



Future of the CAP after 2013 – the Farmers' Perspective

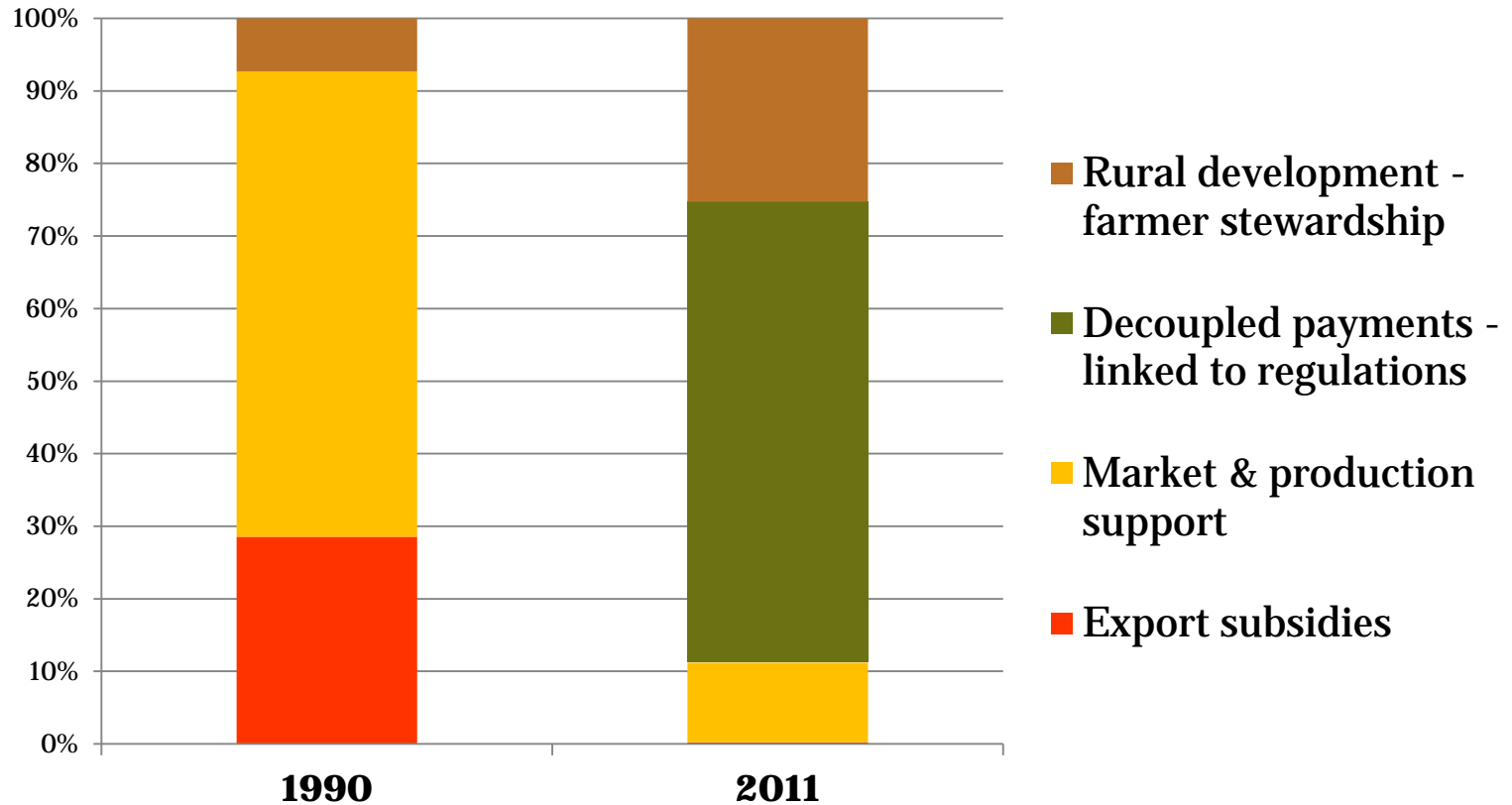
Shelby Matthews, Chief Policy Advisor

Outline

- the current Common Agricultural Policy (CAP) – its strengths & weaknesses
- priorities if we are to meet new challenges
- the future policy

CAP has already been 'greened'

