



Highlights of the Commission conference: “Common Agricultural Policy after 2013”

Summary

OPERA Research Centre has been invited to participate to the debate and workshop activities of the Conference on CAP after 2013 organized by the European Commission.

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Rather than selecting any approaches or favouring in the debate any instruments, the Commission has chosen to continue to be in a “listening mode” to collect as many opinions, and test reactions. The Commission has been saving on its energy for negotiations with stakeholders for the second round of consultations which will follow after the issue of the Communication in November 2010.

To set the scene for discussions, the summary of the general public consultation has revealed support for a robust common policy, providing food security at reasonable prices while protecting natural resources and providing public goods.

The Presidency of the Council, highlighted the multifunctional nature of the EU agriculture as well as the modern challenges related to climate change and sustainability while the European Parliament representative emphasised the role of agriculture in supporting the European society in building a green economy.

The EU was reminded through the FAO voice of its obligation to contribute to the objective to ensure food security and to reduce the number of people suffering from malnutrition.

Summing up on the conference the Commissioner for Agriculture has expressed his view that The future CAP needs to address the following issues:

1. globalisation and objectives to reduce world hunger
2. food security by increasing the productivity through research and development
3. environmental security achieved through better production practices and measures to reduce GHG emissions
4. economic challenges generating income and price volatility through market management and ensuring food chain transparency
5. territorial challenge of preserving the specificities of the different regions of Europe.
6. simplification.

In the discussions OPERA has been actively supporting the need to ensure food security by enhancing productivity; a stronger policy to promote research and innovation and the need to recognise the economic, social and environmental nature of the public goods provided by agriculture.



Commission conference: Common Agricultural Policy after 2013

On 19th and 20th of July the European Commission (EC) has organized a conference designed to summarise the public contributions received in the open consultation process and to discuss on the possibilities to be explored in building the future policy.

Due to the quality of the OPERA roundtable consultations and the awareness raising of our activities, in addition to the written contribution on the future of CAP submitted to the EC, OPERA has been invited to participate to this important conference despite the fact that it had been involved in this field only for three months (since April 2010).

Scope

During the conference works, the Commission continued to be in a “listening mode” giving the possibility to all stakeholder representatives to put forward their vision on the objectives and instruments to be included in the future CAP. Rather than selecting any approaches or favouring in the debate any instruments, the EC has chosen to continue the open consultation with this event in order to collect as many opinions, and test reactions of possible avenues. EC has been saving on its energy for negotiations with stakeholders for the second round of consultations after the issue of the Communication in November 2010.

Introductions

To set the scene for discussions, Commissioner Ciolos indicated that the general public consultation has revealed support for a robust common policy, providing food security at reasonable prices while protecting natural resources and providing public goods.

The Belgian Presidency of the Council, highlighted the multifunctional nature of the EU agriculture which must be further promoted. as well as do the modern challenges related to climate change and sustainability .

The speech of the President of Agriculture and Rural Development Committee in the European Parliament, Paolo De Castro emphasised the role of agriculture in supporting the European society in building a green economy but also creating a platform for the development of vibrant rural areas.

To the three different, not mutually exclusive and even complementary prioritisations coming from the European institutions a forth was added by the FAO representative, Kostas Stamoulis calling to the realities of the global world . EU was reminded of its obligation to contribute to the objective to ensure food security and to reduce the number of people suffering from malnutrition. The need to produce 70% more food for a global population of 9 billion by 2050 has been brought up.



The CAP will need to support increase in productivity as to contribute also to fighting the tendency to cut into natural land driven by the increase in demand for agricultural products. EU was requested to promote its production capacity as to reduce on the negative impact on third country markets.

Some powerful figures emerging from the EC public opinion measuring tool – Eurobarometer, were put for the consideration of the participants. 90% of the EU population consider agriculture as an important sector, but only 13% know details on the content of the CAP. 59% of the EU citizens see as a priority for the policy to ensure production of good quality and healthy food, but they are not prepared to pay more for it since 49% see that this has to be delivered at reasonable prices. Cross-referencing the results of various questions has led to the conclusion that the provision of food by agriculture is taken for granted in the EU, since only 25% of the citizens see food security as an objective for CAP. On the other hand, strangely enough, when asked about public goods provided by agriculture, the first public good recognized by citizens was food security while the second is economic stability and the third maintaining a vibrant rural life.

