

Sustainable Agriculture and Food Production

CASEE Conference, Cluj-Napoca, 3 May 2012

> Dacian Cioloş, European Commissioner for Agriculture and Rural Development

Agriculture and Rural Developmen



Outline

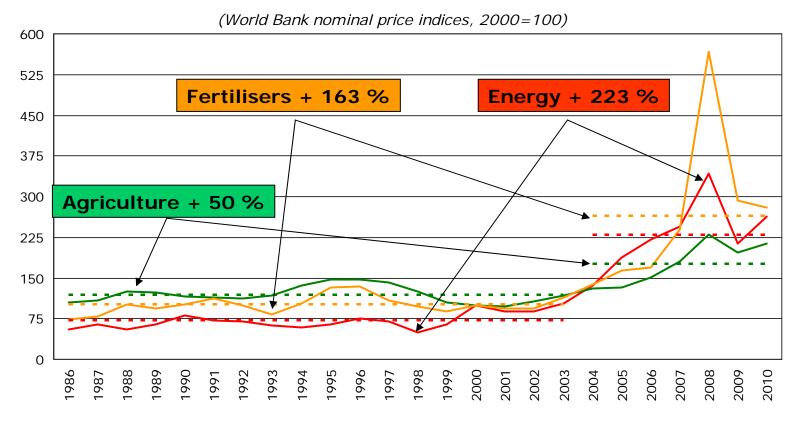
Sustainable agriculture

Competitive farming

Research and Innovation



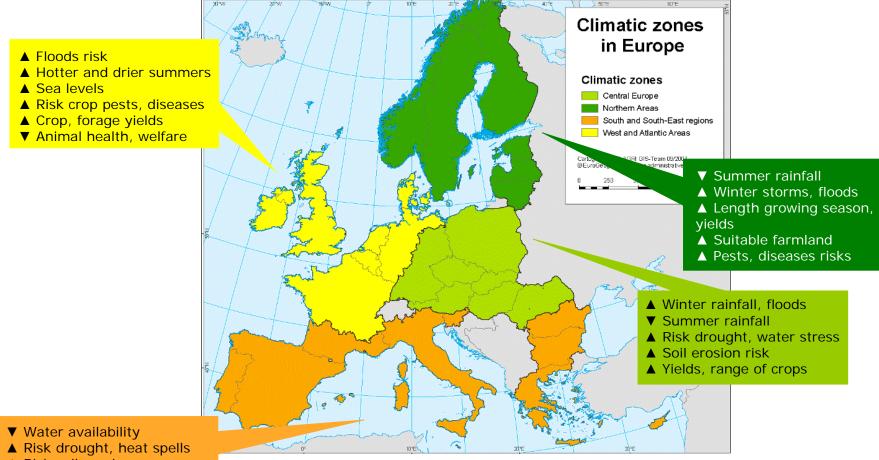
Recent trends in commodity prices



Source: World Bank.

