

**JOINT DECLARATION OF THE MINISTERS OF AGRICULTURE OF THE VISEGRAD GROUP COUNTRIES AS WELL AS OF BULGARIA, ROMANIA AND SLOVENIA
ON THE COMMON AGRICULTURAL POLICY (CAP) AFTER 2020**

The Ministers of Agriculture of the Visegrad Group countries as well as of Bulgaria, Romania, and Slovenia:

- (1) EMPHASIZE that the CAP is a wide-ranging, fully comprehensive EU policy, and is one of the foundations of the European Union. This policy implements a growing catalogue of public objectives and through further reforms responds to new challenges. The CAP promotes level playing field for agricultural producers in the single market, while contributing to the predictability and stability of agricultural activity.
- (2) CONSIDER that the CAP should also in the future provide the EU society with high-quality food, ensure food security, while also contributing to the achievement of sustainable development goals and renewable energy targets, including the preservation of natural resources (soil, water and air) as well as biodiversity for future generations and a balanced territorial development of rural economies and communities.
- (3) SUPPORT a strong, two-pillar CAP, focused on the competitiveness and profitability of the EU agriculture, the budget of which should reflect the high European added value of this policy, comprising the single market of agri-food commodities as well as social, environmental and cohesion-related benefits at EU level. Maintaining an appropriate CAP budget, similar to the current level, is a prerequisite of the CAP's effectiveness in achieving the Community objectives. EMPHASIZE that additional priorities in current Heading 2 (or its equivalent in the future MFF) is only acceptable with assigned adequate financial resources. The CAP should remain one of the important expenditure policies of the EU budget in the next programming period.
- (4) EMPHASIZE the need for better coordination between the CAP and other EU policies (*inter alia* trade, environment, climate, renewable resources and energy, development, cohesion, competition and health policy), which increasingly affect agriculture and the food production sector.
- (5) SUPPORT maintaining the current CAP components, i.e. common organisation of agricultural markets and direct payments (as first pillar), and supporting rural development (as second pillar), while at the same time NOTE the need for several modifications and simplifications of the CAP. The CAP's efficiency and effectiveness can be enhanced, *inter alia*, by increased reliance on Member States competences in planning and control of implementation of the CAP measures, in accordance with the principles of subsidiarity and proportionality.

- (6) EMPHASIZE that direct payments, also after 2020, should provide support and stabilisation of agricultural income, while promoting sustainability of farm production and contributing to vitality of rural areas. Direct payments are support granted directly to farmers, mainly in the form of a basic income support, decoupled from production, to provide them with a safety net. Their stabilising and facilitating adjustment functions gain in importance in the face of increasing volatility of agricultural markets and exposure to international competition due to i.a. new EU trade agreements. They contribute to preserving vitality of rural areas and provide basic public goods through greening combined with cross-compliance.
- (7) BELIEVE that it is necessary to maintain the possibility of using coupled payments in sectors of particular social, economic and environmental importance, and to provide greater flexibility in the application of this instrument. CONSIDER that in justified cases, especially where food security and sustainable production methods are at stake (e.g., by increasing the production of protein crops to promote EU self-sufficiency in vegetal protein), measures classified under the WTO rules as Amber box should not be avoided. THINK also that possibility to increase the allocation for coupled payments should be considered.
- (8) EMPHASIZE that the CAP Treaty objectives, particularly with regard to stabilising agricultural markets, must be implemented effectively so as to prevent crisis situations in agriculture. This requires a more active use of the instruments establishing common organisation of agricultural markets, as well as the introduction of new and more effective mechanisms for crisis prevention and management.
- (9) EMPHASIZE that the Single Area Payment Scheme (SAPS) proved to be efficient and it should be maintained and made available for all EU Member States in the future. UNDERLINE that the SAPS is comprehensible to farmers, adapted to the new tasks of the CAP and consistent with the WTO rules. The introduction of an entitlement-based system in the Member States currently applying the SAPS and accounting for almost 40% of all EU farmers, would lead to a large complexity of the scheme, undermining the credibility of the objective to modernise and simplify this policy
- (10) EMPHASIZE that, future CAP should continue to provide Member States with sufficient flexibility to take into account the diversity of farm structure across the EU with regard to farm type or size.
- (11) ASSESS that agricultural holdings, next to direct support, need more effective price and production risk management instruments. Such instruments must account for the specificity of agricultural sector's structure in various EU regions as well as the interactions with other CAP activities. Their development cannot involve the elimination of traditional market intervention measures, which should be modernised and adapted, including by taking into account production costs in the setting of reference prices.

- (12) BELIEVE that it is also necessary to improve the food chain functioning, and therefore SUPPORT recommendations of the Agricultural Markets Task Force (AMTF) presented in November 2016, calling for better cooperation between farmers and for improved legislation at the EU level concerning unfair trading practices. The new policy has to give a special attention to strengthening the farmers' position in the agri-food chain by ensuring a proper legislative framework for protection of farmers' interests in relation with the big food retailers and to further stimulate their cooperation in associations, producer groups and other organisations. BELIEVE that extension of support instruments for groups and organizations will strengthen the position of agricultural producers in the food chain.
- (13) BELIEVE that the financially strong second CAP pillar should focus on levelling development differences in the agricultural sector, strengthening the position of producers and processors on the global market and creating conditions stimulating development of economic, social and environmental-oriented activities in rural areas, while ensuring the sustainable usage of the natural resources. Therefore, priority should be given to modernization and investment measures, supporting job creation, competitiveness and resilience of the agri-food sector and associated rural activities, including processing and building value chains, producing material for renewable energy purposes, providing various services, as well as protection and preservation of the natural ecosystems. Supporting innovation development and implementation of research in the entire agri-food chain should also be a key priority of CAP post 2020.
- (14) CONSIDER that CAP financial instruments should complement, but not replace, grant-based support and they should be implemented gradually, whereas their application should be tailored to the nature and assumed goals of a given intervention. Furthermore, financial instruments should be voluntary and member state specific, also taking into account the actual macro-economic environment.
- (15) ARE AWARE of the importance of renewal of generations by facilitating the access of young farmers to financial instruments, lands and transfer of know-how, of professional advice and training programmes, and also by encouraging the transfer of agricultural assets.
- (16) AGREE with the provisions of Cork 2.0 DECLARATION "A Better Life in Rural Areas", RECOGNIZING that it is a response to challenges that the EU rural areas face, and that its provisions should be taken into account in designing the second pillar of CAP post 2020.

- (17) In addition to the above points which are shared by all delegations, Bulgaria, Poland, Romania and Slovakia NOTE that direct payments account for the majority of farm support under the CAP which means that their distribution affects the level-playing field in the single EU agricultural market. This implies a necessity to depart from allocating the direct payments funds based on the volume of agricultural production dating more than 20 years back and to complete the process of convergence (levelling) of direct payments per hectare among Member States.

Warsaw, 2 June 2017

On behalf of

Poland:

Hungary:

Slovakia:

Czech Republic:

Bulgaria:

Romania:

Slovenia: