

# **The Future of EU Food and Farming: Modernising and Simplifying the Common Agricultural Policy**

## **CONSULTATION and IMPACT ASSESSMENT**

### **What are the Commission's plans with regard to the future of CAP?**

The Commission Work Programme 2017 confirms that it will take forward work and consult widely on the modernisation and simplification of the Common Agricultural Policy (CAP). The aim is to maximise the contribution of the CAP to the Commission's ten key priorities and to the Sustainable Development Goals<sup>1</sup>. The outcome of this work will be presented in a Communication on modernising and simplifying the CAP before the end of 2017.

### **What explains the need to look into the CAP so soon after the previous reform?**

Two different sets of unforeseen developments explain this. First, the realisation that the complexity of the final legislation left all parties involved dissatisfied with the final result – thus the need for CAP simplification. Secondly, the rapid change of the broader environment surrounding EU agriculture, from markets and trade to climate change and environmental challenges – thus the need for CAP modernisation.

### **What is this process about?**

The process will include a broad consultation and an impact assessment, with the aim of gathering all the available evidence on the performance of the CAP so far, drawing lessons from the implementation of the 2013 reform, pinpointing the current difficulties with the CAP and assessing where there is a need for modernisation and simplification. The outcome will be presented before the end of 2017 in a Communication that will include conclusions on current performance and further policy options drawn up on the basis of sound and reliable evidence.

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<sup>1</sup> Commission Work Programme 2017 Delivering a Europe that protects, empowers and defends, COM(2016) 710 final.

## **What other contributions will fit into this process?**

The debate on the future of the CAP has already started both within and outside the European institutions. In particular, the Council of Ministers has devoted several meetings to it (an informal Council held under the Dutch Presidency, a ministerial conference at Chambord, France, a Council debate under the Slovak Presidency, etc.), while the European Parliament has adopted several own initiative reports calling for profound changes to the CAP. The Maltese Presidency has scheduled a discussion in the Council on the Future of the CAP in March.

## **CONSULTATION**

### **Why are stakeholders consulted?**

The stakeholder consultation aims to:

- Collect views on the performance of the current policy and on the challenges facing EU agriculture and rural areas
- Collect and assess ideas on how to adapt the policy to these emerging challenges
- Gather the widest possible range of views and concerns about EU agriculture in an open and transparent manner
- Enlarge the debate on the CAP to the wider public and encourage more people to take part in the policy discussion

The consultation process will pay particular attention to the need to incorporate views from stakeholders who do not usually have access to the institutional channels (individual farmers, citizens, consumers, certain farming and rural communities, etc.), and will be carried out taking account of the opinion of the REFIT Platform<sup>2</sup>, without prejudice to the Commission proposal for a new Multiannual Financial Framework.

### **How are stakeholders consulted?**

The consultation takes place via:

- Existing institutional channels: meetings of Civil Dialogue Groups, especially the one on CAP as well as through Expert Groups

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<sup>2</sup> The REFIT Platform is made up of representatives of the Commission, national governments and stakeholders. It supports the process of simplifying EU law and reducing regulatory burdens, for the benefit of civil society, business and public authorities.

- More far-reaching methods: an on-line public consultation (to reach citizens, consumers...) as well as technical seminars (with experts and some specific stakeholders).
- A conference that will present the results of the public consultation to a wide spectrum of stakeholders.

### **What are the building blocks leading up to the current public consultation?**

The consultation will build on a number of steps already taken in 2016:

#### ***a.) Cork 2.0. Conference on Rural Development (5/6 September 2016):***

The goal of this conference was to establish a joint stakeholder vision for the future of rural areas as well as recommendations for how to implement this vision. The content of the Cork Declaration will provide orientation for the whole policy process. The Conference brought together 340 stakeholders with an interest in the development of rural areas (farmers, environmental NGOs, consumer NGOs, rural businesses, upstream and downstream industry, think tanks, Local Action Groups...).

[http://ec.europa.eu/agriculture/events/rural-development-2016\\_en](http://ec.europa.eu/agriculture/events/rural-development-2016_en)

#### ***b.) EU Agricultural Outlook Conference" (6/7 December 2016):***

The aim of this conference was to collect views and provide evidence on the mid-term evolution of agricultural markets and foster debate between policy-makers and stakeholders on the policy challenges of climate change and resource availability. The latest outlook for EU dairy, meat and arable crop markets for the next ten years was also presented and discussed with stakeholders.

More than 500 stakeholders representing EU institutions, governments and international organisations, those involved in the food chain, the socio-professional sector, market experts, academics and think tanks took part.

[http://ec.europa.eu/agriculture/events/2016-outlook-conference\\_en](http://ec.europa.eu/agriculture/events/2016-outlook-conference_en)

#### ***c.) Civil Dialogue Group (CDG) on the CAP (16 December 2016)***

Some 72 representatives from farming associations, the food industry, traders and environmental NGOs took part in this meeting.

With its wide range of participants covering the broad spectrum of interested parties, the CDG on the CAP is expected to be the main forum for discussion throughout the consultation process.

