



Initial reflections on the post-2027 CAP

Brussels, 22nd June 2023





I. Executive Summary

The future Common Agricultural Policy must put farmers, forest owners and their cooperatives at its core. Therefore, the CAP objectives as set in the Treaty on the Functioning of the EU are and must continue to be the guiding principles for a sustainable, fair, resilient EU agriculture in the post-2027 period. These must remain unchanged.

Based on common objectives and rules and common financing, with a precise and limited degree of subsidiarity, the CAP post 2027 needs to strive for a vibrant and sustainable sector that:

- protects and promotes the diversity of our farming models, including cooperatives, and viable food production, and;
- consistently continues to deliver food security and food safety in the most cost-effective, animal health & welfare and environmentally friendly manner, and;
- attracts and retains young, female, and new entrants including suitably qualified professionals. The continuity of agricultural production, together with the affordability, and accessibility of food and a decent income for farmers are key for ensuring food security, this being more than a choice but a duty of the EU political decision-makers.

The short-term challenges facing EU agriculture concern among others the volatility of the markets caused by a variety of factors, inflation, climatic conditions, instable legislative environment, bureaucratic burden with a significant impact on the agricultural production, while the long-term challenges refer to ensuring the economic sustainability of farmers which is a necessary condition for them to be more environmentally and socially sustainable. The unstable and ever-changing situation leads to a new increasingly unpredictable challenge to ensure food security. Maintaining Europe's production potential, achieving economic sustainability, a profitable, a competitive and market-driven sector are key pre-conditions for ensuring the continuity of the sector, thus food security, and avoiding depopulation of rural areas. The economic sustainability of farmers is a crucial element if they are to contribute to agriculture's environmental and social sustainability. Farmers and agricultural cooperatives are committed to continue contributing to the sustainable transition of agriculture. All sustainable agricultural practices, including organic farming, will help contribute to this transition.

Future ambitions for the CAP either on the environmental or social sustainability must be realistic, adapted to local conditions and challenges and farming practices and matched with adequate

financial resources to ensure the economic sustainability of agricultural activity. The CAP must therefore aim to secure an improved income for farmers. In carrying out their activities, they must be incentivised for the environmental and social practices, going beyond cost incurred/income forgone, rather than imposing interventions addressing the environmental and social dimension is key and must be the approach to be followed. In this respect, one must also look at the whole green architecture when it comes to its structure, synergy, burden, practicality, and attractiveness. Moreover, access to knowledge, innovation and technological development needs to be fostered.

Faced with continued geopolitical instability, variability of the economic or social environment, increased climatic events, the new CAP needs to provide for measures and support to ensure sustainable incomes and thus food security. Promoting cooperation between farmers can further contribute to increasing farmers' position in the food chain with the ultimate goal of achieving a better distribution of margins in the supply chain. In this context, a better functioning food supply chain with an improved cooperation between its different actors can deliver on farmers' income. An example could be through cooperation via an improved collaborative integration between the actors in the supply chain, including through agreements that allow a fairer distribution of the value along the chain.

Copa and Cogeca have identified six key areas of action for the post-2027 CAP:

- a) Reinforce the competitiveness of EU agriculture, maintain its production potential and guarantee food security,
- b) Secure and improve farmers' income and agricultural profitability on their path to green transition,
- c) Address generation renewal and promoting women's empowerment,
- d) Safeguard and facilitate investments to promote a more efficient, innovative, and sustainable sector,
- e) Develop more performant and responsive market and risk management measures,
- f) Boost cooperation and farmers' position in the value chain.

One must not overlook the role of rural areas [see objectives of the Long-Term Vision for Rural Areas (LTVRA)]. Farmers' (man and women alike) and agricultural cooperatives' role in the economic development, territorial cohesion and desertification prevention in the EU must also be integrated into these discussions.

Agriculture offers many possibilities for employment and business diversification in rural areas providing services in terms of agritourism, the bio-based industry, the production of renewable energies, green care, school visits at farms and direct sales. This places agriculture at the core of rural areas by keeping them vibrant. It is equally important to ensure adequate living and working conditions in rural areas through socially inclusive policies which do not leave the agricultural sector behind.

Farmers, forest owners and agricultural cooperatives being the backbone of vibrant rural areas, adequate living and working conditions in rural areas, access to services and education must be ensured.

