

**Report of the 4th Forum for the future of agriculture:  
Refocusing security on food and nature**

**CAP renewal for better farming**

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**OPENING STATEMENTS**

**Opening statement by Franz Fischler**

Former European Commissioner for Agriculture, Rural Development and Fisheries and current chairman of the RISE Foundation Franz Fischer delivered the opening statement. The key subject of the conference is a refocusing of security on food and nature with special regard for the pending CAP reform. Starting point is that new global threats such as food shortages, water shortages and climate change cause political instability. In the light of this theme it was logical to invite Lester Brown.

The key message of Fischler's speech was that maintaining the status quo is not an option. As world population growth outstrips the annual increase in food productivity there is a new anxiety about food insecurity. Fischler stated that the world population cannot be fed without a sustainable intensification of agriculture. There is simply too little prospect of bringing further land into farming. In 2007-2008 food riots were commonplace and food price inflation is having the same effect today as is illustrated by the recent uprisings in Northern Africa and the Middle East. For most countries in the world the risk of food dependence is at least as important as the risk of energy dependence.

This is the global context in which the CAP reform is to be situated. Many think that food security is a world challenge and not also a European one. But are they so sure? Last year key note speaker Paul Krugmann warned the EU for its vulnerability to volatile food prices given its heavily and increasing dependence on food import.

With one billion people hungry, one billion undernourished and some three billion trying to move up the food chain, the challenge of feeding tomorrow's world is a challenge of the first order. The EU's role as a vital supplier of food to the world is of the essence. And so is its need to pursue a sustainable intensification of agricultural production if sufficient space is to be left for the preservation of the landscape.

The Stern review states that climate change is the greatest market failure ever seen. So is the insufficient production of public goods by farmers. Without market incentives farmers will continue to producing not enough of those public goods. Therefore the overriding concept in economic restructuring is to get the market to tell the truth about costs. Environmentalists and consumers must become better aware of the fact that without farmers it becomes more difficult to increase the production of ecosystem services and other public goods and that their contribution cannot be secured unless their activities are economically sustainable.

The next multiannual financial framework already involves substantial cuts in CAP budget as it increased less than the expected rate of inflation. Further cuts in the future would jeopardize the first and most important common policy. This is neither in the EU's nor in

the world's interest. This would be a misapplication of budget methodology which calls for setting policy priorities before setting budgets.

### **Keynote address by Commissioner Dacian Ciolos**

Current EU Commissioner for Agriculture Ciolos started by illustrating the general context. Given 1) the growing world population and 2) the rising affluence and changing diets in the emerging economies, demand for food is increasing. In 2050 world food demand will have doubled. In combination with speculation on the financial markets, it is clear that food will become scarce.

Currently about two thirds of EU land surface is used for agriculture. The way farmers manage their land therefore has far-reaching consequences for the environment. Ciolos stressed that, given the diversity of agricultural practices in the EU, a *common* agricultural policy is absolutely essential. Subsequently Ciolos presented the Commission proposal on the CAP reform, as published in November 2010. In essence the Commission proposes a CAP serving three main objectives (providing a viable food production, sustainable management of natural resources and a balanced territorial development) whereby the two existing – and complementary – pillars would be maintained.

The direct income support for farmers under the first pillar remains essential and must be maintained. The Commission does, however, consider an upper ceiling for direct payments received by large individual farms in view of a more just distribution of first pillar direct payments and aims at enhancing environmental performance of the CAP through (mandatory) greening the first pillar. Direct payments should be fully paid from the EU-budget. More flexibility for member states is allowed under the second pillar. With regard to the second pillar, Ciolos stressed the potential of the CAP to contribute to the Europe 2020 objectives of smart, sustainable and inclusive growth. Ciolos mentioned the importance of local markets, sustaining the diversity of rural life, agricultural innovation, the provision of education and advice for farmers.

In summary, Ciolos made the case that the CAP should remain a common EU policy and that financial means must serve policy priorities.

