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**FEFAC GENERAL REFLECTIONS ON THE GUIDING
PRINCIPLES FOR THE “CAP BEYOND 2013”**

FEFAC representing the EU compound feed industry is fully committed to join the public debate on the future shape of the EU Common Agriculture Policy from a livestock sector and feed & food chain perspective. The EU livestock sector is the most important customer of **EU produced cereals** and food industry by-products, in particular from arable crop processing for food use. Feed is the most important production factor for livestock producers. For these reasons, animal feed must be regarded as an essential link between vegetable and animal production.

When reviewing the CAP, decision makers should address the key societal challenges of food security, food safety, resources management and climate change linked to Agriculture, while keeping in mind the key objectives of the new **Lisbon** Treaty, i.e. stabilisation of prices, co-responsibility, the principle of cohesion and financial solidarity.

FEFAC considers that the primary function of the CAP should be to support the social, economic and environmental pillars of sustainability and in particular:

- secure feed & food supply to EU consumers
- be market oriented and offer a large choice of different types of products with different qualities, without discrimination between production systems, meeting the demands of the EU consumers at affordable prices;
- favour an efficient EU feed & food chain that is competitive on both the EU and global markets and contribute to meeting increasing global food demand;
- provide a level playing field to operators across the EU and vis-à-vis third country operators;
- ensure adequate income to all feed&food chain operators, in particular the farming community and ensure a balance of support between livestock and other types of agricultural production;
- manage adequately available resources and addressing the key environmental challenges, including climate change through improved resource efficiency of all agricultural production systems.

Guiding principles for the “CAP beyond 2013”

In FEFAC’s opinion, any EU common Agriculture Policy should:

- Reaffirm that the role of the EU agriculture is first and foremost to **meet the demand of the food & feed chain** operators as a matter of priority to any other destination;
- **Promote resource-efficient production systems:** this means
 - To recognize and rehabilitate environmentally efficient production systems: increasing efficiency in agriculture is the most effective and environmentally friendly way to meet sustainability challenges and modern production systems have achieved substantial progress to reduce their environmental impact over the past years;
 - To identify the bottlenecks hampering access to the most efficient technologies and effective means to ensure consistency between different EU policies affecting the agriculture sector.
- Encourage a **high added value feed & food chain**: this means
 - To promote a market oriented agriculture, meeting the specifications of the feed and food industry; this may suppose developing new tools to favour operators and professional agreements across the chain;
 - To implement tools enabling to supply the feed and food industries in case the EU production would not be sufficient and/or to control extreme price fluctuations; this may require establishing security stocks of essential products and new mechanisms enabling to facilitate imports of raw materials when required;
 - To ensure that any production system, whether modern / intensive or traditional / extensive / organic, relies on its own market to develop and that any differentiation in public support measures is based on scientific criteria only;
 - To encourage the processing of agricultural products in the EU and therefore the export of high added value products, e.g. animal products rather than raw products.
- **Help the EU livestock sector remaining competitive vs. third country competitors:** this means:
 - To further rebalance the direct support in favour of livestock producers in order to avoid the “export of the EU livestock sector”;
 - To evaluate carefully the social and economic impact on the EU feed and food chain of other EU policies such as food safety or animal welfare taking into account the possible distortion of competition with third countries operators;
 - To maintain the EU livestock sector in a competitive position to meet the market demand with EU produced animal products, i.e. by reviewing / compensating EU legislation-related handicaps such as 0-tolerance for the import of feed materials from GM events not yet approved in the EU, the EU feed ban on processed animal proteins, etc.
 - To encourage the production of vegetable proteins in order to reduce the EU dependency on protein production systems in third countries.
- **Ensure a decent revenue to farmers and related activities:** this means:
 - To guarantee direct farmers support in the longer term by strengthening Pillar I;
 - To maintain certain management measures, including safety nets, for markets of strategic importance for the EU to encourage farmers to produce for those markets.
 - To encourage, based on carefully designed feasibility studies, the development of new market management tools such as futures markets.

- **Help the EU farming sector meeting the challenge of adaptation and mitigation of climate change:** this means:
- To redirect public support to investments which can facilitate the adaptation to climate change;
 - To empower DG Agriculture to play a leading role in defining measures for mitigation of the impact of EU agriculture on climate change.