Agricultural activity must be possible in all EU regions and territories given the positive externalities to the cohesion of the Union.

The EU model of producing food is one of the most stringent in the world (farmers receive direct support only if they comply with EU mandatory production standards in the areas of environment, animal health and welfare, water, and biodiversity). Thanks to the CAP, sufficient, safe, nutritious, and high-quality food for EU citizens but also outside the EU has been ensured during past crises. Ensuring market access and securing the EU's position as world's largest exporter of high-quality products is key whilst ensuring the respect of EU production standards by imported products.

The next MFF (Multiannual Financial Framework) must reflect the upcoming challenges and emergencies in the EU. In particular, the budget of the CAP post 2027 should be matched with the increased needs of the sector, it should help guarantee food security and reflect the level of ambition of the CAP. This is needed to ensure that farmers remain viable and competitive, can make use of digital solutions, and help them build their resilience while attracting new generations in agriculture. While state aid can supplement the EU assistance in times of severe crisis, a level-playing field and transparency need to be ensured. Coping with the impact of unpredictable events including geopolitical ones should not come at the expense of the CAP. Furthermore, should Ukraine (and/or others) become a member of the EU, and considering that it would lead to a significant increase (of a minimum of 30%) of the EU's UAA (Utilised Agricultural Area), increased funding will be required.

Given the new context, increased challenges and multiple societal expectations, the CAP alone cannot be expected to deliver on sustainability. In recent years, we have seen a wide range of various legislation/standards, especially environmental and climate impacting agriculture (partially or fully disconnected from the CAP), not acknowledging what is already being done under the CAP by farmers nor even assessing the impacts on food production and/or the economic sustainability of farm holdings. At the same time, agriculture and forestry have been left behind from instruments serving the green transition. Farmers, through their activity, already contribute to sustainable management of natural resources, to a sustainable circular bioeconomy and through that they help the EU in achieving biodiversity, climate, and rural areas objectives. More coherence and synergies would thus need to be ensured.

A positive communication about the important role of farming and the need for a strong CAP is a must at a time when the image of farming in the media is rather negative and disconnected from the legislative framework and obligations farmers must comply with. Also, all the positive externalities agriculture brings to food security, the survival and vitality of all other sectors of the economy, rural communities and development, environment and social sphere are often forgotten. Such communication must also address young talents and motivate them to pursue this profession.

One needs time to allow the measures applied in this CAP (2023-2027) to be implemented and produce results and assess them. Stability, predictability and real simplification and reduction of administrative burden are needed as these have been overlooked and not achieved within the recent CAP.



II. Introduction

In view of the upcoming European elections on 6-9 June 2024 and given Commissioner Wojciechowski's intention to present his ideas towards a post-2027 CAP around the end of this year, Copa and Cogeca initiated an internal reflection process which led to this document.

As these reflections come in the early stages of implementation of the CAP 2023-2027 this contribution cannot fully and adequately capture the lessons learned from the current CAP. Nevertheless, and in this respect, there are lessons to be learned from the pandemic, the Russian aggression in Ukraine, energy and input cost increases, inflation, climate impacts...

Moreover, the calendar of accession of additional countries to the EU is still vague, therefore this contribution only marginally refers to the possible overlap between the start of the next CAP and the preparation of accession to the EU by these countries as well as its implications, which will have significant impact both in terms of trade and budgetary requirements.

Copa-Cogeca has identified the main “drivers” for the CAP post 2027 in a dynamic context, by looking at the general and specific CAP objectives but also the main priorities and areas of action.

The future Common Agricultural Policy must put farmers, forest owners and their cooperatives at its centre.



III. Context

Since the publication of the Farm to Fork and Biodiversity Strategies in May 2020, Copa and Cogeca have been calling **for a comprehensive impact assessment of the cumulative effects** that the implementation of these strategies and the European Green Deal will have on agriculture and food security, the agri-food, and the forestry sectors. The responses provided to date consisting of fragmented impact studies on targeted policies do not provide convincing answers, nor does it address the concerns of the farming community.

It is evident that Europe and the wider world have fundamentally changed since the publication of the European Green Deal in December 2019 and the Farm to Fork and Biodiversity Strategies in May 2020. **Covid-19, the war in Ukraine, the energy crisis and climate change are all drivers that need to be included in the “comprehensive analysis”** and taken into consideration by the Commission and EU institutions when discussing and implementing all the legislative initiatives already presented (or to be presented).

