



THE COMMON AGRICULTURAL POLICY

SEPARATING FACT FROM FICTION



The Common Agricultural Policy: Separating fact from fiction

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1. The cost of the common agricultural policy to the taxpayer is far too high.

Agricultural policy is handled by the European Union directly, unlike sectors such as transport or education, all funding for agriculture comes from the European Union budget. This is why agricultural spending is the largest individual part of the European Union's total expenditure. The cost to European taxpayers of EU agricultural policies is relatively low at just 30 cent per citizen per day.

European farmers are expected to maintain the highest safety, environmental and animal health and welfare standards in the world. This is in response to public demands for a sustainable agricultural sector. Given these high standards and in order for EU farming (an industry which supports 22 million people) to remain competitive, public support is needed. In exchange, consumers receive a consistent supply of safe, sustainably produced food at affordable prices.

[The purpose and benefits of the CAP](#)

2. Subsidies end up in the wrong hands: the EU spends money without control.

The EU and Member States ensure that taxpayer's money is spent lawfully, and recover undue payments. The "clearance of accounts" system guarantees regular audits of the payments made by member states so that incorrect payments can be identified and remedied. Furthermore, EU countries are required to make individual inspections and to use a dedicated IT system that has been designed to reduce the number of payments made in error.

The EU has also adopted policies that reduce fraud and has a dedicated agency devoted to fighting the criminal misuse of funds.

[Clearance of accounts and audit](#)

[Anti-fraud](#)

3. Nobody knows who receives CAP funds.

There is a publicly accessible database of all CAP funding recipients. This data is available for two years after the payment has been made. This ensures that the public knows where its money has been spent. After this two-year period, the information is removed; this is because the EU has had to find a balance between transparency and the privacy of recipients.

[Information on the list of beneficiaries](#)

4. The EU supports mainly intensive farming.

The strength of European agriculture lies in its diversity. That is why the EU support does not favour a specific farming method, and the vast majority of financial support is decoupled from production. In other words, a payment per hectare is typically the same regardless of how intensively it is farmed. Farmers receiving EU support have to adopt certain sustainable farming practices that, for example, prevent monocultures. Additionally the EU supports alternative farming methods such as organic agriculture that encourage crop rotation and sustainability.

[Organic farming](#)

5. There is no need to grant direct payments to EU farmers. Farmers should survive in the free market like any other business.

Farming is unlike other businesses because it has to work within the constraints imposed by nature. This means that adverse weather or changes in climatic conditions can have a vast impact on supply and means that farmers only have a limited amount of control over how much is grown in any given year. Furthermore, as agricultural products take time to grow, the response to increased or decreased demand can take a number of years. It is therefore impossible for farmers to behave like the owners of businesses in sectors such as manufacturing and means they are far more exposed to dramatic changes in world prices.

The CAP provides EU citizens with food security and guarantees that food is safe and produced in an ethical and sustainable way. Direct payments help to keep sustainable farming viable throughout the EU. It does this by supporting and stabilising farmers' incomes, ensuring the longer-term economic viability of farms. It also makes them less vulnerable to market volatility and fluctuations in prices as well as being more resilient to impacts such as unpredictable weather conditions.

6. The CAP does not do enough to help protect the environment.

Protection of the environment is at the heart of the common agricultural policy (CAP). Farmers can only receive direct payments if they respect basic environmental rules. This is known as 'cross compliance'. However, the EU also promotes a higher standard of environment protection through the "green direct payments". These payments are only given to farmers that make a concerted effort to protect the environment. Finally, rural development measures provide funds to help farmers invest in the facilities or technology to farm in an environmentally friendly manner.

[Green direct payments](#)

[Cross compliance](#)

7. Farmers do not have any negotiating power in the food chain. The EU should do something about this.

The Commission is committed to tackling unfair trading practices within the agri-food chain; the EU has new legislation that bans many unfair practices such as last minute order cancellations or unilateral changes to contracts. Additionally the Commission has tried to make it easier for farmers to form producer organisations, these can help them to negotiate collectively and increase their ability to get a good price for their produce. Finally, the EU is committed to increasing market transparency by providing accurate and timely data so that farmers are better equipped to make decisions that aid their business.

[Unfair trading practices](#)

8. Europe should erect new import barriers to protect our farmers.

If the European Union erects new barriers, so will its trading partners. This will harm European businesses by reducing their ability to compete in foreign markets. EU Agri-food Products are highly successful on the international stage and we currently maintain a large trade surplus. November 2018 represented the largest trade surplus in agricultural goods ever achieved by the European Union. This reflects the success of the European Union trade strategy, and shows that European producers are able to compete in a global marketplace. An example of this trade strategy working for farmers is the EU – Japan economic partnership, this has reduced tariffs on Products such as pork, dairy and wine, increasing the opportunities for European farmers.

