

european farmers

european agri-cooperatives

CC(13)610:1 - SM

Ms. Dalia Grybauskaitė President of the Republic of Lithuania S. Daukanto a. 3, LT - 01122 Vilnius

Brussels, 29 January 2013

re: EU Multiannual Financial Framework for 2014-2020

Dear President,

The meeting of Heads of State and Governments on the future of the EU budget for the period 2014-2020, which will take place on 7 February 2013, will have a crucial impact on the ability of the EU to ensure food security, stability and sustainability. In this respect we hope very much that you will take account of our following concerns.

We believe that, thanks to the Common Agricultural Policy, agriculture has been an extremely important stabilising force during the recent economic difficulties, providing secure supplies of reasonably priced food for consumers at a time of increased world market volatility. Furthermore, since 2009, the EU has changed from being a net food importer to being a net food exporter and is now the fifth largest sector in terms of exports.

The fact that the EU agricultural sector has improved its competitive position is largely thanks to farmers and their cooperatives. Over the past 15 years farm cost increases have far outpaced the prices farmers receive for their products. As a result, farmers' incomes have suffered and, on average, are less than half the level of earnings in other sectors. Yet the agricultural sector remains a major source of employment – according to Eurostat some twenty-six million people work on farms in the EU. It is clear that without the support provided to farmers under the CAP, there would be a very substantial rise in unemployment in rural areas and the agri-food sector as a whole.

These benefits have been achieved in return for a very small investment – the cost of the CAP is less than 1% of EU governments' total public expenditure.

Given the challenges which farmers and their cooperatives are expected to face, we will need the CAP more than ever in the years ahead. Climate change is already resulting in more extremes of weather and price volatility is on the increase.

We therefore urge you to support the maintenance of the CAP budget in your forthcoming discussions on the MFF.

A strong CAP, backed by a strong budget will not only ensure continued food security and employment. With the right reforms, geared to reinforcing the economic position of farmers and their cooperatives, it will also enable the agri-food sector to contribute further to sustainable growth.

Yours faithfully,

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Gerd Sonnleitner President of Copa

Christian Pèes President of Cogeca