We acknowledge that the future CAP will continue the path towards a more sustainable agriculture. In this context, it is fundamental to holistically address the three pillars of sustainability and ensure that the farming community is part of the solution to address these global challenges.

The diversity of EU food production, both in terms of actors and production methods, constitutes one of its main strengths and is central to its great resilience capacity. The unfair distribution of costs and benefits among all actors in the food chain (due to unfair trading practices, imbalances of power in contractual negotiations and a lack of transparency in the operation of the food supply chain) has a clear negative impact on the remuneration of farmers and their cooperatives, which further contributes to the decrease in farm numbers (-37% in the EU-27 from 2005 to 2020) and an increasingly aging farming population. In this context we have also in front of us the upcoming discussions on the post-2027 MFF (the EU's multi-annual budget) and the future accession to the EU of candidate countries, among them Ukraine and Moldova. The timing of accession of future countries to the EU will have a crucial impact not only on the level of resources allocated to the MFF but also to the structure, architecture, and financing of the CAP. These reflections assume that no EU enlargement will occur before the next MFF is agreed.



IV. Risks, uncertainties, challenges, and opportunities

To sum-up, we would list the main risks, uncertainties, challenges, and opportunities facing agriculture and forestry now and, in the future, impacting on EU farmers, forest owners and their cooperatives as follows:

1. Short-term risks and uncertainties

- The volatility of the markets for energy and fertilizers (and their availability) exacerbated by the Russian invasion of Ukraine and its impact on input and output prices, inflation, income and falling productivity.
- The increased frequency and cumulative impact of extreme weather and climate events on agricultural production. Access

to adequate and secure supply of water for irrigation.

- Insufficient availability of workforce for farmers and for cooperatives .
- Bureaucratic burden and too many new legislative proposals and changes.

2. Long-term challenges and opportunities

- Ensure a fair standard of living for EU farmers while safeguarding the diversity of our farming models.
- Support biodiversity and ecosystem services while feeding half a billion people and contributing to food security in the world.
- Reduce greenhouse gas and ammonia emissions while increasing carbon storage and sequestration.
- Make EU farmers, forest owners and their cooperatives central players of the bioeconomy.
- Strengthen farmers' position in the agri-food value chain by, for example, boosting the development of farmer owned and controlled structures such as agri-cooperatives and producer organisations.
- Ensure sufficient food supplies, at EU level, in quantity and quality and increased productivity in the context of climate change adaptation and mitigation.
- Ensure that EU farming remains at the forefront when it comes to access to and uptake of innovations on digital, technological, agronomic, social, animal welfare and climate fields.
- Keep rural areas attractive and vibrant through improved infrastructure and services, improve profitability and competitiveness compared to other professions, access to land to guarantee generational renewal across the EU to avoid an increased rural/urban divide.
- Reducing gender inequalities in rural areas by promoting the uptake of farming and facilitating the access to credit & finance for women to reduce depopulation.
- Develop a fair and sustainable trade policy that promotes and supports our continuous investment in high production standards, whilst ensuring the respect of EU standards by imported products.

- Address volatility due to different types of crisis (market developments, geopolitical decisions, climatic, income risks, and emerging pests & diseases) and guarantee a fairer, more transparent and more efficient food supply chain.

- Address the accession of additional countries to the EU without impacting the overall CAP funding.

- Adapt to evolving consumption patterns, preferences, and habits, driven by political decisions and strategies, global demand, food recommendations and geo-political disruption while remaining viable.



V. Main Priorities/Objectives

The primary role of agriculture, even in a post 2027 scenario, remains the one of ensuring food security through more sustainable, resilient, diverse, resource efficient and competitive agricultural sector, whilst integrating the sector's positive environment and climate externalities, within vibrant rural areas. The agricultural activity must be possible in all EU regions and territories given the positive externalities to the cohesion of the Union. To underline this key role, the CAP objectives have been set in the Treaties. Article 39 of the Treaty on the Functioning of the EU sets out CAP's specific objectives. As such, increasing agricultural productivity, ensuring a fair standard of living for farmers, stabilizing markets, ensuring the availability of supplies, ensuring reasonable prices for consumers have legitimately remained at the core of the Common Agricultural Policy over the years.



