



European  
Commission



Agriculture  
and Rural  
Development

# *European Commissions view on sustainable Food Production*

*The greening Architecture*

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Bayer Symposium

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# Main drivers of Common Agriculture Policy reform

## The CAP needs to respond to new challenges

- *Cost-driven inputs increase external impacts on agriculture*
- *Price volatility and extreme weather events add more uncertainty to the sector*
- *The terms of trade and productivity for agriculture have significantly deteriorated*

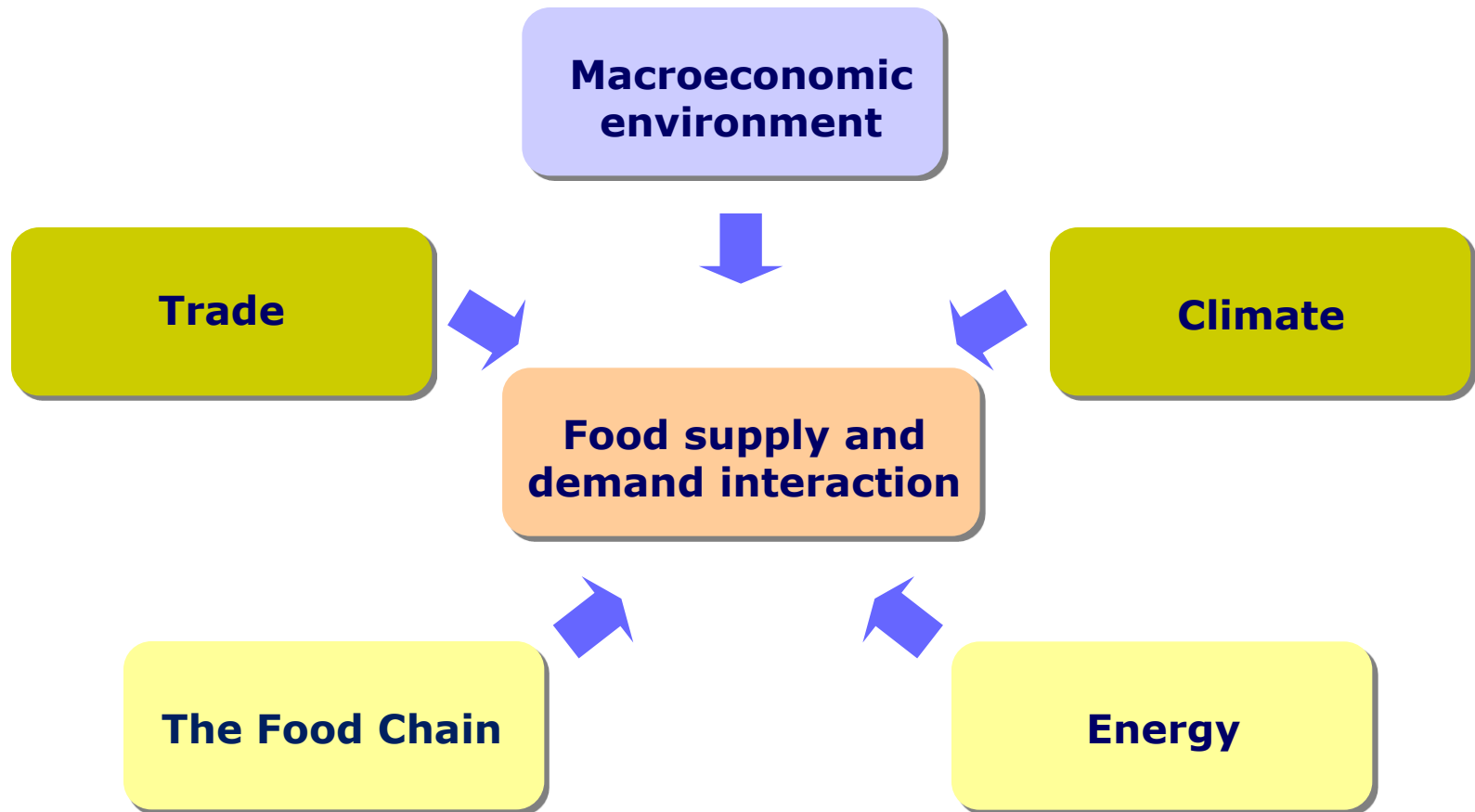
## The CAP reform process can be viewed as an effort to address

- *Market failures, especially those linked to economic and environmental sustainability*
- *"Jointness" in delivery of private and public goods (one is prerequisite for the other)*

