



European
Commission

The Future of Food and Farming

Communication from the Commission

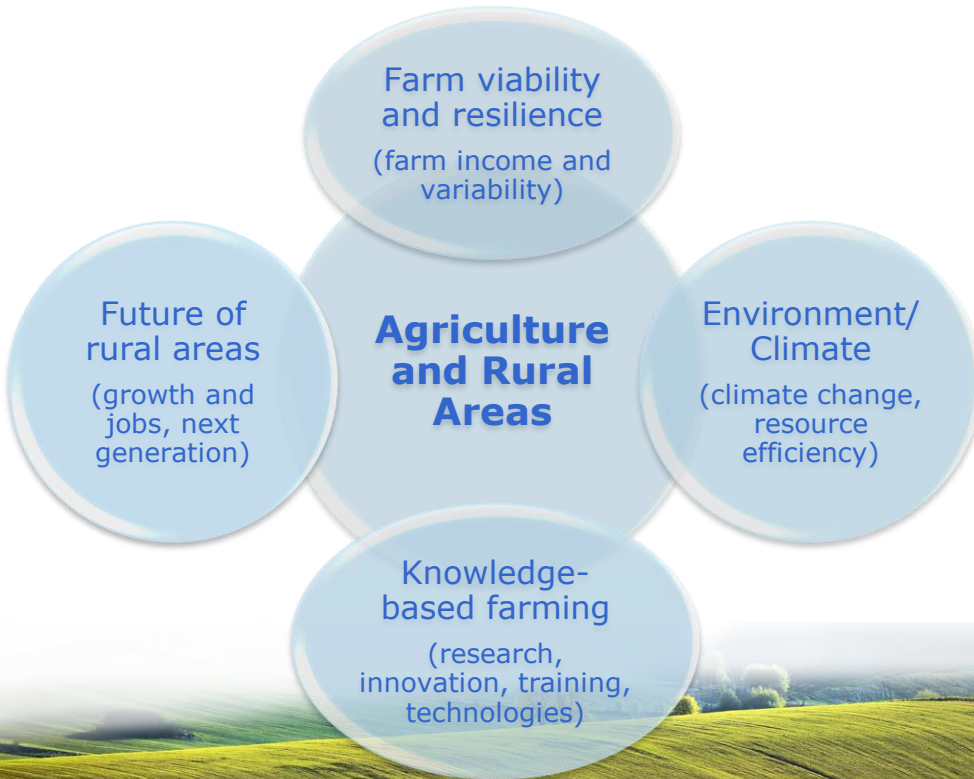
DG Agriculture and Rural Development
European Commission

Guido Castellano

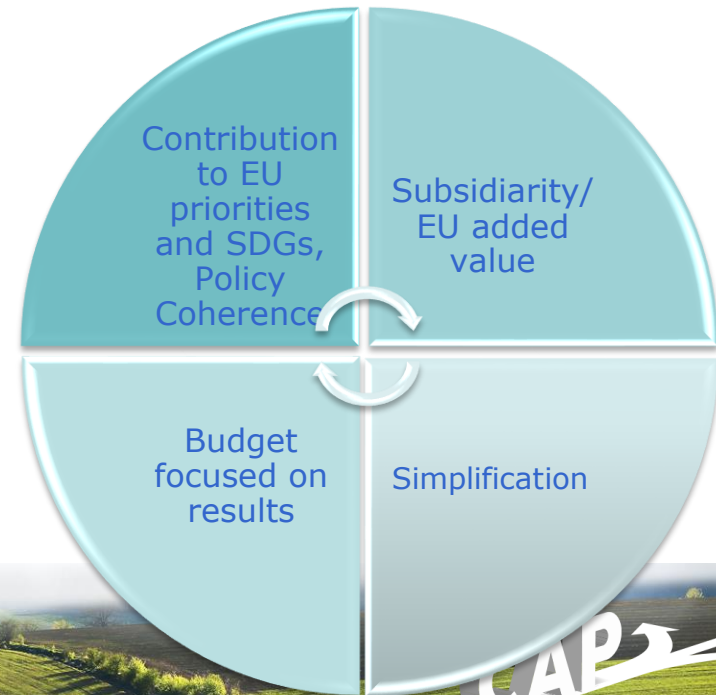
#FutureofCAP



Challenges and opportunities



Overall context



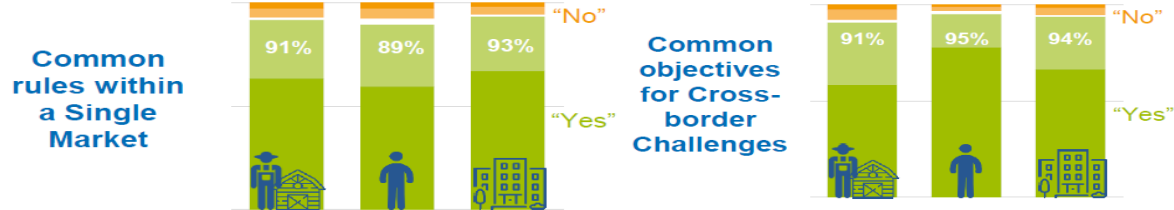
Stakeholder expectations

Open public consultation
(over 322000 submissions,
over 1400 position papers)

