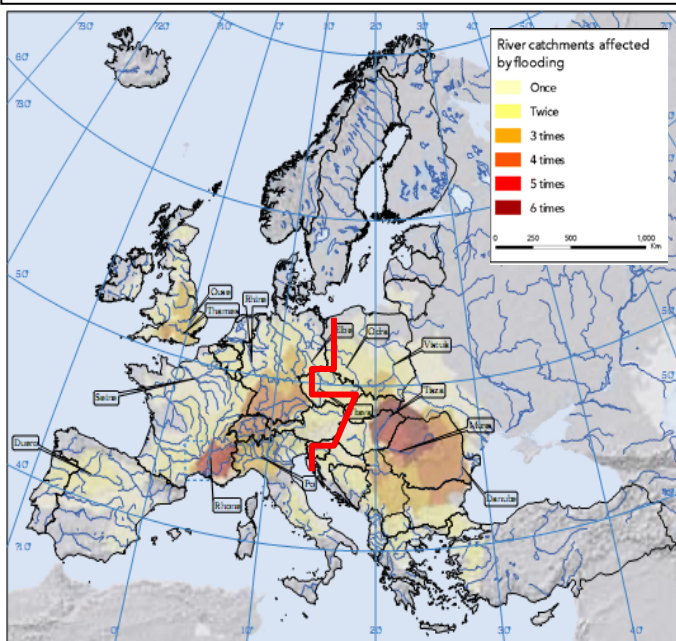


Statement on the new Common Agricultural Policy

Map1. Reoccurrence of flood events in Europe between 1998 and 2002



Source: ETC/TE, GISCO, JRC-IES, 2003

According to the EM-DAT international disasters database, “43% of the occurrences registered in the period between 1998 and 2002 are floodings. This period saw Europe afflicted with approximately 100 floodings causing severe damage and resulting in the evacuation of around half a million people and a loss of at least EUR 25 billion in secured economic assets”.

Almost on a yearly basis, albeit in different periods, floodings occur in several regions and countries of the EU, thereby destroying the agricultural production and even preventing farmers from accessing their farmlands due to the soaked soil. With no fault due on their part, farmers of regions afflicted with flood and drought damage thus get into a disadvantageous state in the common European market. The damage compensation and risk control system does not operate adequately.

“According to estimates, a total area of one million square kilometers have been affected by floods (the areas inundated by floodwaters on multiple occasions during this period were included repeatedly).

During the course of the twentieth century, the water discharge of rivers has significantly decreased in many south-European catchment areas while it has greatly increased in Eastern-Europe.”

Safe and equal opportunity production and market conditions!

No.I. As part of the strategic foundation of EU 2020, and as included in the scope of the provision on subsidiarity of the Lisbon Treaty [Article 3.b, Section (3)], the European Union should provide the budget conditions, institutional conditions and action mechanisms for the prevention, and the control of the negative effects, of floodings and other natural disasters through the coordination of the CAP and other community policy funds.

The European Union should accomplish the minimalization of climate and flood risks in agricultural production not only in a contributive manner but through technical, technological, amelioration, forestry, water regulation, etc. interventions offering a solution in the most severely affected member countries in the CAP period running till 2020 and should secure the necessary institutional, infrastructure and financing conditions.

No.II. The first pillar in the internal system of the CAP is to be maintained, however, it needs to be corrected and reformed.

The first pillar of the CAP did not result in any substantial cohesion between farmers of the EU15 and the EU12 in terms of equal opportunity in the market and economic potential.

The SAPS - inferior area-based subsidies provided for farmers of newly admitted member

countries did not serve equalization and equal chances in a flexible manner but rather it works against the integration process and may lead to a divergence.

The standardization and leveling of SAPS/SPS - area-based subsidies will inherently deepen the divide in the level of economic development among them, thus causing several anomalies among the member states.

The standardization can only be implemented if the economic power of EU12 farmers and/or the state intervention create equal chances for them with the potential of farmers of former and other member states and non-agricultural sector investors

- 1. specifically in the purchase and renting of land properties in their own member states and located near their operation centers, and*
- 2. in their ability to enter the market.*

Therefore, means of positive discrimination (subsidies and administrative) for all relevant factors must be implemented during the SAPS/SPS - area-based subsidies, which shall later be phased out gradually according to the completion of cohesion.

