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## **The agricultural dimension of the Green New Deal: Towards sustainable agriculture as the rule**

### **Introduction: the solution lies outside of the box**

Since the beginning of the 21<sup>st</sup> century, we have been witnessing multiple crises; economic, social, environmental and ideological. The deepening of social inequalities, the depletion of natural resources, the ongoing problems with poverty and hunger and more broadly the increasing societal unease with the fast pace of globalisation, are only a few illustrations revealing the fundamental flaws in our current societal model. The Green New Deal (GND) is a comprehensive response to these crises. It aims to reconcile our lifestyles - the way we live, produce and consume - with the physical limits of our planet. It is a transformational journey consisting of sweeping, interlinked reforms at all levels and all sectors. Agriculture is at the crossroads of the challenges which the GND aims to tackle and at the heart of the ecological transformation our societies need to undergo. "Climate change, hunger and poverty, loss of biodiversity, forest destruction, water crises, food safety – what all these threats have in common is that a principal cause for each of them is the way we produce, trade, consume and discard food and other agricultural products<sup>1</sup>". By its nature, agriculture is the activity par excellence at the service of the people and the planet, as it meets one of humankind's most basic needs, i.e. food, and manages a significant share of our planet's natural resources.

The biggest challenge ahead for farmers in Europe and beyond is to provide sufficient and safe food in an economically, socially and environmentally sustainable manner. Future agriculture will also have to play a pivotal role in sustainably managing the world's biomass stocks while providing us with a way out of our fossil-based economy. To take up these challenges, we will have to reverse the currently dominant trend of industrialisation and intensification that has driven too many farmers out of business while causing unprecedented environmental degradation. This is the reason why the European Greens are pushing for a paradigm shift in the agricultural sector: towards sustainable agriculture as the rule<sup>2</sup>.

We will also need to overcome the current innovation lock-in and encourage "out-of-the box" thinking. This means being creative enough to move away from the mainstream path of industrial farming and GMOs, towards a "neo-traditional food system"<sup>3</sup>. Indeed, the innovation and research bias we are currently facing has massively favoured bio-genetic research in agriculture, at the

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<sup>1</sup> GREENPEACE, Agriculture at a crossroads: Food for Survival, campaigning for sustainable agriculture, October 2009, p.6, p.21.

<sup>2</sup> The scope of this paper will be put exclusively on "Agriculture" (as indicated in the title) and therefore won't address the fundamental paradigm shift that also needs to occur in the Fisheries sector. For more information, please consult the Greens Resolution adopted at the European Greens Congress in Paris (11-13 November 2011) on the reform of the European Fisheries Policy, <http://europeangreens.eu/congress/wp-content/uploads/1.-EGP-Paris-Congress-Nov2011-The-Reform-of-the-Common-Fisheries-Policy-as-Adopted.pdf>

<sup>3</sup> A combination of both modern science and indigenous knowledge. FAO, International Conference on organic agriculture and food security, Rome, 5-7 May 2007, p.4 <ftp://ftp.fao.org/docrep/fao/meeting/012/J9918E.pdf>

expense of research in other agricultural approaches such as agro-ecology, despite its proven multiple benefits<sup>4</sup>. Examples of innovative solutions go from biomimetics (the imitation of nature by humans) to permaculture, agro-ecology, urban farming, agro-forestry and other win-win partnerships that couple the sustainable production of food and the preservation of ecosystems and biodiversity. Our understanding of innovation goes beyond its technological dimension; it's about imagining new ways of producing and consuming, new economic opportunities for farmers and rural actors, new relationships between urban and rural areas. Amongst these new ideas and instruments, we will need a redesigned Common Agricultural Policy (CAP). Its upcoming reform provides an unprecedented opportunity to set in motion the transition towards sustainable agriculture everywhere.

This paper will start by (1) outlining some key principles of our model, before (2) detailing our green regulation for agricultural markets, (3) defining our understanding of sustainability, (4) calling for a revival of rural areas in Europe, (5) outlining the holistic nature of our model, going beyond food production and finally (6) presenting our critique of the current CAP reform proposals, as well as our alternatives.

## **I. The right to food: beyond the rhetoric on food security**

The food crisis of 2007-2008 and the presence of one billion hungry people around the world (Foresight Report, 2010<sup>5</sup>) have put food security back on the agenda, but the current rhetoric around this issue is misleading. There are a lot of misconceptions around food security targets (e.g. "Europe needs to feed the world", "we need to double (or more) production by 2050", etc.) and the ways to achieve them (e.g. industrial & intensive farming as the only option). Food insecurity is indeed a real threat, not because of insufficient land and other agricultural resources but because of poverty and unsustainable, inefficient and wasteful food production, distribution and consumption. Around one third of global food production is wasted along the food chain (FAO, 2011)<sup>6</sup>, an increasing share of arable land is used for the unsustainable production of agro-fuels, productivity gains are decreasing because of soil erosion and there is a huge nutritional inequality between the developed and developing world. Therefore, sustainability must be at the heart of the right to food, i.e. access to safe, wholesome and affordable food for all, a right at the very basis of food democracy and our vision for future farming.

To meet current and future demand for food, combat hunger and malnutrition in a sustainable manner, we Greens, call for:

- **Promoting the agro-ecology approach**

Defined as the application of ecological science to the study, design and management of sustainable agriculture, this approach has been identified by O. de Schutter<sup>7</sup> and the IAASTD report as bearing a great potential to meet the food security challenge sustainably (especially in comparison to business as usual, i.e. further industrial intensification).

- **Striking a balance between food, energy and environmental security**

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<sup>4</sup> G. VANLOQUEREN, Ph. BARET, Des laboratoires aux champs: les enjeux d'un changement de paradigme, in I. CASSIERS et alii, Redéfinir la prospérité, jalons pour un débat public, 2011, p.170.

<sup>5</sup> Estimates show that another billion might be suffering from "hidden hunger" (a lack of micronutrients and vitamins), The UK Government Office for Science, The Future of Food and Farming - Challenges and choices for global sustainability, Foresight Report, January 2011, p.9.

<sup>6</sup> FAO, Global food losses and food waste, 2011.

<sup>7</sup> O. De Schutter (UN), Report submitted by the Special Rapporteur on the right to food, Olivier de Schutter, [http://www.srfood.org/images/stories/pdf/officialreports/20110308\\_a-hrc-16-49\\_agroecology\\_en.pdf](http://www.srfood.org/images/stories/pdf/officialreports/20110308_a-hrc-16-49_agroecology_en.pdf), and also O. De Schutter (UN), The new green revolution: how 21st century science can feed the world, Solutions, Volume 2, Issue 4, 2001.

