



**Copa-Cogeca's views on the CAP  
post 2013**

Francesca BIGNAMI | UNITAB Congress, 15<sup>th</sup> October 2010

# Outline of the presentation

- 1. Setting the scene**
- 2. Copa-Cogeca's views on the CAP post 2013**
- 3. Discussions on the future of the tobacco sector**

# About Copa-Cogeca

**Copa - European farmers**

**Cogeca – European agri-cooperatives**

Two organisations...

- bringing together 76 national organisations
- representing 13 million farmers and their families as well as around 38 000 cooperatives



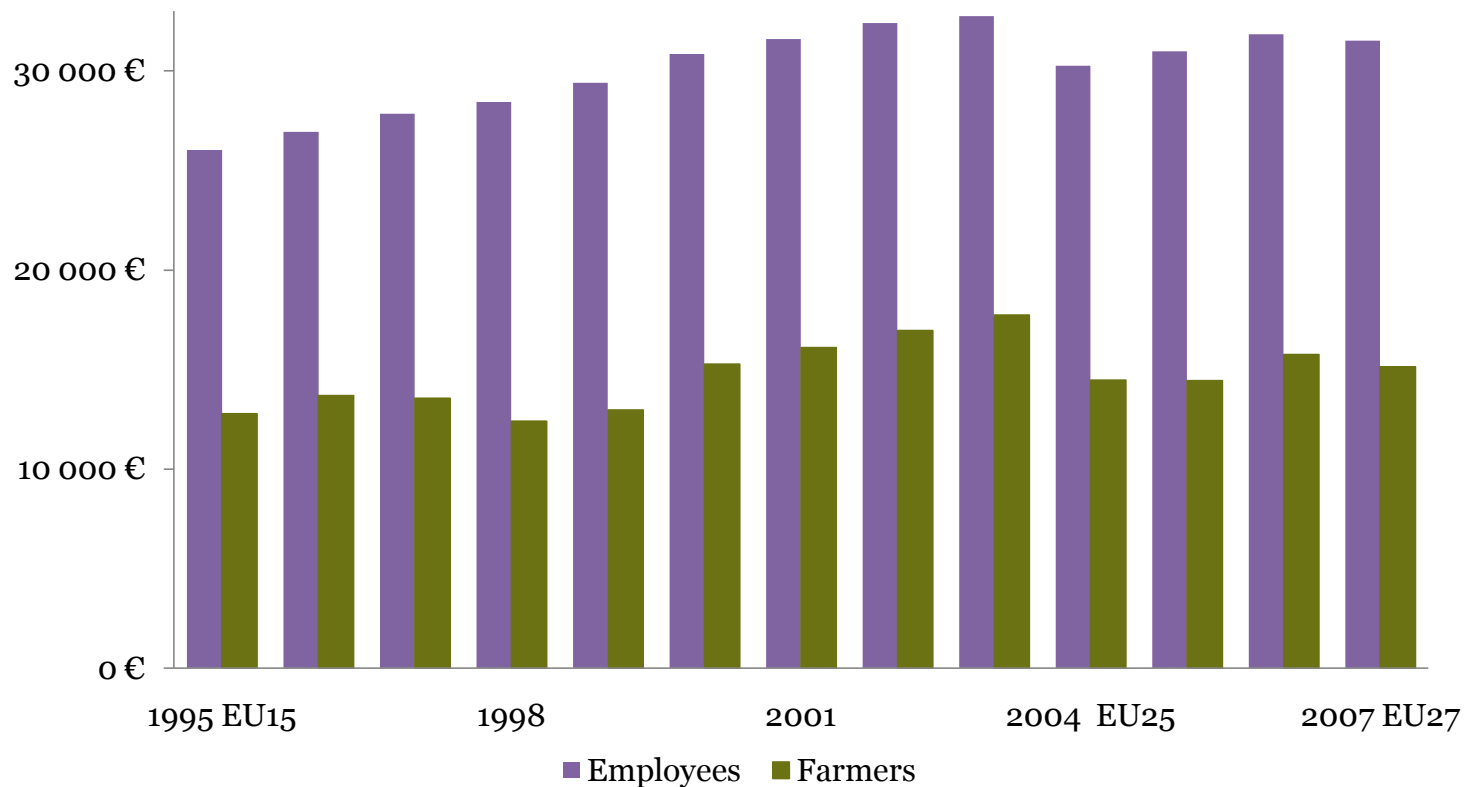
# Setting the scene

# The political debate

- ✓ **The debate about the future CAP**
- ✓ The debate about the budget
- ✓ **WTO & bilateral negotiations**
- ✓ **Anti-tobacco campaigns**

