



Summary of Euromontana contribution

This position submitted by Euromontana is the result of a debate organised **since April 2008** with its 70 members from 15 countries, and with a network of CAP referees constituted in May 2009. **Two seminars** (June 2008 and Oct. 2009), a consultation via **questionnaire** and **electronic exchanges** (dedicated blog, emails...) were organised.

We are in favour of an **ambitious policy** for promoting **European agriculture in all its functions and in its diversity**. We believe that the agrarian sector is a **strategic sector** as it provides food to the people of Europe, shapes its territories and communities culture: Europe must remain united in front of this challenge and **bet** on this sector.

Because agriculture provides public goods – still insufficiently or not at all remunerated by the market – and because markets are globalised and volatile, the market alone is unable to drive the development and maintenance of an agriculture answering citizens' demands. Political orientation is as a result essential to **secure the economic, social and environmental sustainability of the agrarian activity on the whole territory**.

We consider that this sustainability should be the first objective of the CAP. To implement it, the CAP must:

- **Seek to maintain productive agrarian activity on the whole territory**, keeping its support for active farmers;
- Create the **conditions for stable markets** for agro-food products, and enable market stabilising action in the event of surplus or deficit adjustment situations;
- Ensure **sufficient means to support vulnerable productions that are important for maintaining a local socio-economic and environmental balance**, paying attention to linked industries
- **Encourage production in least favoured areas**, by compensating the on-costs associated to these areas and by providing means for a better market efficiency valuing their assets.

The CAP must as well respond to European citizens demands and help to face the new challenges:

- Ensure for every citizen affordable **and stable access to safe food in sufficient quantity and quality**;
- Promote an agriculture that would **play an active role in the management of the environment**, by contributing to adaptation to climate change, production of alternative energies, risk management and water and biodiversity management;
- Contribute to the **future of rural areas**, by maintaining population and agrarian activity on every part of the territory, seeking to achieve territorial cohesion;
- **Maintain cultural landscapes and heritage**.

To fulfil its objectives, the CAP will need fair, efficient and flexible instruments. We recommend in that respect a 4-level support system with:

- **A baseline payment for all farmers**, aiming at maintaining a sustainable productive agriculture on the whole territory, for economic and food security purposes ;
- A **complementary direct payment**, varying depending on production systems, rewarding those which practices respond to **environmental, social or territorial** challenges at European scale (grazing payments, fragile productions which are needed to maintain important land spaces like sheep farming),
- A **specific support for less favoured areas**, aiming at maintaining farms in difficult areas (and especially in mountains) where **on-costs of equipment and labour** area limit competitiveness,
- **Optional contractual payments**, offered in the framework of a local orientation policy. These contracts would be conceived, according to the subsidiarity principle, at an adequate territorial scale matching the challenges of the area and would remunerate specifically services elaborated on the basis of a prior diagnosis.

Among these contractual payments, Euromontana members recommend the following measures to strengthen the competitiveness and autonomy of **mountain farmers**:

1. **Maintaining and strengthening support to setting-up of new farms**, to ensure renewal of generations in mountain areas;
2. **Support producers organisations and structuring of mountain quality food supply chains**: in order to make profitable use of the market potential that lies in the mountain imaginary of consumers. **In parallel to a European framework for protection and promotion of mountain products**, support to organisation and structuring and coordination of quality food supply chains comprising:
 - a. **Development of business and marketing skills** of producers and supply-chain actors, especially via access to specialised training and **extension services targeting small-scale productions and supply-chains and diversified farms**;
 - b. **Support to better horizontal and vertical coordination of supply-chain actors**;
 - c. **Support to promotion of the products**;
 - d. Maintenance of **collecting and processing milk facilities** and of **slaughtering infrastructures** that permit in fine to retain added value in mountain areas
3. **Support investment in building and modernising livestock buildings**, in order to compensate construction on-costs and foster employment locally;
4. **Agri-environmental measures** which must be designed on-field taking into account practical, economic and environmental reality of farms.
5. **Support to coordination structures for the use of pastoral resources** that play a decisive role in the **sound functioning of pastoral systems**, producing a lot of **public goods**.
6. **Support to preservation and development of the genetic performance of local breeds and of ancient varieties**: a rich heritage to exploit.

Besides, EUROMONTANA recommends that the principle of permanence of amounts paid on historical references be questioned. Baseline payments should be degressive and limited by a ceiling, accessible to all active farmers, including **multiple-jobs holders**.

The CAP will also have to **provide farmers with instruments for market regulation and protection against economical, climatic and sanitary risks**, making the best use of the most adapted tools (public or managed in common). Europe will have to foster recognition of the necessity of a **coherent management of international trade**, balancing competition between European farmers and producers from countries applying lower environmental or social standards.

The CAP will finally have to encourage **innovation and research & development** to favour an agrarian sector combining successfully competitiveness and sustainability.

To succeed in these different challenges, the CAP will have to remain very ambitious in its means, with **at least a stable amount of funding for the post 2013 CAP**. We think however that the balance in the funding of the different types of measures will have to be coherent with the priorities. Considering that the current distribution between pillars is not satisfactory if we consider the associated expectations, we hope that **the future CAP will increase the funding of measures that will contribute tomorrow to territorial and rural development objectives**. To conclude, we think that it is essential to reflect on a **better coordination of the CAP and of structural funds** with regards to rural development.