## The CAP shifts its focus and its policy paradigm

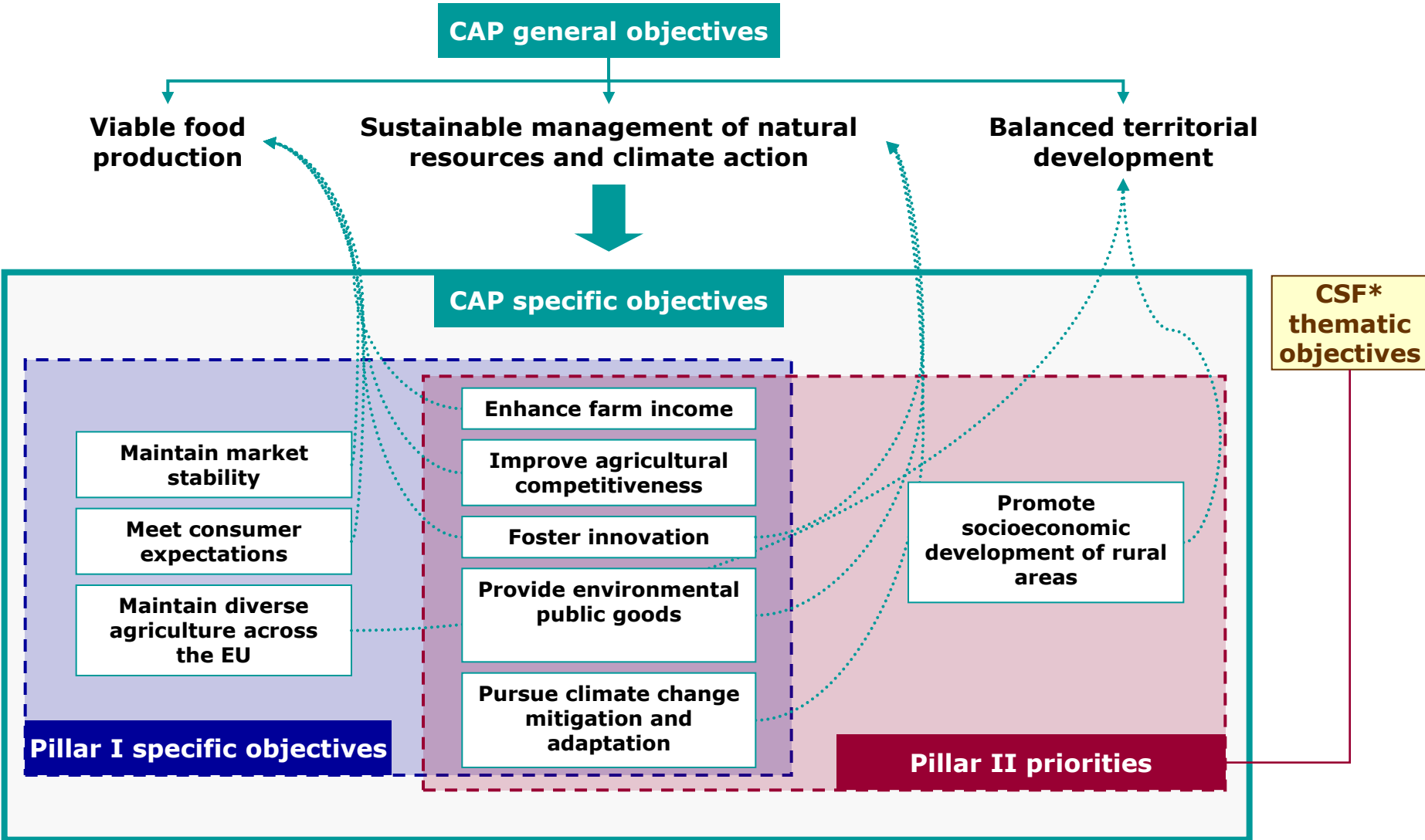
- *Retargeting of support shifts reference from farmer/beneficiary to (fixed) land*
- *"Greening" in all its aspects moves focus and conditions of support to land use*
- *Research, Innovation, Monitoring and Analysis increase focus on land use*

