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Post-2020 Common Agricultural Policy (CAP) consultation launched

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Report Highlights:

The European Commission launched its three-month public consultation on the post-2020 Common Agricultural Policy (CAP) reform today, Thursday, February 2, 2017. The online consultation asks stakeholders 30 questions on how to simplify and modernize the CAP with a view to achieving Agriculture Commissioner Hogan's priorities of increased sustainable production, generational renewal, and market resilience. The responses will be summarized over the six week period following the end of the consultation period on April 26/27, and a CAP reform conference is scheduled for July 7, 2017. The Commission intends to publish a Communication on modernizing and simplifying the CAP by the end of November, 2017, ahead of formal legislative proposals in early 2018. The new CAP should be applicable from 2020.

General Information:

The consultation

Agriculture Commissioner Hogan held a Press Conference at noon on Thursday, February 2, 2017, after which the [public consultation on the post-2020 CAP](#) was launched on the Commission's DG Agriculture and Rural Development (DG AGRI) website. At the Press Conference Hogan said "...*The Common Agricultural Policy is already delivering major benefits for every European citizen, in terms of food security, the vitality of rural areas, the rural environment and the contribution to the climate change challenge...But we must refine it, and revitalize it, and – of course – we must adequately fund it*". The online consultation document was also sent to DG AGRI's and the Secretariat General's stakeholder list. Both EU and international stakeholders are invited to participate.

Most of the questions in the consultation are "closed" with multiple choice answers implying limited scope for in-depth replies that analyze why certain policies should be amended. As an example, Question 9 asks "*What do you see as major drivers for innovation in agriculture, forestry and the rural economy?*" A maximum of five responses from a list of ten ranging from "*Access to vocational training and relevant information*" to "*Research and the provision of knowledge targeted to farmers' needs*" is permitted. Similarly, Question 15 asks "*Which of the following should be the most important objectives of the CAP?*" The nine possible answers include "*Ensuring a fair standard of living for farmers*" and "*Contributing to a high level of environmental protection across the EU*". Again, a maximum of five responses from the list is allowed. A few questions are more open-ended and should give the opportunity for more debate. Such questions include Question 32: "*Do you have concrete ideas for simplifying the CAP and reducing administrative burden for farmers, beneficiaries (or public administrations)?*" and Question 33: "*Do you have more ideas for modernizing the CAP?*" However, the concentration on closed questions with multiple choice answers is likely to irritate NGOs and the increasingly well-organized group of environmentalists who may assert that the consultation does not give sufficient space for meaningful debate.

The CAP reform process

This is not the first time that the CAP debate has been kicked off by a public consultation. Before setting down any initial policy guidelines, then- Agriculture Commissioner Ciolos launched a public debate on the CAP on April 12, 2010. A summary of the contributions was made after the closing date of June 11, 2010 and a CAP reform conference was convened in July 2010. Based on the outcome of the public debate and exchanges with the Council and the European Parliament, the Commission presented a Communication on "The CAP towards 2020" on November 18, 2010, outlining options on the CAP and launching the debate with other institutions. The Commission presented a set of legal proposals on October 12, 2011. After almost two years of negotiations between the Commission, the European Parliament and the Council, a political agreement on the CAP reform was reached on June 26, 2013. On December 16, 2013 the Council formally adopted the basic regulations for the reformed CAP. A similar procedure is foreseen for the post-2020 CAP with the Commission making formal legislative proposals in early 2018 with a view to applying the new CAP from 2020.

Pressure to shift funds from per hectare direct payments to incentives for sustainable farming

In 2017, the CAP budget still represents some 40 percent of the entire EU budget amounting to Euro 58.3 billion or \$60.7 billion at current exchange rates. Approximately Euro 44 billion (\$45.7 billion) is spent on per hectare direct payments, with Euro 4 billion (\$4.2 billion) being spent on rural development policy. The "greening" measures of the CAP account for Euro 13 billion (\$13.5 billion) or

30 percent of direct payments.

The pressure put on already-stretched EU budgetary resources by Brexit is likely to lead to a CAP that has even higher environmental ambitions in order to respond to EU taxpayer demands. This, coupled with growing momentum for more risk management measures such as the use of spot and futures markets and private risk management schemes, may result in a targeted shift away from “first pillar” direct payments based on farm size towards “second pillar” payments based on preserving the environment. The possible policy movement towards increased sustainability would likely be made within the framework of simplified rules and administrative procedures for farmers.

The Cork 2.0 European Conference on Rural Development that met in September 2016 underlined in its Declaration the importance of “...*an innovative, integrated and inclusive rural and agricultural policy...*” being guided by policy orientations including promoting rural prosperity, strengthening rural value chains, investing in rural viability and vitality, and preserving the rural environment. The goal of Cork 2.0 was to revitalize the EU’s declining rural areas. More specifically, the Declaration expressed concern “...*about rural exodus and youth drain and the need to ensure that rural areas and communities...remain attractive places to live and work by improving access to services and opportunities for rural citizens and fostering entrepreneurship in traditional rural domains as well as new sectors of the economy* “. Many stakeholders endorsed the declaration and may be frustrated by the limited opportunity offered by the public consultation to express the conclusions made at Cork.