



## Greener, more competitive farming after 2013

**How should the EU's farm policy be reshaped and how should it be funded after 2013? Parliament set out its views in a resolution adopted on Thursday, ahead of the publication this autumn of the Commission's agricultural reform plans.**

The big challenges facing the farming world include climate change, the need for secure food supplies, food quality and business competitiveness, say MEPs in the resolution drawn up by George Lyon (ALDE, UK), which seeks to influence the debate on how best to remodel the common agriculture policy (CAP) in time for the EU's next multi-annual budget discussions.

Since the Lisbon Treaty, the overall EU reform plans and any EU agricultural legislation cannot be approved without Parliament's agreement.

### **A budget to match the objectives**

The EP stresses that the funds allocated to finance the CAP must be "at least maintained during the next financial period" (from 2013). In addition, agriculture policy should not be "renationalized" (i.e. returned to national control) and direct payments to farmers should be fully funded from the EU budget to avoid any co-financing by governments that could erode fair competition within the single market.

MEPs also believe that an EU funded top-up payment should be made available to reward farmers for reducing carbon emissions and increasing soil sequestration, on a per unit of production basis.

### **A fair payments system based on new criteria**

"A fair distribution of CAP payments (...), fair to farmers in both new and old Member States" should be the guiding principle of CAP reform, says the resolution. MEPs call for more objective criteria, partly to reduce disparities in direct payments, considering the current "hectare basis" inappropriate, and partly to reflect regional diversity. The level of direct payments should be maintained for the sake of both farmers and consumers, they say.

### **Competitive agriculture...**

The high standards of food safety, environment, social legislation and animal welfare that Europe's farmers must meet should be rewarded, say MEPs. Imports from third countries should meet the same criteria with due respect for WTO rules, and traceability should be improved to allow consumers to make an informed choices, they add.

### **...with a strong quality policy...**

Food quality policy is also crucial to improving the sector's competitiveness, says the resolution. Geographical indications of origin need to be strengthened and enforced, so as to allow the EU to keep its leadership in this area, using protection and promotion instruments.

### **...can guarantee fair returns to farmers**

# Press release

Increased competitiveness would also allow farmers to cover costs, respond to market signals and earn stable returns. To ensure fair revenues to the farming community, the EP proposes strengthening producers' bargaining power in the food supply chain vis-à-vis the retailers and other players and improving price transparency.

## **Crisis safety net**

To take account of market developments and particularly of extreme price volatility and subsequent crises, MEPs call for a safety net mechanism, to include public and private storage and intervention, backed by instruments specifically designed to increase price stability. They also propose new measures, such as creating futures markets or a harvest risk insurance policy to cope with extreme climate conditions.

## **Rural development not to be neglected**

To counter the abandonment of land, ensure the survival of EU farming and promote green growth, rural development must remain a central aim of the future CAP and the current two-pillar structure (production support and rural development) should be maintained, says the resolution. Agriculture urgently needs to attract young farmers and this could be achieved through favourable loans for investment to meet high start-up costs and overcome difficulties in accessing credit.

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