



CROATIAN PARLIAMENT

Agriculture Committee

Zagreb, 4 January 2018

EUROPEAN PARLIAMENT

Committee on Agriculture and Rural Development

Dear Colleagues,

Following the request to deliver the positions of the national parliaments on the future of the Common Agricultural Policy after 2020, and apologizing for exceeding the deadline, I herewith submit the position of the Agriculture Committee of the Croatian Parliament on the future of the Common Agricultural Policy after 2020.

The objective of the Common Agricultural Policy:

- The basic role of the EU's common agricultural policy should continue to be taking care for agricultural production in the EU and for producers in the agricultural sector.
- It is undeniable that agriculture has an important social role and that there is a strong link between agriculture and the environment. The current EU agricultural policy contains elements that provide answers to these and other issues, such as resource use and protection, the uniform development of regions and the like.
- However, precisely because of this, agricultural policy has become too complicated. In the future, agricultural policy should better focus its goals and measures to meet the needs of the agricultural sector and its basic function of food production. Farmers and rural areas, as well as consumers of agricultural and food products, should be at the centre of agricultural policy.

CAP structure and support

- In the discussions so far, the Republic of Croatia has expressed its support for keeping the basic structure of the CAP in two pillars, i.e. the financing of structural measures in agriculture on the one hand, and the co-financing of income and market measures on the other. Market measures should be developed in such a way as to ensure greater market stability and offer more effective solutions in the event of disruption and crisis.
- The common agricultural policy should be flexible enough to enable the implementation of measures in line with the needs of the Member States. One of these elements is coupled support, which we expect will be retained in the next programming period.
- In order to ensure sufficient food production, it is necessary to create conditions that will motivate producers to remain within the agricultural sector. Given that on the one

hand the agricultural sector is conditioned by natural and climate conditions that we are able to control only to a certain extent and on the other hand that it is subject to numerous obligations and requirements that do not exist in other sectors or in other countries producing food outside the EU, agricultural sector needs to be given adequate support to carry out its basic function of food production. The market alone cannot provide such conditions.

- It is therefore necessary to provide an adequate budget for the financing of the CAP measures and we are opposed to reducing the EU agricultural budget in total or at the national envelope level.

Market and Competitiveness

- The CAP has some mechanisms to encourage farmers to better comply with market requirements, such as provisions on producer organizations, contractual relations or intervention measures. These mechanisms are suitable for relatively stable market conditions, but have proved insufficient for cases of longer and greater disorders.
- The question of the role of farmers in the food chain is one of the most important issues to be solved. In the food chain, farmers often get the lowest share in added value and run the highest risk (for example, in case of food price reduction on the market). Appropriate models for strengthening the position of farmers can be introduced at the level of Member States, and at EU level it is necessary to define a framework to ensure equal conditions in the market.
- As far as liberalization of international agricultural trade is concerned, it can provide new markets for certain sectors or producers that are competitive at the global level, but international trade itself is not a catalyst for the development of agriculture. On the contrary, the agricultural sector is particularly sensitive to the opening of the market, and it is therefore necessary to better coordinate the trade policy with the interests of the agricultural sector.
- In trade negotiations, it is also important to ensure the removal of unjustified non-tariff barriers, in particular sanitary and phytosanitary measures, which could annul the agreed trade concessions. The Commission should be more actively involved in resolving this problem, which is currently mainly left to the Member States.

Sustainability of agriculture

- Although there is a direct link between agriculture and the environment, we cannot agree that agriculture as a whole should be viewed as an issue in the context of environmental protection or climate change.
- It should be recognized that the CAP already contains various measures encouraging or obliging farmers to apply those production techniques that have a favourable environmental impact. These measures are covered in both pillars of the CAP, and new additional obligations were introduced by the 2013 reform.
- At this time, the full effect of the “greening” measures of 2013 and of the other requirements of the CAP which have been introduced to protect the environment is not yet known. The effects of the CAP on biodiversity and water, soil, air and climate protection still need to be evaluated and it is not possible to make assessments, conclusions or decisions on new commitments for the agricultural sector before the results of this evaluation are known.
- As far as the fulfilment of the climate policy goals are concerned, the Member States' efforts to reduce emissions to target quotas and the limited ability of the agricultural

sector to assume new commitments have to be taken into account. Possible new targets, such as the reduction of greenhouse gas emissions, should not be set in such a way as to jeopardize the growth and achievement of the full potential of agricultural production.

Innovation

- Research and innovation can play a positive role in finding solutions to the problems facing the agricultural sector. Whether this role will be crucial depends, above all, on how concrete research and innovation is really relevant and applicable in practice, and to what extent it is available to a greater number of farmers.
- It is therefore necessary to further promote research and innovation that is appropriate to the existing structure of agricultural production, where family farms prevail. As a rule, family farms cannot introduce highly sophisticated technologies that require great investment, but the research process can offer even simpler solutions that can be relatively quickly applied in practice.

Sincerely,

COMMITTEE CHAIRMAN

Tomislav Panenić