## Addressing market outlook drivers and challenges



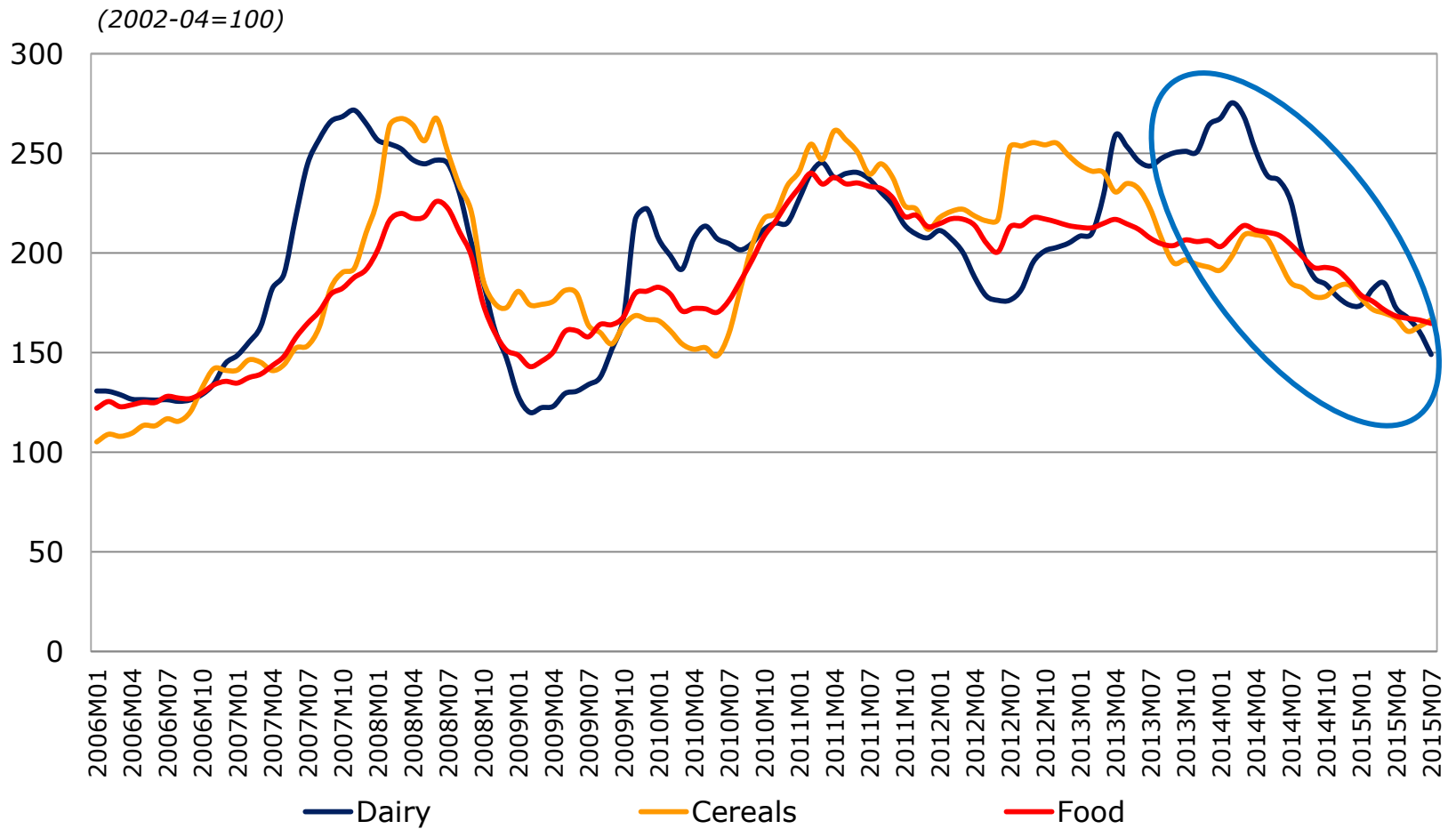


# CAP intervention logic



\*CSF: Common Strategic Framework including the EFRD, ESF, CF, EAFRD and EMFF

## FAO real food price indices



## Improved sustainability

### Greener direct payments



- ✓ Mandatory practices beneficial for environment and climate
- ✓ 30% of direct payment budget
- ✓ Reinforced cross-compliance

