



French position in the **CAP 2020** negotiations



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Food sovereignty is a key component of Europe's sovereignty. The Common Agricultural Policy contributes to the achievement of that goal, the topical importance of which is amply confirmed by global population growth, in conjunction with production hazards due to climate change. The CAP should promote the access for all to healthy, sustainable and quality food. The globalisation of trade, along with economic and sanitary crises linked to climate disruption, the biodiversity conservation must be seen as issues to be taken into account by the new CAP.

As its main integrated policy, the CAP has been part of the European construction, of which it continues to be a symbol; the CAP2020 negotiations must not lead to a weakening of the common mechanisms that safeguard the proper functioning of the internal market. For all these reasons, France advocates a strong CAP at the service of a strong Europe.

More than before, the new CAP must support the transformation of Europe's agricultural, agrifood and forestry sectors. The French National Food Conference highlighted the fact that consumers attach importance to high levels of food safety quality and traceability, along with improved information and enhanced transparency on how foodstuffs are produced. In a world that is more competitive due to the globalisation of trade, the need is to provide farmers and growers with the means to adapt to this societal demand. The CAP must give farmers the means to generate sufficient income to achieve their transition. In terms of the environment, the non-market services rendered by agriculture and forestry must attract more remuneration, while support must be conditional on compliance with a minimum of rules.

The new CAP must also embody a Europe that protects both farmers and consumers. In this respect, it must continue to pursue its regulatory tasks at a time of worsening hazards, just as it must support resilience of farming systems and the development of rural areas, especially the most vulnerable and the most distant regions.

Lastly, if it is to be better understood, it must be clearer and simpler. As a symbol of a strong, united Europe that simultaneously supports innovation, prepares for the future, protects against risks and assures solidarity among its members, it will be possible for the CAP to win the support of all our fellow European citizens.

★ A SHARED, STRONG CAP THAT SERVES A STRONG EUROPE

Working through common rules and funding, the CAP is essential to the proper functioning of the internal market insofar as it prevents divergence between national policies that would distort competition. This fundamental principle must be preserved in the next CAP. That is why:

- ▶ France requests that the number of optional mechanisms should be limited as far as possible with the definition, where appropriate, of obligations for Member States to regulate the flexibilities granted, for example in terms of thresholds or ceilings.
- ▶ The basic payment makes it possible to ensure common and significant levels of sanitary and environmental requirements throughout the European Union. It forms in this way a common core for all the Union's farmers and growers. France is also in favour of the Commission's proposal on internal convergence and the possibility of adopting average uniform amounts for homogeneous areas.
- ▶ The reduction of the CAP budget proposed by the Commission, while the EU budget is nevertheless in expansion, cannot be accepted. For the CAP to remain a strong EU policy, France asks that its budget be maintained in current prices at the level of the EU-27 budget for the 2014-2020 period. France agrees with the Commission's approach for a first pillar fully financed from the EU budget and a co-financed second pillar (not including additional contributions transferred from the first pillar) while considering that the cofinancing rates proposed by the Commission are not satisfactory.

★ A CAP THAT SUPPORTS THE TRANSFORMATION OF THE AGRICULTURAL AND FOOD SECTORS

To ensure food security, the EU needs structured and sustainable value chains that create more value and in which this value is better shared. The new CAP must facilitate everything that promotes improvement in the structural organisation of sectors, enhancement of their competitiveness, grouping of market supply and contractualisation, as well as support for quality schemes. Therefore:

- ▶ France takes a very favourable view of the extension of operational programmes to include sectors other than fruit and vegetables sector, wine sector, apiculture sector, olive oil and table olives sector. European regulations must allow Member States to combine coupled support and operational programmes. It is for that reason that France wishes to see the maximum financial allocations defined for the various types of support (12% coupled payments of which at least 2% is dedicated to proteins, 3% to operational programmes) merged under a single 15% cap for all schemes. Thereby it will enable sectors to be provided with support using tools to target their specific issues (among other things, those tools may promote/foster the concentration of supply by producer organisations, through the commercialization of their members' production, but also enable contractualisation and upscaling in sectors as set out in sectoral plans).
- ▶ France welcomes the reinforcement of the environmental ambition foreseen in the operational programs in the fruit and vegetables sector.

- ▶ France is an advocate for the European system of GIs and PDOs that guarantees the origin and traceability of high-quality products and which must not be weakened. From this stand point, France reaffirms its attachment to inclusion of the human factor in PDO definition and opposes the removal of the obligation to include proofs of origin in the mandatory specifications for PDOs and PGIs.
- ▶ In the wine sector, France does not wish to see an opening up of European vine varieties to include historically prohibited varieties for reasons relating to product quality and economics. Hybrid varieties that have the advantage of being naturally resistant to certain diseases, and are authorized in PGI specifications, must also be authorized in PDO specifications.
- ▶ France advocates the schemes of the second pillar of the CAP, that allow to train farmers, to bring them advices for transforming their production system in order to increase resilience and sustainability , to ease innovation and knowledge transfer. France supports actions in favour of farmers setting-up (without prejudice to first pillar schemes), of investment in agricultural and food chain, of bioeconomy and circular economy and actions aiming to develop regional dynamics and collective approaches (cooperation, LEADER, EIP).

