



European
Commission

The Future of Food and Farming: *EU and the CAP*

*Expert Group for
Monitoring and Evaluating the CAP
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#FutureofCAP



The objectives of the Communication at a glance

Strengthen the environmental and climate ambition...

- *... because it is urgent*

Better target support ...

- *... because it is fairer*

Rely more on knowledge, innovation and technology ...

- *... because it is modern*

Rebalance the responsibilities between EU, MS and the farmer...

- *... because it could be simpler*

What does the Communication aim to do?

Confirm agriculture's crucial role and contribution ...

- *... in food provision, environmental protection and jobs and growth creation*

Consolidate and improve CAP framework ...

- *... through broad avenues of reflection about the future policy orientation*

Prioritise simpler rules and more flexible approaches ...

- *... for the CAP to better deliver its results at EU, MS and farm level*

Communicating on CAP achievements...

Analysis and wide public consultation confirm major achievements of the CAP...

- *Increasing EU competitiveness ...*
 - *... and turning the EU into a net agro-food exporter*
- *Positively impacting jobs and growth ...*
 - *... in rural areas and the food chain throughout the EU territory*
- *Providing relative income stability ...*
 - *... within a very volatile income and price environment*

...and communicating CAP challenges

...but also shortcomings to be addressed

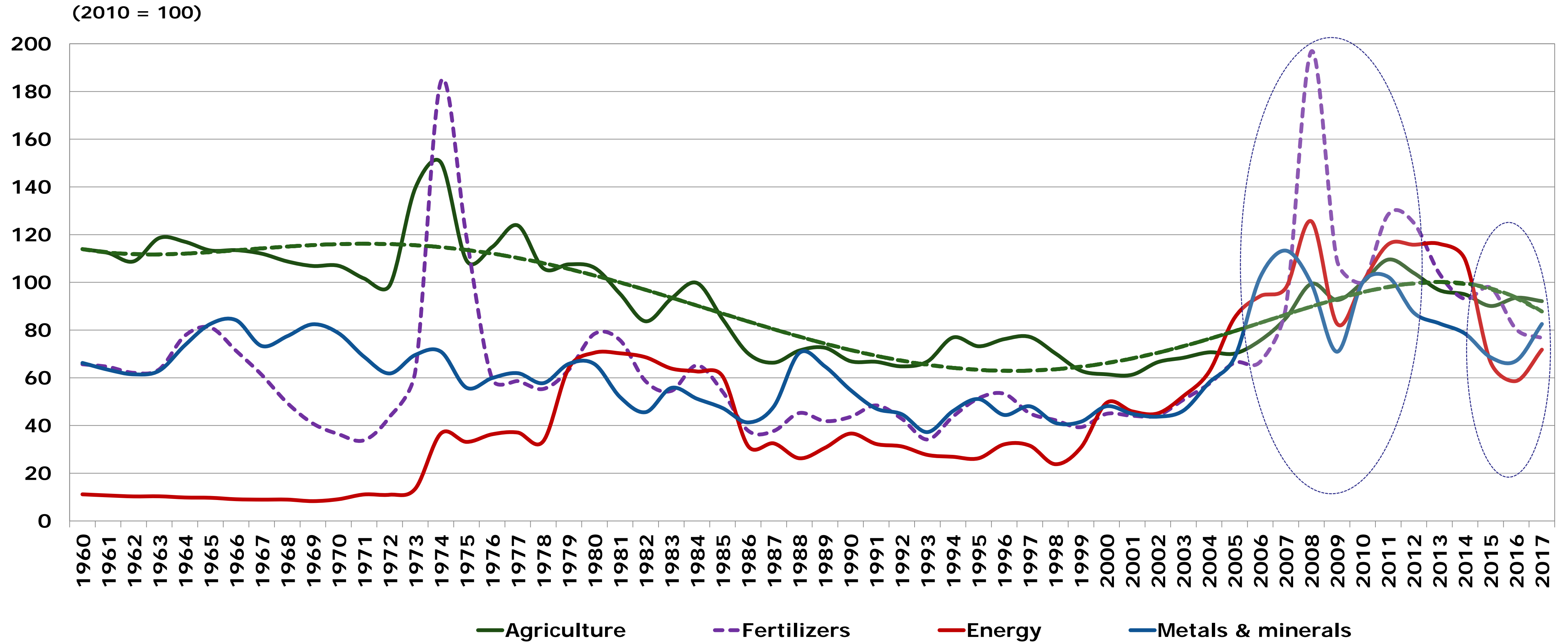
- *Despite progress the environmental performance of EU agriculture ...*
 - *... requires further improvement to meet ongoing and future challenges*
- *Productivity growth is mainly driven by the outflow of labour ...*
 - *... and less by research, innovation or capital investment*
- *Questions on equity, safety net and simplicity of the CAP ...*
 - *... are still hotly debated despite repeated efforts to address them*