The current policies on agro-fuels - misleadingly called bio-fuels - cannot be part of our GND agricultural model as they have proven to have a dramatic impact on the environment (e.g. through indirect land use change causing unprecedented deforestation). They have also exacerbated the competition between food, fuel and feed and have, in some cases, caused displacements of farming communities or inhibited the entry of young farmers by driving land prices up. Rather than agro-fuels, investments should be directed towards energy saving farm systems, and the sustainable production of renewable energy to reduce our fossil-fuel dependency. In this context, using agricultural by-products for the sustainable production of agro-fuels and energy could also be part of the solution, providing that it doesn't promote factory farming.

- **Implementing fiscal instruments to ensure sound waste management**

Food waste is one of the main issues we need to tackle in this context, so it needs to be drastically reduced all along the food chain, e.g. through fiscal incentives encouraging the recycling of products, sanctioning waste, or re-using it for the sustainable production of renewable energy.

- **Strengthening local production and improving access to local markets**

Efforts should be made in Europe to avoid global intensification under cover of contributing to food security objectives. Instead we should support small farmers around the world (e.g. through improvements of local and regional infrastructure, better targeted extension services, etc.) as they hold the keys to a sustainable agricultural future and the access to food for all. The majority of food worldwide is produced and harvested by 2.5. billion small farmers<sup>8</sup>.

## **2. A green regulation for agricultural markets: away from the current neo-liberal model**

### **2.1. Fair trade solutions to free trade problems<sup>9</sup>**

Under the pressure of the WTO's liberalisation agenda, the current regulation of European agricultural markets neither encourages sustainable food production nor ensures decent, stable and fair revenue to farmers. The current WTO rules have indeed a direct impact on the type of agricultural model we can promote in Europe; they restrict our room for manoeuvre by favouring an export-oriented agriculture and are not compatible with the paradigm shift we are calling for. Reforming the WTO - a relatively recent framework in the history of trade - is possible and we should be the active force behind this transformation. We believe that people and governments should have the right to reject agricultural policies which destroy their own markets and production capacities: they have the right to oppose ecological, economical or social forms of dumping and to develop their own sustainable food systems<sup>10</sup>.

We therefore oppose the current set of WTO rules, as it still allows for dumping practices to take place (even though export subsidies are formally being phased out, other forms of disguised dumping are still common practice, e.g. the current CAP direct payments), and it disproportionately

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<sup>8</sup> M.P. PIMBERT, Towards Food Sovereignty. Reclaiming autonomous food systems, IIED, 2010. <http://pubs.iied.org/pdfs/G02268.pdf>

<sup>9</sup> This pun is borrowed from Hannes Lorenzen in Agriculture and the WTO: Free Trade Problems - Fair Trade Solutions - position paper on the WTO Conference in Cancun, August 2003.

<sup>10</sup> Position Paper Group Green/EFA in the European Parliament, *CAP reform 2013 - green growth or green deal?*, December 2010

favours corporate interests. International exchanges in the field of agriculture should always contribute to the development of local agricultural markets, i.e. fair trade.

- **Local market development**

We support neither the current terms of the Doha Round (and its deadlock proves the unbalanced character of these negotiations), nor the Free Trade Agreements (FTAs) which are being negotiated between the EU and other parts of the world, as they are strongly biased towards European corporate interests, instead of the farmers'. Agriculture should stop being used as a bargaining chip in trade negotiations. We Greens favour a multilateral trading system over bilateral trade agreements since in bilateral agreements developing countries have even less bargaining power. Our priority is the development of well-functioning local, national and regional markets. We are not in favour of an excessively export-oriented agriculture. Indeed, instead of pushing developing countries to open their markets, the EU should foster regional trade ("south-south-trade") and the development of local economies to reach a certain degree of self-sufficiency at the local, regional, national or continental level. At the same time, it should not allow products to be exported below the European cost of production. Overall, we also strongly insist on keeping a global vision in mind, to avoid the emergence of a "two-speed" agriculture: one small, well-organised at the local and regional levels and one big, industrialised at the global level. Indeed, the second grows to the detriment of the first; it takes the land and implies a fundamentally different agricultural system.

- **Qualified Market Access**

Restricting imports to the products complying with our environmental and social sustainability criteria is also key to our vision for agricultural trade<sup>11</sup>, provided that it foresees appropriate exemptions for the less developed countries. In this context, banning imports of GM products would contribute to our goal of creating a "GM-free zone".

## **2.2. Ensuring true prices, sustainable supply management and banning speculation on food**

Within a reformed set of rules at the international level, our green regulation for European agricultural markets should pursue the following aims: correct market failures and make transparent prices reflect the true costs of sustainable production (which is not currently the case), ensure sound supply management to avoid surpluses and price volatility, and ban speculation on food commodities. Reaching these objectives would enable farmers to get a fairer return from their production, thereby reducing their dependency on subsidies and encouraging them to move towards sustainability as the rule.

### **2.2.1. Ensuring true prices:**

- **Integrating all positive and negative externalities:**

Implementing fiscal instruments which would compensate society for the cost of pollution and recovery, e.g. taxation policies and environmental standards on pesticides and fertilisers, waste,

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<sup>11</sup> Reference here to paper by Hannes Lorenzen in Heinrich Böll Stiftung publication.

water and air pollution, energy, etc. This amounts to applying the polluter pays principle<sup>12</sup>, which strives for a “no net-damage” objective. We should also incentivise sustainable behaviour, e.g. through fiscal exemptions for sustainable farming practices. This would make the prices reflect the true costs of sustainable production and correct today’s market failures which leave the negative externalities unsanctioned and the positive externalities unrewarded. If all externalities were accounted for in food prices, organic farmers for example would be far more competitive in the market place, than is currently the case.

"Farming must include, not exclude, the stewardship of natural resources, cover the real costs of production and therefore provide decent work and income<sup>13</sup>".

- **True prices are also transparent prices:**

Implementing new mechanisms to ensure market transparency, e.g. improving the European food price monitoring tool, making the top European traders, processors, wholesalers and retailers report on their market shares and margins. This transparency objective has even become a G20 priority, as illustrated in the G20 Action Plan on Food Price Volatility and Agriculture<sup>14</sup> and the creation of AMIS (Agriculture Market Information System)<sup>15</sup>.

### 2.2.2. Ensuring sustainable supply management and banning speculation:

- **Creating a Monitoring and Regulatory Agency<sup>16</sup>:**

Such an Agency would help to ensure a better correspondence between the quantities produced and the demand for food (i.e. supply management), to avoid surpluses and price volatility.

- **Re-establishing strategic grain stocks at the European level**

Another key element of supply management and price/income stabilisation is to maintain, at the European level strategic grain stocks, also called “public buffer stocks”<sup>17</sup>, in order to protect farmers against the high volatility of international prices.

- **Re-organising the food chain:**

This means correcting current imbalances along the food chain where the share of farmers is continuously decreasing against a constant increase in margins by trading companies, processors and retailers<sup>18</sup>. This goes hand in hand with the "naming and shaming" of bad practices to fight abusive behaviour from the most dominant actors of the food supply chain, and the launch of information campaigns at the local, national and European levels to raise farmers' awareness on their rights and the ways they can denounce abusive practices.

