



# The Future of Food and Farming

**Communication from the Commission**

DG Agriculture and Rural Development  
European Commission

**#FutureofCAP**



# Outline

- **The current context**
  - *Role of EU agriculture and the CAP*
  - *Challenges, opportunities and stakeholder expectations*
- **The Communication on Future of Food and Farming**
  - *What is it for?*
  - *Future CAP: Objectives and priorities of intervention*
- **The process ahead**

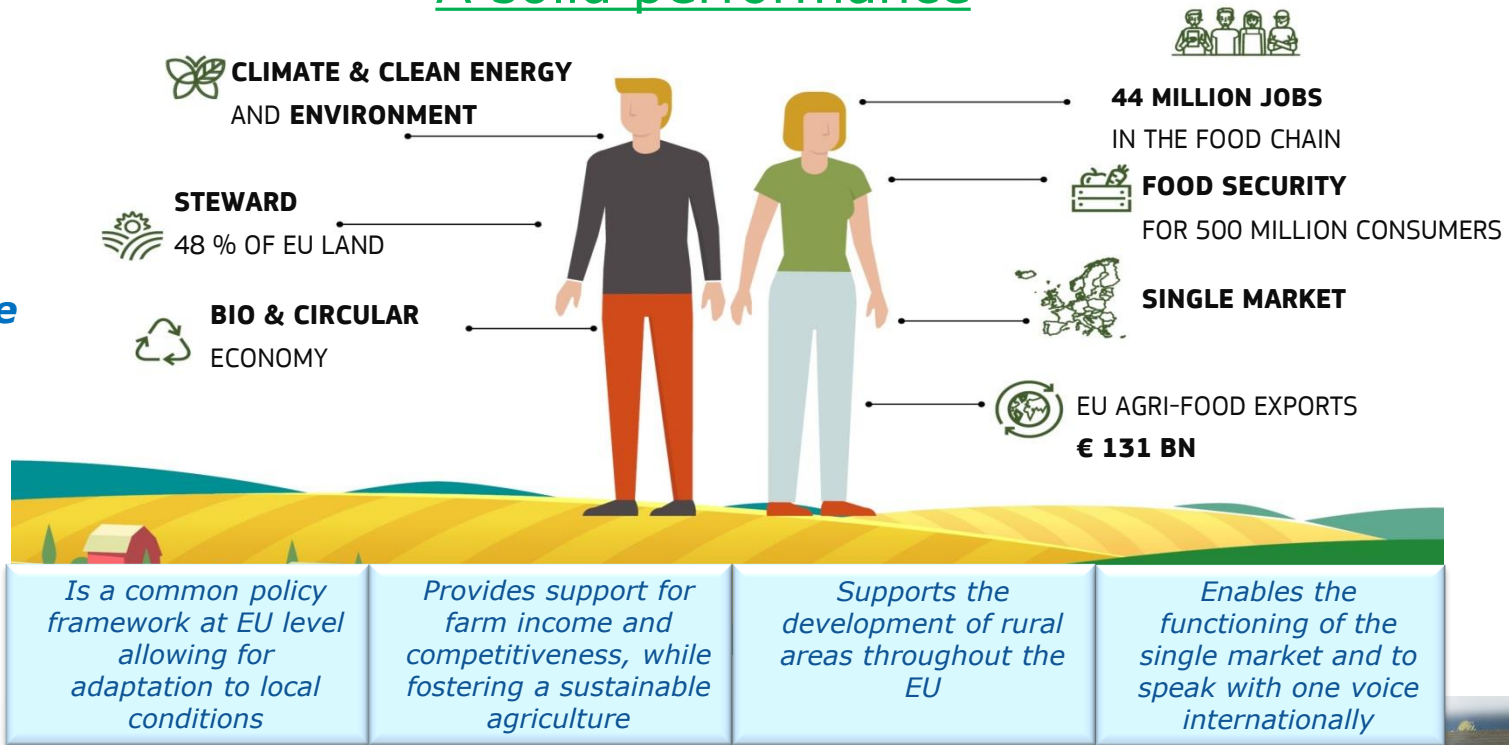


# The current context



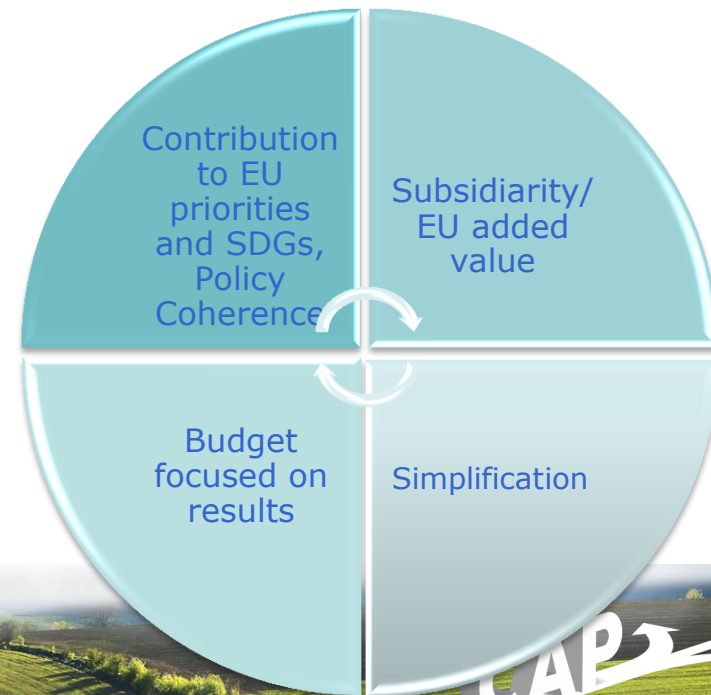
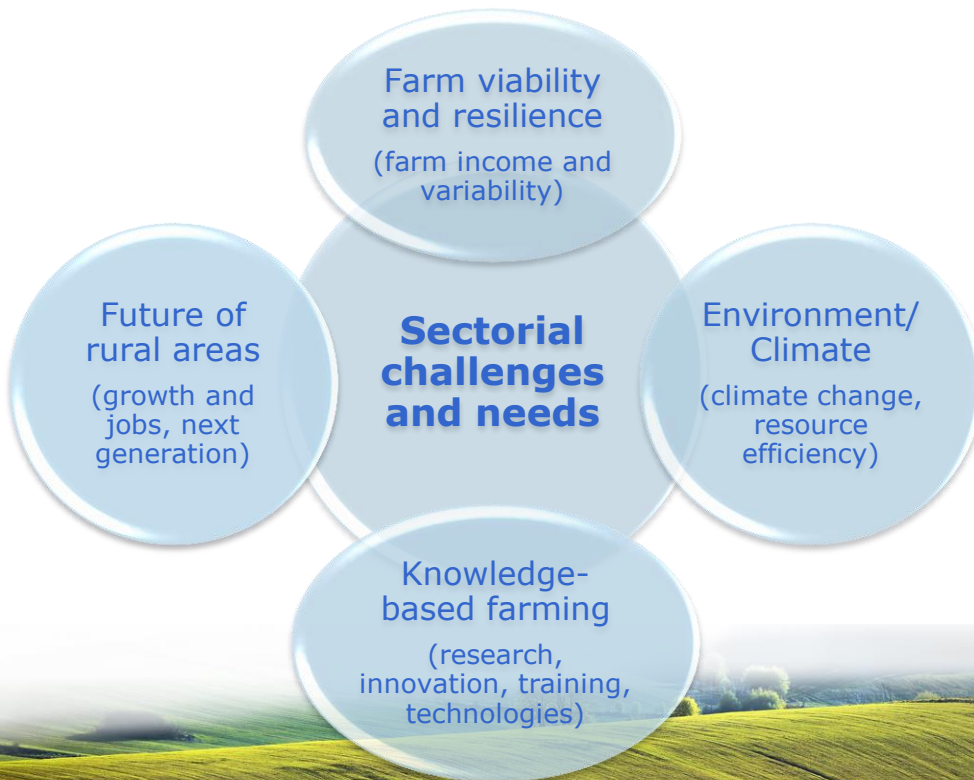
## A solid performance

**EU**  
**Agriculture**



## But benefits cannot be taken for granted

### Cross-cutting challenges and needs



## Stakeholder expectations

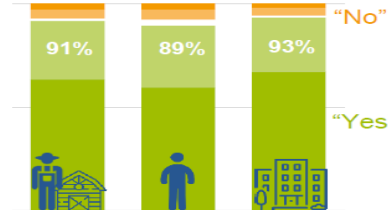
**Open public consultation**  
(over 322000 submissions,  
over 1400 position papers)

