

Speech for the 54th Annual Congress of the International Federation of Agricultural Journalists, Brussels, 22/04/10.

Mister President of the International Federation of Agricultural Journalists,

Dear President and Vice-president of this Congress

Dear journalists,

Chers journalistes qui sont venu dans le cadre du “Master Class” soutenu par Trias,

Ladies and gentlemen,

I accepted to take the floor here because my family and myself are very much involved in the world of agriculture. I was federal Minister for agriculture for one month in the midst of the dioxine crisis. My brother was during four years Flemish Minister of Agriculture and my daughter is responsible for the organization of this conference.

This Congress is called “*between passion and pressure*”. It applies to agriculture: agriculture is shaped by passion and by pressure. Passion is needed by the 30 million people that work in the sector in the EU, day by day. Agriculture is also much confronted to pressure. We recently had the economic crisis with an average drop in farm income of 12% in 2009, the dairy crisis, the sharp rise and fall of food prices, followed by current price volatility. The unprecedented world food price increases in 2007 and 2008 caused major concern over food security. More generally, since the eighties, there is also societal pressure on European agriculture to produce high quality and safe food, to be competitive and to be environment-friendly, and to improve animal welfare.

Let me add a third word beginning with “P” to this equation: agriculture is also about people and fascinates people. In Europe, the Common Agricultural Policy or the “CAP” has elicited the attention of public and press for ages. This is logic. All 500

million Europeans are associated with the CAP. Firstly, everyone is dependent on the supply of food and clean environment. Secondly, 56% of the European citizens live in rural areas. Thirdly, the CAP is a real European policy, there is a policy framework that concerns us all. We pay for it through the EU budget- although CAP expenditure represents only 0, 43% of the EU' s total GDP- and our national budgets. National policies are shaped by it. And that is why your role is so valuable. As agricultural journalists you inform the people about a sector which directly or indirectly affects them on a daily basis. Delivering factual and precise information to citizens in your countries is crucial in this regard.

Ladies and gentlemen,

Agriculture fascinates people because it is about people and about basic needs. Agriculture fascinates people also because it brings past and future together. Yesterday, you visited Ypres. You had the chance there to see how farmers are directly confronted with the past still uncovering bombs from the Great War whilst ploughing their fields.

Also the Common Agricultural Policy is at a crossroad between Europe's past and its future. It was created at the very beginning of the European project, its principles are anchored in the Treaty since 1957. Its fundamentals survived and are still present today thanks to wise and gradual reforms. The European Council in March 2010 agreed that the CAP will need to support the EU strategy. Quoting the Council Conclusions: *' a sustainable, productive and competitive agricultural sector will make an important contribution to the new strategy, considering the growth and employment potential of rural areas while ensuring fair competition '*. A new round of reform is being prepared now by the European institutions with this aim. Engineering the policies of the future begins with building on lessons from the past, keeping what is good and adapting what can be better. The Lisbon Treaty introduces the co-

decision procedure to the CAP, which means that the European Parliament will play an important role in the process !

Before I come to CAP, let me first explain the challenges facing Europe.

Europe is currently preparing its new economic strategy, the so-called EU 2020 Strategy. It is a coordinated strategy aimed at enhancing our growth, our competitiveness and at creating jobs in a social and sustainable way over the coming decade. Other major economies around the world are racing ahead. Let us take the recent forecasts for economic growth in China, India, the US and Europe in 2010. The International Monetary Fund has predicted a growth for China of 10%, for India of 8, 8%, for the US of 3,1 %, for EU of 1, 0%. These figures must be nuanced, of course. Rapid economic growth may cause monetary, social or political tensions which threaten its sustainability. However it shows that united action is necessary to solidify our strengths. The quality of life of our citizens is at stake.

That is why coordination of economic policies is a priority for the European Council. It was the centre of the work of the European Council in February and March. It will again be high on the agenda at the Council of June. The Members of the European Council agree that the Council should play the role of economic governance. The Council is the institution that will bring together the necessary political commitment and energy to take tough decisions.

The new economic strategy focuses on 5 quantifiable targets:

- Bringing the employment rate to 75%, notably through greater participation of youth, older workers, low skilled workers and the better integration of legal migrants
- Improving the conditions for research & development, in particular with the aim of bringing combined public and private investment levels in this sector to 3% of GDP

- The climate change targets that we have already committed to, achieve by the year 2020 - the famous "20/20/20", meaning increasing the share of renewable energy in final energy consumption to 20%, a 20% increase in energy efficiency, and a 20% less greenhouse gas emissions. These are already legally binding targets but they will now be integrated into our economic strategy.
- Improving education levels, in particular by aiming to reduce school dropout levels, and by increasing the share of the population having completed tertiary or equivalent education
- Promoting social inclusion, in particular through the reduction of poverty.

Without more economic growth we cannot finance our social system in an appropriate way and we cannot play an important role in the world anymore.

Ladies and gentlemen,

The new European strategy wants to give a solid answer to the challenges of growth and competitiveness. The CAP will need to contribute to this strategy.

At the moment, a lively debate is going on both within and beyond the EU institutions to make this happen. At the Commission, you may have noticed the huge billboard at "Rue de la Loi 130". Agriculture Commissioner Ciolos has launched a vast public consultation in order to get the big picture for the future. The Commissioner has announced that the results will be presented at a conference in July. These will then be fed into the formal process, due to start at the end of the year. In between, discussions are going on in the European Parliament and in the Agricultural Council.

I do not want to say too much about CAP reform at this stage. Consultations are going on. But let me give some examples of coherence I see between the CAP and the EU 2020 Strategy.

Firstly, the agricultural sector is key sector of our economy, indispensable for employment. We are talking about a total of 30 million jobs in the agricultural and agro-alimentary sector. In a lot of areas, without it, there would be no economic activity, or no work. The challenges of employment in the countryside are enormous. Unemployment rates of 17% of young people in rural areas are too high. Ageing populations, migration from rural areas and urbanisation are real threats for rural life. These challenges need adequate answers. Secondly, a fair and equitable income for farmers along with stimulating diversification of the rural economy and creating jobs in rural areas will help to enhance social cohesion. Thirdly, agriculture will feel the profound consequences of climate change, in particular through floods and droughts. Agriculture can itself be part of the solution by reducing its emissions of methane and nitrites, increasing its carbon capture capacity and through the production of renewable energies and materials. In other words: agriculture will help to realise green growth. Fourthly, agriculture can also contribute to intelligent growth. Innovation will be key to achieving this and will in turn stimulate the creation of new jobs and increase competitiveness.

Ladies and gentlemen,

Pressure in the agricultural sector was particularly high over the last number of years. But there is again growing awareness of the importance of the sector for the economy, for climate, for world food supply and therefore for life . Firstly, after Europe's action following the dairy crisis last year, milk prices are slowly recovering and prospects in the dairy sector are improving. Secondly, worldwide demand for food will increase sharply as a consequence of global population growth and rising living standards. It shows the strategic importance of agriculture to guarantee European food supply and to contribute to feeding a growing world population. Therefore the sector is “vital” in every meaning of the word. Thirdly, ongoing efforts, including at the bilateral level, to liberalise global trade will open up new markets.

Fourthly, we should not forget the benefits of the huge internal EU market. European farmers are already anticipating and delivering on EU market demands and ongoing adjustments of the food supply chain will improve their situation.

But, the most important element is that agriculture is widely acknowledged as a strategic sector of the EU economy. The past is ready to meet the future. I share with you the love of agriculture, the oldest human economic activity. It is our responsibility to make it possible that farmers and their successors still love their job, by good policy, wise reforms and respect from society.
