



POZNAŃ UNIVERSITY
OF ECONOMICS
AND BUSINESS



Common Agricultural Policy

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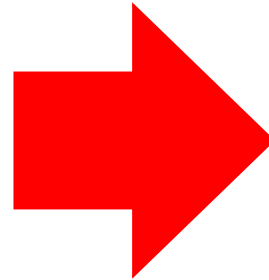
Common Agricultural Policy

- One of the most important policy of the EU
- Accounts for about 40% of the EU's budget
- Very complex
- Controversial

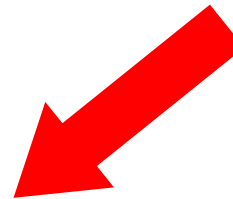
Beginnings of the CAP

- Food in the post-war period - one of economic and social concerns
- Differences in the level of food prices
- Unfavorable agrarian structure
- Low capital endowment
- High labor resources
- Low productivity of basic production factors (land, labor, capital)
- Food self-sufficiency at 85%

- *France*
- *Germany*
- *Italy*
- *Netherlands*
- *Belgium*
- *Luxembourg*



*The European
Economic Community*



"Agricultural production can not be shaped
by freely operating market mechanisms"

Treaty of Rome (1957) Art. 38-47

Goals of the CAP:

- Increase productivity- technical progress, optimum use of the factors of production
- Fair standard of living for agricultural community
- Stabilise market
- Secure available supplies
- Provide food at reasonable prices

Insturments:

- common organization of the agricultural markets;
- unified pricing policy;
- common funds for financing agriculture.

Current goals

- Food safety - to satisfy the needs of the world's population which will reach 9 billion in 2050
- Agricultural sustainability and ability to tackle the challenges of climate change
- Protection of rural areas and maintenance of agricultural economies.

Development of the CAP

- 1962 – establishment of the CAP
- '80s - series of provisions to solve the most obvious critical issues, first and foremost surplus produce
- 1992- MacSharry reforms - Reduction in guaranteed fixed prices and compensation to farmers through per hectare payment + set-aside requirement

Development of the CAP

- Agenda 2000 – introduction of Rural Development Policy
- 2003 - the Fischler Reform – decoupled payments
- 2008 – Health Check
- 2013 – reform – green payments
- 2021 - global challenges

