



A new Common Agricultural Policy for a more sustainable European agriculture

*DG Agriculture and Rural Development
European Commission*



*Agriculture
and Rural
Development*

Where do we come from

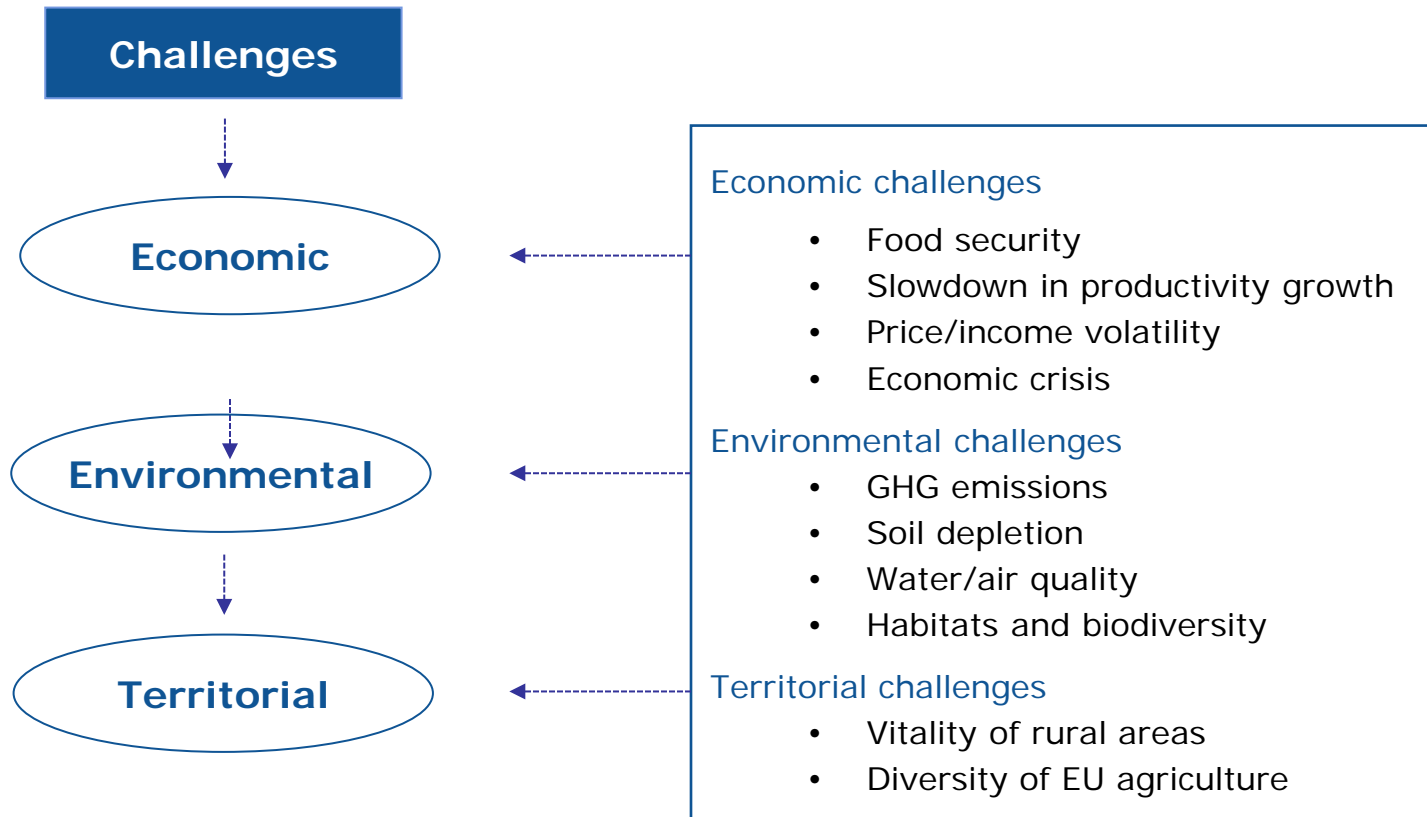
A consistently and substantially reformed policy ...