[Factsheet on the EU-Japan EPA](#)

[November 2018 Agri-trade report showing record-breaking surplus](#)

9. Overregulation is the cause of many farmers' problems and the EU is imposing too many rules on farmers.

While regulatory burden can certainly cause difficulties for all businesses, economic difficulties faced by farmers are more likely to be related to the economic outlook or the situation in international markets rather than excessive administrative procedures. The EU regularly screens and simplifies the common agricultural policy to relieve farmers of red tape and unnecessary requirements. However, the EU also has a duty to ensure that payments are made only to the correct people and that farmers respect animal welfare and environmental rules, this necessitates a certain level of administrative oversight. Without this, there would be no guarantee that public funds were going to the intended recipients and the EU could not ensure that taxpayers' money was being spent responsibly.

10. The EU does not guarantee food quality.

The European Union (EU) takes concrete steps to guarantee food safety and quality through food and health rules, marketing standards and labelling requirements. In addition, quality schemes such as the Protected Designations of Origin', 'Protected Geographical Indications' and 'Traditional Speciality Guaranteed' labels help consumers to identify quality agricultural products. In order to preserve the reputation of EU products, protecting these geographical indications is also a key aim in EU trade negotiations.

[EU quality schemes](#)

11. Farmers are getting older and their numbers are falling because the CAP does not help young people to become farmers.

In the face of an ageing farming population, the European Union (EU) is aware of the importance of encouraging young people to enter the agricultural sector. That is why the EU is actively helping young farmers to become established, 175 000 young farmers are expected to receive start-up grants during the period 2014-2020.

[EU support for young farmers](#)

12. EU policies harm agriculture in developing countries.

European Commission President Jean-Claude Juncker, in his 2018 State of the Union address, announced an ambitious new 'Africa-Europe Alliance', with the aim of boosting investment in Africa, strengthening trade, creating jobs and investing in education and skills. It was with this in mind that the Task Force Rural Africa has been set up. It issued a report in March 2019 on enhancing the role of the EU agri-food and agro-industrial sector in the sustainable economic development of Africa and the Commission is working with African partners to translate these recommendations into concrete actions.

The European Union (EU) trade policies also benefit developing countries. It unilaterally gives duty-free and quota-free access to all less developed countries (LDC) under the 'everything but arms' regime. This also applies to all African, Caribbean and Pacific (ACP) developing country partners (except South Africa that has a highly advantageous bilateral agreement with the EU).

[Task force rural Africa](#)

13. Public support to farming in Europe throughout the CAP is not distributed fairly between the EU Member States.

Significant differences exist in the level of income support per hectare across the EU, this is the result of using historical references to apportion payment entitlements. These historical references were used to avoid too sudden a change in the payments received by farmers.

Since the last reform of the CAP, direct income support has been progressively adjusted so that they are more equitably distributed between EU Member States. This process is known as “convergence”.

However, substantial differences still exist between Member States in terms of economic factors such as wage levels and input costs. Therefore, moving to a common flat rate direct payment would not be an appropriate response and would not help to fulfil the CAPs objectives. The path towards more equitable payments between member states has been guided by a pragmatic approach that takes into account what is economically and politically feasible.

[The basic payment](#)

14. The CAP causes food waste with its marketing standards and rules on appearance.

In most developed countries, such as those that make up the EU, food waste mainly happens at retail and post retail level and does not usually take place at the level of primary production. EU marketing standards are designed to maintain a high quality of goods, but there is a common misrepresentation that they forbid the use of misshapen food from supermarket shelves and therefore promote wastage. This is not an accurate representation of how marketing standards affect the food chain, unaesthetically pleasing fruit and vegetables are not thrown away but are instead channelled towards the food processing business.

Marketing standards also contribute to market transparency (by providing common definitions of “milk”, olive oil) and provide clarity for consumers and a level playing field for competing products.

[Marketing standards in fruit and vegetables](#)

15. European farmers are at a disadvantage compared to other regions of the world due to opposition to certain technologies, such as GMOs.

The European Union stands for a knowledge-based society open to scientific developments, but this must be balanced against any risk from new technology. The EU ensures a balanced legal framework, based on science and risk-assessment ensuring that, in the case of GMOs, their development takes place in safe conditions, protecting EU citizens, and involving EU Member States in the process.

Additionally the EU invests heavily into agricultural innovation in order to keep our farmers competitive. This takes place primarily through the horizon 2020 program.

[Horizon 2020](#)

[EU GMO legislation](#)

16. There is no need for a 'common' agricultural policy at EU level.

European Union (EU) objectives are better achieved by one common policy for the whole EU. Firstly, a common policy makes sure that there is a level playing field and fair competition between farmers. Secondly, environmental problems and climate change do not stop at national borders. Thirdly, a common policy allows for Member States and regions to learn from each other. This is particularly important when it comes to developing the potential of rural areas.

17. The CAP still supports mainly large industrialised agricultural companies.

Payments are calculated by reference to the area farmed. Therefore, while 20% of the largest farms in the EU account for 80% of agricultural land, more than half of the beneficiaries of income support have very small farms. Across the EU, the majority of the payments go to medium-size professional family farms, rather than industrialised agricultural companies.



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Directorate General for Agriculture and Rural Development

<https://ec.europa.eu/info/food-farming-fisheries/key-policies/common-agricultural-policy/>

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