

# Reform of the Common Agricultural Policy (CAP)

## Society of Biology Position Statement April 2011

An effective Common Agricultural Policy (CAP) will allow Europe to maintain security of food production, viable rural communities, and the resilient ecosystems and natural resources upon which we depend for survival, without damaging economies and environments outside Europe. The Society of Biology believes that the current CAP does not meet these objectives effectively and should be reformed.

## Summary

- 1. The CAP should achieve a balance between the economic, social and environmental benefits of agriculture.
- 2. There should be no public subsidy without public goods.
- 3. Valuation of ecosystem services and natural capital is essential, so that their protection and management can be properly supported by the policy.
- 4. Only if farming is economically sustainable can we expect farmers to deliver the non-costed ecosystem services upon which our survival relies.
- 5. Research, knowledge and trained people are vital to define, develop and deliver sustainable agriculture and effective agricultural policy.
- 6. The CAP needs to enable investment and incentivise resource-use efficiency

### **Position Statement**

- 7. The aim of a CAP should be to achieve a balance between the economic, social and environmental benefits of agriculture across the European Union. Policy must explicitly recognise that these factors are interrelated. The CAP currently combines direct subsidy payment for crops and land with price support mechanisms in two 'pillars'; production support and rural development. A reformed reward system should be designed around simple metrics that demonstrate that desired levels of production, environmental and social benefits have been achieved with decreasing demand on resources.
- 8. Clearly these issues are complex. It is not easy to balance the economic, social and environmental benefits. If the aim of public subsidy is to generate public goods such as ecosystem services then it should not subsidise production, which should be paid for by the market. This is particularly the case now that the value in agricultural output is largely at the processing and retail end of the chain, not at the farmers' end. European policy should address this aspect of market failure more vigorously, but ideally not by directly subsidising the production of saleable goods. It could be argued that there will always be market failure in agriculture because of the structure of the industry. The food manufacturing industry in the UK is now our largest manufacturing sector, and relies on viable primary production. It is a legitimate policy objective to ensure that the EU agricultural industry has a "safety"

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- 9. net" and that local food processing capability is not exported. But we agree with the Convention on Biological Diversity that: "Incentives, including subsidies, harmful to biodiversity should be eliminated, phased out or reformed"<sup>1</sup>.
- 10. The CAP should support an improved valuation<sup>2</sup> of the public goods and services created by agriculture, including the natural resources which deliver them. This would allow public subsidy to pay an appropriate price for such goods and services.
- 11. The new policy should determine how a reformed CAP can deliver equitability across member states with the objective of enabling European agriculture to be competitive in a global market. To meet this objective the CAP must provide incentives to invest in innovation, which could include: human capital, equipment, and infrastructure. Europe in general and the EU in particular will have the obligation and opportunity to be a major provider of global food in the future based on population trends, productive land and water availability and climate change predictions. The CAP should anticipate and respond to these long-range projections and invest positively in productive, modern, sustainable food production as one of its primary industries on which future prosperity and well-being will depend. Only if farming is economically sustainable can we expect farmers to deliver the non-costed ecosystem services upon which our survival relies.
- 12. The CAP has to achieve a balance, where the most agriculturally productive land is used predominantly to generate saleable products, aiming at improved outputs with lower inputs (with due regard to animal welfare, and minimising pollution); and less productive land is managed to provide a greater range of public goods. Agriculture should supply a wide range of goods and services beyond the production of food and non-food commodities. These include social benefits such as employment and recreation in the rural environment, and environmental benefits including landscape management, increased biodiversity, water purification, flood protection, the maintenance of fertile soils and carbon storage.
- 13. Sustainable agricultural production should aim to minimise ecosystem costs, for example pollution, soil damage through erosion and compaction, loss of habitats for farmland bird and mammal species and degradation of landscapes. Many ecosystem services are delivered and destroyed over timescales incongruent to those of policy: a reformed CAP should address this issue. The new policy should not compromise animal welfare, nor rely on unsustainable inputs of non-renewable resources. Protection and use of a wide variety of animal and plant genetic resources, and good stewardship of the environment, should be supported through the CAP. A modern society expects more from its agriculture than inappropriate intensification where society pays the price through loss of natural capital and ecosystem services. The limits to production vary with location and social context. For sustainable production and a healthy, resilient environment, these limits must determine policy development. We must restore our natural capital if we are to secure a sustainable future and enhance our green infrastructure from town to country.
- 14. Intensification and adverse outcomes are not necessarily linked lack of intensive management and inappropriate "extensive" management of land can be just as damaging. Needing more land to produce the same level of output is usually environmentally negative through indirect land use change. We support the concept of sustainable intensification, and further research to understand how this can best be achieved in practice.