### Greener rural development



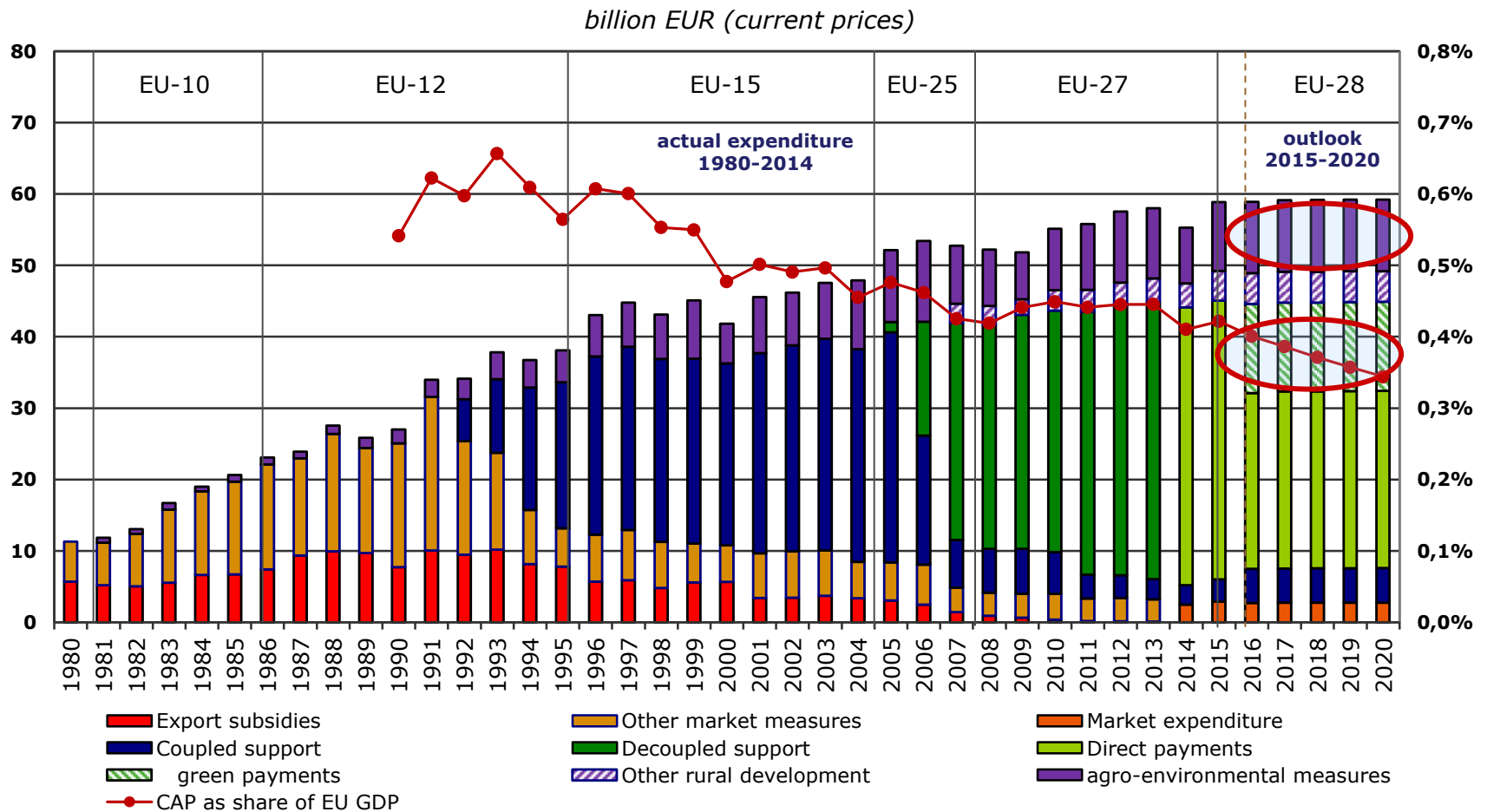
- ✓ Priorities on "resource efficiency" & "eco-systems"
- ✓ Better combat negative effects on environment and climate change
- ✓ Mandatory 30% spending level for environmental actions

