



*European Economic and Social Committee
The President*

Budapest, 02 October 2012

**Copa-Cogeca European Farmers Congress 2012
“The Future Common Agricultural Policy (CAP): How European Farmers can
ensure Food Security innovatively and profitably”**

Staffan Nilsson's speech

Seul le texte prononcé fait foi
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Check Against Delivery

In Opinion NAT/520 of 25 April 2012 (rapp. Slavova) on the Commission's legislative proposals, the EESC has renewed its call to the European Parliament, the Council and the Commission for **a robust CAP budget to be maintained** at least at the same level as in the current period.

The greening component of Pillar I is a way of creating a stronger and more visible link between direct payments and the public goods produced by farming. The EESC believes that this system should ensure environmental outcomes from all farmers across the EU.



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The Committee has drawn attention to the need to ensure that important aspects of **Pillar II** are not completely disregarded. The principle of earmarking 25% of funds for environmental protection measures and climate change measures is therefore important.

The EESC considers that Pillar II should reflect the huge problem of **drought, soil erosion and desertification in the southern regions** of the EU and recommends drafting a special measure to address this issue.

The extreme price volatility experienced in recent years points to the need for more effective market management. Under the Treaty, one of the aims of the CAP is to **stabilise markets**. Stable markets are important. For this reason, the EESC believes that the market instruments tool box should be much more ambitious, in order to avoid major price fluctuations.

The Committee feels that efforts are needed to balance commercial supply against the **market power of big retail**. Consideration should be given to whether competition law is enough to prevent the emergence of market dominance and questionable contractual practices.

It is vital to strengthen the position of farmers and their organisations in the food supply chain, in order to secure a better return from the markets. It is also of paramount importance for EU competition rules to be adjusted to allow producer organisations and cooperatives to strengthen their positions on the market. In order to increase the bargaining power of farmers within the food production chain, the EESC also considers it necessary to create conditions for developing **short supply chains** managed directly by farmers.

The Committee believes that the **risk management tools** should help reduce the fluctuation of income and market instability. The strengthening of insurance products and the creation of mutual funds should help farmers facing higher price volatility, greater exposure to new animal and plant diseases as well as more frequent poor weather conditions.

The EESC believes that the CAP must be a primary instrument for forging alliances with consumers, encouraging provision of relevant information on how food has been produced throughout the value chain or life cycle. Products must be **clearly traceable by the consumer**, who could be the best ally in achieving



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more sustainable European agri-food production which respects the environment and creates better jobs.



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