<u>A stronger reshaped CAP can better</u> <u>serve farmers and the environment</u>

The Common Agricultural Policy (CAP) is an essential EU policy and any changes need to strongly support the European model of agriculture and family farming. A reshaped CAP must support farm incomes, deal with market volatility and preserve European agricultural production, also in light of any new trade deals. The income inequality both between rural and urban areas and within the agricultural sector itself should be overcome. The future CAP must also deliver on Europe's international commitments regarding the United Nations Sustainable Development Goals (SDGs) and the 21st climate conference in Paris (COP21).

These are the main conclusions from an exploratory opinion on <u>A possible</u> <u>reshaping of the CAP</u> that the European Economic and Social Committee adopted at its plenary session on 1 June. Specific proposals are made on the CAP model, the delivery of public goods, supporting active farmers, funding, generational renewal, simplification, rural development and market measures, all focused on upgrading the CAP.

In the opinion, which was drawn up at the request of EC Vice-President Frans Timmermans, the EESC places emphasis on strengthening and reshaping the CAP in a positive way in order to meet the future needs of EU consumers, taxpayers and producers.

CAP two pillar model to support farmers and strengthen rural areas.

Maintaining the European model of agriculture, with its sustainable family farms, farming cooperatives and companies, must be a key focus of the CAP. The EESC therefore strongly supports maintaining the two-pillar model of the CAP: "Direct payments in pillar I are an essential support to farm incomes, play a key role in the financing of market management measures and the delivery of public goods", said **John Bryan**, rapporteur of this opinion. He added "Rural development payments in pillar II are critically important and should focus on economic, environmental and social programmes based on the objectives set down in the <u>Cork 2.0 declaration</u> to support vulnerable regions and sectors." The opinion makes specific proposals on increased CAP pillar II measures targeted at the delivery of enhanced ecosystem services by farmers.

Delivering public goods and enhancing the environment

The CAP must better reflect the valuable contribution agriculture makes to the environment with carbon sinks such as grassland, forestry, peatlands and hedgerows. Farmers and foresters manage over 82% of the EU land area and are an essential element of a sustainable agricultural economy.

A reshaped CAP needs to accommodate the critical challenges of environmental protection, climate change mitigation and biodiversity protection. In order to support and protect strong CAP direct payments, under a reshaped CAP,

active farmers would work to a programme focusing on the measurable deliverables of public goods in these important areas.

On funding, it is proposed that the CAP budget post 2020 must be sufficient to address the financial demands resulting from Brexit, farm income pressure and the increase in demand for public goods.

Generational renewal

Strong targeted programmes are proposed to encourage young farmers and retirement to address the important issue of generational renewal. In addition, programmes aimed at enhancing the role of women in agriculture are to be adopted.

Simplification

Specific proposals on simplification include the greater use of technology and moving away from the audit/inspection approach, an extension of the yellow card system, a reduction in SRM (statuary management measures), a right to rectify without penalty, increased tolerances and a system whereby inspections or penalties will not hold up payments.

Imbalance of power in the Food chain

The opinion highlights the major imbalance of power in the food supply chain between large retailers and processors and farmers, resulting in downward pressure on prices. It is proposed that the key recommendations from the EU Agricultural Markets Task Force are advanced. *"The farmer's position in the food chain must be strengthened. Moreover, unfair trading practices and below cost selling must be banned"*, insisted Mr. Bryan.

EU food for EU citizens

A reshaped CAP should also maintain the principle of community preference and territorially balanced food sovereignty with **EU food for EU citizens**. A key principle of this policy must be the maintenance and protection of EU standards on traceability, food safety, animal and plant health controls and environmental protection. "In any trade negotiations, it is essential for EU consumers that the EU requires all imported food meet these same standards. In addition, in any future negotiations it is essential that the EU maintains strong and adequate tariff protection for sensitive sectors and vulnerable areas." underlined John Bryan.

In conclusion John Bryan said "The forthcoming CAP negotiations will shape the future of agriculture in the EU for decades to come. I am pleased that civil society through the EESC has put forward a clear and comprehensive set of proposals on shaping the next CAP, which will deliver a strong policy with robust pillar 1 and pillar 2 payments targeted at active farmers. — In the upcoming negotiations, significant focus needs to be placed on finding the right balance between reducing the current bureaucratic burden on farmers, which has increased dramatically in recent years, without compromising the high levels of food safety, environmental, and sustainability standards in the EU. The need for simplification in the agricultural sector must be achieved in a sustainable manner, and it is vital that in any reshaping of the CAP the correct measures are taken to protect the EU model of agriculture, CAP direct payments and the public goods delivered by this sector."