***d.) Agricultural Markets Taskforce (AMTF) report (14 November 2016)***

The AMTF consisted of [12 members](#), all experienced experts on one or more aspects of the food chain, who [met regularly](#) between January and November 2016 to discuss issues, such as market transparency, access for farmers to financial instruments and futures markets to hedge price risks, options for arranging contractual relations within the chain and legal possibilities for organising farmers' collective actions, all with a view to improving the position of farmers in the food chain.

The recommendations of the AMTF (including, among others, the recommendation for EU legislation on unfair trading practices) will provide further invaluable input and will be closely examined by the Commission as part of this process.

[https://ec.europa.eu/agriculture/sites/agriculture/files/agri-markets-task-force/improving-markets-outcomes\\_en.pdf](https://ec.europa.eu/agriculture/sites/agriculture/files/agri-markets-task-force/improving-markets-outcomes_en.pdf)

**When/how will the outcome of the Consultation be communicated?**

The outcome of the consultation will be communicated in a conference in July 2017 to be attended by a broad range of stakeholders, such as representatives of the Civil Dialogue Groups, farming and environmental interests, experts and other stakeholders representing such interests as consumer and health associations.

A summary of the results of the consultation will be published online. Furthermore the outcome of the consultation will feed into the Impact Assessment process (see below)

**Commissioner Hogan has spoken about a future CAP being more environmentally-friendly/sustainable, better attuned to the needs of generational renewal, designed to counter-act price volatility, etc. Does not this render the whole consultation process a moot point? What if the consultation process throws up entirely different priorities?**

These views reflect the concerns that have been expressed by a wide spectrum of stakeholders since the last reform. The purpose of the present consultation is to identify priorities for the future CAP and while it is likely that many of the concerns highlighted will continue to be prominent, there may be other concerns that emerge. The public consultation process is designed to inform the proposals that the Commission will ultimately make.

**How will you ensure balance in the consultation process? What if one stakeholder group is over- or under-represented?**

The consultation is open to all interested parties. The Commission is undertaking a number of actions to ensure the widest possible response, such as promotion through web publications, social media, through the ENRD Rural Networks and at the agricultural fairs where DG AGRI takes part, etc. Respondents will be asked to share information about themselves and where they work, so it will be easy to see the spectrum of responses.

**Why are you limiting the questionnaires to closed/pro-forma questions?**

The essential objective of the questionnaire is to capture as many responses from as wide a range of respondents as possible in a way that is efficient to capture in a relatively short space of time. That is best achieved by asking the type of questions included in the questionnaire.

The questionnaire includes both closed and open questions, in particular on objectives, modernisation and simplification. Respondents will be able to share their specific views and concerns in addition to answering the questions. The on-line questionnaire specifically invites respondents to include a submission, such as a position paper, of up to five pages and there are no restrictions as to the issues that can be included or raised in such a paper.

Furthermore, various interest groups, be they stakeholder groups, think tanks etc., can be expected to make specific and quite detailed submissions and these will also be a welcome contribution to the consultation process.

**Why is it only online? What about for those who do not have internet access (a big issue in rural areas)?**

An online questionnaire allows the widest possible response. However the Commission is always happy to receive spontaneous contributions concerning the future CAP by mail. In that regard, we hope that Member State authorities and stakeholder organisations will encourage as high a level of participation as possible.

**IMPACT ASSESSMENT**

**What is the purpose of the Impact Assessment?**

An impact assessment accompanies major Commission initiatives, when the expected economic, environmental or social impacts of EU action are likely to be significant. This is the

case for the Common Agricultural Policy, and the Commission wants to proceed in line with the Better Regulation practices.

The need for modernisation and simplification of the CAP call for both a backward and a forward-looking reflection on the CAP policy, not just in order to confirm the key challenges that agriculture and rural areas are facing, but also to ensure the policy's optimal contribution to the Commission's policy priorities (notably jobs and growth), to sustainable development, a budget focused on results, simplification and subsidiarity.

In this context, the stakeholder consultation provides opinion-based information. It is an opportunity to take into account societal demands in the policy discussions on the future of the CAP and adapt it to better integrate the new political priorities in an inclusive and comprehensive manner.

The impact assessment further proceeds on an evidence basis. It identifies challenges, outlines objectives, and draws up policy options to achieve them. Impacts of these policy options are then assessed, considering economic, social and environmental dimensions.

This work is carried out in an inclusive and transparent way, involving all interested Commission services, stakeholders and external expertise.

### **Are you starting from scratch with this assessment?**

No. The assessment on the modernisation and simplification of the CAP will build on several important processes and bodies of work:

First, the evolution of public opinion concerning agriculture, rural areas and the CAP: as reflected in successive Eurobarometer surveys, European citizens show an increasing concern for agriculture and rural areas.

Secondly, the exercise of the simplification of the CAP carried out since 2014 (a key initiative for this Commission's mandate): this exercise has allowed the Commission to collect views from a broad range of stakeholders in the significant number of simplification measures taken. During this process stakeholders have called for ambitious changes in the CAP.

Thirdly, the dialogue with stakeholders on the long-term evolution of the policy carried out since 2015: highlighting the positions of the different EU stakeholders as regards the three long-term challenges of the CAP and identifying the emerging tensions between economic and environmental objectives of the CAP. This includes the recommendations of the AMTF and the Cork Declaration "A Better Life in Rural Areas".