### **Reflection on the opening statements by ...**

#### **... Pdraig Walshe, president of COPA**

We must prepare EU agriculture for the challenges described. Referring to the large package of EU Directives in the field of the environment Walshe stressed, however, that we have been greening the CAP for the last 20 years. The real problem is 1) that the market has not paid farmers for doing this and 2) that the EU concludes trade agreements with third countries that do not have this regulation. According to Walshe, the EU has the highest standards of the world for EU agricultural production but the lowest standards for import. Walshe considers the focus on greening the CAP a good thing. But, he adds, we should also pay attention on how farmers can keep producing. Production in the EU is falling and increasing EU production should be a key issue in the CAP reform. Looking at recent developments, it is clear that we should not rely on the world market for food.

The live stock sector in the EU can compete on world markets, but only if it is given the same conditions as producers in third countries. The European consumer does not want hormones, antibiotics and GMO's in his meat, while animal welfare legislation is to be respected. But as long as these conditions do not apply for imported products then where is the level playing field?

The moderator noticed that the rather pessimistic stance of COPA contrasts to the more optimistic tone of the opening statements. On the basis of Walshe's words there seems to be no room for a radical change of the CAP while protectionism indeed seems to be the

only realistic solution. Reacting to the moderator's suggestive interpretation of Walshe's words, Walshe stated that COPA is not looking for protectionism but for the same conditions everywhere.

A decreased budget for the CAP under the next multiannual financial framework is not justified. European farmers must respect high standards according to EU legislation. This raises the production cost for European farmers. Besides to this, the US has less far-reaching legislation and spends as much on agriculture as the EU. Then why should the EU decrease the budget for the CAP?

**... Ken Ash, director of trade and agriculture OECD**

There is agreement on the broad objectives of the CAP reform, we should behave different, but not on how to do this.

A neglected issue, according to Ash, is that while world demand is growing supply will not be able to keep up. Hence it would not be beneficial, not for the EU nor for the world, if the EU live stock producers would stop producing. In this sense, Ash considers the enormous EU spending on the CAP justified. He also agrees on the need for increasing research and development on agricultural innovation. Not only to increase productivity but also to overcome constraints following from water scarcity and soil erosion. Striving to self-sufficiency in Europe would, however, be a mistake. Ash does not plea for a self-sufficient Europe but, instead, for giving the (informed) consumer the freedom of choice.

**... Lester Brown, founder and president Earth Policy Institute**

The focus now is not on access to markets but on access to supply. Brown refers to the failed Russian grain harvest of 2008 as a consequence of which Russia severely diminished its grain export in order to keep domestic process down. This has led importing countries to loose their belief in the world grain market. Reacting to the current rising food prices South Korea already resorted to building up of a strategic grain reserve. It is only a matter of time before China will follow this example. According to Brown food insecurity will become a trend.

Climate change is the biggest challenge for agricultural production. Brown raised the idea of putting into place a "deforestation free" requirement for imports.

Brown also argued that the lack of agricultural research is pervasive.

## **SESSION I: KNOWLEDGE-BASED AGRICULTURE**

### **Opening address by Aalt Dijkhuizen**

Aalt Dijkhuizen, chairman of the executive board of Wageningen UR, delivered the opening address of the first session: knowledge-based agriculture.

The key message Dijkhuizen wants to give us is that he is much more optimistic on the future of food production and about combining it with nature conservation than we have heard in the opening statements. In his contribution Dijkhuizen made the case for high-tech agriculture as the best solution for economy and environment.

The key challenge is feeding the world within the carrying capacity of planet earth. As demand will double by 2050 but the world surface will not we must increase production per hectare and per animal. The difficulty is that increasing production must go hand in hand with decreasing our footprint. The increasing use of biofuels for non food purposes further increases the challenge.

The main message Dijkhuizen wants to bring is that intensive production is the best for the economy and the environment. It delivers the highest amount of product for the consumer with the lowest level of inputs. Compared to extensive low productive agriculture, a sustainable intensive agriculture lowers the footprint and puts less demand on space and nature.

An important issue with regard to the footprint of agriculture is rising meat consumption and the negative impact this has on the environment. Dijkhuizen makes a controversial claim when he argues that the difference in terms of the carbon footprint between a meat and a vegetarian diet is much less than what is commonly perceived.

