

Reform of the Common Agricultural Policy

Seminar for journalists - 13 March 2013

The seminar for journalists organised by the European Parliament's Press Service on 13 March 2013 deals with the reform of the Common Agricultural Policy (CAP). The seminar aims to provide a platform for a wide-ranging debate with Members of the EP Committee on Agriculture and Rural Development and representatives of the European Council Presidency. Technical and procedural issues will also be addressed.

This leaflet provides extracts from a compilation of papers prepared by the EP's Policy Department on "Structural and Cohesion Policies" in relation to the reform of the Common Agricultural Policy. Within the European Parliament, the role of policy departments is three-fold: to provide timely specialised advice to all parliamentary bodies; to carry out research addressing their needs; to manage the budgets for external expertise according to the decisions taken by committees, under the supervision of the directors and the directors-general.

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EU Measures to Encourage and Support New Entrants

September 2012



The low number of new entrants into farming in the EU-27 is determined by certain economic and social factors that characterise EU agriculture. The CAP envisages a series of measures to counter this situation, which have been only scantily effective. The new model introduced by the European Commission constitutes an insufficient solution to the problem and needs to be redefined if it is to effectively attract new entrants, not only to farming but to any other activity in the countryside. This entails drawing a distinction between agrifood and agri-environmental policies on the one hand and territorial rural policies on the other, to develop a new Rural Policy Framework for the EU.



Policy Scenarios for EU Sugar Market Reform

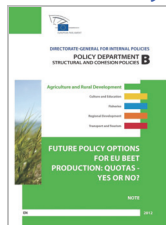
September 2012

The 2006 sugar policy reform fulfilled the EU's international obligations of reducing domestic production. There is much debate over whether the EU should extend sugar production quotas until 2020 or abandon them, as proposed by the European Commission, and move to a freer market in 2015. This note looks at the constraints on policy makers and future options for the EU sugar policy. Further reform of the sugar regime is imperative to address issues that have arisen since the 2006 reform.



Future Policy Options for EU Beet Production: Quotas - Yes or No?

September 2012



Abolishment of EU sugar quotas will lead to lower sugar and sugar beet prices in the EU, leading to lower margins for farms. At the same time, expansion of sugar beet growing and processing in a quota-free situation can decrease fixed cost per hectare of sugar beet and per kilogram of sugar, making both sugar beet growing and processing more efficient. Besides, lower sugar price levels will make Europe a more attractive continent for investments by sugar-based industries.



EU Competition Framework : Specific Rules for the Food Chain in the New CAP

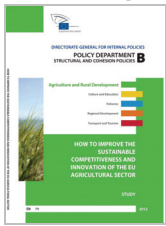
May 2012

The European Commission has proposed a new Regulation on the common organisation of agricultural markets, aiming to strengthen the offer and the role of farmers' associations and interbranch organisations on the one hand, and to clarify competition rules on the other. This report analyses the legal framework in force on agricultural competition, and the conditions of application of antitrust law to agreements and practices of farmers, farmers' associations and interbranch organisations.



[How to Improve the Sustainable Competitiveness and Innovation of the EU Agricultural Sector](#)

May 2012



This study reviews the extent to which the current CAP and related EU policies promote sustainable competitiveness and innovation in agriculture and assesses the current legislative proposals for the CAP reform. The current policy does not realise its potential and although the reform package represents an improvement, there is more that could be done. Recommendations are made to strengthen the balance of the package and improve proposals for each pillar of the CAP. Key issues include better advice, knowledge transfer, more use of locally tailored, strategically planned measure-packages, fuller sustainability-proofing and new incentives for innovation.



[The Mechanisms of the Single CMO and Risk Management Instruments under the New CAP](#)

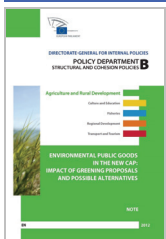
March 2012

This note analyses the European Commission's proposals for the CAP reform 2014–2020. The analysis focuses on measures intended to respond to the volatility of agricultural markets. After explaining the possible justifications for public action aimed at mitigating and managing risks in agriculture, the effectiveness of the new measures that have been proposed, which include a crisis reserve and mutual funds for economic losses, as well as the effectiveness of the measures that will be kept in place, are examined. Recommendations include in particular the establishment of transparent and credible rules for public action in order to promote the development of risk management markets.



[Environmental Public Goods in the New CAP : Impact of Greening Proposals and Possible Alternatives](#)

March 2012



This note discusses the greening component of direct payments in the Commission's legislative proposals of October 2011 for the Common Agricultural Policy in the period after 2014. Based on an analysis of the likely consequences of these proposals, a range of options is put forward with the aim of improving their environmental impact, reducing their administrative complexity and improving their cost-effectiveness. Possible alternatives are also included.



