



## **Working Group of the UEAA on the CAP - Input to the Strategic Dialogue on the future of EU agriculture<sup>1</sup>.**

### Introduction and background

The objectives laid out for the Common Agricultural Policy for the 2023-27 period, and for the Farm to Fork Strategy of the Green Deal are comprehensive and ambitious. They attract strong support across a broad swathe of stakeholders. To achieve them, incentives must be right, transitions need to be managed and trade-offs acknowledged. Multiple stakeholders have a role to play. Unforeseen events such as the war in Ukraine bring additional issues to the fore, including the need for “strategic autonomy” where agriculture and food are key elements. Farmers are beset by many problems ranging from disease outbreaks to inadequate or volatile incomes, excessive bureaucracy, and difficulty navigating increasingly complex and competing demands. The environmental and climate challenges are pressing, tensions between farmers and ecologists are rising, and consumers have been subjected to steep increases in food prices. Many governments are severely constrained financially due, *inter alia*, to the effects of covid related spending and increased demands on defence budgets.

Consequently, the future of agriculture within the European Union (EU) is at a pivotal junction, influenced by complex socio-economic factors, environmental challenges, and geopolitical shifts. The imperative for sweeping policy reform is clear. This document advocates a strategic overhaul of the Common Agricultural Policy (CAP) aimed at directly confronting these challenges, promoting resilience, sustainability, and fairness within EU agriculture.

### Recommendations for the Common Agricultural Policy:

#### ***Phasing Out Harmful Subsidies:***

Gradually eliminate subsidies that support the use of chemical fertilizers, pesticides and fossil fuels or which incentivise production of the most GHG-intensive products. Propose a

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<sup>1</sup> The members of the WG of the UEAA participated in this work in their personal capacities Carmel Cahill (Ireland); Leonardo Casini (University of Florence, Italy); Bernard Bourget (France); Tomas Garcia Azcarate (Spain); Bengt Johnsson (Sweden); Jerzy Plewa (Poland). They, together with the Steering Committee of the UEAA, subscribe to the need for a strategic overhaul of the policy framework for agriculture in the EU and broadly support the proposals presented here, although this does not mean that there is full consensus on every aspect. They acknowledge the need to elaborate the proposals in much greater depth, to carry out impact assessment, and to carefully manage the political, social and economic aspects of the transitions that a radically new policy approach would require. The UEAA looks forward to continuing to contribute to ongoing reflections, drawing on the expertise and diverse activities of the Academies which constitute its membership.

reallocation of these subsidies towards environmentally sustainable agricultural practices that are in alignment with the EU's ambitious climate goals. This transition should be supported by educational programs for farmers to adopt eco-friendly technologies and methods, ensuring a smooth shift away from harmful agricultural inputs.

### ***Rewarding Environmental Services:***

Introduce innovative payment schemes designed to financially compensate farmers who provide significant environmental, climate and animal welfare benefits beyond the standard requirements. Programmes should incentivise farmers to undertake the changes needed and not rely excessively on command-and-control mechanisms. The incentives provided should promote the integration of green practices into the core business models of farms, prioritizing voluntary participation to foster greater engagement and commitment among the farming community. Schemes should specifically target enhancements in biodiversity, soil health, water conservation, adaptation to and mitigation of climate change.

### ***Implementing Targeted and Results-Based Measures***

Develop and implement policy instruments that are precise, measurable, and outcome-oriented, focusing on verifiable results rather than input or effort. Involve farmers in policy development. This approach would generate greater acceptance of new measures and allow farmers to find the most cost-effective agricultural innovations, adapted to their circumstances. Establish clear metrics and monitoring systems to ensure accountability and effectiveness, thereby promoting practices that directly contribute to sustainability and economic viability in agriculture. Blanket measures which distribute a large share of available funds to the largest producers and landholders should be avoided.

### ***Creating an Enhanced Risk Management Framework:***

Create a comprehensive, layered risk management framework that enhances resilience to economic and environmental shocks. This should include both individual, market and collective strategies for managing risks, supported by public mechanisms, with pre-defined scope and terms, to address catastrophic events such as extreme weather or market collapses. Programme design should avoid moral hazard, should not crowd out individual and market initiatives and should not mask the need for adaptation to the environment and climate challenges that are already evident.