Finally, the modernisation and simplification of the CAP will take into account the results from previous evaluations and studies on the CAP as well as the first evaluations and studies on the current CAP.

### **What is an inception impact assessment (IIA)?**

This is a roadmap where the Commission outlines its plans for new initiatives for policies and legislation in the case where an Impact Assessment will be carried out. The Inception IA provides a first description of the problem and possible policy options along with an overview of the different planned stages in the development of the initiative, including foreseen impact assessment work and consultation of stakeholders.

### **Do the options contained within the IIA prejudice the future CAP? In other words, will the future CAP post-2020 be one of the five options?**

No. The IIA does not prejudice the final decision of the Commission. The options outlined in the IIA reflect on-going analysis of the challenges and ideas already put forward in the debate. The "no CAP" scenario is not in line with the Treaty, and as such is neither realistic nor desirable. The "no change" baseline is also needed to assess the impact of alternative policy options. The options outlined will not necessarily be included in the proposals for future CAP. Other ideas might stem from the wide consultation. It is also possible that some combination of these options could be finally chosen.

### **Is this another step along the road to the renationalisation of the CAP?**

The Impact Assessment will analyse a no-policy option, although this is an unrealistic option which will demonstrate the value-added of having an EU-wide policy. A common approach to agriculture policy is needed in the single market. A common approach also provides for a more efficient use of budgetary resources than national policies and contributes to economic and social cohesion. An EU policy can target cross-border challenges e.g. climate change, environment and biodiversity which does not stop at national borders.

### **NEXT STEPS – FUTURE CAP**

#### **What relationship does this process have with the MFF? How can you talk about reforming the CAP when you do not know what the budget is going to be?**

This process is about first answering the policy-related questions: why, for whom, what and how. How much will come in at a later stage. The IA will focus on specific policy priorities for the future without prejudice to the financial allocations for the CAP in the next MFF.

**If you are reforming the CAP again, does this mean all previous reforms, and particularly the last one, have failed? How can you be certain that this reform will work?**

The fact that the Commission is consulting on the future of the CAP does not mean that the last reform was a failure, or that it has already made its mind up on how to improve the policy in the future. It is rather as a response to the significant changes that have occurred since 2013. Market uncertainties have increased, the EU has signed new international agreements, in particular on climate change and sustainable development. There has already been a wide public debate on whether the 2013 reform goes far enough to meet these broad challenges including some trade-offs in their economic, social, environmental dimensions, and the consultation process will feed into that debate and help frame any future proposals.

**How will the co-legislators be consulted during this process?**

The views of the European Parliament and Council are welcome during the wide consultation process. But they will have a key say on the Communication and ultimately the Parliament and Council will have the responsibility to legislate on the Commission's proposal. It is also to be expected that individual Member States will make their views known and the discussion in the Council in March will also contribute to the process. Similar discussions in the Agriculture & Rural Affairs Committee of the European Parliament can be anticipated.

**Is this CAP reform process driven by the prospect of the United Kingdom leaving the European Union and other challenges to the CAP budget? Does it imply you're expecting a reduction in the CAP budget?**

The reform process will focus on specific policy priorities for the future without prejudice to the financial allocations for the CAP in the next MFF and any possible impact of the UK leaving the EU or other challenges. The aim is to modernise and simplify the CAP and to maximise its contribution to the Commission's ten key priorities and to the Sustainable Development Goals, regardless of the final budgetary allocations.

**Will the future CAP cast a shadow over the EU's WTO commitments?**

The EU is committed to respecting its WTO obligations, whatever form the new CAP might take.



**Will we have to wait years before the recommendations see the light of day in a legislative proposal on the future of the CAP?**

The IA process will culminate in the publication of a Communication later this year (most likely late November). The legal proposal on the future CAP would follow the publication of the MFF (possibly spring 2018). But to anticipate needs for modernisation, we have to start now, hence this consultation.

**Will the future CAP see the proper implementation of capping of payments?**

It is too early to comment on the direction that a new CAP might take. However this measure is a feature of Option 5, and will therefore be analysed as part of the process.

**When will the questionnaire be accessible in all languages at the same time?**

In the limited time available since the questionnaire was finalised, we have been able to make it available in English, French and German. Conscious that we are keen on input from all parts of the EU, we anticipate the questionnaire will be available in all languages from 8 February. This ensures that all stakeholders and citizens who wish to respond will still have adequate time to do so within the 12 week period for which the public consultation will remain open.

**Why does the questionnaire not include any specific questions on greening in the consultation?**

Environmental protection and goals themes run through the questionnaire, so we do not accept that greening is not addressed. It is less than a year since we undertook a full public consultation related only to the green direct payment in the context of a review of greening. That public consultation included specific questions on the operational aspects of greening. The responses received during this greening consultation will be taken fully into account as part of our current work. In addition, an independent evaluation on the green direct payment is ongoing and will be finalised later this year. The first insights from this ongoing evaluation will also be used as part of this process and the preparation of the Commission Communication.