The CAP post 2013. Some remarks from the Polish perspective

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Some (less known) basic facts

- EU CAP: what mostly matters is that this policy is <u>common</u> → <u>common market of agri. products is possible</u>
- <u>EU spends less on agricultural policy than it would have been spending under 27 independent national agricultural policies</u>
- CAP is a 'market' policy rather than a 'structural' one (the original sin of the CAP?)
- Despite huge changes in the shape of CAP (1992, Agenda 2000, 2003, 2011 /EC/) its budget and allocations among m. states stay relatively untouched → Are these changes were just due to a search for a new legitimization of CAP spendings, particularly of DP?

... and the debate on CAP changes

 2003 reform: "a reform package leaving the CAP budget unaffected (except for enlargement) had no chance of acceptance in the College of Commissioner unless we adopted a new approach, and took it by surprise"

Pirzio-Biroli (2008), former Chief of Staff of F. Fischler



... and more recently (MFB)

Themes in MFB's official statements

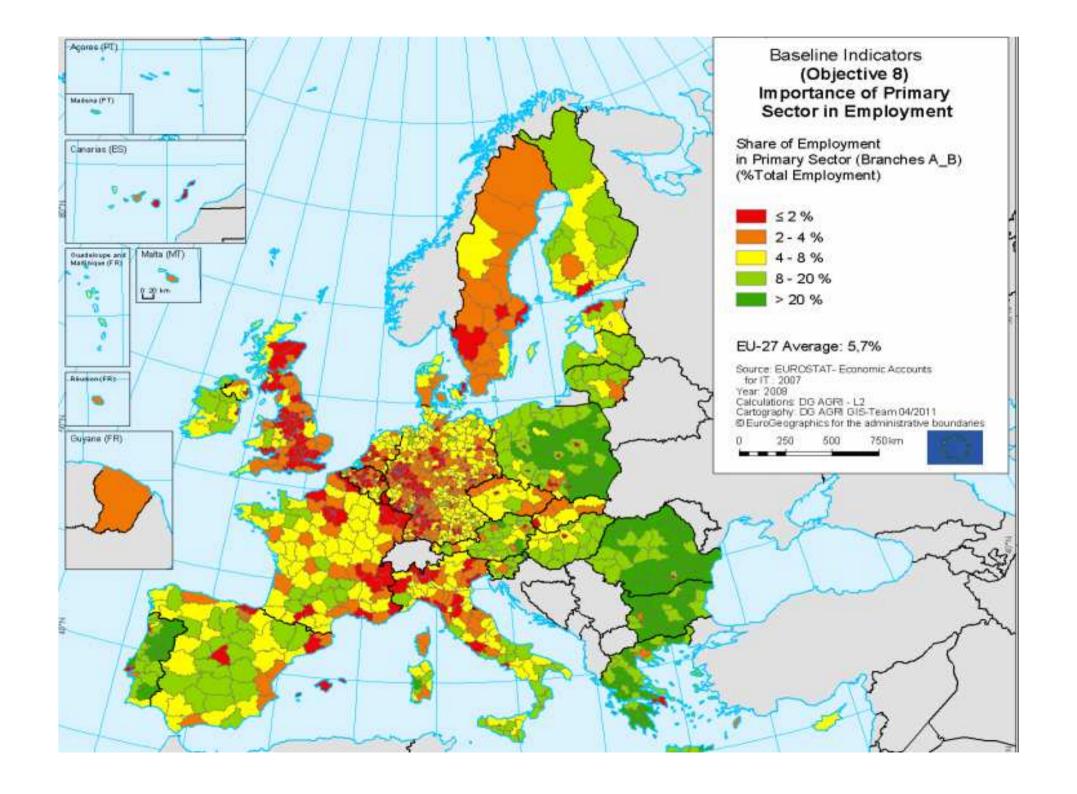
| 2007 | 2008 | 2009 |
|--------------------------|--------------------------|--------------------------|
| european union | european union | european union |
| rural development | health check | rural development |
| health check | rural development | climate change |
| member state | member state | member state |
| rural development policy | rural development policy | mariann fischer boel |
| mariann fischer boel | mariann fischer boel | rural development policy |
| doha round | single payment scheme / | food security |
| single payment scheme | development policy / | mountain area |
| wine sector | climate change | direct payment |
| development policy | direct payment | dairy sector |
| climate change | european commission | european commission |

Source: Grosse T.G., Hardt Ł. (2010), Sektorowa czy zintegrowana, czyli o optymalnej strategii rozwoju polskiej wsi, Pro Oeconomia, Warszawa



CAP post 2013. Some general remarks from the Polish perspective

 Agricultural sector matters in PL in terms of the no of people employed ...



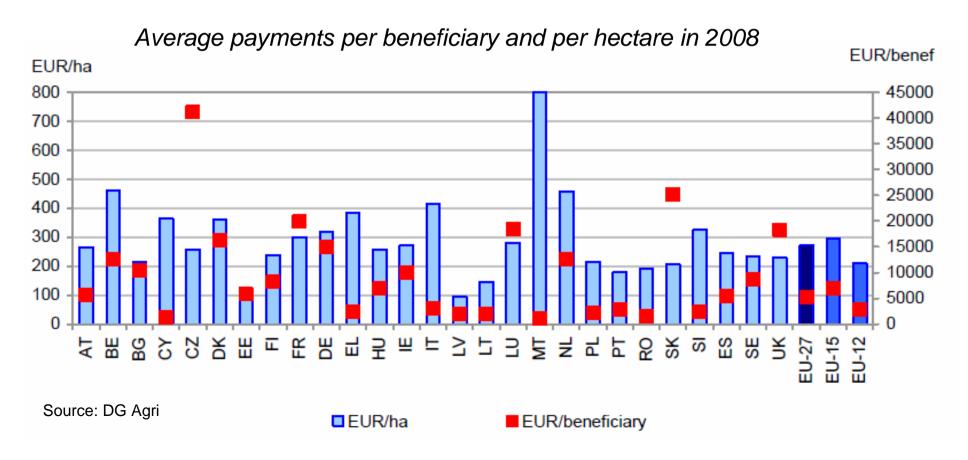
CAP post 2013. Some general remarks from the Polish perspective

... and agricultural productivity relatively low (e.g., wheat in 100 kg per ha /2009/: 41,7 in PL; 78,1 DE; 74,5 FR; 79,3 UK; 52,4 CZ)

→ Polish agriculture needs an in-depth modernization, i.e., an increase in its efficiency (productivity), i.e., an increase in the average UAA of a farm and a huge outflow of people from agri. sector

How to asses recent EU legal proposal for CAP post 2013?

- It maintains the community character of the CAP
- It addresses the issue of unequal DP, however, not to the extent expected by PL



How to asses recent EU (EC) legal proposal for CAP post 2013?

- The possibility of linking some part of DP with production is a move in the right direction (up to 5% or 10% of DP envelope, to be decided by MS)
- ... however, we would prefer a larger share of the envelope for coupled DP, and, e.g., less for 'green payments'

How to asses recent EU (EC) legal proposal for CAP post 2013?

- Coupled payments, green payments, small farmer scheme, etc. → a more complicated CAP (?)
- Capping of DP for those receiving more than 150 000 EUR is a good proposal
- Small Farmer Scheme (in PL only 29,3% > 5ha) is EC proposal a sufficient one (for PL)?
- In sum, the shape of the CAP is ... a secondary issue, what mostly matters is that this policy should be really common with the same rules of the game for all farmers from all member states, including financial transfers (precisely DP)

Thank you for your attention!

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