### ***Strengthening agricultural knowledge and innovation systems***

A well-functioning AKIS is pivotal to achieve the European Union's ambitious targets for the CAP, and for the Farm-to-Fork (F2F), and Biodiversity Strategies in the context of the Green Deal. All the actors involved in AKIS—public and private, EU and national, need to be working consistently in the same direction to improve the competitiveness of farms, to encourage better use of natural resources, notably water, soil and biodiversity, to mitigate and adapt to climate change, and to ensure safe, healthy and nutritious food for consumers. Increased effort is needed to better communicate to society the potential of scientific innovations to make all this possible, including in the realm of new genomic techniques. Greater research effort should be deployed to provide a sound scientific, and evidence base for setting targets, and for designing, deploying and assessing policy instruments.

### ***Managing Transitions:***

Develop clear pathways for significant policy shifts, including temporary compensatory measures to support those adversely affected. Transition management should be carefully planned to minimize disruption and promote a smooth adaptation to new policies.

***Favouring Needs-Based Support:***

Within this new policy framework some farm families will continue to experience income problems. It will be important to deploy income support mechanisms to address their specific needs, considering the type and size of the farm enterprise, diverse income sources and regional disparities. In some cases, economy wide safety nets could be adapted to the situation of farm households.

***Decentralization of Policy Implementation:***

Enhance the decentralization of policy implementation to allow for target-setting and solutions that are better tailored to local climatic, environmental, and socio-economic conditions, while being sufficiently demanding to produce concrete results. This should encourage innovation and responsiveness at the local level, taking the farmers' perspective into account and generally improving effectiveness.

***Fostering Cooperation:***

Promote producer groups and other forms of associative organisation. Encourage collaborative policy development and implementation among stakeholders, including farmers, environmental groups, and both public and private sectors. Such cooperation would leverage collective expertise for more robust agricultural strategies.

***Predictability and Stability:***

Establish policy frameworks with clear, long-term objectives and funding to provide stability in planning and reduce the frequency and impact of disruptive changes. This predictability is essential for farmers to make informed, future-oriented investments and operational decisions.

***Rebalancing market power in the food chain:***

Farmers often face highly concentrated and powerful actors in the food chain. A better balance is essential to enable them to capture a higher share of value-added and to strengthen profitability. To achieve this, increased support to producer and inter-professional organizations will be needed. The exception to the application of competition rules to agriculture provided for in the Treaties is important in this context and should be maintained while at the same time ensuring that competition contributes to a dynamic sector and economy. More broadly, enhanced market information through mechanisms such as AMIS (the Agricultural Market Information System) can play an important role.

***Simplification and Reduction of Administrative Burdens:***

Commit to a drastic reduction in the complexity of compliance and reporting requirements, which is an essential precondition for the success of all other proposed changes to the CAP. By leveraging technology to streamline processes, this simplification will enable farmers to focus more on production and innovation rather than bureaucratic overload. A more incentive-based, results-driven, voluntary, collaborative model of policy design will create scope for reduced complexity, lighter control mechanisms and enhanced producer acceptance. Achieving this is challenging and will require careful planning and implementation, supported by research and pilot programmes.

## Beyond the Common Agricultural Policy

At European level, further institutional changes may be needed to ensure collaboration and coherence across the full range of policy interventions – climate, environment, animal welfare, water, food systems, health, and trade.

The negotiation of preferential trade agreements opens new market access opportunities for the agri-food sector in Europe while also permitting a level of reciprocity in environmental and climate measures which is not currently possible under WTO rules. Such efforts should be pursued and deepened to ensure fair trading conditions. Reciprocal measures can also facilitate the sharing of best practices among participating countries.

National policies should also be examined in a spirit of simplification and to ensure that they are not impeding the needed transitions and adjustments, for example those affecting land ownership and transfer, taxes, planning, and health and safety regulations.

### Concluding Remarks:

These recommendations aim to reposition the CAP as a proactive, responsive framework capable of addressing the contemporary challenges of European agriculture. By emphasizing sustainability, equity, and innovation, the CAP can enhance its contribution to the EU's broader economic, environmental, and social objectives, paving the way for a resilient agricultural sector. This strategic realignment will require collective effort and commitment across all levels of governance and amongst all stakeholders involved in European agriculture.

Nitra, June, 12, 2024