

## **‘How to Reform the Common Agricultural Policy to Improve Agriculture’s Contribution to the Europe 2020 Strategy’**

*Elena Espinosa \**

**Theme:** Speech of the Minister of the Environment and Rural and Marine Affairs at the European Seminar on ‘How to Reform the CAP to Improve Agriculture’s Contribution to the Europe 2020 Strategy’, organised by the Elcano Royal Institute and Notre Europe, and held in Madrid on 24 June 2010.

Good morning,

I would first like to thank the organisers of this seminar for giving me the opportunity to launch this discussion, with just a few days left to go in the Spanish Presidency of the EU.

At the same time I would like to encourage them to launch many more such initiatives so as to be able to debate and exchange ideas on something that matters to all of us: the future of our farm sector and the Common Agricultural Policy.

The issue that concerns us is of such great interest that most of Europe’s Institutions, universities and think-tanks devoted to economic issues have begun to debate alternatives or models for the CAP looking beyond 2013.

These contributions feature the positions advocated by a variety of schools of thought. To that effect, I should mention the work done by Notre Europe, the organisation that is co-sponsoring this event and which unveiled several months ago ideas for a reformed PAC as an alternative for the future.

I would like to stress how we in the governments of France and Spain join Notre Europe and the Elcano Royal Institute in their concern over European agriculture, as reflected in the joint statement by President Nicolas Sarkozy and our Prime Minister José Luis Rodríguez Zapatero in Paris on 23 March. This statement highlighted the need for agriculture to be a priority in the Europe 2020 Strategy.

We are living in very interesting times in terms of the debate and ideas that are coming forth. It is our job now to make a joint effort and turn these ideas into a model that will serve to preserve our farming sector, protect our farmers and guarantee their future.

As I said earlier, with our Presidency almost concluded, I can say that from our point of view its outcome has been positive and that the perception which exists of European agriculture has consolidated around the idea that it is a strategic sector with much to contribute to Europe’s future challenges.

---

\* *Minister of the Environment and Rural and Marine Affairs*

---

As I imagine you already know, the slogan guiding our work during the Presidency was, in fact, this: 'agriculture and food, a strategic sector for Europe'.

And as we are fully convinced that agriculture is strategic, we have pushed for this idea to be reflected in Europe's strategy for the future, the programme known as Europe 2020.

Over the course of these past months, the Spanish Presidency has worked hard to make all EU members aware that it is necessary to maintain a strong CAP, and that it is a good idea to define what policy we want before launching into debate on numbers.

We must consolidate and defend the European food and agriculture model and maintain a productive farm sector throughout the EU's territory. And these goals must be the ones we keep in mind when we begin to spell out the specifics of the CAP of the future.

Under the Spanish Presidency we have continued the process that already began under previous Presidencies, and we undertook a debate that we consider to be fundamental, given the growing volatility affecting markets for agricultural products.

At the ministerial-level meeting in February, we debated what features the future PAC should have in order to manage markets adequately and, to the extent it is possible, ease their increasing volatility.

With most of our EU partners in clear agreement, we were able to reach Presidency conclusions, which were endorsed by Belgium and Hungary, the member states which, along with Spain, form the Trio of Presidencies.

These conclusions express the concern that most member states feel over the volatility of the markets and the repercussions this has for farm stability.

For this reason, the conclusions stressed the need to implement new mechanisms, such as improving the competitiveness of the food and agriculture chain and strengthening the role of producer and inter-professional farm organisations that stabilise farmers' incomes and resolve quickly the serious crises that have spread through the markets.

Defending the competitiveness of the farming sector has been another of the central issues of the Spanish Presidency, from an approach that starts by defending the European production model and goes all the way to defending the competitiveness of the agro-industrial sector. Indeed, during the next meeting of EU Ministers of Agriculture, council conclusions on this issue will be approved.

On 3 March, the Commission released the communication titled 'Europe 2020 – A Strategy for Smart, Sustainable and Inclusive Growth' as a first, overall answer for emerging strengthened from the economic crisis.

