
Visions for the future of agricultural policy in Europe

Declaration

on the occasion of the 2008 Congress of European Farmers



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Vision for a new Common Agricultural Policy

There have been several reforms of the Common Agricultural Policy (CAP) since the beginning of the 1990s but they have all been moulded by a situation of low world prices for farm products and abundant supplies. In fact, the CAP has been so successful in achieving food security for European consumers that past reforms of the CAP have progressively weakened support for the production role of agriculture, aimed at ensuring adequate and stable food supplies, in the belief that it was probably no longer necessary.

The world today is very different. We face new global challenges - rising demand for food, increasing price volatility and market turbulence, a surge in energy prices, rising demand for bio-energy and speculation in agricultural commodities. At the same time there are more environmental challenges, there is more climate uncertainty and the danger of disease spreading is increasing. This means greater instability in food supplies and volatile prices, to which the EU is now more exposed than ever following recent reforms of the CAP. With a new CAP reshaped for the 21 century, farmers – both men and women working on farms throughout Europe, as well as the future generation of young farmers, together with their cooperatives - will be able to make a substantial contribution to meeting these new challenges.

1. European farmers and their cooperatives have the capacity to provide consumers in the EU with secure and stable supplies of safe food in a rapidly changing and uncertain world

Over ninety per cent of CAP support payments have now been decoupled from production, giving EU farmers the freedom to farm in response to market signals. However, there is concern that decoupling is leading to the abandonment of production in certain regions. In addition, EU trade policy is making all farmers, as well as consumers, much more exposed to world market fluctuations in commodity prices and supplies and these are becoming even more volatile than in the past. There is a clear danger that the further opening of markets could lead to a contraction in EU production in certain key sectors which, once lost, would be difficult to regain. This would threaten the EU's strategic food independence.

It is therefore extremely important that the CAP of the future provide a stable framework for the development of EU agriculture's full production potential through measures to encourage increased productivity and competitiveness and measures to ensure the proper functioning of the market.

2. Farmers are producing a rich diversity of value-added traditional and innovative foods and added value products

The EU has a worldwide reputation for its rich diversity of high-quality traditional, locally-based and innovative foods. As incomes in countries such as India and China rise,

The new CAP should ensure we make the most of the EU's rich diversity of high-quality foods, its growing importance in the economy and its potential to export and ensure that consumers are fully informed about the products they purchase.

The new CAP should ensure that EU farmers are able to meet Europe's costly and rigorous standards and still remain competitive internationally.

The new CAP should ensure that agriculture can continue to contribute to employment and the economy of rural regions by maintaining production possibilities throughout the EU.

the EU's potential to increase its high-quality food exports will become increasingly important and must be promoted.

Farmers are working to improve their competitive position and provide added value to their products in increasingly globalised and open markets. A reinforcement of EU agricultural cooperatives is important in this respect as they provide the tools to help farmers improve their competitive position by structuring the agri-food chain, creating added value and reducing production costs as well as by helping farmers to adjust to new market requirements (quality protocols, environment etc.). In addition, they enable farmers to improve their position vis-à-vis supermarket chains and the agri-food chain by concentrating supplies and improving the position of farmers on the market. In order to make the most of these new business opportunities, both on home and overseas markets, it is extremely important for products to be clearly identified and promoted for their origin and the production methods used, so that consumers can make informed choices.

3. EU agriculture leads the world in ensuring all production meets sustainable criteria

Society in Europe has shown that it attaches great importance to maintaining the highest sustainability standards. This is why farmers in the EU respect some of the most rigorous rules and regulations in the world and ensure that all production is carried out in a way which protects our natural resources (air, water, soil), respects animal health and welfare and maintains biodiversity and an attractive countryside. Yet, it must be recognised that meeting these standards means higher costs for farmers and reduces their competitive position on the EU and world market.

Over recent years this problem has become more acute. EU trade policy is opening the market to imports which, in most cases, do not have to meet the same costly sustainability standards. It is absolutely essential that imports meet EU food safety standards. Imports must also meet equivalent environmental and animal welfare standards, but so far this has by no means been achieved.

In order to ensure that EU farmers can continue to meet these high but costly standards and fulfil their wider multifunctional role in rural regions they will have to be remunerated either via the market or via the budget.