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<sup>12</sup> The polluter pays principle obliges farm industries with unsustainable practices to compensate society for the cost of negative environmental impacts and for the cost of recovery

<sup>13</sup> Position Paper Group Green/EFA in the European Parliament, *CAP reform 2013 - green growth or green deal?*, December 2010.

<sup>14</sup> G20, Action Plan for Food Price Volatility and Agriculture, Ministerial Declaration, Paris, 22 and 23 June 2011.

<sup>15</sup> G20, Action Plan for Food Price Volatility and Agriculture, Ministerial Declaration, Paris, 22 and 23 June 2011.

<sup>16</sup> As advocated by the European Milk Board (EMB)

<sup>17</sup> N. KONING, Green mercantilism? European progressives and the global food crisis, Centre for Sustainable Development & Food Security, Wageningen University, year?

<sup>18</sup> These power asymmetries have been acknowledged in a Communication of the European Commission on A better functioning supply chain in Europe (2009), and two reports of José Bové on Fair revenues for farmers: a better functioning food supply chain in Europe (2009) and Farm input supply chain: structure and implications (2011).

Re-organising the food chain also means encouraging the emergence of short supply chains and direct producer-consumer relationships. This could be encouraged through fiscal instruments, awareness raising campaigns on the benefits of eating local seasonal food, and a redirection of public procurement towards initiatives in favour of local, organic and seasonal production (e.g. in school canteens or hospitals).

- **Promoting producers' organisations, sustainable agricultural cooperatives and sectoral organisations**

These organisations strengthen farmers' bargaining power and influence on price-making, and enable them to take concerted decisions and actions, and ultimately, respond to demand adequately. This is ever more important in a context of rising input prices and a decrease of the farmers' margins. A revision of EU competition rules based on sustainability criteria is required in this context to authorise the existence of such producers' organisations (except large cooperatives), and to enforce ecologically and socially fair competition. The transparency of prices and the creation of a Monitoring Agency as described above would also help producers' organisations to react in a coordinated manner to strong price variations.

- **Banning speculation on agricultural commodities**

Europe needs to take the leadership to combat speculation in food, land and agricultural products, in a new international framework for land and commodity markets. In particular, all actors having a significant position in agricultural derivatives markets should be registered and regulated. Europe should put in place strong position limits on food derivatives contracts of actors, which are neither producers nor final-users. The overall positions of these actors should in any case not exceed 30% of positions held on these markets. Moreover, food derivatives markets should not be used as investment vehicles by banks and investment funds. Investment products based on food commodities which drive savings to commodities markets, should be banned. Furthermore, it is crucial to reinforce transparency requirements for all actors and enhance the supervisory capacities and proactive intervention powers of competent authorities.

### **3. Towards sustainability as the rule**

Environmental sustainability is reached when harvesting rates don't exceed regeneration rates, waste emissions do not exceed the assimilation capacity of the environment and non-renewable resources are depleted at a rate equal to the rate of creation of renewable substitutes<sup>19</sup>. It is clear that our current model of farming is far from meeting this definition. The illustrations of its unsustainability – from an environmental but also economic and social point of view - are numerous: loss of biodiversity linked to intensive farming practices, 30% of total GHG emissions (IPCC, 2007<sup>20</sup>), a high dependency on finite and non-renewable inputs (e.g. fossil fuels), soil erosion, waste (water and food), pollution (air, soil, water), a huge environmental footprint abroad (due to our protein deficit), the animal welfare and ecological disaster of factor farming, rural exodus, etc.

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<sup>19</sup> H. DALY, Sustainable growth? No thank you. In: Mander, J. Goldsmith, The case against the Global Economy and for a Turn toward the Local. Sierra Club Books, San Francisco, pp. 192 - 196.

<sup>20</sup> According to the Fourth Assessment Report from the Intergovernmental Panel on Climate Change (IPCC), agriculture, forestry and other land uses (AFOLU) account for approximately 30% of the total anthropogenic GHG emissions (IPCC, 2007). Of these, agriculture accounts for about 60% of N<sub>2</sub>O and 50% of CH<sub>4</sub> emissions, whereas deforestation and land use change are mainly causing CO<sub>2</sub> emissions. IPCC, 2007. *Agriculture in Climate change 2007: Mitigation*. Contribution of Working Group III to the Fourth Assessment Report of the Intergovernmental Panel on Climate Change. Cambridge, United Kingdom and New York, NY, U.S.A., Cambridge University Press.

The good news is that agriculture also has a tremendous potential for the environment and the vitality of rural areas. The challenge today is to unfold it: climate mitigation techniques, the provision of essential eco-system services (and numerous "public goods"), the creation of new economic opportunities, etc.

### **3.1. Our understanding of sustainability: key concepts**

- **Principles of agro-ecology**

Agro-ecology is based on the following principles (non-exhaustive): improving the biomass stocks and nutrients cycles, increasing soil fertility, promoting genetic diversification, realising energy savings (by improving energy efficiency, reducing energy losses and relying on renewable energy sources such as solar), encouraging the delivery of ecosystem services and public goods by strengthening the ecological synergies within the agro-ecosystem, maintaining biodiversity, developing a locally-based model of agriculture<sup>21</sup>, and finally promoting mixed farming, breeding and diversity in production. All these principles make good agronomic sense, and are at the heart of the revolution we are calling for. Most importantly, they imply that farm land is not restricted to arable land; it also includes the entire agro-ecosystem (including permanent pastures, buffer strips, forestry, green corridors, wetlands, etc).

- **Organic farming as role model for European agriculture**

Organic farming aims to meet the principles above; it should therefore be portrayed as an example to follow and encouraged as such. Nevertheless, it should not be seen as the only type of sustainable farming to be promoted. Permaculture, agro-forestry, extensive livestock farming, high nature value farming, etc. are all practices which should be encouraged as well, even if they don't fall under the "organic label".

- **Diversity as driving principle**

We, Greens, believe in diversity understood as the variety of seeds, breeds, species, production methods and individuals involved in farming. Diversity is at the basis of sustainability, as it is the only way to ensure resilient and robust farming systems. This is essential in the context of increasing climatic and economic uncertainty. Biological diversity for example can be enhanced through High Nature Value Farming<sup>22</sup>, mixed farming systems (crops and livestock), which, together with the cultivation of leguminous crops, would help bridging Europe's protein deficit (80% of the EU livestock sector is currently dependent on soy imports, coming mainly from Latin America<sup>23</sup>). This would reduce the global environmental footprint of European agriculture, the food miles linked to the imports of GM soy grown on deforested Amazon land, and, ultimately improve the quality of the meat we consume.

Closely linked to biological diversity is soil fertility which should be enhanced through effective crop rotation, the use of organic fertilisers, no-ploughing techniques, green corridors, etc. Soil fertility is crucial to our environmental and food security objectives, as it increases productivity and yields, and contributes to climate change adaptation and mitigation. The more fertile the soil, the more

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<sup>21</sup> Defis Sud, L'agroécologie, une solution?, Numéro 103, Bimestriel Octobre, Novembre 2011.

