

## What is CAP reform?

For that matter, what is the CAP? An agricultural policy; a rural and social policy; a corrupt cash machine for big farmers; a mechanism for preserving small farmers and rural livelihoods; a protectionist policy that does down third world countries; the policy that new entrants to the EU most want to participate in; the biggest obstacle to creating a competitive agriculture; the building block of the EU; the burden that will destroy the EU; the whipping boy of some politicians; the sacred child of others; maybe all of these things?

It does symbolise, for many, their perception of the EU. Arguably, more than anything else, it does define what the EU is today - and maybe always has been. It has good bits and bad bits but it is monumentally incoherent. It does have sense and does have logic, sometimes, but, as its default and defining condition is incoherence, nonsense and illogicality predominate. Attempts to develop it or reform it, however well intentioned, quickly become infected with those conditions.

The latest reform is an example. It is hard to find more incoherence than a reform policy which seeks to move away from subsidising farmers for commodity production (the illogically named 1st Pillar) and encourages them to take up more environmentally friendly farming by paying for environmental goods and services (the 2nd Pillar), yet rewards for ten years those commodity producers by paying them to do next to nothing (Single Farm Payment) to the extent that the new policy (the 2nd Pillar) is under-funded, underpromoted and under-valued by consumers and taxpayers.

The Irish Prime Minister, Bertie Ahern, believes that the current CAP reform: "will ensure that farmers produce in response to market forces rather than to subsidies" and that this will keep Europe's smaller farmers in business. In fact, the response to market forces of a depressing number of farmers, and many of them have largish not smallish acreages, is to take the Single Farm payment and give up production and positive land management completely. Which, from the farmer's perspective, is a sound and logical response to a nonsensical policy leading to a confused and incoherent situation.

The CAP needs reform because it is not a coherent policy and not for the other reasons often cited including its cost. In fact, in broad terms, it does not take up much more of the EU's gross domestic product than US agriculture takes out of its economy.

But the U.S. agricultural policy does have a coherence - open as many markets as possible for its exports, protect as much of the domestic market as it can, maintain supports to the sector where soil and water are issues, maintain an agriculture research, education and training infrastructure to a relatively large degree and support agri-industry through light regulatory touch, export promotions, aid policy and WTO initiatives.

For all the EU bureaucracies' plans, frameworks and declarations, it comes nowhere near the U.S in its coherence or effective implementation: although the policies of some individual member states do. Spain, for example has voraciously helped itself to CAP support for its agriculture to the detriment of its own environment and farm production in other member states.

This is the heart of the matter. There can be no coherent CAP reform because there is no common agricultural perspective and, therefore, no common policy in Europe. Indeed, it is questionable how many member states actually have a coherent agricultural policy. There is a miss-mash of views and goals that rarely blend together, some of which are fundamentally at odds. For example Spain's goal is export at all costs. Water and soil conservation do not figure at all and consequently the hidden price of salads sold in the UK supermarkets is the depletion of water and soil in southern Spain - aided of course by EU grants, largely funded by northern European taxpayers.

Whether in the UK or in Europe as a whole, there is no commonly held view as to what agriculture is for in today's world - is it primarily a trading industry or is it producing food for domestic security; is it a commodity producer or is it producing food for health; does it have a primary role in landscape, environment and conservation management or is it something to be avoided or regulated?

Even worse, there is at the moment no forum where a valid discussion on these issues can take place and no authority willing to recognise that it is needed or to face up to the fact that the mantra of international competitiveness and sustainable agricultural development is an illogical cliché that fosters the continuance of an incoherent policy.

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