Breakdown of CAP expenditure in %

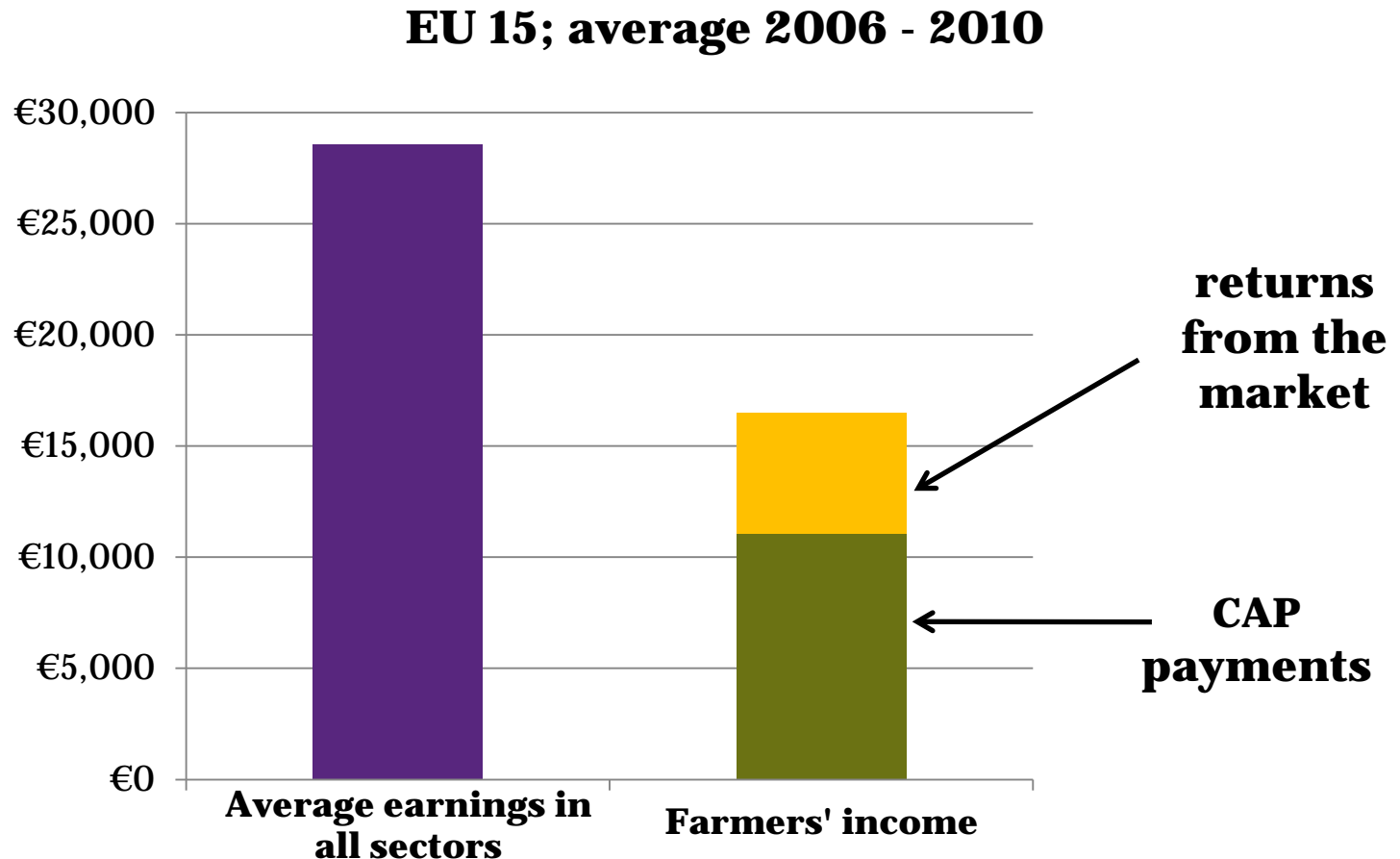


Source: EU budget

CAP priorities since 1990



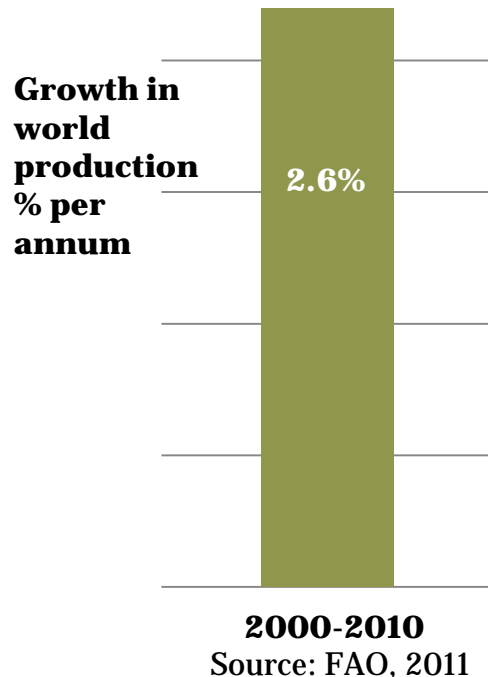
Low level of profitability – high dependence on CAP payments



Source: Economic accounts & Farm Accountancy Data Network,
Eurostat

Policy priorities if we are to meet future challenges

Past world growth rate above 2% pa but will it continue:



Finite resources – land & water

Climate change

- more extremes
- need to adapt production
- need to mitigate climate change

Priority - productivity gain achieved sustainably - green growth

Future CAP – as before?



