

BARNIER WELCOMES AGREEMENT TO REFORM THE EUROPEAN AGRICULTURAL POLICY

20-11-2008



EPP Vice President and French Minister for Agriculture, **Michel Barnier**, has today welcomed the agreement reached by the EU to reform the Common Agriculture Policy (CAP).

"I am very pleased with the outcome because it was one of President Sarkozy's four priorities for the French Presidency of the EU. Thanks to this reform, we will be able to redirect certain aids and to help, even save, some sectors which are in serious danger," said Barnier in an [interview with the French TV channel LCI](#).

The agreement mainly covers the following points:

- The implementation of effective market management tools. In the milk sector, intervention remains the same. For wheat, a combined intervention system has been set up with a fixed price capped at 3 million tonnes and bidding taking place beyond that.
- The setting up of risk, climate and sanitary crisis management tools for those Member States which wish to use them.
- The possibility of redirecting aid to fragile sectors, zones or types of production. The Member States will have a series of tools at their disposal to modernize aid, such as the introduction of targeted aid under "article 68", regionalization, the convergence of rights payments and even the redirection of aid when decoupling comes into effect.
- A comprehensive and balanced milk package to accompany the gradual phasing out of milk quotas. The milk quotas of Member States will be increased by 5% by 2015, with two mid-term evaluation reports planned in 2010 and 2012. Measures have been introduced to support producers likely to be adversely affected by this increase in quotas.
- The reinforcement of rural development measures. Modulation, whereby direct payments of the first pillar of the PAC are transferred to the second pillar (the Rural Development Fund), is increased by 5% by 2013 to allow the financing of 6 new identified challenges: the fight against climate change, biodiversity protection, water management and bioenergies, innovation and the adaptation of the milk sector. An element of "progressivity" is introduced: the modulation rate for aid varies in relation to the total amount of aid received. The Community co-financing rate associated with the additional modulation is increased to 75%, to help reduce the burden on national budgets.

The outcome of this dossier is the result of intense and effective dialogue and coordination led by the Presidency with the Member States, the European Commission and European Parliament. The ministers of the 27 also reached an agreement on the proposed free distribution of fruit and vegetables in schools. An innovative project, this new mechanism, whose budget amounts to over 90 million Euros, will contribute to improving the balanced diet of the youngest.

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