# Farmers not getting a fair deal (1)

**Farmers' incomes less than 50% of average earnings in the rest of the economy**



Sources: Eurostat and FADN

## Farmers not getting a fair deal (2)

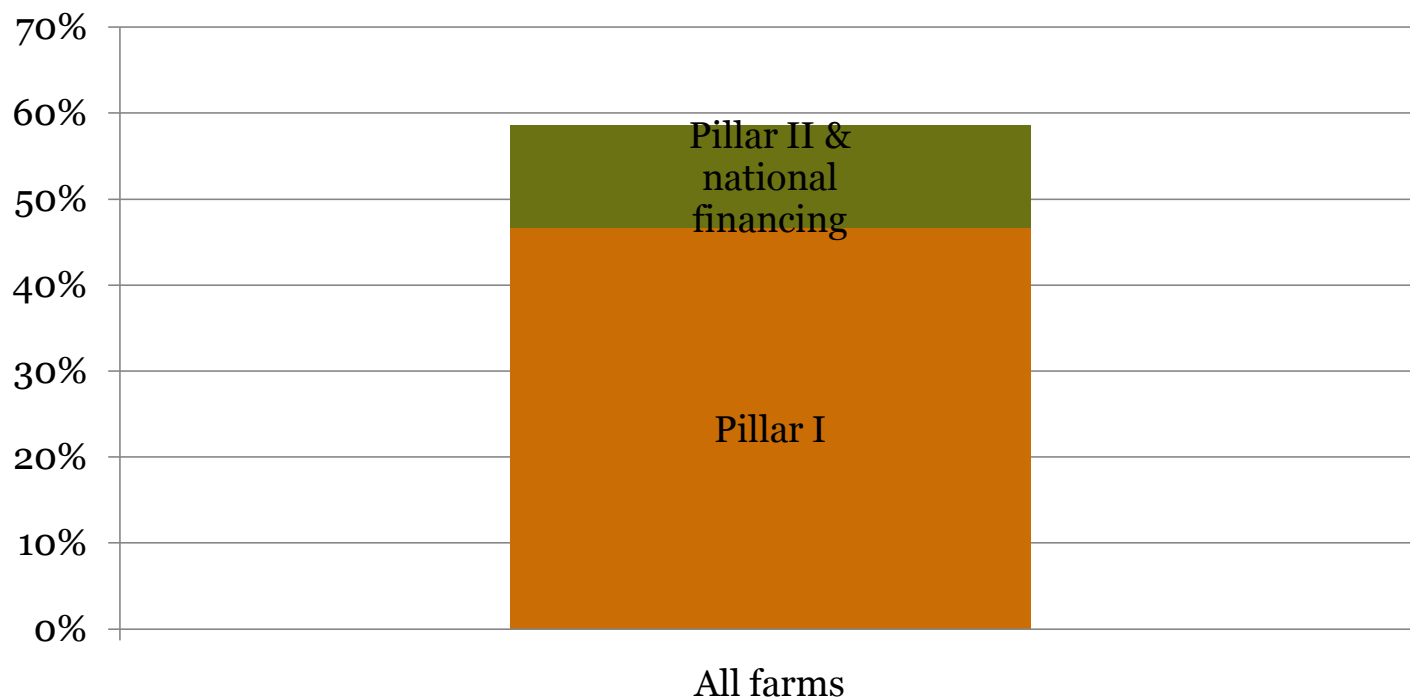
**Farmers' incomes are almost stagnating and they fell by 12% in 2009**



Source: Eurostat, real terms

## Farmers not getting a fair deal (3)

### CAP payments make up almost two-thirds of farmers' incomes



Source: FADN, average 2005-2007, EU-25



# Causes of farmers' low incomes

## Farmers are being squeezed

- ✓ increasing costs for farmers
- ✓ **drive towards high safety & sustainability standards**
- ✓ weak position in the food chain
- ✓ **EU market opening to imports which do not face the same constraints**