83% of the representative citizens interviewed in the survey, support the idea of providing public financial support to agricultural activities.

Food security

The results of the workshops (out of a total of 8 workshops) discussing on this topic showed that the policy needs to adopt a balanced position stimulating win-win situations between: trade and food security in EU; liberalisation and its impact on the market volatility (competitiveness); market orientation and income stability; consumption patterns and mitigating climate change; protecting the environment and farm diversity. The objectives included in art 39 related to CAP of the Lisbon Treaty, were considered continuously relevant by the participants.

The situation of stagnating productivity presented echoed concerns amongst participants. It has been called for a more coordinated approach on promoting research and innovation as modalities to address the issue of competitiveness of European farming on a global market.

It is considered important as a prerequisite for food security that efficient instruments are in place to deal with income and price volatility.

Future of the rural society

The discussions on this subject focused very much on the need to have a strong rural development policy. An idea also emerged, that a flexible territorial approach needs to be envisaged as to respond to the needs of a divers European rural area.

The future rural development policy is seen as the driver for development opportunities for the rural economy in strong coordination and synergy with other European policies. Rural vitality has been described as a sum of



economic efficiency; social equity; ecological integrity and cultural identity.

Environment and provision of public goods

The public debate and discussions on the issue were dominated by the provision of environmental public goods, but participants kept reminding everyone that agriculture is also providing social and economic public goods for society. Hence, the future policy needs to define clearly the scope of the public goods concept. Farmers must be perceived, regardless of the size of their holdings, as managers for the ecosystems as long as they apply the correct production techniques.

It emerged quite clearly that the provision of public goods can not be stimulated without the necessary incentives. Such incentives are necessary also for the development and uptake of innovative solutions and production techniques for the modernisation of farming enabling it to deliver the maximum for society and for the farmer.

Communicating the efforts and the results achieved by agriculture in providing value to society has been identified as crucial in order to change the distorted public image of agriculture and modern production technologies implemented therewith. From the farmer's perspective there is a strong need for education and training on achieving the objectives.

As for the policy instruments to stimulate provision of public goods, these can be shaped based on the fact that the delivery of public goods takes place automatically through the characteristics of different production systems or, through specific actions taken by farmers outside the normal production technology.

Quality and diversity of food

Providing diverse foods of good quality is an asset of the European agri-food sector. This has to be preserved and promoted, including the development of local markets and local produce. The environmental aspects of food production need to be better integrated in the process. Again innovation has been mentioned as the avenue to be further opened for the future.

Education of the consumer, or better and direct communication between farmer and consumer, is a priority to be taken more into account in the future policy. The consumer, in Europe and globally has to be better informed on the characteristics of the European produce.

A provisional vision from the Commission

A balance needs to be struck between "greening" the agriculture and the need to be ambitious for the future of this economic sector. Any public support needs to reconcile the signals received from society.



The way forward seems to be a competitive and sustainable agriculture and the CAP is to help farmers overcome the challenges they face on the road to this objective.

Some elements of the former CAP need to be abandoned (e.g. historic payments) but the structure based on two pillars needs to be maintained. Across the policy there is a strong need to provide instruments to promote research and innovation.

The present perception from the EC is that the future CAP needs to address the following issues:

1. globalisation and objectives to reduce world hunger
2. food security by increasing the productivity through research and development
3. environmental security achieved through better production practices and measures to reduce GHG emissions
4. economic challenges generating income and price volatility through market management and ensuring food chain transparency
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6. simplification.

The Communication which will be presented in November this year will have to fill in on the details of this conceptual structure. The Commission has to shift now to the “reflection mode” to be able to put all the specifics in such a broad and complex policy instrument.

Through out the works of the conference OPERA has been actively supporting the need to ensure food security by enhancing productivity as to respond to an future increasing demand for food and raw materials for a bio-based economy. We have also pleaded for a stronger policy to promote research and innovation as well as for adopting a broader view on the economic, social and environmental nature of the public goods provided by agriculture.

The content of the debate has encouraged us to continue our activities to provide for an informal debate environment, especially through the Roundtable of stakeholders events, where details of the future policy can be identified and further explored.

