

OPENING SPEECH
European Parliament Hearings

*Commissioner designate, in charge of Agriculture and Rural
Development*

Mr. Phil Hogan

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Mr Chairman, distinguished members of the European Parliament,
Ladies and Gentlemen,

I am delighted to be here today for this Hearing and exchange of views. My ambition is to positively shape European agriculture and rural development over the next five years – and to work very closely with you as I do so.

I know many of you have served this Parliament and this Committee also during the last mandate, or even longer. For me you are an important source of knowledge and political experience on the Common Agricultural Policy and one which as Commissioner I will wish to use to the full.

Like many of you, I grew up on a farm: in rural Kilkenny, in south east Ireland. As a public representative for 32 years, I have dedicated much of my time to understanding and dealing with the issues and concerns of the farming community and those in rural areas. Since 1989, I have represented Carlow / Kilkenny in Dáil Éireann, the Irish Parliament: where I have served in the Fine Gael Shadow Cabinet and served as spokesman on Europe, on the Food Industry, on Consumer Affairs and on Regional Policy.

Throughout my political career I have actively put forward the case for Europe: in particular, I campaigned in favour of each and every Treaty change. And I am proud that each and every one of those Treaty changes gave a new, stronger role to Europe. Those treaties have brought greater democratic legitimacy to European politics by heightening the role of the European Parliament.

Over the past three years, as a minister for environment, local government and community affairs I was proud to take part in the EU's law-making, negotiating and driving forward many complex and important environmental files.

Indeed, during the 2013 Irish Presidency, I chaired the EU Environment Council. It was a particularly productive six months, during which I worked very closely with your colleagues on the Environment

Committee and we reached agreement on a range of important environmental laws covering water pollution; emissions from cars, vans and aviation; the 7th Environmental Action Programme, and more.

And I made it my priority to ensure Ireland itself complied with EU law – as over that three years infringement cases against Ireland fell from 31 to 9. These cases covered a range of topics such as water quality, proper planning and development and soil protection

That is what I know Europe can achieve, with institutions working together in the spirit of co-operation and mutual respect. I firmly believe that the European Commission and the European Parliament should work very closely together in that spirit: that is the best way to maximise our impact – for the good of European agriculture and all the people of Europe. There is a phrase regularly used in my native Irish language – **'Ní neart go cur le chéile'** – we are strongest when we work together.

For that reason, I would want strong cooperation with this Committee, meeting regularly, formally and informally, with frequent opportunities to exchange information.

Ladies and gentlemen,

Let me turn to the challenges for European agriculture as I see them. We are entering a new phase. Only with stronger and a more competitive agriculture, and stability for our farmers, can we build food security and generate growth and jobs.

Agriculture is a strategic sector for our society. Farming involves 25 million people in the EU (roughly 5% of total employment) and manages 50% of the EU territory. The EU agri-food sector, which generates 3.5 % of EU's total value added, increased the value of its exports by 70% in the last 5 years, faster than overall EU exports.

However, world demand for food is rising – it is expected to increase by 60% by 2050 - and we are uniquely positioned to take advantage of that demand. We need to be able to produce in a way that safeguards those natural resources on which high quality agricultural production depends in the long-run.

President-elect Juncker has made clear his focus on growth and jobs. And agriculture is well placed to make a central contribution.

So let me set out my priorities for the coming years to achieve this.

After several years of preparation and negotiations, the most recent CAP reform was agreed and approved last year. This was the first CAP

Reform since the Treaty of Lisbon entered into force: and so the first time this democratic Parliament could participate actively, and on an equal footing with the Council.

After these various changes, we must now deliver for farmers and rural communities; to offer stability, predictability, and practical solutions. If approved by this parliament, I will support the Member States as they **implement this Reform.**

I know many members of this committee have concerns about the implementation of the CAP. The debate on this reform has already raised important questions on the need for **simplification**. *Let me be very clear, the one thing Simplification is not – is simple!*

One of my commitments, as new Commissioner, would be to comprehensively screen the Common Agricultural Policy legislation to see what can be simplified - without putting into question the effectiveness of the policy, nor its sound financial management.