4. EU agriculture is essential for a vibrant economy and greater employment opportunities in rural areas

Agriculture, together with the food industry and farm supply sector, is one of the EU's most important economic sectors, generating a total turnover of some €1270 billion and providing employment for over 40 million people both on farms and in the agri-food and supply sectors. The presence of both men and women farmers is particularly important for the maintenance of the social fabric in rural areas and sustainable agriculture. It is therefore important to maintain both men and women farmers in the sector and to encourage young men and women to start a farming career.

Agricultural cooperatives play a key role in ensuring farmers maintain a strong and competitive position on the market. They are farmers' agri-food enterprises, providing services to farmers and encouraging joint purchases, collection services and technical assistance etc. By actively participating in the economy of producer regions, they thereby contribute to improving the quality of life of the rural population and provide strong links between rural activities and urban requirements.

In more remote and difficult areas, vast tracts of land would become desolate and unoccupied without the mainstay of agricultural production and cooperatives, with a detrimental effect on infrastructure, tourism and landscape. The disappearance of production in many regions would also seriously reduce the present rich diversity of foods, local traditions and crafts for which the EU has a worldwide reputation.

This highlights the importance of attracting future generations into farming so that the EU can maintain a strong, competitive and sustainable agri-sector within its borders.

The new CAP should ensure that farmers' role as stewards of the countryside is developed and that the public services they provide are adequately remunerated.

5. Farmers are the stewards of the EU's countryside

The production of food and a range of renewable non-food products by EU farmers in accordance with sustainable criteria has numerous positive side-effects and results in an attractive and well-maintained landscape. Farmers are also agricultural land managers, providing public services such as the maintenance of biodiversity, the conservation of wildlife habitats (e. g. wetlands, dry meadows and mountain pastures), water management, the prevention of erosion and an attractive landscape. EU farmers carry out schemes to protect the environment on over 40 % of arable land and manage Natura 2000 sites covering over 42.5 million ha. Farmers are also improving the environment through land management in less-favoured areas covering over 38 million hectares.

This contributes to the attractiveness of rural areas for the approximately 150 million people who live there. But it is also essential for attracting the millions of EU and non-EU visitors to rural areas both as tourists and users of rural amenities. Three-quarters of all EU bed places are to be found in rural areas and tourism is one of the fastest growing sectors of the economy. Farm's contribution to tourism can therefore play a decisive role in promoting the socio-economic development of rural regions.

6. Farmers are working hard to reduce greenhouse gas emissions

Farmers are particularly aware of the need to combat climate change as they are already seeing the consequences first-hand – changing harvest times, effects of early or late frosts, fires, flooding and drought.

The EU authorities have recognised that the agricultural sector reduced its greenhouse gas emissions by 20% between 1990 and 2005, much more than the 8% overall reduction in emissions in all sectors. Farmers are carrying out a range of activities such as using biomass generators, solar heating, converting waste products and manure to generate fertiliser and energy and providing electricity to the national grid from wind power. However, if the EU is to ensure its food production potential in future, farmers should be helped, particularly through research and technological innovation, to both mitigate and adapt to the effects of climate change. Farmers are also making an important contribution by providing carbon sinks, and this should be acknowledged.

7. European agriculture can make an important contribution to fighting climate change through the production of renewable resources

Farmers not only produce food: their products from crops can also be used to produce biofuels and renewable industrial materials. In addition, wood, straw and manure can be used for biogas and other forms of heating. These forms of energy significantly reduce CO₂ emissions as well as the EU's dependency on imported fossil energy. As advances are made in current technologies it will also be possible to convert wood, straw, manure and other forms of lignocellulosic biomass into liquid biofuels. EU producers will not only have to show that their biofuel production contributes to a significant cut in CO₂ emissions but also that their biofuels have been produced according to strict sustainability criteria. Only if these conditions are met will it be possible to use these crops to meet the EU's compulsory targets for the replacement of fossil fuel with biofuels. It is important to maintain these targets as transport is the prime source of CO₂ emissions in the EU. It is also necessary to ensure that imports meet equivalent sustainability criteria, not only to ensure fair competition but also to prevent environmental damage and deforestation, the latter being the primary source of CO₂ emissions in developing countries.

EU policy should promote more urgently-needed research to understand the implications of climate change for agricultural production and to help farmers both mitigate and adapt to the effects.

EU agriculture has significant potential to produce renewable non-food resources which can contribute both to reducing CO₂ emissions and greater energy independence, and EU policy should ensure this potential is fulfilled.



