

Commissioner Phil Hogan

Speech at Farm Europe Event – *"A New Ambition for European Agriculture"*

European Parliament, Brussels

7th February 2017

- Check Against Delivery –

- Honourable members of the European Parliament, distinguished guests, ladies and gentlemen, I am very pleased to be here this evening to participate in this event and I am grateful to Michel DANTIN for the invitation to be here and for his opening remarks, and also to Giovanni LA VIA for his patronage of this event.
- Thanks too to Mario GUIDI, the President of the Confagricoltura and the Global Food Forum 2016, for his earlier remarks.

- Coming just the week after I launched a 12-week public consultation on the simplification and modernisation of the Common Agricultural Policy, tonight's event and the presentation by Farm Europe of the recommendations of last year's Global Food Forum are particularly timely.
- Without, in any way, wanting to prejudice the outcome of the public consultation or to preview to any great extent the recommendations of the GFF2016, it is worth noting that many of the issues raised in the Forum reflect some of the things I have been saying about a market-orientated CAP and its fitness for purpose today.
- When I spoke at the Commission's Agricultural Outlook Conference last December, I said that *"as these markets recover, we must apply the lessons learned. In the context of a policy that is quite rightly more market-orientated, the dependence on public intervention in the market will inevitably become more limited, but should also be more targeted and effective."*
- I went on to say that, based on market experiences and our international commitments, the CAP has to ensure
- greater market resilience;

- more sustainable agricultural production; and
- progress on generational renewal.
- I was pleased, therefore, to see that, in the report of the GFF, there is a clear acknowledgement of the need to "*strengthen the resilience of our farms*" and a particular focus on risk management tools. 2015 and 2016 were difficult years for farmers and the European Commission had to intervene on a number of occasions to support hard-pressed producers, mobilising over €1.5 billion in taxpayers' money.
- The Commission's actions are a demonstration of our commitment to stand by our farmers, but intervention of this nature is not sustainable and we need to look, therefore, at how we ensure that we have an effective toolkit at our disposal to react quickly and effectively in the event of future price shocks.
- The public consultation addresses these issues by asking questions such as:
- do existing tools allow us to intervene sufficiently and quickly enough at a time of crisis;

- should farmers have greater built-in measures to help them in times of crises on the basis of a risk management approach;
- do producers and processors have the ability to diversify their markets or to find new markets in times of market loss.
- I'm sure that there may be different views and opinions on these questions, but I think that the answers we receive will help us to focus on what we need in terms of modernising our policy to deal with issues such as market volatility.
- There is one thing on which I would like to give some reassurance and that is: despite the emphasis on appropriate measures to ensure greater market resilience, **I am also determined to maintain basic income support and an effective safety net through a system of direct payments.**
- That continues to be an essential element of the CAP without which the viability of perhaps tens of thousands of farmers would be seriously compromised.
- Sustainable Agricultural Production is another area addressed in the public consultation, and something that all of us must embrace.

- I have urged all stakeholders to engage in a meaningful and constructive debate and to abandon the rhetoric and megaphone diplomacy of the past.
- The GFF report is right when it says that *"considering the rise in global food demand and increasing concerns about the impact of climate change, a major challenge for the EU agricultural sector will be to maintain its high level of production while ensuring a more sustainable use of its natural resources."*
- It is up to us all to stand up and face these twin challenges. **The fact is that the challenge of food security, just like the challenge of climate change, is not going away.**
- We have 22 million farmers in Europe who represent a unique resource without whom we could never hope to achieve the ambitious targets we are setting ourselves in terms of the protection and improvement of the rural environment.
- Embracing the principle of a more sustainable system of agricultural production should in my view mean asking farmers to raise their level of environmental ambition and rewarding them for that contribution.