CAP goals evolution

productivity

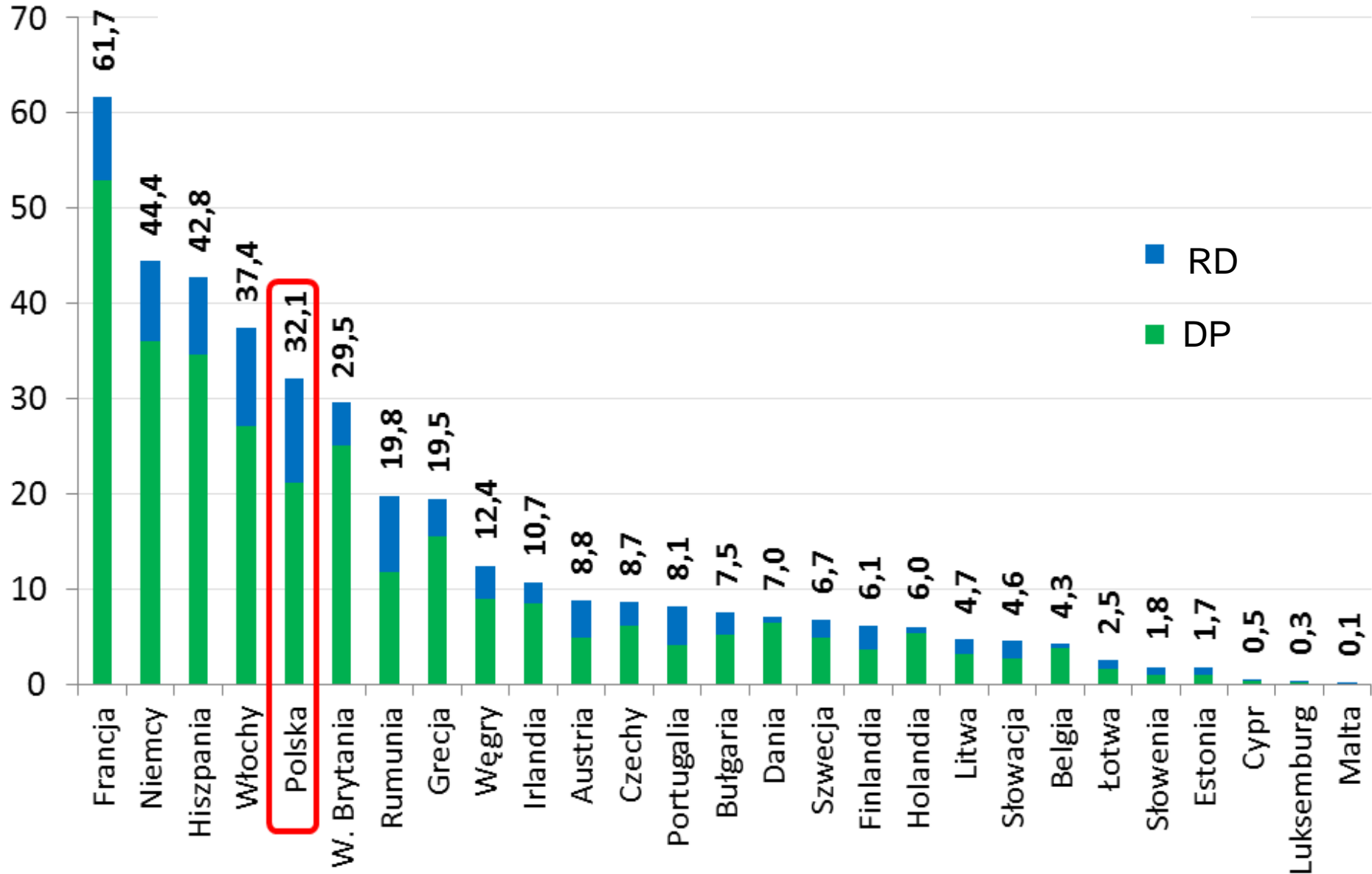
competitiveness

Sustainable development

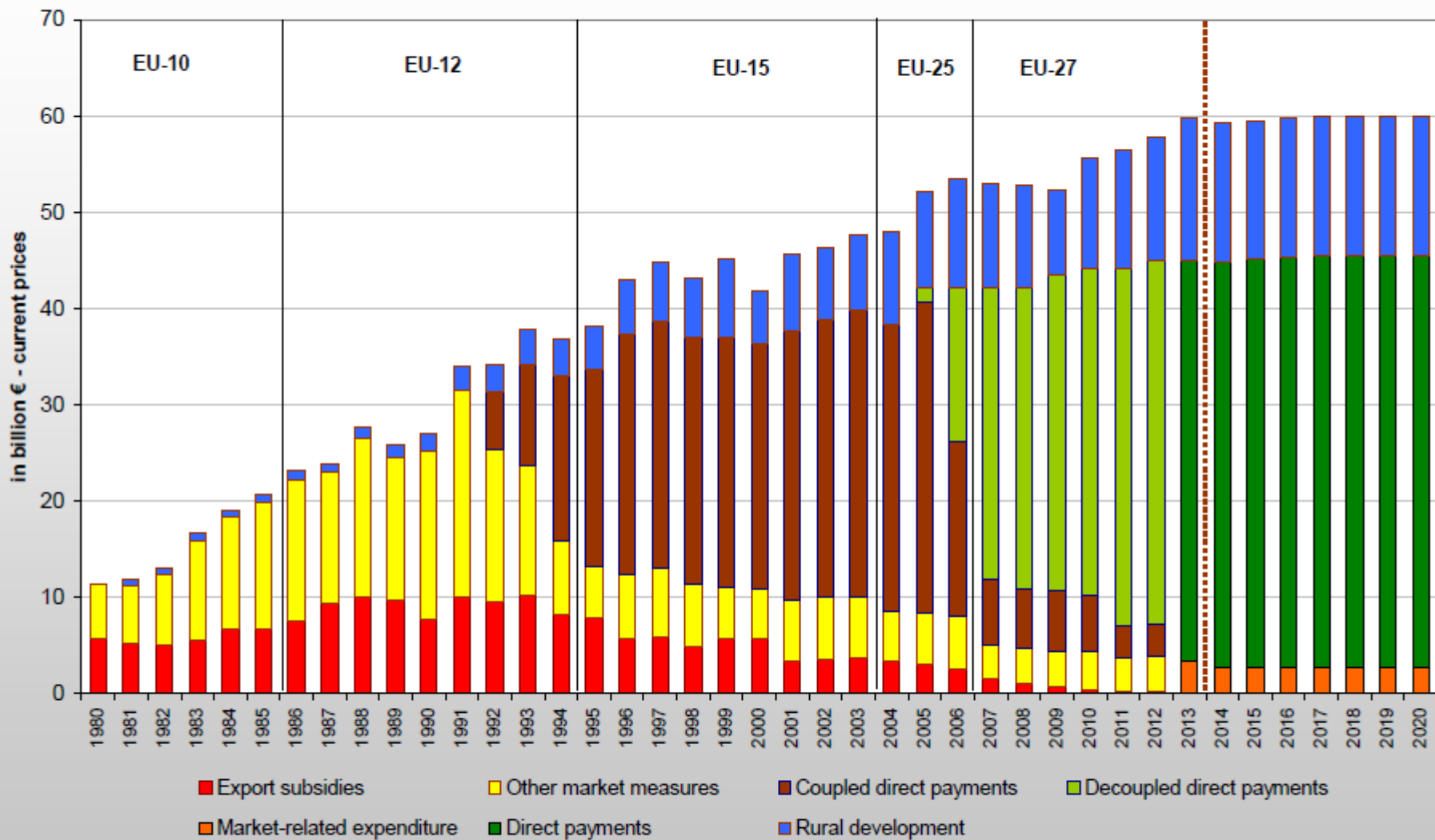
Early years	CAP crisis	1992 Reform	Agenda 2000	2003 Reform	CAP 2014-2020
Food security	Overproduction	Surplus reduction	Deeper reforms	Market orientation	Environment
Productivity	High costs	Environment	Competitiveness	Consumer needs	Food security
Market stabilisation	International pressure	Income stabilisation	Rural areas development	Rural areas development	Cohesion
Income support	Structural changes	Budget stabilisation		Environment	EU financial interests
				Simplification	
				WTO compliance	

Źródło: European Commission (2011, 2014)

CAP I pillar and II pillar 2014-2020 (billion Euro)