- Move away from production linked support towards decoupled support (subject to strengthened cross-compliance)
- Greater market orientation as intervention mechanisms are significantly reduced
- Increased support towards sustainable agriculture thanks to a strengthened Rural Development policy (funds and policy instruments)

... and a better performing policy

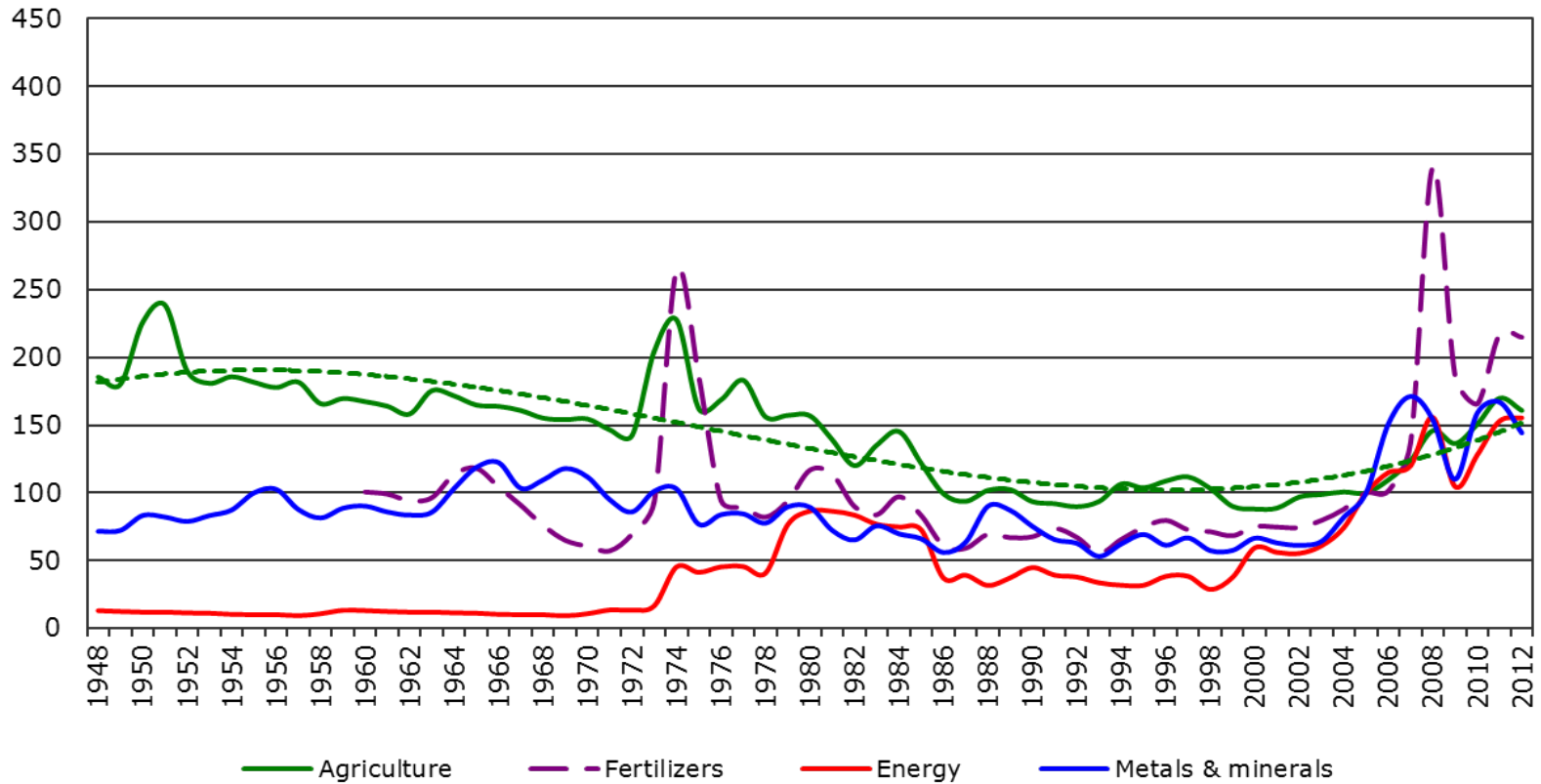
- Market surpluses belong to the past
- Competitiveness is improved
- Better value for money thanks to greater transfer efficiency
- More sustainable farming (-20% agriculture GHG emissions in 1990-2007, low tillage, winter cover, stable permanent grassland despite declining livestock)
- Promotion of cohesion in EU
- Better contribution to Lisbon/EU 2020 strategy for a smart, sustainable and inclusive growth

