Future of food and farming

2018/2037(INI) - 22/05/2018 - Committee report tabled for plenary, single reading

The Committee on Agriculture and Rural Development adopted an own-initiative report by Herbert DORFMANN (EPP, IT) on the future of food and farming.

Reform of the Common Agricultural Policy (CAP): recognising the strategic importance of the CAP, Members supported a truly common policy, adequately financed by the EU, that is modern and results-oriented, that supports sustainable agriculture and ensures safe, high-quality and varied food production and employment in rural areas. They rejected any possibility of renationalisation the CAP.

adequately financed by the EU, that is modern and result-orientated, supports sustainable agriculture, and ensures safe, high-quality and varied food, employment and development in rural areas;

Members called for the **CAP budget** to be increased or maintained in constant euros in the next MFF, so that it is adapted to future needs and challenges, such as those arising from the consequences of the UK's exit from the EU and the EU's free trade agreements with its main trading partners.

Flexibility: Member States should enjoy a reasonable level of flexibility within a strong common framework of EU rules, basic standards, intervention tools, controls and financial allocations agreed at EU level by the co-legislator, in order to guarantee a level playing field for farmers. They should design their own coherent, evidence-based national strategies with due respect for the rules and principles of the single market.

A smart, efficient, sustainable and fair CAP: Members considered it necessary to **maintain the current two-pillared architecture**, with Pillar I financed entirely through EU funding and constituting an efficient means of support for income, for baseline environmental measures and for the continuation of existing market measures, and Pillar II (rural development) meeting the specific needs of the Member States.

The transition of all European farms towards sustainability, and for all European farms to be fully integrated into the circular economy, combining economic with environmental performance standards and with no reduction in social or employment standards, is to be a top priority.

The report made the following recommendations:

- more targeted support for diverse agricultural systems, in particular for **small and medium-sized family farms** and young farmers, and degressive support for large farms, with a mandatory capping to be decided at European level;
- ensure that support is targeted at real farmers;
- define a system of sanctions and incentives that is balanced, transparent, simple and objective, and results-oriented shifting the focus from compliance to **actual performance**;
- modernise the current system for calculating direct payments under Pillar I and replace it with a European payment calculation method whose basic component would be income support for farmers and which could increase in step with the contribution to delivering public goods;
- **maintaining payments linked to voluntary coupled support** (VCS), which can only be activated following an assessment by the Commission; Members stressed the importance of VCS payments maintaining the EU’s diversity of agricultural production, agricultural employment and sustainable production systems;

- **strengthen Pillar II financially**, thus increasing the potential to generate income, to help tackle depopulation, unemployment, poverty and to promote social inclusion, the provision of social services and the strengthening of the socioeconomic fabric in rural areas;
- present a **multi-funded investment approach** for the post-2020 legislative period to ensure the smooth functioning of integrated rural development tools, such as the Smart Villages Initiative;
- maintain specific **compensatory support** for farms in less-favoured areas;
- introduce a new, coherent, reinforced and simplified **conditionality regime** in Pillar I, so as to ensure a level playing field, while ensuring minimum bureaucracy at farm level and, taking into account local conditions, adequate control by the Member States;
- establish a new simple scheme which should be mandatory for Member States and optional for farms, in order to provide incentives to farmers who adopt sustainable **climate and environmental techniques and practices**. A minimum amount of the total budget available under Pillar II should be allocated to agri-environmental and climate measures (AECMs);
- encourage innovation, research and modernisation in the agricultural, agro-forestry and food sectors;
- ensure that legislative proposals for CAP reform include measures to integrate protein crop production into improved crop rotation systems so as to overcome the current plant **protein** deficit.

The Commission also stressed the need to:

- provide faster, more efficient and fairer support to farmers to **cope with price and income instability** due to climate, adverse weather conditions and health and market risks, by creating additional incentives and market conditions that stimulate the development and voluntary use of risk management and stabilisation tools;
- promotion of local markets and short food supply chain;
- examine in depth the current crisis reserve mechanism in order to create a functional and independent **EU fund** for agricultural crises.

Lastly, compliance with European sanitary, phytosanitary, animal welfare, environmental and social standards requires consistency between trade policy. The objectives of the CAP must not lead to the weakening of Europe’s high standards or put at risk its rural territories.