Compared to 20-30 years ago the increased productivity in agriculture has already reduced the footprint and, Dijkhuizen subsequently argues, the plateau for innovation has not yet been reached. Research shows an enormous potential for further productivity gains and new innovative practices. To name just a few he points at improved breeds, better disease resistance, a better management support system for farmers and a substantial reduction of post harvest losses. With regard to biofuels, he firmly states that biorefinery (which allows to use the most valuable ingredients of crops first, for food production, while using the resulting less valuable ingredients for non food purposes) provides a window of opportunity to make the case for food *and* fuel.

Dijkhuizen realizes there are a number of barriers to be overcome. Highly productive and intensive systems are generally perceived as unnatural. In this regard he emphasizes it is important that people see the direct benefits of innovation. Discussions are often based on emotions and the task of science is to bring in the facts.

He concludes by saying that world food security can be sustained. We can even go further than 9 billion people with current planet earth. What is needed is not extensive production systems and reduced farm sizes but exactly the opposite: a high tech knowledge-based intensive agriculture is best for economy and environment.

### **Reflection and discussion by ...**

Moderator Tim King notices that the message Dijkhuizen brings stands contrasts to what has been said during the opening session.

#### **... Aalt Dijkhuizen**

In reaction to this statement Dijkhuizen repeats his belief in agricultural technology. In the short term full application of existent technology is key while in the longer term we can rely on new developments.

#### **... Maurice Moloney, Rothamsted Research Institute**

Moloney absolutely shares the optimism of Aalt Dijkhuizen. He is a strong believer in agricultural technologies and he is convinced that we will continue to invent. In the short term the key challenge is to move into the field the technology that has already been invented to demonstrate just how powerful it is.

He strongly believes in the power of concentrated science to solve a problem. The obvious example is the corn harvest which has doubled since the 1960s. The problem is that we do not unleash the power of the technologies we have. For wheat for example this has not happened yet. Given that wheat is a touchstone in agriculture this has to be our next focus. We can double wheat harvest in Europe and in developing countries.

On the issue of using crops for more lucrative purposes than food production, such as pharmaceutical applications, Moloney argues the amount of land needed for the production of pharmaceuticals is such a tiny amount that this is rather a side issue that

has more to do with the cost and benefits in the pharmaceutical factor than in the agricultural sector.

### **... Roel Bol, Dutch ministry of agriculture**

On the conflict between energy use and food use, Bol endorses the arguments made by Aalt Dijkhuizen stating that the cascade principle is very important here. Through biorefinery it is possible to use the most valuable ingredients of crops first, for food purposes, while making biofuels from the resulting (less valuable, waste) ingredients. In the future it is unavoidable that biomass will be used for many non food purposes. To address the issues being raised, including on the sustainability question, we need an integration of policies with regard to the utilization of biomass.

Bol stressed that the utilization of biomass for non food purposes is already taking place. There is a lot of interest for these developments all over the world. Knowledge intensive agriculture is the road to progress.

### **... Agriculture de France**

The challenge for farmers is to produce more but on a sustainable way: to reduce water usage and the carbon footprint. For that farmers need help on investment. He gives two examples from what he does on his farm. 70% of farmers use a system of satellite mapping of the field to assess the potential of the crop and to assess the needs of nitrogen. The second example is the use of GPS to automatically adjust the spraying on the field which allows to reduce the use of chemicals with 20%.

## **SESSION II: SUSTAINABILITY AND ENVIRONMENTAL SECURITY IN FARMING**

### **Opening address by Commissioner Potocnik**

Commissioner Potocnik started by recognizing the importance of agriculture and forestry for the environment. Agriculture and forestry cover 75% of EU land surface. How farmers manage their land is therefore of crucial importance for the environment and for climate action. Since the 1990s the CAP has been reformed in the right direction. The future CAP should respond to the need for a redistribution of direct payments, reinforce the competitiveness of European farmers and enhance rural development. At the same time Potocnik stressed that the money the EU is spending on the CAP cannot be legitimized if it does not contribute to the EU's environmental and climate goals. Next to sanctioning farmers that do not live up to their environmental obligations it is equally important that farmers are rewarded for the public goods they provide.

Potocnik made a strong case for greening the direct payments under the first pillar. Cross compliance needs to be enhanced and simplified, he said. The greening of the direct payments is important given the broad territorial coverage of these payments. Hence this measure will set minimal requirements for farmers in the EU as a whole. In addition, greening direct payments will facilitate the introduction of environmental measures in rural areas. We must indeed work on the first as well as on the second pillar.

