

Upon the European Commission's initiation of discussions on the future of the Common Agricultural Policy (hereinafter – the CAP) after 2013 and invitation of European Network for Rural Development to launch national debates, Lithuanian National Rural Network has organized the discussions among the Network members. The meetings of five Committees of Lithuanian Rural Network (four of these thematic Committees corresponding to the axis of Lithuanian Rural Development Programme for 2007-2013, whereas the fifth one on horizontal issues in relation to the development of programme) were structured around four given questions. The debates were attended by approximately 100 members of Lithuanian Rural Network who represented their institutions (municipalities, public institutions, associations, science institutions) and non-governmental organizations (rural communities, local activity groups, networks of local activity groups) and other social partners.

These are the results of the discussions on the future of the CAP after 2013:

1. Why do we need a CAP?

Beyond all doubts, the CAP is necessary in pursuit of more balanced and correct solution of political, economical, social, public and environmental issues at the EU level. We think that after 2013 the CAP shall remain common, as only the common funding source can ensure the principals of common market and help in achieving the goals and objectives targeted to the entire EU agricultural and rural development policy, i.e., ensure provision of food, meeting requirements of cross-compliance, sustainable development of rural areas, development of renewable energy sources, higher competitiveness of agriculture in the EU Member States and mitigation of the impact of climate change.

Rural development shall remain the constituent part of the CAP: agricultural production and rural development shall be developed gradually as rural development processes (production and processing, modernization; rural business, infrastructure development, preservation of environment protection, rural community life, etc.) involve not only farmers, but also all residents of rural areas. In light of the fact that rural areas are inhabited by approximately 33 percent of Lithuanian residents and the number of persons engaged in agricultural activity is constantly decreasing, agricultural entities themselves will not be able to solve all rural development objectives (such as infrastructure and creation of new jobs, rural depopulation and improvement of the living standards).

After 2013, the CAP shall also be funded from the EU resources by applying solid model, common rules and requirements for all EU Member States. It would allow for ensuring equal conditions of competition for all members. The volume of policy funding shall remain similar to the one that is currently applied. The both main pillars – rural development and agriculture - shall remain.

We speak up for the pillar of rural development remaining as the part of the CAP. The period of 2007-2013 shows that we are in a correct pathway: agricultural entities and participants of rural development collectively solve rural development issues and problems by creating added value for agriculture and public good, participate in community life and support the vitality of rural areas.

We think that the Common Agricultural Policy could be named as the Common Rural Policy by supporting the services provided by agricultural production, but more highlighting the rural development rather than agriculture and more intensively creating development of rural public infrastructure, rural entrepreneurship and creating background for the increase of living standards in the rural areas.

2. What are society's objectives for agriculture and food sector in all its diversity?

We think that the aims and objectives of the CAP remain the same:

1 Sustainable agricultural and rural development, by ensuring the improvement of the living standards in rural areas, availability of social services and infrastructure and quality thereof. It is particularly relevant for Lithuania to improve the living standard in rural areas, as the negative tendency of depopulation due to poor social infrastructure and low employment is becoming ever more obvious. In addition, it is important to ensure food safety and quality by encouraging sustainable and balanced agricultural production which would be environment-friendly. The partnership between science and production shall be stimulated in order for agricultural sector to be able to apply high technologies and innovations.

2. Integrated agricultural and rural growth by solving the issue of unemployment, particularly relevant to Lithuanian rural areas (18 percent) and by gathering all available inner resources that could encourage the employment of rural residents. Due to this reason, it is particularly important to stimulate family farms (by increasing the intensity of support by 40 to 65 percent to micro-companies) and further develop the implementation of Leader method as only in such way, i.e., through social technologies and partnership, rural residents would be encouraged to communicate and cooperate, to create alternative businesses, new jobs, to preserve countryside, improve living standard and infrastructure.

3. Multifunctional agriculture that would ensure the development of renewable energy sources, by paying more attention to the utilization of waste generated in the agricultural production and processing, would encourage the creation of alternative agricultural activities, cooperation of small and medium-sized farms, organic farming and realization of organic production, would increase and reinforce family farms and entrepreneurship of rural residents. As the private agricultural sector of Lithuania is active for only 20 years, we face different problems than other EU Member States and we can gradually solve these problems only by using the CAP funding.

4. Increase of human capital in rural areas – holding of young farmers and young rural residents and pulling into agricultural production and rural development processes. We see rural areas as vital socioeconomic and cultural formation, where agriculture receives an ever decreasing role; whereas the importance of rural development is constantly increasing as it is necessary to solve the issues of human resources, improve of living standards and creation of alternative business in rural areas as well encourage local self-government.

3. Why should we reform the current CAP and how can we make it meet society's expectations?

As it is essential to achieve agricultural and rural development aims and to ensure the continuity of started works, actions and projects, after 2013, rural development shall also remain the part of the CAP and only some provisions should be gradually and systematically amended, e.g.:

1. the approach to support to agriculture sector shall be changed – too high direct support spoils the European Union agriculture and it becomes ever more vulnerable (less competitive and dependant on constant donations of public) and creates illusion that agricultural activity can be pursuit by anyone. (However, in reality, agricultural sector demand much more knowledge and entrepreneurship than other branches of economy).

2. the conditions for competition shall be made equal to the farmers of all EU Member States by rejecting historical references, allocating equal direct payments and applying unified support conditions;
3. support shall be intensified and directed to rural development, particularly by providing higher funding for the improvement of infrastructure;
4. the development of renewable energy sources and environment-friendly “green technologies” shall be encouraged;
5. the Leader method, partnership and influence of communities shall be expanded;
6. business-favourable medium shall be created in rural areas and small-scale business shall be promoted;
7. family farms shall be the base of agricultural sector, therefore their entrepreneurship and vitality shall be stimulated;
8. young people shall be attracted to particularly rural development processes.

4. What tools do we need for tomorrow’s CAP?

In our opinion, the aims (acceleration of structural changes, modernization and innovations, increase of competitiveness, partnership of science and production, provision of environmentally-friendly public goods and reduction of development levels in the expanded EU) and instruments of the CAP shall be as follows:

- To continue support for agricultural production by providing direct and structural support (putting more on the structural side);
- To modernize market regulation measures (intervention purchase of grain and dairy products, export subsidies to dairy and meat);
- To provide more intensive support to family farms (14-20 ESU);
- To highlight management of waste generated in agricultural production and processing (waste-free production);
- To install measures for the management of abandoned lands;
- To encourage and support measures for applying new biotechnologies in the agricultural sector;
- To create agricultural logistics centres to facilitate the dialogue between consumer and producer;
- To ensure funding of rural development instruments, particularly those for quality improvement, encouragement of entrepreneurship and renewal of villages as well as Leader method.

We think that the intensity of funding shall be increased, including the funding of those measures that could improve the living standards in rural areas (infrastructure, renovation, quality of drinking water, alternative activity), encourage sociality, creation of civil society and social cooperation of rural residents, attract young people to rural areas and reduce social isolation. Moreover, targeted payouts can be launched in addition to direct payouts that could be allocated not for owned land, but for the solution of particular problems of rural development in own land and own farm (e.g., supervision and usage of heritage objects, living and farming in protected areas, etc.).