



# CAP Reform Update

George Drewett

The Farm Consultancy Group

# Timetable



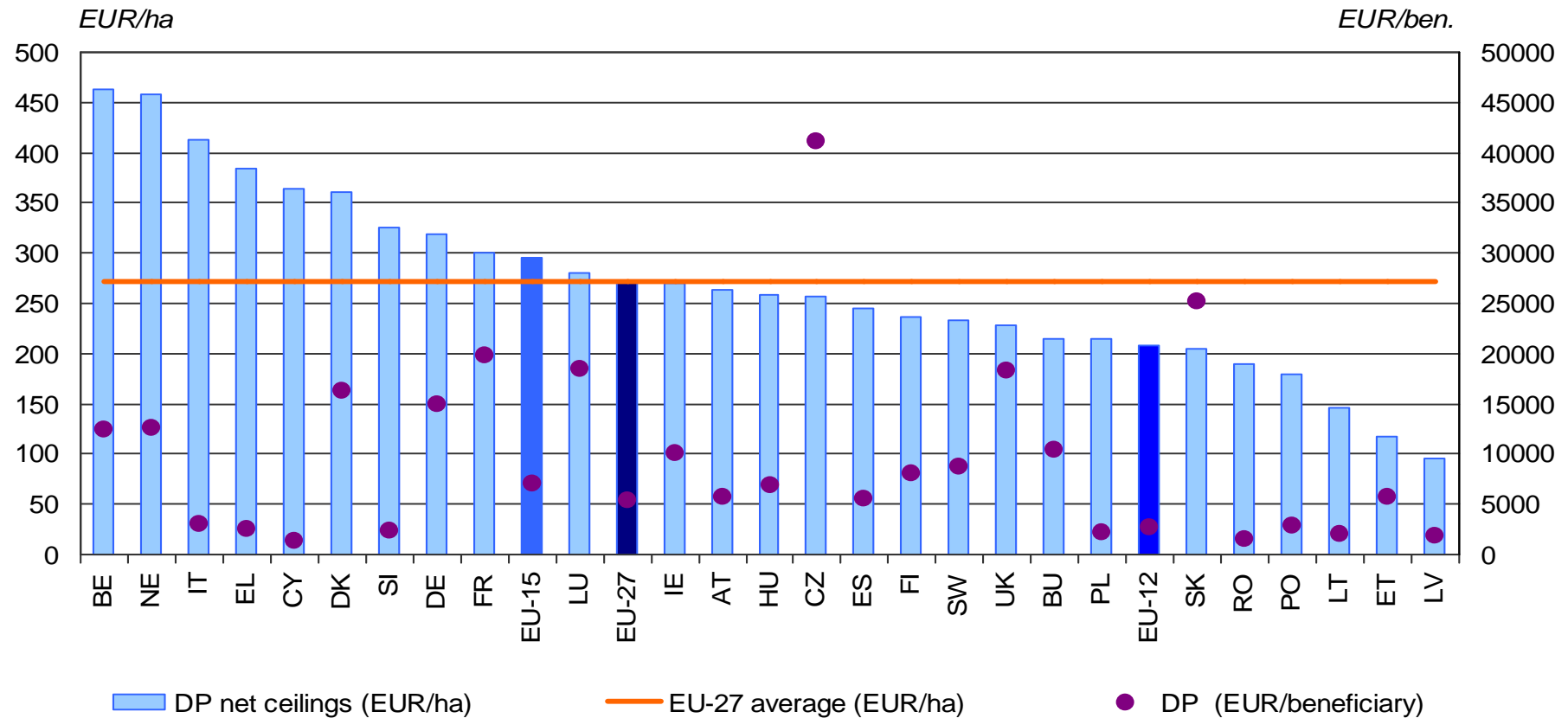
- November 2010 – Process began
- January 2011 – Impact assessment
- July 2011 - Commission publishes proposed legal text
- 2012 – Decision
- 2013 – Legislation
- 01 January 2014 - Implementation

# Timetable



- The process will take longer than previous occasions because of the new Lisbon Treaty.
- The decision has to go through the European Parliament as well as the European Commission.

