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NOTE

From: Presidency
To: Council

Subject: CAP post-2020
- Exchange of views

1. In view of the discussion scheduled for the March AGRIFISH Council on the future of the CAP, the Presidency has identified a number of priorities that should serve to guide the discussion on the future policy.
2. This discussion comes at a very important time and follows the launch of the public consultation on ‘Modernising and Simplifying the CAP’ (see WK 1185/17). That said, discussions on the future of the CAP have already started and a number of debates have taken place in recent months such as the Informal Meeting of Agriculture Ministers in Amsterdam (NL), the Agriculture Ministers meeting in Chambord (FR), the November 2016 AGRIFISH Council, the Cork 2.0 European Conference on Rural development in November 2016, various debates at the European Parliament leading to Own Initiative reports, and the Agricultural Market Task Force (AMTF) and its report in 2016, to name but a few.

3. Notwithstanding the relevance of the objectives as set out by the TFEU and without prejudice to the next Multiannual Financial Framework, a number of additional priorities can be identified. Underpinning these priorities, there is the need to maintain an adequate budget for future CAP, whilst ensuring consistency with other EU policies, as well as achieving **simplification**. Considered as a cross-cutting priority, simplification should remain an overarching principle for the future CAP, not only at the level of legislation but also in terms of implementation and controls, as noted in the Council conclusions of May 2015 (doc. 8485/15).
4. Notably, the following priorities emerge from recent discussions (some of the examples given below might fall under more than one heading) and are in no particular order of importance:
 - i. **Building resilience**: this would include issues such as risk management, be it in relation to weather, health or sanitary risks, access to capital and financial instruments, income support, income/price volatility, enhancing competitiveness, investment in research and innovation, providing tailored support to less favoured areas, addressing food security, the specific needs of family farms, and small/medium-sized farms, and finally, raising consumer awareness.
 - ii. **Responding to environmental challenges**: by increasing the sustainability of agriculture, combating climate change, providing environmental public goods, delivering on international commitments, both in relation to climate following the UNFCCC COP 21 or broader goals under the 2030 Agenda for Sustainable Development;
 - iii. **Investing in rural viability and vitality**: improving job creation and supporting the provision of services in rural areas, enhancing rural governance, supporting diversification of agriculture and of related activities in the broader context, as well as fully exploiting the multi-functionality of agriculture;

- iv. **Ensuring generational renewal:** by facilitating access to finance and land, knowledge transfer, vocational training, as well as reducing administrative hurdles;
 - v. **Maintaining a market orientation:** covering issues such as fostering competition, contributing to a viable agriculture, finding the right balance between opening new markets, protecting sensitive sectors and preserving high EU standards, whilst improving export competitiveness;
 - vi. **Strengthening farmers' position:** by addressing transparency, contractual relations, unfair trading practices, promoting cooperation between farmers, considering the food supply from a broader and holistic perspective, raising consumer awareness, and building to that effect on the AMTF report as well as on the Council conclusions of December 2016 (doc. 15508/16);
5. At the AGRIFISH Council on 6 March the Presidency would like Ministers to share their ideas on how these priorities can be addressed, by way of concrete policy options. To that effect the exchange of views will be structured on the basis of the following two questions:
- *In your view, what would be most effective way to address these priorities ?*
 - *Without prejudice to the overall financing of the CAP, do you think that a rebalancing exercise should take place between the first and the second pillar of the CAP in order to deliver on these priorities ?*

When replying to these questions Delegations may wish to take into account the various recommendations that have already been presented with a view to addressing these priorities, for example the AMTF report, the Council conclusions of 2015 and 2016, and in the Cork 2.0 Declaration.