<sup>22</sup> The concept of High Nature Value farming developed from a growing recognition that the conservation of biodiversity in Europe depends on the continuation of low-intensity farming systems. <http://www.high-nature-value-farming.eu>

<sup>23</sup> CONCORD – European Coordination ViaCampesina, Civil Society Statement on the international responsibility of CAP, 15 February 2012. This soy is sometimes produced on deforested land in the Amazon region, and is from GM origin.

carbon it stores; were the carbon pools in the world's soils to be increased by 10% in the 21st century, it would be the equivalent of reducing atmospheric CO<sub>2</sub> by 2100 parts per million<sup>24</sup>.

Finally, genetic diversity – traditional breeds and local varieties - and the availability of a seeds is also an essential element to ensure sustainable farming systems. Exchanges of farm seeds varieties between farmers should therefore be encouraged.

- **Applying a “closed loops” approach: resource efficiency**

Water, nutrients, energy and waste cycles should be working in a harmonious way to enhance economic, social and environmental sustainability. Well-targeted measures can be designed to capture all waste-flows, including human ones, and turn them into to useful by-products, as practiced in permaculture for example. This is key to reduce the dramatic food, water, energy and organic matter losses that characterise intensive industrial farming. Resource efficiency objectives must be at the basis of any agricultural policy.

- **Promoting “win-win partnerships”**

This concept is useful to understand our vision for the future of farming, as we reject the opposition between “competitive vs. sustainable agriculture”. Rather than posing a threat to the competitiveness of European agriculture, sustainability should be seen as a precondition to the economic viability of any farming system. Reducing our dependency on fossil fuels for example– and more broadly increasing our resource efficiency - is not only important for environmental reasons, it is also rational from an economic point of view.

- **Introducing climate-smart agriculture**

It is important to transform agriculture from its current damaging practices into a climate-friendly, or smart agriculture by sustainably increasing productivity and creating resilience, by mitigating greenhouse gases, while at the same time ensuring local and national food security and meeting development goals. In the future, agriculture should become carbon positive, thereby creating carbon sinks, and subsidies should also be directed towards this.

### **3.2. Sustainability as the rule: key instruments**

- **Applying the forerunner principle<sup>25</sup>**

Through fiscal incentives and a redirection of public procurement towards organic farming and other sustainable farming methods that include crop rotation, permanent pasture, buffer strips, seasonal and local production, water saving methods, etc.

Applied together, the forerunner principle and polluter pays principles (see previous section) can draw sustainable farmers out of the spiral of destruction; and out of an outdated ideology of "grow or perish"<sup>26</sup>.

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<sup>24</sup> The UK Government Office for Science, The Future of Food and Farming - Challenges and choices for global sustainability, Foresight Report, January 2011, p.30.

<sup>25</sup> The forerunner principle sets the best sustainable practice available in a region or production sector as a reference for farming systems.

<sup>26</sup> Position Paper Group Green/EFA in the European Parliament, CAP reform 2013 - green growth or green deal?, December 2010.



- **Ensuring higher animal welfare standards**

Animal welfare should become a high-agenda priority in the design of all agro-food policies. The Lisbon Treaty recognizes animals (including farm animals) as sentient beings, which raises great ethical considerations and creates responsibilities on our part. European agriculture can't be called sustainable if factory farming (and industrial animal husbandry) is maintained. To end long distance animal transport, it is crucial to create a network of small, local and farm-based abattoirs.

- **Ending subsidies to factory farming**

“Factory farming” (understood as intensive industrial farming) represents the exact opposite to our GND agricultural model. Those subsidies that still support this type of farming should be brought to an end and re-directed towards supporting sustainable farming practices. There are indeed multiple negative consequences of factory farming which are unacceptable: a high dependence on fossil fuels, synthetic fertilisers and feed concentrates, pollution, overuse of antibiotics and other drugs, disease outbreaks, unhealthy food and low animal welfare standards, etc. Not only is factory farming a disaster for the environment and the animals, it also potentially has a highly detrimental impact on human health.

- **Investing in research and extension services**

Farmers today need particular advice and training to fully engage in sustainable farming, and especially in terms of adaptation and mitigation options (e.g. carbon sequestration techniques, the preservation and restoration of wetlands, agro-forestry etc.), as they are performing under increasing climatic uncertainty. In particular, encouraging planting of trees, other perennial crops and permanent pasture could substantially increase carbon sequestration in agricultural soils.

- **Launching broad awareness-raising campaigns**

As underlying and transversal policy tool, information and education are key to raise awareness on the crucial importance of biodiversity and ecosystems in the production of food.

- **Striving for a GM-free zone in Europe**

All agricultural policies should be driven by this objective (whether at the production level, distribution or consumption level).

The key concepts and instruments detailed above give a good idea of our understanding of sustainability, but they are not sufficient. Sustainability goes beyond its environmental dimension: economic viability, decent revenue, gender equality, high quality jobs, new rural opportunities, etc. are also crucial to engage the paradigm shift towards sustainable agriculture everywhere. No farming practices can be called sustainable if farmers produce at loss, if unemployment keeps rising and if rural exodus keeps accelerating. Environmental sustainability can be reached through the creation of local, self-reliant, community economies<sup>27</sup>.

#### **4. Triggering vitality in rural areas: beyond “environmental” sustainability**

Besides food production and the delivery of environmental services, agriculture fulfils an incredible amount of functions: maintaining social cohesion in many rural areas in Europe, ensuring the survival of historical and cultural heritage, preserving key landscape features essential for tourism, etc. All these crucial services provided to society will be missing if farmers continue to be pushed out of business. We need to seriously ask ourselves how many farmers we want to keep in Europe.

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F. CURTIS, Eco-localism and sustainability, *Ecological Economics* 46 (2003), pp.83-102.

Agricultural employment is declining dramatically<sup>28</sup>, income has decreased over the last years (except in 2010 where it rose by 12,6%<sup>29</sup>), the rates of land abandonment and rural exodus are accelerating (Via Campesina reports a loss of 20% of farmers in the EU over the last 8 years<sup>30</sup>), and the prospects of young people entering the agricultural sector are very low. In sum, the situation in most rural areas is alarming; this is the reason why, we, Greens, want to put agriculture at the heart of rural vitality in Europe, through enhanced territorial cohesion and economic vitality. To enhance rural vitality, we support a territorial, bottom-up and participatory approach, based on innovation ("out-of-the-box thinking") as transversal means. In concrete terms this means:

- **Localism**

Designing solutions that fit best with the type of local or regional situation. The focus should be put on the lowest – most local – level possible. Understanding local conditions, supporting local markets, and promoting indigenous/traditional and local farming practices should therefore be key in the design of all agricultural policies.

