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## Press Release

### **COPA-COGECA REACTS TO EU COMMISSION PROPOSALS ON FUTURE CAP, CALLING FOR MORE EMPHASIS ON ENCOURAGING GREEN GROWTH, NOT GREEN CONSTRAINTS**

Reacting to EU Commission proposals on the future Common Agricultural Policy (CAP), Copa-Cogeca called for more emphasis to be put on measures which improve the profitability and productivity of the EU agriculture and agri-food sector, as well as benefiting the environment.

This is essential if there is going to be enough food to feed the world's growing population at a price which people can afford, Copa-Cogeca said. Farmers will also be facing more extremes in weather as well as long term changes in climatic conditions. Farmers will have to adapt, invest and modernise to meet these combined challenges. Measures to promote green growth, which Copa-Cogeca is proposing, is the only way to meet these combined challenges. Copa and Cogeca Presidents stressed "It does not make sense to require every single farm to stop producing on a certain percentage of their land (ecological set-aside) when world food demand is set to rise by 70% by 2050 and production is threatened by more extremes of drought, flooding and storms. The Commission proposal also runs counter to the Commissions' 2020 strategy for growth and employment".

The move came as the Commission released its proposals on the CAP post-2013. Speaking at a major press conference in Brussels, Copa President Gerd Sonnleitner insisted "The EU agriculture and agri-food sector ensures employment in EU rural areas for around 40 million people, providing the backbone of rural areas, and ensuring high quality food for 500 million consumers. Yet EU farmers' income is on average only half that of average earnings. This is why it is essential that direct payments to farmers are maintained if the agricultural sector is to continue to assure these benefits. Currently, many young farmers are not willing to take over from the farm and older farmers are leaving the sector in view of the drastic economic situation. This is not sustainable or acceptable".

He continued "That is why the future CAP must focus on improving the economic performance of farming families and agri-cooperatives to enable them to get a better return from the market. We are concerned that the Commission's proposals, which propose further mandatory environmental constraints on farmers, will not achieve this and will just add more costly burdens onto EU farmers, thus threatening their competitiveness and economic viability. Farmers are already doing a lot for the environment and are willing to do more. But it must be based on win-win solutions for the both environment and growth. Farmers must be able to choose the measures which are most appropriate for their farm.

He said "We support the principle that CAP payments under the first pillar go to *active* farmers but Member States may require some flexibility to ensure this can be achieved effectively. The Commission is moving in the right direction concerning the redistribution of direct payments but the need for fair and equitable treatment of all farmers taking into account differences in conditions must be respected. The move away from historic payments will also result in greater harmonisation but Member States must have the time and flexibility to offset the adverse effects on farmers. A very positive element in the Commission's proposal is the introduction of

European Innovation Partnerships to help improve links between researchers, farmers and advisors”.

Cogeca President Paolo Bruni meanwhile drew attention to the need for efficient and flexible measures to manage the market. “These are crucial in view of the increasing market volatility. But the Commission’s proposed market measures and the introduction of an emergency fund must be examined further to see if they will provide adequate stability in an increasingly volatile market”, he said.

He continued “It is also vital to reinforce producer organisations (POs) position in the food chain to meet the increasing world food demand. Farmers are currently up against the huge buying power of a handful of supermarkets and only get a fraction of the retail price. This situation must be improved in the reform. They must get a better return from the markets. Measures to strengthen producer organisations must be done in the context of the EU Commissions forthcoming proposal on the future CAP. For example, with the reform of the EU fruit and vegetable and EU dairy regimes, the role of producer organisations was improved. This must be done in other sectors. In the dairy sector, the EU Commissions’ plans for the future of the sector focus on strengthening contractual relations between farmers and processors to enable them to get a better price for their produce”.

He stressed “We welcome as a step in the right direction in the Commissions proposal the extension of the product coverage for recognition of producer organisations and their associations, as well as interbranch organisations, in addition to the Commission’s proposals for the milk sector. But Copa-Cogeca is very worried about the fact that there is not a clear definition of a producer organisation in the EU Commissions proposal. It is also paramount that EU competition rules are adjusted to help producer organisations, such as cooperatives, to grow in size and scale”.

Wrapping up, Mr Bruni insisted that the CAP is the only truly common policy and has made an important and successful contribution to the construction of Europe. “Copa-Cogeca wants to ensure in the future the maintenance of a strong, dynamic, innovative CAP, with a strong EU budget behind it. We will continue to fight for this and call on EU Ministers, MEPs and the Commission to ensure that there is a profitable EU agri-food sector in the future, contributing to vibrant EU rural areas.”, he said.

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