**Cork 2.0 declaration**  
(over 300 policy makers and  
rural development  
stakeholders)

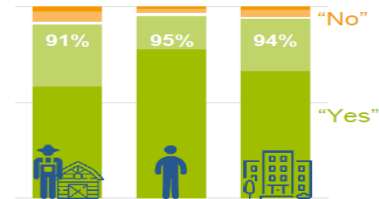
**Others**  
(e.g. 4 thematic workshops  
with experts, Civil Dialogue  
Groups, Agricultural Market  
Task Force report)

### Having a CAP makes sense because we need...

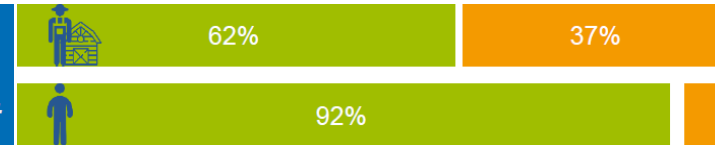
Common  
rules within  
a Single  
Market



Common  
objectives  
for Cross-  
border  
Challenges



*Agricultural policy  
should deliver more  
benefits for environment  
& climate*



## In a nutshell

### A solid performance

- Role of EU agriculture
- Role of the CAP

### But benefits cannot take for granted

- Sectorial challenges and needs
- Cross-cutting challenges and needs
- Stakeholder expectations

### Further work needs to be done

- Communication on Future of Food and Farming
- Wider EU context: White paper on the future of Europe/Reflection paper on future of EU finances

# The Communication on Future of Food and Farming



## What is the Communication for?

- To provide policy orientations and guidance on the future CAP
- Without pre-empting the next proposals on the Multiannual Financial Framework (expected May 2018)



# Future CAP: Objectives and priorities of intervention

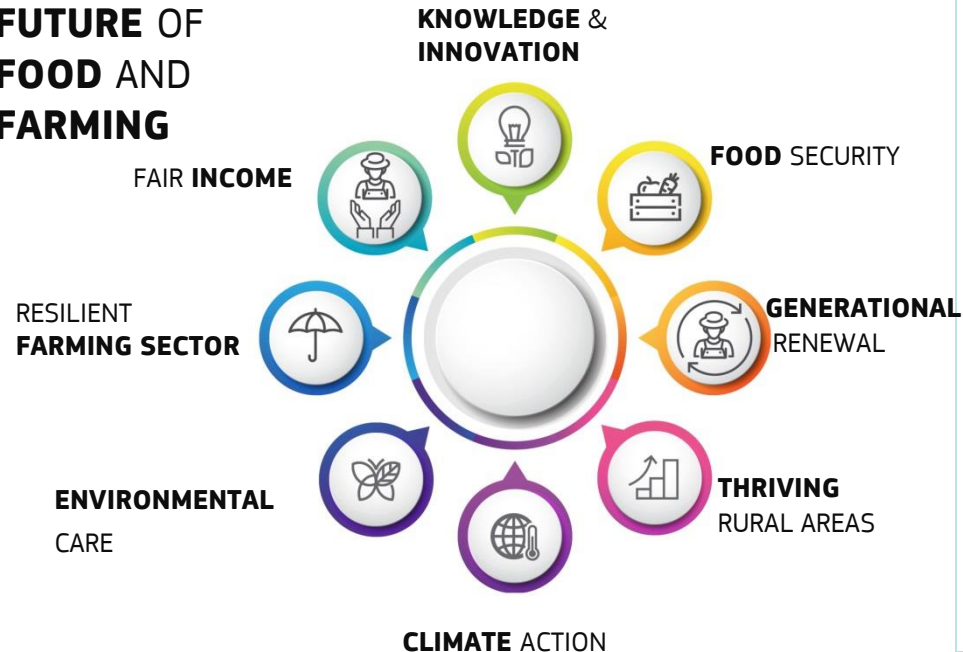
Foster a smart and  
resilient agricultural sector

Bolster environmental care and climate  
action and to contribute to the EU  
environmental and climate objectives

Strengthen the socio-economic fabric  
of rural areas

Enhance knowledge-basis  
More subsidiarity/performance  
Enhance synergies with other policies

## **FUTURE OF FOOD AND FARMING**





## Towards a new delivery model

### EU LEVEL

Objectives of the CAP  
Broad types of interventions  
Basic requirements

### MEMBER STATES/ Regions

Tailor the CAP interventions to their specific  
needs  
Compliance requirements

### *CAP Strategic Plan*

Will cover interventions in both Pillar I and Pillar II  
Targets for performance at MS/Regional level