# What are the risks for the future?

- ✓ **global market volatility on the increase**
- ✓ **new risks from climate change & resource constraints (land, water, etc.)**
- ✓ **food demand continues to rise**

**Food security can no longer be taken for granted**



**Need to maintain the EU's own food production capacity**



# **Copa-Cogeca's views on the CAP post 2013**

# Solutions: the future CAP

- ✓ **the CAP must focus on strengthening the economic production role of farmers**
- ✓ **improve & stabilise returns from the market:** POs, code of conduct, contracts, ombudsman, transparency
- ✓ **increase competitiveness:** productivity, adjustment to/mitigation of climate change, knowledge transfer to farms
- ✓ **ensure production is maintained within the EU**
- ✓ **trade policy consistent with sustainable production**
- ✓ **ensure a level playing field for all EU farmers on the Single Market**

## **Providing a fair & stable income to farmers guarantees the general public:**

- ✓ safe, secure and stable supplies of agricultural products in an increasingly uncertain world**
- ✓ a wide choice of quality products reflecting innovation & tradition**
- ✓ protection of the environment, animal welfare & biodiversity**
- ✓ an attractive countryside**
- ✓ employment for some 40 million EU citizens**



**Discussions on the future of the  
tobacco sector**

# The tobacco sector in the EU – what's at stake?

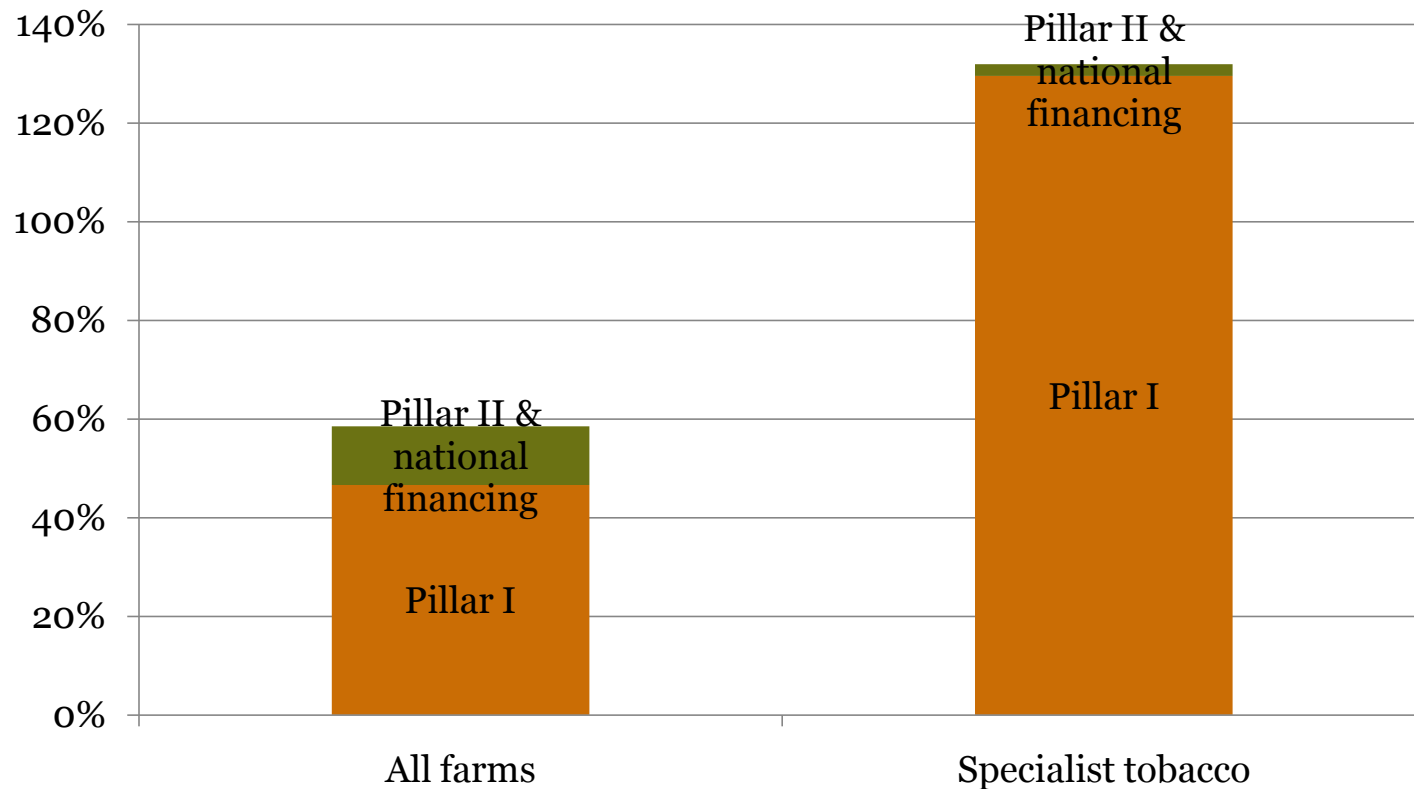
- ✓ **tobacco production = around 290 000 tons**
- ✓ **85 000 tobacco producers and 400 000 people employed on the farms**
- ✓ **high geographical concentration, often in Europe's most disadvantaged regions**
- ✓ **high standards of production and stable supplies**
- ✓ **tobacco imports = 351 000 tons, 992 million euro**



