

Interprovinciaal Overleg



Position Paper on the CAP Health Check

Farming out of the Box

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Position Paper on the CAP Health check

Presented by the Dutch Provincial Cooperation, Working Group on EU Policy of the Advisory Committee for Rural Affairs

On behalf of the Dutch Provinces

"Farming out of the Box" =

*** From remaining competitively debilitating measures towards global public interests**

*** New solutions for new challenges**

Europe's Common Agricultural Policy is important today and will only become more important in the near future because of increasing global demand for food, feed, fuels and fibres. To meet this demand in respect of planet values, innovative actions at all levels must be encouraged. As a result, the CAP budget must be used to support food security, food quality, land and landscape management, climate change management and renewable energy.

The Dutch Provinces have studied global developments on the food, feed, fuel and fibre situation and have come to the conclusion that profound changes in executing the CAP are called for. As a result the Dutch Provinces urge the European Commission, the European Parliament, the Committee of the Regions of the European Union and the European Economic and Social Committee, to address the issues advised upon in this Position Paper in the upcoming "Health Check" Advice.

The Dutch Provinces want to underline that they are not asking the European Commission for specific local and regional incentives, but that they seek ways and means to implement global challenges into regional policy.

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The Dutch Provinces: stakeholders wishing to engage

The Dutch provinces are regional entities representing approximately 16,5 million inhabitants of the Netherlands. Position, competences and responsibilities of the provinces are defined under Dutch law. The twelve provinces are to be defined as NUTS 2 regions, interconnected in the four Dutch NUTS 1 regions. A list naming all twelve provinces is attached. The Dutch provinces are represented in the Association of the Provinces of the Netherlands (IPO) and are members of the Committee of the Regions of the European Union. IPO and the provinces have their offices in the House of the Dutch Provinces, Rue des Aduatiques 71 – 75, 1040 Brussels.

Dutch Provinces implement the Rural Development Programmes in the Netherlands

The Dutch Provinces have been assigned by the national government of the Netherlands, to carry out the execution of all Rural Development Programmes. It is their task to cooperate with e.g. farmer organisations, water boards, nature organisations, municipalities, local entrepreneurs, knowledge institutions, food processing companies, to ensure meeting targets and objectives. Specialised provincial officials are out in the field and engage in matters relating to agricultural and rural development every day, supporting initiatives, linking parties and experts and guarding the overall and integral quality of output and outcome of policies and programmes.

To also meet EU objectives, the Dutch Provinces execute the EFRD programmes and the major part of the EAFRD programmes, connecting these programmes and corresponding funds with national (the Investment Fund for the Rural Area) and regional funds and manpower.

The Kingdom of the Netherlands is highly urbanised and therefore faces challenges balancing agricultural activity, inhabitants inconveniences, industrial activity, housing and infrastructure. Nevertheless the Netherlands is a key player in food production and food export. Having large stretches of highly fertile grounds to hand, ample fresh water, famous knowledge institutions (Wageningen) and well educated employees the Netherlands is determined to continue production of dairy products, meat, flowers, crops and vegetables. In agricultural production, the Netherlands achieves the highest yield per hectare in the world.

Any change in the CAP will affect and should preferably support the agricultural objectives of the Dutch Provinces. The CAP affects the regional economy, socio-economic well-being and the environment. Therefore the Dutch Provinces are convinced that they can and should be involved in CAP reform initiatives.

The Dutch Provinces, represented by IPO, hereby present their advice on the Health Check.

Advisory opinion, recommendations on the Health Check

The Dutch Provinces urge the European Commission:

1. To maintain the CAP after 2013, but also to fortify and focus the CAP before 2013

2. To therefore connect the CAP to the following urgent global issues of high public importance:

- 1. Sustainable and safe production of food-, floricultural- and bio-energy products**
- 2. Sustainable trade in all agricultural products**
- 3. Food security**
- 4. Development and appliance of knowledge and innovation**
- 5. Landscape quality in peri-urban and tourist areas**
- 6. Availability of fresh water**
- 7. Availability of sustainable energy**
- 8. Control of consequences of climate change**
- 9. Preservation of soil biodiversity as a basis for sustainable land use**

3. To contend in a subsection in the Health Check:

That in the rural areas in the highly urbanised areas of Europe, the so called peri-urban areas, the crucial issues mentioned above, can only be addressed by using an integral, multidisciplinary approach on agriculture;

1. That in order to execute this integrated, multidisciplinary approach, regional bodies must be properly equipped with tools and be given dedicated responsibilities,
2. That in order to facilitate a prompt and active approach, a slight increase of the obligatory modulation will be proposed for the current period 2007 – 2013.

4. To alter the current CAP as follows:

1. To phase out the direct payments gradually and partially, in favour of measures supporting improvement of agricultural infrastructure, supporting modernisation of enterprises, supporting innovating food chain activities and supporting innovating the enterprises taking part in production, processing, transport and distribution of food and food related products;
2. To phase out the direct payments gradually and partially, in favour of measures supporting development, marketing and offering product market combinations which contribute to the crucial issues mentioned under 2;
3. To urge Member States to simultaneously and gradually phase out payments based on historical rights and to replace these by performance based payments;
4. To continue offering multiple possibilities for granting performance based payments; either on the basis of multi-annual contracts or as a single investment grant;
5. To offer opportunities to farmers' organisations to initiate the drafting and executing of sub-programmes;
6. To continue to work on a reduction of administrative burdens, on creating flexibility and on simplifying the Single Payment Scheme, in order to improve effectiveness and efficiency;
7. To focus on effective targeting of the objectives, thereby not automatically opting for increased modulation but to investigate the possibility of implementing the change of course desired under the Pillar 1 regime and even to consider a possible need for designing a completely new financial outline.