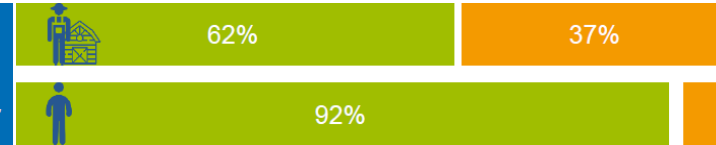
Cork 2.0 declaration
(over 300 policy makers and
rural development
stakeholders)

Others
(e.g. 4 thematic workshops
with experts, Civil Dialogue
Groups, Agricultural Market
Task Force report)

Having a CAP makes sense because we need...



*Agricultural policy
should deliver more
benefits for environment
& climate*



What is the Communication for?

- To provide policy orientations and guidance on the future CAP
- Without pre-empting the next proposals on the Multiannual Financial Framework (expected May 2018)



Future CAP: Objectives and priorities of intervention

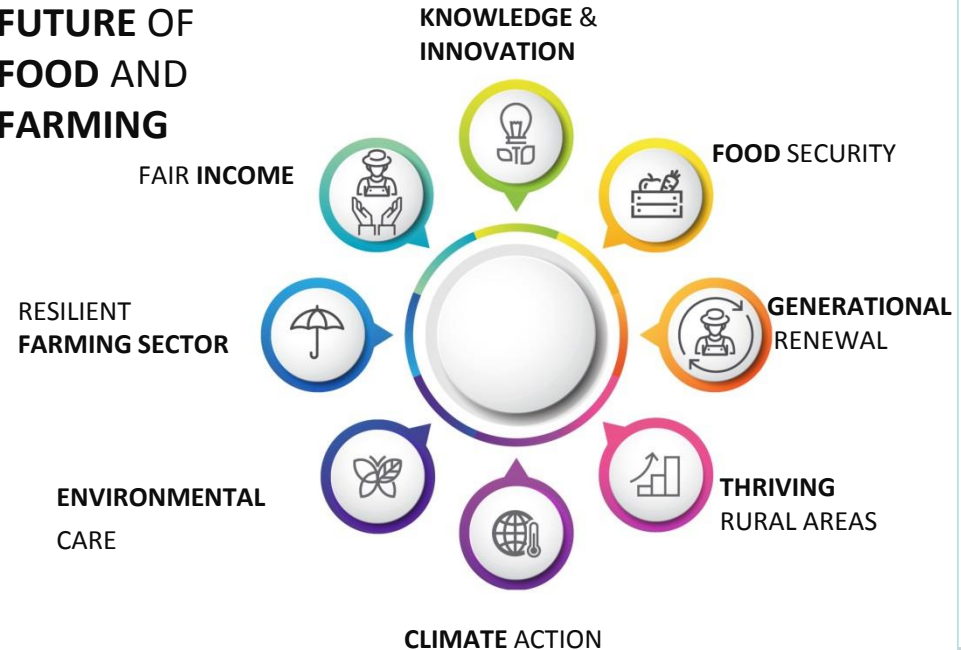
Foster a smart and resilient agricultural sector

Bolster environmental care and climate action and to contribute to the EU environmental and climate objectives

Strengthen the socio-economic fabric of rural areas

Enhance knowledge-basis
More subsidiarity/performance
Enhance synergies with other policies

FUTURE OF FOOD AND FARMING





Towards a new delivery model

EU LEVEL

Objectives of the CAP
Broad types of interventions
Basic requirements

MEMBER STATES

Design measures reflecting specific needs and EU objectives
Budget allocation and target setting
Performance reporting

