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Common Agricultural Policy

Outline

- Problem
- Policy
- Performance

Problem →
Why do we
need C.A.P ?

- After the WW2, Western Europe was highly damaged and agriculture was crippled and food supplies could not be guaranteed.
- The common agricultural policy has its roots in 1950s in that circumstances.

Why do we need a common agricultural policy?

- The EU has 500 million consumers and they all need a reliable supply of healthy and nutritious food at an affordable price.
- The economic environment is set to remain uncertain and unpredictable.
- Moreover, there are many current and future challenges including global competition, economic and financial crises, climate change and volatile costs of inputs such as fuel and fertiliser.

Why do we need a common agricultural policy?

- Food security concerns (food supply)
- Agricultural income
- Efficiency in agriculture
- Stability of markets
- Food safety concerns
- Environmental concerns

How rural is the EU?

- **Over 77% of the EU's territory** is classified as rural (47% is farm land and 30% forest) and is home to around **half its population** (farming communities and other residents).

How many farmers are there in the EU?

- 12 million (full-time). Overall, agriculture and the agri-foods industry - which is heavily dependent on the agricultural sector for its supplies - account for 6% of the EU's GDP, comprise 15 million businesses and provide 46 million jobs.

Policy →
Common
Agricultural
Policy



What is C.A.P. ?

Food



Environment




Second, sustainable growth of Europe's agriculture
will foster healthy natural resources,

What is C.A.P. ?

- The common agricultural policy (CAP) was created in 1962.

What is C.A.P. ?

- The EU's common agricultural policy (CAP) is a partnership between Europe and its farmers. Its main aims are:
 1. to improve agricultural productivity, so that consumers have a stable supply of affordable food;
 2. to ensure that EU farmers can make a reasonable living



What is the budget
of C.A.P. ?

What is the budget of C.A.P.?

- The policy requires about 40 % of the EU budget. This arises because the common agricultural policy is one of the few areas where one common policy is financed mainly by the EU.

How is the
budget used?

- The CAP's budget is spent in 3 different ways:

Income
support for
farmers and
assistance for
complying with
sustainable
agricultural
practices


- The farmers receive direct payments, provided they live up to strict standards relating to food safety, environmental protection and animal health and welfare.
- These payments are fully financed by the EU, and account for 70% of the CAP budget.

Market- support measures

- These come into play when unpredictable conditions destabilise markets.
- Such payments account for less than 10% of the CAP budget.

Rural development measures

- These are intended to help farmers modernise their farms and become more competitive, while protecting the environment, contributing to the diversification of farming and non-farming activities and the vitality of rural communities.
- These payments are part-financed by the member countries, generally extend over a number of years, and account for some 20% of the CAP's budget.

