture which will serve society.

Public support must:

- promote competitive, sustainable agriculture;
- ensure a long-term future for farms;
- help farms to move towards increasingly sustainable farming methods;
- keep farms and employment in rural areas, including in those places where it is not so easy to earn a living as a farmer.

Let me make one thing quite clear: farmers should not be ashamed to receive public funding. The support given to agriculture meets the needs of a very special sector that is facing serious challenges.

This support needs to be better allocated, better targeted and easier to see. Taxpayers must be able to understand at once why it is being given.

Some people are tempted by the idea of a uniform rate. This was one of the ideas put forward during the public debate. How far do you have to go to achieve a level playing field? For my part, fairness and equality are not the same thing.

Likewise, maintaining historical criteria is no longer an option either. The signposts of the past will not enable us to prepare for the future and help the sector modernise.

We need to build upon objective, realistic criteria: the type of farm and the socio-economic, climatic and environmental context in which farmers work.

One thing is clear: we cannot perpetuate a system which fails to give similar rights to farms in categories where they work under similar conditions.

This is the background against which I shall be working during the next few weeks with one goal in mind: to propose a system which is effective and fair to all the Member States, and to their regions and their farmers.

- 2) The structure of the CAP. One pillar or two?

We must keep the two pillars. But we must not let ourselves be trapped within the present set-up.

The two pillars are the two sides of the CAP and they complement each other:

- the first pillar is support for all European farmers on an annual basis which reflects quantifiable, visible results each year. It is our response to the major challenges common to all the Member States of the EU;
- the second pillar comprises the changes within different sectors and areas, including environmental change. It is intended to underpin our objectives, on a multi-annual programming basis, by providing clear priorities. But it must also allow enough flexibility to enable our objectives to be achieved.

Rural development policy must enable us to modernise our farms; to deploy new resources for innovation; to work towards the diversification of rural areas; to ensure stability in an agricultural sector exposed to market volatility; to provide cross-cutting solutions and to rise to the complex challenges of climate change.

I see a strong CAP that has two pillars. This CAP will support diversity for all its farmers and for all the rural areas in Europe. It generates the public goods which European society expects.

III. What are the challenges to which we must rise?

I count a total of seven.

- 1/ The European Union is not an island isolated from the rest of the world

Globalisation is a challenge which affects us all. We cannot put the clock back. Europe must contribute to ensuring global food security – as complex a matter as that is – but it must not block the progress of the emerging agricultural sectors in developing countries.

Someone asked a question about protein. I am prepared to discuss this subject in the framework of a realistic approach based on the European Union's agronomic capability and the environmental contribution of leguminous plants. I very much doubt whether we will be able to cover all our needs.

- 2/ The food challenge

We have all heard the FAO's forecasts.

Can we accept the fact that for years no progress has been made on yields?

The complex definition of the concept of 'food security' needs to be taken into consideration in our thinking and the decisions we take.

Europe must accept its responsibilities in the field of research and innovation; keep up its international ambitions, with the aid of high-quality products and strong tools for promoting European products; and listen more keenly to consumers, including the less well-off ones among them, and to its local and regional markets. This will help farmers to increase their added value and consumers to discover the diverse range of products available and the abundance that European lands produce.

- 3/ The environmental challenge

Should we resign ourselves to seeing the quality of soil and water deteriorate? Should we be thinking that loss of biodiversity is unavoidable? Should we just sit back and accept climate change? I do not think so.

Society is not passive in the face of environmental challenges. Agriculture has solutions to offer.

Let us not forget: the sustainable management of natural resources is an economic, an environmental and a social challenge.

The agricultural sector must improve its production methods and reduce its carbon emissions; adapt its working methods as it is the first victim of the rise in temperatures and the increased damage caused by climate change; and in a wider sense come up with answers to help combat climate change. I am thinking in particular of its carbon storage capability.

For all of these things, we must give our encouragement to the sector.

- 4/ The economic challenge

I have obviously heard the concerns expressed during the public debate and the last two days. I am going to work along the following lines:

I am going to strengthen our common risk prevention and crisis management rules. Beyond direct aid, a solid safety net will also be necessary. This is about the sector's ability to invest, to innovate and to attract young people.

We also need market management instruments. We have seen how important they are during the last few months given the excessive price volatility.

We must come up with new instruments which will enable us to respond to the problem of the excessive fluctuations in incomes. These fluctuations threaten to cause whole sectors of our agricultural industries to disappear. Inaction is not an option.

The economic challenge also involves renewing links within the food chain.

- 5/ The territorial challenge

It is fair enough to support the agricultural sector throughout Europe. But the sector must use its land areas to become more competitive and to turn the characteristics of these areas to its advantage.

The future of agriculture and rural areas is intimately linked.

The CAP can and must be a success factor in the Europe 2020 Strategy.

The Europe 2020 Strategy can rely on the CAP for intelligent, sustainable and inclusive growth in rural areas.

- 6/ Lastly, I must not forget the challenge of diversity

As a result of enlargement, the European Union has become more diverse. The CAP's success will depend on our ability to support all of these farms in an efficient manner.

I know that we can count on the ability of the Member States to apply the CAP on the ground and to adapt it to their regional and local issues. Our success with the Leader initiative and our shared experience in the rural development network should be put to good use in this respect.

- 7/ I must also not forget the challenge of simplicity

Because, to be strong, the CAP needs to be simple and understandable.

The beauty and strength of a forest can be counted in terms of the number of species it contains. The strength of biodiversity can be likened to trees adapted to their environment and interacting with each other. The strength of our rural areas is reflected in the diversity of our agricultural industries. That strength will give us the resources which will help the agricultural sector to modernise. It is with this in mind that I shall be putting forward options for a renewed CAP, for a European Union that attaches importance to its farmers, and for farmers who can meet European citizens' expectations.