Indeed, I believe cutting the administrative burden cannot just be positive for both farmers and national authorities: but can also reduce errors in the way EU money is spent.

Based on this screening, I would develop, early in the mandate, ideas for a **simplification and subsidiarity strategy for the CAP** in accordance with general regulatory fitness principles (REFIT). To be credible, any

strategy would need clear initiatives with a clear timetable for implementation; for a CAP that is simple, efficient and flexible.

After one year of experience with the reform, I intend to review whether our policy, in particular as regards **direct payments**, is designed in a way that's being properly applied in practice. If not: I will consider what amendments might make them simpler and more efficient. This exercise will, of course, include the arrangement on **greening** and **Ecological Focus Area (EFA)**, commitments of the outgoing Commission.

I will also review geographical indications – and, if necessary, will propose areas for further harmonisation and simplification. And I will also look at the potential to simplify the **fruit and vegetable scheme**.

Responding to the Russian ban on agricultural products is the most immediate challenge. And this is a challenge we must face as Europeans.

In this area, we have rightly shown solidarity with our farming community. We have tried to stabilise markets and help reorient our exports to other third countries.

I will closely monitor how markets evolve. If necessary, I will not hesitate to take appropriate measures.

The political agenda for the coming years will be jobs, growth and investments. I want agriculture to play its rightful, central role in that agenda and develop as a sector that is modern, market-oriented and **knowledge-based**.

Over the coming years, **the abolition of the remaining production constraints, quotas for** sugar and dairy, will put EU agriculture in a much better position to respond to market signals and global challenges. And I will pay particular attention to what this new situation means for the sector.

I will also keep a close eye on **Rural Development Programmes**, which the Commission is due to approve in the coming months. With a view to job creation we will focus on sufficient funding for investments, business start-ups and local development in rural areas. This should allow us to strengthen the links between the agricultural sector and the rest of the economy, in particular along the food chain.

I also want agriculture to benefit from the best of research and innovation. That will be my philosophy in the context of **Horizon 2020**, as I steer the **European Innovation Partnership on Agricultural Productivity and Sustainability**. Those two initiatives I know can boost agricultural productivity and create employment

The **environment and sustainability** will continue to be central. After all, without our natural resources, no agriculture could take place. Only if

we improve soil quality and preserve our water resources we'll be able to produce in the future.

I am aware of concerns about “greening” and “ecological focus areas”. And I want to keep a close check on how the system works as we try it out.

In the coming years, we need to continue to increase **energy efficiency** and cut **emissions**. Making better use of our resources by adapting how we produce; by providing training and advice; by supporting innovation. Here again, the new Rural Development Programmes will have to deliver.

And we should **open up business opportunities**: International markets are essential for EU agriculture; essential to ensure our farmers maintain a decent income. As demand rises across the globe, this is an opportunity with high potential. I'd like European farmers to be able to seize it.

We will continue to export to **developed countries**. But as emerging economies grow, with a rising middle class – so will our opportunities.

And you will know we have on the horizon the **Transatlantic Trade and Investment Partnership with the United States**. This agreement will be an important priority: but it must also be reasonable and balanced: on this point the President-elect Juncker has been very clear. In

particular: It will not lead to downward pressure for our own production standards, and I intend to maintain essential border protections for the most sensitive sectors.

Honourable Chair and distinguished members: I have long believed in Europe, and I have long served the interests of rural and farming communities. It would be a great honour for me, with your approval and consent, to continue to do so as Commissioner for Agriculture and Rural Development. Delivering and implementing a policy that is simpler, more effective and environmentally sound; offering growth, jobs and opportunity for every farmer, every rural community, and every European.

Thank you.