Commissioners Potocnik and Ciolos are currently discussing which elements on biodiversity conservation, soil protection and implementation of the Water Framework Directive can be included in future cross compliance systems.

Next to the contribution of the CAP to the EU's environmental policy, Potocnik stressed the absolute need for a simplified CAP.

Potocnik put the CAP reform in the broader perspective of the resource efficiency flagship initiative in the context of the Europe 2020 strategy. The roadmap on resource efficiency will indeed have consequences for farmers, he stated. For example, as we cannot assume

a never ending amount of fertilizer it is key that farmers use fertilizers in a more efficient way. In general the increasing pressure on land use perfectly illustrates the need for farmers to use resources in a more efficient manner.

Potocnik ended by stating the CAP reform is to be considered as an opportunity to enhance the relationship between agriculture and the environment.

### **Reflection by ...**

#### **... Mairead McGuinness, MEP EPP and member of the Agriculture and Rural Development Committee**

McGuinness said to welcome the letter Potocnik has written together with commissioners Ciolos and Hedegaard but firmly stated that they had forgotten the signature of trade commissioner De Gucht. The live stock sector across the EU is under threat from the bilateral trade agreements the EU has concluded with third countries because the EU is not asking farmers in third countries to abide by the same laws as it is asking EU farmers to do. Referring to an earlier made statement by Ken Ash (OECD), McGuinness stated the trade distortion as a consequence of not having a global level playing field is not in the interest of the consumer. If the EU decimates its agricultural sector, the EU consumer will indeed not have the informed freedom of choice Ken Ash made a plea for.

The point McGuinness wanted to make is that if the EU is serious about the environment than policy coherence is absolutely essential. If we want to secure food availability we need to be conscious about the impact of all our policies on the agricultural sector. Therefore we need bilateral trade agreements imposing the same conditions on EU and non EU farmers. McGuinness hopes the Commission will target the fact that farmers are not being properly rewarded for providing food in a sustainable way with the same vigour as it proposes to green the CAP.

With regard to the CAP budget under the next multiannual financial framework McGuinness quite convincingly made the case that as the consumer has not been prepared to pay for his sustainably produced food the public budget must do so. The consumer must be aware that cheap food has an important environmental cost. If we would incorporate the full environmental cost of agricultural production into the price, she believes this would come to an amount that is substantially larger than the current CAP spending.

#### **... Jacqueline McGlade, executive director European Environmental Agency**

The sad truth, according to McGlade, is that despite all the cross compliance, the rhetoric and perhaps good effort, agriculture is still placing a huge burden on the environment. McGlade made the plea for a more outcome oriented CAP as part of the solution.

Sustainability opens the door to Europe's two main assets: its territory or natural capital and the other is its human capital. McGlade believes we do not yet really understand how to bring these two together to deliver food and food security. The relationship between resource efficiency and food security is indeed not straightforward. The resource efficient route leads to more intensification but with the (strong) negative effects concentrated in a limited part of the territory. The less resource efficient approach might on the contrary end up with more extensification. McGlade argued we still have to have the philosophical debate on what we want our agriculture, in terms of its occupation of the land, to look like. We have not made this choice yet.

It is important to equip our political elite with more information on the natural capital they have to play with. As next to the financial crisis there is an ecological crisis going on, this is exactly what the EEA is doing. A lot of farmers are not aware of what the carbon and water balance is on the land under their stewardship.

With regard to the CAP budget under the next financial framework McGlade emphasized we should not only look to the cost of action but also to the cost of inaction.

**... Carl-Albrecht Bartmer, president German Agricultural Society**

Bartmer, being a farmer himself, agrees with the need for a more sustainable agriculture. Sustainability covers many aspects: environmental sustainability, of course, but also food security. And both aims do not go together perfectly. If we pursue 100% environmental goals we will not have enough yields and, conversely, if we want to absolutely maximize yields we cannot adequately pursue environmental objectives. In this context Bartmer made the case for modern technologies as these provide the opportunity to reduce the external cost per unit.

