

PRESS RELEASE

CAP NOT DELIVERING THE PUBLIC GOODS PROMISED

Brussels, 15 July 2016 – The reformed CAP for 2014-2020 lacks clear tools to guide and direct investments towards sustainable agriculture, the majority of tools available are limited to supporting individual farm practices and they do not promote a comprehensive transition towards sustainable agriculture. Although the so-called “greening” measures are a step in the right direction, they have limited prospects of delivering due to questionable exemptions and poor implementation by EU countries. The direct support for the development of sustainable farming systems – using organic – accounts for only 1.5% of the total EU agricultural budget. These are the findings of a new IFOAM EU / FiBL study¹ released ahead of a meeting of EU agriculture ministers to discuss further CAP simplification on 18 July 2016.

Lead author of the study, Matthias Stolze, Head of Socio-economic Sciences at the Research Institute of Organic Agriculture (FiBL), said: “Despite some improvements in the last reform such as the greening component, most of the CAP budget is still devoted to policy goals not linked to sustainability and so fails to provide opportunities for the EU to transition towards more sustainable agri-food systems and to support farmers who would like to make those moves. Our findings conclude that greater efforts are needed to make public goods an integral and integrated part of the CAP strategy and not simply an add-on that competes with other parts of the policy.”

“Current market volatility clearly shows that basing the CAP largely on the sale of high volume, low-cost output is not working for farmers and creates additional cost for people,” said Jan Plagge, IFOAM EU Vice-President for Policy. “The CAP represents 40% of taxpayers’ contribution to the EU budget and should be used to help farmers enhance their long-term sustainability, reach EU environmental and climate goals, and meet the expectations of consumers who are increasingly seeking out quality food as demonstrated by the continuous growth in the sales of organic food”.²

Laurent Moinet, Chair of the IFOAM EU Farmers Group said: As the European Commission and agriculture ministers discuss how to simplify the CAP, they must seriously think about how the policy can better encourage farmers who want to develop more sustainably and fully recognise those who are already delivering public goods such as clean water, healthy soils and on-farm biodiversity. Public good delivery must be a high priority for the CAP as it provides a sound basis for increasing high-quality food production, farm resilience and green job creation.”

Research for the new study, *Organic farming and the prospects for stimulating public goods under the CAP 2014-2020*, was led by the Institute of Organic Agriculture (FiBL). It examined existing assessments of the new greening component under Pillar 1 direct payments, as well as the latest data on organic farming payments offered under Measure 11 of Pillar 2 Rural Development Programmes (RDPs). The study shows that the majority of the CAP still disproportionately favours production, regardless of the overall sustainability of the farm. For example, while organic is recognised as meeting consumer demand and benefiting the environment, the means to increase organic production in Europe are rather weak. Projected figures for future conversions suggest that in the majority of countries there are limited opportunities to significantly increase the organic land area by 2020.

¹ Stolze, M., Sanders, J., Kasperczyk, N., Madsen G., (2016): CAP 2014-2020: Organic farming and the prospects for stimulating public goods. IFOAM EU, Brussels.

² Willer, H., Schaack, D., Lernoud, J., Meredith, S., (2016): Growth Trends in European Organic Food and Farming. In: Meredith, S., and Willer, H., eds. Organic in Europe: Prospects and Development. IFOAM EU, Brussels

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FURTHER INFORMATION

Study - CAP 2014-2020: Organic farming and the prospects for stimulating public goods

[Executive summary](#)