CAP Strategic Plan

Will cover interventions in both Pillar I and Pillar II





Using research and innovation

Patchy access and uptake of new knowledge and technology

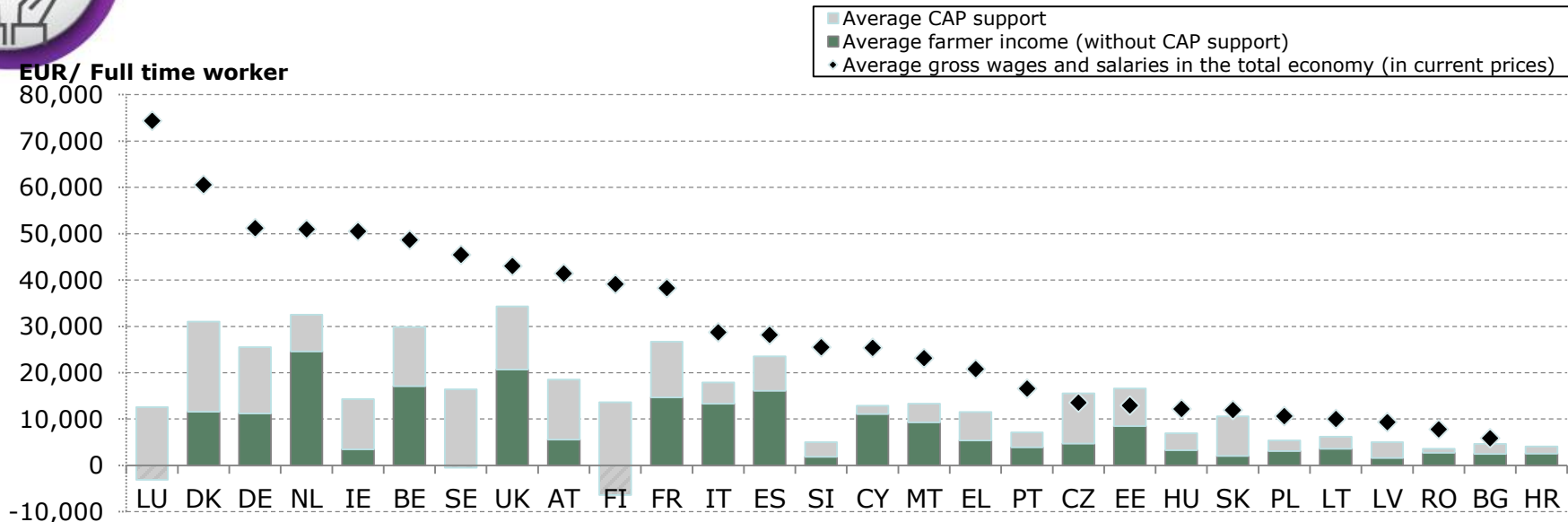
Role for CAP to speed up innovation (e.g. EIP-AGRI)

- *Implications/ideas for the future CAP*
 - *Sharing knowledge– **robust farm advisory services** a condition for approval of the CAP strategic plan*
 - *Linking advice to the implementation of CAP support*
 - *Enhancing synergies with Research & Innovation Policy*





Income support still needed



Source: DG AGRI based on DG AGRI and Eurostat data, 2011-2013

Average CAP support = operating subsidies per worker incl. support covering possible negative market income

Average farmer income (without CAP support) = entrepreneurial income per worker - operating subsidies

Nota: CAP support does not include investment support; average farmer income without CAP support in LU and FI was negative over the period considered - the negative income compensated by CAP support is hatched on the graph



A fair income support

*Perceived unfairness of direct payments
20% of farms receive 80% of payments*

- *Implications/ideas for the future CAP*
 - *Distribution concerns => need for better targeting*
 - *Capping, degressivity and redistribution*





Investing to improve farmers' market rewards

*Investment need (modernisation, diversification, uptake of new technologies)
Position of farmers in the food supply chain*

- *Implications/ideas for the future CAP*
 - **Boost investments**
 - *focus on diversification*
 - *more use of innovative financial instruments*
 - *link to other EU instruments (EFSI, ESIF)*
 - **Improve investment support**
 - *business advice*
 - *effective synergies with research and innovation*

CAP →



Risk management

- *Need for improvements to CAP risk management instruments*

- *Implications/ideas for the future CAP*
 - *EU-level platform on risk management*

 - *Explore new ways:*
 - *Use of financial instruments*
 - *Support for re-insurance of mutual funds*
 - *Incentives for precautionary savings*

 - *Training, knowledge transfer and inclusion into farm advisory services*

 - *Explore actions by Member States (e.g. taxation)*





Stepping up Environmental and Climate action

Farming is affected by climate change and environmental degradation



Farming can help to achieve EU environmental and climate objectives, COP21 goals and SDGs

Future CAP

- *Increased ambition, more effective measures*
- *Improved green architecture*
- *Closer integration of EU Climate and Environment Policies*





Stepping up Environmental and Climate action

- *Implications/ideas for the future CAP*
 - *Current **green architecture to be replaced***
 - *Environmental and climate objectives set at **EU** level, adequate targets in CAP strategic plans*
 - **Member States**
 - *Devise a mixture of mandatory and voluntary measures in Pillar I and Pillar II*
 - *Further define conditionality*
 - *Explore introduction of **nutrient management plan***
 - *Explore incentives for **precision agriculture***





