



“European Farmers and agri-cooperatives’ views on the future CAP”

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BULGARIAN CHOICE FOR AGRICULTURAL PERSPECTIVES

21th Sept 2017, Sofia (Bulgaria)

Copa-Cogeca

The united voice of farmers and their cooperatives in the European Union



Who are Copa and Cogeca?

Mission

Ensure a sustainable, innovative and competitive European agricultural and agri-food sector capable of respond the growing global demand for food

What?

To examine any matters related to the development of the Common Agricultural Policy, to represent the interests of the agricultural sector as a whole to seek solutions which are of common interest, and to maintain and develop relations with the Community authorities and with any other representative organisations or social partners established at European level.

Who are Copa and Cogeca?

Two organizations ...

Copa

Created in 1958, the Copa represents 23 million European farmers and family members

Cogeca

Created in 1959, Cogeca represents 22,000 European agricultural cooperatives

Copa and Cogeca

In 1962, a Common Secretariat was created that became one of the largest and most active lobbying organisations in Brussels

Who is Coldiretti?



COLDIRETTI is a founder member of COPA

Chaired by Mr Roberto Moncalvo, Coldiretti is the most important Italian agricultural organisation and farmers' union.

It was created in 1944 and represents around 70% of the Italian farming sector.

Some figures

1.5 million members

9 Inter-provincial federations

20 Regional Federations

802 Local offices

87 Subregional Federations

5.356 Sections

The future CAP: Contribution of the Task Force on Mediterranean Products

Upon a proposal of President Moncalvo, a Task Force on Mediterranean products was set-up in July 2016 as a result of an ongoing debate within Copa and Cogeca, aiming to ensure a better representation and promotion of some specific needs identified by the organisations from the Mediterranean countries.

The objective was to identify the core challenges these countries are facing, develop an inclusive EU approach, give them voice and include them in the general reflection and debate in Copa and Cogeca.

The task force identified some special characteristics that need to be taken into account as part of a broader discussion on the future CAP:

1. European agriculture is rooted in the territory and therefore provides a major contribution to job creation and economic growth in the EU;
2. The risks of political instability are at the gates of the EU and the file on international trade is used as a substitute for a real policy of agricultural development and the economy as a whole;
3. Copa and Cogeca have identified non-tariff aspects as priorities in trade negotiations;
4. Natural resources management (ex. Water) and investments in infrastructure demand a long-term approach and should be promoted.
5. European agriculture increase sustainable growth and contribute to mitigation and adaptation to the climate change

Future CAP

The EU challenges

On 28th June 2017 the European Commission published a reflection paper on the future of EU finances, putting key elements for the upcoming discussion on the table.

At the same time, new challenges have arisen since the current budget was designed:

- *Economic growth and job creation,*
- *Stagnant productivity and investment,*
- *Demographic change and other long-term challenges such as migration,*
- *Climate change,*
- *The refugee crisis,*
- *Defence, cybersecurity and terrorism,*

These are all areas, where the EU budget is called upon to play a prominent role.

The withdrawal of the United Kingdom from the EU will entail the loss of an important partner and contributor to the financing of EU policies and programmes

The future challenges for farmers and EU citizens

- 1. Increasing food demand worldwide;**
- 2. Additional pressure on production caused by:**
 - Scarcity of natural resources (e.g. land, water,...).
 - Effect of climate change:
 - further spread of new pests and diseases,
 - increase in frequency and severity of extreme weather events.
 - Increase of competition in the EU and in the global market: the agricultural sector is more and more open to the competition and the safety net set up by the CAP has been reduced.
 - Critical economic situation at farm level from the income point of view.
- 3. Need to optimise public spending both at EU and MS level.**

IT IS IN THE INTEREST OF THE SOCIETY AS A WHOLE TO ENSURE A COMPETITIVE AND HIGH QUALITY EUROPEAN AGRICULTURE

.....what CAP after 2020 ?



The CAP is, and must continue to be, the policy that supports European farmers, helping them to deliver an adequate supply of food, as well public goods, thus generating benefits for citizens and consumers.

For a stronger CAP

The budget

It is of paramount importance to ensure an adequate and common funding for common policies, especially with regards to the level of CAP funding. This is extremely relevant, not only in the context of the current MFF and the post 2020 MFF, but especially also in view of the budgetary implications of Brexit.

The CAP also contributes to a stable rural environment and employment for about 44 million people working in the agri-food chain. In these challenging times, a truly strong and common CAP can contribute not only to strengthen Europe but also to the priorities of the Juncker Presidency (e.g. jobs and growth).

All the arguments above are consistent **with the maintenance of the CAP support only to active farmers:** those who actively contribute to a sustainable sector and provide public goods and growth.

