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**FEFAC CONTRIBUTION TO THE DEBATE ON THE
FUTURE CAP BEYOND 2013**

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.

1. Why do we need a European Common Agricultural Policy?

FEFAC considers that a CAP is essential to support the social, economic and environmental pillars of sustainability and in particular to:

- ensure food security for EU consumers and adequate supply to the feed & food chain;
- 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 address the key environmental challenges, including climate change through improved resource efficiency of all agricultural production systems.

2. What are society's objectives for agriculture in all its diversity?

FEFAC considers that the society's objective for agriculture should be to:

- secure safe feed & food supply to EU consumers as a matter of priority to any other destination;
- 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 and sustainable EU growth of the EU economy;
- 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.

3. Why should we reform the current CAP and how can we make it meet society's expectations?

FEFAC believes that the present CAP should be reformed in order to:

- promote **resource-efficient production systems**:
 - the efficiency of the EU agriculture is penalised by several bottlenecks hampering access to the most efficient technologies; there is a need to ensure consistency between different EU policies affecting the agriculture sector.

- efficient/modern production systems have been finger pointed as unsustainable in the past and the CAP was reviewed over the last 10 years in the direction of promotion of extensive & organic production systems, looking only at the production side and not paying attention to the consumption side. New scientific evidence prove that 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. FEFAC therefore calls for a rehabilitation of environmentally efficient production systems and therefore for a review of the CAP 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.
- 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.
- further **rebalance the direct support in favour of livestock producers** in order to avoid the “export of the EU livestock sector”;
- 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;
- help the EU farming sector meeting the challenge of **adaptation and mitigation of climate change**, i.e.:
 - 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.

4. What tools do we need for tomorrow’s CAP?

Tools should be developed to:

- encourage a **high added value feed & food chain**, i.e.:
 - 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;
- help the EU livestock sector remaining **competitive vs. third country**, i.e.:
 - to evaluate carefully the social and economic impact on the EU feed and food chain of other EU policies to avoid 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**, i.e.:
 - 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.