- **Participatory approach**

Encouraging the participation of all actors involved in agro-food policies, from their design to their implementation. In agricultural research for example, farmers' local knowledge of best practices and inputs from other disciplines should replace the disproportionate focus put on biotechnology and genetic engineering (which favours this industry's interests). Civil society actors are key here to bring this participatory approach to life.

This also means investing in participative public research schemes and directing them specifically towards sustainable production and protection systems, modern low-input and solar-based organic production, to move away from oil-dependent farming systems<sup>31</sup>.

- **Improving the quality of education<sup>32</sup>, training and extension services<sup>33</sup>**

This is crucial to shorten the distance between the production of knowledge and its application on the ground. It means for example updating agri-schools programmes by adapting them to the current context. The concept of farmer field schools in developing countries is a good example of how to encourage new generations to enter the sector with appropriate knowledge on sustainable and innovative farming practices<sup>34</sup>. It also implies designing specific training targeted at the "new rural opportunities".

- **Stimulating job creation and rural innovation**

Through fiscal instruments and public procurement, new markets can be created and supported, thereby bringing new employment opportunities, e.g. the development of quality local markets, direct producer-consumer relationships, etc. This, coupled with the necessary economic reorganisation of the food chain (see section 2), would further increase the chances for farmers to

<sup>28</sup> European Commission, DG Agriculture and Rural Development, Rural Development in the European Union, Statistical and Economic Information –Report 2009, December 2009, p.10.

<sup>29</sup> Eurostat, EU Agricultural Income rose by 12,6% in 2010, Statistics in focus, 37/2011.

<sup>30</sup> ECVC Press release 24 October 2011, <http://www.eurovia.org/spip.php?article520>

<sup>31</sup> Position Paper Group Green/EFA in the European Parliament, CAP reform 2013 - green growth or green deal?, December 2010.

<sup>32</sup> Special attention should be given to capacity building and education of young people, linking agriculture, nature protection and food quality issues in education programmes and capacity building effects, as suggested in the IAASTD report (Position Paper Group Green/EFA in the European Parliament, CAP reform 2013 - green growth or green deal?, December 2010.)

<sup>33</sup> Extension services or agricultural extension describe the services that provide rural people with the access to knowledge and information they need to increase the productivity and sustainability of their production systems and improve their quality of life and livelihoods. Natural Resource Institute of the University of Greenwich, Agricultural extension, advisory services and innovation, <http://www.nri.org/docs/d4581-agricultural-extension.pdf>

<sup>34</sup> G. VANLOQUEREN, Ph. BARET, Des laboratoires aux champs: les enjeux d'un changement de paradigme, in I. CASSIERS et alii, Redéfinir la prospérité, jalons pour un débat public, 2011, p.180.

have access to decent revenue, thereby lowering their risk of poverty and enabling them to actively take part in the revival of rural areas. Sustainable farming methods, such as organic methods, are also said to have a significant job creation potential and should therefore be fostered in this context as well. The UNEP has underlined the economic and employment potential of organic farming which can create between 10 and 30 % more employment opportunities<sup>35</sup>.

As a general rule, investments should be redirected towards innovative farming techniques and rural activities, compatible with agroecology systems (e.g. the sustainable production of renewable energy, bio-products or agri/ecotourism). Rural areas should for example strive towards an objective of "energy independence".

- **Improving infrastructure in rural areas**

Basic infrastructure such as roads and public transports, as well as new forms of infrastructure (access to internet, social media, etc) and local processing should be improved to enhance rural vitality.

- **Encouraging the entrepreneurship of farmers:**

Encouraging young entrepreneurs to enter the field or take over the family farm by making the prospects of becoming a farmer more attractive, both in terms of standards of living and in terms of the innovative opportunities this sector brings about. Awareness-raising campaigns to highlight these opportunities should be launched to attract young people into this field (e.g. in terms of climate change mitigation). Farmers and local communities should be encouraged to diversify their business activities to create resilient communities and to increase social capital.

- **Supporting farmers as landscape managers:**

Farmers in all parts of Europe should be supported and encouraged to have a leading role in greening the landscape, also outside the designated High Nature Value zones.

- **Fighting land grabbing and improving access to land**

This increasing phenomenon has very negative consequences, e.g. job losses and displacement of communities, and should therefore be more strictly regulated by increasing transparency and regulation of land purchase investments. Although mainly occurring in developing countries, land grabbing has also been witnessed in Eastern Europe as well, where large areas of land have been "grabbed"<sup>36</sup> and local farming communities displaced in the interest of western European agro-food corporations.

Access to land should also be facilitated to enable young farmers to get started. Evidence shows that land prices, and other administrative costs, are a great obstacle that young or new entrants have difficulty to overcome. Special schemes at the national and regional level should be introduced in order to make access to land easier and less costly, under very specific conditions targeted at those who most need it.

- **Supporting the survival of small farms**

With the EU enlargement to central and eastern Europe, the EU has doubled its share of active farmers<sup>37</sup>, most of which are small-scale (even though some large-scale farming inherited from the Soviet model has also remained in the region). Representing around a very significant share of all

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<sup>35</sup> UNEP, Agriculture, a catalyst for shifting to a Green Economy, a UNEP brief, 2008, p.3.

<sup>36</sup> According to APRODEV, Land grabbing can be defined as land acquisitions or concessions, where one or more of the following factors are present: violation of human rights (and particularly equal rights of women), no involvement of free, prior and informed consent of the affected land-users, not based on a thorough assessment of the consequences, not based on transparent contracts, not based on effective democratic planning. APRODEV, Stolen land, stolen future, December 2011.

<sup>37</sup> J. BOVE, Changeons de CAP, changeons de PAC, Editions Alternatives, 2012.

farms in Central and Eastern Europe, they are key to maintain territorial cohesion and rural vitality across Europe.

- **Integrating gender balance**

This issue should be fully taken into account in the design of agro-food policies to acknowledge the crucial contribution made by both men and women to the agricultural sector. According to the IAASTD, gender is an organising element of existing farming systems worldwide and a determining factor of ongoing processes of agricultural restructuring<sup>38</sup>. There should be for example equal access for men and women to high quality extension services, to social security and to land-ownership.

## **5. A holistic and food system approach**

### **5.1. Food system approach and reconnection**

Considering the embracing nature of the Green New Deal, we cannot only focus on the production or supply side of agricultural activities. We also need to consider the important role played by consumers – the creators of demand – in implementing our vision for tomorrow’s sustainable agricultural sector. This is a choice that society, as a whole, and each one of us as an individual, has to make. The numerous food-related diseases (whether linked to low quality food from industrial farming or bad dietary habits) illustrate the major dysfunction at the end of the food chain. Consumers, and more broadly, citizens, are crucial players of the agro-food systems as they have the power to orientate the supply; the preference and choices we make have a direct impact on the way food is produced (e.g. recent successes of organic and fair-trade products or opposition to GMO and animal cloning).

