

## ASPECTS OF THE FUTURE COMMON AGRICULTURAL POLICY

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### *Abstract*

*The paper aimed to present the main CAP reforms imposed by the actual situation of agriculture development in the EU. The Common Agriculture Policy is focused on decoupling, modulation and cross-compliance. The single payment scheme will assure aids only for farms where production complies with environment, food safety, animal and plant health, animal welfare, and agricultural land maintenance in good condition. The new legislation provides the introduction of "green payments" related to the adoption of agricultural practices beneficial for the climate and the environment. The demographic growth imposes more production and a better distribution of food in the world. The EU has to be prepared to produce more because of the mass emigration to the rich countries from the region where food demand can not be covered.*

**Key words:** Common Agricultural Policy, EU, future challenges

### INTRODUCTION

By the end of the 70s, it emerged the need of a reform of the Common Agricultural Policy, because of the negative consequences encountered both at national and international level, in particular linked to the pursuit of food self-sufficiency of the Community. So urgent was the need to remedy a disastrous situation involving the following obvious causes:

- deficiencies and excesses of production;
- increase of agricultural expenditure due to the surplus of production, resulting in financial instability;
- disparities regarding aid regulations;
- imbalances between sectors, resulting in disputes between the member states;
- greater sensitivity to environmental protection and food quality;
- enlargement of the European Community with the entry of new member states;
- the crisis of world agricultural markets.

### MATERIALS AND METHODS

Taking into account the recent publications in the field, the paper is in fact a professional study presenting the author opinions on the future of the Common Agricultural Policy in the context of the EU enlargement, involving

the development of agriculture in close connection with food demand, food safety, animal and plant health, animal welfare and environment protection.

### RESULTS AND DISCUSSIONS

Over time both the objectives and instruments at the service of the C.A.P. have been improved through successive reform measures. We like to remember the Mac Sharry Reform, 1992, so the goals set by Agenda 2000, and then the Fischler Reform, which represents the latest and the most recent manifestation of a deep and constant evolutionary process, which was consolidated in the E.C. Regulation no. 1782/2003(Costato Luigi, 2013).

The most relevant and innovative profiles made to the CAP can be summarized in the three following items: the decoupling (Decoupling), the modulation, and the environmental - compliance (cross-compliance).

With the decoupling of aid and the establishment of the Single Payment Scheme, which was considered the innovative element of the Fischler Reform, Community aid is constituted by a single payment per farm for the farmers of the European Union, regardless of the production and subject to compliance

with environmental, food safety, animal and plant health, animal welfare, as well as maintaining the land in good agricultural condition. With the decoupling, farmers have no production constraints, they are certainly free in their choices and are no longer prompted by the "hunt for subsidies"

The decoupling has become a formidable incentive to non-cultivation of land to non-secure high productivity, resulting not only a production decrease, but also the reduction of the cultivated area.

If we refer to the evolution of the global socio-economic background and in particular of the question of the balance between the availability of food resources and their consumption, agriculture plays a very important role, especially essential for food production at great risk resource of scarcity.

We can say that regarding the expected future food demand, growing rapidly, the variability of atmospheric phenomena, also due to climatic changes and the frequency of natural disasters, with consequent effects on yields of agricultural crops, the current common agricultural policy underestimates the complex problem of food self-sufficiency.

The strategy of food self-sufficiency appears very obvious throughout the regulation which was in force in particular from 1962 to 2003, making the EU to become a powerful food industry. The encounter was a great element of strength in foreign policy. So with the Regulation 1782/2003, which introduced the "Decoupling", i.e. the decoupling of production aid from the Community, the support given to farmers was related to the eligible hectare farm, even if the land was not cultivated. As a consequence, this was definitely a disincentive for farmers to operate, to cultivate the land in the less fertile areas or particularly supposed to weather hazards.

The new Common Agricultural Policy is being developed within a new institutional framework particularly important. Recently, the European Community has approved, after long discussions, the legislative proposal on the future agricultural policy, which should come into force the next year, 2014.

After the Treaty of Lisbon, last year, the legislative process will be very different than in the past. Brussels will decide not only the confrontation with the ministers of agriculture of all the 27 member states, but even after a vote by the European Parliament, which will be the legitimate representative of all the interested agricultural categories.

This was proposed but not yet approved, as the amounts available for the agricultural sector, which accounted for 45% of the Community budget, remained intact.

However, with the new reform it is still uncertain that the extent of financial support to farmers in the EU-15 will surely be reduced, given that the 12 countries that have recently joined the EU will participate for the first time fully in the allocation of funds to destined to agriculture.

The general layout of the new CAP is confirmed on the two traditional pillars. The first pillar will continue to include the regime of direct payments and market measures, which include the stabilization of the farmers' income.

The second pillar will continue to promote multi-annual rural development measures and to the competitiveness of the agricultural enterprises, with programs at the local level. For direct payments regarding the first pillar, the system of decoupling is confirmed and also will be closely connected to the severe environment requirements (Fabiani Franco, 2012).

The new legislation provides the introduction of one of the main innovations of the reform, the "greening", a form of "green payments" related to the adoption of agricultural practices beneficial for the climate and the environment. The "greening" through diversification of crops at farm level means as companies with a greater area than 10 hectares should have at least two crops, while those over 30 hectares at least three crops. They must preserve all land under permanent pasture and should be areas of ecological interest.

The EU member states may allocate up to 30% of direct aid payments to the "greening". The "greening" is automatically recognized in

all organic farms. Decoupled payments are the real heart of the matter and the criteria on which they are based, decoupled payments being still subject of an intense debate.

The main issue under discussion concerns the reference to the main indicators, which can be: the utilized agricultural area, the gross marketable production, the value added, as well as the level of employment. The choice of one or the parameter can radically alter the scope of aid for each country and for farmers. In addition, if the cut of the funds provided for agriculture prove of particular importance, the introduction of the "greening" with the related environmental constraints, could be called into discussion. It remains crucial that common sense and balance prevail, that you recognize the absolute necessity of strengthening the productive agricultural activities and emerge stronger constraints on the steady loss of agricultural land ( Russo Luigi, 2012).

Moreover, the issue of "food security" will always remain of high actuality. According to the FAO, it is expected as in 2050 world population to be by 50% higher compared to nowadays. It is forecast to reach 9 billion people compared to 6.5 billion at present, while the demand for food is expected to increase by 70%, by virtue of the demographic growth, the improvement of consumption levels, as well as the changes caused by income variation (De Castro Paolo, 2011).

It is not only a need of a better distribution of food in the world, but it is also essential to produce more ( Cassati Dario, 2013).

Do not forget that a lot of people, who can not be fed in their home, will determine a mass emigration. As it was the case even in the distant past, the rich countries of the starving population will encourage mass emigration to Europe, even in a short time, causing tremendous political and social situations. Therefore, it is essential that the European Union to accumulate agricultural products with food destination.

## CONCLUSIONS

The increased food demand due to the population growth imposes a new distribution of food and a stimulation for producing more agricultural products.

The EU is facing a difficult challenge in order to comply the need of producing more with the food safety, environment protection and climate change.

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