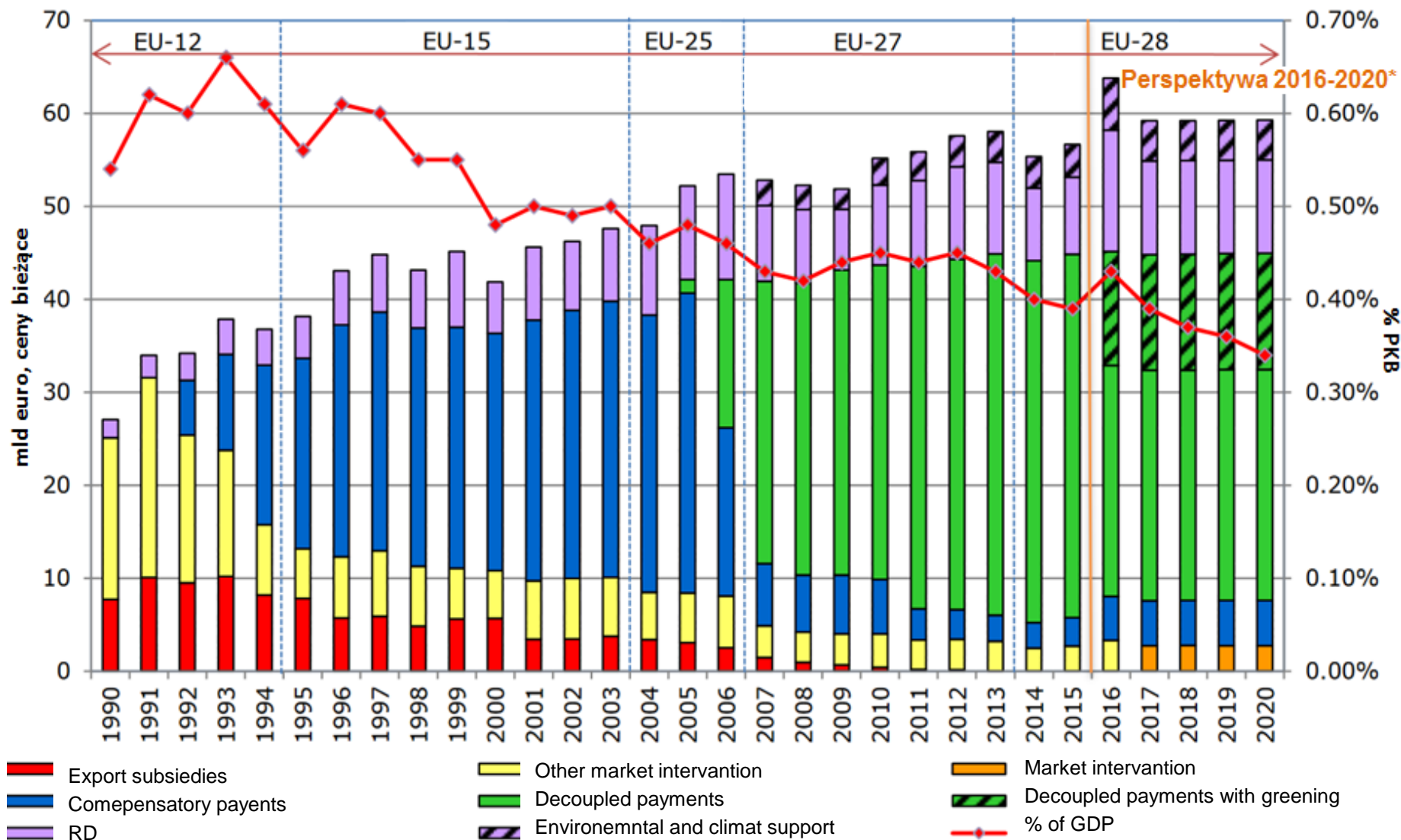


CAP spending 1980-2020 (billion Euro)



