



Copa-Cogeca's reaction to the Commission's legislative proposals on the Future of the CAP 2014-2020

AQA Working Party – Brussels, 22 March 2012

Main message of Copa-Cogeca

If European agriculture & the CAP can ensure:

- food security & stability in an increasingly uncertain world
- & contribute to greater growth & employment
- & do it in a sustainable way

Cost of the CAP – less than 1% of total EU public expenditure – is an excellent investment

To achieve this we must make agriculture a more dynamic, innovative and profitable sector with better returns from the market

Redistribution of pillar 1 national envelopes

Commission is moving in right direction but level of hectare payment will still be significantly lower than EU average in several MS

Copa-Cogeca calls for:

- fair and equitable treatment of all farmers, taking into account differences in conditions

Direct payments – convergence to a national/regional flat-rate

Commission's proposals will have extremely adverse effect on some farmers and on production capacity in some MS

Copa-Cogeca calls for:

- **no front- loading** – must be phased in gradually
- MS must have **more time and flexibility** to help farmers adversely affected to adapt

Direct payments – active farmers

Copa-Cogeca supports Commission's proposal to target direct payments to active farmers but

Commission's definition will require complex administration

Copa-Cogeca proposes that:

- Member States choose most appropriate way to target payments - based on an EU indicative list criteria

Direct payments - capping

Commission's proposal to cap payments will penalise farmers who have improved their farm structure and will be a disincentive to further modernisation

- + more administrative burden
- + mitigation proposal takes account of salaries but not family or contract labour
- **Copa-Cogeca rejects capping**

Greening

Commission proposal runs counter to need for food security & growth:

- restricts production, reduces farmer's ability to respond to market signals (7% environmental focus area – freeze in permanent grassland)
- too rigid, not practical (e.g. 3 crop requirement for small, specialised farms or where climate/agronomic factors do not permit)
- will lead to higher costs, higher food prices or increase dependence on imports
- **+ an inefficient way to get environmental benefits**

Copa-Cogeca wants an alternative form of greening

green growth measures – which give environmental benefits but also maintain production capacity

choice - farmers should be able to choose the measure most appropriate for their farm situation from an EU list of measures

voluntary – farmers not undertaking greening measures should only forfeit the greening payment

greening payment - should represent less than 30% of national envelope

Cross compliance

Commission's proposals mean a significant reinforcement of cross compliance in addition to greening

Copa-Cogeca calls for:

- real simplification of cross compliance
- renaming of obligatory requirements – “*EU agricultural production standards*”
- more harmonisation at EU level

Coupled payments

Copa-Cogeca supports Commission proposal to maintain the possibility for MS to make limited coupled payments but

- Member States should be free to indentify which sectors
- Commission should ensure distortions to competition kept to a minimum

Payments to farmers in areas with natural constraints

Copa-Cogeca concerned that splitting support to LFAs between pillar 1 & 2 could complicate LFA payments unnecessarily

- MS which choose to give top-up under pillar 1 must have objective grounds for doing so &
- ensure it does not lead to additional bureaucracy for farmers or incoherence between the pillars
- LFAs – delimitation of LFA's should be based on European Parliament's & Copa-Cogeca's proposals

Single CMO

Copa-Cogeca:

- safety nets need to be reinforced & updated
- measures in sugar sector must be maintained at least up to 2020
- wine planting rights must be maintained
- crisis reserve must have capacity to release funds rapidly & effectively + transfer unused funds to following years

Reinforcement of farmers in food chain

Commission proposal to extend product coverage for recognition of POs is welcomed but

Copa-Cogeca calls for additional measures:

- more precise definition in EU legislation of criteria for recognising a PO & tasks assigned to them
- assurance that existing Coops & POs are not undermined
- guarantee of legal certainty viz. Community competition law to facilitate consolidation of Coops & POs
- elimination of unfair & abusive practices in the food chain

Rural Development

Copa-Cogeca agrees with main thrust of Commission proposals but:

- calls for ERDF to be refocused on agriculture
- new challenges require new article linked to 5th priority to promote green growth measures e.g. resource efficiency, climate resilience...
- ensure no overlap between agri-environment measures and greening under 1st pillar
- risk management –supports new income stabilisation tool but must also improve effectiveness of current risk tools
- need additional sub-programme to better integrate women

Simplification

Commission proposals will lead to additional administrative burden for farmers, not less

e.g. its proposals on cross compliance, greening, capping, definition of active farmers, splitting of the 1st pillar ...

Copa-Cogeca:

- if a proposal does not result in simplification it must be reworked

Conclusion

Copa-Cogeca calls for:

- **a strong CAP**
- **a strong Single Market**
- **backed by a strong budget**

Contribution of the AQA WP to the discussions on the future of the CAP

General message

□ The European quality policy is **highly significant in light of the future challenges**

✓ enhancing the competitiveness of European agricultural products

✓ improving primary producers' position in the food chain

✓ ...

Contribution of the AQA WP to the discussions on the future of the CAP

General message

□Copa and Cogeca welcome the European Commission's proposals for the Common Agricultural Policy post 2013

✓Copa and Cogeca particularly welcome the Commission's proposals for the Rural Development Policy

✓However, more could be done to support quality policy for agricultural products

AQA WP views with regard support measures under Rural development

Positive aspects

□ **The main support mechanisms** for farmers participating in **quality schemes** have been kept - article 17

✓ transparency and openness of the scheme to all producers

✓ Products covered fulfil specific characteristics/production methods or go "beyond the commercial commodity standards"

AQA WP views with regard support measures under Rural development

Positive aspects

□ Allocation of funding **to voluntary certification schemes**, provided that they comply with the EU best practice Guidelines for voluntary schemes.

AQA WP views with regard support measures under Rural development

For discussion

- ☐ **Extending the benefit of art 17 measures to producer organisations/ “collective” organisations** involved in the development /promotion of quality schemes
- ☐ **Limitations of financial support** as proposed under art. 17 ?
 - ✓ in terms of duration (5 years)
 - ✓ Total amount permitted (3000 euros/ year)

AQA WP views with regard support measures under Rural development

For discussion

☐ removal of the option for financial compensation for the cost of conformity to the new regulation –existing art. 31

☐ Repealing of current measure 133 supporting the promotion of products bearing a quality label

☐ Others?

Encouraging the development of short supply chains and local markets

Main issues at stake

□ **article 36 (co-operation measures)** of the proposed rural development text:

✓ *"vertical co-operation [...] for the establishment of logistic platforms to promote short supply chains and local markets;*

✓ *"promotion activities in a local context relating to the development of short supply chains and local markets"*

□ Possible **new measures under RD** (e.g. art. 18 investment in physical assets) or **other policy instruments** (e.g. Promotion policy) ?

Further options for encouraging "quality initiatives"?

- ❑ Consolidation and/or creation of Pos/ APOs/ IBOs **that are active in the area of quality** – “single CMO” legislation
- ❑ Appropriate tools for the **management of quantities of production for PDOs and PGIs products** – “single CMO” legislation
- ❑ Expanding the scope of farm advisory systems in the area of quality – Rural development (art. 16)

Thank you
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