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Press Release

COPA-COGECA SAYS UNCERTAINTY FACING FARMERS AND AGRICULTURAL COOPERATIVES ENDS AFTER EU NEGOTIATORS STRUCK CAP REFORM DEAL BUT WARNS DEVIL IN THE DETAIL

Copa-Cogeca welcomes the fact the European Commission, Council and Parliament chief negotiators struck a preliminary deal on Common Agricultural Policy (CAP) reform today. It will end the uncertainty facing EU farmers and enable them to get on with important investment plans. "But faced with increasing challenges, like rising food demand expected to grow by 70% by 2050, we regret that more was not done to strengthen the economic role of farmers and agricultural cooperative in producing quality food", Copa and Cogeca Presidents stated.

Outlining key points, Copa President Gerd Sonnleitner said "Under the agreement struck today, support will go to active farmers and measures to further green the CAP will be more practical and flexible and therefore more beneficial for the environment at the same time as ensuring food security. Measures deemed to be equivalent to greening measures under the new CAP are authorised as part of an agri-environmental programme or a national/regional environmental certification scheme. This is a step in the right direction. We have been lobbying hard for this for four years. On EU rural development policy, I broadly welcome the main thrust of the agreement. More emphasis has been put on farm viability and innovation, sustainable management of forests. But I deeply regret that the competitiveness of the EU forestry sector has not been prioritised".

"I am pleased to see that EU sugar production quotas will be extended slightly, but it is not for long enough. It will give producers a bit of time to adjust and ensure a stable sugar market as well as maintaining growth and employment in EU rural areas. The EU agri-food sector ensures 26 million jobs mostly in rural areas and it is a key driver for their economies, with knock-on effects in other sectors. This is crucial in the current economic climate", he added.

"But some elements of the deal run counter to the objectives of the CAP. In particular, we oppose any transfers of funds from the first to the second pillar of the CAP. The first pillar of the CAP will be more important than ever if the EU is to ensure food security, stability and sustainability", he warned.

Cogeca President Christian Pees went on to welcome as a step in the right direction the agreement to strengthen producers organisations. Product coverage for recognition of POs will be extended under the deal in particular to include the cereals and beef sectors - this will reinforce farmers position in the food chain and enable farmers to get a better return from the market. Recent EU Commission reports show that producer organisations, like cooperatives, can help farmers get a better price for their produce".

"But with farmers faced with support cuts of over 30% in some regions of the EU, I seriously regret that the EU did not grasp the opportunity to strengthen farmers' economic position so that they can meet future challenges. I am also disappointed that more was not done to ensure green growth: measures which benefit the environment at the same time as maintaining production capacity, resource efficiency and employment. Efficient measures to manage the market to reduce extreme volatility on agricultural markets are also needed. In addition, distortions of competition in the single market and the CAP must be avoided", he said.

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But Mr Pees welcomed introduction of the new EU regulatory system in the wine sector saying it is a step in the right direction compared to the political decision made in 2008 to end the current system of planting rights which worked well in ensuring the high quality and wide diversity of European wines.

Once formally approved by European Parliament in September, the new CAP is expected to apply in full in 2015, with a transition phase in 2014. Since the devil is in the detail, Copa-Cogeca will be watching it closely to ensure CAP implementation measures do not burden farmers with yet more bureaucracy.

Wrapping up, both Presidents urged the EU institutions to get a deal on the long term EU budget 2014-20, stressing that the new CAP needs a good budget behind it to ensure a viable agri-food sector in the years to come.

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