A NEW AMBITION FOR EU FOOD SYSTEMS

Yves Madre, Farm Europe
19 April 2017
10 years of stagnation in the EU

€ Production

Agriculture Crops Livestock

Cereals Vegetables

EU-28 EU-15 EU-13


Price volatility is the new normal

Amplitude in the European Union (2004-2016)

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<td>87%</td>
<td>51%</td>
<td>62%</td>
<td>442%</td>
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Biggest fall in comparison with average

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<tr>
<td>35%</td>
<td>23%</td>
<td>35%</td>
<td>57%</td>
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Source: Eurostat
1 100 000 farms produce 80% of EU agriculture production

3 000 Food companies generate 50% of the total turnover

5 retailers control between 43% to 69% of each EU national food markets

Equilibre de la Chaine alimentaire
3 challenges to overcome

• Competitiveness
  – World (& UK) : 15 % production UE.
  – Smart Investments & smart strategy and food chain

• Climate change & societal demands
  – Switch from prescriptive approach to result based policy
  – Farmer as responsible entrepreneur

• Resilience / climate – sanitary – markets crises & volatility
  – Direct payments : needed and legitimate
  – Volatility : to propose efficient & cost effective tools
    • Climate insurance
    • Mutual funds
    • Individual savings
    • EU fund for crises prevention ?
An effective CAP for growth and sustainability

• Next reformed CAP : 2022
  ‒ Need of stability
  ‒ Political agenda : focus on Brexit

• Evolution not revolution

• 3 challenges → 6 actions

• 1st Deliverables in 2018 :
  ‒ Resilience & food chain
#Action 1: **New income protections**

**Climate & environmental risks**

155 Million hectares covered (Crops, vineyards & pastures)

means **€4.7 billion** for the CAP budget

**Milk Mutual Fund**

+9% income

€1.4 billion for the CAP budget

**No milk crisis** in 2009, 2012 & 2014

Farm Europe's simulations for the period 2005-2015 with 20% losses triggering a 80% compensation; 65% of the premium subsidised; if 100% EU farmers apply on a voluntary basis.
#Action 2: A new deal in the food chain

Europe as the relevant market

Contracts as a right

The right to get organised, to negotiate price, volume and value added repartition
#Action 3: **Sustainability**

Investments for an innovative and modern agriculture

Securing the economic environment to encourage green investments

A new results-oriented regulatory approach

![FARM EUROPE logo]
#Action 4: A new dynamism for LFA & intermediate areas

- Improve governance of public support to encourage economic strategies
- Support market segmentation, whenever possible
- Encourage non-food investments and wide branch approaches
- Strengthen farm structures
#Action 5: Agriculture & Science

Stop the battlefield approach of the EU food chain on nutrition & health issues

Build a sound regulatory approach, based on science & clear guidelines

Develop a framework for action to lay down the foundations of a more efficient communication

Restore the “Common” market approach under a truly EU leadership
#Action 6: Trade & Brexit

Set efficient safeguards in the future EU/UK FTA to keep control of EU trade strategy

Get prepared for more competition on UK market & pressure on CAP budget

Develop sectorial strategies to better cope with global competition
L’agenda…

- 2017 : Omnibus financier
- Mars 2017 : art 50 Brexit → mi 2019
- 2017 : Elections FR et ALL
- Nov 2017 : Communication sur PAC
- Stratégie EU mobilité /decarbonisation
- Début 2018 : Propositions MFF prochain cadre budgétaire.
- 2019 : Elections PE, changement Commission, Brexit
- 2020 (→ 2022/23) Réforme PAC.

**Omnibus financier, 1er RDV à ne pas manquer**
2017 : Quelles propositions des acteurs éco agri-food à la société UE ?
A renewed Ambition for EU agri policy

7 février 2017 – EP, Brussels
October 2017, GFF2017, Italy

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The Global Food Forum will gather passionate business and political leaders willing to share insights on their vision as well as on possible pathways for future developments to enhance both economic performance and environmental sustainability.