Future of food and farming

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PURPOSE: to set out the means to be implemented to ensure the future of food and the common agricultural policy (CAP).

BACKGROUND: EU agriculture is **one of the world's leading producers of food**, and guarantees food security for over 500 million European citizens. The EU's farmers are also the **first stewards of the natural environment**, as they care for the natural resources of soil, water, air and biodiversity on 48% of the EU's land and provide essential carbon sinks and the supply of renewable resources for industry and energy.

The CAP enabled the development of the most integrated single market. It is thanks to the CAP that the EU farm sector is able to respond to citizens' demands regarding food security, safety, quality and sustainability.

Farming is strongly affected by the **weather**; it is also frequently tested by volatile prices, natural disasters, pests and diseases. At the same time pressure on natural resources is still clearly present partly as a result of some farming activities. Climate change threatens to make all of the above-mentioned problems weigh more heavily.

There are lessons to be learned from the public consultation carried out in the first half of 2017 on "modernising and simplifying the CAP" which confirmed a **widespread consensus** that the current CAP tools successfully addresses current challenges to some extent only and that it needed to be simpler and more flexible, and more focused on meeting the key challenges of ensuring a fair standard of living for farmers, preserving the environment and tackling climate change.

CONTENT: the Commission's Communication stresses that the CAP should continue to play a key role in implementing the priorities set by the Commission in line with other policies. A modernised CAP should enhance its EU added value by reflecting a **higher level of environmental and climate ambition, and address citizens' concerns regarding sustainable agricultural production**.

1) A new delivery model and a simplified CAP: the current CAP delivery system relies on detailed requirements at EU level, and features tight controls, penalties and audit arrangements. These rules are often very prescriptive, down to farm level.

In the delivery model of the future CAP, the Union should set the basic policy parameters (objectives of the CAP, broad types of intervention, basic requirements), while Member States should bear greater responsibility and be more accountable as to how they meet the objectives and achieve agreed targets. A future delivery system should focus more on results, pursue realistic objectives and help to reduce the EU's administrative burden for beneficiaries;

2) A smarter, more modern, more sustainable CAP: European citizens should continue to have access to safe, high quality, affordable, nutritious and diverse food. In order to achieving these goals, the Commission proposes to:

- **use research and innovation to better link knowledge and production**: the needs and contributions of rural areas should be clearly reflected in the EU research agenda and the future CAP should further promote synergies with research and innovation policy to promote it. It is also important to ensure the **full connection** of farmers and the countryside to the digital economy;
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- **provide a fair income support to help farmers to make a living from their production**: farmers will continue to receive support through the direct payments system. Although the role of direct payments in stabilising farm income is generally welcomed, the fact that 20% of farmers receive 80% of the payments sometimes prompts accusations of "unfairness". Without being exhaustive, the Commission is examining **several solutions** to offer farmers the guarantee of fair and better targeted support for their income;
- **invest to improve farmers' market reward**: the CAP should play a larger role in helping farmers make more money from the market. The Commission considers that there is a clear need to **boost investments** into farm restructuring, modernisation, innovation, diversification and uptake of new technologies and digital based opportunities such as precision agriculture, the use of big data, and clean energy in order to improve individual farm sustainability;
- **foster a smart and resilient agricultural sector to effectively prevent or respond to risks and crises related to price volatility, climate change and sanitary and phytosanitary crises**. A **permanent EU-level platform** on risk management will be created to provide farmers with a forum to share their experiences and best practices, with the aim of improving the application of current tools and guiding future policies. Other complementary measures to the current risk management toolkit, such as support for reinsurance of mutual funds or incentives for precautionary savings, may also be envisaged;
- **bolster environmental protection and climate action**: the future CAP should make the best use of research results, ensure that knowledge is shared and implemented and support proliferation of modern technologies to maximise the contribution of agriculture to the EU and global objectives;
- **strengthen the socio-economic fabric of rural areas**: new rural value chains, such as **clean energy, emerging bio-economy, the circular economy and ecotourism**, can offer strong growth and employment potential for rural areas. In addition, generational renewal should be the priority in the new framework for action. The CAP should provide a tailor made delivery system to facilitate Member States' actions to assist EU young farmers;
- **address citizens' concerns regarding sustainable agricultural production, including health, nutrition, food waste and animal welfare**: the CAP should for example modernise the rules of organic farming, make geographical indications (GIs) more attractive to farmers and consumers, support the objectives of the Sustainable Use of **Pesticides** Directive and better address critical health issues such as those related to **antimicrobial resistance**.

3) Global dimension of the CAP: the CAP is and will continue to be coherent with the EU development policy, which recognises the important role sustainable agriculture plays for poverty eradication and sustainable development in developing countries. It will also take into account, in trade negotiations, the fact that some agricultural sectors are not in a position to face full trade liberalisation and unfettered competition with imports.

Lastly, the future CAP must play a larger role in implementing the outcome of the Valetta Summit, **addressing the root causes of migration**.

The relevant legislative proposals giving effect to the goals outlined in the Communication will be tabled by the Commission before the summer 2018, following the proposal for a multiannual financial framework (MFF).