



**COUNCIL OF
THE EUROPEAN UNION**

**Brussels, 24 April 2014
(OR. en)**

9188/14

AGRI 329

NOTE

From: Presidency

On: 24 April 2014

To: Delegations

Subject: Informal meeting of the Ministers of Agriculture

(Athens, 4-6 May 2014)

Agricultural Diversity

- *Transforming the European Agricultural Diversity into Strength*

Delegations will find attached a working document prepared by the Presidency on the above-mentioned subject, with a view to discussion at the informal meeting of the Ministers of Agriculture in Athens on 4-6 May 2014.

aGRidiversity

Agricultural Diversity

Background note

TRANSFORMING THE EUROPEAN AGRICULTURAL DIVERSITY INTO STRENGTH

Introduction

The Hellenic Presidency considers that the EU huge agricultural diversity should be at the heart of the EU policy. The main objective of the Presidency's initiative on "aGRidiversity" is to bring European farmers and citizens closer together by highlighting the richness and diversity of European Agriculture, while raising awareness of their common history and values. Agricultural diversity, is not just a vestige of past years, it is a sign of the diversity of Member States' ecosystems and socioeconomic make up.

In addition to safeguarding and promoting agricultural diversity, the proposed "aGRidiversity" initiative aims to highlight and foster agriculture's contribution to the long-term development of economy, society and environment. The Presidency wishes emphasis to be placed on long-term agricultural development strategies based on agricultural diversity with a strong European dimension. Agricultural diversity is fundamental to long-term sustainable economic, social and environmental development. At the same time it contributes to improved food security and competitiveness. Preserving **diversity** helps to increase the efficiency, adaptability and resilience of agriculture, laying the foundation for the production of a diverse range of foods, and consequently contributing to securing an adequate and healthy supply of food. Diversity is also a prerequisite for successful adaptation to a constantly changing environment that will face more gradual or abrupt changes with the climate changes envisaged.

Moreover the diversity of the agricultural sector should be considered as an asset to attract young people in the sector's broad job creation potential. To this end, it is important to expand from cultivation and harvest to diversification of agriculture-based businesses such as agro-tourism, land management, more and better farm, mechanical and agricultural engineering, medical herbalism, etc. Taking into account the high unemployment rates currently prevailing in more countries or regions, the varying agricultural production sectors could become an even enlarging job deposit particularly for young well educated people. Involving young people is essential for the agricultural sector development, amongst others, because they are more familiar to new technologies and friendly to the application of innovations and new techniques.

To this end, the EU should:

- Improve the effectiveness of research and knowledge transfer, promoting innovation partnership within a diversified agricultural sector.
- Support international efforts to promote the conservation and sustainable use of genetic resources in order to ensure that future generations have access to the necessary diversity
- Protect and, where necessary, strengthen diversity in agricultural ecosystems; and
- Support the diversity of operational and production structures in order to reduce risks.
- Support the agricultural diversity as a source of prosperity and boost income for farmers and rural areas, strengthening of agricultural and non agricultural companies/manufactures that exploit agricultural diversity, as well as contributing to Member States and Union growth with jobs.
- Support the agricultural diversity as crucial parameter addressing unemployment and in particular youth unemployment.

Responsibility does not lie with policy-makers alone; broad-based societal commitment is needed to draw closer to our goal. The Presidency therefore considers that EU should call upon international organisations, non-governmental organisations, civil society, industry and researchers to share this responsibility and join us in our efforts.

The EU is committed to developing an efficient, adaptable and resilient agricultural sector which builds on three equal pillars: diversity, sustainability and productivity.

Aspects of diversity

The EU is characterised by a wide range of agronomic production potential and climatic, environmental and socio-economic conditions across Member States and regions.

As a result European agriculture is very diverse in terms of agricultural products, structures and production methods. Successive EU enlargements - combined with the different patterns of structural change from country to country - have further increased the diversity of EU farming. At the same time, rising societal demands for food quality and diversity of food and the preservation of natural resources encourage the emergence of new production models.