The most relevant priorities for which the CAP should do more

(results of public consultation)

Options	Individuals/ micro- enterprises in agriculture	Other citizens	Other organisations	Total	Percentage
Boosting investment, growth and employment	17.944	9.549	3.020	30.513	24,1%
Improving connectivity and digitalisation of the rural economy	10.309	7.002	1.414	18.725	14,7%
Mitigating and adapting to the impact of Climate Change and providing renewable energy	10.926	20.456	1.877	33.259	26,1%
Strengthening the EU Single Market	12.768	9.310	1.772	23.850	17,7%
Participating in world trade	6.275	2.032	972	9.279	7,3%
Help addressing challenges related to migration	3.504	7.473	577	11.554	9,1%
Total	61.726	55.822	9.632	127.180	100%

The most relevant priorities for which the CAP should do more (MS)

Country	Boosting investment, growth and employment	Improving connectivity and digitalisation of the rural economy	Mitigating and adapting to the impact of Climate Change and providing renewable energy	Strengthening the EU Single Market	Participating in world trade	Help addressing challenges related to migration
AT (8881)	25%	16%	27%	21%	3%	8%
BE (2783)	24%	9%	27%	23%	9%	8%
BG (544)	31%	15%	13%	20%	13%	8%
HR (145)	37%	19%	19%	17%	3%	6%
CY (24)	25%	13%	25%	21%	8%	8%
CZ (1760)	37%	10%	20%	15%	14%	4%
DK (594)	24%	13%	28%	12%	14%	9%
EE (205)	31%	14%	21%	18%	13%	3%
FI (2351)	31%	14%	16%	19%	11%	9%
FR (13456)	24%	9%	31%	16%	8%	12%
DE (70372)	21%	16%	27%	20%	7%	9%
EL (277)	29%	16%	21%	16%	9%	9%
HU (4176)	29%	15%	20%	20%	9%	6%
IE (690)	27%	19%	22%	18%	7%	8%
IT (5167)	36%	11%	22%	13%	10%	8%
LV (1223)	37%	16%	13%	20%	10%	4%
LT (251)	31%	14%	15%	18%	14%	8%
LU (177)	21%	13%	24%	24%	7%	11%
MT (17)	24%	0%	41%	18%	6%	12%
NL (1299)	18%	16%	32%	17%	8%	9%
Other (228)	17%	14%	34%	17%	5%	14%
PL (919)	26%	14%	19%	19%	15%	5%
PT (619)	28%	10%	31%	14%	9%	7%
RO (655)	30%	15%	21%	18%	11%	6%
SK (260)	34%	8%	26%	13%	16%	3%
SL (101)	28%	16%	29%	19%	4%	5%
ES (7378)	31%	15%	22%	19%	7%	7%
SE (600)	27%	18%	29%	11%	6%	9%
UK (2028)	19%	14%	37%	5%	11%	14%
Total (127180)	24%	15%	26%	19%	7%	9%

A more sustainable CAP to face EU challenges

European agriculture must face various economic, environmental and social challenges.

Economic sustainability. European farmers' economic viability and competitiveness is crucial so that they can deliver on the environmental and social sustainability dimensions.

- At macroeconomic level: agriculture contributes strongly to the economic sustainability of the territories, creating employment and economic growth.
- From the point of view of individual farmers, it is necessary to ensure that the agricultural enterprise can compete on the market in a context of sound and stable rules.

Environmental sustainability. Farmers, as territorial managers, play an active and significant role in contributing to environmental sustainability and mitigation of climate change.

Social sustainability. The CAP must maintain and create jobs in the agricultural and forestry sectors, guaranteeing growth and competitiveness through investment are some of the most important elements of the socio-economic aspect of sustainability. In addition, considering the issue of migrants, European agriculture could play a central and important role, with the aim of absorbing negative social impacts. The future CAP must therefore consider the role that EU agriculture plays in the social cohesion of European regions.

The current CAP policy tools are best suited to meet the challenges

Options	Farmers	Other citizens	Organisations	Total	Percentage
Decoupled payments to farmers	10.347	5.473	4.484	20.304	11,7%
Coupled support	7.783	5.910	3.497	17.190	9,9%
Support for RD environment & climate actions in agriculture and rural areas	12.149	23.138	5.193	40.480	23,2%
Support for RD investments in physical/ human capital in agriculture and rural areas	12.003	12.247	5.556	29.806	17,1%
Trade measures	5.050	3.376	1.957	10.383	6,0%
Market safety nets (e.g. market intervention)	7.450	4.661	3.208	15.319	8,8%
Risk management schemes	5.776	4.066	2.457	12.299	7,1%
Support for integration into producers' organisations	4.687	6.947	1.852	13.486	7,7%
Regulatory approaches (such as standards and rules)	2.908	10.628	1.333	14.869	8,5%
Total	68.153	76.446	29.537	174.136	100%

A simpler CAP

The need for adequate proposals

Starting from CAP simplification, it is useful to improve the efficiency of the EU budget in the implementation of the future CAP, in order to face upcoming challenges and answer to the EU public opinion expectations.

The system should evolve from a “controls and sanctions” approach to a “guidance and corrections” one.

Furthermore, an increased use of digitalisation, remote sensing and ICT, can contribute to improve efficiency, accuracy, quality and timeliness of controls and audits whilst effectively reducing red tape not only for farmers but also for administrations (both national and European).

Connected farmers should be encouraged and rewarded for their own actions in using ICT tools.