Referring to Lester Brown Bartmer believes we need a global view on what we are doing in the EU. The EU is not an island. The question on sustainability therefore is not just what policy is the most sustainable for Europe but for the world as a whole. As Europe is a privileged place where we can produce goods that are needed in the world the answer to this question might well be that we need to have less sustainability in Europe, and producing more instead, to have more sustainability in the Amazon.

### **SESSION III:**

#### **COMPETITION & SUSTAINABILITY, REWARDS & TRANSPARANCY ALONG THE FOOD CHAIN**

##### **Keynote speech by Lester Brown**

In looking at the world food situation today there are two schools of thought. Some say the current food price inflation is a temporal situation. The point Brown wants to make is that while, historically, food price increases were event-driven the current rise in food prices is trend-driven. Brown believes this food crisis started in 2007-2008. Had it not been for the world recession and the largest grain crop ever recorded in 2008 price inflation would not have dropped again. This year's grain harvest will get more attention than any grain harvest in history. Brown doubts whether we can produce enough to return to a state of normalcy in the world grain market. Even maintaining the status quo is not guaranteed.

Historically increases in grain prices were event driven. Today, however, we do not have either enormous stocks nor idle crop land we can put into production to increase the harvest. The world is more or less flat out in terms of production. Therefore current food price inflation is trend driven. This trend is caused by a number of factors that on the one hand increase world food demand and on the other hand decrease world supply. On the demand side Brown identifies the growing world population, rising affluence and the increased conversion of grain into fuel for cars as the main reasons for the rapidly growing world demand for grain. On the supply side climate change, falling water tables and soil erosion already are causing yields to fall. In contrast with the optimistic belief in the possibilities of high-tech agriculture to support a nine billion plus world Brown adds the running out of technologies in the more agricultural advanced countries as a fourth factor hindering a further increase in world supply.

Brown concluded with three final points. With current grain stocks being as low as they are and the looming threats described earlier, he argued, we are only one harvest away from chaos in the world grain markets. A barter-situation between the oil-exporting and the food-exporting countries with the rest of the world competing for whatever is left, is not a far-fetched reality. In the second place, food security goes far beyond the competencies of the ministries of agriculture. Policy decisions made on energy and water will have at least as large an effect on the food security of countries as have decisions

made by the ministry of agriculture. Finally Brown made a plea for redefining the current military definition of security. Military threats are less pressing than climate change, water shortages and soil erosion. Consequently, defense budgets should be redirected from military spending to food security related issues.

### **Reflection by ...**

As moderator Tim King clarifies, while until now we have been hearing how farming has to adapt to the changing world, the question now is about how the food industry is adapting to that changed circumstances and is it doing that.

### **... Werner Wutscher, member of the management board of the REWE group**

Reacting to the speech of Lester Brown, Wutscher stated it must be frustrating for farmers that they hear since years that demand will go up but nothing is happening on the market. On the basis of his experience as food retailer he argued we should differentiate between European and international markets. On the European market there is a growing demand for sustainably produced food. European consumers, however, are what Wutscher calls "hybrid": on the one hand they want products of very high quality but on the cheapest price. As this is a given equation producers and retailers should respect this and give the consumer the freedom of choice.

### **... Mella Frewen, director general of the confederation of the food and drink industries of the EU**

Frewen acknowledged the need for more sustainability in food production. She emphasized however that sustainability has three aspects: a social piece, an environmental piece but also an economic piece. We have to work together along the supply chain to see whether we can produce food in a more environmentally sustainable way but also in an economic way. If the consumer wants to eat organically produced food that is great. But then the consumer should be prepared to pay for the difference. Currently this is not happening and if farming cannot survive on the prices it is getting we have to publicly fund it.

She further acknowledged the waste question is a very serious question but that most of this problem is being caused in the households. The food industry, according to Frewen, really tries to cut down its waste every day. Buying raw materials and then not using them is bad business.

### **... John Atkin, chief operating officer Syngenta**

The consumer has not heard Lester's message, Atkins contributed to the debate. The point he wants to make is that we underestimate the capacity of farmers to respond to what they are being asked to do. As Mairead McGuinness has put very clear: farming is a reflection of what society is asking it to perform. Lester Brown made a case to raise productivity in Europe but right now society is not asking farmers to maximise productivity. We are asking them to perform a number of other things: to be sustainable, to be cost-effective ... Wheat yields are flattening not because we cannot get yields up but because this is not what farmers are being asked to do. Where farmers are being told to produce more and to do it sustainably, as in Japan, they have a huge capacity to respond.

