



European  
Commission



# Setting the priorities for Agriculture within Europe

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*Agriculture  
and Rural  
Development*



## Outline

- **Challenges for EU agriculture**
- **Objectives of the Common Agriculture Policy**
- **Priorities for the future**

## Challenges for EU agriculture

### Economic, environmental and territorial

- Agricultural income
- Volatility
- Functioning food chain
- Climate change
- Pressure on natural resources
- Territorial diversity
- Structural change

### Political

- INTERNAL
  - Subsidiarity
  - "Juncker" priorities: jobs and growth
  - Agricultural budget
- EXTERNAL:
  - Trade agreements
  - Climate policy agreements

## What does the CAP do in order to address these challenges?

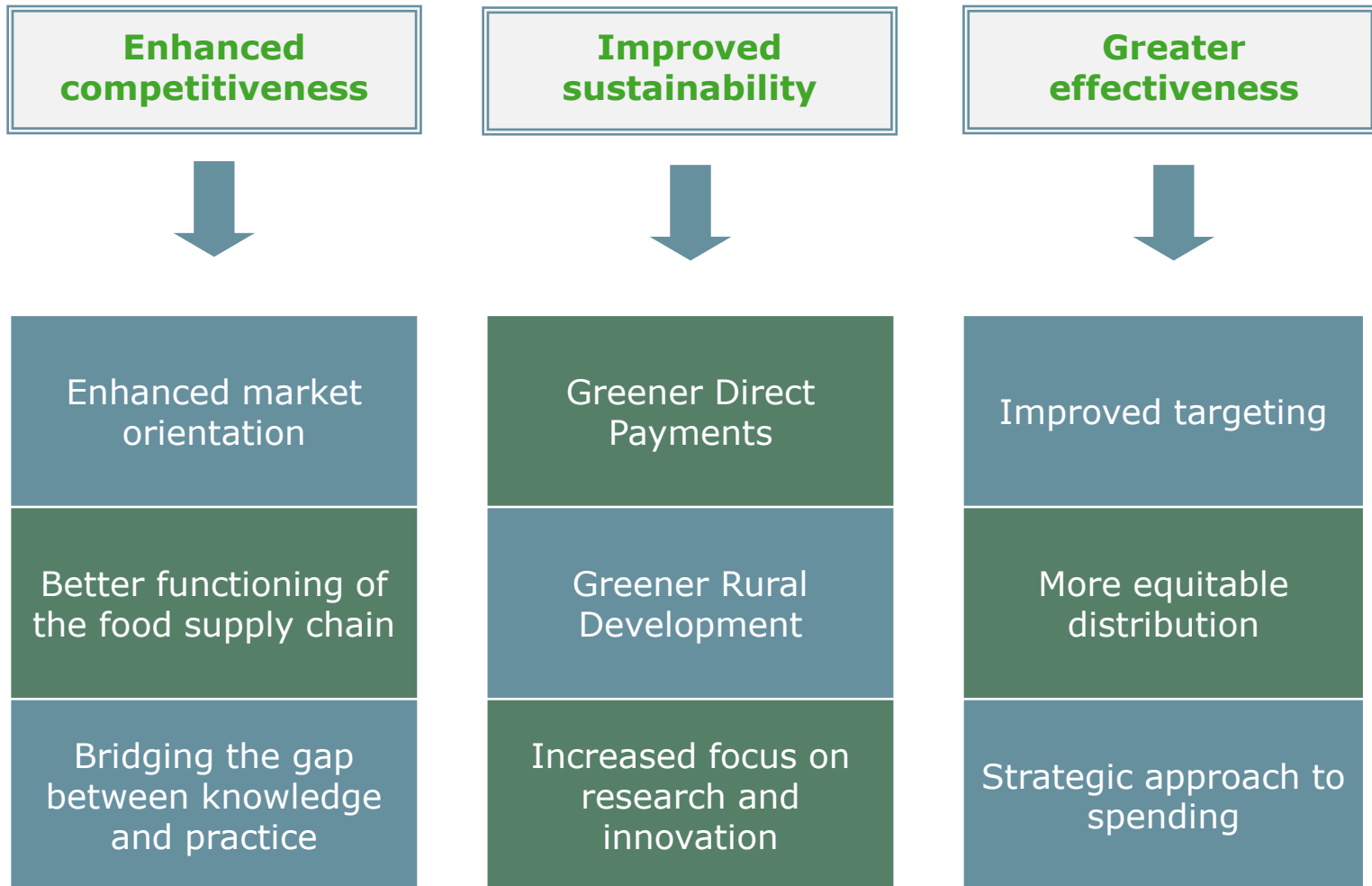
The general policy objectives of the CAP remain valid