What has changed since the last reform?

Basic parameters that influenced decisions of the 2013 CAP reform differ today:

- *The world commodity, economic and price environment ...*
 - *... especially in terms of both the level (lower) and expectations for agricultural prices*
- *The world trade environment ...*
 - *... especially the shift from multilateral to regional agreements*
- *New climate change, environmental and broader sustainability priorities ...*
 - *... especially COP21 and commitments stemming from it*

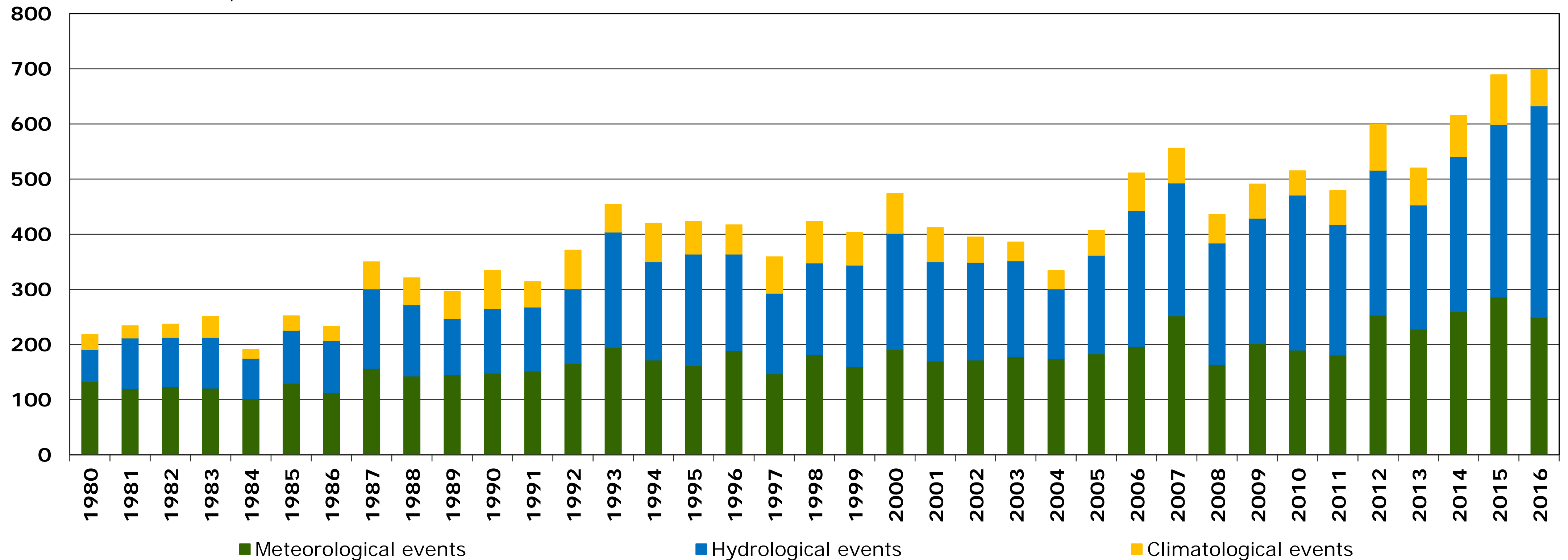
Commodity price changes in recent years



Source: World Bank.

