



The CAP, its Challenges and the role of Research and Innovation

"Harnessing Research and Innovation for Food 2030"
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#FutureofCAP



Summarising the CAP debate

Achievements of the CAP reform path

- ***Bridging the gap between world and EU farm prices, thus increasing competitiveness***
- ***Turning the EU from a major trade player for both exports and imports into a net agro-food exporter***
- ***Providing relative income stability within a very volatile income and price environment***

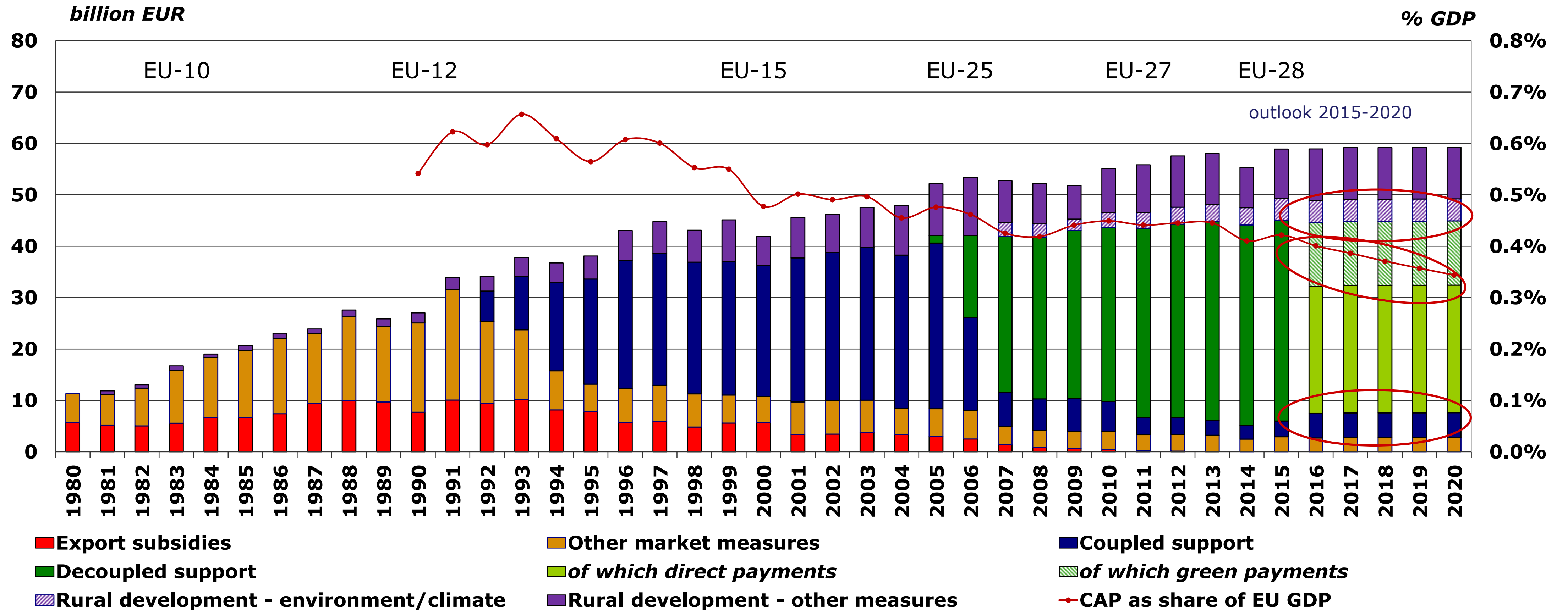
Shortcomings of the CAP reform path

- ***Despite progress, the environmental performance of EU agriculture requires further improvement***
- ***Productivity growth is mainly driven by the outflow of labour, and less by research or innovation***
- ***Questions on equity, safety net and simplicity of the CAP are still hotly debated***

Drivers and future challenges

- ***The changing commodity, economic and price environment***
- ***The changing trade environment – especially the shift from multilateral to regional agreements***
- ***New climate change, environmental and broader sustainability priorities***