**Economic, social & territorial role of tobacco production**

# The tobacco sector in the EU – what's at stake? (2)

## Negative income without CAP payments



Source: FADN, average 2005-2007, EU-25



# Specific proposals for the future CAP

- ✓ **more stable and transparent markets:** information on prices and margins in the sector
- ✓ **rebalancing the chain** by enhancing POs, developing multi-annual contracts, allowing *real* interprofessional organisations
- ✓ **improving the competitiveness of farmers and their cooperatives**
- ✓ **sufficient direct payments so that the economic, social and territorial role can continue to be played**
- ✓ **other types of specific support** (quality and restructuring)
- ✓ **adapting to and mitigating climate change** (agri-environment measures and the use of renewable energy)
- ✓ **reciprocity principle in trade**

# Conclusions

- ✓ **a strong CAP with an adequate budget is more important than ever before for ensuring:**
  - agricultural production with the highest standards
  - jobs for over 28 million people in rural areas
  - protection of our countryside
- ✓ **if farmers do not obtain a fair income from their produce, these achievements will be lost**
- ✓ **improve market share of income**

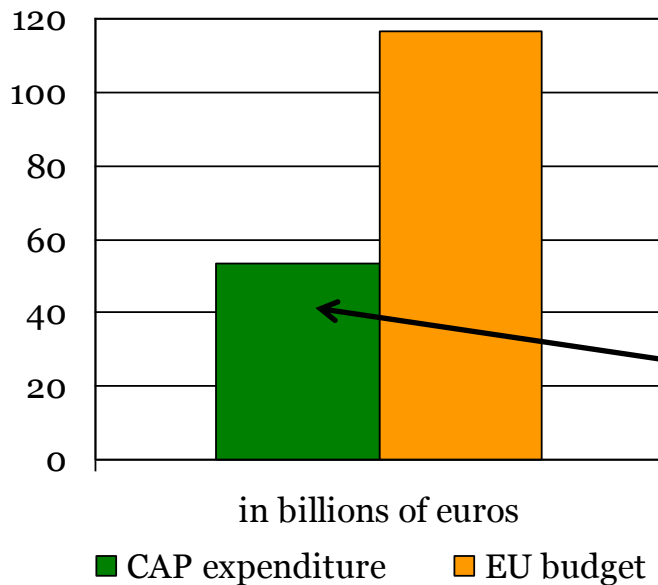
**Thank you for your attention**

**Any questions?**

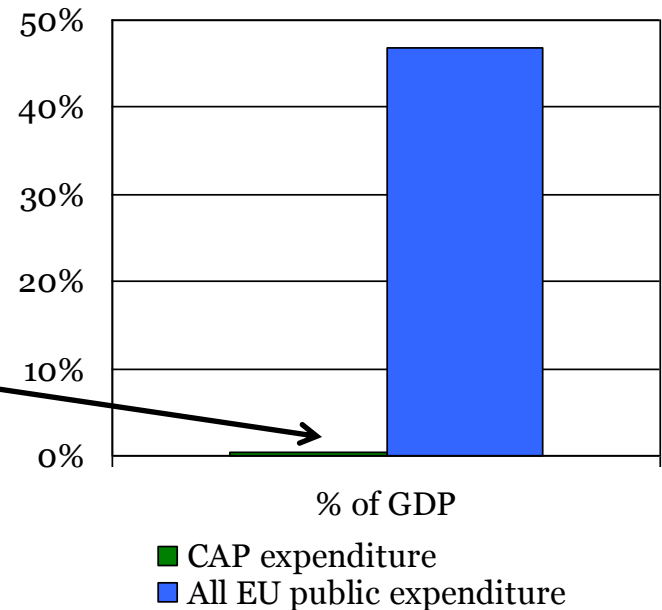
# The debate about the budget

## The current CAP budget makes up less than 1% of total public expenditure

CAP cost in 2008 (absolute terms)  
**44% of the EU budget**



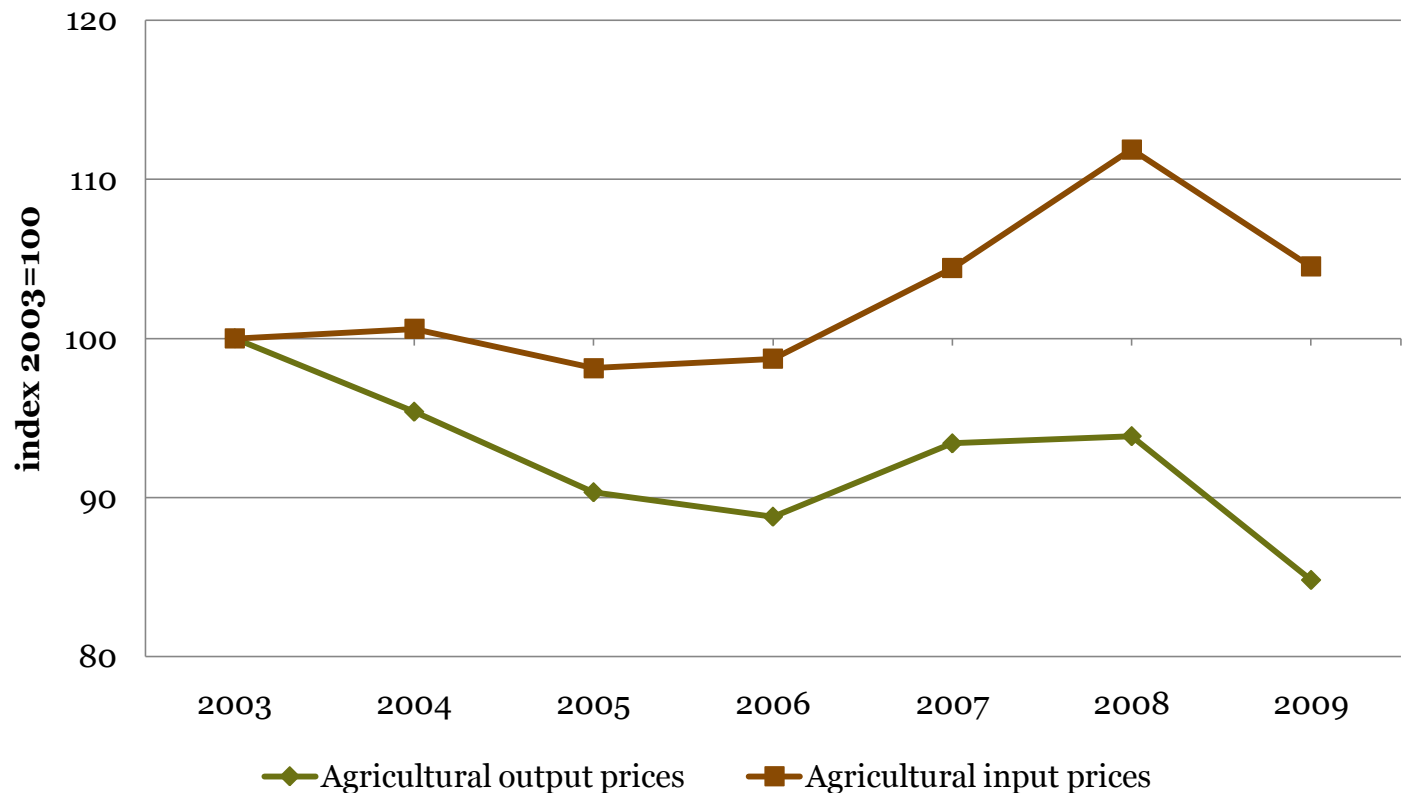
CAP cost in 2008 (relative terms)  
**0.43% of EU GDP**



