

Position Paper

UEAPME¹ response to the public consultation on the common agricultural policy up to 2020

This position paper tries to respond to the questions raised in the context of the public consultation on the common agricultural policy up to 2020 representing the opinion of our member organisations.

1. Are the policy scenarios outlined consistent with the objectives of the reform? Could they be improved and if so how?

In general we agree that a certain continuity in the CAP Policy is not “harmful” to the sector. But maintaining the CAP Policy instruments like direct payments, market measures and rural development more or less designed as they are today will not be the answer to tackle the main challenges the sector is facing: food security, climate change, diverse profitability of agriculture, structural problems as age of farm managers, rural areas lagging behind in development, underperforming of the EU food chain compared to the overall EU competitiveness and the today predominant problem of price volatility.

We strongly recommend to review the EU’s strategic approach to rural development. To better meet the needs of all local actors in rural areas programs for rural development should focus on a territorial approach and not be based on a pure sectoral vision.

Therefore, we can greet the proposal from the commission for the definition of a “common strategic framework” for post-2013 EU funds. This should lead to a better concentration of EU funds on the Union’s strategic priorities, specifically those detailed in the “Europe 2020” strategy priorities of smart, sustainable and inclusive growth. We would like to see the Commission go even further and ask the member states to fulfil the same task on a national level with one strategic national plan for the four funds.

2. Are there other problems apart from those set in the problem definition section of this document that should be analysed when considering the architecture of the CAP in the post 2013 period? What causes them? What are their consequences? Can you illustrate?

No separate response.

3. Does the evolution of policy instruments presented in the policy scenarios seem to you suitable for responding to the problems identified? Are there other options for the evolution of policy instruments or the creation of new ones that you would consider adequate to reach the stated objectives?

In our point of view a major problem not only for farmers but for the whole food-chain is the volatility of prizes of agricultural products. It puts economic operator in the very difficult situation not to have a long term perspective on which grounds to calculate their product prize. The Commission has no answer to this question. Direct

¹ UEAPME subscribes to the European Commission’s Register of Interest Representatives and to the related code of conduct as requested by the European Transparency Initiative. Our ID number is 55820581197-35.

payments and other income support may help the farmer but how can economic operators prevent?

4. What do you see as the most significant impacts of the reform scenarios and the related options for policy instruments? Which actors would be particularly affected if these were put in place?

An integrated territorial approach to rural development would better help to meet the strategic priorities of EUROPE 2020 - smart, sustainable and inclusive growth. All actors in the rural areas would better benefit. A Police for rural areas must take into consideration the needs of not only the agricultural population but of all groups like entrepreneurs, employees, families, elder people, young people etc. Efficient approaches to promoting rural development cannot be-discriminatory across sectors. Life-Quality in a rural area is not only defined by the number of farmers and ha. of cultivated farmland but more over of many different aspects of daily life: public infrastructure (kindergarten, schools etc.), food shops, possibilities for leisure and entertainment activities, the possibility to choose a job in different sectors etc.

The three levels of players in rural areas as agricultural, non- agricultural and public sector activities should all be taken into consideration.

In the running period of the program for rural development only a very few countries choose to broaden their approach and implemented measures like support for business creation and development, .Only about 2% of the total expenditure is directed to this measure in the EU. Surprisingly most of the new member states have made much more use of this measure.

In our opinion this is the crucial point how to adopt a new approach to rural development. We need a clear commitment from the commission to see rural development policy also as policy for a vital development of the whole economy in rural areas. In this sense we are very doubtful that things will change in the new period after 2013 if the commission will not put a more stringent objective to measures where agriculture is not the primarily beneficiary.

5. To what extent will the strengthening of producer and inter-branch organizations and better access to risk management tools help improve farmers' income levels and stability?

No separate response.

6. What environmental and climate-change benefits would you expect from the environment-targeted payments in the first and the second pillar of the CAP?

The aim of these direct payments would be to ensure that the impact of companies in both pillars of the CAP on the environment and climate change in their area is improved. Therefore in principle there would be no reason to limit direct payments to companies of one of the two pillars.

However, it has to be questioned how it is possible to check that these direct payments, made through public money, are really used by first and second pillar companies to ensure environmental and climate change benefits. It is clear that it is not possible for public authorities to carry out regular checks on all companies. Therefore, there might be a very high risks of frauds linked to this practice.

7. What opportunities and difficulties do you see arising from a significant increase of the rural development budget and a reinforcement of strategic targeting?

See answer to question 4. New opportunities could arise for strengthening measures to help to reinforce cooperation between farmers and economic operators especially smaller food processing companies. Measures in the program for rural development specially designed for the needs of such cooperation could very much

contribute to sustainable growth in small local areas.

8. What would be the most significant impacts of a "no policy" scenario on the competitiveness of the agricultural sector, agricultural income, environment and territorial balance as well as public health?

No separate response.

9. What difficulties would the options analysed be likely to encounter if they were implemented, also with regard to control and compliance? What could be the potential administrative costs and burdens?

No separate response.

10. What indicators would best express the progress towards achieving the objectives of the reform?

Create performance indicators linked to small and micro enterprises and to craft and non farming enterprises.

11. Are there factors or elements of uncertainty that could significantly influence the impact of the scenarios assessed? Which are they? What could be their influence?

No separate response.

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