## Using research and innovation

*Patchy access and uptake of new knowledge and technology*

*Role for CAP to speed up innovation (e.g. EIP-AGRI)*

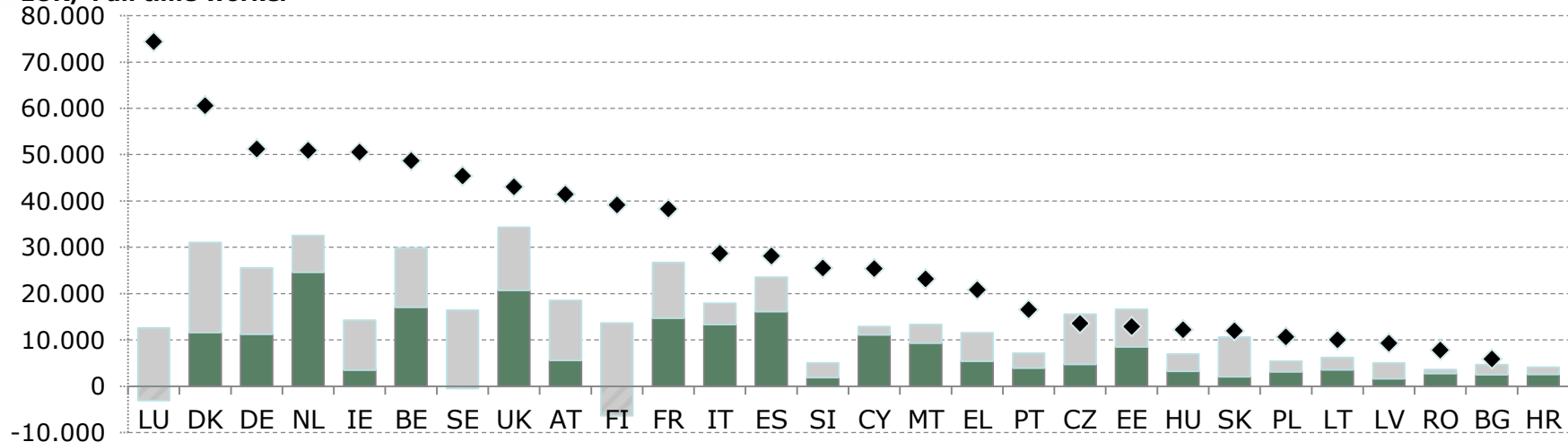
- *Implications/ideas for the future CAP*
  - *Sharing knowledge– **robust farm advisory services** a condition for approval of the CAP strategic plan*
  - *Linking advice to the implementation of CAP support*
  - *Enhancing synergies with Research & Innovation Policy*





## Income support still needed

**EUR/ Full time worker**



**Source:** DG AGRI based on DG AGRI and Eurostat data, 2011-2013

**Average CAP support** = operating subsidies per worker incl. support covering possible negative market income

**Average farmer income (without CAP support)** = entrepreneurial income per worker - operating subsidies

**Nota:** CAP support does not include investment support; **average farmer income without CAP support in LU and FI was negative over the period considered - the negative income compensated by CAP support is hatched on the graph**



## A fair income support

### DISTRIBUTION OF EU DIRECT SUPPORT TO FARMERS





## A fair income support

*Perceived unfairness of direct payments*

*20% of farms receive 80% of payments*

- *Implications/ideas for the future CAP*
  - *Distribution concerns => need for better targeting*
    - *Capping, degressivity and redistribution*
  - *Reduced inequalities between Member States*





