

Dacian CIOLOȘ

Member of the European Commission

Brussels, 19th of July 2013

Dear Sir or Madam,

Three years ago you took part in the closing conference of the public debate on the future of the Common Agricultural Policy. I would like to thank you for your active involvement in this debate – and through you, all the citizens who played a part. You have made an important contribution to the reform process, which was recently concluded on 26 June this year with a political agreement between the European Parliament, Council and Commission.

The public debate heralded the introduction of a new working method, which enabled us to give fresh impetus to the CAP. The CAP now reflects the aspiration, very clearly expressed in spring 2010, for a European tool to support agriculture which is fairer and greener and which strengthens both the territorial dimension and the position of farmers within the food production chain.

These guiding principles are essential for guaranteeing good quality food, the sound management of natural resources and balanced development of our rural areas. The CAP is a policy which strengthens the rural areas of Europe.

*The new CAP responds to an objective which came out very clearly in the public debate: **turning the diversity of farming into a strength**. To achieve this, the CAP will be better targeted and adapted to the diversity of our farms and rural economies in our 28 Member States. Direct payments will be more effectively distributed between Member States, regions and farmers. There will be an end to historical references which gave a 'premium' to those farmers who were the most productive over a decade ago, without taking account of today's realities.*

In addition to this convergence, there will be tools for the targeting of direct payments. Some tools will be compulsory (young farmers, active farmers) while other tools will be optional (complementary payments on the first hectares, small farmers, additional support for areas with natural constraints, and capping of direct payments). I would highlight in particular the effort which will be made over the coming years to promote the entry of new generations of farmers through higher direct payments to young farmers and more attractive measures under the rural development measures.

Member States have a range of tools available to help them address local needs and to improve the competitiveness of all our farms. It is very important that over the coming months, very precise work is carried out at national and regional level so that maximum use is made of these tools.

We will strengthen the position of farmers within the food production chain. The market orientation of European agriculture over the past twenty years will be accompanied by new

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tools enabling farmers to participate in the market, rather than just being subject, in particular, to the volatility of prices.

The new tools are not those of centralisation or of bureaucracy. In a Europe of 28 Member States and in an open world, we are not going to direct the markets from 'Brussels' as in the past. Professional and interprofessional organisations, with new rights, will be encouraged to play a key role. This is an opportunity to be seized. Organisations in the dairy, beef and veal, cereal and olive oil sectors will be able to increase efficiency by negotiating sales agreements on behalf of their members.

At European level we will be equipped with tools which can react more quickly to crises. To a certain extent this reactivity will compensate for reduced budgetary resources. A crisis reserve has been created, including a general emergency clause. Rather than having to go 'running' after an adequate legal basis whenever a crisis is declared, this clause means we will be ready to take action as and when required. Moreover, if there is a crisis or a real risk of a crisis, the Commission will be able to authorise producers to manage the volume placed on the market.

*At the same time we will promote **better use of natural resources**. In budgetary terms, one third of direct payments and one third of rural development programmes will enable investment in the environmental sustainability of European agriculture. 'Greening' payments mark the beginning of a new tool.*

Through the actions of millions of farmers throughout Europe, specific measures will tackle climate change, stem the loss of biodiversity, and improve soil quality and our environment in general. The whole of European agriculture will integrate a long-term environmental dimension into the production process, based on simple or genuinely equivalent measures. This represents a fundamental change in mindset: the CAP is not only about penalties, there is now a specific tool for encouraging and improving production methods.

*Furthermore, pillar II agri-environment measures will become more ambitious. Very clearly, there will be no overlap between measures financed under pillar I and pillar II. **There will therefore be a qualitative leap for pillar II.***

Of course, it is a compromise between the institutions. I know that some of you wanted to go further on some points, while other people wanted to go further on others. The all-important point is that, on the one hand, we have given the CAP a new direction and, on the other hand, this new direction is founded on public opinion and the expectations of our citizens which makes it robust and sustainable.

These are just some of the aspects I wanted to share with you regarding the political agreement which has just been reached for a reformed, European, pragmatic and effective CAP. Of course, these are only the key points. I am certain that, over the coming months, we will have the opportunity to look more closely into the details in one way or another.

Once again, I wish to sincerely thank you for your participation and to encourage you to stay involved in the issue of agriculture and the Common Agricultural Policy. The link which we have established over the last three years of discussions must remain strong. Issues such as the way our society produces its food, how it uses its natural resources and how it ensures a

balance in the development of its rural areas, all require long-term thinking, going beyond a reform of the CAP. They relate to our model of society and to countless aspects of our daily life. They therefore require constant attention and lasting commitment.

A handwritten signature in black ink, consisting of a large, stylized 'D' followed by 'cioloș' in a cursive script.

Dacian Cioloș