★ A CAP THAT DRIVES AMBITIOUS ENVIRONMENTAL GOALS BY GIVING THE AGRICULTURAL SECTOR THE MEANS TO CONDUCT ITS AGROECOLOGICAL TRANSITION

Insofar as agriculture uses natural and renewable resources it is directly confronted with climate change, just as it can help mitigate it under certain conditions. At the same time, Europe's citizens are increasingly vigilant with regard to the production methods used in agriculture, whether they have concerns for health, animal welfare or a desire to protect the environment. The CAP must support farmers' agroecological transition to production systems using fewer inputs (energy, pesticides, fertilisers, water) and which are more resilient.

- ▶ To do so and in order to better promote and articulate CAP tools (eco-scheme, agri-environmental measures, payments for natural or other area-specific constraints, development of organic farming etc.), a minimum expenditure target for the environment should be set for the overall CAP budget.
- ▶ France is in favour of assigning to the CAP clear objectives in those areas, quantified as far as possible. Regarding in particular the reduction in the use of plant protection products, France is in favour of an evolution of the European framework making it possible to set shared quantified objectives in order to guarantee a real environmental ambition and fair competition conditions.
- ▶ France favours the three-level environmental architecture proposed by the Commission : a conditionality including current greening rules, as a common core of practices for all EU farmers and growers, an eco-scheme that is mandatory for Member States and optional for farmers to provide remuneration under the first pillar for environmentally-friendly practices, and Agri-Environmental and-Climate Measures under the second pillar.
- ▶ Where conditionality is concerned, it is France's wish that this should not lead to any regression in the requirements of 2014-2020 cross-compliance and greening, and that it be strengthened and simplified. France does favour simple, effective measures to match identified goals and issues (in particular soil protection, pesticides reduction, maintenance of biodiversity, water management,

disease prevention in animals and plants, improvement of air quality, animal welfare) rather than an accumulation of large numbers of measures with effects that are limited and difficult to control.

- ▶ Regarding the mandatory eco-scheme for Member States, France is in favour of this proposal, since it addresses our goal of payment, incentive on a lump sum basis, for the environmental services rendered by agriculture insufficiently rewarded by the market. This scheme must encourage to change agricultural production practices and in particular promote the development of the certification of agricultural practices (e.g. organic farming certification, environmental certification).
- ▶ Regarding the agri-environment-climate measures (AECM), those measures must better support individual and collective approaches conducting to agroecological transition, by being simpler, more attractive and more incentive. France thus proposes to add an incentive amount to AECM to recognize the risk-taking associated to a change in production practices and systems. The AECM must also allow to support experimental approaches.

★ A CAP THAT PROTECTS AGAINST CLIMATIC, SANITARY AND ECONOMIC RISKS

Driven by the dual factors of trade globalisation and climate change, there is a worsening in the hazards affecting production and sanitary risks, leading to greater volatility in market prices for agricultural products. France wishes that CAP offers a better risk prevention by reinforcing resilience of farming systems. It remains attached to the existing instruments for regulation but wishes to see greater reactivity in the response by public policies when a crisis occurs, and favours the development of risk management tools such as insurance and mutual funds.

- ▶ France recalls the importance of direct payments as an indispensable safety net.
- ▶ It must be possible to extend the existing tools for the regulation of supply of products covered by quality schemes (wine, certain cheeses, most notably) to include all products under official quality signs and associated with a geographical location.
- ▶ Existing crisis management tools must also be promoted and modernised to make them more responsive. It would be appropriate to strengthen and make extensive use of market observatories and to set an alert threshold that would involve the Commission in defining proposals to be tabled in the Council and the European Parliament. In addition, the systematic use of tender procedures for public intervention for sectors which could currently benefit from it, would make it possible to avoid certain anticipatory behaviours that amplify crises and make it difficult to emerge from them. Lastly, it should be explicitly stated in available crisis measures that it is possible to put in place support for voluntary volume reductions.
- ▶ France requests that the risk management tools available to farmers (e.g. insurance, mutual funds) be modernised and supported financially to allow hazards to be addressed effectively and to take more account of the frequency of their occurrence. France is asking for greater security in the legal framework to allow Member States to implement tax schemes that encourage precautionary savings against such contingencies.
- ▶ Moreover, France recalls that investment and support for modern, diversified and environmentally-

friendly farms contributing to the resilience of farming systems, constitute a major factor in risk management and crisis prevention.