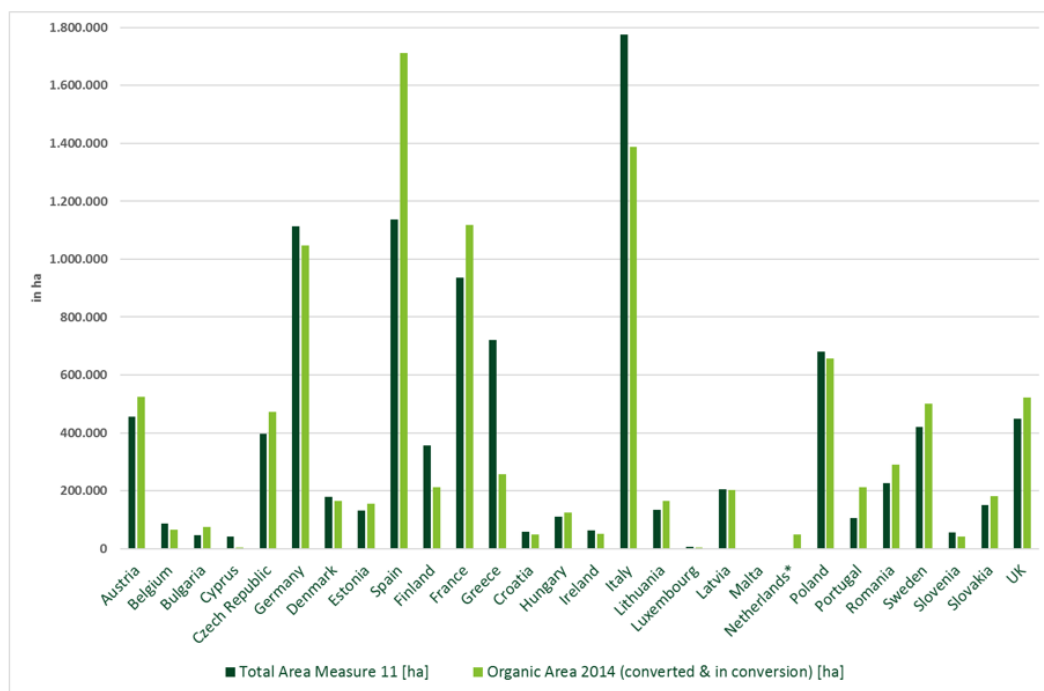
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Key EU budget allocations for transitioning towards environmental and climate friendly practices and organic farming under the CAP 2014–2020 (Indicative figures)

Budget Allocation	Billion Euro	% of total EAFRD	% of total EU budget for agriculture
Budget allocation for Pillar 1 and Pillar 2			
1. Pillar 1 - European Agricultural Guarantee Fund (EAGF) - Market related expenditure & direct payments (Commitment appropriation)	€312.7		76%
2. Pillar 2 - European Agricultural Fund for Rural Development (EAFRD) – as adopted by EC	€99		24%
3. Total EU budget for agriculture Pillar 1 & Pillar 2 [1 + 2]	€411.7		100%
Greening Component (Pillar 1)			
4. Total national ceilings for direct payments 2014-2020	€297.6		72.3%
5. Greening component (maximum 30% of direct payments [4])	€89.3		21.7%
Climate and environment issues (Pillar 2)			
6. Contribution to environment & climate issues - including organic farming (minimum 30% of EAFRD [2])	€29.7	30%	7.2%
Organic farming support (conversion and maintenance payments)			
7. EAFRD organic farming support (Measure 11) - as adopted by EC	€6.3	6.4%	1.5%
8. Total public expenditure (EU & Member States) for organic farming support (Measure 11)	€9.9		
Total environmental and climate change spending for agriculture (Pillar 1 and Pillar 2)			
9. EU budget for transition towards environmental and climate-friendly agriculture [5+6]	€119		28.9%

Source: Calculation based on DG Agriculture and Rural Development data, 2016 & European Commission data, 2013



Comparison of EAFRD projected organic farmland area under Measure 11 (2014-2020) and the total organic farmland area in 2014 by Member State

Source: Calculation based on DG Agriculture and Rural Development, 2016 and Willer et al., 2016

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Ministers will be informed by the Commission about the **review of greening** after one year from its implementation and will have an exchange of views on proposed actions for a further **simplification of the Common Agriculture Policy (CAP)** in this field. [More details here.](#)

EU ORGANIC PRODUCTION AND MARKET TRENDS

The EU organic market grew at a very high rate of 7.4% in 2014 and retail sales valued at €24 billion. However, the increase in organic farmland area in the EU slowed – growing by just 1.1% and the number of producers actually fell by 0.2%. [More details here.](#)

ABOUT IFOAM EU

IFOAM EU represents more than 160 member organizations in the EU-28, the EU accession countries and EFTA. Member organizations span the entire organic food chain and beyond: from farmers and processors organisations, retailers, certifiers, consultants, traders and researchers to environmental and consumer advocacy bodies.



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