

Public goods & sustainable use of resources

- Exploring possible avenues for the CAP after 2013 -

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Contents

1. BE presidency

2. Public goods & sustainable use of resources



Belgium

- Federal state.
- A lot of autonomy for regions ...
- ... also regarding agriculture policy.
- Regions:
 - Most agriculture policies.
- Federal:
 - Food safety, land lease and animal welfare.

The people

| | President | BE delegation |
|---|--|--|
| Council Agriculture | <u>Federal Minister</u> Sabine Laruelle | <u>Regional Ministers</u> Kris Peeters (July – Sept) or Benoit Lutgen (Oct – Dec) |
| SCA - Special Committee on Agriculture | <u>Flemish Region</u> Herman Hooyberghs | <u>Walloon Region</u> José Renard |
| Other (Council WG, Committees, etc) | Agreed division of tasks based between regional and federal experts. | |

Key topics for agriculture (1)

- CAP post-2013:
 - Consultation process (& conference)
 - Communication by EC
 - Start policy debate in Council
- Dairy sector:
 - Report HLG examined by Council
 - EC interim report examined by Council
 - EC initiatives resulting from HLG report

Key topics for agriculture (2)

- Simplification CAP & alignment Lisbon Treaty:
 - EC legislative proposals (pillar I and II)
- Quality of agricultural produce:
 - EC legislative initiative
- Plant health policy
 - Commission's audit report
- Control of TSEs
 - Roadmap presented by EC

Contents

1. BE presidency

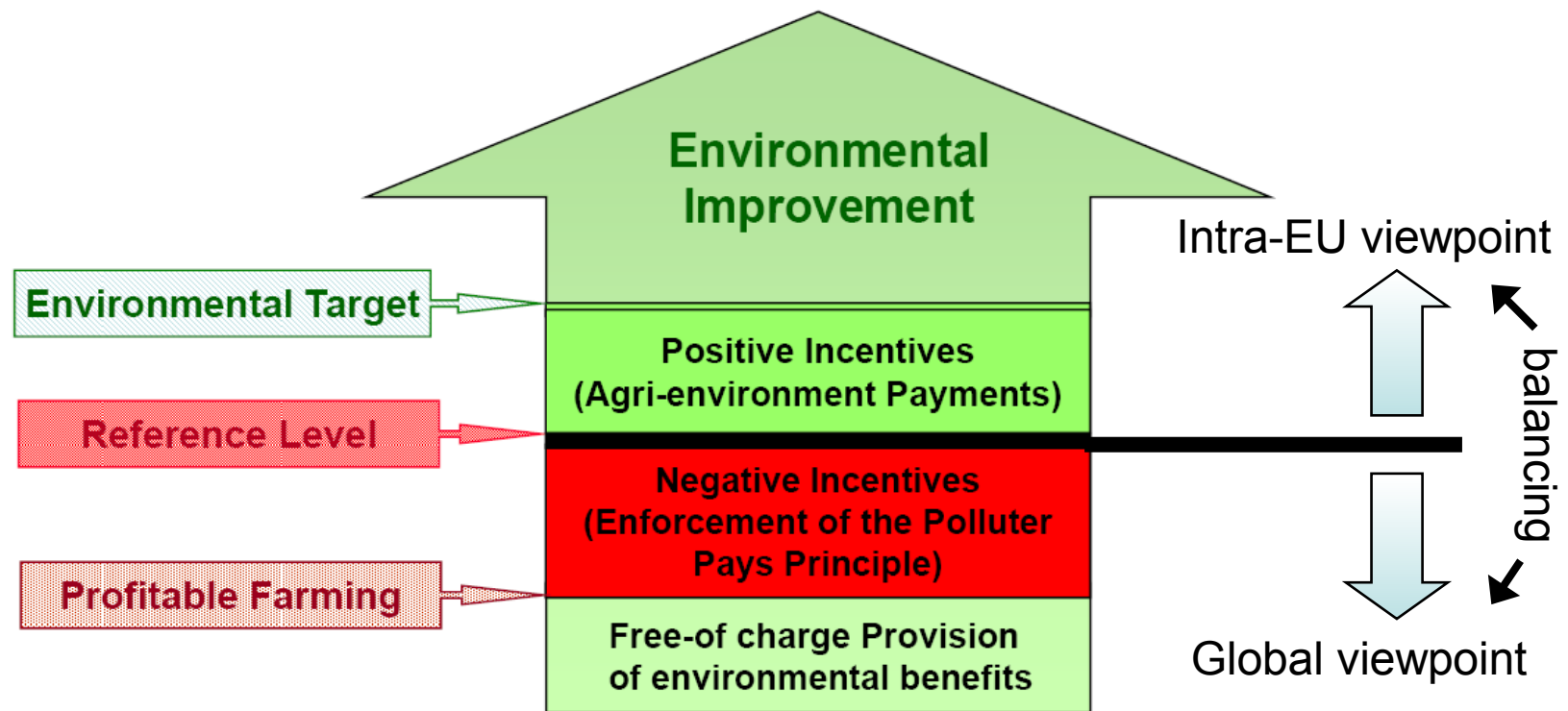
2. Public goods & sustainable use of resources

a. The reference level

b. Public goods

Agreeing on the reference level (1)

- Direct support & cross-compliance



Agreeing on the reference level (2)

- Investment support
 - Need to strengthen link with sustainability?
 - Link to BAT?
- Also: Role of Farm Advice Services?

Defining public goods

- Economic theory:
 - Public goods: non-rivalrous, non-excludable
- Public debate widened scope:
 - From environmental focus (eco-system services)
 - ... to farm-based “services to society”
- Agreement on:
 - Agriculture : platform for delivery of public goods
 - Potential for win-win (farm income & public goods)

Public goods & CAP post-2013 (1)

- Disagreements/ questions:
 - Which public goods should the CAP focus on?
 - Which instruments for which public goods?
 - New instruments to finance public goods?
 - How to improve delivery of public goods?

Public goods & CAP post-2013 (2)

Food security

Efforts required by CC but not fully rewarded by market

Creating/ maintaining nature

Rural society

Efforts that exceed reference levels set by cross-compliance

Maintaining landscape and open space

Rural employment

Water related services

Social care on farms

Biodiversity services

Animal welfare

Mitigation climate change

...

Reducing fossil fuel dependency

Reducing loss in biodiversity

Public goods & CAP post-2013 (3)

- Improved design for AEMs for better delivery:
(three-step-model):

| STEP 1 = current AEM | STEP 2 = step 1 + premium | STEP 3 = step 2 + result-oriented bonus |
|---------------------------------|---------------------------------|--|
| Loss of income | Loss of income | Loss of income |
| Compensation for costs | Compensation for costs | Compensation for costs |
| (compensation transactioncosts) | (compensation transactioncosts) | (compensation transactioncosts) |
| | Premium for efforts | Premium for efforts |
| | | Bonus if result reached |

Thank you for your attention.

Let's discuss ...

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