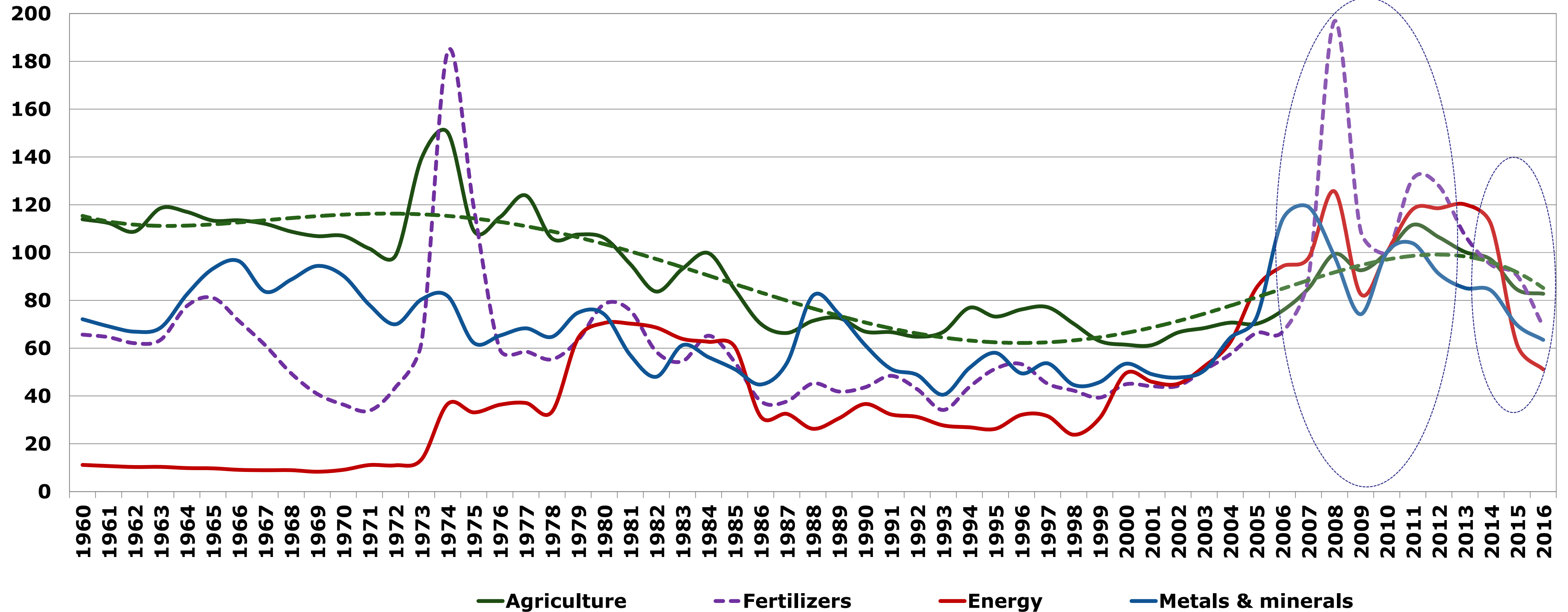
Main issues for the future CAP debate: public money for private and/or public goods?



Source: DG AGRI.

Commodity price changes in recent years

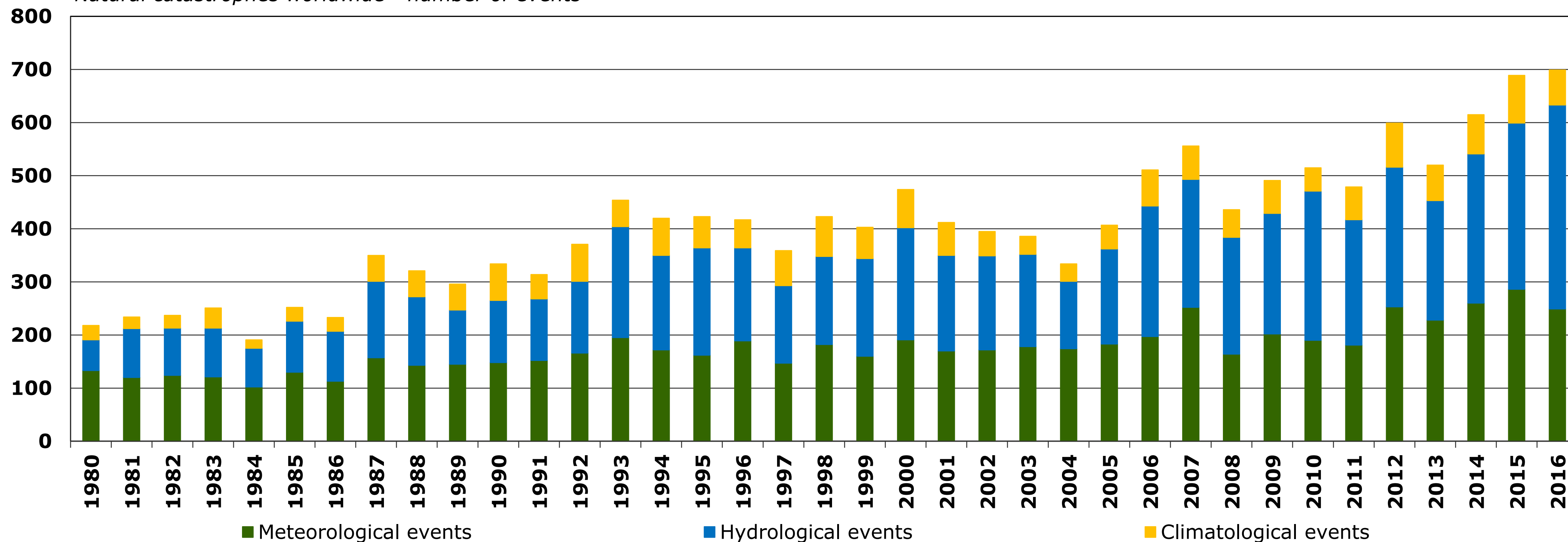
(2010 = 100)



Source: World Bank.