The Slow-Food movement is a pioneer of the revolution we want to trigger in the relationships between citizens and their food, and between consumers and producers; slow food unites the pleasure of food with responsibility, sustainability and harmony with nature<sup>39</sup>. Some high-level professional chefs have also started to include sustainability criteria in the choice of their products and menus.

To convey a holistic dimension to our GND agricultural model, we call for a food system approach, whereby producers and consumers are reconnected and the linkages between the agricultural policies, and the environmental, public health, social, energy policies are strengthened. In concrete terms, this means:

- **Putting health and food safety at the heart of agro-food policies**

Reinforcing the precautionary principle in public food and health policy - which means that the risk for public health through unsafe food should be minimised and the quality of our diet should be enhanced through sustainable food production practices. In this sense, a Green food policy should go beyond simply detecting harmful substances at the end of the food chain.

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<sup>38</sup> International Assessment of Agricultural Knowledge, Science and Technology for Development (IAASTD), Agriculture at a Crossroads, Synthesis report, 2009 (date to be verified)

<sup>39</sup> Slow food is an idea, a way of eating and a way of living. <http://www.slowfood.com/>.

- **Emphasising food quality**

The distinction between hygiene<sup>40</sup> and food quality also needs to be clear in the legislation to ensure the maintenance of quality food produced, processed and sold locally. European hygiene rules are often interpreted to fit the needs of big businesses, while threatening small farms, and in some cases agro-ecological systems. We need to make sure that there is also room for flexibility in those rules to support local structures and short supply chains.

- **Raising awareness on the impacts of dietary choices**

Between two and ten times as much land is required for production of animal products compared to the equivalent plant foods. The unhealthy levels of meat consumption in most Western countries (and increasingly in emerging economies) should be drastically brought down, as they contribute to many contemporary diseases (e.g. cardio-vascular diseases), and dramatic environmental impacts both in Europe and abroad. For example significantly reducing animal based foods in our daily diets would contribute to the fight against climate change. In this context, awareness-raising efforts are necessary for consumers to make informed decisions about the impacts of their dietary choices on the climate.

From farms to schools the links between our consumption choices and their related social, environmental and public health consequences should be more strongly emphasised. For example, awareness needs to be raised on the un-sustainability of our shopping habits, but also on the benefits of moving towards healthy and sustainable diets (based on seasonal, organic and locally produced food). The role of producers and consumers networks should be strengthened in this awareness-raising effort.

- **Reconnecting consumers and producers**

We should all share a feeling of co-responsibility for the way food is being produced. Information campaigns and food labelling have proven their limits and we need to start moving towards a much more profound revolution in consumption patterns. This means that the non-traditional agricultural actors, e.g. urban consumers, have to be fully involved in this endeavour. Urban farming and gardening, “organic boxes” (the direct selling of organic products to local groups of urban consumers), organic markets, city farms, shared vegetable gardens, and other examples of community-based agriculture are initiatives going in the right direction. Governments have a key role to play in this reconnection effort to enhance the transparency on farming activities so that consumers can take concrete actions towards more sustainability in their region.

Despite their limited potential in truly reconnecting consumers and producers, transparent and comprehensive labels, as well as the development of quality standards, are essential in the first stages of awareness-raising and responsible consumption.

- **Comprehensive and transparent labelling**

Ultimately, we want labelling of all food products to reflect their origin and method of production, potential GM traces<sup>41</sup> (e.g. eggs, meat, milk produced on GM feed) and in the case of animal products, labelling should also inform on the slaughter method (i.e. with or without stunning). Greater involvement of both producers’ and consumers’ organisations in the design of such labels,

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<sup>40</sup> In general terms, hygiene rules should be: proportionate to risk, flexible, without comprising food safety.

<sup>41</sup> In general terms, labels should reflect cultural and ethical preference of farmers and consumers such as the rejection of hormones of GMOs in food (Position Paper Group Green/EFA in the European Parliament, CAP reform 2013 - green growth or green deal?, December 2010.)

is crucial for success. Comprehensive and reliable labelling is an important tool but it should not however be used to replace efforts to introduce new and ambitious market regulations.

- **Encouraging innovation in policy linkages**

In national ministries new ways of linking agricultural policies and social, public health policies, should be envisaged, e.g. new forms of social protection to improve access to high quality food at an affordable price.

## **5.2. Bridging the Gap between North and South**

A GND agricultural model worthy of its name needs to address the external dimension of European agriculture, too often forgotten in public debates. A striking example of the links between our model and the rest of the world is our dramatic protein deficit which questions both the sustainability of our production methods, i.e. the imports of GM soy grown on deforested land in the Amazon, and consumption patterns, i.e. the unhealthy level of meat consumption in most Western countries. If the current trend is maintained, i.e. increasing demand for protein feed and fast growing meat consumption, environmentalists forecast the destruction of 40% of the Amazon by 2050<sup>42</sup>. A second illustration of the huge food inequality between the developed and developing world is the billion of hungry<sup>43</sup> in the South in the face of obesity problems in the North. In sum, we can no longer ignore the impact of our agricultural model on third countries, whether economic (e.g. through dumping), social (e.g. through land grabbing) or environmental (e.g. through industrial, export-oriented farming). Unfortunately, the FAO, supposedly empowered to deal with these issues at the global level, has proven unable to provide credible solutions.

- **A new global framework**

Europe should be the active force behind the development of a global framework to deal with the issues of hunger, poverty, agriculture's contribution to the fight against climate change, the pursuit of development and environmental goals, etc. This global framework should increase the development assistance in food security. Finally, it should promote the formulation and application of multilateral rules and prevent the proliferation of bilateral agreements and private standards.

- **Supporting developing countries**

The EU should support small farmers in developing countries and the establishment of domestic food reserves based on sustainable and regional farming systems. As the world's biggest trading partner<sup>44</sup>, the EU also bears a responsibility in helping developing countries to solve problems regarding land ownership conditions and meet the land and food rights of their own people<sup>45</sup>. As already mentioned, the right of developing countries to protect themselves against any form of dumping should also be respected. The EU needs to avoid all forms of dumping; export subsidies need to be abolished immediately.

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<sup>42</sup> Friends of the Earth Europe, How the CAP is causing soy expansion and deforestation in South America, November 2010.

<sup>43</sup> The UK Government Office for Science, The Future of Food and Farming - Challenges and choices for global sustainability, Foresight Report, January 2011, p.9.

<sup>44</sup> The EU is the world's first importer and first exporter of foodstuffs)

<sup>45</sup> FoodSovCap, Commentary by the European movement for Food Sovereignty and another Common Agricultural Policy on the CAP post 2013 legislative proposals, 5 March 2012.

- **Access to food and seeds varieties**

Access to food should be promoted by increasing farmers' rights to seeds, local varieties and agricultural diversity and strengthening the rights of indigenous farmers<sup>46</sup>.