Copa and Cogeca maintain the belief that the current objectives of the CAP as established under the Treaty still remain fully relevant. This is also the clear positioning of the EP COMAGRI in its opinion towards the Future of Europe debate.

In addition, several other objectives in the Treaty also apply to the CAP such as: promoting a high level of employment (Article 9), environmental protection to promote sustainable development (Article 11), consumer protection (Article 12), animal welfare requirements (Article 13), public health (Article 168(1)), economic, social, and territorial cohesion (Articles 174 to 178) and gender equality (Article 8). In fact, CAP interventions and tools already help achieve these objectives too.

Furthermore, the elements pertaining to food security (availability, affordability, and accessibility) in and outside the EU, already pertinent due to the COVID pandemic, the energy, and inputs price hikes, have gained even more importance with the onset of the War in Ukraine more than a year ago. Thanks to the CAP, EU farmers and agricultural cooperatives were able to ensure sufficient, safe, nutritious, and high-quality food during these crises. This can no longer be taken for granted.

Agriculture is, and must continue to be, at the core of the European Union as a strong and common policy backed by an ambitious EU budget. Common policy framework, with common objectives and rules as well as common financing are fundamental to help address EU's common challenges, secure a well-functioning Single Market and prevent distortion of competition. Given the diversity of European agriculture, a certain and limited degree of subsidiarity must be ensured.

Whilst pursuing a drive towards a more performant and sustainable sector, the post-2027 CAP must adequately support farmers delivering food security (in all its aspects) in the EU. Farmers are ready and willing to continue producing safe, quality, nutritious food for consumers, in an increasingly sustainable manner.

A competitive agriculture and forest sector is crucial for the society which has pinned its hopes on land management by farmers and forest owners to offer a number of public services such as preserving biodiversity, maintaining clean waters providing protection against natural hazards and managing cultural landscapes.

Farmers, unlike any other economic sector, play a vital role not only in providing food but also in delivering on territorial, environmental, and social objectives. These reflect the multifunctional role of agriculture, are clearly integrated in the current 2023-2027 CAP, and should remain.

Whilst recognising the importance of the people and the economy in the fight against climate change and to ensure food security, **all three pillars of sustainability (environmental, economic, and social) must be considered.** Environmental sustainability can be further improved and that it is an essential part of sustainability. The CAP has the potential of contributing to balance these three pillars and help farmers to be more sustainable.

However, all too often, the economic and social pillars are ignored when defining targets that are not farmer oriented. In the future, we need integrated policy approaches which are first assessed against their economic viability and farmers' income and the maintenance of lively and viable rural areas. The economic dimension of the CAP is important as it is the precondition for farmers being able to invest in the green transition of agriculture. Unstable economic conditions impact all the other objectives. In addition, without economic sustainability, the ability of the sector to attract the next generation (young and new farmers) will be constrained. Copa and Cogeca have repeatedly said that farmers cannot be green if they are in the red.

The current "Green Architecture" with its enhanced conditionality (including the GAECs), the Eco Schemes and the Agri-Environmental, climate and animal welfare commitments are over-structured and unnecessarily complex. Farmers, administrations, and advisors no longer have a clear picture of what they are required to do/comply with. The "Green Architecture" of the CAP needs to become more attractive to farmers so that it can be developed into a sound business activity. Providing societal services must be profitable and practicable for farmers.

Whilst the instruments and financing to support women in the sector is not the sole responsibility of the CAP, gender mainstreaming of policies and programmes is a must to ensure that both men and women contribute to the transition towards a more sustainable agriculture and food systems. The contribution of women to agriculture or to other on-farm activities is integral to support the sector in this transition, through new business ideas and models in improving the rural economy and promoting rural entrepreneurship.




Agriculture is, and must continue to be, at the core of the European Union as a strong and common policy based on common objectives and backed by an ambitious EU budget.

Improving profitability of agriculture and competitiveness compared to other professions are of uttermost importance to attract new farmers. The wage level in the agricultural sector is still below 50% of the wage in other professions.

Guaranteeing food security and food production in a sustainable manner, at the same time with maintaining the competitiveness, internal and external, of our producers in a market-driven sector is needed. At the same time, this can only be done in a climate of legislative and market stability which allows investments and provides sufficient time to deliver on the objectives set.