In this strategy, based on what was learnt from the Lisbon Strategy, a key reference point is a new, sustainable, social and market-based economy, one that is smarter and friendlier with the environment, one in which prosperity will rely on innovation and the better use of resources and whose main driver will be knowledge.

The keys to the Europe 2020 strategy are thematic, and the priorities they focus on are smart growth, sustainable growth and inclusive growth. However, there was barely any mention of the role that agriculture and the CAP must play if the strategy is to succeed.

We feel this is a grave omission because agriculture must be part of the EU's future challenges: it is an economic sector that is critical to the proper management of natural resources and in the fight against global warming, and it also plays a fundamental role in helping Europe to successfully overcome the economic crisis.

Once again, thanks to good, joint work by the Presidency and a large number of member states, the spring European Council meeting conclusions called attention to the fundamental role that common policies such as the CAP must play.

Specifically, the European Council said:

'All common policies, including the common agricultural policy and cohesion policy, will need to support the strategy. A sustainable, productive and competitive agricultural sector will make an important contribution to the new strategy, considering the growth and employment potential of rural areas while ensuring fair competition'.

During the European Council meeting of June, which was held last week, our heads of state and government adopted the Europe 2020 strategy and once again stressed that, as it is applied the CAP must be taken into account, along with the contribution that the European farming sector can make –a sector that is sustainable, productive and competitive– for this strategy to succeed in achieving its goals.

The Council of Agriculture Ministers has also participated actively in these debates. In fact, in its March meeting, which took place a few days after the spring summit, a debate was held –at the request of the Spanish Presidency– on the role that agriculture and the CAP must play in the new strategy 'Europe 2020 – A Strategy for Smart, Sustainable and Inclusive Growth'.

The result of the debate showed that agriculture is embraced by the Europe 2020 strategy through the challenge of achieving an economy that is more environmentally friendly, through its contribution to growth and employment and its ability to provide people with food supplies that are high-quality, safe and healthy.

We cannot imagine sustainable economic growth that does not rely on agriculture, a sector that involves most EU territory (80% if one includes forests) and has an essential role in the sustainable use of resources, conservation of natural habitats, biodiversity and the fight against climate change.

In the same way, to speak of integrating or inclusive growth involves considering the substantial contribution that agriculture and the food and agriculture industry make to growth and job-creation, and their fundamental role in the maintaining population levels and economic activity in rural communities.

Finally, the strategic nature of agriculture is enhanced by its ability to supply healthy, safe and high-quality food, rising to the challenge of feeding people.

This was also the debate we undertook in the last informal council, held a few weeks ago in Mérida.

There, we reviewed the discussions we have held on the future of the CAP during earlier Presidencies and also during the Spanish Presidency, and how agriculture and the CAP can contribute to the success of the strategy.

Agriculture must be able to respond to the major challenges facing Europe, such as sustainability and the fight against global warming, and have new, additional tools that are centred around research and innovation and able to drive the competitiveness of agriculture.

This aspect –European agriculture and intelligent growth as part of Europe 2020– were debated at length at the conference held last Tuesday in Murcia.

There, we reviewed how to integrate the CAP and agriculture into the Europe 2020 strategy, managing and diffusing knowledge in the agricultural sector and the role of R+D+I in the challenges of sustainable and competitive growth in a ‘green’ setting that respects the environment and helps in the fight against global warming.

We have also reviewed the role of teaching and research centres and institutions, and the problems surrounding technology transfers in the farming sector. We also heard from business leaders on their views on research and innovation in the European agriculture and food sectors.

As I have said before, agriculture and food are basic to defining the new model of a sustainable economy based on intelligent and integrating growth as proposed by the Europe 2020 strategy and which will be reflected in the distribution of resources in the next financial period 2014-20.

It is my wish that you hold a fruitful debate on how the CAP can contribute to smart, sustainable and inclusive growth.

I hope the results of this debate serve to move ahead towards defining a CAP for the future, one that satisfies the demands of farms and of society in general.

Thank you