Reforms and CAP budget in 1990-2020

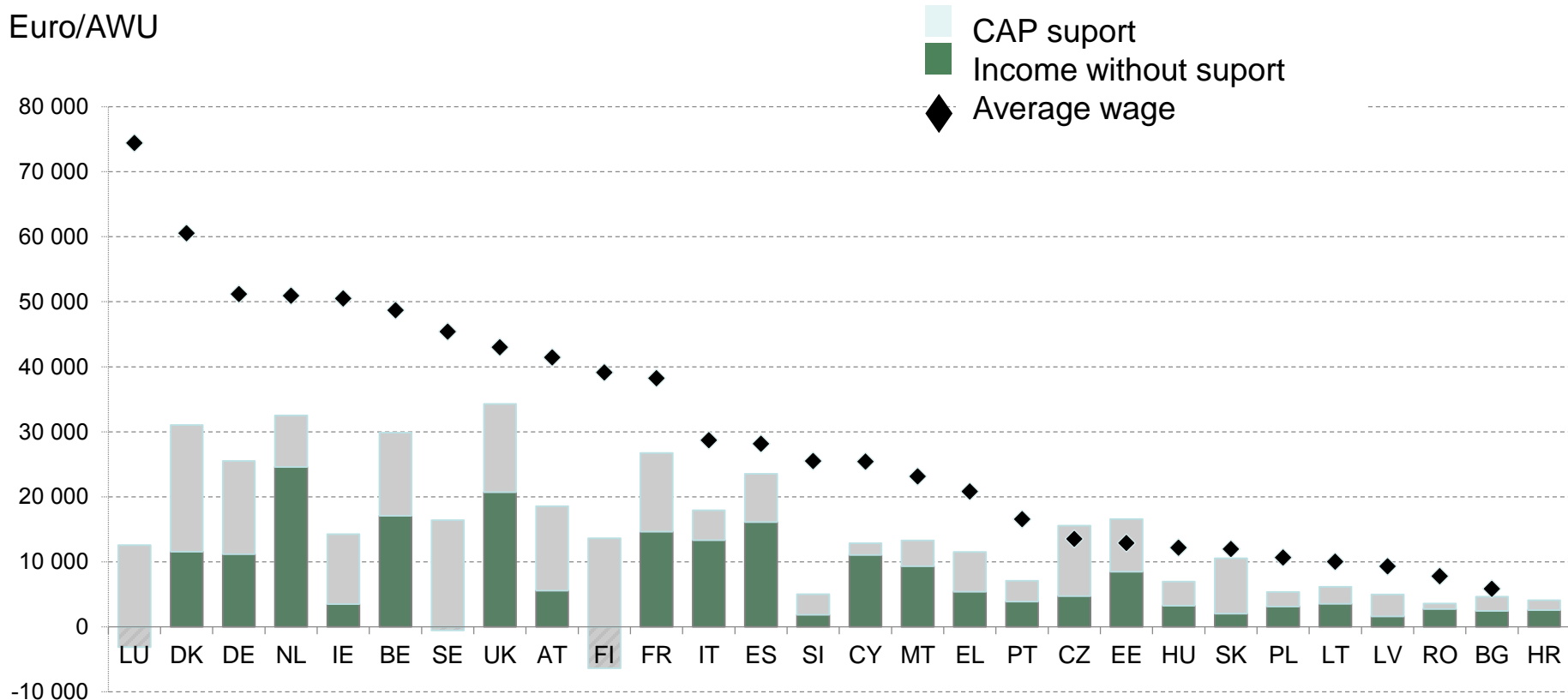
(bilion euro, current prices)