The geo-strategic importance of the agricultural sector must not be overlooked as farmers are the ones producing food for consumers in the EU and in third countries. Therefore, a global approach that looks at hunger and malnutrition and the EU's role in combating those must be at the centre of these post-2027 CAP discussions. It is in EU's best interest to equally contribute to ensuring food security internationally and take a more active role as part of its commitment in achieving the UN's Sustainable Development Goal 'Zero hunger' (SDG2) as well as part of its long-term strategy on migration. Copa and Cogeca have supported on numerous occasions the strategic role of food security and the role of the CAP in ensuring this objective, thus minimising the impact of food inflation in the EU (that has a very big impact in low-income households), on eroding the EU budget and safeguarding the sustainability of our production. Looking only at environmental sustainability to help achieve global objectives whilst not taking into account the EU's commitment to reaching international food security objectives would be incoherent.



Securing the economic dimension of the CAP is the precondition for farmers being able to invest in the green transition of agriculture.

One must not overlook the role of rural areas [see objectives of the Long-Term Vision for Rural Areas (LTVRA)]. Farmers' (man and women alike) and agricultural cooperatives' role in the economic development, territorial cohesion and desertification prevention in the EU must also be integrated into these discussions.

Agriculture offers many possibilities for employment and business diversification in rural areas providing services in terms of agritourism, the bio-based industry, the production of renewable energies, green care, school visits at farms and direct sales.

This places agriculture at the core of rural areas by keeping them vibrant. It is equally important to ensure adequate living and working conditions in rural areas through socially inclusive policies which do not leave the agricultural sector behind.



VI. Key areas of action

To sum-up the main objective of the future policy should be to: Ensure food security through a sustainable, resilient, diverse, resource-efficient, and competitive agricultural sector, whilst integrating the sector's positive environment and climate externalities in dynamic rural areas.

An overarching fundamental principle of the future CAP reform to be able to deliver on its role and objectives, is to make it easier to understand for both farmers and administrations, simpler for farmers to implement. Furthermore, it should ensure long-term stability and predictability. This is also key for attracting and recruiting young talent into the agricultural sector.

Moreover, the following key areas of action must be centre stage in the post-2027 CAP:

a) Reinforce the competitiveness of EU agriculture, maintain its production potential and guarantee food security

The CAP has evolved over time to take into account environmental and societal concerns. Farmers, forest owners and their cooperatives have increased their efforts to integrate sustainability in their daily practices and these came with a cost. While there are demands to further deliver on environmental and social sustainability, European farmers can deliver on these demands provided that their competitiveness is safeguarded.

As European farmers, forest owners and their cooperatives would need to produce more and better, innovation, knowledge transfer, digitization should be fostered, and advisory services should be more targeted to allow for a proper uptake of new digital technologies. European farmers and forest owners must have access to a wide toolbox, which includes NGTs (helping to address plant health, adapt to and mitigate climate change, ensure sufficient supplies of high-quality products, and improve competitiveness) and other tools which reflect the technical progress.

EU is the largest exporter and importer of agricultural products in the world, constantly looking for access to new markets. EU needs to be able to maintain its competitive position on the internal and international market vis-à-vis their colleagues from the other non-EU countries. This implies the respect of the EU's production standards by products imported from third countries. Thus, coherence with other policies needs to be ensured for a successful implementation of the next CAP.



b) Secure and improve farmers' income and agricultural profitability on their path to green transition

In line with the Treaty on the Functioning of the EU, the CAP post 2027 needs to continue to contribute to ensuring a fair standard of living and a level playing field for farmers.

Income support continues to be key in a context where the agricultural sector is still reliant on this type of support given that the market does not properly remunerate farmers. In this context, it is fundamental to target CAP support at active farmers. It is essential to offset the costs of producing at higher EU standards, to enable the delivery of public goods and to partially hedge certain risks. Not least, income support is crucial to overcome the gap in the income levels between agriculture and other sectors of the economy.

In the future, there should also be certain possibilities to support sectors in difficulty.

In order to ensure a simple, coherent and workable CAP, conditionality requirements must be assessed in particular when it comes to the excessive implementation burden, the cost and the feasibility of the measures from the current CAP. Member States should not have the possibility of introducing additional conditionality standards at national level (on top of the EU ones) to maintain a level-playing field.

