

UnCAP the Truth – 31 May 2016 – European Parliament

Organisers: European Environmental Bureau (EEB) and BirdLife Europe

Host: Sirpa Pietikainen, Member of the European Parliament (EPP)

Moderator: Philippa Nutall Jones, EEB Communications Manager

In her introduction, **Sirpa Pietikainen** highlighted how important it is to start the discussion about the future of the Common Agricultural Policy (CAP) now, and said that this event was the perfect opportunity to discuss the current CAP and what needs to be changed at the next reform. The event began with a presentation of a [video produced by the EEB and BirdLife Europe](#) which features farmers themselves giving their views on the CAP.

Professor Johan Swinnen from the University of Leuven provided an overview of the history of the CAP. He highlighted that greening is one of the most criticised aspects of the current CAP and that meeting the objectives of the greening process will be difficult. Given the negative impact of the ongoing food crisis, the argument that we need to increase productivity is still prevalent. This has jeopardised the legitimacy of the coalition between farmers and environmentalists. Swinnen also said that the impact on employment was absent from the last reform and the most productive farmers are still getting the biggest share of the subsidies.

Faustine Bas-Defossez, EEB Senior Policy Officer for Agriculture and Bioenergy, highlighted that on the very same day as this event EU agriculture ministers were discussing the future of the CAP in the Informal Council (in the Netherlands), under the Dutch Presidency. She regretted that the Presidency didn't give environmental NGOs a chance to present their analysis, concerns and views on greening and the future of the policy ahead of the meeting, particularly given that COPA-COGECA had the opportunity to address ministers. Bas-Defossez outlined how the CAP is not delivering for the environment. She concluded by insisting on the need to start an in-depth analysis of the current CAP through a Fitness Check. This would be an opportunity to ask the relevant questions about the policy and be a necessary first step towards a future sustainable food and farming policy.

Nikolai Pushkarev, Food, Drink & Sustainable Agriculture Policy Coordinator at the European Public Health Alliance, spoke about the impacts of agriculture on health. Despite the fact that agriculture policy is essentially a public health policy, the architects of the CAP did not include health as an objective when shaping the policy. The current degradation of the environment, climate change, air pollution, antimicrobial resistance, and unhealthy consumption patterns are threatening the very basis of our societies, and may reverse the health gains achieved over the last few centuries. Pushkarev said that a Health Impact Assessment of the CAP is urgently needed, in order to find pathways for promoting better agriculture and better health.

In a video message¹, **Hans Rudolf Herren**, a Swiss entomologist, farmer, development specialist and member of the International Panel of Experts on Sustainable Food Systems (IPES-Food), stated his views on the main problems surrounding the CAP. He started by saying that the CAP has become more market-oriented and that it still influences countries through large subsidies which continue to generate gluts of specific commodities which are released onto export markets. Nonetheless, the main impact on developing countries is the outsourcing of food, feed and fuel production to developing countries – and the associated pressures on resources and the local environment. This is a result of the way EU policies are structured (farm subsidies, trade policies making feed imports cheap, lack of sufficient incentives to supply local markets, create shorter circuits, reintegrate livestock with landscapes). In order to help meet the SDGs, both in Europe and in third countries, the EU should promote a better CAP, in particular by focusing

¹ The video can be accessible on demand.

on research on agroecology – one of the convincing alternatives to the current system. This is why we need a CAP Fitness check and it is also why IPES-Food is now working with partners in the European institutions, civil society etc. to develop a 'Common Food Policy' vision. He said we must start by thinking about what the objectives of sustainable food systems (for Europe and the rest of the world) are, and then ask what policy tools would be needed to achieve those goals.

