



THE COMMON AGRICULTURAL POLICY AFTER 2013

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1. Why do we need a European Common Agricultural Policy?

Through the Common Agricultural Policy, farmers produce a sustainable supply of high quality food and certain non-market services including environmental protection, landscape management, food safety and animal health and welfare standards.

The CAP supports the continuation of the family farm model of production in the EU, with 9 million farmers and a further 30 million employed in agri-food and related enterprises.

A Common Agricultural Policy is critical to ensuring sustainable and viable food production across the EU, and a secure supply of high-quality food for European consumers at reasonable prices. In its absence, the European consumer would be exposed to volatile world commodity markets and prices, with lower standards for food production and environmental protection.

In addition, the CAP, through the Rural Development Policy in particular, maintains economic and social activity in less favoured areas, and supports the provision of public goods that are valued across European society.

2. What do citizens expect from agriculture?

Consumers expect security of food supply, and guarantees on food traceability, food safety and environmental and animal welfare standards. The CAP has delivered on its target to ensure reasonable prices for EU consumers, who now spend 13% of their household budget on food compared with 30% in the early 1980s.

Citizens understand that farmers under the CAP meet high environmental standards for sustainable food production and the provision of public goods, including water quality, landscape management, biodiversity and provision of carbon sinks.

Funding received by farmers through the CAP is redistributed throughout the rural economy, through expenditure by farmers on locally provided inputs, labour, goods and services.

There is an important role for the EU Commission to fully communicate the multifunctional benefits of CAP to the consumer and EU citizens.

3. Why reform the CAP?

Over the decades, the CAP has undergone significant reforms, to reflect the demands of EU consumers for high quality, environmentally sustainable food production.

However, for the producer, price and income volatility has increased greatly with the decoupling of payments from production and greater exposure to an increasingly liberalised world market. This is threatening the viability of the European family farm model.

Farmers' incomes in the EU are only 50% of average earnings. The CAP post-2013 must ensure a fair standard of living for farmers. The CAP structures must be adjusted appropriately to preserve the family farm model, address income volatility and to meet new challenges such as climate change.

The CAP Post 2013 must:

1. Allow farmers to respond to the demands of European consumers for high quality, environmentally sustainable food production;
2. Remove severe income volatility;
3. Support viable family farms;
4. Ensure that farmers are not forced to produce below the cost of production;
5. Support environmentally sustainable grass based production systems; and
6. Ensure that climate change goals are met whilst maintaining the production base.

4. What tools do we need for the CAP of tomorrow?

1. A fully funded index-linked CAP budget to achieve the diverse range of CAP priorities;
2. Direct funding support for active farmers to ensure sustainable and viable food production in the EU;
3. Agriculture-led Rural Development programmes, which reward farmers for the provision of non-market public goods, including measures that:
 - Support the continuation of farming and economic activity in areas of natural handicap;
 - Support greater efficiency at farm level;
 - Protect the rural environment; and
 - Assist farmers in tackling new priorities of climate change, renewable energy, water management & biodiversity;
4. Separately funded market support and management measures;
5. Measures to strengthen farmers' position in the food chain, including regulation of the retail sector, enhanced Producer Groups and increased collaboration at producer level;
6. Simplified payment system, by reducing unnecessary compliance checks on farmers
7. All imports must satisfy EU-equivalent standards on food safety, traceability, animal health and environment, while EU farmers must be allowed adopt new technologies to increase productivity and reduce their carbon footprint