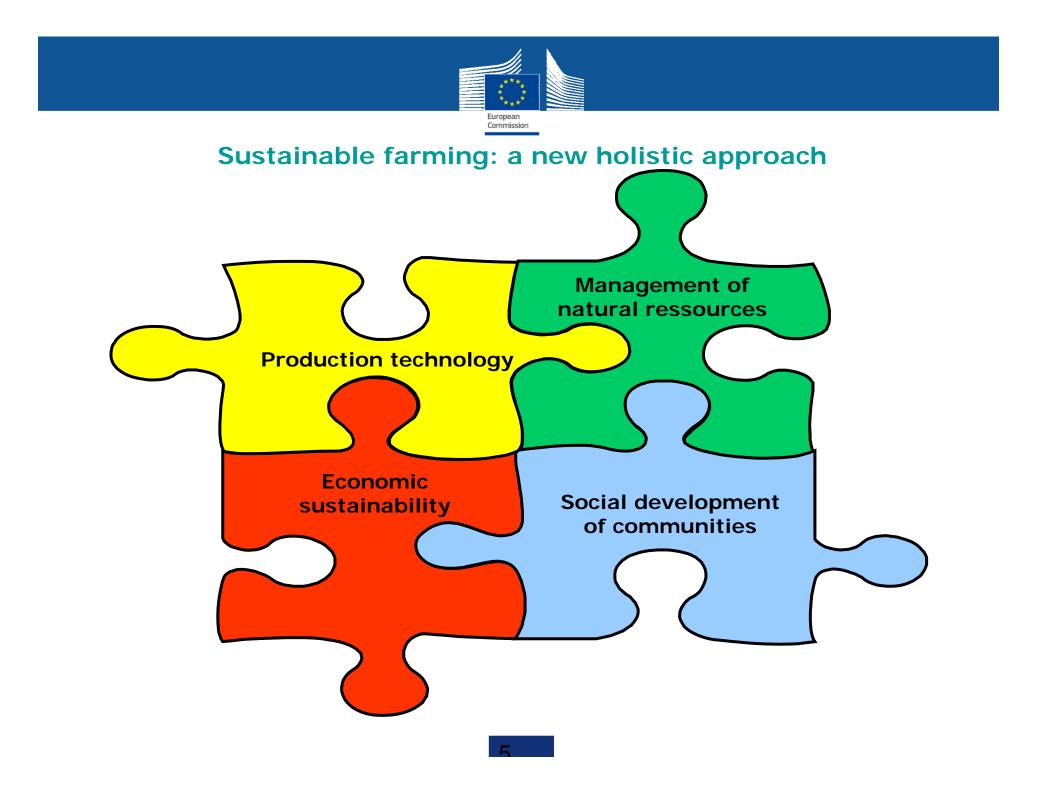


Climate change – Possible impacts on EU agriculture



- ▲ Risk soil erosion
- ▼ Growing season, crop yields
- ▼ Optimal crop areas

Source: DG Agriculture and Rural Development, based on EEA reports, JRC and MS academic studies.





New design of direct payments (DP)

Degressivity and Capping(all layers except Green Payment)

	Coupled support	Natural constraint support	1
 Cross compliance Streamlined – Climate change 	Wide range of sectorsUp to 5% or 10% of DP	 For areas with natural constraints 	
	envelope, to be decided by MS	Up to 5% of the DP envelope	Small Farmer Scheme
	Young Farmer Scheme		Simplification of claims and controls
	Up to 2% of DP envelope< 40 years	For 5 yearsCommencing activity	Lump sum payment
	'Green' Payment		to be determined by MS under conditions
	Crop diversificationPermanent grasslandEcological focus area	 30% of the DP envelope 	Entrance in 2014
	Basic Payment Scheme		Up to 10% of the DP envelope
	 National or regional flat rate per eligible hectare Regions and criteria to be chosen by MS 	 New entitlements in 2014 Definition of agricultural activity Definition of active farmer 	

OR



Rural development in a new framework

Examples

- Knowledge transfer, information actions and advisory services
- **Investments** in physical assets:
 - higher support rates for young farmers, collective investments and integrated projects
- Farm and business development
 - extended support for small farmers, young farmers and small businesses
- Support for setting up of **producer groups** in all EU Member States
- Reinforced co-operation measure including short supply chain, local promotion





An overarching objective: Simplification

Examples

Policy instruments

- A simple and specific scheme for small farmers (around 30% of beneficiaries)
- Greening as simple as possible, includes only measures that have an environmental impact AND are controllable without major extra cost

• Payments

- Only one Paying Agency for all CAP measures in a Member State/Region
- A range of approaches to reimbursing payments by beneficiaries on the basis of simplified costs (II Pillar)

Controls

- Member States with properly functioning control systems and low error rates may be authorised to reduce the number of controls
- Cross-compliance: reduction and better streamlining of the obligations



Research and Innovation

Proposed new budget for agri research: from 1.9 to 4.02 billion EUR

New mechanisms steering innovation

New mechanisms fostering knowledge exchange



To sum up...

- A new approach on sustainable agriculture: production technology; management of natural resources; economic sustainability; social development of communities
- Competitive farming: eco-nomic and eco-logic dimensions
- New emphasis on **research** and **innovation**.
- Farming: societal value



Thank you !

