

THE POSITION OF THE REPUBLIC OF LITHUANIA REGARDING THE PROVISIONS OF THE CAP AFTER 2013

The discussions regarding the future of the Common Agricultural Policy (CAP) after the 2013 continue in the EU institutions (European Commission, Council of Ministers of the European Union, European Parliament and other institutions) as well as in Member States. Lithuania takes part in these discussions.

By the order of the Minister of Agriculture of the Republic of Lithuania No. 3D-295 of 31st March 2010, the working group regarding the preparation of the position on the future of the CAP was approved, where the members of the Ministry of Agriculture and social partners (Chamber of Agriculture of the Republic of Lithuania, different self-government organizations of agriculture) were involved. The position of horizontal character was introduced and approved on 12th October 2010 in the session of the working group.

On 6th December 2010 the position on the future of the CAP after 2013 was approved by the Resolution of the Government of the Republic of Lithuania.

Now the main aspects of the position on the future of the CAP after 2013 being discussed are as follows:

Horizontal aspects

- For the years after 2013 the **CAP has to remain the common policy**, funded from the EU budget;
- Seeking to implement the objectives of the CAP and to address new challenges, the CAP has to be provided with **sufficient funding** for the years after 2013;
- Future **objectives of the CAP should be balanced, but the priority** should be given to sustainable and competitive **agricultural production**;
- **The two pillar structure of the CAP should be continued** with direct support and market measures **making up the first pillar**, and rural development measures – **the second pillar**.

Direct support

- For the years after 2013 the current model of direct payments has to change. **Direct payments have to remain as a guarantee of farmers' income stability; they have to encourage farmers to deliver public goods to the society which the market does not reward them for. The level of direct payments has to be determined taking into account different farming conditions of the regions**;

Public goods: animal welfare, cross-compliance rules and the fulfilment of other requirements, preservation of biodiversity, mitigation of climate change, taking care of the landscape and cultural heritage, etc.;

- When the level of direct payments is determined there **should be no connection with historical reference rates. The level of direct payments has to be unified** across the European Union and defined regarding the objective criteria that reflects current and future aims of the CAP, guarantees support transparency and meets expectations of the society of the European Union;
- The system of direct payments has to be **simplified and direct payments have to be paid out according to the uniform model in all Member States** in order to guarantee fair competition and encourage sustainable agriculture production in all EU;

- **Direct payments should also contribute to guarantee farmers income, acting in areas with specific natural constraints.** In this way it would be possible to avoid the abandonment of these areas, an increase in unemployment and in this way to contribute to the implementation of the EU 2020 strategy;
- **Certain coupled support of direct payments with production should remain,** an opportunity to decide about it is given to EU member states;
- Direct payments should be paid to **active farmers.**

Market management measures

- In order to achieve flexible and effective market management further improvement of current market management measures is necessary. **The CAP has to include certain market management measures** in the future **providing a trustworthy safety net;**
- In order to prevent the market crisis, not only to solve the problems arisen, it is purposeful to **consider an implementation of risk management mechanisms.** The costs in order to overcome crisis often are huge, because of global economy and tight relations between different business activities. That is why certain management instruments (mutual funds, single payments, insurances measures, etc.) have to be implemented in order to compensate losses caused to agriculture, because of negative effects of the climate (droughts, floods, fires, diseases, etc.), which would allow crisis prevention;
- New restrictive market measures concerning production volumes shouldn't be introduced;
- Intervention and private storage measures should be maintained;
- The transparency of the food supply chain (farmer, processing and trade) should be promoted (the transparency of revenue distribution);
- The measures that stimulate consumption and sales of agricultural products, including various social food supply programs, should be applied in the future of the CAP;
- Certain state aid measures should be applied in the future of the CAP.

Rural development

- According to the complexity of the problems in rural areas, **rural development,** as area orientated policy, **should remain the integral part of the CAP and it should be continued as separate pillar of the CAP;**
- In order to ensure the coherence of the same character measures applied in one area, it is necessary **to ensure synergy of two different policies, such as rural development policy and cohesion policy,** that is, to seek further coordination of the planning and implementation of the policies mentioned above.
- **Improving the life quality in rural areas, maintaining employment in agriculture and creating new jobs in rural areas as well as increasing competitiveness and effectiveness should be key objectives of the rural development policy.**

- In the future small and medium-sized business, small and medium-sized farms (family farms) should be supported, as well as the projects of common interest intended for the development of rural areas;
- **More investments should be directed at the development of common infrastructure**, public projects, development of entrepreneurial skills;
- It is important **to contribute to the development of viable and dynamic rural communities** and to further **development of the implementation of Leader method**;
- In order to avoid growing land abandonment, rural depopulation and other problems it is important **to attract young farmers and young rural generation to get interested in the production of agriculture and the process of rural development**;
- In order to guarantee green growth of agriculture, forestry and rural areas, **the greater attention has to be paid to the aspects of environment protection** (sustainable management of natural resources, the preservation of biodiversity, environment and ecosystems), as well as to the use of environment-friendly “green technologies” which help to reduce the influence of climate change.
- **Innovations and researches** should be very important in order to solve the problems related to environment protection, productivity and the development of recourse-efficient production.
- **Permanent training to farmers and other rural population should be provided** in order to improve their working skills under market conditions, to promote active social problems’ solution and to develop their knowledge.