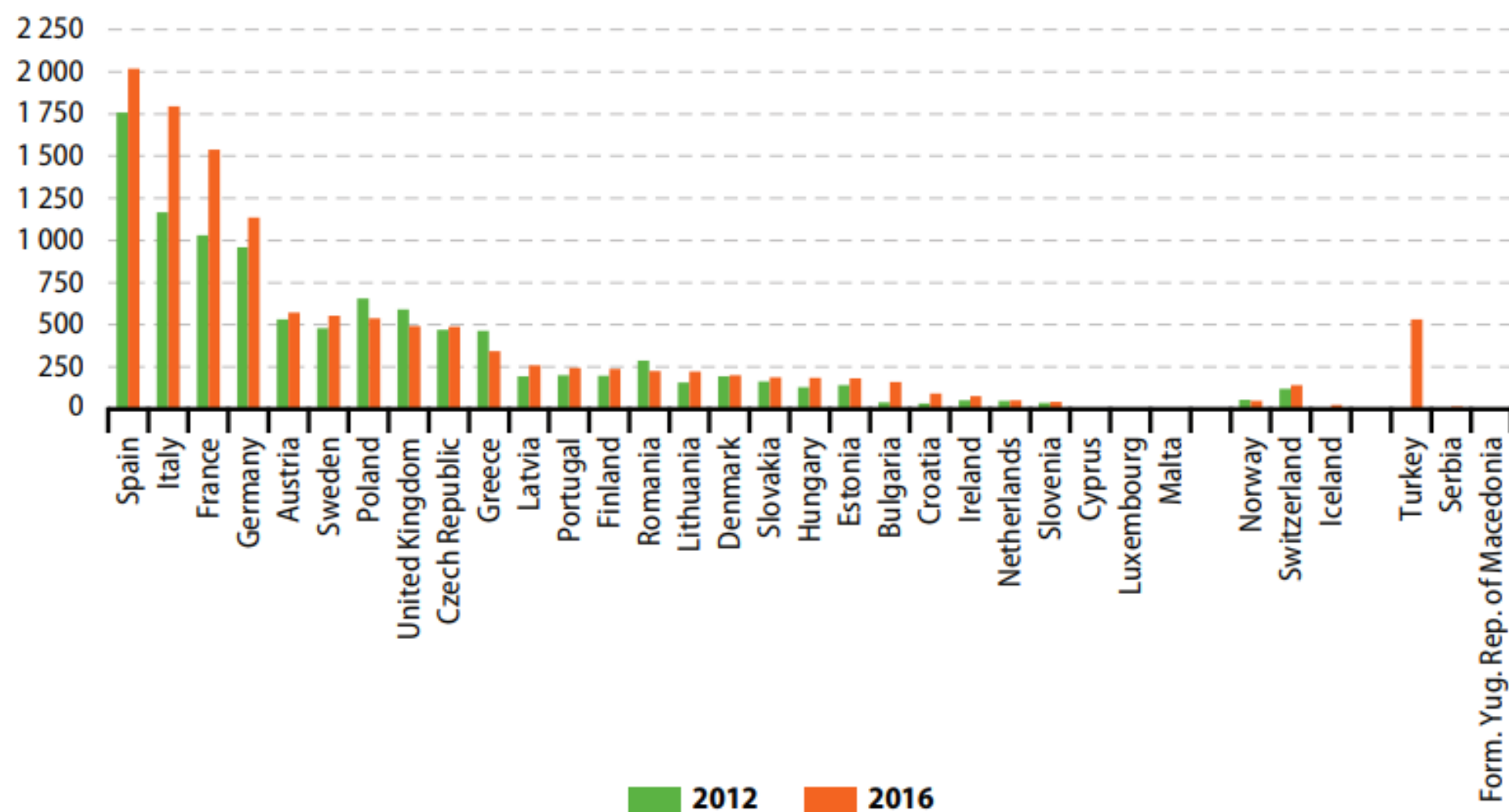


What are the
Achievements?


What are the Achievements ?

- Over 50 years Common Agricultural Policy seems like achieved its goals.
 1. The income of farmers is stabilized.
 2. Food safety provided in EU standards.
 3. Animal welfare is improved
 4. Standards of eco-farming/organic farming improved.

Figure 5.1.1: Total organic area, 2012 and 2016
(thousand hectares)



Source: Eurostat (online data code: [org_cropar](#))



What are the
Challenges?