**Viable food  
production**

**Sustainable  
management of  
natural resources and  
climate action**

**Balanced territorial  
development**

## Priorities of the new CAP 2014-2020



## Priorities for the future



## Market orientation and Competitiveness

**THE ISSUE:**  
Maintaining market orientation and enhancing overall competitiveness of the EU agro-food sector

### THE CHALLENGES

**Expanding EU's share in world food trade**

**Limiting income variability**

**Improving farmer's productivity**

**Diversification**

**AGRI-TRADE strategy**

**Crises safety net**

**On-farm risk management**

**Knowledge transfer**

**Cooperation**

# Knowledge based agriculture

**THE ISSUE:**  
Creating and spreading knowledge to ensure economic viability  
and improve sustainability of farming

## THE CHALLENGES

**Improve transfer of  
research results**

**Engage  
farmers**

**Research  
strategy**

**Overcome path  
dependency**

**Generational  
renewal**

**More with  
less**

**Improve  
educational levels**

**Knowledge  
transfer**

**ICT**



## Jobs and Growth in Rural Areas

### THE ISSUE:

**Agriculture plays a role for rural economies (up-and downstream sectors, environmental services for other sectors) and rural areas as an attractive living environment**

### THE CHALLENGE

**Recognise and make use of synergies between agriculture and the rest of the rural economy**

**Heterogeneous rural areas**

**Citizens expect growth to be "green"**

**Favourable rural setting needed in terms of population, skills, infrastructure**

# The next generation

**THE ISSUE:**  
Generation renewal needed for L-T viability of the sector

**THE CHALLENGES**

**How to enter the sector?**

Access to  
land

Access to  
finance

Knowledge

**How to stay in the sector?**

Changing  
demands/  
new opportunities

Income

Technological  
change

# Food Supply Chain

## THE ISSUE:

**Agriculture is a key sector in the food chain but more exposed to uncertainties such as weather, production costs and price volatility and less concentrated**

## THE CHALLENGE

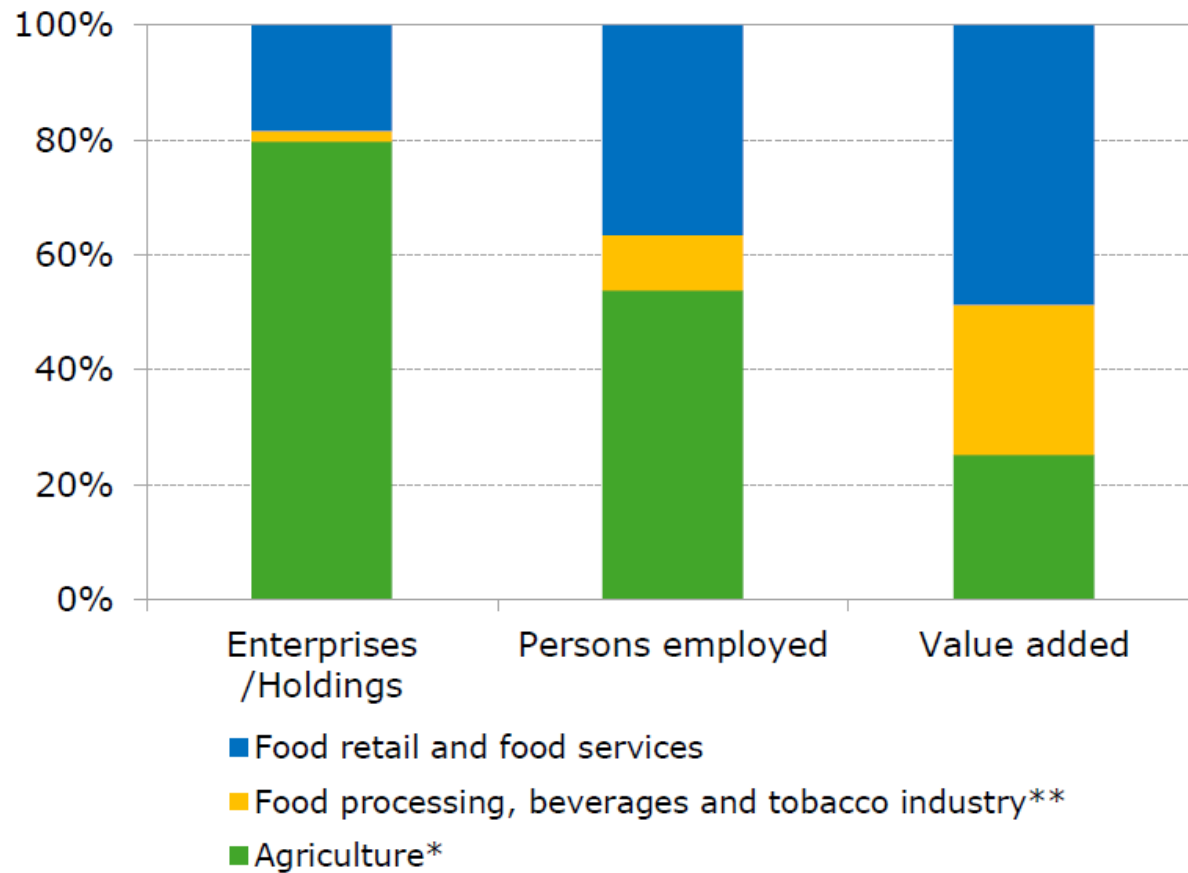
**Improve the functioning of food supply chain**