Given the high burden incurred with the conditionality requirements and the decreasing BISS (Basic Income support for Sustainability), properly incentivising farmers for their additional environmental efforts, beyond costs incurred and income foregone (thus providing public goods) through voluntary practical, attractive, and unbureaucratic measures should be preferred. With this in mind, one must look at the entire "Green architecture" construction, namely its structure, synergies, burden, practicality and attractiveness.

The future CAP should be made easier to understand for both farmers and administrations, simpler for farmers to implement and ensure long-term stability and predictability.

c) Address generation renewal and promoting women's empowerment

In the next period, one out of three farmers will retire. Many young people are still attracted to agriculture and conditions must be provided for them to do so. Furthermore, once having joined the sector, the objective must be to ensure they stay on. Young farmers, new entrants and women are currently facing various challenges such as poor land access, lack of access to loans and financing, to education (whenever necessary), poor access to services in rural areas and an inadequate work-life balance. In addition, they must face climate impacts, income, and market risks as well as excessive red tape.

Support for young and new farmers is fundamental both in the current and in the future CAP to help mitigate the risks which are inherent to this sector. In this sense, it is also essential to encourage their incorporation into cooperatives and producer organisations to help them cope with a competitive market, get the best advice, benefit from technological tools and innovation.

Improving gender mainstreaming and equality, as well as facilitating the participation of women in the agricultural sector will contribute to a more inclusive agriculture.

Moreover, offering an improved perspective for the future, less administrative burden and a decent living is a must.

Fast and easy access to innovations for farmers along with the acquisition of the necessary skills could help them mitigate the costs.

A positive communication about farming is needed. Farm succession to speed up the take-up of farms from older generations should be facilitated, aided by an attractive collaborative scheme and/or generational renewal scheme serving all parties involved.

The quality of life in rural areas is essential to bring young people, including young farmers, in rural areas and access to education needs to be ensured. We need coherence between policies on young farmers and agricultural and other policies.

d) Safeguard and facilitate investments to promote a more efficient, innovative and sustainable sector

Investment measures and an easy access to them to facilitate the uptake of innovation, to improve the overall performance and sustainability of agricultural and forestry holdings are essential as part of the post-2027 CAP to help farmers, forest owners and their cooperatives benefit from the progress of digitisation (e.g. precision farming) and lead to a modern, more efficient smarter farming sector, more performant agricultural cooperatives and thus contribute to a better quality of life for all. These contribute to keeping farmers, forest owners and their cooperatives competitive and innovative, help them diversify their activity and their contribution to rural economy while responding

to environmental and climate ambitions. Food security cannot be improved without investments and access to capital for farmers.

This has to be matched by a low-cost loan policy which takes into account the volatility of the markets and consequently of the incomes. In this respect coherence between CAP and sustainable financing needs to be ensured, as well as synergies with other instruments and funds to work in complementarity with CAP funds.

Investments in irrigation (improving water capture and retention), with drought being an increasingly frequent phenomenon, are key for ensuring sufficient and stable food supplies.

e) Develop more performant and responsive market and risk management measures

During the past few years, the EU agricultural sector has been faced with increased volatility of the markets, thus of agricultural prices and input costs, including because of factors outside of agriculture. In a context of increased market crisis triggered by a wide range of factors, EU market-based policies should allow for targeted, flexible, and efficient market management tools to help protect farmers' incomes.

Risk management should be fostered by Member States. Being faced with increased and diverse risks, farmers need to be able to have at their disposal a toolbox of workable cost-effective risk management tools. This should be complementary to the market management tools and not undermine existing national schemes. It is important that they are made available to farmers in a flexible manner. This would allow them to benefit from a wide range of tools, by also promoting the use of innovative technologies, which cover different risks, be they economic, climatic, sanitary, etc....

Better synergies between different CAP interventions and tools would help farmers improve resilience, better cope with more extreme weather events and better adapt to climate change.

f) Boost cooperation and farmers' position in the value chain

The role of agricultural and forestry cooperatives and POs in improving farmers' position in the supply chain is of fundamental importance. Cooperatives play a fundamental role in helping to rebalance the food chain and securing their farmer members with a better share of the consumer euro. They can also play other roles such as a certain level of protection against volatility.