<sup>&</sup>lt;sup>1</sup> Draft Strategic Plan for Biodiversity 2011-2020, Convention on Biological Diversity: Target 3. www.cbd.int/nagoya/outcomes

 $<sup>^{2}</sup>$  The Society of Biology is a partner in the Natural Capital Initiative, which aims to support the development of UK science, policy and practice aligned with the ecosystem approach; a way of looking whole ecosystems in decision making and for valuing the goods and services they provide. <u>www.naturalcapitalinitiative.org.uk</u>



- 15. There is no consensus about how to define sustainable or efficient agriculture. We support a definition which involves long term economic, social and environmental viability. It is difficult to balance all three factors simultaneously at the farm level while delivering the production and food security that society requires. However, it should be possible to balance these factors at regional scale. The challenge of CAP is to ensure that all farms are making good on their potential to contribute to all three factors.
- 16. Maximising food production on a given farm may be sustained in the short term, but is unlikely to benefit wildlife or wild plants and may result in the depreciation of natural capital in the longer term with a consequent negative impact on sustainability. To reverse the decline in biodiversity, we must share resources (nutrients, space, water) and agricultural production with wildlife. "High Nature Value" agriculture practised in many of our most remote and beautiful landscapes provides sustainability in environmental and social terms, but is not economically viable without public support. Livestock production using appropriate stocking density is often the most efficient way to manage such land and can often provide legitimate use for otherwise endangered breeds, thus usefully enhancing genetic biodiversity. Support for farming must recognise the different conditions across the UK (85% of Scotland's area is classed as being Less Favoured Area compared to 17% in England) and elsewhere.
- 17. All types of agricultural production systems should be given incentives through the CAP to protect and create biodiversity features such as ponds, trees and hedgerows, appropriate to the local landscape. Much of Europe's biodiversity relies on its agricultural land, but its remaining wilderness areas also host important wild species. In the UK much threat to biodiversity stems from urban encroachment into rural and agricultural lands. European policy should aim to achieve food security without bringing additional land of higher biodiversity value into agricultural production.
- 18. The transaction costs for agri-environment measures can be high inspection and administration have cost up to one fifth of some schemes. The CAP should pay for results rather than inputs. Simplicity is the key. It is more important to measure outcomes than inputs. In Scotland, a single inspection regime has reduced costs to farmers. The CAP should address the lack of expertise and skills for monitoring and managing effective land use.
- 19. Although there are examples of successful landscape-scale initiatives, current agri-environment schemes are piecemeal, because take-up is determined at farm scales, leading to weaker outcomes. The CAP should include landscape-wide initiatives. Sustainable, diverse production systems have the potential to provide a long-term resilience to the productive capacity of the UK landscape without compromising our natural capital. Supporting distinctiveness of local means of production and the diversification of local products and services will enhance the competitiveness of UK agricultural products. Future schemes should also include locally adapted and traditional breeds which would in turn improve the genetic biodiversity of farm animals.
- 20. A sustainable CAP must overcome major technical and scientific challenges if it is to reflect the multiple demands for food security and productivity, improved environmental quality and better social health, wealth and welfare. A crucial role for public funding through CAP is research and training of individuals directed towards delivering and monitoring sustainable agriculture, and translating research into improved agricultural policy and practice. There should be a greater emphasis on the transfer of information from research into the policy arena. The current regulatory framework is not wholly evidence-based. However there is currently inadequate investment in all forms of agricultural training and research, and a dearth of suitably qualified and skilled people, particularly in careers for the younger generation. Establishing, implementing and achieving agricultural policy will be entirely dependent upon skilled and trained people across all sectors from farm workers, agronomists, breeders and machinery producers to researchers and policy-makers.



21. The UK has considerable productive capacity on its agricultural land. However, the most productive land is often at risk from housing, commercial and infrastructure developments. CAP reform must take account of the environmental and cultural differences between member states. The Water Framework Directive shows how this can be done. An effective CAP will allow Europe to maintain the security of its food production, the livelihood of its rural communities, and the biodiversity and natural capital upon which we all depend for sustaining our society, without damaging the economies and environments of countries either inside or outside Europe.

This position statement was drafted by a task force convened by the Society of Biology: <a href="http://www.societyofbiology.org/aboutus/committees/etp-home/cap-taskforce">http://www.societyofbiology.org/aboutus/committees/etp-home/cap-taskforce</a>

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**The Natural Capital Initiative** (NCI) is a partnership between the Society of Biology, the Centre for Ecology and Hydrology and the British Ecological Society. The NCI aims to support the development of UK science, policy and practice aligned with the ecosystem approach; a way of looking whole ecosystems in decision making and for valuing the goods and services they provide. www.naturalcapitalinitiative.org.uk

The Society of Biology is pleased to be identified as the author of this position statement and hosts the document on its website at <u>www.societyofbiology.org</u>.

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