What are the challenges for agriculture



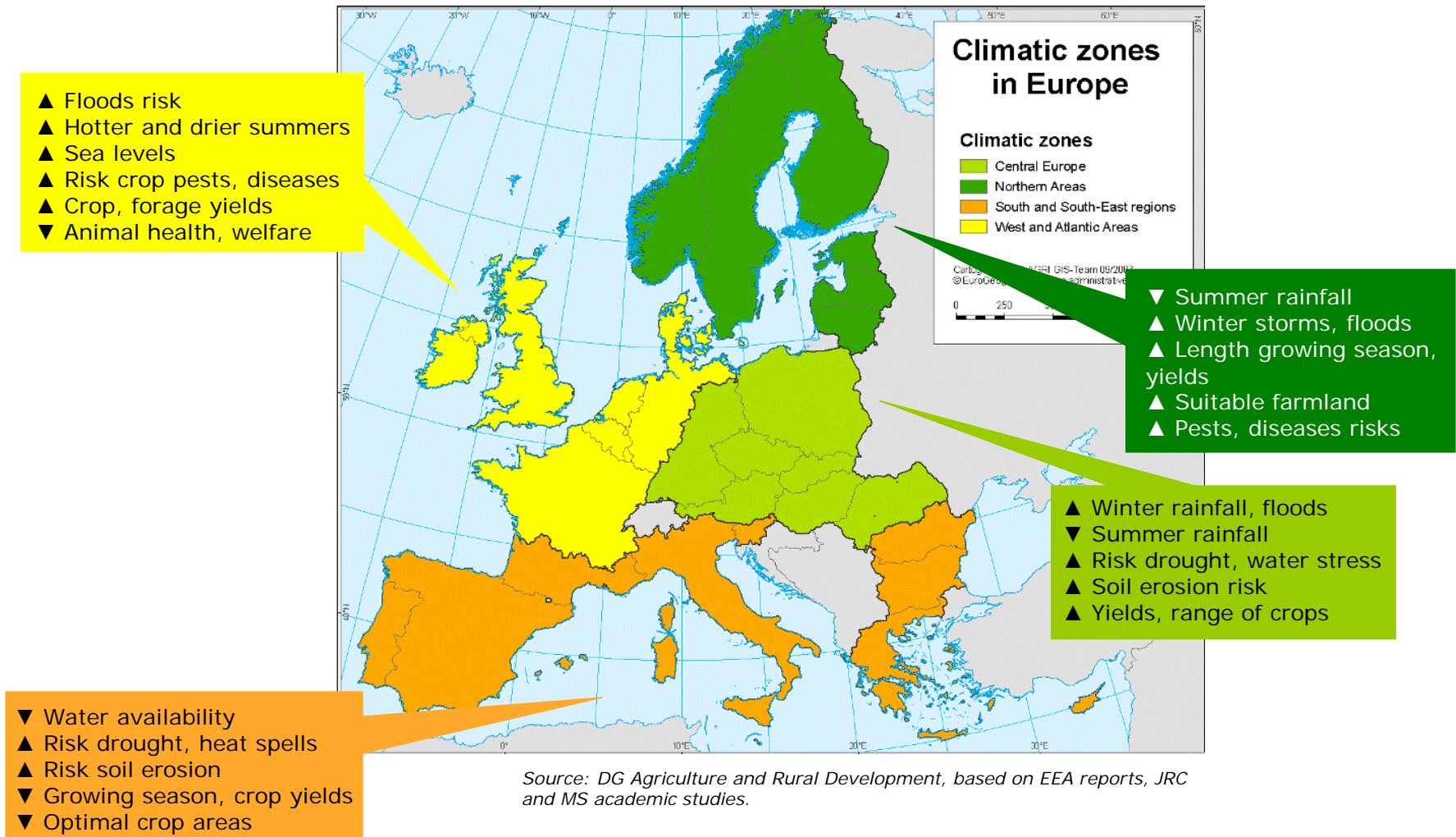
Recent trends in commodity prices

(World Bank MUV-deflated indices, 2005 = 100)