Diversity of products and farming models (including intensive, conventional and organic farming) across countries and regions is thus a key feature of the European agricultural model and at the same time a distinctive characteristic vis-à-vis the EU's trading partners.

It is also widely in line with Europeans expectations, as citizens and consumers, as confirmed by the latest *Eurobarometer survey* on the Common Agricultural Policy (CAP): a large majority of Europeans (87%) consider it important to ensure the diversity of farming and food products within the EU. The same survey confirms that quality is the most important purchasing incentive for EU consumers¹.

A diversified European agriculture offers a series of threats and opportunities: while fragmentation could be seen as a weakness, a diversified agricultural model is certainly less vulnerable and more resilient to external shocks and reflects demand-led preferences for food and public goods. Thus EU agriculture provides both competitive products on a large scale and many niche products with high added-value. In parallel, EU farmers are best placed to take care of rural areas in a sustainable way as soil, water and air are their main assets, allowing them to make a living.

Following approval of the CAP for 2014-2020, the EU needs to look ahead and reflect on the importance of this diversity in addressing the challenges that its agricultural sector will face over the coming years.

1) Diversity of Agricultural holdings

Farming and the agri-food industries currently represent 46 million jobs and 6 % of European GDP. There are 12.2 million farms across the EU ([Agriculture, forestry and fishery statistics, Eurostat, 2013](#)). There is a lot of variation in and there are big contrasts between farm structures across the EU. There is a large number (6 million) of very small farms (less than 2 ha in size) farming 2.5 % of the total farmland and a small number (2.7 % of all holdings) of large farms (over 100 ha in size) farming 50.2 % of all farmland. This is also reflected in the economic size of holdings: there are 5.5 million holdings (44.6 %) which had a standard output below EUR 2 000. Many farms smaller than 2 ha may be characterized as semi-subsistence farms, meaning that more than 50% of their output is consumed on the farm.

It seems that family farming, an issue extensively discussed recently in different occasions since 2014 was declared as the year of family farming by UN, still remain by far the most common model of farming operations in all EU Member States. In this context the dimension of diversity to the family farming has already been delivered and recognised.

¹ Special Eurobarometer 410 “Europeans, agriculture and the Common Agricultural Policy”.
http://ec.europa.eu/agriculture/survey/index_en.htm

2) Diversity as an economic driver

European Union farm products are unique in their quality and diversity. In an open global market and a growing world demand, the EU's competitiveness lies in high value-added products², as well as in commodities and intermediate products produced in a sustainable way.

The diversity of its production gives EU agriculture the opportunity to exploit the potential of consumer demand for diverse, high quality, healthy, safe and sustainably produced food, ensuring availability and price diversity.

It could also facilitate market access for small and family holdings and producers' groups and crucially create opportunities for young farmers.

3) Diversity to enhance sustainability

Preserving the diversity of agricultural production methods should be seen as a way to foster the environmental performance of European agriculture. Agriculture has created a rich diverse landscape in Europe which is both a natural heritage and a refuge for nature, if appropriately managed.

This goes hand in hand with the benefits linked to the provision of public goods by farmers. The diversity of farming often stems from specific locally adapted traditional farming systems, which have the added benefit of being less vulnerable to diseases or climatic events "as extreme weather events occur more frequently and become more intense"³.

The diversity of genetic resources for food and agriculture is also essential for sustainable agriculture and food security. The EU must continue to work through the relevant international fora and internally to conserve the diversity of the traditional varieties, landraces and species of particular localities and regions, to preserve the diversity necessary to protect our agriculture from or to adapt it to the consequences of climate change or outbreaks of diseases.

