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## SUMMARY

### CPMR'S CONTRIBUTION TO THE REFORM OF THE COMMON AGRICULTURAL POLICY (CAP)

#### PRINCIPLES

The CPMR considers that any important evolution of the CAP should be based on a genuine strategy. Such an approach does not seem sufficiently present in the health check.

In light of the strategic importance of the farming and food industries for Europe, of the need to maintain a territorial balance of production and the vital importance of compensating for market failures, the CPMR believes that agricultural and food policy must remain a common (EU) policy.

The CAP should guarantee European consumers a safe and stable supply of foodstuffs that have been produced in compliance with the strictest security and sustainability standards. Moreover, the CAP needs to take into account changes in the world's food situation, without hindering the capacity of developing countries to secure their independence in terms of food supply.

The CPMR emphasises the need to anticipate the territorial consequences of any changes to the First Pillar. The CAP must also concern itself with the survival and development of agri-food industries that are either higher up or lower down in the agricultural production chain

The CPMR proposes that rural development policy, currently constituted by axes 3 and 4 of the EAFRD, should be integrated into an overhauled territorial development policy independent from the CAP.

Even though the CAP is determined at EU level, it none the less has a local impact: the regional level is best placed to avoid a mismatch between big objectives and local implementation. It is also at the regional level that efforts should be undertaken to promote complementarity between a rethought agricultural development policy and regional policy applied to rural areas.

#### APPLICATION TO THE HEALTH CHECK

##### Better distribution of direct subsidies

The CPMR supports the roll-out of a regionalised model for calculating direct subsidies, although it wants Article 59 of Regulation 1782/2003 to be revised, which would make it possible to ensure greater equity in intraregional implementation.

The CPMR is in favour of compulsory modulation to strengthen the measures funded through the Second Pillar, insofar as solidarity between regions from the same member state is ensured. It nevertheless has doubts about whether an 8% increase is justified.

In order to break the link between the amount of decoupled direct payments received by a farm and its size in hectares (the biggest units still receive the biggest grants), the introduction of **progressive modulation** could be a valid option here. Given the wide diversity within the European farming industry with regard to farm structures and production intensiveness, **the CPMR proposes to use the criterion of employment (AWU) to limit the social impacts.**

The CPMR agrees with the Commission that the amounts freed up by the progressive modulation effect applied until 2013 should remain at the disposal of the member state concerned, so that they can be redistributed to other farms and producers.

**Risk management: maintaining a safety net**

The CPMR does not question the need to improve EU instruments for managing market risks or those related to climate variations, which are made necessary due to the reduction in the level of products' price guarantees. **Farmers must have a safety net.** Risk management can only however be implemented within the First Pillar.

**Expiry of dairy quotas: measures for island regions and outermost regions**

If dairy quotas are to be scrapped, **island regions and outermost regions** are among those that are expected to face difficulties in keeping a minimum level of production and whose processing industries are therefore likely to be weakened. In the same way as for mountainous region, measures to mitigate the negative impact also need to be proposed for these regions.

**Stepping up the role of the Regions in the Second Pillar**

**The current EARDF Regulation (Articles 6 and 7) must be urgently revised in order to step up the role of the Regions in the governance of rural development.** The mid-term review of rural development programmes will provide an opportunity to put the new provisions into practice.