

**Speech by Commissioner Phil Hogan at COPA/COGECA  
Congress 2016**

***- "Opportunities for European Agriculture: Green Growth  
and Dynamic Markets"***

***A Debate on the Future of European Agriculture to Ensure an  
Economically Viable Sector.***

**6th October 2016, Athens, Greece.**

- Check Against Delivery –

- Thank you for your introduction Tony.
- Minister Apostoulou, President Merrild, President Magnusson, Secretary-General Pesonen, distinguished guests, ladies and gentlemen,

- It is my great pleasure to be here with you in Greece today. This is my first official visit as Commissioner and so I'm glad finally to be able to accept the Minister's invitation to visit and to join all of you at this Congress.
- I'm also very much looking forward to speaking at the Pan-Hellenic Congress tomorrow and to gaining further insight in to the agriculture and food production of Greece and the Mediterranean region.
- As I was preparing to travel here, I read the Copa-Cogeca press release and found myself nodding in agreement with the remarks of the COPA and COGECA Presidents. I don't think that any of you could disagree with President Merrild when he said *"we are facing more and more challenges, seeing farmers being squeezed harder than ever by low market prices and high input costs."*
- I agree also with his assertion that *"it is vital to produce more and better using less resources so that producers can contribute to one of the biggest challenges over the next decade: the need to produce more food for a growing world population"*.

- I am pleased, therefore, that you have set yourselves the objective at this Congress of looking at *"how best to invest to deliver a sustainable, viable European agriculture sector in the future."* And, President Merrild, you are absolutely right when you say that *"the CAP is the tool to achieve this and it must be strong, common and simple."*
- Likewise, I agree fully with President Magnusson's assessment that *"a strong export strategy aiming at opening new export markets combined with successful trade agreements is vital."*
- Indeed, this is an opportunity for me to put on record my appreciation for the support shown by COPA-COGECA for my diplomatic offensive and recent trade missions to Colombia and Mexico and to China and Japan. I'm sure that I will see more familiar faces when I visit Vietnam and Indonesia in a few weeks' time.
- The title of your Congress is also particularly appropriate because there are undoubted opportunities for European agriculture and the future is green growth and increasingly dynamic markets.

- The key to achieving these opportunities is sustainability – as recently as last week, the FAO identified sustainable agriculture as being "*paramount to eradicate extreme poverty and hunger*".
- The FAO also estimates that agricultural production must rise by 60 per cent by 2050 to feed growing population. Food security has been a crisis in Europe in previous decades and it presents a real threat today and will continue to do unless it is addressed.
- Europe and European farmers can be part of the solution and we must help them to do so through the Common Agricultural Policy, which itself has delivered food security for the people of Europe for more than 50 years.
- Sustainability means that, while we increase food production, we must pay particular attention to the protection and improvement of natural resources – to soil, water and air quality.

- We must farm in a way that protects and enhances those resources and President Magnusson is right when he says that we must see *"how we can further develop smart farming and precision agriculture which enables producers to save on input costs and produce more efficiently"*.
- Ladies and gentlemen, that's what it's all about – how can we do more with less? I know that this presents a challenge in many parts of Europe, not least in Mediterranean regions where climate change is putting an increase pressure on the availability of secure supplies of water.
- The fact is that the CAP of today is one that has strong environmental credentials and, together, you as farmers and I as Commissioner have a shared obligation to ensure that the CAP delivers fully on its environmental objectives, thus strengthening the contribution of the agri-food sector to the EU's international sustainability and climate obligations.
- This Congress has, at its core, a vision to look to the future and that's what I want to do too. But before doing so, it's necessary to reflect a little on recent events.