A necessary simplification Greening

Simplification and cutting red tape must also take into account the Greening component: just think of how difficult it is to monitor and implement this tool in some areas. If we want to talk about sustainability, it is necessary to provide applicable duties, coherent with the reality of agricultural practices already in place.

Greening was introduced to address specific weaknesses in the CAP

The outcome of the decision making process made things more complex

Question: Are the challenges that greening aimed to address still pertinent ?

One sure answer: simplification is needed !

A fairer CAP (I)

Market and contractual relations

Recognising the specificities of the agricultural sector and allowing farmers to work collectively are two fundamental pre-conditions to strengthen farmers' position in the food supply chain and consequently improve their bargaining power.

In line with the recommendations of the Agricultural Markets Task Force report, appointed by the European Commission (**November 2016**), ***in order to strengthen farmers' position in the food supply chain, it is necessary to:***

Identify, share and promote best practices concerning contractualisation in the supply chain for the development of standard contract clauses that can be used in individual contracts signed between farmers, their organisations and their buyers in the sectors concerned. It is also necessary to make the above derogations horizontally applicable and easy-to-use for farmers, thus enabling them to obtain legal security upfront.

A fairer CAP (II)

Market and contractual relations

The CAP must extend market competition derogations to all the sectors, as a way to increase the bargaining power of farmers. These new provisions facilitate farmers to set up their organisations under any of the different legal forms foreseen in the legislation.

It is therefore necessary to “re-legitimate” those subjects that build the market, namely the agricultural producers and their organizations.

Measures must go beyond the simple supply concentration, to include processing and value added creation and market positioning. Those should be considered as non-distortive from the competition policy point of view and should contribute to a well functioning single market. To this aim, it is vital to review the EU competition policy.

A modernized CAP Risk management

Farmers and agri-cooperatives have been facing, in recent years, higher **market fluctuations and greater exposure to natural risks** than any other sector. It is **necessary to maintain and improve the current measures** to cope with market volatility – direct payments, market safety nets and risk insurance schemes

Risks

- Production: weather related events, animal/plant diseases
- Markets price volatility
- Political: Russian ban, Brexit

Covered perils

- hail insurance + named peril insurance
- multi-peril crop insurance
- animal diseases

Coverages

- Direct loss insurance (**CAP: CMO - RDP**)
- Yield insurance (**CAP: CMO - RDP**)
- Price insurance (**MS Aid**)
- Revenue insurance (**MS Aid**)
- Income/Margin insurance (**MS Aid**)

Threshold reduced to **20% for all the tools, including insurance contracts**

CAP modernisation

Research, Innovation and Advice

The role of research, innovation and complex advisory services is at the heart of the further implementation of agri-environmental policy.

- **New technologies** (remote sensing, precision farming, connected agriculture) can be very helpful with **monitoring /self-assessment and control needs** in the future.

These technologies must be at the service of all farmers and of all European agriculture.

Rural Development and Cork 2.0

Rural Development policy provides the tools and support for farmers to deliver public goods and services to the society. It also contributes to a competitive and market oriented agriculture and forestry sector.

- Rural Development must continue to focus on farmers as they are the backbone of the economy in many EU Member States,
- When implementing the Cork 2.0 Declaration the focus should be on **Sustainable** and **Smart** agriculture and forestry and **Simpler** EU and national policies – the **3S**.
- The 4 main blocks of the Declaration must be at the centre of the **3S** approach.

The future of Eu agriculture

Generational renewal

The future CAP must establish more targeted and effective measures to cope with generational renewal, in order to increase the number of young people interested in entering the sector, improving social sustainability and prevent the desertification of rural areas.

Advisory services, networking and training must be available with the aim of improving knowledge and skills among young farmers, also in order to have access to specific concessions.

To this aim, Member States should be encouraged to open up the access to land to younger operators, by increasing land mobility and improving access to credit.

HOW TO GO FORWARD !

1. Direct payments remain a basic tool **to safeguard farmers' income and to ensure the sustainability of agricultural activity;**
2. The Rural Development Policy (Pillar II) must provide the right tools for farmers to deliver additional public goods and services to society. **For that the policy must continue to focus on farmers;**
3. **Strengthening farmers' position in the food supply chain and improve collective approaches** by farmers;
4. Develop a wide and effective range of **risk management tools** available to farmers in the EU as part of the CAP: risk management actually is considered one of the 6 priorities of the CAP;
5. Flexible choice for MS from a EU-wide list of **best practices with simplified and adapted controls with use of modern technologies;**
6. Broaden and strengthen the scope of voluntary tools to ensure great **flexibility**, while avoiding distortion of competition across Member States.

After 2020 CAP Conclusions

We need simple CAP, able to:

- **remunerate the value of sustainability delivered by agriculture (under the economic, environmental and social pillars) through a support to agricultural income and employment.**
- **boost the production of environmental public goods and eco-systemic services;**
 - **Encourage and support modernisation and diversification processes;**
- **Guarantee an effective protection against the risks farmers have to face;**

**In short, a CAP that has a REAL IMPACT ON THE
AGRICULTURAL ENTERPRISE**

**Thank you for
your attention !**



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