

Speech by MEP Siekierski, Chair of the EP Committee on Agriculture & Rural Development

at the opening session of the Cork 2.0 Conference on Rural Development

5th September 2016, Cork

- *Check Against Delivery* -

- Dear Commissioner, Minister, public representatives, distinguished guests, ladies and gentlemen,
- It's a pleasure to join you today.
- Discussion of the future of the CAP has to be based on its rich heritage and the experiences that we have gained from it. The CAP has constantly evolved, adapting to what was needed at a given moment. Of course there are basic requirements laid down in the EU Treaty – for example, concerning general access to food. It has also had to deal with external influences while nevertheless ensuring a certain stability.
- The key factors which have significantly influenced the CAP include:
 - - First, enlargements of the EU – especially the biggest one, which took place in the first decade of the 2000s;
 - - Secondly, external factors – especially those connected with trade liberalisation and globalisation more generally;
 - - And thirdly, growing environmental challenges, including those related to the climate.
- But I could mention other challenges as well – for example, connected to food safety and standards. Perhaps the objective in the Treaty of Rome concerning which we have been least successful is that of maintaining adequate incomes for farmers.
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- Agriculture is strongly influenced by available technology – its possibilities and constraints. It is difficult to move the location of agricultural production – unlike in the case of industry, which can move factories from one location to another. Having said that, we are now sometimes seeing movement of agricultural production from one area to another, to take advantage of better natural conditions, cheap energy, better access to water, or the availability of cheap labour.
- It is worth reflecting on the relationship between farming and rural areas. To what extent can we think about one without thinking about the other? In what situations are they tightly linked, and in what situations less so? In the past, for many people farming was not only their livelihood but also a way of life. Many people lived in villages, worked in agriculture and produced mainly on a small scale and for their own needs – in subsistence farming – rather than for the market. Urbanisation has reduced the rural population, and this in turn has led to a decline in employment in farming.
- Within the Union there continue to be large differences in levels of economic development between rural and urban areas – especially related to infrastructure. These differences are decreasing with time but they remain noticeable between some countries, especially concerning the New Member States. This issue has taken on extra significance with the successive enlargements of the Union.
- Traditionally, rural development has often been considered separately – in research and in policy-making. But in fact rural and urban areas are becoming more integrated, in economic terms and concerning the way they operate more generally. Deepening this integration can bring benefits to both. That's why co-operation between urban and rural areas is an important factor in lifting sustainable territorial development. We could contrast that path of development with the emergence of "megacities", which bring negative social and environmental impacts.
- Changes in the distribution of population in EU countries are reflected in the increasing importance of machines, pesticides, fertilisers, animal feed, other technologies and specialised services. To limit further outflows of population from rural areas and from the farm sector, we need to focus on raising living standards and incomes to match levels in urban areas and other sectors of the economy. The CAP, including its rural development policy, has made a contribution to this. However, the

amount of funding available is not especially large when compared to the scale of the challenges – even with contributions from other sources of finance, such as regional and "cohesion" funds. We must always remember the dominant share of the EU's territory occupied by farming and forestry, as well as by rural areas!

- Farming is about the production not only of food products but also of raw materials for industry, and of renewable energy. Furthermore, farming is important for environmental protection: it delivers various public goods, including in relation to biodiversity. To operate effectively in all these ways, it needs access to a range of technology, including specialised and ever-more-modern means of production. These needs have a substantial impact on various industries, including some which work at least partly in rural areas.
- When we analyse our experiences of the second pillar of the CAP, especially what it has achieved, we have to ask to what extent it should serve the farm sector (including the environment) and to what extent the broader development of rural areas. Improving infrastructure, being active in the area of general culture, solving educational or other social problems: these are all big challenges. But the second pillar receives only a relatively modest share of funding, and this problem has been made worse by the cut in the total CAP budget for the period 2014-2020. The best use of these limited funds is one of the fundamental questions that we must answer.
- Some New Member States want to spend funding particularly on strengthening the farm sector, and less on wider rural development. They are particularly interested in innovation and modernisation in the farm sector; in supporting young farmers; in dealing with farm-related environmental problems; in supporting farm income and limiting price volatility; in underpinning the viability of farming in disadvantaged areas; and also in assisting the development of the forestry sector. On the other hand, there are many other elements in rural development policy which merit attention. Among other things, experiences of the LEADER approach deserve closer attention. That approach to policy can be part of the future of rural development policy.
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- We must assume that EU agriculture will be more and more exposed to external pressures from the global market – especially through trade agreements. It is very

difficult to achieve the good agreement terms for trade in agri-food products in such agreements. The need to match the competitiveness of producers in third countries will be a driver for intensification and greater scale in agricultural production. When we add to these challenges those of ageing farmers, falling numbers of farms and declines in agricultural income, we see the scale of what is facing the new CAP. This means that we also need various solutions in terms of legislation: for example, to combat unfair trade practices which disadvantage farmers in the food supply chain – where farmers bear the heaviest costs whenever prices fall.

- The farming sectors and the villages of Europe are very diverse in terms of production, traditions, levels of development and many other aspects which will have a bearing on the choice of future instruments for rural development policy. We must achieve greater synergies between various funds related to development and regional or local issues. An important new approach in implementing the CAP lies in financial instruments. Commissioner Hogan has championed these strongly, including by organising a conference on the subject in Dublin last year.
- It is worth mentioning that new arrangements arising from the Lisbon Treaty strengthen the position of the European Parliament. The work carried out on the reform of the CAP for the period 2014-2020 was an opportunity for the Parliament to gather experience to assume its rightful place in shaping the policy.
- After the first Cork Conference, I now know why a new Cork Declaration remains possible. All the objectives which Mr Fischler put into the original Declaration remain valid. Mr Fischler is the same person as he was back then – and this augurs well for this week's conference!
- Thank you.