



## FOCUS ON

# Reform of the Common Agricultural Policy



The latest reform of the EU's Common Agricultural Policy (CAP) is due to be adopted before the end of 2013 and for the first time in its history the European Parliament (EP) has been negotiating the legislative proposals on an equal footing with the Council.

Over 7 000 amendments have been tabled by MEPs, reflecting both the complexity of the task and the numerous choices the Parliament will have to make in the coming months.

**FOCUS ON** provides the most recent research on the CAP, published by the EP's PolDepB - Structural and Cohesion Policies.

### [Future Policy Options for EU Beet Production : Quotas - Yes or No ?](#)

Abolishment of EU sugar quotas will lead to lower sugar and sugar beet prices in the EU, leading to lower margins for farms. At the same time, expansion of sugar beet growing and processing in a quota-free situation can decrease fixed cost per ha of sugar beet and per kg of sugar, making both sugar beet growing and processing more efficient. Besides, lower sugar price levels will make Europe a more attractive continent for investments by sugar-based industries.

September 2012



PE 495.824

### [EU Competition Framework : Specific Rules for the Food Chain in the New CAP](#)

To implement the CAP reform 2013, the Commission proposes a new Regulation on the common organisation of agricultural markets, COM (2011) 626 of 12.10.2011, to replace Council Regulation (EC) No 1234/2007 (consolidated by Commission Regulation COM (2010) 799), aimed to strengthen the offer and the role of farmers' associations and interbranch organisations and to clarify the competition rules. The report analyses the legal framework in force concerning agricultural competition, and the conditions of application of antitrust law to agreements and practices of farmers and farmers' associations and interbranch organisations.

May 2012



PE 474.541

### [How to Improve the Sustainable Competitiveness and Innovation of the EU Agricultural Sector](#)

This study reviews the extent to which the current CAP and related EU policies promote sustainable competitiveness and innovation in agriculture, and assesses the current legislative proposals for CAP reform. It finds that the current policy does not realise its potential and that, although the reform package represents an improvement, particularly in its proposals for Pillar 2, more could usefully be done. Recommendations are made to strengthen the balance of the package and improve proposals for each pillar of the CAP. Key ingredients include better advice, knowledge transfer, more use of locally tailored, strategically planned measure-packages, fuller sustainability-proofing and new incentives for innovation.

May 2012



PE 474.551

### [The Mechanisms of the Single CMO and Risk Management Instruments under the New CAP](#) - Also available in FR, DE

This note analyses the European Commission's proposals for reform of the common agricultural policy for the period 2014–2020. The analysis focuses on measures intended to respond to the volatility of agricultural markets. After explaining the possible justifications for public action aimed at mitigating and managing risks in agriculture, this note will examine the effectiveness of the new measures that have been proposed, which include a crisis reserve and mutual funds for economic losses, as well as the effectiveness of the measures that will be kept in place. Recommendations include in particular the establishment of transparent and credible rules for public action in order to promote the development of risk management markets.

March 2012



PE 474.539



## **Environmental Public Goods in the New CAP : Impact of Greening Proposals and Possible Alternatives**

This note discusses the greening component of direct payments in the Commission's legislative proposals of October 2011 for the Common Agricultural Policy in the period after 2014. Based on an analysis of their likely consequences it puts forward a range of options for the consideration of MEPs for how these proposals might be amended to improve their environmental impact, to reduce their administrative complexity and to improve their cost-effectiveness, including possible alternatives.

March 2012



PE 474.534

## **New Direct Payments Scheme : Targeting and Redistribution in the Future CAP**

The Commission has proposed that a revised version of the present regime of direct payments should be rolled forward into the post-2013 CAP. There would be a limited redistribution of funds between Member States. Thirty per cent of the budget would be allocated to a new greening component, which would be problematic in the WTO. Non-active farmers would not qualify for aid; and payments would be capped. Special schemes would be introduced for small farmers, for young new entrants, and for disadvantaged regions.

