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from: Presidency

to: Council

Subject: Agriculture and the CAP in the perspective of the EU 2020 strategy
– *Presidency paper and questionnaire*

Delegations will find attached a paper and questionnaire drawn up by the Presidency with a view to structuring the exchange of views at the Council (Agriculture and Fisheries) meeting on 29 March 2010.

AGRICULTURE AND THE CAP IN THE PERSPECTIVE OF THE EU 2020 STRATEGY

Brussels, 29 March 2010

PRESENTATION BY THE PRESIDENCY

Following public consultation, the Commission submitted a communication entitled "*EUROPE 2020 – A strategy for smart, sustainable and inclusive growth*"¹ setting an ambitious programme which focuses on the challenges facing the European Union in the future and is designed to help overcome the economic crisis by identifying priorities and objectives, coordinating economic policies and launching a new governance model for developing this strategy.

Approval and implementation of the EU 2020 Strategy hinge on a programme for which the initial reference point will be the spring European Council meeting on 25 March 2010, but for which the roadmap extends to subsequent meetings of the European Council, of the various Council configurations, and also of the European Parliament.

For the spring European Council meeting, there will be input not only from the ECOFIN and GAC Councils but also from some of the Council's sectoral configurations. The European Union's future strategy also needs to take account of sensitivities and opinions expressed under the aegis of the Agriculture and Fisheries Council, regardless of the stage in the procedure or timetable at which they emerge. This is how the Presidency sees it, as do a number of Member States.

¹ COM(2010) 2020 final of 3 March 2010.

The priorities suggested in the EU 2020 strategy may be summarised as follows:

- smart growth: developing an economy based on knowledge and innovation;
- sustainable growth: promoting a more resource-efficient, greener and more competitive economy;
- inclusive growth: fostering a high-employment economy delivering economic, social and territorial cohesion.

Making the economy more environmentally friendly is a challenge that cannot be met without due consideration for an activity – i.e. agriculture – which manages almost half of the EU's territory (80 % if forest management is included), plays a key role in ensuring sustainable use of resources, conservation of natural habitats, biodiversity, etc. and is destined to play an increasing role in combating climate change.

Agriculture and the agri-food industry contribute substantially to economic growth and employment (the food industry is the top manufacturing sector in Europe). They also help to maintain the level of population and economic activity in rural areas. They fit in perfectly with the sustainable economy model that we are seeking to promote in order to overcome the economic crisis, a model in which innovation and development will assume an ever-increasing role on the agri-food scene.

And, as borne out by the crisis which hit prices and supplies of agricultural products in 2007-2008 and acknowledged at the recent Conferences on World Food Security, the strategic nature of agriculture is further enhanced by its capacity to supply healthy, safe, high-quality products, thereby meeting the food challenge and reducing food dependence.

In the same vein, the meeting of Ministers for Agriculture of the OECD countries in February 2010 confirmed the need for an integrated approach to food security, the role of agriculture in "green growth" as a way of achieving sustainable economic, social and environmental development, and the challenges and opportunities for agriculture in the fight against climate change.

The CAP is the EU's tool for managing the objectives through which agriculture helps to meet the challenges which Europe will face in the future. Those objectives, and their close link with the economy as a whole, are enshrined in the Treaties. The CAP is financed with Union funding. The continuing process of reform, the most recent example of which is the work done on post-2013 implementation of the CAP, guarantees the policy's capacity to adapt at all times to society's challenges and requirements.

The Council is invited to launch a reflection exercise on agriculture and the CAP in the perspective of the EU 2020 strategy. Specifically, the Presidency suggests focusing on the following two main questions:

1. the potential of both agriculture and the CAP to make an active contribution to meeting future challenges in the EU 2020 Strategy and whether this is sufficiently reflected in the Strategy;
and
2. the need to ensure that the Strategy does not interfere with or call into question the funding of Union policies, such as the CAP, whose objectives are set out in the Treaties and which contribute to the achievement of the new European priorities.