

Environment

CAP fit for small islands



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Rural development policy has become extremely complex for national authorities to administer and implement, and for farmers to understand.

One way of relieving farmers of administrative burdens would be by reducing the responsibility placed on them to collect statistics to be reported to the European Commission.

A consultation meeting by the Malta-EU steering and action committee (Meusac) on common agriculture policy (CAP) reform was held last week, with workshops discussing product quality, agritourism and permaculture.

If there were no CAP, then less competitive areas would disappear, along with environment and landscape features associated with them.

Public debate on the future of European agriculture is open not only to farmers but also to taxpayers and consumers. After 2013, farmers should respond to trends set by consumers instead of producing to maximum levels allowed by quota.

We are a step closer to a consumer-oriented market where farmers are keenly aware of market signals. Some farmers had been viewing their quotas as production levels to be reached irrespective of demand.

Europe's 2020 strategy aims to interlink economic, green and social policies in a strategy which is "smart, sustainable and inclusive", with high employment and social cohesion. However, the strategy needs to be further defined for agriculture and rural development.

EU agencies responsible for regional policy, environment and development aid are now playing a wider role in CAP. Continuous policy reform has seen a shift from the over-production and dumping of the 1980s to an approach viewed through a social policy lens. Payments to farmers are to be decoupled and less linked to production.

The challenge is to combine competitiveness and sustainability. Areas that are more productive also suffer most from the negative effects of agriculture.

The intention is to iron out cyclical patterns of minerals and energy use as this is damaging to agricultural industry and resources are running out. Natural supplies of phosphate, used globally as fertiliser, are expected to run low within 15 years.

Taxpayers are particularly upset when they see businessmen who have never farmed getting their hands on subsidies, and financing more pressure on the land. Payments set aside for land to be left fallow will be dropped



A European blueprint on water resources will foster a move away from crisis management to ensure a balance between water demand and supply.

under the reform, and there will be no more financing for golf courses.

In 2007, the European Court of Auditors found that an earlier reform measure of EU farm policy had handed cash to landlords who had never practised agriculture, such as railway companies, horse-riding or golf clubs.

A reformed CAP will safeguard farmers by paying out only for agricultural activity. Member states are obliged to publish processes of how aid is administered and allocated. A monitoring and accountability system based on outcome is needed to check if targets were achieved, and not simply whether the money was spent right.

The issue of one-size-fits-all is foremost, especially for Malta. Agricultural policy has to cover a diverse range of products and problems, ranging from ultra-modern Denmark to the less efficient, as in Greece.

"Make sure the size fits all the way down," was the advice of Andrew Elliot, who spoke on objectives of EU spending. Malta has an "exceptionally unique" agricultural sector, although more flexibility to adapt policy to local needs is up for discussion under the reform process. Subsidiarity in

the Lisbon Treaty creates room to allow for differences.

The impact of EU agricultural policy on poverty in Africa has been looked at within a Sixth Framework project. European countries lead the world as donors of development aid, but for

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decades the EU has pursued agriculture policies which have had the reverse effect.

Agriculture delivers more than just food. It makes economic sense to support an industry which provides public goods and ecological services such as biodiversity, the key to life on earth. Plant and animal species, indeed nature itself, would not survive without an intricate web of different species.

"We ignore that at our peril," said Elliot, speaking on objectives of CAP spending. "Keeping soil in good condition is a valuable thing for human beings," he added. "There should remain a critical capability to produce food from the EU's own countryside. Times change with incredible speed - we live in a volatile world."

EU institutions have not yet come to terms with the scale of financial deficits. A reality check is coming up, and agriculture will be no exception in this regard.

Agriculture must open up more to afforestation, biodiversity, quality and availability of soil and water. Genetic variability has to be protected even at micro bacterial level for milk and yeast products.

"Risky knee-jerk reactions to genetic modification" and "incredible issues" with bureaucracy were also mentioned. A certification body for traceability in animal feed and the food chain is needed.

Uncertainty related to climate combined with veterinary and plant health factors make farming a high risk enterprise. Restricted use of quotas, better risk management and stability of income for farmers are planned as part of the reform. Sectors with difficulties

could be allocated funds from direct payments. Discussions continue over whether the public safety net should include intervention, insurance schemes or both.

Farms in Malta have been strengthened and hygiene improved.

"Now we need models to reduce the cost of production," said principal paying officer Joseph Caruana. *Pastizzi, gbejniet* and the Maltese *hobza* are ripe to be assigned value by certification. Better use of water and a switch to cleaner sources of energy are social gains. Meusac is studying the impact on farmers of water regulation.

Agriculture accounts for two-thirds of EU water use. The European Commission's water unit sees water efficiency in farming as a priority of CAP reform. An update on drought released last month warns that water scarcity is becoming more permanent and widespread.

By mid-2011 the agriculture commission is to submit formal legal proposals on detailed CAP reform for negotiation by EU ministers before parliament brings the reformed CAP into force in January 2014.