Climate linked loss events in dramatic increase

Natural catastrophes worldwide - number of events



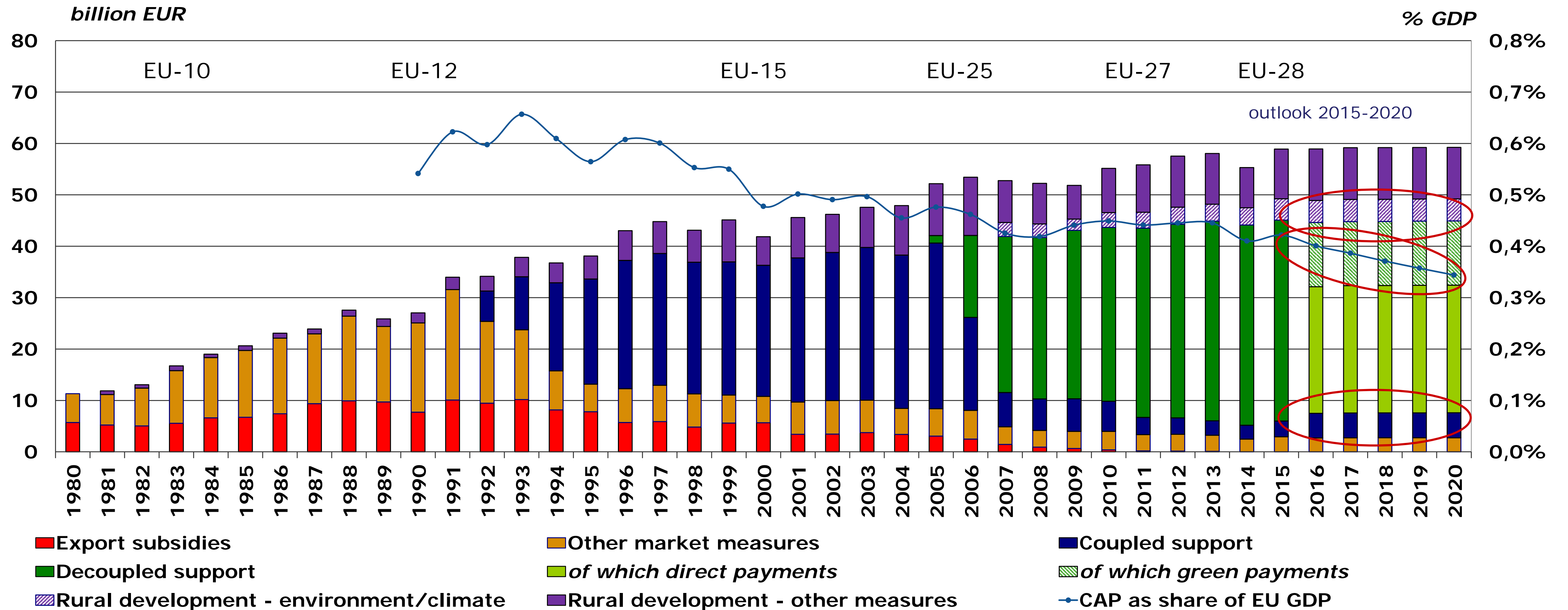
Meteorological events: Tropical storm, extra-tropical storm, convective storm, local storm

Hydrological events: Flood, mass movement

Climatological events: Extreme temperature, drought, forest fire

Source: © 2017 Münchener Rückversicherungs-Gesellschaft, Geo Risks Research, NatCatSERVICE (January 2017)

Main issues for the future CAP debate: public money for private and/or public goods?



Source: DG AGRI.

Strengthening environment and climate action

EU sets wide objectives ...

- *... on air, water, soil and biodiversity*

EU sets list of available types of intervention ...

- *... suitable for achieving CAP objectives*

MS define the most pertinent schemes/operations ...

- *... based on EU-priorities and their specific needs*

Farmers apply for schemes and comply with stringent criteria ...