## **SESSION IV: ARE RURAL AREAS THE LOSERS OF GLOABALISATION?**

In this session, rural development in the broad sense is the subject of discussion. What is happening in our rural areas? How can policy best serve the interest of these areas? The discussion therefore transcends the contours of the debate on the CAP reform.

## **Opening statement by Dirk Ahner, DG Regio**

Ahner opened his speech by stating clearly that “no, rural areas are not the losers of globalisation”. Some rural areas are indeed lagging behind and are underperforming but others are dynamic and outperforming urban areas. The disparities in terms of GDP per head between rural and urban areas do remain large however. This generates migration out of rural areas and towards urban areas.

Ahner presented five theses. The first thesis is quite simply that regional areas are not the losers of globalisation. The second thesis is that, in economic terms, agriculture is no longer the dominant sector in most rural regions. The development of rural areas mainly comes from the improvement of the business environment in other sectors than agriculture and from the improvement of information and communication infrastructure. The impact of globalisation on rural regions therefore also depends on the competitiveness of other sectors. This is not to say agriculture is no longer important. Agriculture obviously contributes to the attractiveness of rural areas, be it in terms of food security or as a provider of raw materials, but in terms of job creation other sectors come in. If we want thriving rural communities, the challenge is getting the right mix. The third thesis is about the urban – rural relationship. Rural areas and rural cities/towns have to be seen in a functional context. In Europe we have remote rural areas but in most cases a small or medium sized town is nearby which can play the role of service provider for rural areas. The fourth thesis concerns a look at the future. Rural areas can and do contribute to the development of the EU but this does not depend only on agriculture. The diversification of rural areas is necessary. We have to overcome the dichotomy between urban and rural areas. This requires an investment in infrastructure to improve the connectivity between rural areas and nearby towns and an investment in human capital to better connect the demand and supply of skills in rural areas.

The last point Ahner wants to make is that it does not make sense to wish to rely for rural development exclusively on the second pillar of the CAP. In contrast to what happened during the last funding period we absolutely need to bring the different policy instruments available (CAP, regional development policy, social and employment policy instruments) together to make sure we get development programs for rural areas which are integrated. The regions that have succeeded to develop are precisely those regions that have succeeded to integrate the implementation of these different policy lines.

## **Reflection by...**

### **... Hildegard Kuhlmann, Chamber of Agriculture North Rhine-Westphalia**

Globalization has very different consequences for the different regions, depending on whether they are situated in the neighbourhood of cities or not and/or if they have endogene potentialities. Attractive labour opportunities and infrastructure are vital for the development of rural areas. People live there where there are jobs and where they feel good. If these conditions are not satisfied especially the young, the better educated and the women will leave a region. This process can lead to a region becoming collectively pessimistic.

It is crucial to create enough job opportunities and, therefore, to create the right conditions for small and medium enterprises.

Reacting to Dirk Ahner, saying agriculture is no longer dominant in rural areas, Kuhlmann stated the presence of agriculture is crucial for the development of rural areas.

The main message Kuhlmann wants to bring is that diversification of rural areas is crucial. Diversification and a broadening of the income base of rural dwellers (by energy production, production of new goods and services for local markets) is key for the development of rural regions.

**... Benoit Coppée, president Libramont Fair**

The main message Coppée brought was that the link between agriculture and the consumer has become very weak. Therefore events as the Libramont Fair are needed to allow farmers to present themselves and the way modern agriculture is being organized to a broader public. As agriculture provides people with food, and therefore constitutes a part of everybody's life, it is key that people are aware of the challenges our changing world is presenting to farmers and how they are responding to these.

**... Allan Buckwell, policy director UK Country Land and Business Association (CLA) and chairman ELO policy group**

Buckwell agrees with Ahner on that rural areas in total are not the losers of globalisation. Within the rural areas, however, there are losers of globalisation and in particular in what we unhappily call "less favoured areas" for agriculture: the areas distant from markets, areas with "specific natural disadvantages". The way to deal with these areas, according to Buckwell, is to call them "environmentally favoured areas" instead of "agriculturally less favoured areas". These areas constitute the beautiful countryside towards which tourism flocks. And this beauty is managed by agriculture. Agriculture, however, that is fundamentally unprofitable. The trick therefore is to reward farmers for the things they best provide (climate protection, carbon storage, water protection, water filtration) in addition to the, be it less intensive, food production they provide.

