

Harvesting the fruits of co-operation

The EU's ever-evolving and adapting common agricultural policy (CAP) has not only ensured Europe's food security, safety and quality and provided farmers with decent livings, but it is also helping to protect the environment and promote fairer trade with developing countries.

Facts and figures

Despite the relatively small number of people who work directly in the agricultural sector (around 5% of the EU's working population¹), farming is an extremely important activity. Not only do our survival and health depend on the food produced by our farmers, but agriculture is also an important mainstay of the EU economy.

The agricultural sector alone contributes some €140 billion annually in value added to the Union's economy². In addition, agriculture is the fuel and engine driving Europe's €900-billion-per-year food and drinks sector³.

More than 170 million hectares of arable land are farmed or tended in the EU, where 136 million livestock animals are also being raised. This means that agriculture has a major influence on Europe's landscapes and the quality of its environment.

For the good of the land

This influence can be both a positive and negative thing. When EU farmers act as 'custodians' of the land and use environmentally friendly techniques, this can be a boon for nature. One example of this is the growing trend towards organic farming which now accounts for at least 4% of the

EU's farmed land⁴, with the area allocated increasing by over 7% between 2007 and 2008 alone⁵.

That said, there are some very serious environmental challenges facing the agricultural sector. For example, close to 15% of EU land is affected by soil erosion, while pollution from agriculture harms the quality of ground and surface waters across the Union. Nevertheless, many environmental factors are improving. For instance, over the past two decades, greenhouse gas emissions from agriculture have dropped by about a fifth.

Moreover, our needs from the agricultural sector have changed dramatically. In the early decades following World War II, Europe's top priority was to ensure that Europeans had enough food on their plates at affordable prices. Today, food supplies are no longer an issue. Instead, the quality and safety of food, especially in light of recent food scares and with the growing interest in healthy eating, have become key concerns. The issue of fairer trade arrangements with farmers in developing countries has also moved up the policy agenda.

Given the significance of agriculture to Europe's people, economy and environment, it is perhaps not surprising that over 90% of Europeans regard it as important to the future⁷.



EU policy

The European common agricultural policy (CAP) is one of the EU's oldest common policies. In fact, the community's founding document, the 1957 Treaty of Rome⁸, defined the broad outlines of the CAP⁹. But it was not until 1960 that the CAP's mechanisms were agreed and 1962 when they came into force.



Several principles underpinned the original focus of the CAP: ensuring food security, protecting farmers, as well as consolidating Europe's divergent agricultural sectors into a single common market.

Over the decades, this focus became increasingly redundant as, in some ways, the CAP became the victim of its own success and left Europe with massive agricultural surpluses, such as the infamous 'butter mountains' and 'wine lakes' of the 1980s¹⁰.

Capping excess

CAP reform took off in earnest in the 1990s. In 1992, a first batch of reforms were founded on two pillars: reducing prices for key products to serve consumers and offsetting the impact of these cuts on producers, while keeping output in check, by means of direct payments¹¹.

Adopted in 1999 in preparation for the new millennium and the forthcoming enlargement of the EU, Agenda 2000 continued the 1992 reforms and introduced a comprehensive rural development policy¹². In 2003, EU leaders decided to go a step further and 'decouple' subsidies from particular crops and output¹³. Instead, a Single Farm Payment¹⁴ scheme was introduced which provided farmers with subsidies based on their compliance with certain environmental protection, animal welfare and product quality standards. Following a 2008 'health check'¹⁵, EU agriculture ministers agreed to a raft of new measures, including the phasing out of milk quotas by 2015, the gradual decoupling of remaining 'coupled' payments, additional funding for farmers from the newer Member States, etc.

Policy milestones

- 1957: Treaty of Rome defines broad outlines of European agricultural policy
- 1962: CAP comes into force
- 1992: First batch of CAP reforms seek to reduce prices and keep output in check
- 1999: Agenda 2000 introduces comprehensive rural development policy
- 2003: Agricultural subsidies 'decoupled'
- 2007-2013: Current financial framework for CAP
- 2008: CAP health check
- 2010: Public consultation and Communication on post-2013 CAP

Future challenges

- 2011: Commission proposal for new CAP legislation
- 2013: New financial framework for CAP that serves goals of Europe 2020 strategy

These reforms have released funding to help promote broader agriculture-related policy aims, such as promoting 'custodianship' of the environment, the enhanced development of rural communities, as well as innovation in farming and food processing to ensure continued competitiveness. The reforms have also enabled the Union to deliver on its commitments to engage in fairer trade with farmers from developing countries.





