

International Federation of Organic Agriculture Movements EU Regional Group

Open letter to the Council Permanent Representations on the recommendations of the organic farming sector concerning the CAP's future Green Architecture ahead of the Agriculture and Fisheries Council meeting of the 15th of April 2019.

Dear Agriculture,

I contact you from IFOAM EU, the European federation for organic food and farming, concerning the ongoing post-2020 CAP discussion at the Agriculture and Fisheries Council meeting on the 15th of April 2019. I would like to draw your attention to IFOAM EU's opinion responses to the guiding questions in the CAP background document that was prepared by the Romanian Presidency of the Council on the 9th of April 2019 with the reference number 8359/19. By replying the three questions in the annex of this letter below, the organic sector wishes to show its commitment to supporting Member States in the revision of the CAP.

IFOAM EU's core vision for the future CAP is that public money should be used in a targeted way to provide value for all Europeans in the form of public goods, including the protection of the environment and rural communities. You can read in more detail IFOAM EU's position on the CAP proposals <u>here</u> and also a report carrying out an analysis of the Commission's text <u>here</u>.

If you have questions concerning this or another aspect of the CAP revision, do not hesitate to send an email to: nicolas.delavega@ifoam-eu.org. Thank you in advance for your consideration.

Kind regards, Eric Gall Policy Manager IFOAM EU

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Annex: IFOAM EU replies to the Romanian Presidency's questions on the Green Architecture of the CAP.

<u>QUESTION 1 by the Romanian Presidency:</u> "Taking into account the intended higher environmental and climate ambition of the CAP post-2020 as well as the objective of simplification and the flexibility conferred to Member States to allow them to adapt the green architecture, which of the basic standards and requirements proposed by the Commission do you support and which not? Furthermore, do you agree that conditionality should apply to all beneficiaries of aid, or should small farmers be exempted from the controls and penalty rules of conditionality as defined in the Horizontal Regulation?"

<u>Reply by IFOAM EU:</u> The organic movement considers that the level of ambition and the more flexible method of introducing enhanced conditionality as proposed by the European Commission is adequate. The addition of the three greening requirements is coherent with the simplification of the 1st pillar payments, it follows good agricultural practice and is feasible to implement as greening is already widely applied across EU farms. Seeking to reproduce the greening requirements within eco-schemes would perpetuate the status quo and it would give a negative message to farmers wishing to do more for the climate and environment. Moreover, instead of reducing the list of requirements, Member States should use the new flexibility to implement enhanced conditionality in a way that is adapted to their national contexts, such as by defining crop rotation in the CAP Strategic Plans. We believe that the proposed requirements under enhanced conditionality offer the necessary level playing field among Member States, while at the same time showing to taxpayers that public money is used to support improvements in the sustainability of the farming sector.

Small farmers need support and reductions in administrative burden, but this should not be done by creating a parallel system of exceptions to conditionality that may pose environmental risks and could undermine consumer confidence. Instead, Member States should support small farms by fully using the interventions in the proposal, including income redistribution and round sum payments.

More importantly, we urge decision-makers to avoid centring the discussion on the future CAP around conditionality and direct payments. Its one-size fits all nature and its untargeted approach places farmers in a passive role. Instead, Member States should strive to strengthen the role and budget of voluntary schemes that incentivise farmers to take the initiative to improve their farming practices.

<u>QUESTION 2 by the Romanian Presidency</u>: "Do you agree that pillar I eco-schemes should be mandatory for Member States, but voluntary for farmers, as proposed by the Commission, or do you consider that additional flexibility is necessary for Member States?"

<u>Reply by IFOAM EU:</u> Pillar I eco-schemes, as proposed by the European Commission, are an important innovation in the CAP. Compared to greening that is uniformly implemented, eco-schemes promise to open new options from which farmers can choose, thereby empowering them to make conscious decisions on how to improve their farm's sustainability. The possibility to move beyond the logic of "cost incurred and income forgone" to instead attribute payments as a premium provide real encouragement to farmers considering to change their farming practices, Member States should use this to tackle pressing challenges.

Flexibility in design is essential to adapt eco-schemes to national realities but making them voluntary risks undermining the credibility of this new tool. Without a mandatory requirement for all Member States to design and implement eco-schemes, there is a serious risk of a race to the bottom. Countries considering creating eco-schemes may be discouraged to do so if they perceive that their neighbors will use CAP funds mainly to support their competitiveness allowing them to sell cheaper products. To avoid this risk and maintain a level playing field, it is necessary to make eco-schemes mandatary for Member States and to add a reasonable minimum budget that keeps this instrument relevant and attractive for farmers. Both features are essential to move the CAP forward and empower farmers.



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Animal welfare is an important priority under societal demand CAP objective "i" but is not sufficiently addressed in the CAP interventions proposed. To remedy this and to increase the general acceptance of the policy, IFOAM EU suggests including this objective in the eligibility criteria for eco-schemes. In our view, the improvement of animal welfare and the environment should go hand in hand where this is possible.

<u>QUESTION 3 by the Romanian Presidency:</u> "Do you agree with the proposal to reserve at least 30% of EAFRD funding for climate and environment measures? Do you agree with the call for increased environmental/climate ambition as set out in Article 92? Are the general provisions sufficient to encourage farmers to contribute to the achievement of the intended ambition, while also ensuring a level playing field between Member States as regards environmental and climate objectives?"

<u>Reply by IFOAM EU</u>: Agri-environment measures have had a big success across the EU in making farming practices more sustainable, the proposal's general provisions maintain the good elements of the second pillar. Measure 11 for the conversion and maintenance of organic farming has been particularly successful and also a fundamental basis for the support of a sector that today counts with over 7% of the EU's farmland and for which demand is growing. Nonetheless, the limited budget in the current CAP has been insufficient compared to the number of applicants wishing to convert to organic. In view of the rapid growth in demand of organic products and the likely reduction of the budget for Rural Development, it is essential that areas with natural constraints are kept outside the 30%. ANCs are not directly linked to the climate and environmental objectives, instead they should be eligible under the second pillar covered by the social objectives.

The New Delivery Model offers increased flexibility across the whole Green Architecture of the CAP. Under this novel system that relies less on common specific rules, organic farmers and others who go beyond minimum environmental requirements need the general assurance of article 92 committing Member States not to lower their ambition. The removal of this article would be a seen as a negative sign that could undermine the confidence of the organic sector and farmers interested in converting.



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