- I appreciate fully that farmers have a difficult few years, particularly in the dairy and pigmeat sectors and I know that there are continuing pressures in other sectors, as I heard for myself when I visited the Sommet de l'Élevage in Clermont-Ferrand yesterday and spoke to French farmers.
- At the end of this month, I will have been two years in office as Commissioner for Agriculture & Rural Development. Those two years have largely been dominated by crises in certain agricultural markets and my focus, together with that of my Commission colleagues, has very much been supporting hard-hit farmers, stabilising the agri-food sector and putting smart blueprints in place for the future.
- I would recall that, in those two years, the European Commission has mobilised in excess of €1.5 billion in additional support for the livestock and fruit and vegetable sectors.
- This, it ought to be noted, is in addition to the €56 billion that the European Union spends every year to help millions of farmers in every country of the EU.

- The Commission's response to the difficulties in the market was speedy, comprehensive and robust. Securing additional support of €1.5 billion has to be seen, not alone as a very significant achievement in the face of competing budgetary demands, but also as a massive statement of confidence in and support for European agriculture and European farmers.
- In his State of the Union speech, President Juncker spoke passionately about the 'European way of life'. He described our agricultural sector as *"a strong part of our European way of life that I want to preserve"* and committed the European Commission to *"always stand by our farmers, particularly when they go through difficult moments"*.
- In his Letter of Intent, President Juncker also committed the Commission to the *"modernisation and simplification of the Common Agricultural Policy to maximise its contribution to the Commission's political priorities and to the Sustainable Development Goals"*.
- We should not ignore these political signals from the President of the Commission that we need to adapt to the Juncker priorities in the context of the post-2020 discussions.

- Last week in Brussels, I spoke at a key conference about Budget Focused on Results and, in that conference, I said that *"if we want to make further adjustments to the CAP, building on the potential of simplification and better regulation, we must constantly ask ourselves if the policy is fit-for-purpose and if meets the requirements of a modern economic, environmental and social policy."*
- I believe that farmers are delivering a strong performance every day in providing high-quality food for the citizens of Europe and many markets around the world.
- Of course, there is also substantial evidence available from the implementation of the CAP which indicates that farmers are also delivering a good performance for society as a whole.
- The latest **CAP performance and measurement indicators show clear increases in rural employment and agri-food exports.**
- **They demonstrate a large increase in organic agriculture.**

- **And on the environmental side, the policy has helped to reduce GHG emissions from agriculture by 23% since 1990, and has reduced the level of nitrates in rivers by 17.7% since 1992.**
- **This is a clear indication that if farmers are incentivised and paid properly for their work, they can deliver across a wide range of policy areas.**
- President Merrild identified the importance of combating climate change, the need to take advantage of new innovative markets, and the changing demands of consumers, and said that the CAP must be aligned to reflect these issues.
- So, as you gather here in Athens, what will be your conclusion? I will shortly be engaging in a process of public consultation into the future direction of the CAP and you, representing a group of key stakeholders, must have your say.
- I want to know what you think. I look forward to the conclusions of this Congress about how *"best to invest to deliver a sustainable, viable European agricultural sector."*

- Yes, the last few years have been difficult and I'm certainly not suggesting any complacency. I know only too well how fragile recovery in the agricultural markets can be and all of us know that many of the potential challenges to that recovery relate to issues about which we can do nothing.
- The challenge, therefore, is to shape and sharpen our policy instruments to empower farmers to face these challenges. We need to reflect on the events of the last few years to assess whether farmers are equipped with the appropriate tools to cope with market volatility.
- You have called for a strong, common and simple CAP and those are sentiments with which none of us can disagree. However, they are not always easy to achieve and, even as three admirable objectives, they are sometimes in conflict.
- Here in Athens, we are about as far away in the European Union as it is to get from Northern Finland or the north west of Ireland. The conditions that apply in Greece, Lapland or County Donegal vary dramatically and demonstrate the need for flexibility that reflects the particular specificities of these three regions.

- It is in striking the balance between the need for the common policy and an appropriate level of flexibility that, sometimes, we lose the simplicity.
- I have, as you are well aware, prioritised simplification of the CAP. Indeed, this is something for which COPA and COGECA called.
- I have now implemented over 20 simplifications to the CAP that relate directly to farmers. A considerable number of these were aimed specifically at the farmer – the provision of preliminary checks of aid applications, the simplification of the system of administrative penalties for direct payments, and the introduction of a ‘yellow card’ system for first offenders.
- These changes have been widely welcomed by farmers and national administrations, to whom they apply directly and I appreciate the warm welcome with which COPA-COGECA welcomed these measures noting, as you did, that they *"would cut down on excessive & costly bureaucracy facing farmers"*.
- We are also implementing changes to the CMO that will reduce the burden for agri-businesses and Member States in the future.