The new Common Agricultural Policy should reflect our future ambitions for European agriculture

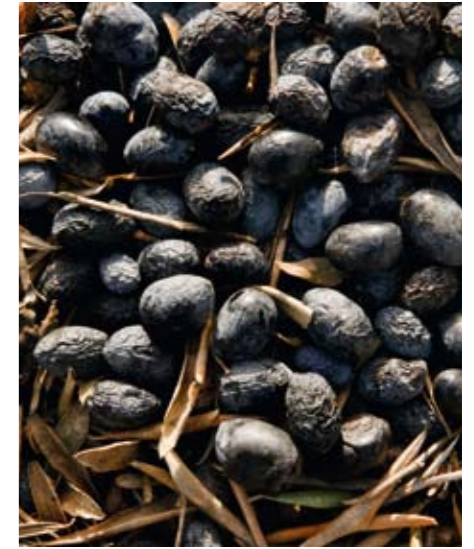
Copa-Cogeca believes that the future CAP should, first and foremost, enable farmers to meet EU citizens' aspirations and concerns in the face of the challenges of the 21st century. One of the most important challenges will be to enable men and women farmers to optimise their production potential and competitiveness while at the same time enabling them to meet the highest standards of safety and sustainability and contribute to maintaining rural areas which are attractive places to live and provide employment and prosperity. In other words, the multi-functional role of farmers will be more important in the future than ever before.

Before discussing the future financing of the CAP after 2013, it is essential to obtain a consensus on the objectives of the CAP in the decades to come and how these objectives could best be achieved. Copa and Cogeca believe that if the future CAP is to meet citizens' aspirations and concerns it should be based on the following principles and objectives.



The future CAP should be based on recognition of the following principles:

- the vital nature of the economic role of farmers – to provide essential food supplies – and their wider role of meeting society's territorial, environmental and social objectives distinguish agriculture from other economic sectors
- the CAP of the future should recognise that farmers are entrepreneurs and wish to obtain as large a proportion of their income as possible from the market. However, it should also be clearly recognised that farmers provide services, some of which are not currently adequately remunerated through the market and others which never will be
- agriculture should contribute to the reinforcement of the European Union – the CAP must remain a common policy with common rules to ensure that competition within the single EU market is not distorted, while taking into account the diversity of European agriculture
- financial solidarity is necessary to ensure greater economic and social cohesion and integration throughout the EU of 27 Member States and a greater rural/urban balance.



Objectives of the new CAP:

The over-riding objective of the CAP should be to ensure a sustainable agricultural sector in Europe – economically, environmentally and socially – which meets European society's needs and plays its part in responding to world challenges. In particular, to:

- provide a stable framework for the development of agricultural production, through increased productivity and competitiveness, as well as the proper functioning of the market, so that the EU's strategic independence of supply in all its key production sectors is maintained and consumers are thereby assured secure, stable and safe food supplies and so that the EU is also able to contribute to meeting the rising world demand for food
- ensure the maintenance of a rich diversity of high-quality food from different rural areas throughout the EU and ensure that consumers are fully informed about the food they purchase
- ensure that all production is carried out in a way which protects the environment (air, soil, water), protects animal welfare and biodiversity and provides an attractive countryside
- optimise EU agriculture's contribution to economic and employment opportunities in rural areas throughout the EU
- encourage land management practices which promote biodiversity and resource and habitat conservation, taking into account specific regional conditions
- help farmers both mitigate and adapt to the negative effects of climate change
- ensure EU agriculture's contribution to reducing CO₂ emissions and the EU's dependence on energy imports through the production of renewable non-food resources
- ensure a fair standard of living for agricultural producers and long-term prospects which will attract future generations of both men and women farmers to a career in farming.

PRESENTATION OF COPA AND COGECA:
THE VOICE OF EUROPEAN FARMERS AND THEIR COOPERATIVES

Copa (Committee of Professional Agricultural Organisations in the European Union) and Cogeca (General Confederation of Agricultural Cooperatives in the European Union) are the organisations which represent the vast majority of farmers and their cooperatives in the European Union. These organisations represent 15 million people working either full-time or part-time on EU farm holdings and more than 40,000 cooperatives. They have 76 member organisations from the EU Member States. Their aim is to defend the general interests of agriculture.

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