Agri-food cooperatives and/or producer organisations (covering all sectors of agricultural and livestock production), voluntary in nature, formed on their own initiative and governed by themselves, are fundamental structures in rural areas. Their

own specific characteristics make them the best tools through which to implement instruments that aim to have a positive impact on agriculture and livestock farming. Cooperatives' work towards a better (and more efficient) use of resources, and production planning, reducing waste and adapting production to market needs, help farmers cope with market crisis, rebalance the power in the food chain, help foster the use of digitisation and access to technology and innovation.

Cooperation must be better addressed in the future CAP by supporting the setting up of these structures but also supporting those that already exist. This will help them to better adapt to the market challenges, benefit from opportunities and continue to invest. Exchanging best practices when it comes to the benefits of sectoral interventions and the involvement of producer organisations in the development of these tools should be facilitated.

In this context exemptions/derogations to competition rules (such as in the case of article 210a of the CMO regulation) are relevant and could be further developed. This would contribute to improve farmers' and cooperatives bargaining power.

Agriculture being a nature-based activity and farmers being price takers when marketing their production are prone to abusive and unfair trading practices. Cooperation among farmers and along the food chain is the only way to improve efficiency, responsiveness and improve farmers' position in the food value chain. This will contribute to rebalance the bargaining power, to a better functioning food chain, lead to an improved income and enable farmers to reach the sustainability targets set at EU and international level. Ensuring transparency in the food chain will contribute to providing farmers a fairer share of the consumer spending and this is paramount to achieving economic sustainability in the sector.

The role of inter-branch organisations in fostering the dialogue between different actors of the supply chain should be further exploited.



VII. Budgetary elements

Agriculture is a strategic sector of the economy, be it at EU or national level. Whilst it is true a fact that CAP budget represents around 1/3 of the EU budget, when we look at GDP, EU agriculture uses 0.4% of the GDP while its contribution to the EU GDP is three times higher (around 1.3% to the EU GDP in 2022). This comes in addition to the other externalities agriculture bring to environment, territory, and landscape.

It is of paramount importance to ensure a common and ambitious funding for all common policies in the EU. This is especially relevant in what regards the CAP funding and the need to safeguard the integrity, functioning of the Single Market and a level-playing field. This is very much relevant, not

only in the context of the current MFF and the post-2027 MFF but especially also in view of the budgetary implications of a rising inflation and geopolitical disruptions caused by the Russian invasion of Ukraine.

There are still many uncertainties in this context, but it has been very clear that an increase of the funding for the CAP in the next MFF is necessary not only to enable the achievement of its objectives but also to address market disruptions and ensure food security. An adequate budget allocation for the CAP is also essential to attract the new generations to agriculture, without which the continuity of agricultural activity would be at risk.

Additional requirements for farmers in the pursuit of more sustainable production methods translate into increased production costs that are not remunerated by the market. We can't expect farmers to deliver the increased demands with the same/less financial resources in a significantly more complex regulatory and administratively challenging environment.

The CAP publicly funded budget is there to help farmers remain viable and competitive, invest in smart and digital solutions to be able to actively participate in the green transition of a consumer and market oriented agricultural production.

The reality is that farmers' income is still below 50% of the average earnings of other economic sectors. Without an improved funding for the CAP, farmers will not be able to provide food security to consumers, fight climate change, improve environmental performance, address generation renewal, maintain vibrant rural areas, and globally contribute to create growth and jobs in the EU.

In general terms, the CAP budget must be matched with the increased needs of the sector in a challenging time. It must help guarantee food security, address the challenges EU agriculture is facing and reflect the level of ambition of the CAP. This means an improved CAP budget with an adequate agricultural reserve to address unforeseen and disruptive market developments. Geo-political market disruptions must be financed from other budgetary lines than the one on CAP.

While we understand that EU's budgetary needs are many, supporting additional actions/policies should not come at the expense of the CAP budget. On the contrary, more synergies with other funds should be ensured to make sure that agriculture can be supported by other funds as well. A clear example of this are the current proposals on carbon farming, nature restoration law and soil.

It is equally important to learn from the current experience when after a long period of low and stable inflation, the considerable increase in inflation driven by several factors has been gradually reducing the value of support given by

the CAP, leading to the erosion of CAP payments. As such, many farmers and cooperatives were faced with difficulties in running their projects because of the increase in the project costs. In the next MFF discussions, these developments would need to be reflected upon.