Or a more balanced CAP?

Profitability &
productivity

High standards
& land
management



Commission proposes more 'greening'

Current payments

Basic payment linked to reinforced regulations

New greening payment

Result:

- higher costs for farmers
- lower productivity

Counter proposal

Incentives for Green growth

NOT more 'greening'

- **resource efficiency** (nutrients/water)
- **reduced GHG emissions** (biogas production from residues, feed adaptation, green cover crops...)
- **carbon sequestration** (reduced tillage, agri-forestry, perennial energy crops....)

Priorities for the future CAP

- resource efficiency
- carbon sequestration
- reduced emissions

Farmers

Green growth

- market stability
- improved profitability

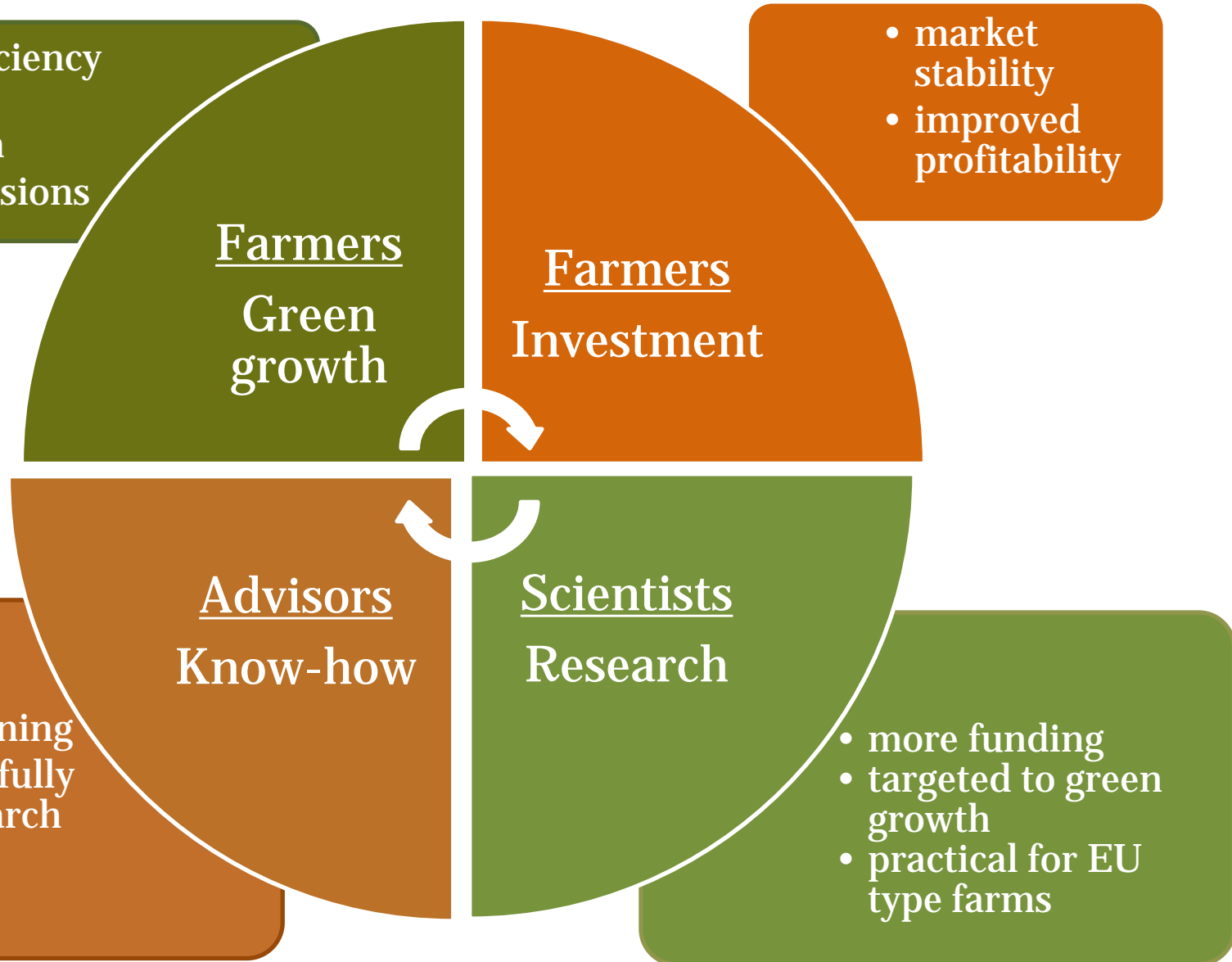
Farmers
Investment

- advisory/training
- exploit more fully existing research
- on-farm demos/trials

Advisors
Know-how

- more funding
- targeted to green growth
- practical for EU type farms

Scientists
Research



Sustainability & productivity

**Not a business opportunity
for farmers**

A necessity !