- ▶ France is in favour of the creation of a crisis reserve specifically for the agricultural sector, one that is Europe-wide, multiannual and responsive. It has to be topped up during the period first and foremost by the appropriations carried over, then by the appropriations budgeted but not consumed and available under the EAGF and, as a last resort, by other sources of financing.

★ A CAP THAT ENSURES GENERATIONAL RENEWAL, VITALISES RURAL AREAS AND PROTECTS THE MOST VULNERABLE AND THE MOST DISTANT REGIONS

Generational renewal is a central economic and demographic issue for agricultural economy, agricultural sectors and sustainability of agriculture. It is an essential condition to be met if rural areas are to remain attractive and dynamic (40% of farmers could retire by 2022), and if a diversity of enterprises providing jobs in agricultural and food sector are to be maintained.

- ▶ Consequently, policy in favour of setting-up and generational renewal of young farmers remains a priority for France in these negotiations; France takes a favourable view of the instruments proposed by the Commission for both the first and the second pillars.
- ▶ France favours the provisions contained in the Commission's proposal aimed at targeting support on those holdings that offer most jobs, provisions such as redistributive payments and capping. The capping should however be simpler to implement and should not interfere with the incentive nature of environmental measures. Similarly, it should be possible to consider active farmers in ways that are simpler and defined by the Member State.
- ▶ The new CAP must also continue to provide support specifically to the most vulnerable and the most distant regions.
- ▶ France is an advocate of the payments for Areas facing Natural or Other Specific Constraints (ANCs), this being essential to the maintenance of farming activity in the most vulnerable areas. If it is to be effective, it must be possible to target the ANCs payments on the holdings that are most sustainable and those best suited to the upkeep of the regions concerned. Given their environmental vocation, France considers that the expenditure of ANCs payments in favour of maintaining extensive grassland farming shall be included in the expenditure target for the environment.
- ▶ France advocates maintenance of the provisions specific to outermost regions under the POSEI system, whose budget must imperatively be preserved. Such regions are subject to particular constraints, enriching and contributing to the diversity of the Union; their specific character must be given recognition in the CAP.
- ▶ France wishes, while respecting the diversity of the organization of the Member States, that the implementation of the future CAP enables territorial authorities (regional authorities in France) to exercise the functions of managing authorities for measures they will be in charge of, ensuring all the responsibilities for these measures (programming, financing, administrative and financial management).

★ A CAP THAT IS SIMPLER AND EASIER TO UNDERSTAND FOR FARMERS AND CITIZENS

The CAP constitutes essential support for European and French agriculture. However, despite this, the side of it that farmers see is its administrative complexity rather than its contribution to the dynamics of the sector. It is essential to make CAP easier to understand for citizens, in particular by emphasizing the CAP's positive effects in terms of food security and product safety as well as supporting an agroecological transition. The CAP should be simplified in terms of both EU regulations and national implementation in order for its goals and its benefits to be clear and understood by all.

- ▶ France favours the Commission's proposed new delivery model which does not in itself generate distortion of competition but rather offers the opportunity to make Member States' choices an integral part of an overall strategy that addresses European goals. Nevertheless, that model must not result in even more complexity; on the contrary, it must guarantee a common approach essential to the CAP's success. The greater subsidiarity granted to Member States in the future CAP shall also offer guarantees to ensure an efficient management through European Union and to protect EU's financial interests.
- ▶ With this in mind, it is France's wish that the criteria and conditions governing approval of future strategic CAP plans presented by Member States should be clearly defined; in particular, approval timeframes and modalities must be controlled in order to avoid interruptions in support for agriculture and forestry.
- ▶ France wishes to see a simplification of the rules for farmers' eligibility and the rules for the admissibility of areas to make them more easily understood by farmers and citizens.
- ▶ Similarly, where conditionality is concerned, rather than an accumulation of formal measures offering no guarantee that environmental requirements will actually be strengthened, a tightening could be proposed for SMRs and GAECs requirements based on a small number of straightforward, effective measures to cover the major environmental goals and issues, some of which are missing from the Commission's proposal.
- ▶ France considers that simplification efforts should be supported at every level, including for example the recognition of the "right to error".
- ▶ While France supports the use of new technology leading to simplification, that technology must primarily serve farmers and Member States. It would be appropriate to define a transition period to enable effective roll-out of monitoring given that the tools will not all be operational in the near future.
- ▶ Given the major changes entailed by the institution of the new performance framework, France requests the application of a two-year transition period to run from the start of the new programming period.

The future CAP, in line with other European policies, must support the European project towards an agriculture that meets high-standards and cannot be conceived without a social, environmental and health regulation of trade with other countries.