Member of the National Assembly

France

## POSITION ON THE PROPOSAL FOR THE LEGISLATIVE FRAMEWORK OF THE COMMON AGRICULTURAL POLICY FOR THE NEXT PROGRAMMING PERIOD

The new legislative framework for the CAP proposed by the European Commission can be summarized in four measures, on which the French National Assembly has made an assessment.

First, the European Commission proposes a 15% reduction of the CAP budget in real terms. The CAP represents only 28.5% of EU credits. Rural development aid, in particular, would decrease by 25%. While other major agricultural countries continue to invest heavily, this decline would be catastrophic for European agriculture.

Then, the European Commission proposes the implementation of "strategic plans". The French National Assembly has taken a position in August, on the initiative of its European Affairs Committee, to alert about these plans. We can understand the criticisms of the old version of the CAP as being too rigid, not well adapted to certain territories and leaving too little freedom to the Member States. But we are committed to a truly common CAP and these strategic plans are undeniably the seeds of hidden renationalization, creating distortions of competition between the Member States and a lowering of environmental requirements.

This new legislative framework also proposes a reduction in direct payments from  $\in$  60,000 and a mandatory ceiling for payments above  $\in$  100,000 per farm. This measure, very interesting and useful from a theoretical point of view, is in fact almost inoperative. Indeed, the Commission's proposal asks the Member States to deduct from these amounts two key elements: wages linked to an agricultural activity and the equivalent cost of self-employed, that is to say family, labor. As a result, the ceiling will not really be  $\in$  100,000, but more likely around  $\in$  200,000, which mitigates or even cancels the theoretical effects of a cap.

However, it is essential to redistribute the aid, when we know that in France for example 10% of farms receive 40% of direct aid, while almost half of farms receive only 10% of these aids. A more effective way to make this situation more equitable would be through more effective redistributive payments, especially to young farmers and small farmers.

Finally, concerning the respect of the environment, the Commission proposes the abolition of the current greening process and to replace it by three new devices:

- Firstly, a new "enhanced" conditionality system will link all income support and the implementation of climate-friendly agricultural practices;
- Next, in their strategic plans, states will have to finance an ecological program within the 1st pillar;
- Lastly, states will be required to devote at least 30% of their rural development budget to measures to promote the environment and the climate.

It is apparent that this system raises new complexities, compared to the green payment of the current CAP. Moreover, if it is intended to be mandatory for states, it should be optional for farmers, which greatly weakens its scope.

In conclusion, the new delivery model probably responds to strong demands from some Member States for a more flexible CAP. But the CAP must not become juxtaposition of national agricultural policies. We must not lose sight of the absolute necessity of maintaining ambitious shared objectives. Moreover, the second pillar of the CAP already allows for a high level of flexibility, as Member States are free to choose the types of action they intend to finance. Even the 1st pillar, through the 2013 reform, also allows this flexibility (possibility of coupled aid of 15%, enhanced support for areas with natural constraints, redistributive payment etc.).

Increased flexibility and subsidiarity should therefore not be the decisive elements of our debates. The right questions must be asked: which European agriculture do we want? How can we ensure a decent income for farmers? How can we enable the ecological transition of agriculture?

These ambitions must guide us to rethink European agriculture.