### Increased focus on research and innovation



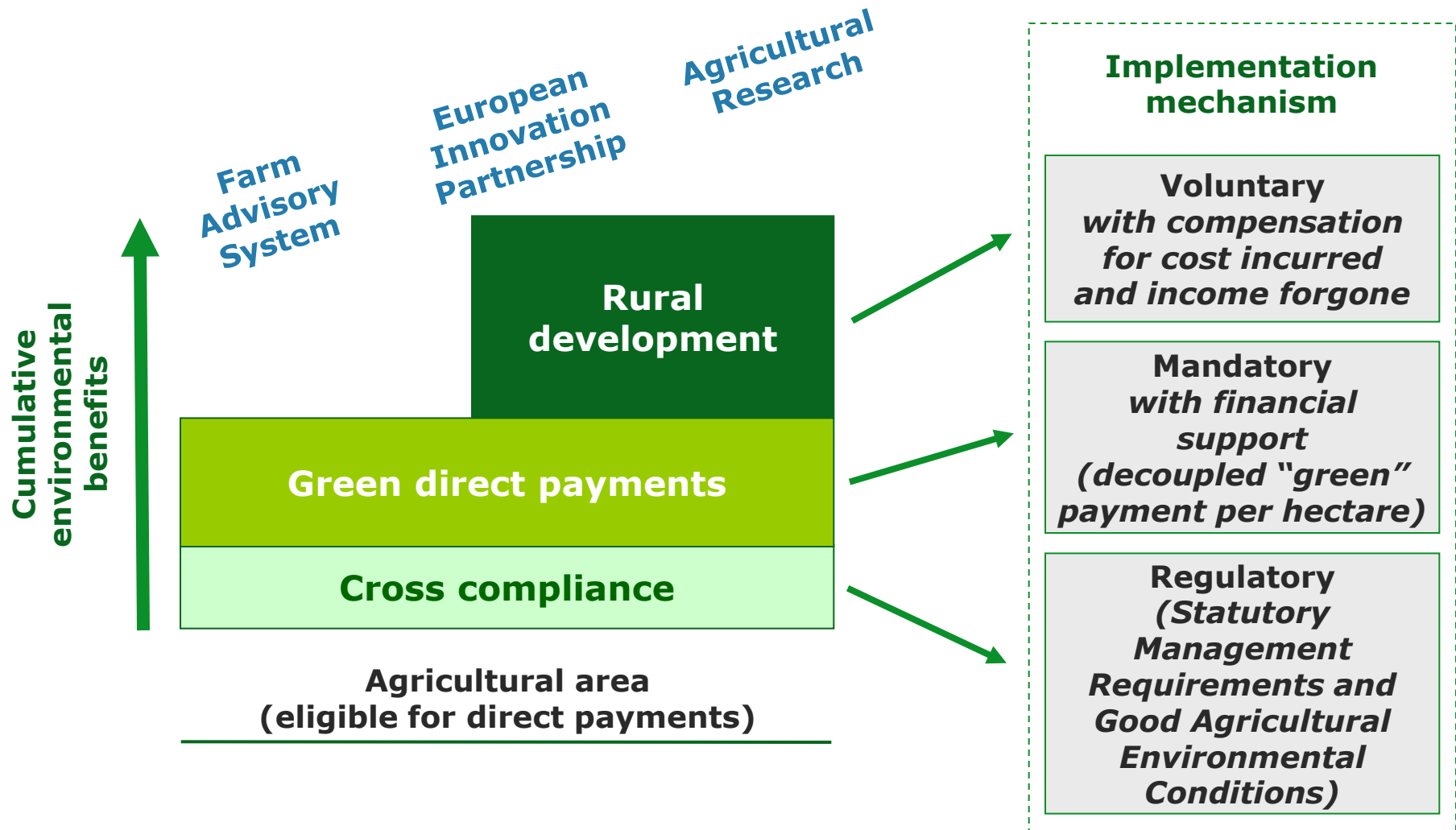
- ✓ European Partnership for Innovation ('Agricultural productivity and sustainability')
- ✓ Boost to agricultural research and knowledge transfer
- ✓ Farm Advisory Services

# CAP reform path and CAP budget, 1980-2020



Source: DG AGRI.

# The new "greening" architecture of the CAP





## A common set of impact indicators

### **Objective: Viable food production**

- 1 Agricultural entrepreneurial income
- 2 Agricultural factor income
- 3 Agricultural productivity
- 4 EU commodity price variability
- 5 Consumer price evolution of food products
- 6 Agricultural trade balance

### **Sustainable management of natural resources & climate action**

- 7 Emissions from agriculture
- 8 Farmland birds index
- 9 HNV Farming
- 10 Water abstraction in agriculture
- 11 Water quality
- 12 Soil quality
- 13 Soil erosion

### **General objective : Balanced territorial development**

- 14 Rural employment rate
- 15 Degree of rural poverty
- 16 Rural GDP per capita

## CAP Monitoring and Evaluation

*Indicators and data available at:*

[http://ec.europa.eu/agriculture/cap-indicators/index\\_en.htm](http://ec.europa.eu/agriculture/cap-indicators/index_en.htm)

**Thank you for your attention!**