

Towards the 2020 CAP

Paris, 19 December 2017

Core statement for the concluding remarks of the Minister of Agriculture and Food

- Commissioner, Ministers, Members of Parliament, dear friends,
- Today's debate has been rich and intensive and I believe we can feel satisfied with the high quality of our discussions.
- I wish therefore to thank all of you for the time you have devoted to today's reflection on the future Common Agricultural Policy.

Some of you have travelled a considerable distance to be here, from various European capitals, for which I thank you.

I would also like to thank all the staff at the Ministry of Agriculture and Food who have helped in one way or another to make today a success.

I also thank the OECD and salute the professionalism of its teams, who have ensured that we have had excellent conditions in which to do our work.

- I am aware of how far we still have to go in playing our part in building a policy commensurate with our ambitious goals.
- The discussions of the first round table highlighted the need to make full use of the tools of the CAP to ensure the satisfactory structuring of industry sectors and the economic organisation of the upstream portion of the agricultural supply chain.

While the progressive steps made in the Omnibus regulation in this area clarify the options available to recognised organisations under agriculture's exemption from competition law, we must go even further in our proposals for tools, both regulatory and incentivising, in order to facilitate the formation of groups for agricultural market supply, the negotiating power of producer organisations and sectoral working.

Our discussions have also shown that in the forthcoming CAP we must define relevant economic support to assist sectoral structuring with a view to generation of satisfactory value-added for the products in the different markets.

- From the second round table, I have noted that agriculture can offer many solutions essential to our response to the major environmental and climate issues now facing us.

The CAP must therefore continue to evolve to add value more effectively to the services our farmers and growers provide to us, based on tools that are straightforward, incentivising and generally applicable. It must also foster and assist the transformation of all production systems, as well as the various sectors, taking due account of their diversity and their specific characteristics.

The CAP must also encourage and support innovative projects coming from local regions. I have particularly in mind here the development of the bioeconomy, which can give agriculture a decisive role in the transition to a circular economy.

- The discussions in the third and last round table emphasised, if there were still any need for emphasis, the major issue of risk management and system resilience in our thinking on the next CAP.

Agriculture is a special economic activity that makes use of the living world as a production tool but which must despite this operate as part of a globalised market. This means that it is subject to a growing number of risks and hazards that can be economic, sanitary or climate-related.

It is therefore essential for us to argue for a holistic, integrated approach, taking into account the efficacy of existing tools that have proven their worth – I obviously have in mind the first safety net provided by direct payments, but also tools of “mutual fund” and “insurance” type – without however ruling out new and innovative possibilities such as helping farmers to accumulate precautionary savings and the abandonment of budget annuality as a basis for the management of the European crisis reserve fund, the aim being to ensure speedier intervention by the EU when major crises do occur.

We have all acknowledged that the CAP must be simplified to avoid its being a policy for the “overadministration” of all the European Union’s local regions and all of its sectors.

It must be readily comprehensible for all, not only for its beneficiaries but for all European citizens.

For that, it needs to be simpler if it is to be more effective.

- This presupposes improved interfacing for the various tools available to us, in addition to changes in the rules for their use.

I agree completely with the Commissioner in saying that we can benefit from remarkable advantages in the development of new technologies – I have in mind here the Sentinel satellite resource, especially for real-time agricultural

parcel monitoring.

- I also wish to see the introduction of the concept of a right to error at EU level. Draft legislation was recently tabled in the council of ministers here in Paris, but numerous issues are governed by EU law and France has tabled an initiative on this topic.

That initiative has been put forward to the Commission and I would also like to share this with you further in the coming weeks.

- Comprehensibility for the general public in the EU must also involve the overall coherence between the CAP and the EU's other policies.

I am of course thinking here of its environmental policies, but I also have trade policy in mind.

I shall be attentive to that overall coherence and invite my counterparts in other Member States to be equally vigilant.

- However, the CAP must not be so simplified as to undermine its ambitious goals and character as a common policy.

Simplification must not call into question either an ambitious budget or the shared management of the policy across the EU.

Simplification must not end up diminishing the CAP's environmental ambitions.

Simplification must not lead to responsibilities being returned to national level.

Simplification, yes, but no reduction in ambition.

Subsidiarity, yes, but no renationalisation.

- We have identified economic, environmental and climate-related challenges that call for comprehensive responses.

It is essential that we argue for the necessity of confronting those challenges at EU level and resist the temptation to simply turn in on ourselves.

Brexit creates a context that should encourage us to demonstrate that pooling our strengths and our resources is the best response to the great challenges of our century.

We must be part of a virtuous circle that drives every Member State to progress.

The collective dynamic must be stronger than individualism.

The great European agricultural transition we all want to see, a transition to a

form of agriculture that is more responsible, more sustainable and more resilient, must be supported by a CAP with objectives that are ambitious and shared across Europe.