Growth and jobs in rural areas

Need for growth and jobs in rural areas to remain attractive living places

- *Structural issues:*
 - *lack of attractive employment opportunities*
 - *underinvestment in connectivity*
 - *significant youth drain*

- *Implications/ideas for the future CAP*

- *Complementarity and enhanced coordination with other EU and national policies*
- *"Rural proofing" mechanism*
- *Bio-economy priority for CAP plans*
- *Development of Smart Villages*
- *Continue LEADER approach*



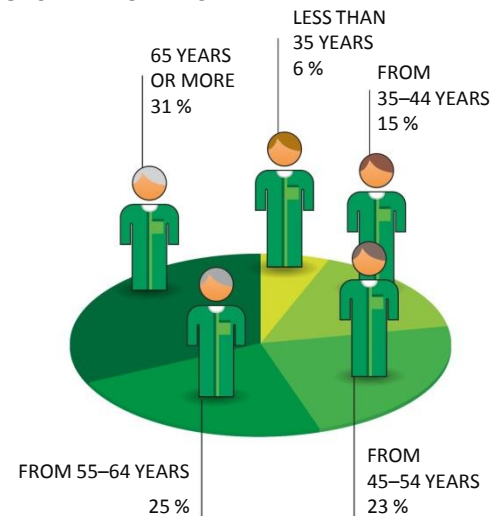


Attracting new farmers

Need to attract new entrants into the sector

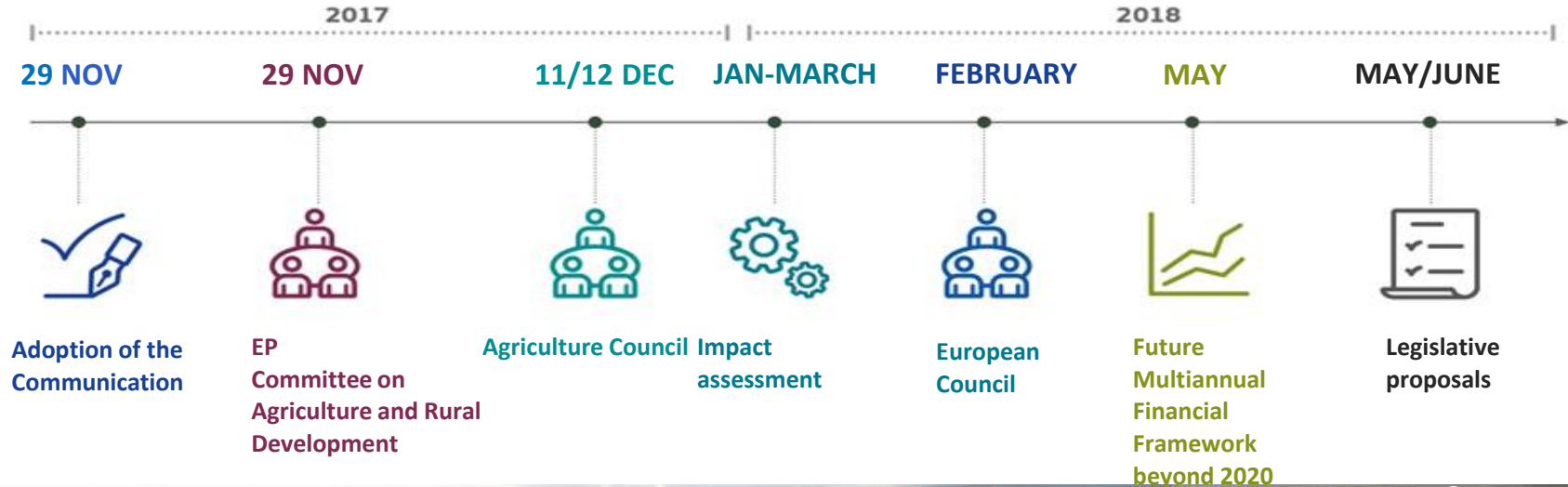
- *Implications/ideas for the future CAP*
 - *Generational renewal priority in CAP plans*
 - *Consistency between EU and national action (taxation, inheritance system, etc)*
 - *EU-wide system of support to the first installation*
 - *Explore ways to facilitate exit/intergenerational cooperation*

FARMER POPULATION SKEWED TOWARDS OLDER FARMERS



The process ahead

CAP MODERNISATION AND SIMPLIFICATION ROADMAP



Further information will be available at:

https://ec.europa.eu/agriculture/future-cap_en

Thank you for your attention!