Source: European Commission

# Increasing costs for farmers

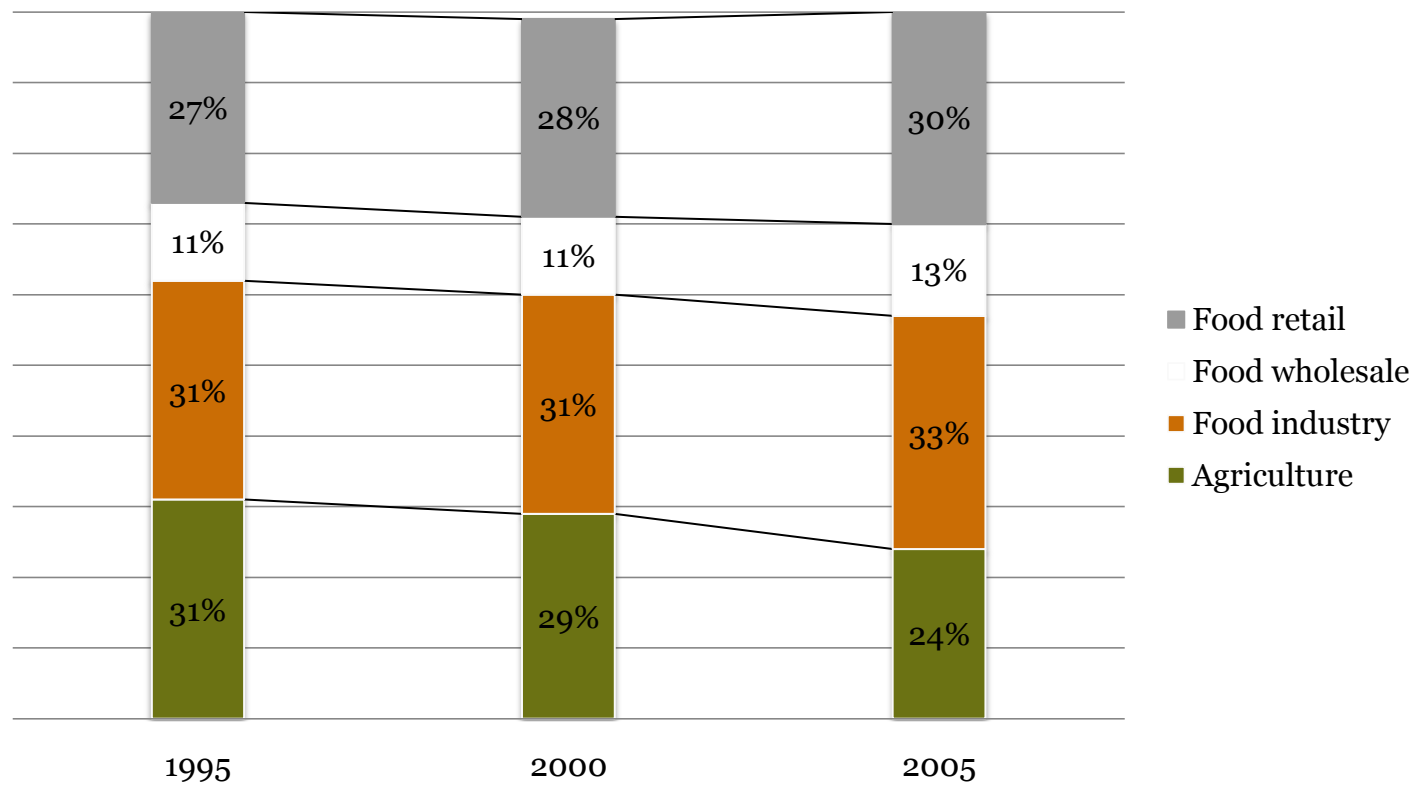
## A worsening cost-price squeeze in the EU-27



Source: Eurostat, real terms

# Weak position in the food chain

## Distribution of value-added in the EU-25 food supply chain between 1995 & 2005



Source: Eurostat