## **SESSION V: CAP REFORM FOR BETTER FARMING**

**Paulo De Castro, MEP for S&D and chair of the Agricultural and Rural Development Committee**

De Castro started by pointing at the fact that the co-decision process as introduced by the Lisbon Treaty gives an important role to the European Parliament in the CAP reform. The two main issues the CAP reform has to deal with are providing food and environmental security. The budget problem it is a second problem and depends on how much money is needed to reach these goals. The real challenge for the reformed CAP is to produce more with less resources and more sustainability. According to De Castro, the European Parliament had expected more from the Commission proposal.

De Castro explained that citizens will only provide support for the CAP if they know which public goods farmers produce for them. As the EU is a very big and diverse community with different problems in different areas flexibility is important but the European Parliament is against any form of re-nationalization of the CAP.

The greening of the first pillar is crucial to ensure that farmers across the EU as a whole move into the right direction. De Castro further emphasizes that as the EU is one community the current distinction between old and new member states cannot be maintained in the future.

**George Lyon, MEP for ALDE and rapporteur CAP post 2013 for the Agriculture and Rural Development Committee**

Lyon believes food security is on the top of the political agenda again, partially driven by the food prices peaking in 2007 and now again, partially by concerns on how to feed the growing world population within the given constraints: water shortages and, especially, rising oil prices. Developing a new model of agriculture is the number one priority.

The rising trend on food and energy prices brings a greater focus than before on the need to reform the CAP. As the energy security question is increasingly being solved

through the production of biofuels, food and energy prices are starting to be linked. We need to develop a new model for agriculture that takes into account that inputs, especially energy, won't be cheap anymore. Although the European Commission did take up some of the proposals made by the European Parliament Lyon believes the Commission is not ambitious enough in pressing for a necessary CAP reform.

**Corrado Pirzio-Birolli, president European Landowners Organization and vice chairman RISE Foundation**

Pirzio-Birolli started by pointing at the new powers of the European Parliament as given to it by the Lisbon Treaty. The next CAP reform is the first one on which the Parliament can have an influence. As a consequence of these new powers Pirzio-Birolli believes the Parliament will turn out to be more open and positive on the CAP than it was ever before simply because the competencies it has on the CAP reform make the Parliament responsible for its fate. The Commission according to Pirzio-Birolli does not care enough for the CAP. That the CAP is not included in the Europe 2020 program is illustrative for this lack of support on the part of the Commission.

**Reimer Böge, MEP for EPP and rapporteur for the multiannual financial framework in the Budget committee**

Böge firmly states that if the member states do not want to give more money to the EU they have to be aware of the consequences and realize that without an appropriate budget we cannot finance the new priorities of the Lisbon Treaty. They also have to be aware of the fact that farmers are dependent on direct payments for 30 to 50% of their income.

**Paulo De Castro** confirms that if we want the EU to make more policy we need to give the EU more money. And in the face of the current challenges of rising food insecurity more policy and more instruments to manage this problem will be needed.

**George Lyon** is very well aware of the austerity climate in the member states. As a consequence finance ministers are going to scrutinize the total EU budget and the detailed components of it. It has always been his view that agriculture has to demonstrate the CAP is necessary and important not only for society to deliver food security but that it can also contribute to the priorities of the Europe 2020 strategy. This would provide an opportunity to argue at the very least to maintain the current CAP budget. It is important to clearly communicate that agriculture is part of the solution and not of the problem as some tend to argue.

As he believes the money to fund the public goods the CAP delivers is currently not there **Pirzio-Borelli** is convinced we have to find new ways to reach the CAP objectives. In the first place, he pointed at the possibility of rewarding farmers for complying with requirements under the Water Framework Directive as part of the cross compliance requirements. In the second place he made a clear case for the EU to have its own resources. As long as the EU is being financed on the basis of national contributions with member states counting how much they give and how much they receive ("juste retour") and as long as we do not introduce an EU tax, we will not get the additional money needed to pay for the additional objectives.