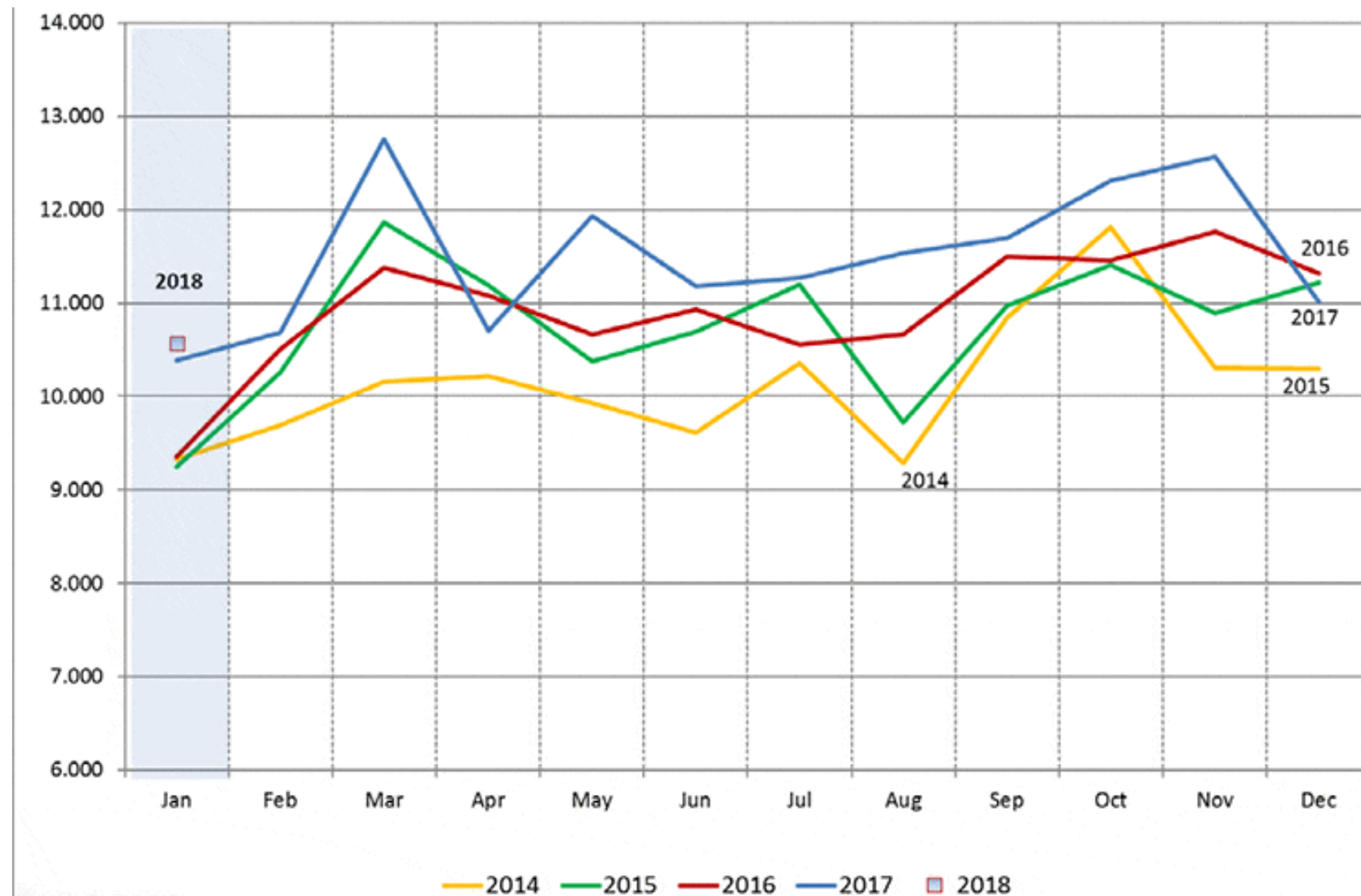
What are the Challenges ?

- Now, more than 50 years later, the EU has to address more challenges:
 1. ensuring viable food production that will contribute to feeding the world's population, which is expected to increase significantly in the future;
 2. climate change and sustainable management of natural resources;
 3. looking after the countryside across the EU and keeping the rural economy alive.



