



European Economic and Social Committee

Common Agricultural Policy

Conditional support for Commissioner Ciolos' proposals on EU farm reform

In the year when the EU's Common Agricultural Policy (CAP) turns 50, the European Economic and Social Committee (EESC) has greeted the Commission's legislative proposals with interest and noted that some – although certainly not all – of the recommendations made in its previous opinions have been taken into account. Most importantly, the Committee has repeatedly stated that the future CAP must be driven by a determination to defend the European agricultural model, which is based on the principles of food sovereignty, sustainability and responsiveness to the real needs of farmers and consumers.

According to the EESC, the European agricultural model cannot operate at world market prices and conditions and does not come free of charge. Reflecting the Commission's efforts to build a new partnership between Europe and its farmers, the EESC considers that, although the proposals have the right focus, they still need significant adjustments in a number of areas.

One positive aspect of the new reform tabled by the European Commission is the effort to close the gap between the level of support received by farmers in the different Member States. The main features for the future CAP in terms of the redistribution of financial resources among Member States should be balance, fairness and pragmatism, bearing in mind the agricultural diversity across the EU.

Greening the CAP

With a view to strengthening their rural development policy, Member States are given the option to transfer funds from their direct payments envelope (Pillar I) to their rural development envelope (Pillar II). At the same time, Member States in which the level of direct support remains lower than 90% of the European average should be allowed to transfer funds from their rural development envelope to their direct payments envelope.

Such choices should be made, within certain limits, once and for the entire period of application of this Regulation. Furthermore, the EESC wants the Commission to increase from 5% to 10% the flexibility for transferring funds from Pillar II to Pillar I.

The greening component of Pillar I is a way of creating a stronger and more visible link between direct payments and the environmental public goods produced by farming. Maintaining biodiversity is a key task which not only represents an ethical and moral obligation but is also of strategic importance in the long term. There are sufficient economic reasons to act more quickly and more effectively.

Pillar II on the other hand should reflect the huge problem of drought, soil erosion and desertification in the southern and Mediterranean regions of the EU, which is why the EESC recommends drafting a special measure to address this issue. At the same time, however, account should be taken of the additional costs incurred in northern Member States for draining agricultural land.

At the marketplace

The EESC reminds the Commission, the Parliament and the Council that the extreme price volatility experienced in recent years points to the need for more effective market management instruments. It also calls for better supply-demand coordination and rebalancing of market power along the food supply chain. 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 strong price fluctuations.

Since 77% of the EU-27 food market is already controlled by only fifteen commercial chains, efforts are needed to balance commercial supply against the power of the distribution market. 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. The EESC welcomes the extension of product coverage for recognition of producer organisations, their associations, and inter-branch organisations. It is also of paramount importance that EU competition rules 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 EESC believes that the CAP must be a primary instrument for forging alliances with consumers, encouraging the 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 more sustainable European agri-food production which respects the environment and creates better jobs.