- The contributions made by my colleagues on the Council, whom I thank once again for their participation, provide a clear illustration of the diversity of the contexts and the challenges to be overcome at levels ranging from the EU generally to the finest-grained local level.

And it is in this that the true difficulties of the future CAP lie: we are going to have to find the right balance between common objectives and specific objectives, between general models and local models, between generalised schemes and territorially-adjusted measures.

The core issue is then the need to add value to our different forms of agriculture, to their respective advantages, their specific features, while preserving an overall coherence with regard to our common objectives, both economic and environmental, and to do that while operating in a globalised world.

- And European products do have advantages in a number of ways: we have both the ability to respond to market demand, guaranteeing traceability and adherence to strict sanitary and environmental requirements, and the ability to preserve and to promote sectors rooted in their local regions, with their own special characteristics, generating local jobs and protective of their environment.
- We must make good use of those advantages and for that we must not create oppositions with the systems that enable us to respond today to the diversity of the expectations of an enlarged market, because those systems are mutually complementary.
- It is therefore essential to be able to guarantee the coexistence of different types of tool that match the different scales characterising the issues and interventions and that are adapted, or adaptable, to a diverse range of models.
- Such reflection on the future CAP is, as you are aware, closely linked to discussions on the future multiannual financial framework.
- You should know in that regard that France is arguing for a strong budget for the future CAP, a budget to match its ambitious goals.

France will also advocate the necessity of tying EU funding to the European

value-added of the tools concerned.

- More specifically, it should be guaranteed that EU funding will be applied first, without national cofinance, to support schemes corresponding to the broad priorities of the European Union, and more generally the major challenges for the future.

Because those challenges must be addressed as part of a policy that is totally integrated at EU level, and thus able to support the transformation of all the European Union's agricultural holdings while at the same time preventing distortion between Member States and guaranteeing the satisfactory functioning of the internal market.

- For that reason, France cannot agree to consider the use of national cofinance to support farmers' "basic" income, the first safety net provided by direct payments. I refuse even to agree to making this a working hypothesis.
- The same is true of funding for crisis management. There can be no doubt that crises that undermine the proper functioning of the single market must be addressed in an integrated manner at EU level.

And lastly, the funding of tools that remunerate environmental performance and support ecological system transition, the intention of which is to assist all European production systems in achieving common objectives, must come entirely from the EU.

Because the achievement of our common environmental objectives must not depend on the ability of Member States to apply dedicated funding.

- The contributions of my European counterparts today have also reminded us that the future CAP will be constructed by 27 Member States in a co-decision procedure alongside the Parliament and the Commission.
- We therefore have a vast amount of work to do to take the CAP forward, working with a multitude of stakeholders, both national and European, and little time in which to do it.

Because I am absolutely convinced that we must arrive at a political compromise before the European elections are held in 2019, so that we have a framework for its beneficiaries that is stabilised and coherent from the standpoints of both funding and the tools to be used.

We have ahead of us, as of today, six months in which to prepare the trilogues that will be conducted on the basis of the legislative proposal from the Commission, which is expected in May 2018.

This means that we have little time in which to consolidate our position, clarify our ideas and make strong proposals.

All the work done over the next six months will save time in the subsequent trilogue phase.

- And if it is to be effective and make its voice heard, France must speak with one and the same voice.

That is why we shall be continuing our process of reflection with all national stakeholders.

Certainly not in this format, but many others are possible, and I am keen to continue this work with each and every one of you.

- I shall then be able to put strong proposals to my opposite numbers on the Council.

I shall of course begin by highlighting for all my interlocutors the importance of our discussions of today, based on the conclusions of this conference that will be sent to you early next year, along with an initial French position paper.

I shall also be presenting towards the end of January, at an event held on the margins of the Council meeting, our focuses for reflection deriving from the French National Food Conference, which will be formally concluded by the President of the Republic on 21 December next.

Because it is essential for the CAP to be able to contribute to stronger organisation in the agricultural and agrifood sectors.

I shall also be in a position to make strong proposals to the Commission and Parliament, because it is my wish for us to build the future CAP by working together rather than competing with each other.

- The World Bank recently published a report containing an evaluation of the CAP and in particular its impact on job creation and growth in Europe.

The conclusions of that report confirm, and I am quoting here, that “the CAP [plays] a positive role in the reduction of poverty and the creation of better jobs for farmers. The gap between agricultural incomes and incomes in other sectors is closing. And across the EU agricultural incomes are converging with each other. The successful transformers [...] have turned agriculture into a key sector for shared prosperity in rural areas: agriculture is no longer associated with poverty. [...] In conclusion, the CAP can be a powerful instrument for supporting inclusive growth.”

- We in Europe can take pride in the CAP.
- We must continue to progress collectively “Toward the 2020 CAP”, maintaining the collective dynamic we have created today, until we arrive at an ambitious compromise despite the difficulties to be overcome.
- I invite all of you therefore to follow me on the road to this ambitious goal, the future CAP.
- I thank you.