Source: European Commission

2021 Reform?

Incomes are still lower in the agricultural sector



Źródło: DG AGRI, DG AGRI i oparte na danych Eurostatu, lata 2011 – 2013

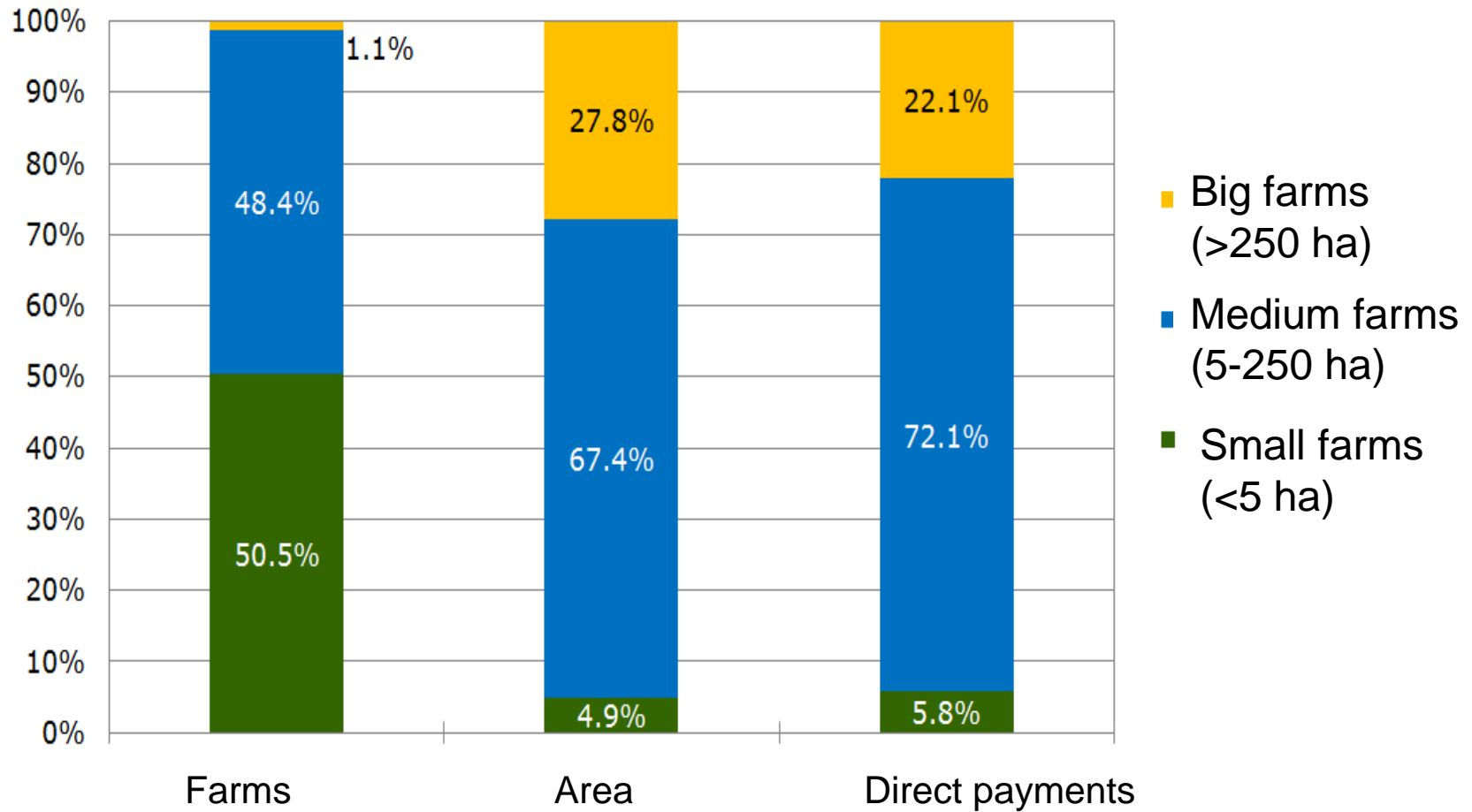
Średnie wsparcie w ramach WPR = dotacje operacyjne w przeliczeniu na jednego pracownika, w tym wsparcie obejmujące ewentualne negatywne dochody na rynku

Średni dochód rolnika (bez wsparcia w ramach WPR) = dochód przedsiębiorcy na pracownika — dotacje na działalność operacyjną

Uwaga: Wsparcie w ramach WPR nie obejmuje wsparcia inwestycyjnego; średnia dochodów rolników, a bez wsparcia w ramach WPR w LU i FI ujemne w okresie badanym — ujemne dochody zrekompensovane wsparciem WPR



Direct payments for farmers in the EU



New CAP goals

- To support decent farm incomes and resilience across the Union (to strengthen food security);
- To increase market orientation and improve competitiveness, including greater focus on research, technology and digitization;
- To improve the position of farmers in the value chain;
- To contribute to the mitigation and adaptation of climate change as well as to sustainable energy production;
- To support sustainable development and efficient management of natural resources such as water, soil and air;
- To contribute to the protection of biodiversity, strengthening ecosystem services and the protection of habitats and landscapes;
- To attract young farmers and facilitate the development of economic activity in rural areas;
- To promote employment, growth, social inclusion and local development in rural areas, including bioeconomy and sustainable forestry;
- To improve the response of EU agriculture to the social needs of food and health, including safe, nutrient-rich and sustainable food as well as animal welfare;

Thank you for attention!

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