



The Common Agricultural Policy Focus on safety nets, land and growth and jobs

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Focus on safety nets (Brochure)

The new market environment:

- *Price volatility (EU farmers more exposed to global price developments)*
- *Uncertainty on future price levels, however the commodity "super-cycle" effect of China seems to be over*
- *Co-movement of farm prices with other commodity prices (e.g. energy)*

The CAP's safety net:

- *The income safety net (direct support)*
- *The market safety net (public intervention, exceptional measures (since the Russian embargo to now back fully deployed))*
- *On farm risk management (RD risk management toolkit via insurance premiums, mutual funds, income stabilisation tool)*

Impact of the CAP safety net on EU agriculture:

- *Increased global competitiveness (narrowed gap between EU and world prices)*
- *Increased and diversified trade performance (leading importer and primary exporter of agri-food products)*

Focus on jobs and growth (brochure)

Situation

- *Farming taking lower share of total employment*
- *But 11 million farms are basis for 22 million on-farm jobs, 44 million jobs with food processing/retail/services*

Key relevant CAP tools

- *Direct payments & market instruments*
- *Rural development support for:*
 - *knowledge-building, co-operation (including R & D, food chain organisation)*
 - *investments*
 - *farm and non-farm business start-ups*
 - *services and infrastructure (including broadband, other ICT)*

Some issues for the future

- *See jobs and growth in whole food supply chain (with farming as essential foundation)*
- *Opportunities in bioeconomy, tourism etc.*
- *Deal with tensions between productivity gains and employment levels*

Focus on land(Brochure)

Facts:

- *Agriculture covers almost a half of the EU area*
- *Forestry covers 37% of the EU area*

Challenges:

- *Pressure to produce more due to growing population*
- *Pressure on land use: cities and infrastructure take area the size of Berlin away from agriculture every year*
- *Pressure to produce energy and to mitigate climate change (land = carbon sink)*
- *Pressure to produce public goods*

CAP tools:

- *Most CAP payments are linked to land - direct payments and area payments*
- *Investments and knowledge transfer*

Some issues for the future :

- *Resource efficiency and increased productivity*
- *Better protection of biodiversity*
- *New technologies and innovation*
- *Cooperation and sharing*