Spending on the CAP has actually been falling: from a peak of nearly 70% of the Union's budget in the 1970s to 34% over the 2007-2013 period. In 2009, the EU spent about €41 billion on the CAP¹⁶, while the 2011 budget has earmarked €42.9 billion for the policy¹⁷.

According to Eurobarometer, the overwhelming majority of Europeans are in favour of the new direction the CAP is taking and its priorities¹⁸.

The future of the CAP

The CAP's current financial framework will end in 2013. In addition, in 2010, the EU launched a new strategy for the current decade – 'Europe 2020'¹⁹, which seeks to promote smart, green and inclusive growth. In order to ensure that the new post-2013 financial framework serves the aims of Europe 2020, in July 2010, the European Commission released a proposed policy road map.

Drawing on the results of a public consultation, a Communication entitled 'The CAP towards 2020: meeting the food, natural resources and territorial challenges of the future'²⁰ outlines reforms that will make the European agricultural sector more dynamic, competitive and effective in responding to the Europe 2020 vision.

Member States are currently debating the proposals contained in the Communication. Based on these discussions, the Commission will present a draft CAP legislation for the post-2013 period some time in mid-2011.

CAP in hand

Although Europeans are generally positive about the common agricultural policy and the direction of its reforms, awareness of the issues related to the CAP

remains relatively limited. In a bid to increase knowledge and awareness, the European Commission is co-financing certain communication activities in this field. This could be interesting for Europe Direct members. To find out more, please visit: http://ec.europa.eu/agriculture/grants/capinfo/index_en.htm

The seeds of knowledge

The EU's Seventh Framework Programme (FP7, 2007-2013) finances agriculture-related research under the second theme of its Cooperation sub-programme²¹. In recognition of the important role small and medium-sized enterprises (SMEs) play in innovation and knowledge creation, FP7 has raised the bar in seeking SME participation²². To illustrate this potential, the Commission has published examples of SME research successes in the field of food quality and safety²³.

▶ Did you know that ...

- Only 5% of the EU's labour force works in agriculture
- The agricultural sector contributes €140 billion in value added to the EU economy each year and the food and drink industry is worth €900 billion annually
- Over 90% of Europeans believe that agriculture is important to Europe's future
- More than 170 million hectares are farmed or tended in the EU
- The Union has a livestock population of around 136 million
- Organic farming now accounts for 4% of the EU's farmed land

Further information

- Rur@alnews newsletter²⁴
- EU Rural Review²⁵
- Fact sheet on EU rural development policy (2007-2013)²⁶
- CAP, as easy as ABC²⁷
- 'Distribution and targeting of the CAP from a biodiversity perspective'²⁸



Communicators' toolkit

- The CAP explained²⁹
- 'From farm to fork – safe food for Europe's consumers'³⁰
- Leaflet on the Tasty Bunch campaign for healthy eating among children³¹
- 'On the farm' colour-in book³²
- Information material on organic farming³³
- Information kits on organic farming³⁴
- Video clips on organic farming³⁵
- Audio clips on organic farming³⁶
- Marketing material for organic farming³⁷
- Fact sheets on rural development³⁸
- 'Let's explore Europe' e-book for children with a chapter on farming³⁹
- Agriculture, fisheries and food videos⁴⁰
- FP7 SME success stories on food quality and safety⁴¹

- 1 http://bookshop.europa.eu/is-bin/INTERSHOP.enfinity/WFS/EU-Bookshop-Site/en_GB/-/EUR/ViewPublication-Start?PublicationKey=KFAC10001&CatalogCategoryID=un8KABstLQ4AAAEjYcY4e5K
- 2 http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Agricultural_output_price_indices_and_income
- 3 http://ec.europa.eu/enterprise/sectors/food/index_en.htm
- 4 http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Organic_farming_statistics#Percentage_of_utilised_agricultural_area_28UAA.29
- 5 http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Organic_farming_statistics#Total_organic_area
- 6 http://ec.europa.eu/agriculture/climate_change/index_en.htm
- 7 http://ec.europa.eu/public_opinion/archives/ebs/ebs_336_en.pdf
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- 33 http://ec.europa.eu/agriculture/organic/download-information/information-material_en
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- 40 <http://www.youtube.com/user/eutube#p/c/C31F4A65D9B369A5>
- 41 ftp://ftp.cordis.europa.eu/pub/fp7/kbbe/docs/bat-lowres-204-smes-20-8dec08_en.pdf