- I want to reiterate my commitment to the continued pursuit of the simplification agenda and I urge those national and regional administrations which have not yet made some of the possibilities available to their farmers to do so as a matter of urgency.
- I proposed these measures to serve one purpose and one purpose alone: to benefit farmers. It is simply unacceptable that some of these measures have not been fully rolled-out and made available to farmers.
- I intend to do more on simplification in the context of the post-2020 reform.
- In addition to the measures proposed to date, a number of others are in the pipeline, notably in relation to greening. There has been no shortage of comment on the proposals made and, following discussions in various Expert Groups and in the Special Committee on Agriculture, there will be a discussion among Ministers in the Council next Monday.

- I don't want to prejudge the outcome of that discussion and I am, of course, going to engage with and listen to the views of Ministers. That said, let me also be very clear about one important aspect of the CAP. **The CAP is an economic, environmental and social policy. The environmental leg of the stool is crucially important and without three legs on a stool you all know what happens!**
- The CAP has, as I said earlier, a strong environmental dimension and that is as it should be. The simple facts are that the environmental dimension is here to stay and I will not stand by and watch us lower our level of environmental ambition.
- The recent conference of 335 rural and agricultural stakeholders in Cork, Ireland, made these points abundantly clear when they signed a Declaration titled "A Better Life for Rural Areas".
- In his pre-Congress remarks, President Magnusson made reference to the need for a *"better functioning food supply chain"*.

- President Juncker recognised this fact in his State of the Union Address, both this year and last, when he said that "*there is something wrong when a litre of water costs more than a litre of milk*". And it formed a central theme for the informal Council of Agriculture Ministers' discussion in Bratislava earlier this month.
- As you are aware, I set up the Agricultural Markets Task Force last year, which is chaired by former Dutch Agriculture Minister Cees Veerman and consists of 12 senior experts with relevant expertise from relevant parts of the food chain.
- The task force will provide the Commission with advice on how to address these challenges in areas like transparency, collective self-help tools, access to financing and futures, contractualisation and contractual relations.
- Critically, its overarching mandate is to strengthen the farmer's position in the food chain.
- A report with conclusions and recommendations to improve the balance in the chain will, I expect, be presented by the Taskforce in November, and my wish is that it may form the basis for future policy options.

- The European Parliament will hold a hearing on the Task Force report in January and I look forward to hearing the views of stakeholders such as yourselves on that occasion.
  
- Presidents, ladies and gentlemen, a viable European agricultural sector is essential for many reasons –
  - it is essential to ensure food security for the people of Europe and beyond;
  
  - it is essential to support the 44 million people employed in EU agriculture and related sectors, making it the largest employer in the EU;
  
  - it is essential to ensure that we meet the COP 21 Climate Agreement commitments and the Sustainable Development Goals;
  
  - it is essential for the tens of millions of people who live in the countryside or who visit and regularly enjoy rural amenities or benefit from a well-maintained rural environment.

- You and the millions of people you represent are our "boots on the ground". You are the workforce to get the job done and to ensure that the CAP delivers on its full potential, not alone for the direct beneficiaries but for the hundreds of millions of indirect beneficiaries, through high-quality, safe food and vibrant rural communities.
- My job and that of all the policy makers is to help you, to provide you with the best environment in which to do what you do best and to ensure that you are adequately equipped to meet the challenges you face. We are doing this already in recent weeks by proposing changes to the income stabilisation tool and financial instruments to assist farmers in dealing with market volatility.
- I'm confident and excited about the future. To conclude where I began, I genuinely believe that there are tremendous opportunities for European agriculture and for you as farmers and I believe that those opportunities will be delivered through green growth and dynamic markets.

Thank you.