**Different degrees of concentration downstream**

**Farmers have a limited share of value added**

**Price variability and asymmetric price transmission in the food chain**

## Contribution of food chain actors (2012)

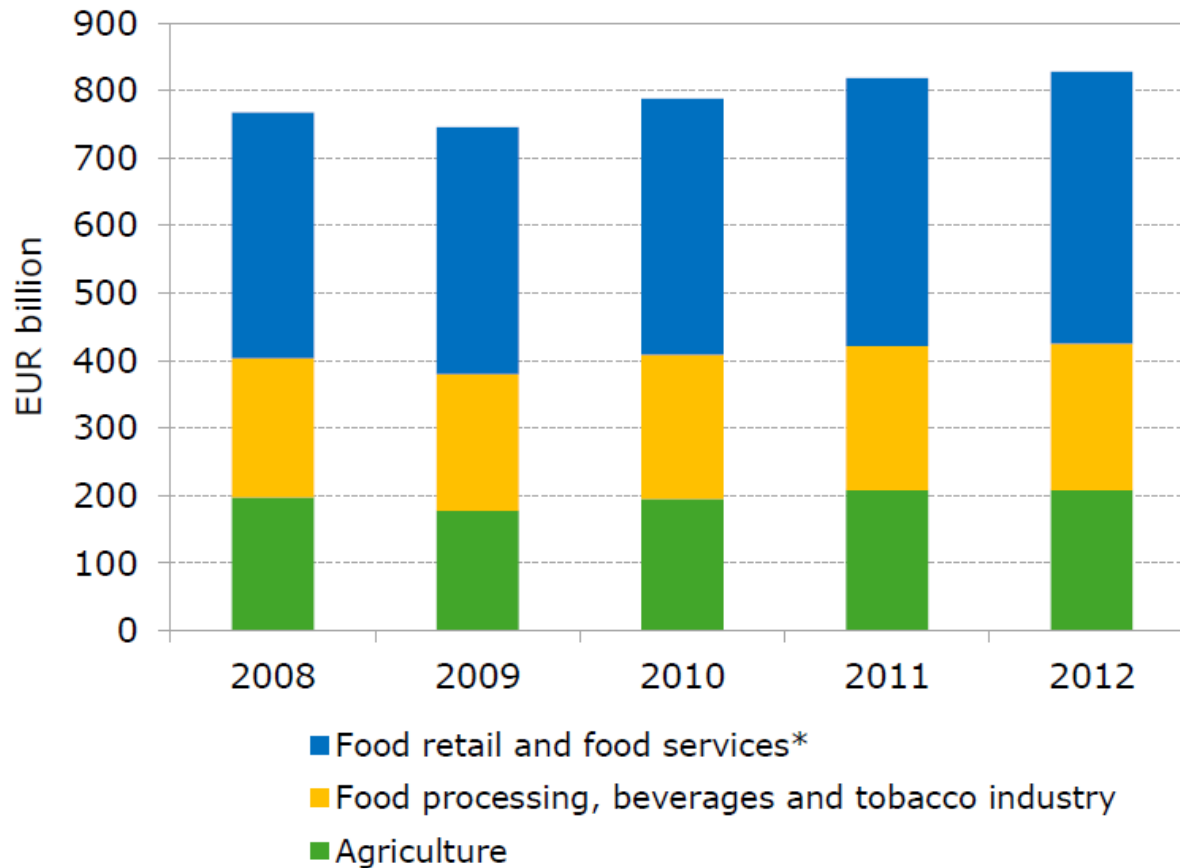


Sources: Eurostat, National Accounts, Farm Structure Survey, Economic Accounts for Agriculture and Structural Business Statistics.

\*2010 data for holdings and persons employed in agriculture \*\* Estimated EU-28 total for 2012

# The part of the value added for agriculture is decreasing

*Distribution of gross value added per food supply stage in the EU*



Sources: Eurostat, Economic Accounts for Agriculture and Structural Business Statistics.

\* EU-27 data for 2008-2010; EU-28 data for 2011-2012

## **Improving the functioning of the food supply chain: Ongoing EU initiatives**

- **Collaboration on launching the new HLF on the functioning of the FC (start early 2016)**
- **Commission report on the implementation of the code of good trading practices in the FC ("supply chain initiative" dealing with unfair trading practices) (due Q1 2016)**
- **Task Force on Agricultural Markets (Commissioner Hogan initiative)**
- **EP own-initiative report on unfair trading practises, MEP Jackiewicz Committee on Internal Market (adoption early 2016)**
- **Opinion from Comagri by MEP Mc Guinness (adoption Nov 2015)**



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**Thank you  
for your attention**