Olga Kikou, European Affairs Manager at Compassion in World Farming, referred to the impact of the CAP on animal welfare. Kikou said that it is obvious that the corporate-led model promoted by the CAP has worsened the situation. The intensification of the animal farming sector has led to overproduction and overconsumption (as a result of low-cost meat products). The gradual transformation from land-based agriculture involving fewer animals to industrial animal agriculture has caused land degradation and biodiversity loss and is associated with practices such as closed confinement, high antibiotic use, mutilation and limited ability to express natural behaviour. CAP animal welfare payments were actually introduced in 2005 as voluntary measures for farmers who go beyond the required legal minimum when it comes to housing systems and certain practices. Only 0.1% of the last CAP budget was used for these particular payments. This shows a real lack of motivation from Member States. Kikou concluded by saying that animal welfare is not adequately addressed in the CAP and that a higher percentage of the budget must go towards animal welfare. She also said that we urgently need minimum mandatory spending, specific objectives, impact assessments to determine whether the payments have been effective, and an inspection mechanism put in place to enforce legislation. However, these should not detract from the need for a more comprehensive reform. As the latest Eurobarometer study (2015) clearly showed, most EU citizens overwhelmingly support the protection of the welfare of farmed animals. For this to happen, a shift in the direction of agricultural development in Europe is needed from overproduction (and overconsumption) to a more sustainable model with higher animal welfare standards and environment-friendly methods.

Brigitte Alfter, a Copenhagen-based European affairs journalist, said that until 2004 the CAP's narrative was all about helping poor farmers, but in reality these very poor farmers were struggling because the largest amount of direct payments were given to the biggest (and richest) farmers, such as members of the British nobility, companies with offices in central Madrid or wealthy German families who own big estates. This information came to light as part of the Farmsubsidy.org project, an EU-wide investigative journalism project co-founded by Alfter. Before the 2013 CAP, these journalists fought for transparency as the Commission had not yet made data about how CAP subsidies are distributed public. An official request was made and Member States had to publish all CAP beneficiaries in 2009 – but German farmers won a privacy court case so they could hide their personal incomes, which allowed them to delete almost all the names from the database. Alfter describes such subsidies as business subsidies. Many surprising beneficiaries appear on the list, such as arm manufacturers, the families of Ministers, millionaires, and farmers who don't respect animal welfare practices. There is still much to be investigated and the state of play with the new CAP needs to be checked. Under the current transparency regime, a threshold has been introduced which means the public only has access to information on the smallest beneficiaries.

Sirpa Pietikainen, Member of the European Parliament, said that she had high expectations with the previous CAP reform, especially with the co-decision rules. Indeed, she was convinced that the European Parliament would improve the legislation by acting as a guardian of citizens' interests and the environment by standing strong in front of the Council. Unfortunately, the opposite happened, as the AGRI committee was in charge of the dossier while the ENVI committee only could issue opinions, so most of its members' recommendations were left out of the final text. Pietikainen suggested that for the future CAP, a group of MEPs could write a letter to the Budget Control committee. Furthermore, she acknowledged that a Fitness Check of the CAP was necessary – including a Health Impact Analysis and animal welfare components. She also referred to the Citizens' initiative saying that maybe one million names from civil society could be gathered on this matter.

Debate

The first question was addressed to **Alfter** and it touched on the topic of agriculture holdings. More and more big companies in the farm sector buy small ones, forming large 'holdings' with the aim of cutting costs and improving productivity, giving rise to massive farms where intensification is the rule. This excludes small farms from the market because they simply cannot compete. Alfter said that statistics on agriculture holdings are there and that it was true small holdings were being purchased by big companies, although the situation varies from region to region. When conducting an analysis about the way in which subsidies are spent, the first thing to consider is identifiers: what is behind the name of the beneficiary. It is possible to know how much the holding is getting, and it is also possible to trace what a company is getting; but the investigations on who they are and what they are doing is harder and it takes a lot of time, as individual beneficiaries and holdings have to be investigated. Also the different national systems with varying traditions of transparency are an obstacle.