## Investing to improve farmers' market rewards

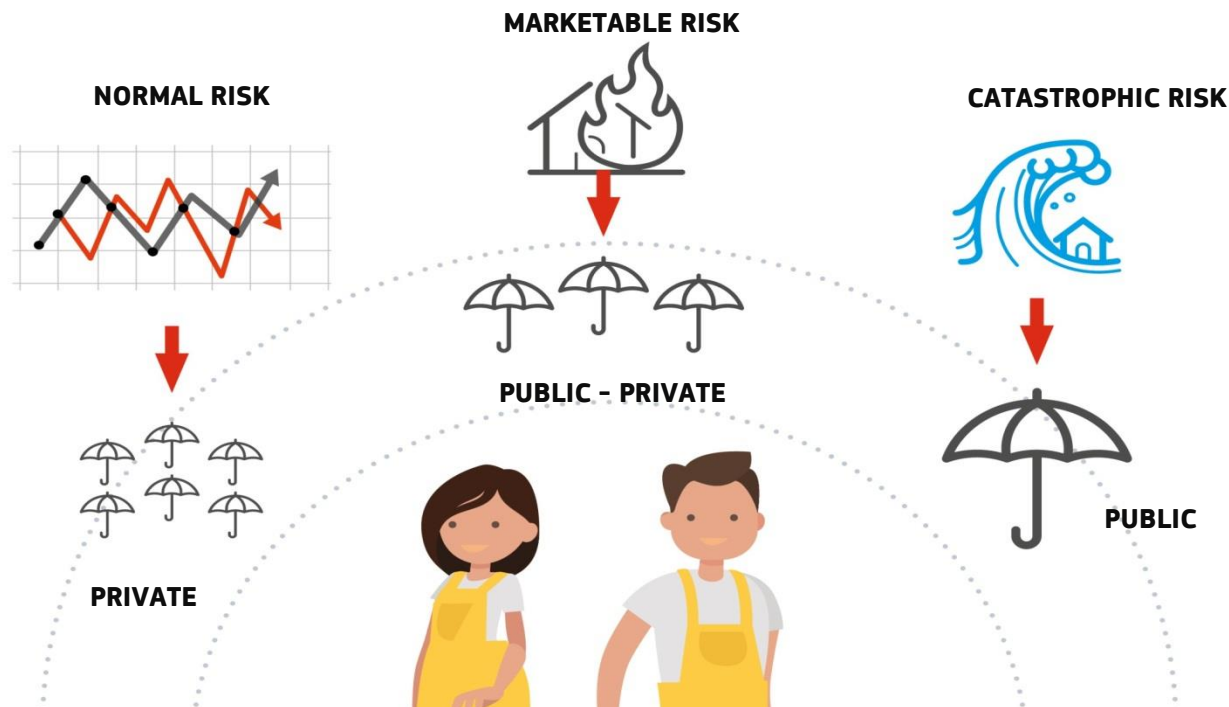
*Investment need (modernisation, diversification, uptake of new technologies)  
Position of farmers in the food supply chain*

- *Implications/ideas for the future CAP*
  - **Boost investments**
    - *focus on diversification*
    - *more use of innovative financial instruments*
    - *link to other EU instruments (EFSI, ESIF)*
  - **Improve investment support**
    - *business advice*
    - *effective synergies with research and innovation*





# DEVELOPING AN APPROPRIATE FRAMEWORK FOR **RISK MANAGEMENT**





## Risk management

- *Need for improvements to CAP risk management instruments*
- *Implications/ideas for the future CAP*
  - *EU-level platform on risk management*
  - *Explore new ways:*
    - *Use of financial instruments*
    - *Support for re-insurance of mutual funds*
    - *Incentives for precautionary savings*
  - *Training, knowledge transfer and inclusion into farm advisory services*
  - *Explore actions by Member States (e.g. taxation)*





## Stepping up Environmental and Climate action

*Farming is affected by climate change and environmental degradation*

*Farming impacts on the environment and can help achieving COP21 goals and SDGs*

### *Principles for future CAP*

- *Increased ambition, more targeting*
- *Improved green architecture*
- *Closer integration of EU Climate and Environment Policies*





## Stepping up Environmental and Climate action

- *Implications/ideas for the future CAP*
  - *Current **green architecture to be replaced***
    - *Environmental and climate objectives set at **EU** level, adequate targets in CAP strategic plans*
    - **Member States**
      - *Devise a mixture of mandatory and voluntary measures in Pillar I and Pillar II*
      - *Further define conditionality*
  - *Explore introduction of **nutrient management plan***
  - *Explore incentives for **precision agriculture***





## Growth and jobs in rural areas

*Need for growth and jobs in rural areas to remain attractive living places*

- *Structural issues:*
  - *lack of attractive employment opportunities*
  - *underinvestment in connectivity*
  - *significant youth drain*

- *Implications/ideas for the future CAP*

- *Complementarity and enhanced coordination with other EU and national policies*
- *"Rural proofing" mechanism*
- *Bio-economy priority for CAP plans*
- *Development of Smart Villages*
- *Continue LEADER approach*