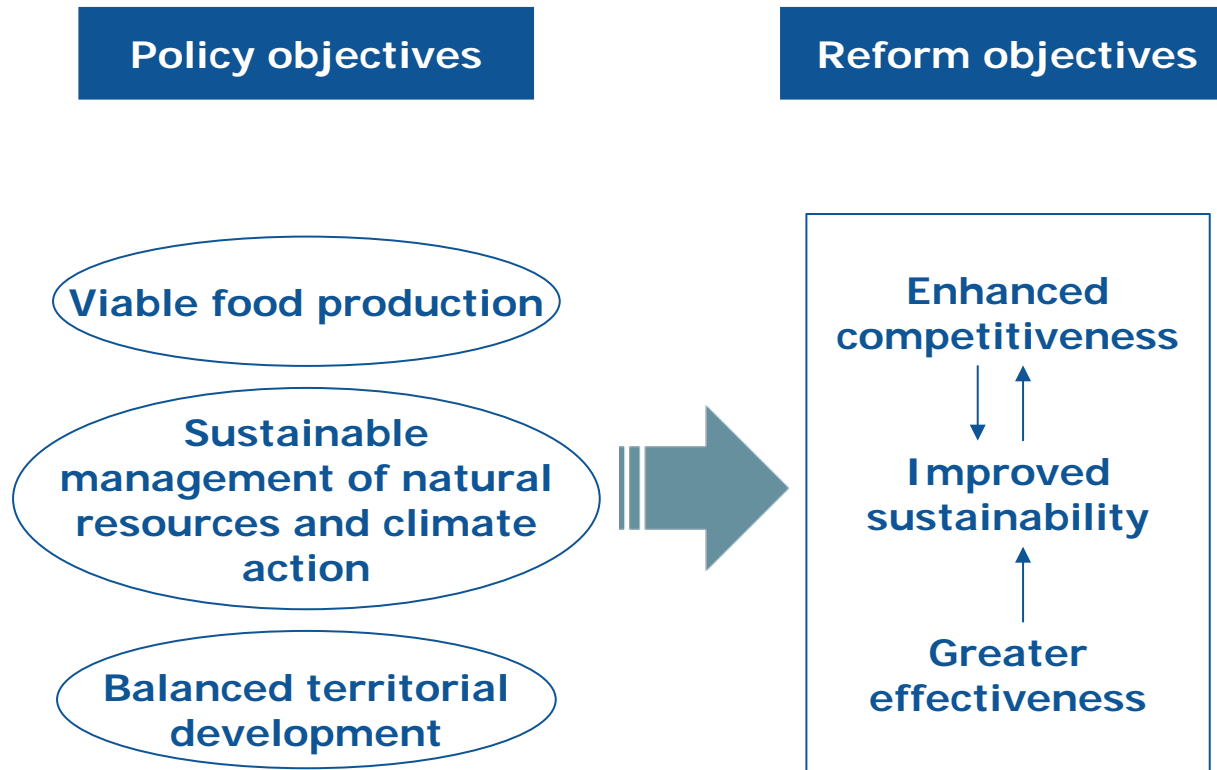
Source: World Bank. Note: 2012 figures are forecasts as of September 2012.

Climate change – Possible impacts on EU agriculture



How will the future CAP address them

in order to ensure an effective and efficient delivery of policy outcomes
and the continuation of the reform process



Key guiding principles of the new CAP

Change in policy paradigm

- Recognition of the joint delivery of private and public goods
- The allocation of 30% of direct payment envelopes to the provision of public goods constitutes a major change in the CAP reform path

More efficient and integrated structure of support

- Maintenance of the existing structure of policy instruments, with minor adjustment
- Implementation of the current policy instruments of PI and PII in a more targeted, integrated, complementary and efficient manner

Greater flexibility in meeting CAP objectives

- Acknowledgement of the wide diversity and production conditions in the EU through greater flexibility in implementation modalities of policy instruments
- Within a well-defined regulatory and budgetary framework to ensure a level-playing-field and avoid unfair competition

Enhanced competitiveness

Enhanced market orientation



- ✓ Phasing out of the existing restrictions to production
- ✓ Streamlining of the market measures and enhanced safety net
- ✓ Strengthened crisis management mechanism

Better functioning of the food supply chain



- ✓ Reinforced framework for the POs , APOs and IBOs
- ✓ Financial support for the creation of POs
- ✓ Strengthened support to short supply chain

Bridging the gap between knowledge and practice



- ✓ European Partnership for Innovation ('Agricultural productivity and sustainability')
- ✓ Boost to agricultural research and knowledge transfer
- ✓ Farm Advisory Services

Improved sustainability

Greener direct payments



- ✓ Mandatory practices beneficial for environment and climate
- ✓ 30% of direct payment budget
- ✓ Reinforced cross-compliance

Greener rural development



- ✓ Priorities on "resource efficiency" & "eco-systems"
- ✓ Enhanced level of ambition for measures related to the environment and climate change
- ✓ Mandatory minimum spending level of 30% for environmental actions

Increased focus on research and innovation



- ✓ European Partnership for Innovation ('Agricultural productivity and sustainability')
- ✓ Boost to agricultural research and knowledge transfer
- ✓ Farm Advisory Services

Greater effectiveness

Improved targeting



- ✓ Active farmer
- ✓ Young farmers
- ✓ Green payment
- ✓ Specific support to territories, sectors and size

More equitable distribution



- ✓ Convergence of payments among MS
- ✓ Convergence of payments among farmers

Strategic approach to spending



- ✓ Improved integration with other EU policies & strategic approach in the rural development programming
- ✓ Improvement in the monitoring and evaluation of the policy instruments