The second question was for **Swinnen**. Act Alliance EU asked if he could illustrate the role of the Agriculture Committee in his analysis of the co-decision process of the CAP post-2013 and whether he had also analysed the role of the Development Committee. They also asked if he could develop further his point on the link with climate change. Swinnen responded by referring to a study done for the policy department of the European Parliament during the previous CAP reform. This study states that the composition of the Agriculture Committee hadn't changed with the reform. The Environment Committee was kept as far away as possible during the process, so the institutional fight was focused on the Agriculture Committee. He added that the moment for the greatest impact is when public figures have not made up their mind, or at least have not made a public statement on it. Mr. Swinnen recognised that the Agriculture Committee is very heterogeneous, and that many farmers are also sit on the committee. That is why each time there is a CAP reform, some aspects are never implemented. For example, landowner organisations have significant influence over the committee as given land prices are high maintaining high levels of subsidies is in their interest. In the study, the role of the Development committee is integrated. On the climate change issue, he said that it is obviously a key matter but that it hasn't been discussed in the last Agriculture committee debate, though he reiterated it was a key issue that we all should keep in mind because it has an explicit role in CAP implementation. In conclusion, Swinnen pointed out that the Commission is currently funding an external study named 'Food Secure' related to global food security.

Pushkarev said that more and more science is focusing on the interactions between agriculture, environment, food systems and health. There are many inconsistencies and illogical situations in the food and agricultural system. For instance, we are under-consuming fruit and vegetables and the farmed horticultural area is decreasing. Given that horticulture is one of the most labour intensive forms of farming, if we are concerned about both health and employment there is a clear co-benefit in promoting the consumption of fruit and vegetables. Overconsumption of meat, on the other hand, can be bad for health – especially processed meat – and is detrimental to the environment. Solving this problem can bring huge societal value. Pushkarev said that we need to ensure that people are empowered to eat better and that farmers are empowered to produce better, but new tools are necessary for that.

Stephen Meredith from the International Federation of Organic Agriculture Movement (IFOAM EU) said that we shouldn't be opposed to one single approach and that while industrial agriculture is part of the problem it also needs to be part of the solution. He said it was of fundamental importance to look at things from farmers' point of view. He said that the CAP is not the driver of the market, the prices are, which is why the market is not looking at animal welfare issues, for instance. The current policy is only looking at single practices, and this is the reason why there should be a broader approach. A "public money for public goods" system should therefore be implemented, because functioning markets can deliver on private

goods.

MEP Heubuch's assistant raised concerns about subsidies to farmers. Single farms make applications for subsidies, but now big agricultural holdings buy those farms, so in the end the number of farms doesn't represent the number of recipients of CAP subsidies. The Development Committee thus has two options: try to get these concerns raised, or look at external impacts. The climate impact is of course of key concern, since it has global impacts, mostly on poor farmers. However, the Commission has refused to study the external consequences so serious monitoring is necessary.

MEP Noichl's assistant asked **MEP Pietikäinen** about whether it would be possible to review the budget of the CAP while at the same time reach the same – or even better – goals. **MEP Pietikäinen** responded that the EP had tried to reduce the CAP budget, but it is a difficult process, since making changes in the CAP budget lines is complex. Moreover, that is something the Agriculture committee is in charge of managing. Therefore, EPP and S&D members have little capacity: indeed, it is not possible to make minor changes because the CAP budget, in any case, has to be approved by the Agriculture and Budget committees. On that remark, **Swinnen** added that it was difficult to change the actual system of amounts given to large farms because every time the topic is on the table, countries with large farms always use their veto right – Western European countries, mostly.

Bas-Defosse concluded the conference by mentioning that there is widespread engagement from farmers, which is a key matter in this discussion. Farmers themselves are concerned, as we saw in the video. She also added that the Environment Committee should be more included in the next negotiations. Although it is a political decision, there is also a legal obligation to integrate environmental aspects into agricultural decisions. The timing is of utmost importance, she added, and the Fitness Check is the first step in order to go through all the major problems. The MFF proposals will be on the table soon but we should avoid a repeat of the last MFF negotiations when the debate on the size of the CAP budget was discussed before its actual content. This time, the discussion on the content should take place first, and only after this has taken place can the discussion on how the budget will be distributed begin. That way, it will be clear where and how public money will be spent.

Please note that the text summarising Professor Johan Swinnen's intervention was not reviewed by him.