[New Direct Payments Scheme : Targeting and Redistribution in the Future CAP](#)

February 2012

The Commission has proposed that a revised version of the present regime of direct payments should be rolled forward into the post-2013 CAP, with limited redistribution of funds between Member States. Thirty per cent of the budget would be allocated to a new greening component, which would be problematic in the WTO. Non-active farmers would not qualify for aid; and payments would be capped. This study argues that there needs to be a fundamental rethink about the purpose of the CAP, its policy objectives and its mechanisms; and a clearer explanation of how expenditure contributes to smart, sustainable and inclusive growth.



[Rural Development and Territorial Cohesion in the New CAP](#)

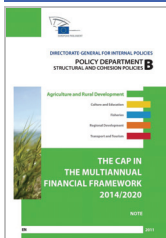
February 2012

This note examines the role of rural development in the CAP after 2013. It pays special attention to the way rural development might help to address the adverse effects of the economic crisis on rural areas. The note also discusses the possibilities of overcoming problems that threaten the legitimacy of rural development policy. It is argued that the attention given to competitiveness and innovation as generic concepts threatens to distort rural development in the 2014–2020 period. This will be especially detrimental for territorial integration.



[The CAP in the Multiannual Financial Framework 2014/2020](#)

October 2011



The purpose of this document is to provide an analysis of the Commission's Communication on "A Budget for Europe 2020". After a description of the historical evolution of the European budget and spending on the Common Agricultural Policy, the paper explores the new proposed Multiannual Financial Framework for the 2014–2020 period, with particular reference to the CAP budget and its various components.



[What Tools for the European Agricultural Policy to Encourage the Provision of Public Goods?](#)

May 2011

Agriculture plays an important role in the provision of a wide range of public goods in Europe, particularly regarding the environment and rural vitality. Appropriate policies are required to secure adequate provision in the future and the Common Agricultural Policy has a potential key role. This report examines some of the issues involved in reorienting the CAP for this purpose and proposes how it could be modified to contribute to a more effective future supply of public goods.



[The CAP in the EU Budget : New Objectives and Financial Principles for the Agricultural Budget after 2013](#)

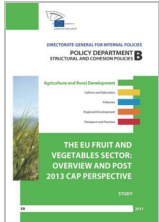
May 2011

The review of the EU budget and the CAP reform are two highly connected issues which influence each other. Their outcomes will mainly be determined by timing. This study presents some alternative scenarios, bringing together different hypotheses of EU budget review and CAP reform, looking at how the net balances of Member States change accordingly. The instrument of the net balance is key in understanding the costs and benefits of the Member States in each scenario and their consequent positions in favour or against a reform proposal.



[The EU Fruit and Vegetables Sector : Overview and post-2013 CAP Perspective and Annexes](#)

April 2011



This study provides an overview of recent economic and policy developments of the EU fruit and vegetables sector. Findings suggest that current difficulties for EU producers, particularly for small farmers, arise mainly from long-term changes at different levels of the global fruit and vegetable sector. The preliminary assessment of the 2007 reformed Common Market Organisation (CMO) derived both from National Strategies and a survey targeting Producer Organisations (POs) of France, Italy and Spain, validate the cornerstones of the current EU policy schemes for the fruit and vegetable sector. However plausible improvements are envisaged for support and trade protection measures in the framework of the CAP after 2013. Main proposals focus on a strengthened role for POs, selecting and increasing the effectiveness of crises and risk management measures, rebalancing bargaining power of POs in the supply chain, reducing fluctuations in producer income, refining trade policy solutions and further integration with Mediterranean Partner Countries.



[What Market Measures in the Future CAP after 2013?](#)

April 2011

Market measures for new post-2013 CAP must help EU agriculture to cope with a different set of challenges than were relevant in the past. Pro-active market measures are preferred to re-active measures. Governments should help private markets to offer farmers the widest choice of instruments, and intervene only when these fail. This report focuses on market measures that the European Commission should consider, including market management instruments, such as storage or border protection, risk and crises management, rules to improve markets' functioning or food access. Although not directly related with post-2013 market measures, the report makes a number of suggestions about the EU's role in world food markets. It is suggested that the EU should take a leading role in making world food markets more transparent, creating effective market intelligence mechanisms, and reinforcing the regulatory mechanisms of commodities markets.



[Petits agriculteurs et marchés locaux dans le contexte de la politique européenne de la qualité](#)

March 2011



Cette note propose un panorama d'ensemble et un cadre d'analyse des principaux éléments qui caractérisent la situation actuelle des marchés des produits de qualité du point de vue des petits agriculteurs et des marchés locaux. Les propositions du Paquet qualité sont resituées dans le contexte des transformations tendanciennes de l'organisation des marchés, les perspectives de réforme de la PAC après 2013 et des propositions spécifiques concernant la petite agriculture et les fermes de subsistance. Sont successivement caractérisées les dynamiques de la petite agriculture, des filières de qualité spécifiques et des marchés locaux, en soulignant la dimension européenne et régionale de celles-ci.



