

Dacian CIOLOȘ

Member of the European Commission

Brussels, 2 July 2012

**Message for the Conference
"THE REFORM ON THE CAP 2014-2020 - AGRICULTURAL CHALLENGES"
3 July 2012, Budapest**

Dear stakeholders,

I am sorry that I cannot be with you today to discuss the future of the CAP. Unfortunately, I had a prior commitment which means that I cannot be in Budapest. However, I wanted to take this opportunity to welcome the fact that the Hungarian Ministry for Rural Development and the Ministry for Foreign Affairs have organised this event. And I look forward to hearing from Minister Sándor Fazekas how the discussions go.

As "agricultural stakeholders" – whether representatives of farmers organisations, academic institutions, private companies or government officials – most of you will be familiar with the key elements of our proposals. We are looking for a more sustainable policy; a "fairer" distribution of CAP direct payments; the maintenance and fine-tuning of our market management tools; and additional flexibility added to Rural Development policy – for example to encourage innovation in agriculture, and to facilitate greater cooperation among farmers, which could improve their negotiation position in the food chain or enable them to cope better with market volatility.

With 27 Member States, there is no longer a single farm model applicable to all. One of the strengths of European agriculture is the diversity of the different forms of agriculture, and our aim is that the policy should enable those farmers to use their particular strengths and find the appropriate market. In a Single Market of nearly 500 million consumers, we need to provide common rules and conditions – but still allow flexibility to take account of national and regional specificities.

We are now entering the crucial phase of the negotiations. It is the most important reform of the CAP since Hungary (and 11 other New Member States) joined the EU. There will now be 27 Ministers around the table, rather than "only" 15.

Another significant factor is that we now have to find agreement not just among the 27 Ministers, but also with the European Parliament – under the co-decision procedure introduced by the Lisbon Treaty. Even if this will make things considerably more complicated for us in the end-game negotiations, I believe this is good news for the citizen. The draft reports recently tabled by the Agriculture Committee rapporteurs are a good basis for discussion and suggest that MEPs will have a genuinely positive role to play in the negotiations.

And that brings me to the third and final key factor in the decision-making process – the EU budget for 2014-2020, also known as the Multi-Annual Financial Framework (MFF). Indeed, I gather that it is in the context of the MFF that the government is organising this conference. In your discussions today about the future CAP, there is one crucial element that you must not forget. The CAP is a policy for all EU citizens and paid for by EU taxpayers, but carried out by farmers. As a result, it is vital that we make the policy more understandable, that we

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highlight the considerable public goods that agriculture already provides, and that we use the policy better to address the 3 fundamental challenges that society faces – food security, preserving our natural resources, and maintaining the territorial balance across the EU.

Indeed, my recent experience at the Rio+20 talks in Brazil – where I also saw Minister Fazekas – only reinforced the importance of the global challenge that the world faces. We must produce more food, but in a way that is less damaging to the environment and our natural resources. I believe that this CAP reform is a good investment in addressing these challenges, and will enable Europe to show leadership on one of the key issues of our time.

I hope you have a stimulating discussion.

Regards,

A handwritten signature in black ink, appearing to read 'D. Cioloș', with a large, stylized initial 'D'.

Dacian Cioloș