- It is also important to acknowledge the enormous contribution that farmers have made in recent decades, reducing their level of greenhouse gas emissions by 23 per cent since 1990. **There is sometimes a lazy narrative that likes to portray farmers as part of the problem when it comes to addressing the climate challenge, but in reality farmers must be and indeed already are part of the solution.**
- The third element I have prioritised is the need for generational renewal. As a farmer, Mario GUIDI describes himself as an "entrepreneur". What I want to is to encourage a new generation of young farmers and agri-entrepreneurs into the industry. That means breaking down the traditional barriers that discourage their entry, such as access to land and to finance.
- When we look at issues around productivity and smart farming, I am convinced that a new generation of farmers, who might more accurately be described as agri-scientists or agri-innovators, have the potential to make the step change that is necessary if all of the objectives and ambitions for sustainable and competitive production in Europe are to be met.

- It is against this background that today's event – "*A New Ambition for European Agriculture*" – is both timely and appropriate. With the launch of the public consultation on the simplification and modernisation of the CAP, 2017 is the year in which I believe we must reinvigorate our policy with a transfusion of new ambition and vision.
- To achieve this, I will need your help: your expertise, your guidance, but also, importantly, your support.
- The public consultation is open for 12 weeks, and will give policymakers, farmers, citizens, organisations and any other interested parties the chance to have their say on the future of the CAP. I want this to be a truly inclusive process, in which urban dwellers as well as rural dwellers feel they have a stake.
- The results of the public consultation will be published online and the Commission will organise a stakeholder conference in Brussels in July.

- The input from the consultation will be used by the Commission to help draft a Communication, due by the end of 2017, which will include conclusions on the current performance of the CAP and potential policy options for the future based on reliable evidence.
- And while the contribution from the public consultation will be hugely important, we are not starting from scratch. A number of important building blocks have already been put in place, including here in the European Parliament:
- ***The Cork 2.0. Conference on Rural Development in September 2016*** established a joint stakeholder vision for the future of rural areas as well as recommendations for how to implement this vision.
- ***The EU Agricultural Outlook Conference in December 2016*** gathered 500 stakeholders from the full agri-food spectrum to collect views and provide evidence on the mid-term evolution of agricultural markets, and foster debate on the policy challenges of climate change and resource availability.

- ***A December 2016 Civil Dialogue Group on the CAP*** brought together 72 representatives from farming associations, the food industry, traders and environmental NGOs to discuss the future CAP.
- ***And the Agricultural Markets Taskforce report, published in November 2016,*** provided detailed policy options for strengthening the position of farmers in the EU food chain.
- Of course, MEPs had already demonstrated political leadership in this area, as this strong recommendation was a central part of the European Parliament report of June last, adopted by an overwhelming majority of 600 to 38, calling for EU legislative action to tackle unfair trading practices in the food supply chain.
- I know that some stakeholders are asking why we should at modernising and simplifying the CAP so soon after the 2013 reform. The answer, in my view, is clear:
- There has been a clear realisation that, partly as a result of the co-decision process, the complexity of the final legislation left all parties involved unsatisfied with the final result – **thus the need for CAP simplification.**

- Secondly, the rapid changes in the broader policy environment surrounding EU agriculture - from markets and trade to climate change and environmental challenges – **have necessitated the need for CAP modernisation.**
- I believe it is incumbent on all policymakers, as well as all agricultural and rural stakeholders, to seize the moment in 2017.
- We understand the scope and specifics of the challenge.
- We have a comprehensive spectrum of policy options to choose from.
- We have clear institutional support at the highest levels of EU decision-making.
- And we have a clear timeline for putting this ambition into words and actions.
- All that remains, ladies and gentlemen, is for us to roll up our sleeves and get the job done.
- I welcome your comments and questions and any input you feel would help the process. The report of the Global Food Forum 2016 is a useful contribution in that regards.

- I wish Farm Europe well with the 2017 version and I look forward to working closely with you as we make 2017 a year of real ambition for our farmers and rural communities.
- Thank you.