## **6. The CAP as cornerstone of our GND agricultural model**

The reform of the CAP in 2013 gives us an opportunity to set in motion the GND agricultural model outlined above. In order to achieve this political objective, we call for a paradigm shift in the current rules framing the CAP; we need to fundamentally revise the way agricultural subsidies are being allocated, the criteria conditioning their distribution, their intrinsic purpose and finally the type of market instruments which are needed to ensure sound supply management and avoid price volatility.

### **6.1. Our long-term vision for the future of the CAP**

In an ideal world, European farmers would not depend so heavily on CAP direct payments, and the latter would not be distributed in a biased and inequitable way (a recent Commission studies points out that 80% of CAP beneficiaries only receive 20% of the total payments<sup>47</sup>). Farmers would be rewarded for what they produce and the services they provide, directly through market prices.

In an ideal policy scenario, we wouldn't need to rely on a two pillar structure, where the second (the rural development policy), attempts to correct the negative impacts of the first (market measures and direct payments) with insufficient financial means.

Finally, in an ideal vision of the CAP, the sustainable production of food and the delivery of "public goods" would be the main indicators conditioning the distribution of support and would be the transversal principal guiding the entire agricultural policy. As a result, all harmful subsidies would be brought to an end; no support would be envisaged for measures detrimental to the natural environment or to the social sustainability of the sector even under cover of improving its short-term "competitiveness".

But we don't live in an ideal world, and European farmers need public support, especially those who are currently excluded from the system, despite their crucial public goods delivery. Stopping support today would be a disaster for European agriculture, so we need to maintain it, but at a level that is acceptable and with targets in line with our GND objectives. If the markets don't ensure decent revenue to farmers, then the policy must make sure all farmers can count on a basic level of income. It also has to guarantee that any additional support, on top-up of that basic income, is tightly linked to sustainability criteria, in the form of a "meaningful cross-compliance". Following this vision, a two pillar structure wouldn't be necessary, as the entire policy would be "Green", in the broad sense of the word<sup>48</sup>.

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<sup>46</sup> FAO, International Conference on organic agriculture and food security, Rome, 5-7 May 2007, p.4 <http://ftp.fao.org/docrep/fao/meeting/012/J9918E.pdf>

<sup>47</sup> This study draws on 2010 figures, where the average payment per farmer ranged from €1 552 in the EU-12 to €7 486 in the EU-15. [http://ec.europa.eu/agriculture/funding/directaid/distribution\\_en.htm](http://ec.europa.eu/agriculture/funding/directaid/distribution_en.htm)

<sup>48</sup> Green ideology is not only about environmental protection, it is also about ensuring decent work and income.

We call for a move away from the current compensation logic, to a logic of investment in best agronomic systems. This change of focus - from compensation to investment – would imply a move away from direct payments as substitute for agricultural income, towards a more targeted form of support. Payments should encourage systems favouring biodiversity, decreasing pollution, promoting renewable energy, and maintaining local employment. This means designing agricultural policy according to the "public money for public goods" principle.

## **6.2. Our critique of the current CAP reform proposals**

On 12 October 2011, the European Commission published its proposals for the future of the CAP (beyond 2013). Without going into a detailed analysis of these proposals, here are a few elements, which we strongly oppose:

- **The redistribution of direct payments between MS:**

As it stands, the convergence objective of the Commission's proposals (reducing by one third the gap between 90% of the EU average and the EU average by 2020) will not inject more equity into the system.

- **The redistribution of payments within MS, and between farmers:**

The Commission has proposed capping and degressivity thresholds which will prove ineffective and will need to be revised to make sure the farmers delivering public goods and creating quality jobs through their sustainable production of food, are not penalised.

- **The abolishment of historical references and move towards uniform payments:**

The Commission proposed a move towards a uniform hectare payment at the national or regional level by 2019, but it still doesn't question the rationale of direct payments. Indeed, the main instrument - the Basic Payment Scheme- will still be based on a surface criterion (payment/ha), despite its well-known flaws (the money ends up being capitalised into land values, thereby undermining access to land to new entrants).

- **The proposal on active farming:**

Although it follows a legitimate objective, i.e. targeting the payments so that large amounts of subsidies stop flowing to wealthy landowners or large corporations, the current definition of "an active farmer" is very unclear and risks creating huge complications on the ground, with the result of failing to meet the original objective, i.e. a fair distribution of support between farmers.

- **The proposal on small farms:**

It reflects a positive evolution in the discourse of the European Commission, which acknowledges the role of small farms in territorial cohesion. However, the proposal as it stands will fail to meet the objective of maintaining a diversity of farm structures on the EU territory. Indeed, rather than proposing a truly supportive scheme for small farms, the Commission excludes them from the mainstream system (by making the "small farmers" choose between the lump sum and the Basic Payment Scheme), without appropriate compensation (the premium currently ranges between € 500 and €1000, which will fail to keep small farmers in business).



- **The greening component:**

Tying 30% of direct payments to three environmental measures is a good start but it clearly doesn't go far enough, as 70% of direct payments will still remain blunt untargeted support. The proposal does not address the weakness of the current cross-compliance system, especially with respect to nitrogen losses, which are not addressed by the three "Greening measures". These measures lack real environmental potential; an opportunity has clearly been missed with the "crop diversification" measure, which will fail to ensure a real rotation of cultures (which would enhance bio- and genetic diversity, increase soil fertility, etc.). The reference time for forbidding the ploughing of grassland is set too late, since it still allows for ploughing to take place until 2014. The "Ecological Focus Area" measure still bears some environmental potential, but it remains to be seen whether it survives, or is manipulated to be overestimated, as fierce opposition towards this measure has already been expressed. Finally, there is nothing in the greening component which would halt the development of factory farms, a true environmental, social and animal welfare disaster. The current CAP reform proposals do far too little to help EU agriculture move from industrial livestock production to more sustainable, humane forms of animal husbandry.

- **The market measures:**

There is a dramatic lack of concrete proposals to reduce price volatility and ensure better market regulation, despite the recent sectoral crises that have demonstrated the need for regulation and stabilization of agricultural markets. This is probably one of the biggest disappointments regarding the Commission's proposals.

- **Rural development:**

We have long argued that more financial resources should be dedicated to the 2nd pillar of the CAP, as some of its measures (e.g. agri-environmental measures) can provide very good environmental results. For this reason, we fiercely oppose the proposal of the Commission to allow modulation of funds from pillar 2 to pillar 1. This is completely counterproductive.

- **No international dimension?**

One last fundamental criticism that can be addressed to the Commission is the absence of the international dimension from the CAP. The impacts of this policy on third countries no longer need to be demonstrated. Yet the Commission fails to address these impacts by pretending that reforming the CAP is a European matter only<sup>49</sup>. This is a huge mistake and it further undermines the credibility of the CAP, which already suffers from a deep legitimacy crisis.

In broad terms, the Commission's proposals are unlikely to set in motion the paradigm shift that we are calling for, and therefore fails to respond to the citizens' concerns expressed during the public consultation in 2010.