The critics about CAP

EU28: Export
to Extra-EU
of Agri-Food
Products
(million Euro)



Source: EuroStat-Comext

Dealing with issues of agriculture and rural development: preferred institutional level

QC12 For each of the following issues related to agriculture and rural development policy, please tell me if in your opinion, it should be dealt with at the European level, the national level, or the regional or local level.
(% - EU)

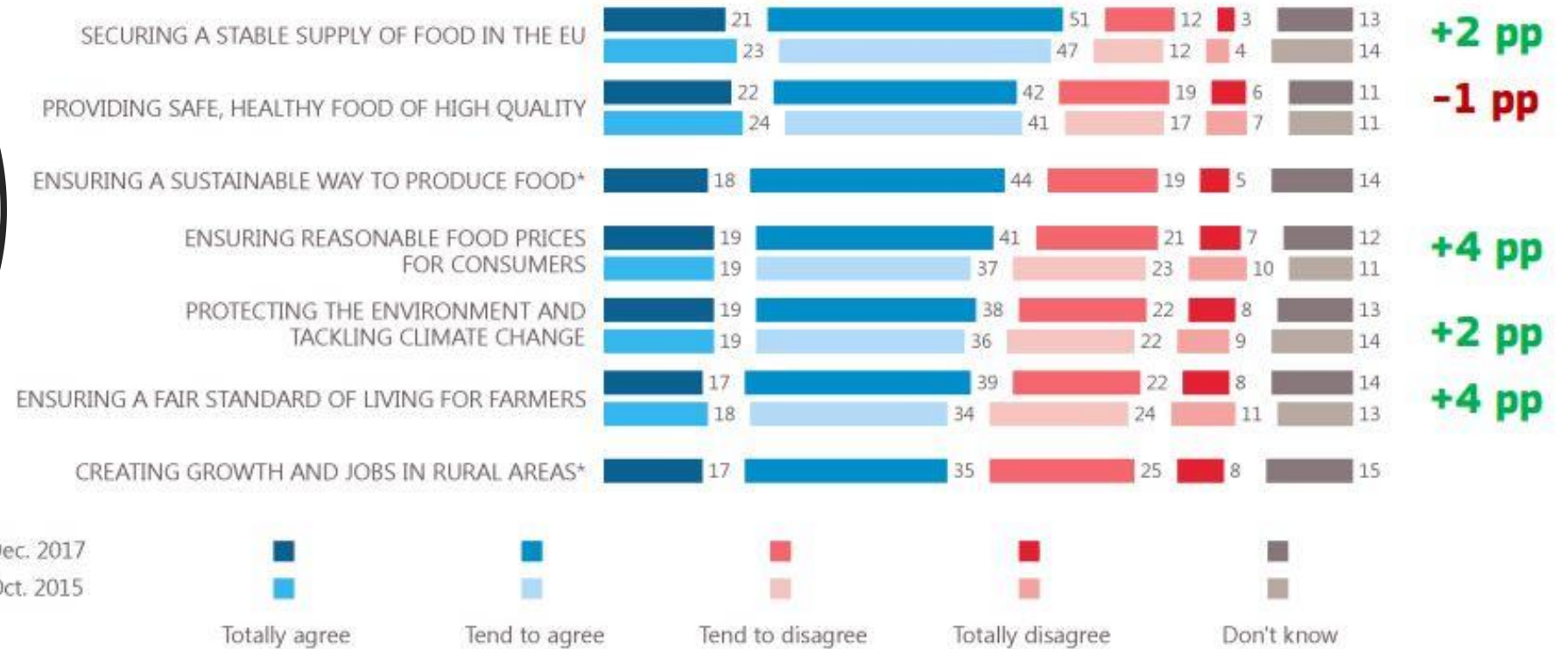


Source: EuroBarometer

The perceived performance of the CAP

QC5 To what extent do you think the EU through the Common Agricultural Policy (CAP) is fulfilling its role in...?
(% - EU)

