

Developments of the CAP in 2010 & preparation for accession by CCs and PCs

Nuno Vicente
DG AGRI – Unit B.2 – Enlargement

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Content

- Main developments within the CAP in 2010/11.
- Preparation of Candidate countries and Potential candidates.



CAP developments

Main developments within the CAP in 2010/2011:

- Communication on 'The CAP towards 2020'
- Quality package 2010
- Other developments:
 - Milk package
 - Farm Advisory System



CAP towards 2020

Background of reform

- Entry into force of Lisbon Treaty
- Budgetary framework ends in 2013
- Need to align CAP post-2013 to Europe 2020 strategy

Public debate

- Strong public interest in Commission call to public: 5 600 contributions
- Very successful Conference in July: 600 participants
- Council, EP, EESC, CoR discussions and/or opinions

The Communication

- Reflects broadly identified policy challenges
- Responds to the public debate and outlines broad future options
- Launches inter-institutional debate and prepares legal proposals

CAP towards 2020: why the need for reform?

To respond to challenges ahead

Economic challenges

- Food security
- Price variability
- Economic crisis

Environmental challenges

- GHG emissions
- Soil depletion
- Water/air quality
- Habitats and biodiversity

Territorial challenges

- Vitality of rural areas
- Diversity of EU agriculture

Equity and balance of support

Contribution to Europe 2020 strategy



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CAP towards 2020: which objectives?

Viable food production

- To contribute to farm income and limit its variability
- To improve sector competitiveness and share in food chain value-added
- To compensate areas with natural constraints

Sustainable management of natural resources and climate action

- To guarantee the provision of public goods
- To foster green growth through innovation
- To pursue climate change mitigation and adaptation

Balanced territorial development

- To support rural vitality and employment
- To promote diversification
- To allow social and structural diversity in rural areas

Common EU response needed



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CAP towards 2020: what instruments?

Better targeted to objectives

Direct payments

- Redistribution
- Better targeting
- Redesign:
 - *Greening of direct payments*
 - *Capping of payments*
 - *Small farmers support*
 - *Areas with specific natural constraints*

Market measures

- Market orientation
- Streamline and simplification
- Improved food chain functioning

Based on two pillar structure

Rural development

- Environment, climate change and innovation as guideline themes
- Improved coherence with other EU policies
- More effective delivery mechanisms
- Address risk management
- New distribution criteria



CAP towards 2020: what options?

Option 1

Continue the reform process by introducing further gradual changes while adjusting the most pressing shortcomings (e.g. more equity in the distribution of direct payments)

Option 2

Capture the opportunity for reform ensuring that CAP becomes more sustainable and balanced (between policy objectives, MS and farmers) through more 'green' targeted measures

Option 3

More fundamental reform focusing entirely on environmental and climate change objectives through rural development, moving away from income support and most market measures



Direct payments Market measures Rural development	• More equitable distribution among MS and among farmers	• More equitable distribution among MS and among farmers • Greening of direct payments • Capping of payments • Increase small farmers support	• Gradually phase out direct payments
	• Streamline and simplify existing measures	• Streamline and simplify existing measures	• Phase-out most measures • Keep disturbance clause for severe crises
	• Continue emphasis on climate change, biodiversity, bio energy and innovation	• More focus on environment, restructuring and innovation, climate change, local initiatives • Risk management tools and income stabilisation tool • New distribution criteria	• Primarily focus on measures linked to the environment and the delivery of public goods
	Option 1	Option 2	Option 3



CAP towards 2020: next steps

Inter-institutional debate on the Communication

Preparation of Impact Assessment (IA)

- In-depth Commission analysis of new policy settings, options and their economic, social and environmental impacts
- Stakeholders consultation: analytical contributions from stakeholders based on Consultation document published on the 23th of November