# Forecast distribution of Single Payment in 2016



# Pillar 1 and 2

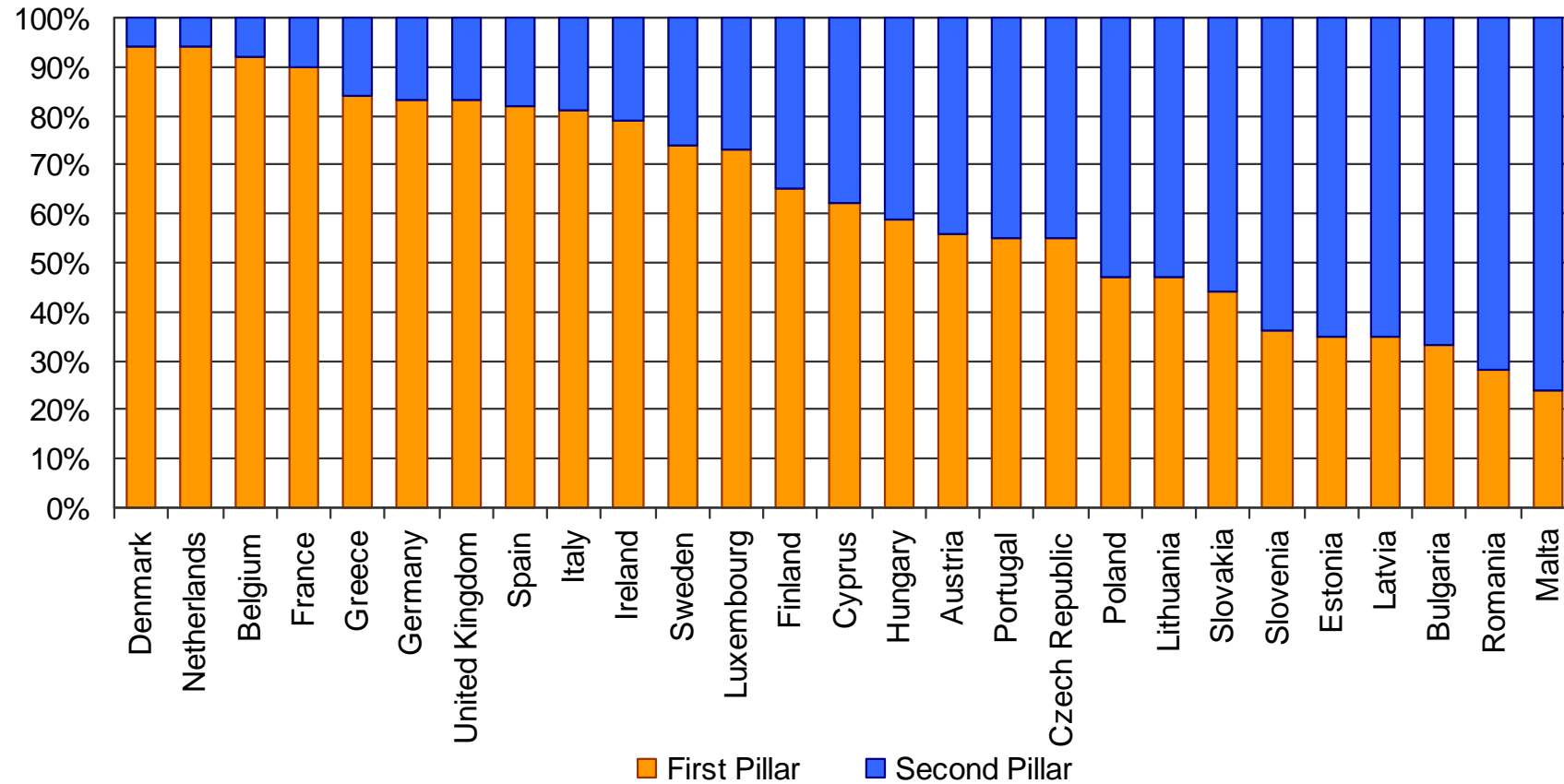


- Pillar 1 – predicted that it will continue to be linked to direct payment with an increased ‘greening effect’
- Pillar 2 – environmental, land management, **competitiveness**, quality of life and diversification
- Need to allocate Pillar 1 and 2 more evenly across EU Member States