During Covid-19 pandemic and the on-going Russian invasion of Ukraine, state aid in agriculture has been a preferred option at EU and Member State level. Nevertheless, this has strongly relied on the Member States' political choices and available economic resources. While state aid is part of the budgetary toolbox, its impact on the single market, distortion of competition and level-playing field between farmers and Member States must be assessed based on this past experience. The internal market must be kept fully functional and therefore the CAP should assist in protecting the level-playing field.

More efforts and safeguards to protect EU farmers and agricultural cooperatives from the impact of geopolitical events, inflation... which are occurring more often lately, are needed. The adaptation capacity of agriculture to changing circumstances is at stake and requires time and support. Furthermore, should Ukraine (and/or others) become a member of the EU, and considering that it would lead to a significant increase (of a minimum of 30%) of the EU's UAA (Utilised Agricultural Area), increased funding will be required.







CAP and other policies.

It is especially important to keep the CAP a policy in its own right, as a partnership between agriculture and society and between Europe and its farmers, in order to ensure the sustainability of agriculture and food production, with the main focus on ensuring food security, a stable and affordable supply of food produced at high standards.

While there is synergy, complementarity with other policies, the CAP should not lose its main focus as established in the Treaty for the Functioning of the EU.

Through the CAP, agriculture is already contributing to other policies and strategies (e.g. environment, energy, climate, biodiversity, regional development...). It is time that support through other policies also contributes to agriculture, especially when it comes to instruments serving the green transition.

The agriculture and forest sector must benefit from research and innovation outputs to lead to drive towards more performant and sustainable sectors. This means that farmers and their cooperatives must be involved in the implementation and delivery of these projects and benefit from an ambitious and targeted financing from the successor of Horizon Europe.

The production of agricultural products designated by EU quality schemes can significantly contribute to complementing rural development policy as well as market and income support policies of the CAP. It plays a key role in contributing to the prosperity, economic diversification and development of rural areas, the strong association between a product and its territorial origin, as well as in improving the income of farmers and cooperatives. This link and role must be fostered and EU quality schemes must be protected in international agreements.

The Union's Promotion Policy has proved to be a key driver for the increasing awareness of the qualities of the EU agricultural and food products and enhancing the competitiveness of the Union's agricultural sector. Additionally, it is already contributing to enhancing the sustainability of the EU food system as well as furthering the global production and consumption of more sustainable products. The Promotion Policy should continue to equally and proportionally support all agricultural products (all agricultural products listed in Annex I to TFEU except tobacco) and sustainable agricultural practices and be funded by a strong budget. No funding must be dedicated to the production of alternative proteins such as cell-based foods.

As the EU is the largest exporter of agricultural products, European farmers as a whole benefit greatly from trade. The EU should continue to take advantage of new trade opportunities. As such, we need a coherent trade policy that takes into account our ambition for sustainable development

matched with the respect by all imported products of the EU standards of production. This should be complemented by clear labelling of imported products. This would be needed to ensure a level playing field and keep the competitiveness of our farmers. Market access is crucial and import protection for sensitive products are critical.

In the pursuit of more sustainable food systems, the CAP has already progressed significantly in this regard in what comes to primary production, and more is expected with the outcomes of the implementation of the current CAP. In this regard it is crucial to correctly articulate the Farm to Fork Strategy and the upcoming proposal on the Framework for a Sustainable Food Systems (FSFS) with the CAP provisions.

The cohesion policy should also address the needs of rural areas. This could help maintain rural areas viable and attractive through a well-functioning infrastructure and general/social services in attracting young farmers and families.

Competition policy and rules need to be modernized in line with the recommendations of the agricultural markets task force report to ease farmers cooperation.

The Just Transition Fund must be also an instrument at the service of agriculture to facilitate and encourage the transition towards more sustainable production methods.

The technical screening criteria for the six environmental objectives of taxonomy must be coherent with the future CAP and strongly connected to agronomic practices and reality on the ground.



*The CAP alone
cannot be expected
to deliver and finance
sustainability.*





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Copa and Cogeca are the united voice of farmers and agri-cooperatives in the EU.

Together, they ensure that EU agriculture is sustainable, innovative and competitive, guaranteeing food security to half a billion people throughout Europe. Copa represents over 22 million farmers and their families whilst Cogeca represents the interests of 22,000 agricultural cooperatives. They have 66 member organisations from the EU member states.