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Who We Are

The ELO, since 1972

- ✿ Represents a network of national organisations, based in Brussels
- ✿ Anticipates potential changes in the political and legal climate in the EU with significance for its members.
- ✿ Is the voice of landowners and managers in relation to EU authorities.
- ✿ Is active in more than 45 advisory committees and groups in the EU, and has high-level contacts throughout the EU authorities and the 28 Member States

A Selection of our 64 Members



Liga
Asociațiilor
Producătorilor
Agricoli din
România



LIETUVOS ŠEIMOS
ŪKININKŲ SĄJUNGA



Who we Are



Working together for a prosperous and sustainable countryside



The European Policy Environment



European Challenges

- ✿ **The US and trade.** The Trump administration is talking about punishing the EU for supporting its farmers as part of a wider trade war
- ✿ **Populism** despite losses in NL and FR elections, **Italy**, Hungary and other states show that these movements are here to stay
- ✿ **Migration.** The recent debates in Germany have shown that this remains high on the agenda



New European Parliament European Parliament projections:

- *EPP* (centre-right) **loses** 0-20%
- *S&D* (centre-left) **loses** 40-50%
- *Greens/EFA* **picks up seats** +10%
- *Far left and right* **estimated to grow**
- *Alde* (liberal) **will grow if Macron joins**



EPP Group
in the European Parliament



The Greens | EFA
in the European Parliament

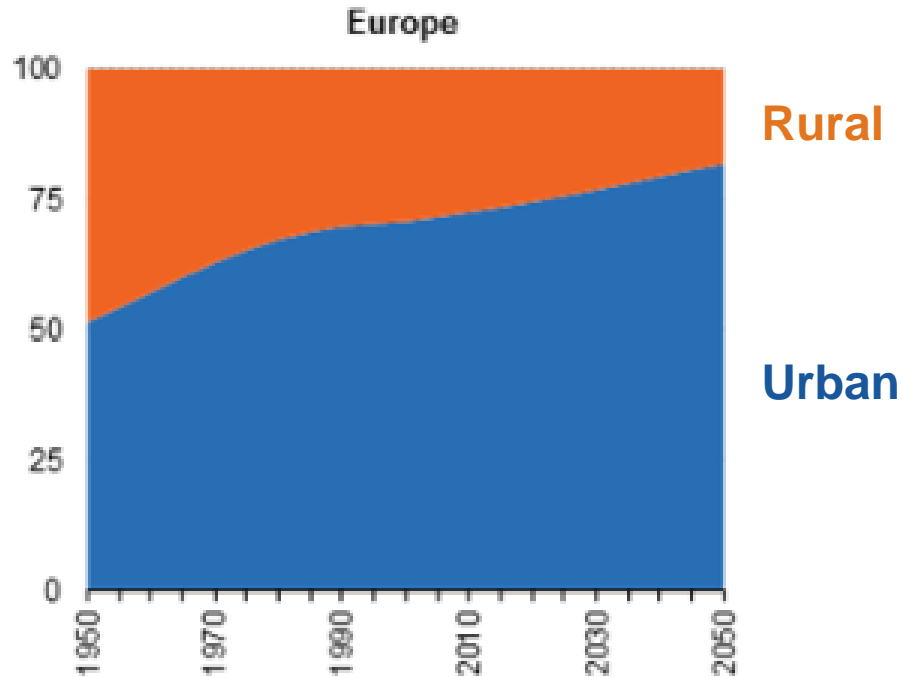


ALLIANCE OF LIBERALS AND
DEMOCRATS FOR EUROPE >>

Elections: 23-26 May 2019

The centre parties will probably not have a majority

Politics follows populations



- * 74% of Europe lives in urban areas
- * More people are more than one **generation** away from farming
- * Politics and politicians go where the votes (and therefore the concerns) are



The New Common Agricultural Policy



The Nature of the CAP is changing

- ✿ Decoupled payments are ***not or no longer*** designed to cover up market failures
- ✿ The CAP will increasingly focus on environment & climate – farmers will be expected to make their money from the market
- ✿ In the long run, farmers should be paid for providing public goods
- ✿ Increased (sustainable) production, other income sources, innovation should drive increase farm incomes instead of income support

Budget of the CAP



- * 7% reduction in regional funding
- * **5% cut in overall CAP budget**
- * Overall budget to decline from 37bn per year in 2018 to just under 30bn per year in 2027
- * **Rural development hit hardest** – depending on Member State choices