February 2012



PE 474.528

## **Rural Development and Territorial Cohesion in the New CAP**

This note examines the role of rural development in the CAP after 2013. It pays special attention to the way rural development might help to address the adverse effects of the economic crisis on rural areas. The note also discusses the possibilities of overcoming problems that threaten the legitimacy of rural development policy. It is argued that the attention given to competitiveness and innovation as generic concepts threatens to distort rural development in the 2014-2020 period. This will be especially detrimental for territorial integration.

February 2012



PE 474.529

## **The CAP in the Multiannual Financial Framework 2014/2020**

- Also available in FR, DE, IT, ES, PT, PL

This is the third working paper written by Policy Department B on Common Agricultural Policy Reform. The purpose of this document is to provide an analysis of the Commission's Communication on "A Budget for Europe 2020", with the aim of facilitating the legislative work of the MEPs relating to the next reform of the CAP. After a description of the historical evolution of the European budget and spending on the Common Agricultural Policy, the paper explores the new proposed Multiannual Financial Framework for the 2014-2020 period, with particular reference to the CAP budget and its various components.

October 2011



PE 460.067

## **What Tools for the European Agricultural Policy to Encourage the Provision of Public Goods?** - Also available in FR, DE, PL

Agriculture plays an important role in the provision of a wide range of public goods in Europe, particularly regarding the environment and rural vitality. Appropriate policies are required to secure adequate provision in future. The Common Agricultural Policy potentially has a key role. This report examines some of the issues involved in reorienting the CAP for this purpose and proposes how it could be modified to contribute to the provision of public goods more effectively in the future.

May 2011



PE 460.053

## **The CAP in the EU Budget : New Objectives and Financial Principles for the Agricultural Budget after 2013**

We are at the eve of a possible review of the EU budget and, at the same time, of a key CAP reform. The two issues are tightly connected and influencing each other and the outcomes will be mainly determined by the timing of the reforms. In this study we present some alternative scenarios that keep together different hypotheses of EU budget review and CAP reform, looking at how the net balances of Member States change accordingly. The instrument of the net balance is key in understanding the costs and benefits of the Member States in each scenario and their consequent positions in favour or against a reform proposal.

May 2011



PE 460.054

## [The EU Fruit and Vegetables Sector : Overview and post-2013 CAP Perspective Study's Annexes](#)

This study provides an overview of recent economic and policy developments of the EU F&V sector, considering ongoing changes in supply chains and market dynamics and current profiles of domestic and trade policies. Findings suggest that current difficulties for EU producers, particularly for small farming, arises mainly from longterm changes at different levels of the global F&V sector: consumers, retail and multinational agribusiness. The preliminary assessment of the 2007 reformed CMO, derived from both National Strategies and a survey targeting POs of Italy, Spain and France, validate the cornerstones of the current EU policy schemes for the F&V sector. However plausible improvements are envisaged for support and trade protection measures in the framework of the CAP after 2013. Main proposals focus a strengthened role of POs, selecting and increasing effectiveness of crises and risk management measures, rebalancing bargaining power of POs in the supply chain, reducing fluctuations in producers' income, refining trade policy solutions in a context of increased trading openness and further integration with Mediterranean Partner Countries.

April 2011



PE 460.043



PE 460.043  
Annexes

## [What Market Measures in the Future CAP after 2013?](#) - Also available in FR, DE, PL

Market measures for new post-2013 CAP must help EU agriculture to cope with a different set of challenges than were relevant in the past. Pro-active market measures are preferred to re-active measures. Governments should help private markets to offer farmers the widest choice of instruments, and intervene only when these fail. This report focuses on market measures that the European Commission should consider, including market management instruments, such as storage or border protection, risk and crises management, rules to improve markets' functioning or food access. Although not directly related with post-2013 market measures, the report makes a number of suggestions about the EU's role in world food markets. It is suggested that the EU should take a leading role in making world food markets more transparent, creating effective market intelligence mechanisms, and reinforcing the regulatory mechanisms of commodities markets.

