The Common Agricultural Policy (CAP) aims to help European farmers provide sufficient food for more than 500 million Europeans. Its main objectives are to provide a stable, sustainably produced supply of safe food at affordable prices for consumers, while at the same time ensuring a decent standard of living for 22 million farmers and agricultural workers.

The European agricultural sector comprises around 11 million farms, which provide work for some 22 million people. However, the sector's employment figure doubles to 44 million if related jobs in the food processing, retail and services industries are included, making the EU agri-food sector the largest employment sector in the economy.

The sector was performing particularly well in the 2010s, despite the recession and the growing number of challenges facing farmers, including climate change impacts, water scarcity, reduced soil fertility and rising energy costs.

In fact, the EU has become a net exporter of food and drink, with an average annual growth of 8% in the value of exports over the past 10 years, reaching EUR 129 billion in 2015.

Concerns about climate change, as well as issues such as biodiversity loss, water scarcity and decreasing soil quality, mean that agriculture also plays an increasingly important role in the sustainable management of natural resources.
As EU Commissioner Phil Hogan has said on many occasions: “By producing steady supplies of safe food, European agriculture provides the bedrock on which the EU’s dynamic agri-food industry is built and remains a vital motor for the wider rural economy.”

With an annual budget of roughly EUR 59 billion, the CAP strengthens the competitiveness and sustainability of agriculture in Europe by financing a range of support measures through the European Agricultural Guarantee Fund (EAGF) and the European Agricultural Fund for Rural Development (EAFRD).

Direct payments provide important support for farmers, helping to stabilise their incomes, and are linked to compliance with safety norms and environmental and animal welfare standards. As these annual payments are predominantly decoupled from production — that is, farmers choose what to produce on the basis of the likely return from the market, rather than on the basis of public support — they support the long-term viability of farms in the face of volatile markets and unpredictable weather conditions, and recognise the environmental contribution and public goods that farmers provide to society. The payments are fully financed by the EU and account for over 70 percent of overall CAP spending.

With the 2013 reform, 30% of direct payments are linked to respecting three sustainable agricultural practices — the so-called greening measures — that address climate change concerns: soil quality, biodiversity and carbon sequestration.

Market measures include responses to the failure of normal market forces. In the event of a sudden drop in demand due to a health scare, or a fall in prices because of temporary oversupply on the market, the EC can activate market support measures. Such spending, also from the EAGF, is by nature rather unpredictable, although it accounts for around 5% of overall CAP spending. This part of the budget also includes the promotion of EU farm products and EU school schemes.

Rural development programmes provide a framework for investing in individual projects on farms, or in other activities in rural areas, on the basis of economic, environmental or social priorities decided at national or regional level. Funded through the EAFRD, this covers projects such as on-farm investment and modernisation, installation grants for young farmers, agri-environment measures, organic conversion, agri-tourism, village renewal, or the provision of broadband Internet coverage in rural areas. Accounting for almost 25% of CAP funding, these measures are generally co-financed by national, regional or private funds and typically extend over several years.

Some believe that the CAP restricts the potential of member states, while others believe that common restrictions are the only way to develop sustainable agriculture. What do you think?

Source: [http://ec.europa.eu/agriculture/cap-overview/index_en.htm](http://ec.europa.eu/agriculture/cap-overview/index_en.htm)