
Summary

S.1 Key findings

The Common Agricultural Policy (CAP) has undergone many changes in the last fifty years. During this time, new objectives for the management of natural resources and rural development have been added. The policy tools of the CAP have also undergone sharp revisions. The structure of the CAP post-2020 is currently being considered. This study makes several recommendations for this new structure.

The rise in the global demand for food, the decline of available natural resources and climate change are likely to remain decisive factors for agriculture in the EU. These challenges combined with the current objectives of the CAP may lead to the following objectives becoming a part of the CAP post-2020:

- Food security
- Sufficient income for farmers
- Risk management
- Responsible supply chains
- Sustainable management of natural resources (environment)
- Climate mitigation and climate adaptation
- Conservation of nature and biodiversity
- Public health
- Quality of life in rural areas
- Innovation
- Employment

These objectives are connected to three future scenarios that have been created by SCAR-AKIS for the development of the Agricultural Knowledge and Innovation Systems (AKIS) in Europe. These are a High-Tech scenario, a Self-Organisation scenario and a Collapse scenario. These scenarios concentrate on the challenges that AKIS might face in the period leading up to 2030 using current trends that have been extrapolated to 2050. For the purpose of this study, AKIS scenarios have been supplemented with an analysis of the consequences for the CAP. Subsequently, an estimate was given for each of the CAP objectives listed above about the position and the function that that specific objective would have in each of the scenarios. The next and final step was the development of flexible policy instruments in which a future CAP can anticipate and respond to developments in Europe and the world post-2020.

S.2 Complementary findings

The principal theory of this study that has been developed for the CAP post-2020 is that the objectives of the CAP can be connected to three domains which are more or less based on the three P's of sustainability:

- Domain A:
Food security, sufficient income for farmers, risk management and responsible supply chains.
- Domain B:
Accomplishment of the sustainability objectives set for nature, environment and climate. Public health falls under this domain as well.
- Domain C:
Ensuring innovation for improving sustainability, strengthening the competitiveness of the sector, enhancing rural and employment policies and, if required, food policies aimed at the consumer and the supply chain (including addressing issues of obesity etc.).

Possible tools for domain A:

- Regional fixed income payment for farmers connected to the farmer himself or herself and based on similar incomes of other sectors in that region.
- A fund to serve as a safety net for farmers whose incomes are threatened by market developments, disasters or crop failure.
- Grants for risk management schemes (insurance policies, for example).

Possible tools for domain B:

- Specific remunerations for going green based on and partially funded by the sustainability projects of companies from the supplier or processing industry or from contractual agreements made between agricultural collectives and regional authorities.
- Specific remunerations for farmers for sustainability performances over and above the statutory minimum in terms of public health and animal welfare (contracts).
- Specific schemes (information) in support of the movement to motivate citizens to eat in a healthier and more sustainable way by, for example, promoting the consumption of more plant-based products.

Possible tools for domain C:

- Providing support through grants and applied schemes for innovation, strengthening the competitiveness of farmers through programmes such as the European Innovation Partnership (EIP), encouraging the creation of producers' associations and extending investment grants.
- Reserving resources (in a fund for example) for the re-allocation of certain agro industries in rural areas in Europe
- Using grants and applied schemes to encourage the expanded and multifunctional agricultural sector in the rural regions of Europe and to strengthen the socio-economic dynamic of these rural areas as a result.

S.3 Method

It is expected that the European Commission (EC) will start discussions on the specification of the CAP post-2020 at the end of 2016/start of 2017. The Netherlands would like to make a strategic and substantiated contribution to this discussion. It is therefore necessary to consider the Dutch contribution to this discussion well-ahead of time. The Dutch Ministry of Economic Affairs has asked LEI to conduct an exploratory study that investigates potential scenarios and policy options for the CAP post-2020 and which will inform the strategic discussions in the Netherlands about the future of the CAP.

The structure of the project:

1. Analysis of the objectives and development of the CAP from 1962 to 2020.

This section consisted of the following activities:

- A short analysis of the objectives of the CAP and the gradual changes observed between 1962 and 2014.
- An analysis of the CAP from 2014 to 2020 that considers the objectives of the CAP for 2020 and examines the tools required to achieve them.

2. Inventory of trends and developments that are significant to the CAP post-2020.

This section consisted of the following activities:

- Outlining the trends and developments that are significant to the CAP post-2020. A literature review has been conducted that assessed the trends and autonomous developments in European agriculture. Several websites were also consulted. Current and future policy trends and catalysts for the CAP post-2020 have been identified based on this research.
- The results of the above were discussed with the steering committee and during a workshop with experts from Wageningen UR and policy makers from the Dutch Ministry of Economic Affairs.

3. Outline of the potential objectives, scenarios and policy options for the CAP post-2020.

Three scenarios have been developed for the CAP post-2020 and several potential objectives have been identified. *These are* based on a literature review, an internal workshop, discussions with civil society on the website Toekomst GLB (Future of the CAP) and on consultations with policy makers and experts in Brussels and elsewhere.

4. Elaborating on and testing of potential policy options for the CAP post-2020.

Three scenarios and potential policy options were substantiated and tested. The options were discussed with the steering committee and several policy makers in Brussels and elsewhere. An outline for the tentative structuring of the CAP post-2020 was created based on this.

5. Creating reports and sharing results

The results of the project are described in this report.