4) Diversity promotes territorial development

Rural areas should also be able to use the uniqueness and specificities of their agricultural products and production systems as a tool for territorial development to make the most of their potential. Aside from the economic benefits of diversity, it is also a crucial feature of the culture and the identity of many rural areas. Thus it is of paramount importance to their overall socio-economic cohesion and demographic development. This is the case not only for mountain regions and islands, but also for all the other rural areas that have preserved the richness of their agricultural traditions, using it for the development of territorial brands or rural tourism. In 2010, the regular agricultural labour force in the EU-27 was around 25.0 million people, many of them working on a part-time

² "The economic accounts for agriculture show that the total output of the agricultural industry (comprising the output values of crops and animals, agricultural services and the goods and services produced from inseparable non-agricultural secondary activities) in the EU-28 in 2012 was an estimated EUR 408.4 billion at basic prices. The equivalent of 60.7 % of the value of agricultural output generated was spent on intermediate consumption (input goods and services). The residual gross value added at basic prices was the equivalent of 39.3 % of the value of total output in 2012 or EUR 160.6 billion.", Eurostat Pocketbooks on Agriculture, forestry and fishery statistics, 2013 edition

³ JRC, Extreme Temperatures and Precipitation in Europe Analysis of a High-Resolution Climate Change Scenario, EUR 23291 EN - 2008

and/or seasonal basis. At the same time, in the EU-27 as a whole, around 5.2 % of farms had at least one additional source of income. This share ranged between Member states from 0.8 % up to 52.0 %⁴.

5) European agricultural diversity at the heart of the new CAP

According to the European Commission the new CAP for 2014-2020 had “*to make best use of the diversity of EU farm structures and production systems, which has increased following EU enlargement, while maintaining its social, territorial and structuring role*”⁵ instead of ‘one-size-fits-all’ approach.

Approved in 2013, the new CAP explicitly acknowledges the wide diversity of agriculture, agronomic production potential, climatic⁶, environmental and socio-economic conditions across the EU. These different territorial features can be addressed by combining the different instruments – both within and amongst the two pillars - in a flexible manner according to specific local, regional and national needs. This flexibility, which is crucial to enhance the effectiveness and efficiency of the new CAP, will however take place within well-defined regulatory and budgetary limits in order to ensure the achievement of common objectives.

With a view to realising the full potential of a diverse and at the same time innovative and sustainable EU agricultural sector, the new CAP also offers several tools (Rural Development and also the European Innovation Partnership) to encourage the testing of potential innovative farming techniques, the translation of knowledge into practice and cooperation among different actors in order to generate synergies and to exploit the benefits arising from exchange of best practice and experience sharing. Furthermore the new CAP offers tools and incentives to young people to be involved in farming activities in rural areas. Special care has been taken for educated people as well as on the training to the activities of their interests both in and next to the farm.

In addition, the European Partnership for Agricultural Productivity and Sustainability should ensure that the results of research are more systematically transformed and adapted to farming needs, taking into account the diversity of structures and natural conditions. Funding will be available not just through rural development programmes, but also from the EU’s research budget, through Horizon 2020.

⁴ Eurostat Pocketbooks on Agriculture, forestry and fishery statistics, 2013 edition

⁵ Communication from the European Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions “*The CAP towards 2020: Meeting the food, natural resources and territorial challenges of the future*”, COM (2010) 672 final, p.6

⁶ The climate of Europe varies of a temperate, continental nature, with a maritime climate prevailing on the western coasts and a Mediterranean climate in the south. “European Climate”. World Book. World Book, Inc. Retrieved 2011-02-15

Questions for the discussion

1. What are the advantages and disadvantages of the great diversity in EU agriculture? To what extent is this internal diversity a handicap or an asset for EU agriculture in the current global context? How can the EU agricultural diversity be made an asset in the current global context?
2. What are the needs and expectations of the different actors along the food chain regarding this diversity with a view to food security, competitiveness, sustainability, cultural heritage and territorial development?
3. Which policy measures of the new CAP can be mobilised to preserve this diversity and transform it into strength? How can Member States use the flexibility of the new policy framework to make the most of their potential?

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