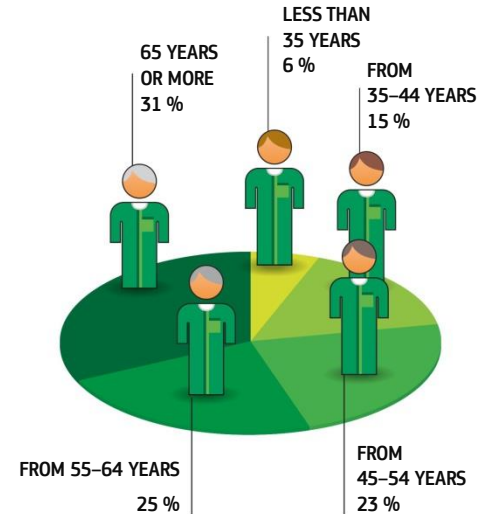


## Attracting new farmers

*Need to attract new entrants into the sector*

- *Implications/ideas for the future CAP*
  - *Generational renewal priority in CAP plans*
  - *Consistency between EU and national action*  
*(taxation, inheritance system, etc)*
  - *EU-wide system of support to the first installation*
  - *Explore ways to facilitate exit/intergenerational cooperation*

**FARMER POPULATION** SKEWED TOWARDS  
OLDER FARMERS





## Addressing consumer concerns

*Farmers have to anticipate and adapt to consumer demand and societal concerns*

- *Implications/ideas for the future CAP*
  - *Modernise organic rules and make geographical indications more attractive*
  - *Support sustainable use of pesticides*
  - *Addressing critical health issues (antimicrobial resistance or AMR)*
  - *Support campaigns to promote healthy practices and consumption of fruits and vegetables*
  - *Address food waste*





## The global dimension of the CAP: Trade and migration

*Maintain market-orientation of EU farming ...  
... while exploring ways to even out disadvantages from trade agreements in some regions*

*Coherence with EU development policy to help addressing root causes of migration*

- *Implications/ideas for the future CAP*
  - *Further explore pilot projects for exchange of young farmers/EU-Africa Union exchange schemes*
  - *Deepen cooperation on agricultural research and innovation*
  - *Enhance strategic policy coordination and dialogue with the African Union*
  - *Use rural development policy to help setting and integration of legal migrants (LEADER)*

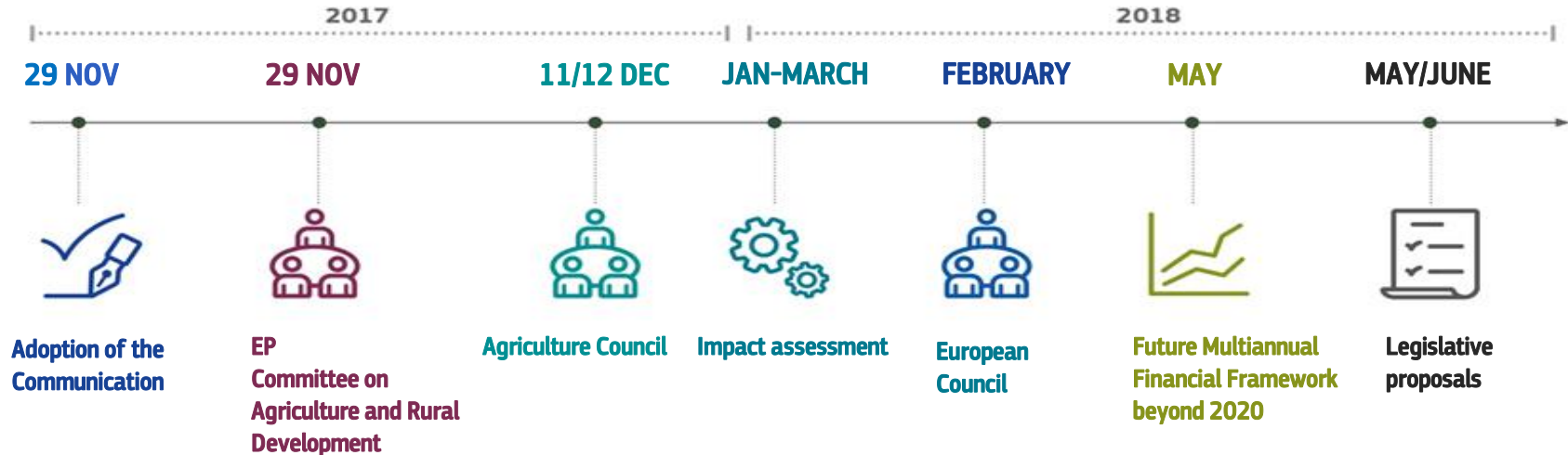


# The process ahead



## The process ahead

# CAP MODERNISATION AND SIMPLIFICATION ROADMAP



**Further information will be available at:**

[https://ec.europa.eu/agriculture/future-cap\\_en](https://ec.europa.eu/agriculture/future-cap_en)

**Thank you for your attention!**