These are also justified by the strategic guarantees of the requirements of rural development: local self-employment, sustainability of identity of rural populations and regions, biodiversification and the traditionalism needed for rural tourism.

The common agricultural policy is a matter of the society at large, not just of farmers.

No.III. The population of the EU requires the sustainability of two constancies:

- *the safe and sufficient supply of food protecting their health and in line with their national nutrition habits, easy access to such food at prices affordable for all classes;*
- *the conservation of the natural environment and a livable countryside, the preservation of its identity during the course of production, cultivation and other interventions.*

Therefore, the new CAP has to focus on ensuring that the production and the shipping of the food required for the daily and healthy nutrition of the European Union population take place “in loco” to the maximum extent possible, or in case of an urban environment this should be solved from the suburban region and by shortening the chain of intermediaries.

This will contribute to the development of micro-, small-, and medium-enterprises relying on the consumption of the population in the countryside, while the shorter transport routes will decrease the environmental load and expenses due to logistics (shipping, packaging, etc.) and make the country lifestyle and identity more appealing.

The CAP should have as its priority the development and preservation of self-sustaining food agriculture with a quantity and quality concern in terms of biological and nutritional health aspects.

Any exports using production surpluses, as well as any imports adapted to nutritional habits and catering to a varied diet or filling any gaps may only come after this priority, which may not be superseded by any free trade aspects.

*

In summary, the horizontal aspects to be implemented in every element of the common European agricultural policy are:

1. the minimalization of flood and climate risks in agricultural production;
2. the food safety and quality nutrition of EU citizens;

3. the preservation and development of a European agriculture and food production capable of self-sustenance at a regional level of biologically sound and high-quality foods.
4. the conservation of the characteristics and identity of regions and the public assets of livable countryside;
5. the control of the negative impacts of environment and climate change;
6. the intervention measures aimed at the joint development of work opportunities and competitiveness;
7. the accomplishment of cohesion
 - the elimination of disparities between farmers of the EU15 and the EU12 such that this be accompanied by the actual catch-up of the latter and their enabling in the competition with equal chances,
 - among the polises with better developed infrastructure, employment, market and human resource services versus villages, peripheral areas, and disadvantaged regions.

Coherence to EU 2020 Strategy

*Following as above formulated and based upon the fact that challenges of the economic and employment crisis, of climate relation and of globalization as well, as additional requirements of a sustainable development require new, efficient solutions of European Union, no alternatives are to be implemented towards CAP (Common Agricultural Policy), one of the most important continental action of the Union, having been ratified both by CEC (Commission of the European Communities) and The European Parliament. **Thus CAP became evident without alternatives.***

Concerning to rural regions, agriculture and food industry CAP must contain the intelligent, sustainable and inclusive growth strategy of the EU 2020.

The following three basic fields are necessary to develop the social market economy of the next decade:

1. *intelligent growth that means to develop a knowledge and innovation based economy,*
2. *sustainable growth that means to develop a more resources-efficient, environmentally friendly and competitive environment,*
3. *inclusive growth that means to achieve actions in order to inspire an economic environment, which result providing high level employment, social and territorial cohesion.*

*

Aspects to CAP's internal structure, programs and actions

*Because of the mutual, coherent impacts and requirements of sustainable development, maintenance of European landscapes and rural heritage, climate change, employment, globalization, economic efficiency **the division of CAP into pillars I and II requires reconsideration.** The task of CAP will be placed into new dimensions by these criteria.*

*

Combined with cross-compliance criteria it is reasonable to maintain area based subsidy.

Preservation of rural employment is a great problem in many countries. Thus it must be considered, that a part of subsidies could have been connected to the legal employment.

It seems to be practical to consider a combination of admission of employment and social safety service of agricultural employees. In this case employee based subsidies could serve directly the social and/or pension insurance of agricultural populations.

Concerning land ownership and land use, it is important for Member States to receive autonomic rights in generating their own national land market regulations.

Conditions of subsidies in connection to soil shall be combined with actions in order to develop employment, preserving biodiversity and cross-compliance as well, as with those of landscape preservation and the prevention of natural harms.