- *... defined by MS to reflect environmental needs*

Better targeting support

Farm income still lags behind income in the rest of the economy ...

- *...with Direct Payments providing an important income safety net in all regions*

The current distribution of area-based payments reflects land distribution ...

- *... and is thus concentrated among a minority of farmers*

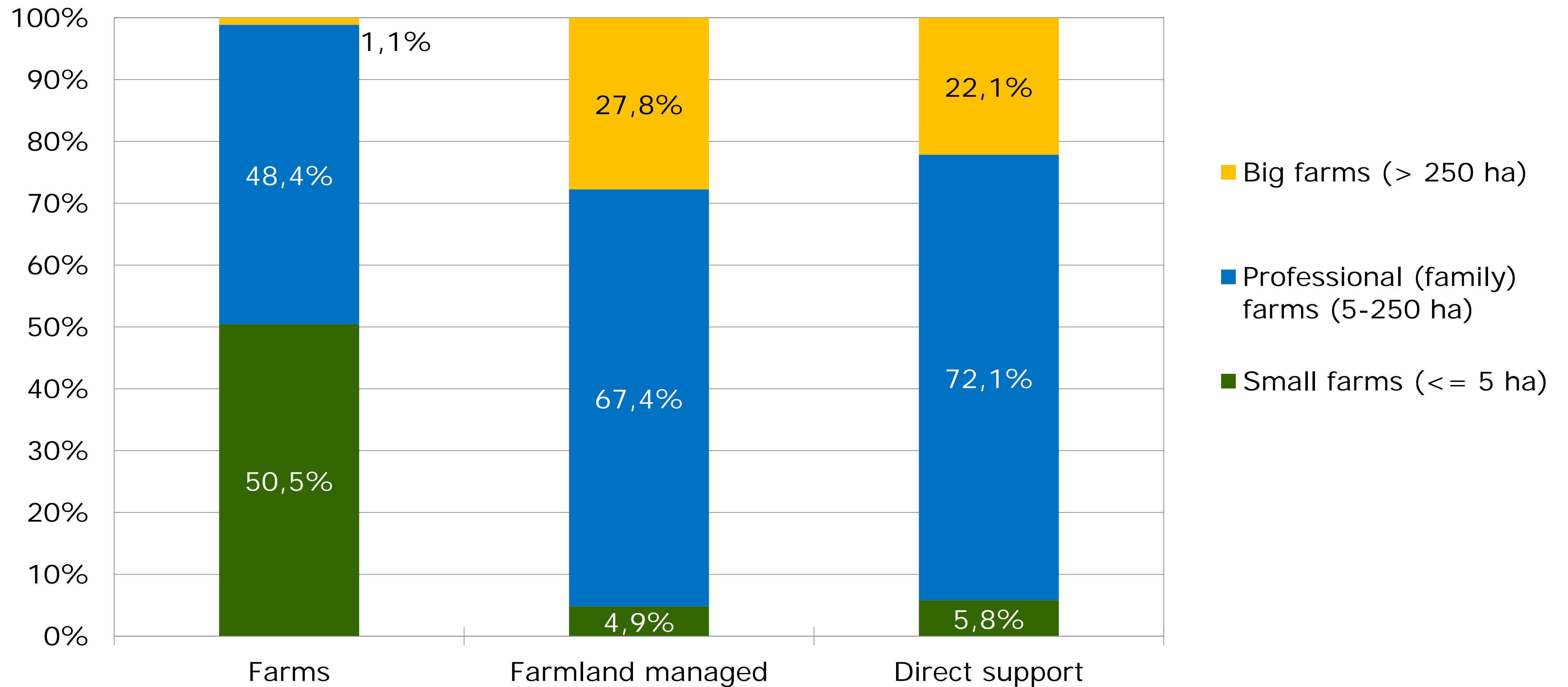
To target direct payments more effectively alternative approaches can be explored ...

- *... such as compulsory capping, degressivity or redistributive payments*

To follow the principle of equality among member states ...