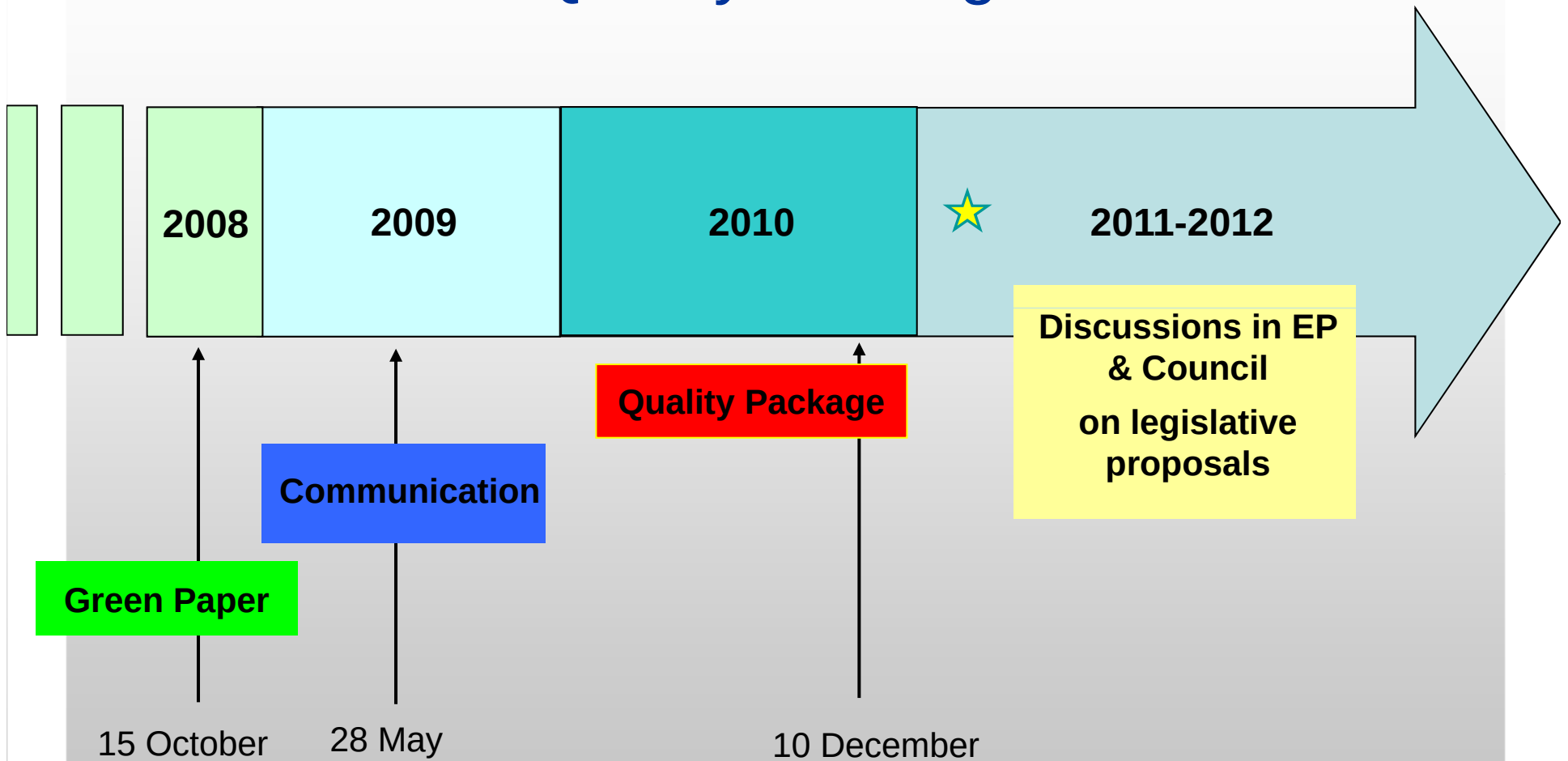
Preparation of Legal Proposals

Legal proposals will be presented in the second semester of 2011



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Quality Package



Quality Package

Minimum requirements

Proposal on **Marketing standards**

COM(2010) 738

- General marketing standard
- Place of farming
- Lisbon alignment

EU quality schemes

Proposal on **Agricultural product quality schemes**

COM(2010) 733

- PDO/PGI
- TSG
- Optional Quality Terms
 - 'free range' (poultry)
 - 'first cold pressing' (olive oil)

Private and public initiative

Guidelines on **Labelling of foodstuffs with PDO/PGI ingredients**

2010/C 341/04

Guidelines on **Best practices for Voluntary Certification schemes**

2010/C 341/04



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Other developments

- **Milk package:**

- Aim: Boost for the dairy producers in the dairy supply chain and preparation of the sector for a more market oriented and sustainable future.
- Presented on December 9, 2010. To come into effect most likely in 2012.
- The measures are proposed to be valid until 2020 with two intermediate reviews.



Other developments

- **Farm Advisory System (FAS)**
 - Aim: Helping farmers to better understand and meet the EU rules for environment, public and animal health, animal welfare and the GAEC (**G**ood **A**gricultural and **E**nvironmental **C**onditions). To be offered by the MS from 2007.
 - **Evaluation study** of the implementation was carried out for the Commission and published in December 2009.
 - In November 2010 the Commission published a **report on the application of the Farm Advisory System**.
 - Aim: Provide input for a debate in the Council and the European Parliament in the course of 2010-2011. Conclusion: **Management of the FAS shall be improved.**



Preparations by Candidate Countries

- **Croatia:**
 - On-going open negotiations on chapter 11; Croatia preparing to meet closing benchmarks and close the chapter
- **Turkey:**
 - Main priority is to meet opening benchmarks on chapter 11, but preparations on different areas of this chapter continue



Preparations by Candidate Countries

- **The former Yugoslav Republic of Macedonia:**
 - Candidate country status but negotiations not open
 - IPARD implementation continues to be priority
 - Several issues related to Direct Support, Single CMO, Paying Agency, IACS become more relevant
 - Geographical Indications, Organic farming and FADN also important



Preparations by Candidate Countries

- **Montenegro:**
 - Candidate country status but negotiations not open
 - Main priority for 2011 is to advance decisively on preparations for future implementation of IPARD
 - Other areas to focus on are similar to potential candidates



Preparations by Potential Candidates

- Preparation for future implementation of IPARD
- Agricultural information systems; capacity for policy planning and implementation; upgrading of land/farm registers
- Areas of chapter 11 *acquis* that could be considered for early preparations:
 - Quality-related standards (in single CMO reg and Directives)
 - Fruit & Vegetables, Olive Oil, Wine
 - Milk and milk products
 - Beefmeat, Piguieat and Sheep/Goat meat; Poultry and Eggs; Honey
 - Producer Organisations (PO's)
 - Geographical Indications and Organic Farming

- More information:

http://ec.europa.eu/agriculture/index_en.htm

http://ec.europa.eu/agriculture/enlargement/index_en.htm

Thank you for your attention!



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