Climate linked loss events in dramatic increase

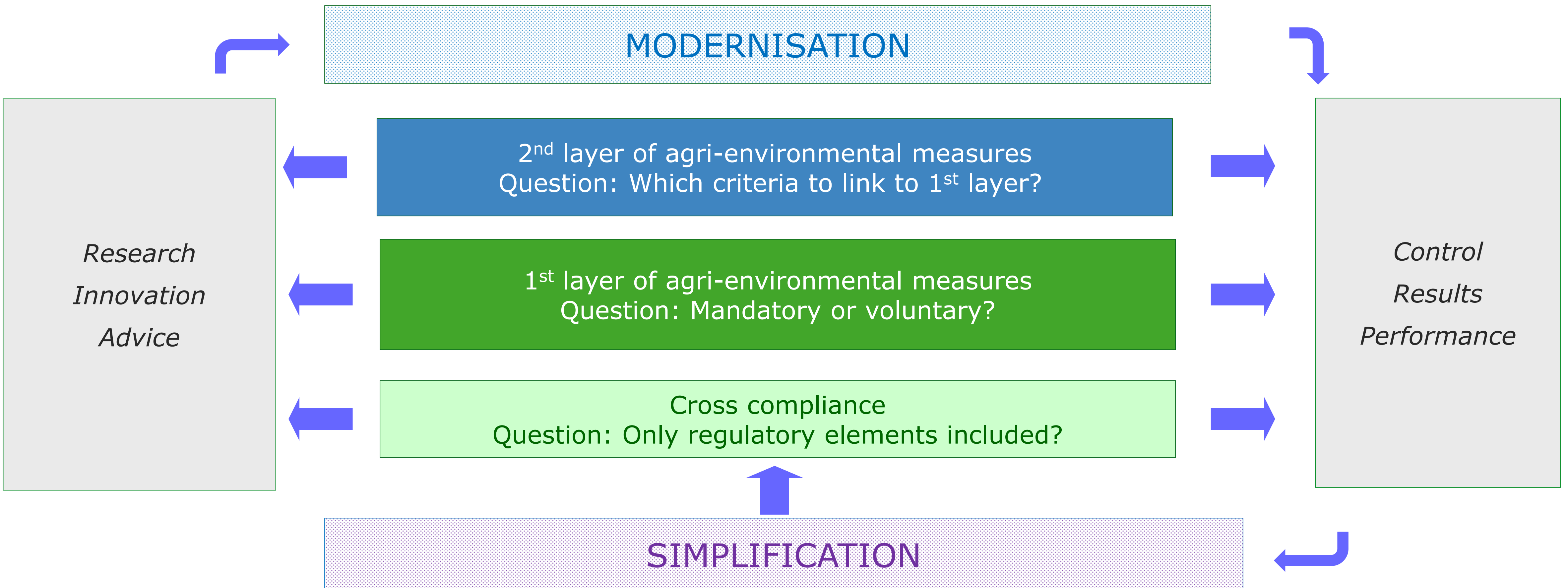
Natural catastrophes worldwide - number of events



Meteorological events: Tropical storm, extra-tropical storm, convective storm, local storm
 Hydrological events: Flood, mass movement
 Climatological events: Extreme temperature, drought, forest fire

Source: © 2017 Münchener Rückversicherungs-Gesellschaft, Geo Risks Research, NatCatSERVICE (January 2017)

"Greening" questions and challenges



Turning tensions into synergies

Tensions that the future CAP has to address

- ***The economy versus the environment – and the impact of cost pressure on environmental ambitions***
- ***Subsidiarity versus simplification – especially with respect to EU value added priorities***
- ***Jobs versus growth – the difficult, but also promising impact of new technologies on agriculture***

Synergies that the future CAP has to develop

- ***Find the right balance of support between private and public goods – both face market failures***
- ***Redefine the balance between EU, MS and farm responsibilities to simplify and avoid policy failures***
- ***Address jobs and growth challenges in rural areas and in the food chain – to enhance resilience***

Main questions that the future CAP has to reassess and address

- ***Better targeting requires a clear choice of the main target – is it the farm or its land?***
- ***Shift towards performance requires a fundamental rethinking of control logic (what, why, how)***
- ***Technologies (especially of EU-lead) provide major opportunities, but meet resistance in their use***

Reports and data available at:

https://ec.europa.eu/agriculture/index_en.htm

https://ec.europa.eu/agriculture/policy-perspectives/index_en.htm

https://ec.europa.eu/agriculture/policy-perspectives/impact-assessment/index_en.htm

https://ec.europa.eu/agriculture/markets-and-prices/index_en.htm

https://ec.europa.eu/agriculture/events/2016-outlook-conference_en

https://ec.europa.eu/agriculture/statistics_en

https://ec.europa.eu/agriculture/cap-indicators_en

https://ec.europa.eu/agriculture/consultations/cap-modernising/2017_en

Thank you for your attention!