[The Future of the Quality Policy in the Light of the CAP post-2013](#)

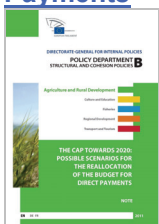
March 2011

Quality policy is an integral part of the CAP and represents a useful instrument to enforce the competitiveness of the agricultural system as well as the vitality of rural areas. With the so-called "Quality Package", changes are introduced in the normative outline of Protected Designation of Origin, Protected Geographical Indication and Traditional Speciality Guarantee products. The aim is to answer to the needs of both producers, for a sustainable profitability, and consumers, for a higher information and guarantee on the provenience of the products. Nevertheless, considering the magnitude of structural and socio-economical differences that mark the quality production systems across Europe, the possibility of making the system capable of answering to these different needs seems still to be open.



[The CAP towards 2020 : Possible Scenarios for the Reallocation of the Budget for Direct Payments](#)

March 2011



Based on the European Commission's Communication "The CAP towards 2020: meeting the food, natural resource and territorial challenges of the future", of 2010, this paper focuses on some possible scenarios for limiting the gains and losses of Member States as part of the reallocation of the budget for direct payments. These scenarios are merely an illustration of the implications of using different allocation criteria and different methodologies for limiting the extent of the potential redistributions, and should not be interpreted as recommendations.



Direct Payments in the CAP post 2013



The European Commission's Communication "The CAP towards 2020: meeting the food, natural resource and territorial challenges of the future", of 2010, identifies crucial challenges, above all the need for EU agriculture to provide public goods. However, only limited changes to the CAP are proposed. Rather than making a determined move towards targeted measures, direct payments are supposed to continue forming the backbone of the support regime. The "greening component" cannot really improve the targeting of payments. This study suggests that redistribution of payments across Member States may or may not enhance equity and will not improve the supply of public goods.

January 2011



Rural Development in the CAP post 2013

This note examines the role of rural development policy in the CAP after 2013. As the official Communication of the Commission of 2010, "The CAP towards 2020: meeting the food, natural resource and territorial challenges of the future", remains at a high level of generality, many uncertainties still exist regarding the role of rural development. However, as the new framework seems to be set in place, this note examines the consistency of proposals which are aimed at meeting the predefined challenges and objectives as well as providing policy recommendations.

January 2011



The CAP towards 2020 : Working Paper on the EC Communication of 18 November 2010

This paper analyses the Commission's Communication of 2010, "The CAP towards 2020: meeting the food, natural resource and territorial challenges of the future", on the basis of the European Parliament (EP) Resolution of 8 July 2010 on the future of the Common Agricultural Policy after 2013. In this Resolution, the EP called for "appropriate measures to be taken to explain what the CAP consists of, not only to farmers but to all Europe's citizens, while providing transparently clear information about the objectives being pursued, the means available and the anticipated beneficial effects of implementing the CAP". This working paper offers some suggestions in order to facilitate the legislative work on the CAP reform dossier.

November 2010



The Single Payment Scheme After 2013: New Approach, New Targets



This study summarises the developments of the EU Single Payment Scheme, its national implementation by Member States, and provides an economic assessment of the scheme. The various proposals made to change the system of direct payments are examined and possible options for reforms are identified. A new system of direct payments for the next Financial Perspective is suggested. It involves a gradual reorientation of direct payments from income support to remuneration for the provision of public goods. Reform proposals for the remaining income support include cofinancing and a move towards a flatter system with a cap related to labour units. This proposal subscribes to subsidiarity, but the increased weight of remuneration for public goods would also call for a stronger harmonisation of the legislative baseline on which the system of EU payments rests.

April 2010



Policy Departments

Effective parliamentary work relies on specialised, objective, high-quality and up-to-date information. To this end, five units responsible for research, analysis and policy advice, known as policy departments, were created to provide this expert advice. Their activities cover all areas of competence of the European Parliament, producing high-level independent advice, based on research carried out either in-house or by external researchers.

Policy departments deliver a wide range of expertise, comprising texts as diverse as in-depth studies on complex legislative issues, comparative studies and short background briefings. These documents aim to support the work of the various parliamentary bodies. They serve a variety of purposes: they can feed directly into the legislative work of a specific committee or serve as a briefing for delegations of Members. Apart from a few confidential documents, all texts produced by the policy departments are available on the Parliament's website for the benefit of all Members and the wider public.

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