

Speech by Commissioner Phil Hogan at Swedish Seminar

- "A more export-oriented Common Agricultural Policy: Challenges and opportunities for Swedish farmers."

Stockholm, 19th November 2015

- Check Against Delivery –

- President Jonsson, ladies and gentlemen,

(Introduction)

- **Tusen tack** and many thanks for inviting me here today. It is a pleasure to be with you this afternoon as part of my first official visit to Sweden.
- Before I begin, congratulations on qualifying for Euro 2016!

- This is a great achievement, particularly given that you beat your neighbours Denmark to qualify. I will have to be extra sensitive in my meetings in Denmark tomorrow!
- As you may know, my home country Ireland also qualified for Euro 2016 a few days ago. I must tell you that one of my staff members Olof Gill is travelling with me today – he is half-Irish, half-Swedish, so he has a difficult choice to make before June 2016..
- Ladies and gentlemen, I'm very pleased to meet a variety of agri-food stakeholders today. Your insights and opinions will inform my work, helping me to continue improving the CAP to be more ambitious and efficient in supporting Swedish farmers and foresters.
- My background is in agriculture – I grew up on a family farm in the south-east of Ireland. As an elected politician, I represented a largely rural area for over 3 decades. Much of my career was dedicated to understanding and dealing with the issues and concerns of the agri-food sector and rural communities. I have carried this dedication with me in my new role.

- Today I want to deliver one message above all: I believe Europe's farmers and agri-businesses can face the future with real confidence and ambition. And I believe the CAP is the right vehicle to deliver this ambition.
- I will expand in a few moments on the work I am doing to make this ambition a reality. But I am also very aware that this is a time of uncertainty and real challenges for EU farmers.

(Agrimarkets package)

- There has been pressure on prices in a number of sectors, particularly dairy and livestock.
- In response to these difficulties, I believe the Commission's recent €500 million aid package represented a strong and decisive move.
- It provided **€420 million in targeted** aid to all Member States – of which €8.22 million went to Sweden.

- And as you know we provided a new Private Storage Aid scheme for cheeses, including an allowance of 945 tons for this country, which I was glad to see Sweden fill within the first week of the scheme.
- This "solidarity package" reaffirmed our commitment to support European agriculture. It showed that we are willing to respond with all the tools at our disposal at any given moment in time, while safeguarding the market orientation of the CAP.
- It is my firmly held belief that the agri-food sector can do great things in the 21st century. I believe the sector can be a key creator of jobs and growth, while at the same time playing a vital role in addressing many societal challenges.

(Global context – exports – Russia ban – Trade Agreements)

- Sweden is a country with a long history of successful exports. And Swedish farmers are modern and forward-thinking. This is why I believe you can look to the future with real confidence.
- You are all familiar with the favourable global situation: As the global population continues to grow, the world will have to produce 60% more food by 2050.

- **This is the reality in terms of quantity, but there is also the question of quality.** Worldwide demand for high-quality food will continue to increase in the coming years, particularly in Asian and African emerging markets.
- It is estimated that 150 million people will enter the global middle class every year until 2030. This massive growth in disposable income will result in significant changes to dietary patterns, as families demand better quality and more nutritious food on their tables.
- And the EU agri-food sector is ready to meet this demand. Our international reputation for high-quality food is first rate, so our challenge as policymakers is to give our farmers and agri-businesses the tools and freedom to achieve their full potential. Europe needs to be more present on these markets.
- Yes, we are currently the biggest exporter of agricultural products on the planet and, but with the high quality and diversity of our products, we can do much more.
- The Russian embargo underlined the necessity to diversify our export outlets. But it also highlighted the great things we can achieve when we aggressively pursue new markets.

- These are the facts: we lost 5.2 billion in exports because of the Russia ban in the 12 months up to Summer 2015, but we gained 6.8 billion in exports elsewhere.
- Access to new markets is therefore a top priority for me. The Commission is ambitiously pursuing new trade agreements with Japan, Mexico and Vietnam, to name but a few. I also remain confident that we will secure a balanced and ambitious agreement with the US under TTIP. I know that Sweden is a leading voice in support of this deal.