April 2011



PE 460.044

## [Petits agriculteurs et marchés locaux dans le contexte de la politique européenne de la qualité](#) - Only available in FR

Cette note propose un panorama d'ensemble et un cadre d'analyse des principaux éléments qui caractérisent la situation actuelle des marchés des produits de qualité du point de vue des petits agriculteurs et des marchés locaux. Les propositions du Paquet qualité sont resituées dans le contexte des transformations tendanciennes de l'organisation des marchés, des perspectives de réforme de la PAC après 2013 et des propositions spécifiques concernant la petite agriculture et les fermes de subsistance. Sont successivement caractérisées les dynamiques de la petite agriculture, des filières de qualité spécifiques et des marchés locaux, en soulignant la dimension européenne et régionale de celles-ci.

Mars 2011



PE 460.034

## [The Future of the Quality Policy in the Light of the CAP post-2013](#)

The quality policy is an integral part of the CAP and represents a useful instrument to enforce at the same time the competitiveness of the agricultural system and the vitality of the rural areas. With the "quality package", changes are introduced in the normative outline of the PDO, PGI and TSG products, with the objective of answering to the needs of both producers, for a sustainable profitability, and consumers, for a higher information and guaranty on the provenience of the products. Nevertheless, considering the magnitude of structural and socio-economical differences that mark the quality production systems across Europe, the possibility to make the system capable of answering to the different needs seems to be still open.

March 2011



PE 460.033

## [Rural Development in the CAP post 2013](#)

This note examines the role of rural development policy in the CAP after 2013. As the official Communication of the Commission on the future CAP remains at a high level of generality, many uncertainties exist regarding the role of rural development in the future. However, as the new framework seems to be set in place, this note examines the consistency of proposals which are aimed at meeting the predefined challenges and objectives as well as providing policy recommendations.

January 2011



PE 438.625

## [The CAP towards 2020 : Possible Scenarios for the Reallocation of the Budget for Direct Payments](#)

This is the second paper written by Policy Department B for the EP Working Group on CAP Reform. The purpose of this document is to facilitate the legislative work of the MEPs relating to the next reform of the CAP. Based on a specific reference made in the Commission's Communication of 18 November 2010, this paper focuses on some possible scenarios for limiting the gains and losses of Member States as part of the reallocation of the budget for direct payments. These scenarios are merely an illustration of the implications of using different allocation criteria and different methodologies for limiting the extent of the potential redistributions. Their selection should in no way be interpreted as being the recommendations of the Policy Department.

March 2011



PE 460.032

## [Direct Payments in the CAP post 2013](#)

The Communication identifies crucial challenges, above all the need for EU agriculture to provide public goods. However, only limited changes to the CAP are proposed. Rather than making a determined move towards targeted measures, direct payments are supposed to continue forming the backbone of the support regime. The "greening component" cannot really improve the targeting of payments. Redistribution of payments across Member States may or may not enhance equity and will not improve the provision of public goods.

January 2011



PE 438.624

## [The CAP towards 2020: Working Paper on the EC Communication of 18 November 2010](#)

This paper is written by Policy Department B for the Working Group on CAP Reform, as agreed by the COMAGRI Coordinators on 27 October 2010. The purpose of this document is to facilitate the legislative work of the MEPs relating to the next reform of the CAP. It analyses the Commission's Communication of 18 November 2010 on the basis of the European Parliament (EP) Resolution of 8 July 2010 and offers some suggested questions in order to help the EP with its response to the Commission's proposals.

November 2010



PE 438.618

## [The Single Payment Scheme After 2013: New Approach, New Targets](#)

This study summarizes the developments of the EU Single Payment Scheme, its national implementation by Member States and provides an economic assessment of the scheme. The various proposals made to change the system of direct payments are examined and possible options for reforms are identified. A new system of direct payments for the next Financial Perspective is suggested. It involves a gradual reorientation of direct payments from income support to remuneration for the provision of public goods. Reform proposals for the remaining income support include cofinancing and a move towards a flatter system with a cap related to labour units. This proposal subscribes to subsidiarity, but the increased weight of remuneration for public goods would also call for a stronger harmonisation of the legislative baseline on which the system of EU payments rests.

April 2010



PE 431.598

\*\*\*

## Contact



Policy Department B - Structural and Cohesion Policies: [poldep-cohesion@europarl.europa.eu](mailto:poldep-cohesion@europarl.europa.eu)

## Where to find all AGRI studies?

Link to the e-studies database: <http://www.europarl.europa.eu/studies>



PE 495.831

