



**RISE Foundation 'CAP out of the box thinking'
DEBATE AT THE RISE FOUNDATION IN BRUSSELS**

10th January 2017: 1500-1730

Meeting Report

The debate back at the RISE office was held under Chatham House rules.

The participants welcomed the initial ideas presented in the morning session and there was a general consensus that the underlying question in the CAP debate is 'what vision do we have for the agricultural sector?', taking into account how the farming sector can change and look like in a couple of decades. Whatever this new vision for the CAP looks like, it must ensure that it connects agricultural policy to greater policies and that its narrative is aligned with the Sustainable Development Goals (SDGs) and the Paris climate agreement objectives (complying with which might mean reducing our food production- or certain types of food). After setting the vision, the key question is then whether the current CAP is capable to deliver it and if the current instruments are leading the EU towards the envisaged scenarios. The answer seems to be that they are currently not, and this is the basis for the argument for change.

Part of the discussion at the RISE offices was centred on the extent to which the RISE report should focus on historically contextualising the instruments present in the current CAP. And while it was generally agreed that a historical contextualisation of the current CAP instruments and how they were developed is needed, some participants asked that more emphasis is placed on proposing creative and innovative solutions – regardless of their feasibility - that can allow the future CAP to deliver the common vision and increase the positive reception of the report.

Some of the highlighted difficulties in designing a new 'out-of-the-box' CAP are the conflicting issues present in the CAP itself. One of the participants mentioned three of these: economy vs environment; subsidiarity vs simplification; and results based vs compliance. The authors of the RISE report were encouraged to look for solutions where both are possible to create win-win situations. To argue the case for such solutions, clear examples of how other issues have been solved by reaching compromises between the different parts could be presented (i.e. climate talks between DGClimate and DGEnergy). It was highlighted that consensus is important not only to reach solutions but, most importantly, for the success and acceptance of a new reform.

Environmental concerns were at the core of the discussions. Several ways were proposed to balance the conservation sector and the farming sector, including result-based payments and contemplating using ecosystem services. Including ecosystem services in the CAP would open an opportunity for the private sector to also play a bigger role in it. A participant reminded that tobacco restrictions in the UK developed because of recognition that there was an external transfer of harm to others, and that the same could be sought for agricultural externalities. Even in terms of risk, if a farmer is protected against certain risks, society as a whole should also have the same protection.

During the discussion, continued reference was made to 'food systems', and the need to include a broader definition of agriculture in the RISE report, that could encompass nutrition, and might lead to increased support for farmers from other parts of the food chain. There is also increasing recognition among consumers who want to eat healthier diets. And resilient production is also needed in the light of climate change. The authors argued that given the limited time and budget, there is little scope for that, but it was also pointed out that production and consumption are not necessarily related in a world with trade. So even if it is recognised that the CAP is not product neutral, should it be used as a

tool to steer consumption? And what is actually the link between the two (production-consumption)? It was further mentioned by a participant that the growing wish of people for healthy diets will imply that not only the production but also the distribution of food and the impact of food on health will be more prominent in the next CAP debate. In this connection, it should not be ignored that the innovation of vegetable 'meat' – not yet pursued in Europe – could have a disruptive impact on the sector.

There was also time to talk about the CAP budget. The authors were encouraged to provide figures and suggest priorities for CAP funding. The replacement of direct payments by contractual payments or payments for services was discussed. Should these payments be compensation payments, or would they actually be used to remunerate farmers? Also, some of these services may just require compliance practices. Overall, the RISE report should create an argument as to why it still makes sense to support the CAP, for instance, that a budget will be needed to accompany farmers through the proposed transition.

Precisely in relation to farmers, a more positive story should be made of farmers' role in supporting SDGs. At the same time, the point was made that more emphasis should be placed on farmers' needs in the RISE report and on how to create interest from this sector. If a public goods approach is taken, should farmers be the ones to pay for it? Should the whole of society pay for it? It is also important to focus on why the current CAP leads to negative attitudes from farmers. There is a concrete negative feeling by a part of the farming community that is not being rewarded and has fair concerns. However, it was also suggested that the negative reactions could also indicate that not all farmers believe that what they are doing is unsustainable.

Finally, participants asked that the RISE report provide facts to support arguments for change and the direction that this change should take. Other points of discussion included the role of small farms in Europe, to which many CAP instruments do not apply, the importance of biomass in the future CAP (if we are to rely less on fossil fuels), emphasis on business opportunities for farmers, and a comment on the role of technologies (smart farming) in contributing to the greening of the CAP. In addition, due to the need to take into account substantial geopolitical and climatic differences in European farming, it was suggested to think globally and act locally.

With specific regard to the impact of the RISE report, the authors were encouraged to select messages showing strategic solutions. There was concern on how the messages could be interpreted in the end.

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