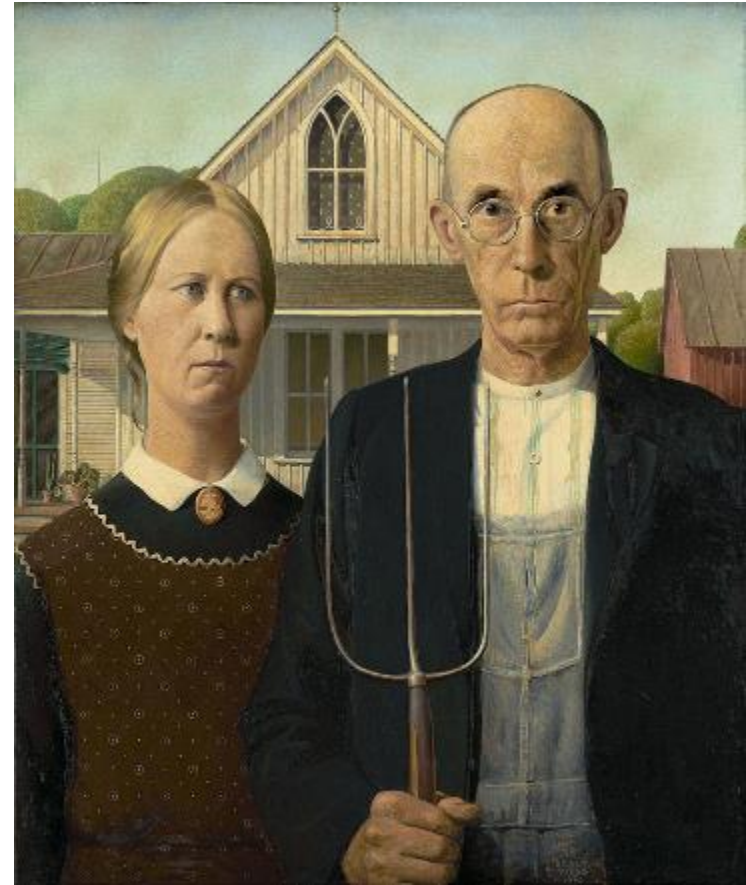
Convergence of Payments

- ✿ **The ELO supports the external convergence of payments**
- ✿ Still an item of significant debate – Member States with high payments want to reduce the external convergence.
- ✿ There will presumably be further convergence in the coming CAP, but it will not yet be equal between all countries
- ✿ The Small Farmer Scheme remains



Active/Genuine Farmer

- ✿ **The ELO is strongly opposed to the current proposed text.**
- Risk of undermining the common market and re-nationalizing farming
- Additional burdens and payments for annual 'proof' of being a farmer
- Doubts over part-time farmers
- High risk to cross-national farmers
- ✿ **There should be one common, broadly written text that applies to all farmers in Europe**



Capping of Payments



- ✿ A proposed **degressivity starting at €60,000 and a €100,000 ceiling** on EU subsidies for individual farms
- ✿ 122,000 farmers to be affected by ceiling – less than 2% of total farm enterprises in EU
- ✿ Denmark, Germany, Slovakia, Czech Republic to be hit hard due to local farm structures
- ✿ **The ceiling should be looser and €30,000 should be added for each farm worker**

Young Farmers (from 2019: 45 years old?)

- * A minimum of 2% of the direct support payments allocation in each Member State will be set aside specifically to help young farmers, that can include an increased 'installation allowance' of up to €100,000
- * **ELO supports the creation of an 'international mobility' fund to help young farmers learn from other countries (new idea: „agri new entrants”?)**
- * **Access to land** remains an issue; the EU and Member States need to invest in better access to financial markets for young farmers



The New Greening Architecture

- * The EC proposal and communication have been very clear about the need for greater environmental care in the CAP
- * Current 3 greening measures (permanent pasture, crop rotation/diversification, and EFA) will go under enhanced conditionality of **Good Agricultural Practices**
- * **Member States may set higher standards individually**

Eco Schemes

- ✿ **Mandatory for Member States, to be financed from pillar 1**
- ✿ Payment per hectare either additional to the basic payment or as compensation for costs incurred / income foregone
- ✿ Farmers can apply, but some measures will be open to other land managers such as NGOs
- ✿ **There are still many open questions:** Does the capping apply to additional payments under eco-schemes? Who will be able to apply? How will the monitoring work?

The importance of performance in the new CAP

- ✿ The new CAP and direct payments will be **more linked than ever to performance** and achievement of targets and goals
- ✿ This represents a **fundamental change in the policy**
- ✿ Member States are expected to set **quantifiable goals** in their new Strategic plans and follow up on them
- ✿ (Multi-)annual assessment by the EC will become the new standard



EU Indicators for Common Agricultural Policy

- ✿ Annual and multi-annual indicators on whether or not Member States are achieving their objectives
- ✿ Commission is suggesting **performance bonus** for countries achieving goals (over 90% of stated goal)
- ✿ **Annual indicators** include: increasing farm advisory services, access to innovation, reducing coupled supports, carbon storage, air quality, afforestation etc. etc.
- ✿ **Multi Annual targets:** reduce income difference between farming & overall economy, increase productivity, reduce GHG emissions, increase farmland bird index, attract young farmers etc. etc.

Farm Modernization

- ✿ **10 billion Euro** from the Horizon 2020 fund to be set aside for agriculture and food-related research
- ✿ Each CAP Strategic Plan must include **plans for innovation and knowledge transfer**
- ✿ New CAP will **encourage the digital transformation of the countryside** (broadband access, precision farming, big data etc)
- ✿ **Satellite and big data will be used for controls**



What's Next?



*** But, can the reform be completed before the EP elections and new Commission?**



Challenges for 2019

- Science: Leading scientists call for science-based rules on new breeding techniques (letter from October 2018, a paper calling on European policy-makers to protect innovation in plant science & agriculture after the ECJ ruling on CRISPR on 25 July)
- Climate Change: results of COP24 (Katowice) : ELO updated paper for the GA in Bucharest (26-27 November)
- Romanian and Finnish Presidencies of the EU Council
- UN SDGs and Circular Economy
- ECB new boss: IT Andrea ENRIA

FFA 2019: 9 April 2019

Soil Award: applications till 31 December 2018