Programs and actions should achieve more significant and numerous results concerning the following issues:

- *more balanced natural resource management*
- *reduction of the effects of global warming and climate change, elimination of negative impacts of the market*
- *landscape management, agricultural and food industry*
- *maintenance and sustainable management of the identity, the natural and cultural heritage of European landscapes*
- *increase the competitiveness of rural economic*
- *reduction of the economic migration of rural people*
- *sustainability of rural communities*

*

Neither the import, nor the production of GMO plants can be subsidized by CAP in coherence with priorities of biodiversity, biology and food safety guidelines. Agricultural and food import from countries with less strict food safety regulation as the EU's cannot be subsidized as well. This requirement cannot be subordinated to free-trade.

*

The new CAP shall accept stock-raising as a sector of European Union's agriculture, with strategic importance.

With the dynamic increase of the World's population the request after animal products is rising constantly.

Agriculture must principally aim the food service of local populations.

Climatic and geographic facilities of the European Union favor stock-raising, thus the Union is capable of self-sufficiency in the majority of animal products.

Oppositely the self-sufficiency of the EU decayed a lot during the last decade (not self-sufficient in beef and mutton). This dangerous tendency must be stopped and efficient actions have to be accepted in order to reduce food dependency.

*Environmental, animal welfare and identification investments are not producing ones, they muddy efficiency. **In the future these extra expenses must be accepted by the markets, either to be paid by the market (the customer) or to be financed from the central budget, but any combination of both is conceivable.** One of the basic sustainability conditions is also the rise of international competitiveness and efficiency in animal product production.*

Subsidies divided from the production shall not have been applied in sectors, in which the EU is constrained to import.

Development of pasture and meadows based stock-raising (mother cow-, ewe-raising), being parallel hereto an emphasized farming method, supporting conservation and biodiversity tasks. In these sectors we require production-conditioned subsidies.

Basis-financed subsidies must be reconsidered because they don't accept the up-to-date situation, they have been inherited from the past.

*

Forestry has a basic role in regional/rural development and in the employment, too. The role of forests in soil, water and climate protection is natural. Forests tie positive carbon

and store it during 120 years. Woody biomass is one of the extended reproducible sources for renewed energy.

- *In order to strengthen the multifunctionality of forests necessary are:*
- *Eligible subsidies in forest deployment.*
- *Maintenance of different forest functions must be reimbursed to the owner or maintainer of forests (and the reimbursement method/s of immaterial gathering in the forest must be elaborated on the EU level).*
- *Incomes from the carbon-dioxide quote must be reimbursed in renewing and maintaining forests.*
- *Climate change will require supervising our plant species policy and the questions of nativity.*

- *The representation of forests inside the EU by the setup of a self-standing forestry section.*

*

On behalf of the subsequent allocation of different pretenses (subsidies) required administration must be reduced to a necessary adequate level in order that farmers will get the resources after implementation as soon, as possible. Thus many years procrastination must be avoided.

*

It is worth to reconsider, that the reform of CAP shall be stretched over the next budget period for a ten years interval and afterwards in more sections up to 2050, including even the cycle to be closed in 2020. From 2004 a transition phase is required especially in order to switch contracts and the institutional surrounding.

The first section shall obviously refer up to 2020, the implementation period of the EU 2020 Strategic Program.

Budapest, June 3rd 2010

AMOSZ - Agrármunkaadók Országos Szövetsége [Association of Hungarian Agricultural Employers]

FATOSZ - Falusi és Agrárturizmus Országos Szövetsége [Association of Hungarian Rural and Agrotourism]

IPOSZ – Ipartestületek Országos Szövetsége [Hungarian Association of Craftmen's Corporations]

MEDOSZ - Mezőgazdasági, Erdészeti és Vízügyi Dolgozók Szakszervezeti Szövetsége [Federation of Agricultural, Forestry and Water Management Workers' Union]

MEGOSZ - Magán Erdőtulajdonosok És Gazdálkodók Országos Szövetsége [Association of Hungarian Private Forest Owners]

MTTSZ - Magyar Település- és Területfejlesztők Szövetsége [Association of Hungarian Settlements' and Regions' Developers] - representative

SZÖVET - Szövetség az Élő Tiszáért Egyesület [Alliance for the Living Tisza]