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<sup>49</sup> More on this aspect in CONCORD – European Coordination ViaCampesina, Civil Society Statement on the international responsibility of CAP, 15 February 2012.

## 6.3. Our alternatives

### 6.3.1 The first pillar: redistributing and redefining priorities

- **The equity objective: we call for a radical reform in the distribution of direct payments**

It should be made fair between the Member States (MS) - especially between the old and the new MS- but also between farmers (large vs small, sector by sector, depending on the geographical area, etc.). The largest and most intensive farms, agro-food businesses or wealthy landowners (e.g. in the UK) should no longer represent the biggest beneficiaries of CAP direct payments. Equity should also be achieved through effective capping and degressivity of payments, to ensure that higher levels of aid are distributed to those who most need it.

Along these lines, the Commission's proposed capping and degressivity thresholds should be revised and safeguards should be foreseen to ensure effective application of these measures. Furthermore, the redistribution of payments between MS should be more ambitious to ensure true convergence between new and old MS.

- **The greening objective: we call for more ambitious sustainability criteria**

Higher environmental and animal welfare standards than those currently foreseen under the cross-compliance system should be implemented. This has to include a better and more efficient control of cross-compliance and other legal frameworks. Payments should be made contingent upon a baseline of ecological practices ("sustainability check-list") which would go beyond the current GAEC standards and would include conditions to fulfil such as well-defined crop rotation, cover crops, green corridors, water management requirements (e.g. through a better integration of the Water Framework Directive to manage nitrogen flows), biodiversity protection measures (e.g. through Natura 2000), etc. This would ensure the "environmental proofing of the CAP". In this context, proportionate sanctioning is also essential, in order to make the polluters pay according to the damage caused and cost of recovery.

Payments should also be linked to job creation, to avoid misuse of agricultural subsidies going to landowners. In other words, the CAP should cease to pay subsidies based on landownership without any active agricultural production or nature protection activities.

Furthermore, direct payments should be targeted at farmers that are responsible for maintaining some of Europe's most important High Nature Value Farming areas, and areas where farming is essential for supporting local landscapes and local communities (such as LFAs). It is essential that these farmers, faced with the tightest margins and the greatest responsibilities, receive adequate public support<sup>50</sup>. By the same token, a special support scheme should be designed to support small farmers, as they are essential to the EU's territorial cohesion and to maintain agricultural activity on the entire EU territory. We also need a stricter legal framework for some special problems, e.g. for the nitrogen problem, which should be controlled independently from any payment.

Conditions for payments to farms should thus combine an environmental sustainability component and a decent employment component, to replace the current payment/ha system. Overall, all farmers who are leading the transition towards sustainability should be supported and encouraged in their efforts.

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<sup>50</sup> Position Paper Group Green/EFA in the European Parliament, CAP reform 2013 - green growth or green deal?, December 2010.

The current “greening” proposal of the Commission is far too weak and will not achieve the urgent move towards “sustainability as the rule, rather than the exception. A concrete proposal to correct this would be to introduce real crop rotation, including the cultivation of at least one leguminous crop in the rotation, to reduce the EU’s protein deficit and increase biodiversity. Overall, direct payments must be transformed into payments that only reward a contribution to public benefits, such as climate change adaptation and mitigation, environmental and biodiversity protection, landscape features, territorial cohesion, the creation of decent jobs, etc. These “payments for public goods” should be closely linked to sustainable farming systems instead of simply compensating farmers or companies for separate public services.

- **Better market stewardship**

Implementing new forms of supply management and market organisation to prevent structural surpluses and support farmers in regaining ownership of their local and regional markets. Such an approach involves a change to EU competition regulations. CAP and EU competition law should differentiate between competition at the local, regional, national and international level. Regulations should support farmers in establishing producers' organisations, which would increase farmers' bargaining power in price-making; regulations should also support locally-owned food processors. This kind of measures would go way beyond the current “safety net” approach of the European Commission.

### 6.3.2. The second pillar: embodying our territorial approach

- **Correcting the financial imbalance**

The budgetary imbalance between pillar 1 and pillar 2 of the CAP must be corrected in favour of a stronger, better funded pillar 2. In broad terms, the Rural Development (RD) policy of the CAP (the 2nd pillar) should be the illustration of our territorial approach where appropriate and targeted measures are taken at the local level. The EU should set a framework of best practice principles, and elaborate specific criteria for these practices. Public-private partnerships, as practiced in local action groups in the LEADER Programme, should be applied in defining these criteria<sup>51</sup>. LEADER projects should also be encouraged everywhere by making sure more EU resources are allocated to their application.

To ensure that Pillar 2 resources are used efficiently and effectively, more training should be provided in elaborating the RD programmes, to avoid conflicting measures within the rural developments programmes of Member States.

The Commission’s proposal to transfer funds from pillar 2 to pillar 1 should be removed from the package. Agri-environmental measures should no longer be exceptions or considered as “best practices”. They should be applied to a much larger extent and made compulsory in the rural development programmes of the MS. Agri-environmental measures must encourage agri-ecological systems and at least a greater diversity of plant production and animal breeding through supporting sustainable use of local plant varieties/animal breeds in order to work against further genetic erosion. More EU funds should be directed towards the LEADER projects.

Overall, the 2<sup>nd</sup> pillar should consist of policy instruments and measures for those who wish to further contribute to the ecological transition, and provide sufficient financial resources to do so.

<sup>51</sup> Position Paper Group Green/EFA in the European Parliament, CAP reform 2013 - green growth or green deal?, December 2010.

### 6.3.3. Transversal issues: the budget, simplification, and links with other EU policies

To meet the objectives above, the CAP will need to rely on sufficient financial resources targeted to our GND objectives. Considering the challenges ahead for the agricultural sector, severe cuts in the CAP budget are therefore not an option. Without a consequent adjustment of the CAP, even the Commission's proposal for the next MFF 2014-2020 is no longer justified. This concerns in particular direct payments of the first pillar.

Much has been said on the need to “simplify” the CAP; it is clear that an additional bureaucratic burden on farmers, through measures that don’t deliver on our objectives, is unacceptable. However, we also need to be realistic and face the difficulty of the challenges ahead; targeting the CAP to GND objectives is ambitious and more efforts will be required from all of us. Farmers need to be encouraged and supported, as they will be the ones, ultimately, making it happen on the ground. In this perspective, significant improvements should be made to the current Farm Advisory Services to help farmers adapt and take part in the transition. Our priority here is to build trust and partnerships instead of increasing controls. The reform should also comprise transition periods and measures that allow farmers to adapt to the new rules.

Finally, as agriculture is at the crossroads of many policy fields and challenges, the CAP will have to be further and better linked to other EU policies, such as the cohesion, environmental, energy, research, and international policies. The CAP should also clearly include some climate change and Millennium Development goals, to acknowledge the link between the CAP and developing countries, and dedicate more funds to unbiased agricultural research, to take up the challenges of this century.