(Promotion)

- In tandem with this, a new promotion policy will come into effect on December 1st. As well as increasing the budget significantly from €80 million to €110 million, we have simplified the system for operators to draw down the available funds. This should make a real difference, and proves that we are adapting the policy to the demands of the modern world.

(Simplification)

- But I also want to make the CAP simpler for farmers and agri-entrepreneurs. This is one of my absolute priorities, and I am working hard to deliver a good result.
- At the beginning of this year we started an internal screening of the CAP and received over 800 pages of proposals from Member States, MEPs and stakeholders.
- The majority of the Swedish proposals we received relate to **direct payments**: active farmer, **greening**, **cross-compliance**, the **young farmer definition**, and **reporting**.
- Earlier this year, I presented **several concrete actions for simplifying the system of direct payments to farmers, which do not** require changing the EU Basic Act legislative rules.
- And at this week's Council Meeting of Agriculture Ministers, I presented a series of further changes, notably to the IACS, Voluntary Coupled Support, the Young Farmers Scheme and some market measures.

(Climate smart agri – Research- Precision farming)

- But as you know, it is also our duty to ensure that agriculture and food production adapt to the new century's reality. The way we produce food and drink has to evolve. **Production must increase, while environmental and climate challenges must be met head-on. In other words, we have to produce more, using less.**
- As you know, the reformed CAP takes its "green" responsibilities very seriously, but we have to go further, and deeper. Sweden is a country which has often led the way in the fight against climate change and in creating sustainable solutions.
- In December, world leaders will gather in Paris to seek a new global climate deal, and agriculture will be absolutely central to its success.
- We have to clearly outline some of the main features of agriculture when it comes to climate change mitigation.
- Firstly, in terms of agriculture's potential for emissions reductions through technological innovation, which is relatively low compared to other economic sectors, such as transport.

- I know that Sweden's Rural Development Programme does a lot in terms of sustainable development and sustainable use of natural resources.
- We also have to look closely at the question of land use, land use change and forestry, or LULUCF. Agriculture and LULUCF can be a major part of any climate solution, as forestry and the grass based model are together considered carbon sinks.
- If we are serious about being genuine global leaders in smart and sustainable agriculture, we have to prioritise investment, innovation and collaboration. **I believe Europe, and Sweden, can and must rise to this challenge.**
- Areas like innovation in food processing and food technology; enhanced use of ICT to improve efficiencies; and improved collaborative networks between investors, researchers and farmers will turbo-charge these changes.
- New knowledge will help farmers produce more from less. Resource-efficient and smart production systems should capitalise on the specificities of local conditions and turn them into competitive advantages.

- Swedish Farmers, agri-businesses and policymakers are familiar with these possibilities, and many are well down the road of investing to exploit these opportunities.
- In order to strengthen the market orientation of the new CAP, it is vital that structures are put in place to transfer knowledge between farmers and food companies for best practice in producing the climate smart, environmentally friendly and sustainable food products which both consumer and climate strategies demand.
- There is thus an ongoing need for life-long learning and education, not just for young farmers, but for farmers and agri-entrepreneurs of all ages.

(Conclusion)

- Ladies and gentlemen, this is a time of great change in the agri-food sector. A time of many challenges. And a time of many opportunities.
- The modern, outward-looking, competitive and profitable farming sector foreseen in the reformed CAP is a vision shared by many Swedish farmers.

- The CAP will continue to evolve to meet a changing world, at home and abroad. But the founding principle of the policy remains the same: to ensure the sufficient supply of safe and sustainably produced food, while guaranteeing a decent living for farmers and the rural communities they live in.
- Yes, we have a market orientation in the CAP, but we also have a social orientation, an environmental orientation and a cultural orientation. I am very proud of the CAP and I will continue to defend it.
- The agri-food sector – in Sweden and throughout the EU - has real and significant growth potential, and this will only be achieved by harnessing investment, research and innovation, and through the development of new markets.
- I look forward to hearing your thoughts and feedback on the subjects I have touched upon, and I encourage you to maintain a frequent and vigorous dialogue with the European institutions. My services and I are always on standby to receive your feedback.
- Thank you for inviting me here today.