- *... differences in CAP support between them should be reduced*

Distribution of EU direct support to farmers (%)



Rely more on knowledge, innovation and technology

A better link of what we know to what we grow ...

- *... would promote the use of smart agriculture*

Anticipating future knowledge needs ...

- *... should promote research to address them in a wide array of farm-related issues*

Exchange and transfer knowledge ...

- *... will spread and multiply the impact of innovative practices*

Well performing Agricultural Knowledge and Innovation Systems...

- *... are essential to bridge the knowledge gap among farmers*

A new model of sharing responsibilities

Moving from one-size-fits-all to more tailored made solutions ...

- *... will reduce EU requirements to what is necessary to ensure EU value is added*

The Union would still set the basic policy parameters of the CAP ...

- *... fulfilling the Treaty obligations and other EU agreed objectives (e.g., COP21, SDGs)*

Member States should establish "CAP strategic plans" approved by the Commission ...

- *... tailoring interventions to reflect local conditions and needs in line with EU-objectives*

A shift from compliance to results and performance...

- *... would increase MS flexibility in their design of measures/compliance requirements*

Other priorities

Promote growth and jobs in rural areas...

- *... to address structural weaknesses and promote bio-economy*

Attract new farmers ...

- *... to address the generational renewal challenge*

Improve risk management tools ...

- *... to better address price, income and production-related risks*

Address broader EU concerns and the global CAP dimension ...

- *... from emerging health challenges, to food waste and trade issues*

Focus on performance

A performance-based policy implies two distinct, but interconnected processes ...

- *... that of assessing the policy and that of assessing the policy implementation*

A meaningful assessment of policy performance can rely on the manner by which...

- *... specific targets are achieved, especially with respect to specific objectives*

Reliable policy assessment requires a selection of a set of indicators reflecting how ...

- *... the supported intervention contributes to achieving the specific objectives*

Policy performance is assessed multi-annually based on a combination of methods ...

- *... while policy implementation requires closer monitoring at an annual basis*

The CMEF experience

DG AGRI's long and deep analytical experience ...

- *... is based on a wide and expanding use of statistical information*

The ever increasing reliance on indicators for policy assessment ...

- *... requires a close look into their quality, use and (often) misuse*

Recent threats and opportunities for data availability ...

- *... should lead to a rethinking of the "what, how and why" of their need*

The "what?" of monitoring information

Current CMEF (Common Monitoring and Evaluation Framework) ...

- *... consolidation in market, direct payment and RD data almost finalised*

Timing of the 1st Report of the CMEF will be anticipated ...

- *... to become available before the summer of 2018*

A significant body of statistical information is already public ...

- *... and the full set will become available in Spring 2018*

The "why?" of monitoring information

Shift of policy focus from compliance to results ...

- *... was already anticipated in DG AGRI thinking (see 2015 BFOR Brief)*

This shift requires a better understanding of its implications ...

- *... especially with respect to the difference between outputs and results*

Policy performance requires analysis based on indicators ...

- *... but by themselves, indicators are not measures of performance*

The "how?" of monitoring information

In certain areas, policy performance can be measured ...

- *... where specific targets are set, on the basis of (multi-annual) results*

In other areas, further progress in data detail is required ...

- *... especially in areas (e.g. soil practices) where policy impact takes time*

In some, assessing policy performance is less straightforward ...

- *... as results depend on multiple, often exogenous factors (e.g. income)*

Reports and data available at:

https://ec.europa.eu/agriculture/index_en.htm

https://ec.europa.eu/agriculture/policy-perspectives/index_en.htm

https://ec.europa.eu/agriculture/policy-perspectives/impact-assessment/index_en.htm

https://ec.europa.eu/agriculture/markets-and-prices/index_en.htm

https://ec.europa.eu/agriculture/events/2016-outlook-conference_en

https://ec.europa.eu/agriculture/statistics_en

https://ec.europa.eu/agriculture/cap-indicators_en

https://ec.europa.eu/agriculture/consultations/cap-modernising/2017_en

https://ec.europa.eu/info/news/future-cap-whats-cooking-next-cap_en

Thank you for your attention!