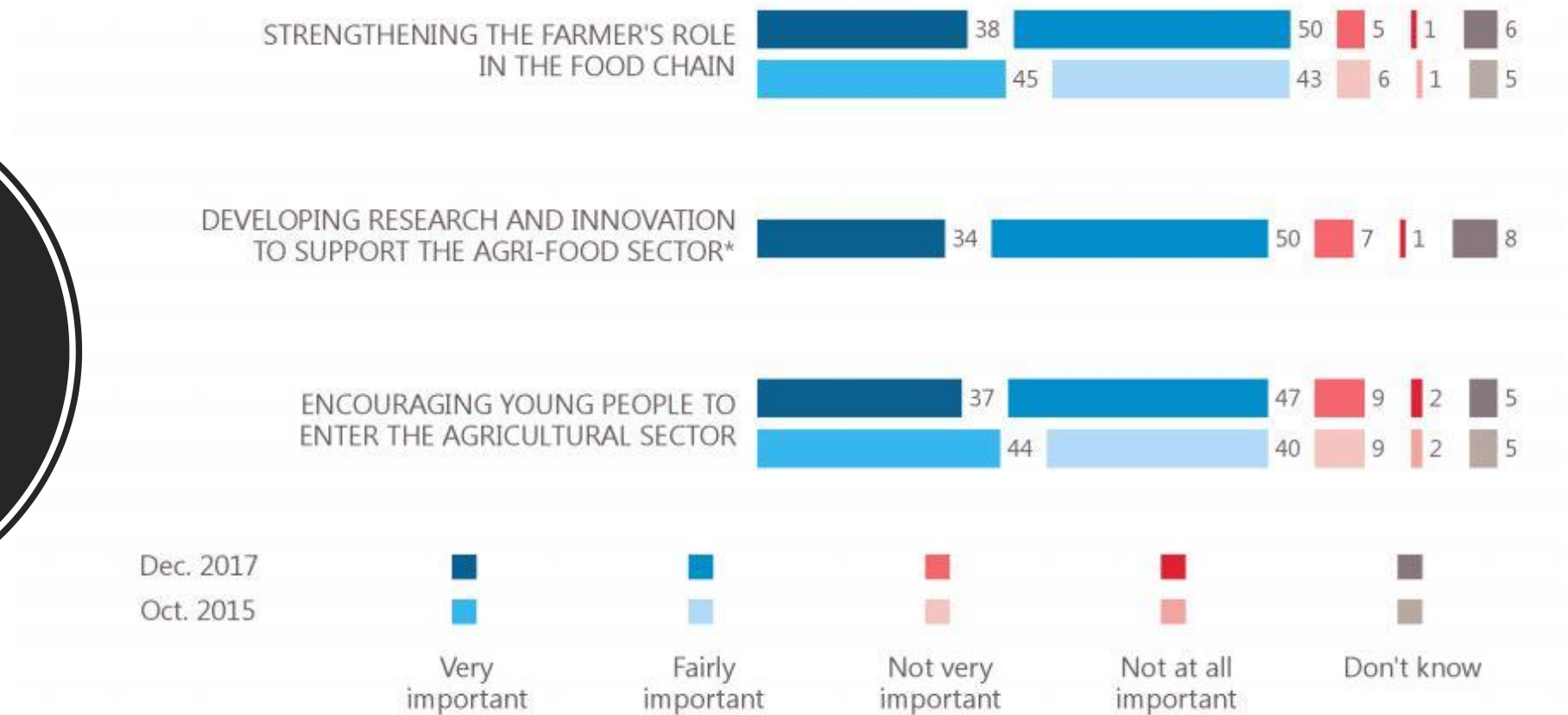
**2017-2015
Evolution
Total 'Agree'**



Source: EuroBarometer

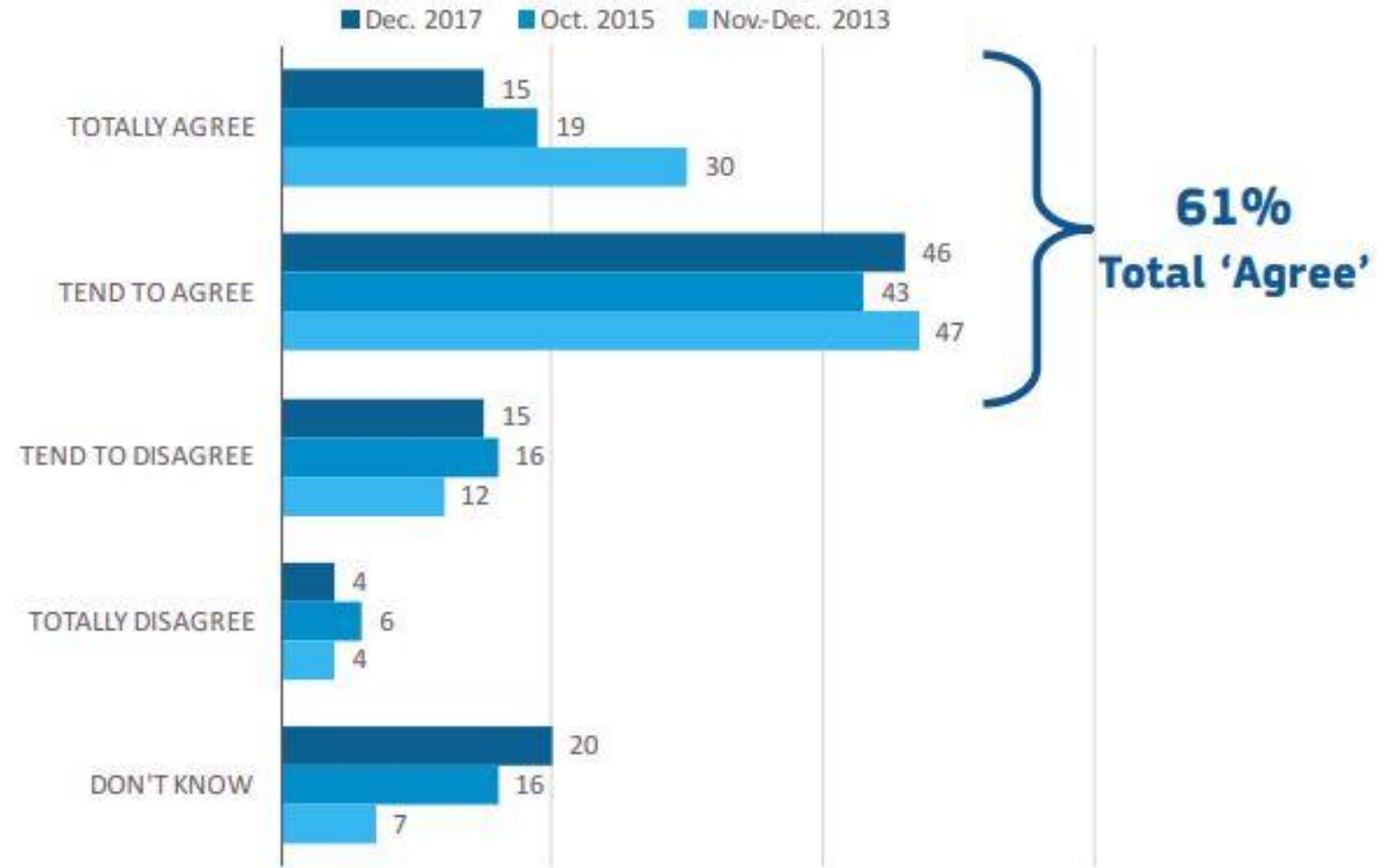
The perceived importance of the priorities of the CAP

QC7 How important do you think the following priorities of the Common Agricultural Policy (CAP) are?
(% - EU)



Source: EuroBarometer

QC3 To what extent do you agree or disagree with the following statement: the Common Agricultural Policy (CAP) benefits all European citizens and not only farmers.
(% - EU)



Does the CAP
only benefit
farmers?

Source: EuroBarometer

Resources

- European Commission – Agriculture and Rural Development website
https://ec.europa.eu/agriculture/index_en
- The Common Agricultural Policy. In: A. El-Agraa (ed.), The European Union. Economics and Policies. Seventh Edition. Pearson Education Limited. Harlow, Essex, UK, 2003, pp. 354 - 390.
- Special Eurobarometer 473, Europeans, Agriculture and the CAP, February 2018

Thank You for your Attention

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