

Finnish views on the long-term perspective of the Common Agriculture Policy (CAP)

**The CAP post 2013 -seminar in Bilbao
25th of November 2009**

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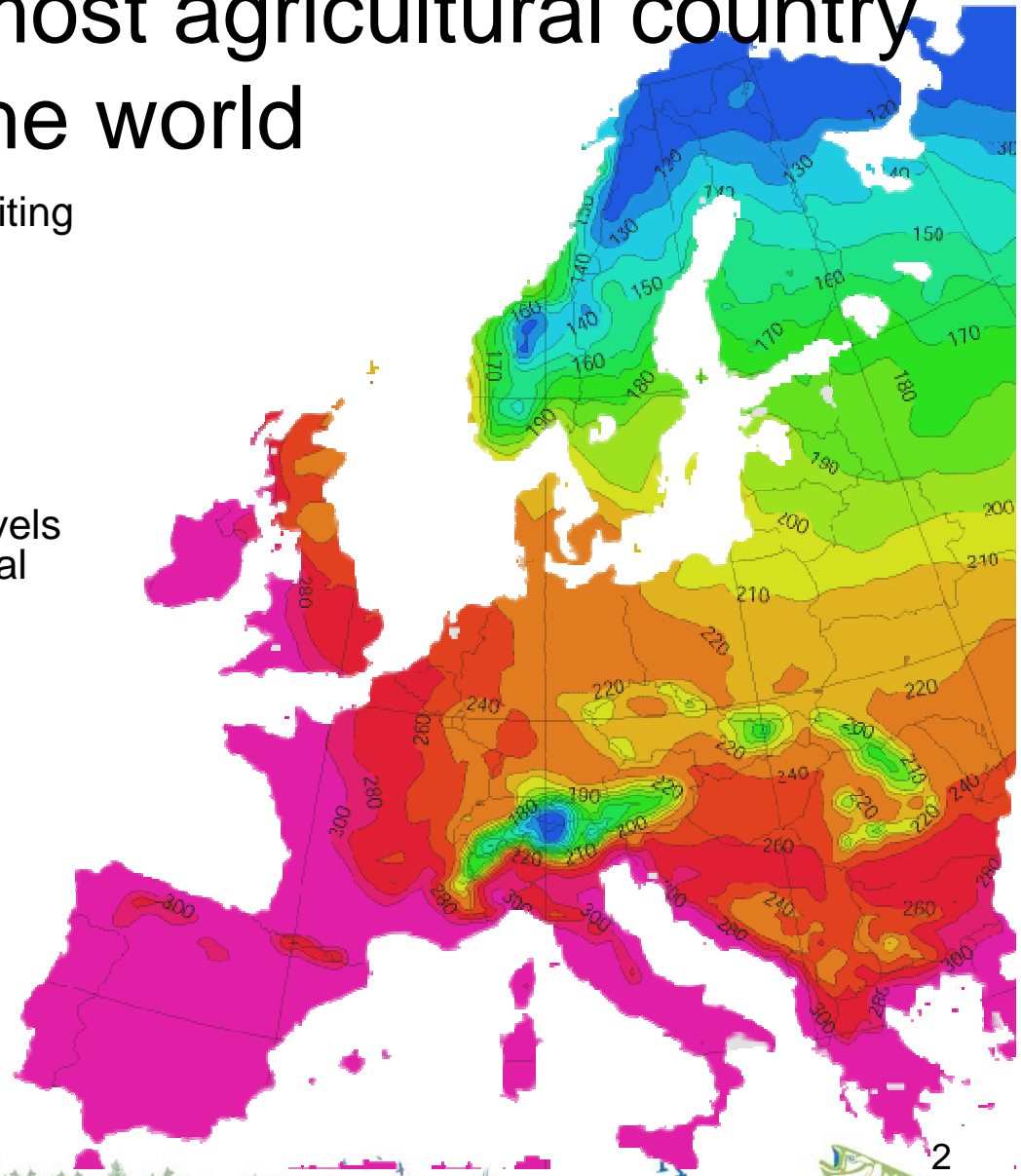
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Finland – northernmost agricultural country in the world

- Geographical location the greatest limiting factor
- Growing period
180 - 120 days
- Natural conditions reflected in yield levels
→ only half of the yield levels in Central Europe
- Main products: Milk, meats, cereals



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The structure of the presentation

1. General trends; global and EU
2. The CAP: basis, discussion points
3. The CAP and Finland
4. In the end

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Global trends

- The Era of crisis
 - Food
 - Financial
 - Trust
- The Era of uncertainties
 - Climate change
 - Energy

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Trends in the EU

- Politics
 - Decision making: New treaty + New commission
- Policy
 - Agriculture: Agri-Food chain
 - Rural areas and agriculture: synergy needed
 - Energy production + consumption
 - threat or possibility for rural areas?
- Important
 - Why we have the European Union?

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The Common Agricultural Policy

- Basic principles
 - common markets
 - common financing
 - community preference
- Basic objectives
 - productivity
 - a fair standard of living for rural population
 - stabilise markets
 - assure supply
 - ensure supply at reasonable prices

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The CAP: Under discussion now

- Amount of agricultural budget
- Allocation of money: Between states, regions, farms
- Pillar structure of the CAP
- Single Farm Payment: Justification for it?
- Livestock premium; Needed or not?
- Rewarding public goods
- Rural areas and agriculture
- Policy is too complicated

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The CAP and Finland

- Is the CAP a good or a bad?
- Why the CAP is needed in the future?
- Finnish position at present

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Is the CAP a good or a bad?

- Assure smooth internal markets
- Ensure competitiveness of food supply chain
- Ensure supply of food
- Ensure supply of public goods
- Ensure reasonable consumer prices for food
- Maintain market balance

=> However, there have been and there are problems!

=> Without the CAP the situation could be even worse!

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Why the CAP also in the future?

1. The European Model of Agriculture

=> Maintaining agricultural production throughout Europe

2. Preserving rural landscapes and viability of the countryside

3. New areas, why it is needed:

- Environmental protection: local + global (climate change)
- Water production, land protection
- Bio energy production
- Risk management

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Finnish position at present

- The CAP is needed
- The two pillars structure should be maintained
- Co-financing of Pillar I support? Problems?
- Direct payments; gradually towards regional flat rate
- Direct payments; take account animal production
- Coupled payments needed in sensitive regions
- Risk management tools needed; income safety net?
- LFA; objective criteria, paid on the basis of handicap
- Market signals needed; it's agriculture; invisible hand frozen?
- National aids should be allowed, if don't disturb internal market
- Funding at the current level; content important

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In the End

- Global food security
- Global energy security
- Sustainable development
- Rural areas

=> The CAP is an important part of the puzzle!

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