# Pillar 1 and 2

% of total expenditure

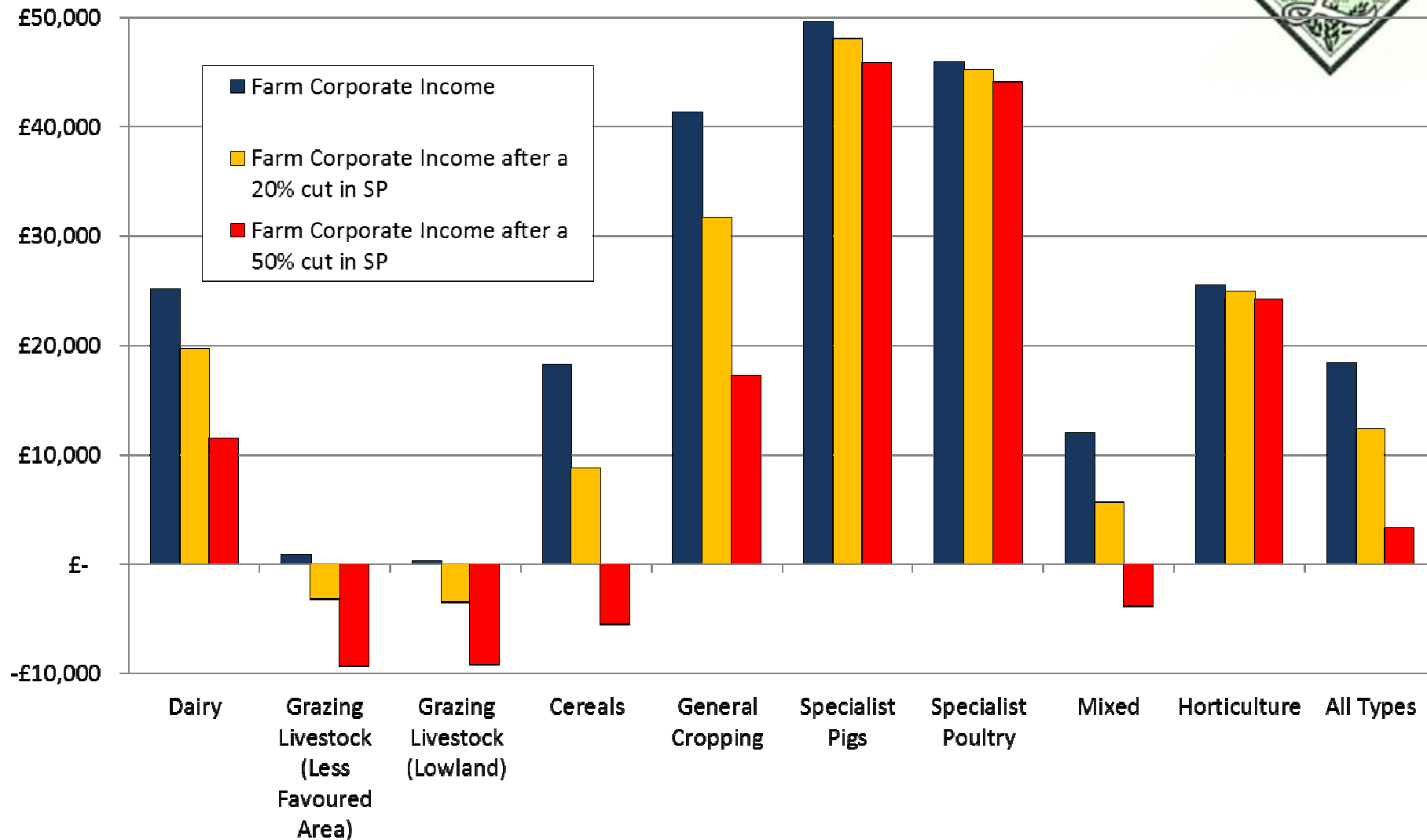




# Pillar 1 and 2

- A top up payment for disadvantaged areas e.g. hills and coast
- Small farmer scheme

# Sensitivity of Farm Corporate Income to cuts in the Single Payment in 2009/10



# Food Security and Risk Management Toolkit



- Ensuring long-term food security, particularly in times of crisis
- Introduction of a risk management facility to assist with volatility.
- Must be World Trade Organisation compatible

# A Greener Pillar 1



- The commission is considering a further greening of Pillar 1 above the current cross compliance requirements
- Permanent pasture and unploughed land instead of setaside
- Green cover?

# Capping



- Limits the amount of payment an individual business could receive
- Third time the issue has come up in proposals for the CAP reform

# Animal welfare, environmental, water quality and climate change



- Payment for animal welfare should be provided through both Pillars 1 and 2.
- A third Pillar was debated for climate change, however it is likely this will be incorporated into Pillar 2.

# Active Farmers



- The Commission's Communication has stated that support should only be received by the 'active farmer'
- In occupation of the land, taking the entrepreneurial risk and having managerial input for the farming activities



# New CAP objectives

1. Viable food production
2. Sustainable management of natural resources and climate action
3. Balanced territorial development

# Conclusion



- DEFRA has recently consulted with stakeholders on the Communication
- We wait to see how the Commission merges the views from around Europe and await the proposed legal text in July



# The Farm Consultancy Group

**Thank You**

Office: (01249) 750151  
Mobile: (07817) 874966  
Email: [georgedrewett@fcgagric.com](mailto:georgedrewett@fcgagric.com)

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# Objective 1 – Viable food production



- Income support
- Improved competitiveness
- Higher value share in food chain
- High standards of food safety, quality, production methods etc.

# Objective 2 - Sustainable management of natural resources and climate action



- Sustainable production practices
- Enhanced provision of non-market environmental public goods
- Green growth and innovation – new technology, new products, new demands
- Climate change mitigation and adaptation

# Objective 3 – Balanced territorial development



- Support for rural employment and society
- Diversification
- Structural diversity of farming systems – to cater for local markets and small farmers



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