5. Considering necessary boundary conditions, the Dutch Provinces suggest:

1. That the European Commission should continue to seek to establish a general European Level Playing field but that the EC should also maintain possibilities for Member States to support national and regional diversification and opportunities;

2. That the EC Commissioner for Trade issues should urge the WTO-partners to establish agreements on fair and sustainable global trade and to mark the non-trade issues for the agenda. The EC could take the first steps by introducing food quality programmes and connecting food quality labels;
3. That the EC Commissioner for Competition should create the appropriate structures stimulating innovative actions in agriculture, supported by state aid.

Advisory opinion, recommendations on the CAP

The Dutch Provinces present their position and take into consideration:

1. That a strong increase in the demand for agricultural commodities and food, caused by explosive increase of world population, combined with increase of prosperity and purchasing power, will occur in the near future and sustain for the years to come:
2. That, apart from the increase in quantitative requirement, the growth in population and purchasing power will also lead to a strong increase in the demand for high quality foods, processed foods, meat and dairy foods and that this in turn will lead to an increasing scarcity of food crops including grains, fibres and other agricultural feed stock and raw materials;
3. That recent evidence suggests that the majority of the world population is living in urbanised areas within city boundaries and is dependant on rural land management efficiency for food and fresh water supplies;
4. That urbanised areas in addition present a strong need for national (nature reserves and countryside in the peri-urban area for leisure purposes and that cities therefore expect ample availability of attractive and accessible landscape within close reach;
5. That financial and political support for farming activities are at all times crucial and indispensable, in order to secure availability of the social needs as mentioned;
6. That in WTO-negotiation rounds, pressure to open food markets and decrease competitively debilitating measures will increase and that therefore different legitimate grounds for granting public support to farmers will have to be defined;
7. That the worldwide total of arable area and the total of crop area in particular, is currently decreasing as a result of climate change, all of which is illustrated by the occurrence of floods, droughts, forest fires, storms and other natural disasters,
8. That an explosive increase of usage of arable land for the production of bio fuels is resulting in a further decrease in the worldwide total of arable area,
9. That the worldwide total of arable area is decreasing further as a result of urban expansion and the development of more infrastructure,
10. That climate change necessitates further water management measures in terms of controlling water logging and preserving and managing fresh water supplies;
11. That the execution of the current CAP has led to a number of important incentive measures having become too entangled with the regular management of the agricultural business; that the current CAP is, at times, not sufficiently suited to appeal to entrepreneurship, initiative and the innovative behaviour required in order to secure future competitiveness;
12. That the agricultural sector is eager to take responsibility for directing the future CAP and that the sector is increasingly supporting its ambitions with implementation programmes;
13. That European agriculture cannot do without a powerful European common policy which, whilst taking into account the obvious physiological, social and economic

diversity of the European regions, steers towards strategic objectives and at the same time offers possibilities for enforcing regional opportunities and creativity;

14. That regional bodies have been assigned broad responsibilities for implementing and targeting the EU policy for Agriculture and Rural Development in the majority of the EU Member States and that regional bodies have gained considerable experience and expertise on the matter, such as the execution of the EAFRD and LEADER- programmes in the last decade.

Based on these findings, the Dutch Provinces give their opinion on the next CAP reform, submitting:

1. That European agriculture can pre-eminently connect both the Lisbon (knowledge, research, innovation) and the Goteborg (sustainability) objectives and set a worldwide example;
2. That the CAP is a powerful instrument for the EU to execute positive steering towards the serious global threats as mentioned before: shortfall of food, freshwater and energy;
3. That Europe is facing a major responsibility in providing European and global food security, that Europe should ensure proper usage of the EU arable area available to accomplish this and that the provision of food security represents public interest;
4. That in doing so, Europe has the social responsibility to focus on long term values and on well balanced People, Planet and Profit-principles;
5. That Europe has the social responsibility to put a maximum effort into the anchoring of the People, Planet and Profit-principles into the outcome of current and future WTO negotiations;
6. That Europe must stimulate and support the use and production of truly renewable energy in agriculture, not only focusing on bio-crops and bio-fuels, but also fortifying its policy on solar energy, wind energy, geothermal heat and cogeneration;
7. That Europe must stimulate and support innovating agriculture as a whole, not only addressing knowledge institutions, but also promoting system, network and chain innovation and promoting modernisation of all enterprises which are a part of the food production, processing, transport and distribution chain;
8. That professional land management must be implemented to ensure that fertile agricultural land is kept in good condition in order to secure sustainable use for food production for the internal and external market;
9. That specific agricultural areas are of the utmost importance for preserving and restoring biodiversity and nature values and that these public interests represent a financial value, eligible for payments;
10. That specific agricultural areas are of the utmost importance for offering leisure possibilities and that these public interests represent a financial value, eligible for payments;
11. That specific agricultural areas are of the utmost importance for executing water management and that this public interest represents a financial value, eligible for payments;

12. That in general the specific areas per 9, 10 and 11 could be considered Less Favoured Areas, additional to present LFAs;
13. That intensive cooperation of private and public partners is of the utmost importance in order to achieve these objectives.

Attachment

Provinces and IPO

The twelve Provinces cooperate through the Association of the Dutch Provinces (Interprovinciaal Overleg, IPO). In doing so they aim to enhance the conditions under which the provinces operate, and to stimulate innovative processes within the provinces. IPO operates within the same policy areas as do the provinces, e.g. environment, rural area policy, welfare, spatial policy, housing, economy, and mobility.

IPO performs three core functions: lobbying, platform, and innovation. The provinces are represented within the Board, which consists of thirteen members. The General Assembly consists of sixty provincial representatives, five from each province.

The IPO office is situated at the centre of The Hague and consists of about sixty employees.



Location of IPO office, The Hague

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